Is a generous basic income compatible with open borders?
Howard, Michael W.

Veröffentlichungsversion / Published Version
Zeitschriftenartikel / journal article

Empfohlene Zitierung / Suggested Citation:

Nutzungsbedingungen:
Dieser Text wird unter einer CC BY Lizenz (Namensnennung) zur Verfügung gestellt. Nähere Auskünfte zu den CC-Lizenzen finden Sie hier:
https://creativecommons.org/licenses/by/4.0/deed.de

Terms of use:
This document is made available under a CC BY Licence (Attribution). For more information see:
https://creativecommons.org/licenses/by/4.0
Is a Generous Basic Income Compatible with Open Borders?

Michael W. Howard

Department of Philosophy
The University of Maine
Orono, Maine 04469 USA

For the purposes of this paper, I will take for granted that a strong moral case can be made within the framework of a liberal theory of justice for a basic income for all, if not globally, then at least within liberal societies. I am also going to assume that for some years into the future basic income advocates will need to focus on national basic income (NBI) policies, because neither a global basic income (GBI) nor a regional basic income (RBI) is feasible, and they may also be vulnerable to moral objections. I am not completely convinced of this assumption, but I believe it is at least plausible, even if one is inclined, as I am, to favor GBI in principle. I will return briefly to this topic at the end of the paper.

Assuming then that NBI is the highest level on which BI can be practically considered, the problem I am addressing is a possible dilemma between generous egalitarian welfare policy, epitomized by NBI, and egalitarian immigration policy, epitomized by relatively open borders. If a generous NBI would trigger welfare migration, and this in turn would undermine the economic or political feasibility of NBI, then egalitarians would have to choose between a generous BI and restrictive immigration policies on the one hand, and on the other hand more open immigration policies but a less generous or more qualified welfare policy (BI for citizens only, or the benefits subject to familiar sorts of means tests and willingness-to-work requirements, or even further erosion of a commitment to a welfare state). If indeed this is a dilemma, then it is not enough to say, as some BI defenders do, that BI cannot solve all problems. In this case, BI would itself trigger a problem in immigration that in turn would require either retreating from BI, or possibly making undesirable changes in immigration policy. Can we defend BI in light of possible welfare migration effects, and what kind of defensible immigration policy is compatible with NBI?

Three Migration Problems

There are in fact three distinct sorts of problems that BI advocates need to consider, corresponding to three different sorts of migration. The first is “North-South” or “vertical” migration from relatively poor to relatively affluent countries. The second is “horizontal” migration between countries that are on roughly the same level of development, but may differ in the level and structure of social benefits. The third problem, a spin-off of the first, concerns the ghettoization of immigrant groups. Although I will be concerned in this paper with the first of these, the other two may pose greater challenges to basic income per se, whereas the problems raised by the first may be common to all generous welfare policies and are not peculiar to basic income.

Horizontal migration may involve some welfare magnet dimension, but the more serious problem may well be the emigration of the highly skilled. Social benefits can be generous with respect to level or with respect to conditionality. Basic income can be generous in the first sense (along with any other welfare benefit) and is inherently more generous in the second sense, insofar as it, being unconditional, is extended to more people. To the extent that it involves a shift in the real tax burden from lower to upper ranks of income earners (a success with respect to distributive justice), this may
provoke an exodus of the highly skilled, thus eroding productivity and threatening the economic viability of the basic income itself. If immigration is difficult to control, emigration is even harder, particularly for this class of migrant sought by other countries. Emigration might also be complemented by immigration (horizontal or vertical) of low-skilled workers, seeking not so much the unconditional benefit \textit{per se}, but the plentiful low-skill jobs made feasible by the basic income.\footnote{1}

The ghettoization problem concerns those, often members of immigrant groups, but also subgroups among citizens, who are trapped in cycles of poverty and exclusion, because a) they have inadequate education, linguistic skills, and social networking, b) they fail to find regular well paid employment, and c) they consequently fail to integrate with others outside their subculture with whom they could form networks, acquire language skills, find work, and gain access to better neighbourhood schools. Migration networks can contribute to the growth of this part of the population. Basic income, by dropping a work requirement, one might argue, enables such people to remain stuck in patterns of exclusion. This does not strike me as an insuperable problem (and may overstate the self-excluding dynamic and neglect discrimination as a factor), but it raises the question whether basic income, in combination with other programs, is a better solution to the problem of exclusion than a system of income support conditional on seeking paid work.

\textbf{Is there a Migration Dilemma?}

We should consider first the argument that there is a migration dilemma, at least politically, if not economically, for relatively generous welfare states with relatively open borders between member states. The answer may differ for different countries and regions. Roswitha Pioch, in a paper for the 2002 BIEN Congress, describes the substantial welfare gaps between wealthier and poorer EU countries, which is widening with the entry of state of Eastern Europe and the former Soviet Union. She concludes that “these welfare gaps undermine the political viability of a basic income,” because “countries that provide generous income support have become vulnerable to welfare migration under the EU’s freedom of mobility rules, which do not allow a country to discriminate against the nationals of another welfare state (...) if basic income is introduced in any one of the member states of the European Union, it must be offered to nationals of other EU member states as well.”\footnote{2} It isn’t clear from her paper that welfare migration from a national basic income (NBI) would be economically unsustainable, but it may be politically unsustainable, she thinks, because “people would fear welfare migration (...).” It should be possible to determine any welfare migration effect from unconditional income by comparing European states with different levels of child benefit. The child benefit amounts to a basic income for an age group. While the evidence would be inconclusive for the potentially more mobile single population, the presence or absence of any evidence of migration on account of child benefit should give us some indication of the relevance of benefit levels for migration decisions.

Turning to the U.S., the evidence on internal welfare migration among the native population is mixed. Some studies in the U.S. show no evidence of internal welfare migration between states that have significant differences in the generosity of their benefits; others find evidence of “positive, but modest, effects of welfare benefit generosity on migration decisions”.\footnote{3} However, the welfare gaps between states within the U.S. are relatively small compared to the differentials between some countries in the EU, or between the U.S. and Mexico. These larger gaps, and other differences between the native and immigrant populations would lead one to expect a more substantial “welfare magnet” effect. This is the case even if most immigrants come in search of work and not state services. Although Borjas claims that “there is little evidence to suggest that interstate differences in welfare benefits generate a magnetic effect in the native population”\footnote{4}, he points out that the costs of interstate movement are lower for immigrants than for natives, and there is a clustering of immigrants in the more generous states.\footnote{5} Furthermore, this clustering in California, one of the most generous states, is not due only to its proximity to Mexico and Asia (the latter the origin of many refugees), there is also clustering of non-Mexican and non-refugee immigrants.\footnote{6} And while higher welfare benefits are generally not the reason for migration, they may discourage return to the
country of origin if a person fails in the labor market. Higher welfare generosity, although not the magnet that draws, may be the magnet that holds.

Although there has been a trend toward greater use of welfare services by immigrants, still, at current benefit levels, it does not appear that most immigrants are migrating for the sake of benefits. Despite this, there has been significant backlash against immigrants, both at the national level and in California, where native households pay an additional $1,200 per year in taxes to support social services for immigrants. Efforts have been made, sometimes successfully, to exclude undocumented immigrants from education and health care, and to deny pension and disability, food stamp and cash benefits to legal immigrants.

These mean-spirited policies have been accompanied by increased border patrol, resulting in “more than 2,640 border crossing-related deaths–10 times more lives than the Berlin Wall claimed during its 28-year existence–and a sharp increase in permanent settlement of unauthorized Mexicans in the United States.” Migrants have not been deterred from entering the U.S.; they are only entering by more dangerous routes and incurring higher personal risks. On top of this we have the increased security after the 9/11 attacks. In this political climate, it is unlikely that any generous welfare policy could be introduced that promised to have even a modest welfare magnet effect.

However, I do not conclude from these observations that a NBI is politically unfeasible. Although NBI might face strong opposition grounded in irrational fears and prejudices, or even narrowly construed self-interest, it may still be politically feasible if it can be justified by appeal to a reasonable sense of justice. Perhaps the most important point to make is that the problems we are considering are just as likely to occur for conditional and means-tested benefits as for a basic income, so they do not constitute objections to BI as opposed to its alternatives. People migrate for work, not benefits, and if they would migrate for BI on account of their neediness, they would presumably also qualify and migrate for conditional benefits. If on the other hand they are working and contributing, then their productivity adds to the resources available for distribution, and their receiving a BI is not a net cost to the native community. Thus, in what follows, one could just as well speak of any generous welfare policy, as of NBI.

**NBI for Citizens Only?**

One solution to the welfare magnet problem would be to restrict NBI to citizens. This would partly just shift the problem, with applications for citizenship increasing dramatically, as the benefits of citizenship vis-à-vis residency increased. But more to the point, a citizens-only NBI is an unethical solution, and unworkable. Simply put, people who have been legally admitted, allowed to reside, to work, and who often are required to pay taxes, cannot be denied the benefits of full membership, even if they are not citizens. In the U.S., where, as I just indicated, an effort has been made to deny benefits to legal immigrants (benefits much less generous than NBI), it has proven difficult in practice to enforce in many respects. In the European context it is already not even a legal possibility at the current stage of integration.9 One also has to consider a labor market in which the wages of some would be supplemented by (and perhaps lowered because of) a BI, while others would have no supplement and reduced wages. How could such a two-tiered system be justified? Addressing the migration dilemma thus shifts to the border.

**NBI and Tightening the Borders?**

Philippe Van Parijs, who supports a GBI in principle, but NBI for residents as a second best, endorses some measure of border control against economic migrants.10 “In the meanwhile, however, do not let people in too easily from poorer countries – because capital migration is a less painful process, because the least advantaged, being less mobile, are not likely to benefit, and above all because it would undermine any serious attempt to equalize, be it locally and partially, wealth and job assets.”
If this strategy were construed narrowly as stronger border enforcement, it would carry a heavy price indeed, in lives but also money, and might even be counterproductive with respect to the narrow aim of reducing the number of immigrants, because of the disincentive to return home, as we have noted. Stronger worksite enforcement is likely to be ineffective, politically unpopular, and economically disruptive. President Bush’s proposed temporary worker program is likely to produce a parallel flow of undocumented workers, and “permanent settlement of ‘temporary’ workers whose continued services are sought by employers.” Cornelius concludes that “the most effective approach would be to get serious about creating alternatives to emigration in the key sending areas of Mexico and Central America... Any strategy of immigration control that addresses only the supply side is doomed to failure”.11

A GBI or RBI could be part of a policy addressing the demand side. But our starting point was the premise that in the short term we are not able to do this successfully. Now we find that a precondition of NBI, controlling the supply side of immigration, may be unworkable. In this light, as I suggest at the end, a GBI or RBI may be less utopian than a NBI.

Hillel Steiner has argued that NBI is a form of “justice among thieves,” by allowing each wealthy country to share among its own citizens more than their fair share of global wealth.12 Philippe Van Parijs offers two defenses of NBI against this charge, first that if we take into account human capital as well as resources, “solidaristic patriotism” might well enable poorer countries to retain their own skilled workers.13 Second, what is important is not national wealth but basic income potential. Solidaristic patriotism, even if it reduces a (poorer) country’s wealth, may facilitate a higher basic income, because of the greater willingness of citizens to keep their assets in the country and be taxed. So some border restrictions may have egalitarian justification. But when do the border restrictions implied by solidaristic patriotism become unfair?

In a longer paper I explore a number of arguments for and against open borders that I cannot rehearse here.14 I will close only with the approach that I have, to date, found most compelling for addressing conflicts between duties to compatriots and duties to non-compatriots, duties to compatriots favoring restrictions on immigration, and duties to non-compatriots favoring open borders.

Darrel Moellendorf argues that all associations generate duties.15 Hence political association, in particular that of the state, generates specific duties among compatriots. But global associations also generate duties among non-compatriots, and because these involve the distribution of some of the same resources involved in duties among compatriots, there is potential conflict between these two classes of duties. Moellendorf does not think that there is in general a priority of one kind of duty over the other. However the distribution necessary for political equality – and we might add, solidaristic patriotism – may put justifiable limits on the distribution necessary for global equality of opportunity or a global difference principle. “If we have democratic duties to our compatriots, it is quite plausible that we have duties to limit inequalities so that they are consistent with healthy democratic politics. The idea is that sufficiently large socioeconomic inequalities give rise to inequalities in power that corrupt democratic processes, or may render the worst-off either unable to participate, or unwilling to participate, because of a justified loss of faith in the political process. These reasons are not sufficient, however, to justify the view that redistributive claims of compatriots necessarily trump those of non-compatriots”.16

Although the claims of non-compatriots involve a greater need, duties toward compatriots may be more realizable, “where extensive state institutions of redistribution exist and can be operated or built upon (...) [and thus duties of compatriots may trump those of non-compatriots] because what is important is achieving what justice demands”.17

The claims of non-compatriots set a long term goal, and a duty to develop effective institutions for fulfilling that duty. The claims of compatriots require us not to move so rapidly toward global justice that we undermine the only effective redistributive institutions that currently exist, by undermining political equality, and by straining the commitment of citizens to a shared political community. A
policy of not worsening the worst-off among compatriots, while attending in the long run to the worst-off generally, is a policy that acknowledges the claims of global justice, while respecting the special obligations among compatriots.

A sociological conjecture may reinforce this position. Individuals do not develop an effective sense of justice—a sense of justice that overrides self-interest—merely by reflecting on the equal worth of all persons. They learn first to love and care about family and personal friends. Then they learn to widen the circle of concern to members of their local community, and from there to larger political associations. Through personal friendships and experiences, education, and rational reflection, this circle can be widened further, to encompass global concerns. But if the social basis for a sense of justice is weakened, there is little chance that these wider sympathies will develop. This is not an argument for the superiority of duties to compatriots over duties to non-compatriots, but only a conjecture that solid institutions for fulfilling the former are preconditions for developing institutions that better address the latter. One bit of evidence in support of this conjecture is the percentage of national income directed to foreign aid from affluent countries with well-developed welfare states versus the percentage from affluent countries with relatively weak welfare states—Norway versus the United States, for example (18).

In conclusion, NBI policy should be designed to address the implications of NBI for immigration. There is likely to be a tension between generous NBI and relatively open borders, and more open borders are to be expected from further economic integration. While the case for tightening borders is rather weak, and the effort to reduce immigration at the border can be counterproductive, some restriction can be justified as politically reasonable in order not to strain the commitment of citizens to egalitarian principles by making the poorest citizens significantly worse off. At the same time, the claims of global justice need to be acknowledged, and wealthier states put on a path toward egalitarian justice on a global scale. A first step would be serious exploration of a workable GBI, or, in the western hemisphere, a RBI similar to a proposed European BI (19).

Acknowledgements

I am grateful for helpful comments on earlier versions of this paper from participants at the 2004 BIEN Congress in Barcelona, Spain, and the Hoover Chair of Economic and Social Ethics, Catholic University of Louvain, Louvain-la-Neuve, Belgium, particularly Philippe Van Parijs, Yannick Vanderborght, Iwao Hirose, and Jan Erk.
Notes


