

Margit Osterloh* and Bruno S. Frey

A Pragmatic Approach to Migration

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Abstract: This reply focusses on three aspects: advantages and disadvantages of our proposed ‘cooperative entry certificates’ for the countries of origin, for the migrants, and for the host countries. It analyzes in what respects our proposal can be improved based on the valuable points made by the commentators. In addition, the question of how to deal with winners and losers within the three groups is discussed.

Keywords: migration, migrants, entry certificates, host countries, countries of origin, remittances

We are most grateful for the many excellent ideas the authors have contributed to the discussion. In the following we make an effort to analyze how our proposal on ‘cooperative entry certificates’ can be improved by their considerations in a pragmatic way. Though most of them are critical to what we suggest, we feel encouraged to complement our ideas without claiming in any way that this is the only solution. We also do not assert that our proposal is without risks. Instead, congruent with Michael Blake (2018), we admit the inevitability of wrongdoing or ‘dirty hands’ (Walzer 1973) when submitting concrete suggestions. Such risks can be mitigated by thoroughly taking into account the criticism by the six contributions.

Our reply is structured according to the following aspects: advantages and disadvantages for the countries of origin, for the migrants, and for the host countries. We start with the countries of origin to make clear that our proposal does not focus primarily on the host countries as this is the case with most contributions in the public debate. In this regard we follow Paul Collier’s (2013) fruitful approach. We close the discussion by considering how to deal with winners and losers across and within the three different groups.

*Corresponding author: Margit Osterloh, University of Basel and Center for Research in Economics, Management and the Arts, Zurich, e-mail: margit.osterloh@business.uzh.ch

1 Advantages and Disadvantages for the Countries of Origin

Our proposal might have undesired consequences for the countries of origin. As Paul Collier (2018, 232) rightly states, these countries risk losing ‘the brightest and best’ (see also Althammer/Sommer 2018). This is likely to be true but is unavoidable as long as we do not strictly close our borders. All kinds of migration are faced with this problem, be they motivated by economic or humanitarian reasons. However, our proposal of ‘cooperative entry certificates’ seeks to mitigate this disadvantage by taking into account three considerations:

Firstly, the immigrants who are able to work much more productively in the host than in their home countries (see e.g. Clemens 2011; Clemens/Montenegro/Pritchett 2016) send remittances to their families. This contributes to the economic development of the home country, in turn inducing more persons to stay at home. According to Angus Deaton (2013) remittances are likely to be the best development aid. Countries of immigration could support this kind of development aid by tax deductions on remittances.

Admittedly, remittances might also produce negative effects in the short and medium run: Because of the inverted-U shaped relationship between emigrant stocks and income per capita, higher income may induce more emigration (Collier 2013; Clemens 2014). However, this is true for any kind of development aid. But in contrast to development aid granted to more or less corrupt governments, remittances given to individuals empower recipients to demand more from their governments (Deaton 2013).

Secondly, the possibility to legally enter their countries of desire provides would-be-emigrants a valuable perspective that might lead to a ‘brain gain’. This would at least partly compensate the ‘brain drain’. The prospect of legal work in the countries of immigration may encourage people in the poor countries to gain the best possible education in their home countries. This reaction tends to improve domestic labour outcomes even for those who do not emigrate (see e.g. Chand/Clemens 2008; Shestra 2016). In contrast, knowing about the low chances of getting a legal job in the immigration countries may encourage would-be-migrants to invest in education and networks for illegal activities like drug-dealing.

Thirdly, legal entry possibilities induce many immigrants to return after some time to their home countries (Dustmann/Görlach 2016), equipped with valuable knowledge and work experience. In our scheme migrants are supported to engage in such a ‘brain circulation’ as they receive back their ‘entrance fee’.

These considerations can well complement the suggestion by Collier (2018, 233) to open the door for low skilled and poor immigrants for a bonded duration. However, a “strictly enforced bonded duration” bears the risk that many immigrants will not return voluntarily, but stay illegal in our countries or have to be evicted. The ‘entrance fee’ could mitigate this risk in the following way: Humanitarian institutions as well as individual sponsors could provide loans to finance the ‘entrance fee’ in particular for poor migrants. To induce the migrants to return to their home countries, the loan could be dispensed with, including the interest due. In our view this seems to be a superior procedure than an enforced bounded duration.

‘Cooperative entry certificates’ could also complement Collier’s suggestion to shelter refugees in camps near to their home countries (see more detailed Collier/Betts 2017). We much agree that it is Europe’s duty to bring in firms providing employment opportunities. The better his idea materializes, the less refugees will need to acquire an entry certificate.

2 Advantages and Disadvantages for Migrants

One of the most important advantages of our proposal for migrants—be they humanitarian or economic migrants—consists in the fact that they can arrive at our borders safely without paying large amounts of money to the human smugglers or even suffer a death toll. Herbert Brücker (2018, 309) states that “the Geneva Refugee Convention regulates the treatment within asylum but not the rights for asylum”. He points out forcefully that even for asylum seekers there is almost no possibility for safe and legal entry. Fritz Söllner (2018, 288) complains that politicians pledge allegiance to the Geneva Convention of Refugees while “they do everything to prevent refugees from getting to Germany and exercising these very rights”. The situation is even worse for economic migrants because most of them have no legal protection at all. They are forced to pretend seeking asylum as they have no other legal means to enter a desired country. If the application of asylum seekers that have reached our country is rejected and they are evicted, the money paid to the smugglers is lost.

Brücker reminds us of a limitation of our suggestion on human smuggling: Smugglers can reduce their prices below the ‘entrance fee’ before being driven out of business. Thus they may allure migrants to take the dangerous illegal route instead of paying the fee and to immigrate legally and safely. We agree with Brücker that in order to quantify this aspect the tools of industrial economics should be applied. However, we insist that our proposal opens up legal and safe ways to enter

our countries which today rarely exist. According to Brücker, Rother and Schupp (2016) only 10 percent of asylum seekers in Germany today arrive safely with visas at hand.

Althammer and Sommer (2018) as well as Blake (2018) argue that the poorest among the migrants are unable to afford the fee. While this already holds today due to the high travel costs including the hefty payments to human smugglers, this point is well taken. We should determine empirically the price elasticity of such a fee. While those migrants getting asylum status are given back their fee, economic migrants indeed have to pay a price. The alternative would be to accept only those that a gatekeeping bureaucracy has evaluated at length, e.g. in form of point systems. As demonstrated by Canada or Australia, it is also the poorest and less educated that have low chances with such a system. We have to admit that our proposal is not much different for the poorest than in the present situation. However, those people get a chance to escape hopelessness. They might be motivated to gain some education at home in order to apply successfully with some European humanitarian organisations to get a loan. This in turn may motivate Europeans to a higher degree to donate for such causes. It was found in 12 European countries over the period 2007–2016 that the share of educated migrants is positively correlated with friendly attitudes of the voters toward migration and negatively correlated with nationalist preferences (Moriconi/Peri/Turati 2018).

Another major advantage for the migrants is that entry into a developed country raises their productivity greatly in form of a ‘place premium’ (Clemens/Montenegro/Pritchett 2016). Immigrants participating in the labour market profit from the infrastructure and the ‘social model’ (Collier 2013) of their host country to which they have not contributed and which might be deteriorated by migration. Is it justified that only the immigrants derive an advantage of the ‘place premium’? The locals probably are not happy with the idea that disadvantages they experience are compensated by gains of the immigrants as Söllner states. To acquire a ‘cooperative entry certificate’ would at least give back a certain part of the ‘place premium’ to locals. It might help to establish a sustainable ‘Willkommenskultur’ which at the moment is vanishing.

However, asking an ‘entrance fee’ from would-be immigrants tends to crowd-out moral obligations of the host countries to care for the poorest. Such a crowding-out effect is elaborated by Paul Collier and Désirée Lim. Blake (2018, 235) also states that a monetary ‘entrance fee’ may “lead to a lessening of support for the moral principles that gave rise to the 1951 Convention relating to the Status of Refugees”. These worries are perfectly acceptable; indeed one of us has early introduced motivational crowding-out into economics (Frey 1992; 1997; Frey/Jegen 2001; Frey/Eichenberger/Oberholzer-Gee 1996). A monetary transaction does, however, not necessarily undermine intrinsic motivation. We take on board the

advice by Collier (2018, 230): In order to avoid the damaging effect of commodification on the attitudes of the population in the host countries as well as on those of the migrants “the payment on entry would need to be explained not as the payment *for* entry, but as an opening instalment of continuing obligations”. This is a positive message tending to raise, rather than undermine, the intrinsic motivation to participate in a successful system benefitting both immigrants and locals. We should more strongly emphasize that the entry certificate is unlike a price paid for working in a country but rather a signal of entering into a commonly beneficial arrangement. This would help us to clearly distinguish our proposal from the moral logic of human smugglers, as worried by Blake. It would also help us to avoid what Söllner is concerned about, namely that the entrance fee might be treated as a sunk cost. If the ‘cooperative entry fee’ is taken as a continuing mutual obligation it is unlikely to be considered in this vein.

3 Advantages and Disadvantages for the Host Countries

There is a controversial debate whether and to which extent migration contributes to the economic advantage of host countries under the present conditions. On the one hand it is argued that—similar to free movement of capital and free trade—free movement of labour would increase global welfare by ‘Trillion-Dollar Bills on the Sidewalk’ (Clemens 2011). On the other hand, free migration and differences in social welfare provision between countries cannot exist over an extended period. The liberal position that free trade and free movement of labor is good for everyone is restricted by several facts. These facts must also be taken into consideration if one follows the universalistic utilitarian approach by Brücker or the ‘stakeholder principle’ by Lim.

Firstly, a country is the more attractive to migrants of low qualification the higher the social welfare payments are (Borjas 2014). This in turn raises the negative attitudes against migrants (Moriconi/Peri/Turati 2018). *Secondly*, unrestricted movement produce losers in the host countries of immigration, in particular for persons with low income, e.g. on the labour and housing market, or in schools when learning conditions are worsened. Losers will punish politicians and vote for extreme right-wing parties. *Thirdly*, the ‘social model’ (Collier 2013) of the host country might suffer, e.g. working morale, punctuality, security, mutual trust, low corruption and the willingness to redistribute income from the rich to the poor (Alesina/Baquir/Easterly 1999).

These may be the reasons why medieval cities raised a ‘gabella immigrationitis’ in order to select economically active migrants and to sort out free riders.¹ We are grateful to Althammer and Sommer for this reference. In future work we will inquire why the ‘gabella immigrationitis’ came to a stop.

The disadvantages mentioned are mitigated the more, the better the integration or assimilation of migrants succeeds. Interestingly, none of the commentators discusses to which extent our proposal could facilitate integration.

4 Welfare Considerations

We disregard two important issues raised by Brücker, Kliemt and Lim. *Firstly*, our proposal does not claim to lead to a Pareto-optimal outcome with respect to the countries of origin, the migrants and the host countries. We discuss advantages and disadvantages for these groups but we do not weigh them. Also we do not weigh to which extent there are winners and losers within these groups and how to deal with these effects.

Secondly, we take for granted which criteria the host country applies to determine who gets asylum. We do not question whether the legal conditions are justified with respect to how the Geneva Refugee Convention is interpreted. Neither do we deal with the problem Althammer and Sommer raise, namely which jurisdictional level within the European Union should be authorized to settle the criteria.

With respect to the first issue, Lim and Brücker claim universalistic criteria. Lim argues for a ‘stakeholder principle’. It entitles migrants to membership in a host country according to needs that tie their welfare to the respective country, e.g. having grown up in that country, being a long-term resident there or trying to escape poverty in a way that concerns fundamental rights and interests. The stakeholder status does not depend on the willingness of a state to grant these rights, rather it is a moral question. Lim leaves it open who and by which procedure such claims can be stated. But she makes clear, that in her view states should not be considered clubs or cooperatives that decide on their membership autonomously.

Brücker applies an universalistic approach based on utilitarian principles. It intends to apply an interpersonal comparison of utility undertaken from the position of an impartial observer. The utility of individuals has to be treated irrespec-

¹ This was also common in Swiss communities until the beginning of the 19th century, see Nettig 1981; Schläppi 2007. This literature inspired Nobel-laureate Elinor Ostrom 1990 to her book *Governing the Commons*.

tive of nationality, cultural, religious or political proximity. For this purpose, the definition of the criteria and their enforcement has to be delegated to impartial—e.g. supranational—institutions.

Kliemt forcefully rejects universalistic approaches. He argues that they are not compatible with sceptical meta-ethics of economics, in particular with Weberian value neutrality. Citizen in the host countries should not be considered as utilitarian universalists, and recommendations based on universalistic assumptions should not be imposed on them. Most important for our approach are the consequences Hartmut Kliemt draws how to deal with the second issue.

Concerning the issue who is legitimated to decide on the membership of the cooperation, we implicitly accept a non-universalist or communitarian approach. It assumes that moral judgements are embedded in social contexts. Our idea of ‘cooperative entry certificate’ is fully compatible with the view Kliemt advocates. For similar reasons we question Lim’s universalistic approach holding that migrants and non-citizens can be entitled to membership on the basis of certain facts, independent of the polity’s willingness to accept them. This approach not only would strengthen anti-elite movements as well as unfriendly attitudes to migrants. It would also disregard democratic rights of self-determination. We agree with Kliemt and Collier (2013, 246) that high ideals of universalism put the locally produced rights at risk while they are not able to promote them elsewhere.

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