

OPEN THE BORDERS

Classical liberals should support the free movement of people, writes
Chris Berg

It seems a bit odd but when we talk about immigration, we rarely talk about how good it is for immigrants themselves.

Maybe it's too obvious. After all, people only travel when they perceive benefits from doing so. For the world's poorest, the simple act of crossing from the developing world to the developed world raises incomes dramatically. A Mexican crossing into the United States can expect to earn more than twice the wages he or she would have earned at home, a Haitian can expect to earn more than six times the wages in Haiti.¹ Combine this with the non-economic advantages of the developed world—stable rule of law, liberal democracies, respect for human rights—and it isn't hard to see why packing up and shipping off to the First World is so popular.

One could perhaps leave the argument there. A core principle of liberalism is that people should be allowed to do what they want as long as they do not violate the rights of others.

But immigration is good for the developed world, too. It's good for the economy—immigrants end up being entrepreneurs and shopkeepers; employees and employers; and consumers and producers. More people mean more creativity, more opportunity, and more culture. Migrants bring skills, knowledge and international connections.

Why then is immigration so controversial?

In Australia, the political right has oscillated between aggressively supporting tight border controls and accepting large numbers of migrants and refugees. The left has tried to balance its general support of humanitarian migration with scepticism of the impact that migration has on the wages of Australian workers, ideal models of what the Australian community should be like, and the environmental impact of a larger population.

We can leave the left to its own opinions.

But many supporters of free markets in Australia disproportionately focus on the manner in which potential refugees arrive on Australian shores. As a consequence, Australian liberalism is seen as wary or even hostile to the free movement of people.

This should not be the case. The libertarian and classical liberal case for increased immigration rests on basic three claims:

- An individual living in one country has no greater or lesser moral worth than an individual living in another country.
- There's really nothing that special about national borders or the nation itself.
- And it is morally wrong to deny people the ability to advance themselves through their own efforts as long as they do not violate the rights of others.

These claims are uncontroversial when applied to basic liberal positions such as free trade or human rights. It doesn't matter whether products are made in Rajasthan or Ringwood—we are happy for them to be freely brought into and sold in Australia. From a moral standpoint, we believe that Nigerians deserve the same legal protections from aggressive state action as Australians do—after all, human rights are universal, even if they are not universally respected.

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Migration and free trade

A lot of people seem to believe that the free movement of goods and capital are categorically different to the free movement of people across borders. But when we consider the role of migration in economic development, it is clear that immigration and free trade are two sides of the same coin. Migrants from the developing world working in the First World transfer money back to their home country in large volumes. At approximately US\$300 billion per year, according to the UN's International Fund for Agricultural Development, these remittances vastly outweigh the amount of money that is spent on foreign aid.² Remittances also have the added bonus of not suffering from the many well-known problems of international aid programs—corruption and the enhancement of state power. Remittances go directly to families to be spent on their immediate needs.

Classical liberal support for migration and opposition to welfare state redistributionism are not only consistent, they are reinforcing.

Through remittances, migration encourages capital flow and economic interconnections between the First World and the developing world. Indeed, one of the primary objections to development through immigration is just that—that remittances increase reliance on the global economy rather than encouraging self-reliant, sustainable communities in the developing world. Remittances are a largely unacknowledged foundation of globalisation. If we reject or restrain immigration, we limit one of the most effective ways by which the Third World can pull itself out of poverty.

And, of course, migrants working in the developed world are providing services that people in the developed world want. The essence of interpersonal trade is that both parties in an exchange benefit from that exchange. Migrants working in Australia benefit the people they work for and trade with—and they benefit Australian economy in general.

Migration and the welfare state

There is a widespread belief in classical liberal circles that mass migration programs are theoretically ideal but are, on a practical level, incompatible with the broad-based welfare state we actually live in.

The challenge welfare poses to mass migration is easily overstated. But for the challenges it does pose, William A. Niskanen has written that we ought to 'build a wall around the welfare state, not around our national borders.'³ For the most part, in Australia, we already have substantial walls around welfare. Pensions are subject to a minimum 10-year residency requirement. The 'Newly Arrived Resident's Waiting Period' erects a two-year wall around most Centrelink benefits. No doubt, this policy could be changed at the margin. But with such policies, the welfare state need not be incompatible with a liberal approach to migration.

In fact, David Friedman has pointed out that immigration puts pressure on governments to reduce their redistributionist goals—a phenomenon found in federal systems, where welfare advocates maintain that national welfare programs are the only way to avoid state welfare programs engaging in a race to the bottom. As he writes:

... high levels of income redistribution tend to pull poor people into, and drive taxpayers out of, states that provide them. That provides a potent political incentive to hold down redistribution.⁴

The right to exit a jurisdiction is a bulwark against excessive government. This is just as true for those living in the developed world—who might not embrace extremely high taxation to fund an enlarged welfare state—as those in the developing world—who often leave their countries of origin because of the tyrannical action of their home government. A 2004 study of the European Union, which is moving towards an internal migration policy as open as that between Victoria and New South Wales, found the same: migration pushes back against the welfare state.⁵

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redistributionism are not only consistent, they are reinforcing.

Political and cultural impact of migration

A related objection concerns the *political* impact of mass migration. The policy settings concerning welfare are not fixed. Migrants, in sufficient numbers, could vote to reduce or eliminate the waiting period. According to this objection, liberal support for immigration could easily lead to the demise of liberalism itself—all these new voters may not share our dedication to the philosophy of individual freedom.

To do so, these migrants would have to become citizens first—enduring years in Australia to qualify for citizenship while remaining implacably opposed to the liberal values of their adopted country. But it is certainly possible that not every new Australian citizen will be a dedicated Lockean individualist. However, this objection is also overstated—it indicates a general problem with democracy, not a specific problem caused by migration.

There is no consensus within the existing Australian community about the desirability for small government and low taxes; new migrants will make it no more necessary for classical liberals and libertarians to advocate these principles than it already is today.

The cultural argument against immigration—that migrants may be unable to integrate into Australian society because of their cultural heritage—is even less convincing.

Do we really believe that Western liberalism is less appealing to migrants than the cultural values of the home countries they have left? Historical experience suggests otherwise—generation after generation of migrants in Australia have adopted liberal values rather than Australians adopting the potentially illiberal values of some migrants' origin countries.

For all the debate about assimilation versus multiculturalism versus integration, we ought to ask just one concrete thing from migrants—that migrants obey Australian law. And we have an extensive and expensive legal system to ensure that they do so. Cultures, attitudes and preferences are all permissible within a broad legal framework in a liberal polity.

A nation is the most convenient mechanism by which the institutions of liberty can be delivered. Laws—as few laws as possible, we hope—have to be imposed by some entity. But in the absence of any particular moral standing for the nation, individuals who are born in one nation have no more or fewer rights than those in another.

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In this context, John Howard's memorable formula—that we would choose who come into the country and the manner in which they would come—sounds like an assertion of political power over individual liberty rather than a stirring defence of sovereignty.

Asylum seekers

Howard's wide-reaching assertion was provoked by a tiny subset of Australia's immigration intake—those seeking asylum who reach Australian territory by boat. The controversy these asylum seekers generate is vastly disproportionate to their numbers.

Here, too, the basic principles of classical liberalism provide an underappreciated guide to policy.

There is a bipartisan consensus that Australian public policy needs to deter asylum seekers and potential migrants from making the dangerous journey to Australia in the first place because it is the most humane thing to do.

It isn't clear that deterrence is an effective approach to asylum seekers. The relative liberalisation of the mechanisms by which we process asylum seekers provides a natural experiment. There certainly has been an upsurge in boat arrivals under the Rudd government—2,727 individuals arrived by boat in 2009 compared to 148 in the last year of the Howard government.

But that increase was not induced by Commonwealth government policy. Econometrics blogger Scott Steel has compared the trends of refugee numbers in Australia with trends of refugees in New Zealand. Situated

in the same part of the world, New Zealand is as close as possible to a control group as we're going to get—New Zealand's refugee policies have remained consistent, which Australia's have not. Steel found that overwhelmingly, our surge in refugee numbers aligns with a similar surge in New Zealand, implying that deterrence—or lack of deterrence—is at best a minor factor for refugees choosing their destination. Steel argues that 'while Pull Factors most likely have some relatively small effect on boat numbers, they are simply swamped—*overwhelmingly swamped*—by Push Factors.'⁶ [emphasis in original]

If weakening deterrence has little effect on the effectiveness or ineffectiveness of that deterrence, the whole thing has to be considered suspect. Well, only if it isn't already.

Deterrence may be ineffective but from a philosophical perspective, it also tends towards a deep illiberalism. Indeed, illiberalism is the basic logic of deterrence. Should we punish those who make it to Australian territorial waters to dissuade others from attempting to do so? If so—and if we believe we are doing so in order to protect the lives of these potential refugees—then what punishment is too extreme? The policy of deterrence relies on crude, utilitarian calculations about what sort of extremes are necessary to effectively deter.

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We can see how these calculations have played out in Australian refugee policy. No free society should ever invoice individuals for the cost of their own incarceration; no liberal model of law and order could deprive someone of their freedom and then insist they pay for it. Yet, until 2009, this was the policy. Asylum seekers have not been convicted of any crime.

Nevertheless, nobody—nobody that I have seen—is arguing that all boats should be allowed to land unchecked and their passengers left to scurry off into the bush.

Let them come

Strangely though, letting that happen does have a certain appeal. One of the most powerful arguments against expanded legal immigration is that it places high burdens on the welfare state—and therefore high burdens on those who fund the welfare state—but this does not apply to the 50,000 illegal immigrants currently within Australian borders. Illegal immigrants place no demands on welfare. They're not entitled to it. Milton Friedman's concern about the pressure immigration would place on the welfare system has been widely cited, but he made this further point in a lecture titled 'What Is America?'

... as it's illegal the people who come in do not qualify for welfare, they don't qualify for social security, they don't qualify for the other myriad of benefits that we pour out from our left pocket to our right pocket. So long as they don't qualify they migrate to jobs. They take jobs that most residents of this country are unwilling to take. They provide employers with the kind of workers that they cannot get. They're hard workers, they're good workers, and they are clearly better off.⁷

So why is immigration such an under-appreciated part of the liberal policy framework? The word makes only one appearance in Harry Hazlitt's 1956 bibliography of liberalism, *The Free Man's Library*, as an afterthought in a review of an economics textbook.

Immigration gets a sympathetic three pages (out of 1,369 pages) in Murray Rothbard's *Man, Economy, State with Power and Market*. But even Rothbard—a thinker usually consistent to a fault—reversed his firm pro-immigration views in *Man Economy and State* and adopted, by the end of his life, the cultural argument against expansive immigration. Writing in 1994 about the cause of his reversal, Rothbard pointed out that 'as the Soviet Union collapsed, it became clear that ethnic Russians had been encouraged to flood into Estonia and Latvia in order to destroy the cultures and languages of these peoples.'⁸

Borders will not be open anytime soon. But the free movement of people should be recognised as one of the central goals of classical liberalism as much as free trade is. After all, a philosophy that believes goods and capital can go wherever they want but people cannot is an incoherent one.

As the Canadian political scientist Joseph H. Carens writes:

Borders have guards and the guards have guns. This is an obvious fact of political life but one that is easily hidden from view—at least from the view of those of us who are citizens of affluent Western democracies ... Perhaps borders and guards can be justified as a way of keeping out criminals, subversives, or armed invaders. But most of those trying to get in are not like that. They are ordinary, peaceful people, seeking only the opportunity to build decent, secure lives for themselves and their families. On what moral grounds can these sorts of people be kept out? What gives anyone the right to point guns at *them*?⁹

Endnotes

- 1 Michael Clemens, Claudio E. Montenegro, and Lant Pritchett, 'The Place Premium: Wage Differences for Identical Workers across the U.S. Border,' Center for Global Development Working Paper No. 148 (July 2008).
- 2 *Remittances: Sending Money Home*, International Fund for Agricultural Development (October 2009).
- 3 William A. Niskanen, 'Build a Wall around the Welfare State, Not around the Country,' *Cato Policy Report* (September/October 2006).
- 4 David Friedman, 'Welfare and Immigration—The Other Half of the Argument,' *Ideas* (1 April 2006).
- 5 Giovanni Facchini, Assaf Razin, and Gerald Willmann, 'Welfare Leakage and Immigration Policy,' *CESifo Economic Studies* 50:4 (2004), 627–645.
- 6 Scott Steel, 'Push vs. Pull—Asylum Seeker Numbers and Statistics,' *Pollytics* (19 October 2009).
- 7 Extracts are available at <http://freestudents.blogspot.com/2008/02/what-milton-friedman-really-said.html>.
- 8 Murray N. Rothbard, 'Nations by Consent: Decomposing the Nation State,' *Journal of Libertarian Studies* 11:1 (Fall 1994).
- 9 Joseph H. Carens, 'Aliens and Citizens: The Case for Open Borders,' *The Review of Politics* 49:2 (Spring 1987), 251–273.