

Should countries auction immigrant visas?

Selling the right to immigrate to the highest bidders would allocate visas efficiently but might raise ethical concerns

Keywords: auction, visas, immigrants

ELEVATOR PITCH

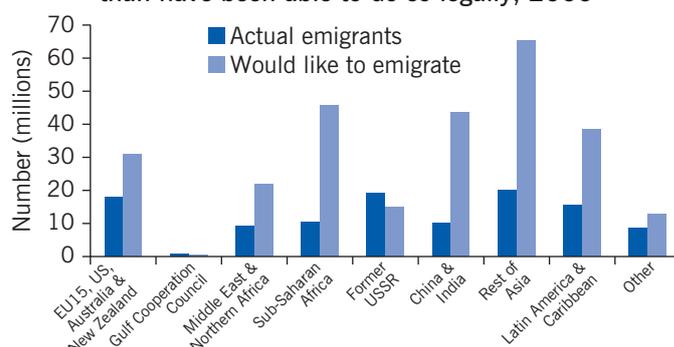
Many immigrant destination countries face considerable pressure to change their immigration policies. One of the most innovative policies is auctioning the right to immigrate or to hire a foreign worker to the highest bidders. Visa auctions would be more efficient than current ways of allocating visas, could boost the economic contribution of immigration to the destination country, and would increase government revenues. However, visa auctions might weaken the importance of family ties in the migration process and create concerns about fairness and accessibility. No country has yet auctioned visas.

KEY FINDINGS

Pros

- ⊕ Auctions would allocate visas more efficiently across immigrants or across employers.
- ⊕ By enabling workers with the highest-valued skills to immigrate, auctions have the potential to boost economic growth.
- ⊕ By enabling the government to fund other programs, cut taxes, or reduce the deficit, auctions would increase government revenue.
- ⊕ Auctions would substitute market forces for government determination of who should be able to immigrate.
- ⊕ Auctions are a flexible alternative to complicated point systems for encouraging high-skilled workers to immigrate.

In nearly all regions, far more people want to emigrate than have been able to do so legally, 2000



Source: [1].

IZA
World of Labor

Cons

- ⊖ No visa auctions have been conducted, so their effects are only theoretical.
- ⊖ Auctions do not guarantee the admission of immigrants who will contribute the most to long-term economic growth.
- ⊖ Auctions might change the composition of immigrant populations in ways that are unpopular, particularly among immigrants who want to bring in family members.
- ⊖ Some potential immigrants and employers may view auctions as too complex or unfair.
- ⊖ Sending countries might be adversely affected if the composition of emigrants changes.

AUTHOR'S MAIN MESSAGE

Under work-based visa auctions, employers would bid for the right to hire foreign workers, who would then receive a visa. Governments that opt to auction such temporary work-based visas should also consider creating a pathway to permanent resident visas for immigrants who succeed in the labor market. A resale market in unused or unwanted visas, visa portability across employers, and enforcement are all important components of a successful program to auction visas. Policymakers who want to boost immigration's economic contribution should consider auctioning work-based visas rather than auctioning visas directly to immigrants.