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Immigration and the Subsistence Fund

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**Personal Note**

Hans has been, for countless students and colleagues, a continual font of ideas. His lectures and written works lay out, in simple step-by-step fashion, the inevitable consequences of various actions. In this way a whole generation (or two!) of scholars have learned at his knee, so to speak.

Hans “the man” is rarely exposed for the uninitiated to experience. While his speech mannerisms, hand gestures, and accented intonation are well known, most come away with the impression of someone whose sense of humor is, well, Germanic. Fully revealed, Hans has a wonderful jovial aura. He is also interested in helping out those in his presence in unsuspecting yet ultimately important ways. I can remember one such experience I had while still a young graduate student. Doug and Deanna French invited me to a dinner which Hans also attended. Over dinner we dined on fine steaks and finer wine. (Much too good for the lowly grad student thankful to eat the cookie crumbs left over after a faculty meeting.) The dinner conversation revolved around anarcho-capitalism and “related” topics. Despite what Hans’s detractors might think, the art and science of bigotry came up barely at all!

With dinner behind it was time for dessert. Deanna rolled out a liquor cart. I would have been over the moon with another beer. Instead the cart was laden with bottles my uncultured self had never seen before. In an act of dart throwing, I picked something brown and went for the pour. I’ll never know what it was, but Hans was quick to help me out. “You don’t vant to drink zat,” the Teutonic professor intoned. “Here,” he said pushing some other unknown brown bottle into my hands. “You vill be happier if you drink zis.” He was right, of course, but where was he at other important junctures in my life? (“You don’t vant to date zat fraulein, you vill be happier vis zis one.” Or “Don’t vurk at zat Universität, zis one vill be better for you.”)

**Immigration Allusions**

Like the choice of after dinner drink, Hans was always right. He devoted much of his professional life to developing libertarian theory, philosophy, and political economy. What interests me today are not the things that he wrote, but about the things he only alluded to. Often in the course of philosophizing Hans has made a tangential comment on an economic topic. The example of one such comment that this chapter builds on comes from his 1998 article “The Case for Free Trade and Restricted Immigration,” published in the *Journal of Libertarian Studies.* Prevailing intuition amongst the libertarian community, broadly defined, follows the political consensus that began prevailing amongst both liberals and conservatives by the mid-1980s. This consensus continues to this day. The consensus that I refer to is that if free trade of goods across borders is economically efficient, so too must be the free “trade,” or movement, of people across borders.

The passage in question deals with the immigration issue not in isolation of other production factors. Writes Hoppe (1998, 225–26, my emphasis):

According to proponents of unconditional free immigration, the U.S. *qua* high-wage area would invariably benefit from free immigration; hence, it should enact a policy of open borders, regardless of any existing conditions… Yet surely, such a proposal strikes a reasonable person as fantastic. Assume that the U.S., or better still Switzerland, declared that there would no longer be any border controls, that anyone who could pay the fare might enter the country, and, as a resident then be entitled to every “normal”   
domestic welfare provision. Can there be any doubt how disastrous such an experiment would turn out in the present world? The U.S., and Switzerland even faster, would be overrun by millions of third-world immigrants, because life on and off American and Swiss public streets is comfortable compared to life in many areas of the third world. Welfare costs would skyrocket, and the strangled economy disintegrate and collapse, as *the subsistence fund—the stock of capital accumulated in and inherited from the past*—was plundered. Civilization in the U.S. and Switzerland would vanish, just as it once did from Rome and Greece.[[1]](#footnote-1)

In many ways, this passage is not so different from many written by those who caution against unfettered immigration. (An invasion of third worlders? Check. Abuse of the welfare system? Check. Civilization crumbling? Check. Allusion to the US suffering the same fate as Rome? Check.) But hidden within this passage is something unusual compared to all other commentators who dare wade into the immigration debate. These commentators include both those who are broadly in favor of unrestricted immigration on moral and economic grounds, as well as those who are broadly against it on the same margins.

I am referring to the link Hoppe makes to the “subsistence fund.” This unique concept is what differentiates the core of Austrian macroeconomics—including the branches of economic growth, development economics, and business cycle theory—from the various mainstream alternatives.

Introduced by Bohm-Bawerk in his *Positive Theory of Capital* (1889), the subsistence fund describes the resource constraint on more productive production methods. His refinement of the classical theory of the wages fund found immediate appeal to neoclassical economists. Mises (1912) refined the concept and integrated the subsistence fund into a broader theory of economic growth. Any production process, writes Mises (1912, 360), “must be of such a length that exactly the whole available subsistence fund is necessary on the one hand and sufficient on the other for paying the wages of the labourers throughout the duration of the productive process.”

Although there is some disagreement on what goods constitute the subsistence fund and through what channel it constrains economic expansion, the concept forms the core of the Austrian theory of the business cycle (Braun and Howden 2017). It is the resource constraint that halts an economic expansion when it becomes binding.

The role of capital is central in Austrian discussions of the business cycle. Less discussed is the role of labor. Hayek (1936: 496, n16) was critical of viewing a lengthening of the productive structure as a change in labor. Some recent attempts have focused on the role of labor in the capital structure (e.g., Machaj 2015; 2017, esp. chap. 2). While the role of labor in altering the structure of production is a thorny issue, there are some salient facts that are important for the debate over the economic benefits of immigration. (I outline some of the particularly thorny issues with labor and capital structure in Howden (2016).)

Chief among these facts are: 1) what impact immigration has on the wage structure of the existing laborers, and 2) what impact immigration has on the return of capital existing in the economy. These two topics are highly debated but thoroughly covered elsewhere. As such they are of little interest to the present chapter.[[2]](#footnote-2) What does concern this chapter is whether and to what degree new citizens remunerate existing citizens for their arrival. As we will see, Hoppe’s use of the subsistence fund is an essential step in understanding whether and to what degree any number of immigrants can be integrated into an economy’s productive structure. What will not concern me in this chapter is discussion of non-economic integration of immigrants into a country, e.g., cultural, social, religious, etc. Instead, I am concerned here strictly with the economic effects of immigration.

**Immigration and the Political Consensus**

In the late twentieth century a consensus emerged between the traditional socialist and conservative ends of the political spectrum over a series of previously contested topics. This consensus is broadly shared in most developed countries and gives voters little choice on the relevant issues. These issues include the ideas that 1) free markets coupled with a social safety net bring secure prosperity, and 2) being connected to the global economy in terms of *goods and labor* promotes robust economic growth. Those remaining differences across the political divide that arise are mostly constrained to social issues: family, religion, and community norms.

Libertarians of various stripes have much to quibble with on this political consensus. That fact notwithstanding, one issue that many libertarians do not commonly disagree with is the view that immigration is positive. This positive view extends to both economic and social factors. Take, for example, the collection of chapters contained in Powell (2015). Here the impression one gets is that unfettered immigration is unambiguously positive, or that the positives outweigh the negatives.

Most authors writing today on market-based immigration plans follow in the style of Becker (2011).[[3]](#footnote-3) Becker’s contribution is in realizing that the existence of a welfare state introduces the incentive for overuse by nonpayers. (An invasion of third worlders? Check. Abuse of the welfare system? Check.) To combat this exploitation by outsiders, Becker proposes a market-based fee payable by the would-be immigrant to enter the country. Charging a fee for citizenship moves the economy towards a more rational, market-based system of immigration. As an added benefit, as in any shift from a black to a formal market, illegal activities (in this case, illegal immigration) is demotivated.

Yet Becker’s solution is scant on the reasons “why” charging immigrants a fee is warranted. What is the fee compensating for? Who collects the proceeds of the fee, and are they the same individuals as those affected by the immigrant? After all, there are already various fees associated with immigrating to a new country. These fees, invariably end up in the general government purse. Government levied fees do not compensate the unskilled worker who lost his job to a lower-wage immigrant. Nor does the business owner who sees his profits increase by the productivity of the skilled immigrant contribute anything   
beyond the wage he would have paid to a different worker.

Such vagueness is not unique to Becker. Discussions of immigration commonly speak of the general benefits that immigrants bring, without a deeper analysis of the structure of the benefits. The chapters included in Powell (2015) are very much in this spirit.

Vedder (2015) is the only contributor from Powell (2015) that looks to market-based solutions to targeting the efficient quantity of immigrants. Although Vedder doesn’t deal with the question of citizenship directly, he does follow the basic argument found in Becker (2011): that market forces are the best way to allocate cross-border labor flows. Vedder’s proposal, although notable for steering the argument towards a market for immigration, suffers two non-market infidelities. The first is a reliance on a market price coupled with a quota on the number of immigrants entering a country. Quota systems create well-known deadweight losses. The second is a preoccupation with linking the price of immigrant visas to the unemployment rate. There is no reason why employment should motivate immigration. Doing so would relegate countries that are retirement hotspots to the second tier of immigrant destinations!

To read such unfettered support for immigration, one wonders of the equilibrium. The western world is experiencing “an unprecedentedly large wave of mass immigration” (The Economist 2023, 59). 1.2 million immigrants moved to Britain in the year ending June 2023. Nearly one million were non-EU nationals (Office for National Statistics 2023). Net migration to Canada is double the previous record. Germany has even more new arrivals than during the “migration crisis” of 2015. Over one-third more immigrants are expected to come to the United States this year than before the pandemic. In nearly every developed country one can find record surges of new arrivals. (Japan has long been an exception to this, though even that is changing with the creation of new visas to foster increased migration to the demographically beleaguered country.)

The usual response among those across all political divides, including libertarians, seems to be that immigration 1) is necessary to offset declining Western birth rates, and 2) will contribute to economic growth in the recipient countries. Benevolently, perhaps, one wonders what will happen to the countries these new arrivals leave behind? If new immigrants bring skills or labor to their destination, those skills and labor must leave the old country. Is the equilibrium one where the developed world keeps absorbing immigrants and prospering while the developing world hemorrhages workers and stagnates? (Hoppe (1998: 226) discusses this exact equilibrium, not commonly addressed by advocates of immigration from the developing to developed world.)

Of course, the common rebuttal is that wages will reach an equilibrium where such immigration waves will be neutralized, or even reversed. Yet one can’t use a variant of David Hume’s price-specie-flow mechanism to explain why the future is not a linear extrapolation of the past. Goods cross borders and changes to local supply-demand conditions, including those for foreign exchange, alter the array of prices. Goods that were once cheap in one country tend to become less cheap over time given this process.

Labor is different from capital. Recognizing these differences is the first step in realizing why intuition about labor flows is not consistent with that of capital flows. Hoppe (1998: 226) notes one such key difference: “People can move and migrate; goods and services, of themselves, cannot.”[[4]](#footnote-4) This small difference has important repercussions when it comes to mutually beneficial trades. When goods are sold, both the buyer and seller (recipient and provider) must agree to the terms. Doing so assures that the exchange will result in a positive sum trade. When people move across borders, however, there need be no agreement between the two parties. The seller (recipient, or inhabitant of the destination country) can benefit without the buyer (provider, or immigrant) agreeing to the terms of trade, or to the trade at all.

One response could be that the political system aggregates the preferences of the population, and summarizes them in policy form. Thus even if some inhabitants do not desire a specific immigrant or an overall level of immigration, society will still benefit on average. Such a rebuttal does not last long under the economist’s scrutiny. No other resource is allocated under such reasoning.[[5]](#footnote-5)

The *core* problem of various immigration plans is not the threat—real or perceived—that immigrants will come and use public goods and the welfare system without adequately contributing to its upkeep. The core problem is one of ensuring that both sides of the transaction voluntarily submit to it, and are remunerated accordingly. Discussions about the costs and benefits of immigration, common in the literature, are subsidiary to this one central consideration.

**The Market for Citizenship**

One way around the core problem of allowing for immigration only when each side benefits is similar to the solution to this problem in all goods: the existence of a market. All markets are defined in terms of their demanders and suppliers. All markets rely on clearly defined property rights to delineate what, exactly, is on offer to purchase and who the seller may be. Finally, markets function at their best when costs and benefits are clearly defined, *and* when those who reap the benefits of an exchange incur the costs.

The first of Hoppe’s two great contribution in the immigration debate is in identifying that the core question is not whether the benefits of an immigrant outweigh the costs. Instead, the relevant question concerns who incurs the costs and earns the benefits.

Nearly all contributions to the debate on immigration overlook this point. It is not sensible to talk of costs and benefits without reference to who the relevant actors are. As an example of a similar tension, debates over reparations for past wrongs often center on this very question. Abstract debate about aggregate costs incurred by the descendants of those aggressed against in the past may satisfy some general sense of justice. Yet there is no practical implication without reference to the specific individual who was harmed as a result of this past inequity.

Hoppe recently made this point clear in his “Open Letter to Walter E. Block” which set out, among other things, to clarify the libertarian view on reparations:

How about 2000 year old crimes? Is there any one living person to be found today, who can claim lawful ownership of some *specific* piece of property (land, jewelry) that is and has been for a couple of thousand years in the possession of others, by demonstrating his own prior claim to these possessions through proof of an uninterrupted chain of property title transfers going from him and today back all the way to some *specific* ancestor living at Biblical times and unlawfully victimized at that time? This is not inconceivable, of course, but I very much doubt that any such case can be found. I would want to see it, before I believe it. (Hoppe 2024, emphases added)

While this reasoning is applied narrowly to the topic of reparations, it has relevance for the current debate on immigration. Costs and benefits cannot be discussed in the abstract. Instead they must be linked clearly to the perpetrators and beneficiaries.

This insight is part of the long tradition of methodological individualism at the core of the Austrian school. Methodological individualism applied to immigration reveals the source of tension in the various viewpoints surrounding it. Studies which show a positive relationship between immigration and economic growth take an aggregated viewpoint which is of little concern to the individual. Positive aggregate effects do little to compensate the individual who loses employment or wages to his new competition. In a similar vein, studies that show negative aggregate effects to immigration (common when assessing short-run fiscal effects, e.g., Christl *et al.* 2022) does not mean much to the firm that gains profit share due to its new customers (or workers).

Methodological individualism means that each action must be reckoned in terms of costs created by one which are imposed on another. Voluntarily transactions allow for these costs to be compensated by a benefit accrued to another. Markets function best when the costs and benefits are linked tightly (i.e., when costs are not imposed on an innocent party, and rents are not captured by an undue beneficiary).

All systems of immigration presently in place do not link costs and benefits directly to the affected parties. In uncompensated immigration policies, such as the “Diversity Immigrant Visa” program in the United States (better known as the “green card lottery”), there is no compensation of the existing citizens by the new arrivals. In immigration systems that involve an entry fee, this cost is paid to the government of the destination country. Alternatively, citizenship through investment plans (such as exist in Spain, Portugal, and various Caribbean countries) allow for an immigrant to gain citizenship with financial compensation paid to the counterparty of the investment transaction. (Note that this counterparty need not even be a citizen of the country in question.) In none of these alternatives is there a clear buyer and seller, the parties necessary to secure compensation for a cost.

Various “market-based” plans for immigration do not solve this core problem. Vedder’s (2015) “modest proposal” and Becker’s (2011) “radical solution” for immigration reform both involve a market-based system that see the federal government offering citizenship through a fixed allotment auction. This allotment would amount to a quota system, proposed to vary with market conditions such as unemployment. The price of the visa would fluctuate according to this quota in light of changing market conditions. The proceeds of these visa sales would become income for the federal government. In this way, domestic citizens would be “paid” through lower taxes than under alternative proposals. Still, we cannot treat this as a regular market transaction. There is no voluntariness on the part of the suppliers (they are forced into the transaction by the government mandated quota). Nor does the demander (the immigrant) remunerate these suppliers directly. There is only an indirect payment in the form of a lower tax bill.

One of Hoppe’s two great contributions to the immigration debate is in demonstrating that the market-based solution requires the demander to remunerate the supplier directly for the good or service provided. As such, the immigrant must remunerate a specific citizen for the right to live in the country. Hoppe’s other great contribution was in linking the provision of public goods—an extra-market activity—to the subsistence fund. This point, or rather this way of phrasing the exploitation of public goods problem, has received no attention to date. It is with this topic in mind that I turn to next.

**The Subsistence Fund**

Hoppe’s (1998, 225–26) focus on the subsistence fund as a resource constraint that potentially binds under unfettered immigration is novel. The connection between the accumulated resources of a country and the addition of new citizens to the pool of those that rely on them is not often discussed.

In standard discussions of the subsistence fund the resources are contentious in terms of what they are (e.g., consumer or capital goods) but never in terms of who owns them. Ownership of the subsistence fund is always treated as a private good. For example, businesses are constrained in their investment plans by the pool of accumulated savings. These savings are grouped under the umbrella term of the “subsistence fund” in Austrian business cycle theory.

Discussions of immigration are not contentious in the abstract world of pure private ownership of all property. Under a purely private economy it is clear that all immigration would require agreement between both parties and that the demander to immigrate remunerate the supplier for the opportunity. Notably, and troublingly for the debate, we do not live in such an economy. Governments around the world control, to varying degrees, large swaths of their underlying economies. They also control the immigration targets. In setting such immigration targets, discussion typically centers on the economy-wide demand for labor, without reference to the economy’s subsistence fund.

Immigrants that are “pulled” to a country are attracted to employment, social assistance, or investment opportunities. These opportunities—the general ability of a country to provide a green pasture for labor and capital—are the result of the resources accumulated over its history. Infrastructure, legal systems, judicial and political stability, for example, all contribute to the efficient functioning of the market economy. These factors are not natural endowments. Instead, they are the result of continual investment over an extended period of time. Nor are these factors owned by any one individual. They are—at least in the present-day political system—shared by all citizens of a country.

For better or worse, citizens throughout a country’s history have paid part of their income into a common purse. This purse—controlled by the government—has funded (among other things) those institutions (e.g., law and order, social programs, and various infrastructure services) which today facilitate the economy in its functioning. Of course, the other part of a citizen’s income is used to fund his private life. On his death, he passes his savings to his descendants in the form of their inheritance. In addition to this private inheritance, a citizen also inherits the public goods that are accumulated over time. After all, it is the hope of each generation to leave a country in better shape for its descendants than it was born into.

To illustrate what relationship these accumulated public goods have for present-day immigration consider the case of John Washington. Born in England in 1633, the young man started a company transporting tobacco between the North American and European markets. When his ship, fully laden for the return journey, ran aground at a shoal in the Potomac River in 1657, the intrepid entrepreneur elected to remain in the colony of Virginia. While initially staying at the home of Colonel Nathaniel Pope, Washington married his daughter Anne and together they had a son, Lawrence. John Washington worked to make his new home a better place, most famously as a member of the House of Burgesses, the legislative assembly for the colony of Virginia. He earned money and was able to provide a life for his family. He also paid taxes to further those early public institutions that citizens of the United States now take for granted.

As a result of his payment of taxes over his working life, when John Washington died the inheritance left to his heirs was fractured. Part of it—the private part he controlled himself—was passed to his children, notably his son Lawrence. The other part—the public part—was controlled by the colonial legislature and was funded in part through John Washington’s taxes. This public inheritance accrued to all people living in Virginia.

John Washington’s son, Lawrence, made use of both of those inheritances, and when he died, he left his children, including his son Augustine, a private and public inheritance. The private one was the result of his personal savings and investments and was embodied in his accumulated assets. The public part was in the form of the institutions of the colony of Virginia which were expanded and improved over his life.

By the time Augustine died in 1743, his son George inherited some of his parent’s assets. George Washington, between serving as General, President, and tobacco farmer, accumulated his own private wealth. When he died, he left this wealth to his wife Martha’s children from her previous marriage. As certain as was his death, over the course of his sixty-seven-year life, Washington paid taxes that resulted in a country more conducive to business (and life) than when he was born.

The process continues but the main point I want to impress on the reader is that each citizen pays for his country by receiving a smaller private inheritance than would otherwise be the case. Taxes paid to the public purse reduce private savings and diminish the inheritance left to our descendants. But these same taxes develop those institutions that businesses and private individuals use to live their lives. I do not consider the question here of whether those institutions would be better developed by private hands. Rather I make a statement of fact that these institutions *have been paid* for by past taxes and *do represent* an asset to the citizens of a country in the present. Furthermore, private  
inheritances have been reduced to the extent that past taxes have funded these public investments.

Now consider the case of a newly arrived immigrant. He brings with him his own private inheritance from his old country. He also leaves behind his “public inheritance” and replaces it with a newly gained set of public assets in his new destination. In doing so, the existing citizens see their share of these assets dwindle. To see why, consider who “owns” the sum of public assets. Although conceptually difficult, it is clear that each citizen in a country owns a share of his country. This share is not saleable, but it does entitle the holder to the use of those assets, e.g., I was born in Canada, and although I cannot sell my share of Canada’s public assets I can exercise my right to use those assets—legal institutions, rule of law, public infrastructure—if I so choose. I cannot exercise this same right to the public assets to a country that I am not a citizen of.

In effect, the value of the public assets is similar to the concept of the subsistence fund constraining investment. The current availability of public resources—social assistance programs, infrastructure, legal systems, etc.—is the result of past investment. These public resources cannot sustain any level of citizenship. Promoting citizenship can strain these public resources to the detriment of a country in a way similar to how investment not consistent with the private subsistence fund stoke an Austrian business cycle.

**Conclusion**

Hans Hoppe made two significant contributions to the debate over the best way to manage cross-border flows of people. These two contributions are not widely recognized or elaborated on within the context of broader economic theory.

The first of these contributions is that, like all efficient economic transactions, immigration must involve definite parties with costs and benefits aligned with those impacted. Immigration between countries must have a definite supplier (someone in the destination country) and a definite demander (an immigrant). Remuneration for services must also be definite, with the demander paying the supplier for services rendered. Immigration programs that involve immigrants paying the “government” do nothing to remunerate the individuals directly impacted by the transaction.

Related to this point is that we cannot speak of general costs and benefits, as is ubiquitous in the literature. What is of concern is not a general gain or loss, but a specific impact placed upon the individuals involved. Realizing this point goes far in explaining why numerous studies demonstrate positive economic effects from immigration at the country level, while individuals feel much less positive about the occurrence.

The second contribution that Hoppe makes, and that has until now been completely absent in the literature, is assessing the impact of immigration on the subsistence fund. This chapter has elaborated on the specific ways in which this occurs.

Under current and past conditions, taxes have been paid (to varying degrees) by citizens of a country to their government. These taxes have been used (to varying degrees of effectiveness) to build and develop the country’s public resources. These include legal systems, social welfare programs, and public infrastructure. It is not necessary that these elements be publicly provided. Yet it is important to recognize that they are publicly provided *and* that they are necessary for the functioning of the economy. These public resources can be thought of as a country’s public subsistence fund—that stock of saved up resources that facilitate future investments.

Public resources are not unowned. Nor are they owned in the abstract by a trustee such as the “government.” These public resources are owned by the citizens of the country. They are not saleable, or at least, they are not saleable given current laws. This ownership claim to these public resources allows citizens of a country to benefit from this subsistence fund. The current citizenry has paid for these resources in two ways. Most obviously, they have paid explicitly through their current taxes. Less obvious is that they have implicitly paid by receiving smaller inheritances from their ancestors since past taxes have contributed to these public resources.

A well-functioning immigration system would recognize that new arrivals are able to capitalize on these public resources without having incurred the cost of procuring them. It would also recognize that allowing immigrants free entrance to a country puts them at an unfair advantage compared to those citizens who have paid for the creation of this public subsistence fund. Existing citizens are negatively impacted by new arrivals to the extent that their ownership share of these public resources is reduced as the pool of potential users expands. (This is analogous to how existing shareholders see their share price reduced by an additional stock issuance.) Finally, any functioning immigration system would see a new arrival remunerating a current citizen for these costs.

Such remuneration would require a functioning market in immigration. At present no such market exists. This one fact likely explains why the topic of what quantity of immigration is optimal is so contentious. Creating a market for immigration would contribute to a more functional economy by linking the beneficiaries of immigration with those providing the benefit. It would also remunerate those who have created its public resources—either directly through their taxes or indirectly through their forebears’s taxes. As an added benefit, such a market would temper the demand by would be immigrants, forcing a link between the provision of public services and their use.

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1. Hoppe is not the only anarcho-libertarian to advocate for restrictions to immigration, see also Rothbard (1994). [↑](#footnote-ref-1)
2. Some research finds immigrants depressing wages for those groups they compete with (Borjas 2003). Other research reaches the opposite conclusion (Card and Peri 2016). That increases in immigration positively affect the return on capital is less controversial (Borjas 2021). Most empirical studies find the fiscal effects of immigration to be relatively small and clustered around zero. [↑](#footnote-ref-2)
3. Becker’s ideas originated as a mimeo dating to 1987. The Institute of Economic Affairs published an extended version in 2011. [↑](#footnote-ref-3)
4. In other words, labor exhibits independence and intent. These qualities are in addition to Lachmann’s more common distinction between capital being available for purchase while labour is only available to rent (1956: 87fn1). [↑](#footnote-ref-4)
5. One may say that this is indeed exactly how public goods are allocated—not according to the demands of individuals but based on preferences aggregated through the voting process. This only pushes the problem back one step. Now the rebuttal must also treat the immigrant, an individual, as a public and not a private good. I doubt there are many economists that would be willing to venture down that path. [↑](#footnote-ref-5)