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A TAX-CREDIT APPROACH TO ADDRESSING BRAIN DRAIN

MATTHEW LISTER*

INTRODUCTION

This Paper is addressed to the problem of so-called “brain drain”¹ from developing, and especially least developed, countries to highly developed countries. In particular, I will focus on a specific sort of brain drain,² and offer an approach to addressing the problem. I shall argue that the approach proposed here offers a more plausible and fairer way to ameliorate the bad effects of certain sorts of brain drain than do rival approaches. It is important to note that I do not here offer a “solution” to the problem of brain drain. I am not sure that this is a problem that has, on its own, a “solution” without addressing much more difficult and far-reaching issues relating to development and global justice. But, this is a problem that can be addressed in many possible ways. I claim that the approach I argue for here has several advantages over rival views and has some intrinsically attractive features as well. It will not eliminate the root problem, but doing that is, at best, a very long-term project. What I will offer here is a step toward addressing problems associated with certain types of brain drain without creating significant new ones.

Currently, many developing and least developed countries suffer serious shortages of skilled professionals—doctors, teachers, engineers, nurses, economists, lawyers, and others.³ This shortage stems not only from a lack of capacity to train professionals, but also due to the large number of such

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1. *See infra* notes 3–5.

2. In particular, I will focus on movement of highly skilled or educated professionals from developing countries.

3. For discussion, see GILLIAN BROCK & MICHAEL BLAKE, *Introduction: The Brain Drain and Global Justice*, in *DEBATING BRAIN DRAIN: MAY GOVERNMENTS RESTRICT EMIGRATION?* 1, 2–3 (2015). Brain drain “emerges wherever there is a net movement of talented and educated persons away from an impoverished society to a wealthier one.” *Id.*

professionals leaving for higher salaries, better working conditions, and more stable lives in developed countries.⁴ While the desire to better one's life can hardly be faulted, this movement of skilled professionals has contributed to underdevelopment, poverty, and unacceptable levels of provision of education, health care, and governmental administration in much of the developing world.⁵

I. THE PROPOSAL

Put most briefly, with details to come, my proposal is to use a sort of tax credit roughly akin to the foreign tax credit⁶ currently available to U.S. citizens living and working abroad, to compensate developing countries that suffer a loss in the type of situation I will specify below. To over-simplify, the United States (atypically, in comparison to most other countries) currently considers the worldwide income of its citizens as taxable.⁷ This potentially subjects U.S. citizens living and working abroad to crushing double taxation. However, this risk is greatly reduced by the availability of foreign tax credits, which allow U.S. citizens to receive a credit against their U.S. taxes for taxes paid to the countries in which they live.⁸ Under my proposal, citizens of selected countries working in the United States or other highly developed countries who meet the other criteria discussed below would be charged income tax by their home countries equivalent to what someone making the same income in the home country would be charged.⁹ This tax, to be collected by the country of employment, would be credited against taxes owed in the country of employment, and would be returned to the home country, thereby compensating, at least to a degree, the home country for the lost investment in the human capital of the citizen working abroad. The details of the proposal, and its advantages over alternatives, are spelled out below.

4. Gillian Brock, *Prosperity in Developing Countries, the Effects Departing Individuals Have on Those Left Behind, and Some Policy Options*, in GILLIAN BROCK & MICHAEL BLAKE, *DEBATING BRAIN DRAIN: MAY GOVERNMENTS RESTRICT EMIGRATION?* 36, 37 (2015).

5. *See id.* at 38–41.

6. I.R.C. §§ 901–908 (2012).

7. *U.S. Citizens and Resident Aliens Abroad*, INTERNAL REVENUE SERV. (Sept. 22, 2017), <https://www.irs.gov/individuals/international-taxpayers/us-citizens-and-resident-aliens-abroad> [<https://perma.cc/G7NS-BTYB>] (“If you are a U.S. citizen . . . [y]our worldwide income is subject to U.S. income tax, regardless of where you reside.”). Most countries do not tax the foreign-earned income of citizens living abroad. For a helpful brief discussion of this distinction, see Ruth Mason, *Citizenship Taxation*, 89 S. CAL. L. REV. 179–81 (2016).

8. I.R.C. § 901. U.S. citizens and permanent residents earning income abroad may also benefit from the “foreign earned income” exclusion. I.R.C. § 911(a). This option is not directly relevant to my project.

9. The basic proposal would be complicated in the case of countries that use a value-added tax (“VAT”) or another tax other than an income tax as the main form of taxation. I discuss this further below.

A. *Whom Does the Proposal Apply to?*

A first step in assessing this proposal is understanding to whom it applies. While the idea of “brain drain” is applied in many circumstances (such as, for example, graduates of universities or colleges in Philadelphia leaving the city, or better students in Kansas leaving the state to attend an out-of-state university or leaving after graduating from an in-state university), this proposal focuses on people from developing or least developed countries who meet the following conditions:

- 1) They have received higher education or skills training;
- 2) This training or education was provided largely or completely at public expense, either in the home country or abroad; and
- 3) The person in question has left the country to work in the developed world within a set number of years after completing education or training (perhaps five years, maybe as many as ten, depending on the nature of the training and education and the needs of the home country).

To understand the nature of the proposal, it is important to see who is not included in this list. Those who do not fall under the proposal include at least the following people:

- 1) People from middle-income or wealthy countries, regardless of whether they meet the other criteria;
- 2) People who self-finance their education, as opposed to those who are educated at public expense; or
- 3) People whose education is financed via first-world government or university exchange programs.¹⁰

I do not limit the proposal to these groups because they are the only cases of brain drain, or even the only cases of international migration from less developed to more developed countries, that ought to concern us. For example, Amy Reed-Sandovol has recently and persuasively argued that many of the same considerations that justify concerns about migration by skilled workers from developing countries to the developed world also apply to migration by low-skilled or unskilled workers.¹¹ Similarly, brain drain from middle-income countries may also give rise to similar problems as those addressed by this proposal. This raises the obvious question of why the proposal should be restricted to those set out above.

10. In such cases, other, arguably more restrictive, requirements, such as the return residency requirement for a U.S. J visa may be applicable and appropriate. *See* Immigration and Nationality Act of 1995 §§ 101(a)(15)(J), 212(e), 8 U.S.C. §§ 1101(a)(15)(J), 1182(e) (2012). This topic lies outside the main focus of this Paper.

11. Amy Reed-Sandovol, *Towards a More Inclusive Understanding of the “Brain Drain,”* 36 S. AFRICAN J. PHIL. 91, 93–95 (2017).

A convergence of two factors explains why this proposal is especially appropriate for addressing problems stemming from brain drain in the cases considered above. First, those picked out by the criteria above have received special benefits provided at the expense of their society at large, arguably providing grounds for significant duties to the home society on the part of the recipients of the benefits.¹² Secondly, because those here considered are from the least developed countries, there is a general duty on the part of well-off countries to help the least developed advance to a state where they are able to provide a decent life for their citizens.¹³ These conditions coincide in the situation set out above, suggesting a special need to devise a method to ameliorate difficulties arising from brain drain in these cases. Finally, it is worth noting that this proposal does not depend on seeing skilled workers who leave their country of origin as “‘assets’ that the state should command because it has invested money in people’s education,” a claim made against several proposals seeking to deal with brain drain by Alex Sager.¹⁴ The claim that home states have against citizens working abroad is not on the members themselves, but on a fair return of the societal resources devoted to their training at public expense, the sort of return implied by the idea of society as a system of fair cooperation.

With the outline of to whom the proposal applies in place, our next question is how long it will last in relation to any particular person. The general answer is that it will last long enough to fully compensate the home country for the loss of the investment in the skilled worker. This will most likely be determined via standard terms applied to particular sorts of workers (nurses, doctors, lawyers, engineers, etc.) from particular areas of the world. In most cases this will last at least for several years.

12. For helpful discussion of this point, see Anna Stilz, *Is There an Unqualified Right to Leave?*, in *MIGRATION IN POLITICAL THEORY: THE ETHICS OF MOVEMENT AND MEMBERSHIP* 57, 70–71 (Sarah Fine & Lea Ypi eds., 2016). Stilz also develops an account of duties on the part of members of a society based on a natural duty of justice, though this is less central to the cases I wish to consider.

13. See, e.g., JOHN RAWLS, *THE LAW OF PEOPLES: WITH “THE IDEA OF PUBLIC REASON REVISITED”* 5 (2d ed. 2000) (“In regard to these burdened societies we must ask how far liberal or decent peoples owe a duty of assistance to these societies so that the latter may establish their own reasonably just or decent institutions.”). For helpful discussion, see SAMUEL FREEMAN, *JUSTICE AND THE SOCIAL CONTRACT: ESSAYS ON RAWLSIAN POLITICAL PHILOSOPHY* 264 (2007); JON MANDLE, *GLOBAL JUSTICE* 102–24 (2006).

14. Alex Sager, *Methodological Nationalism and the ‘Brain Drain,’* in *THE ETHICS AND POLITICS OF IMMIGRATION: CORE ISSUES AND EMERGING TRENDS* 221, 232 (Alex Sager ed., 2016). A somewhat similar claim, though with a different theoretical background, is made by Fernando Tesón. See Fernando R. Tesón, *Brain Drain* 45 *SAN DIEGO L. REV.* 899, 906–11 (2008).

B. *Some Details About the Mechanics of the Proposal*

If a proposal designed to help developing countries cannot suggest reasonable steps for its instantiation, it is of little use spending time considering it. If a proposal is plausible in light of many currently existing conditions, its plausibility increases greatly.¹⁵ In particular, for this proposal to be plausible, it must be able to function without the development of many new inter or transnational institutions and in light of the limited institutional capacity of many developing countries. The key to this proposal is to start with standard income tax payroll deductions of the sort common in many developed countries.¹⁶ I will focus on how such a system would work in the United States. Here, taxes are withheld each pay period for the purpose of paying income taxes.¹⁷ When someone files a tax return, it is decided how much of the withheld money is kept by the government, and how much is refunded to the citizen.¹⁸ My proposal would make use of this same process.

Under this proposal, we start with a list of relevant countries. When a citizen of one of these countries files a tax return, certain further questions would be asked, such as whether the person works in a relevant field and whether they were educated at public expense. Alternatively, this information, which is often an essential element of a visa application form,¹⁹ may be gathered by immigration officials and then transmitted to the tax authorities. If the person falls into the relevant categories, then a “credit” is applied to the taxes owed to the United States on the U.S. earned income, equivalent to the taxes that would be paid on a similar income in the home country.²⁰ This credit would then

15. Of course, the existence of the Trump administration at the time this Paper is being written renders it, in practice, academic at best. Yet, we may hope that the situation will change soon, while the other factors making implementation difficult which I here consider are likely to be longer lasted.

16. In the case of developed countries that rely heavily on a VAT rather than an income tax with payroll deduction, this process would have to be developed in a different way. Such a development is beyond the scope of the current Paper.

17. *Understanding Payroll and Withholding Taxes*, U.S. TAX CTR., <https://www.irs.com/articles/understanding-payroll-and-withholding-taxes> [<https://perma.cc/2ESK-LDZH>] (“[T]he IRS is basically withholding your anticipated tax payment as you earn it.”).

18. *See Understanding How Income Taxes Work*, U.S. TAX CTR., <https://www.irs.com/articles/income-tax> [<https://perma.cc/CY68-EN76>].

19. Information about the education of, and employment field of, nonimmigrant visa holders—the field under which the vast majority of those of concern in this Paper fall—is required to be provided by the would-be employer in the United States as part of the visa application process. U.S. CITIZENSHIP & IMMIGRATION SERVS., U.S. DEP’T OF HOMELAND SEC., FORM I-129: PETITION FOR A NONIMMIGRANT WORKER 4, 5, 19, 23 (2017), <https://www.uscis.gov/sites/default/files/files/form/i-129.pdf> [<https://perma.cc/4D5L-45MF>].

20. If the home country depends heavily on a VAT as opposed to an income tax, then the relevant tax authorities could determine a stipulated amount, taken as an estimate of what a typical person with a similar income would pay in total taxes in the home country, with relatively little difficulty.

function in a way very similar to the foreign tax credits, reducing the claimant's U.S. (or other host country) tax bill by the amount that would have been paid to the home country if the home country were exercising universal taxation. This credit would not provide a refund to the person, however, but rather provides the basis for a fund that may then be transferred to the home country of the person in question. As this money is already in possession of the U.S. government, via payroll deductions, there is no need for further steps for collection, assuming that the "credit" does not exceed the amount otherwise owed to the government of residence. (If the amount that would be owed on a similar income in the home country is greater than the amount owed to the country of residence, we would be faced with a deficit. Whether this deficit should be ignored, topped up by the government of the country of employment, or made up by the worker is a difficult question that I will not address at this time.) This money may then be transferred to the country of citizenship, with or without conditions, a topic to be discussed below.

II. ADVANTAGES OF THE PROPOSED PROGRAM

This proposal has advantages over the status quo, over other proposals for addressing the problem of brain drain, and several of what I will call "intrinsic" advantages. I discuss these in turn.

A. *Advantages over the Status Quo*

Currently, there is no systematic or general approach to addressing the problem of brain drain in relation to skilled workers, trained at public expense, moving from developing countries to highly developed countries. Even those who think that little can acceptably be done about this problem²¹ recognize that there is a problem here, insofar as these countries are unable to meet their need for skilled professionals, and this need itself leads to further problems. My proposal would provide these countries with significant funds which could be used to either train new professionals, to provide better pay for local professionals, making emigration less attractive (poor pay and bad working conditions are among the reasons why many developing world professionals leave their home countries),²² or to pursue other development projects, whether these are directly related to the cases at issues (such as providing better resources for doctors or nurses) or otherwise seen as important to the country (such as improving primary education, public health, or infrastructure).

21. Michael Blake is perhaps an example. See, in particular, his reply to Brock in Michael Blake, *Blake Responds to Brock*, in GILLIAN BROCK & MICHAEL BLAKE, *DEBATING BRAIN DRAIN: MAY GOVERNMENTS RESTRICT EMIGRATION?* 286, 286–95 (2015).

22. See Gillian Brock, *Introduction to Part I*, in GILLIAN BROCK & MICHAEL BLAKE, *DEBATING BRAIN DRAIN: MAY GOVERNMENTS RESTRICT EMIGRATION?* 11, 12 (2015).

Furthermore, my proposal may provide some incentive for highly developed countries to reduce the recruitment of highly skilled professionals from the developing world. Hiring such persons would reduce the domestic tax revenue for the developed country, as the money being “credited” against host country taxes is passed back to the developing country. This would make recruitment of such professionals costly for the country of employment. Since it is sometimes suggested that the recruitment of skilled professionals from the developing to the developed world, especially those trained at public expense in the developing world, is itself problematic and arguably unjust,²³ this incentive to reduce such recruitment may be a further advantage. While the recruitment is often done by private parties, who would not directly face the loss in tax revenue, this loss may either be passed on to the private parties as a surcharge, if necessary, or, when the recruitment is done via government programs, this fact may reduce the government’s incentive to engage in such recruiting.²⁴ In this Paper, I do not want to claim that such recruiting is always problematic or unjust. This seems to me to be a complicated question with difficult empirical aspects to work through. But, insofar as it is problematic or unjust, my proposal provides means to help address this issue by making the recruitment more expensive, and so less attractive, to developed countries.

B. Advantages over Other Proposals

In the literature on brain drain, there are two main rivals to my proposal: restrictions on emigration (usually temporary in nature)²⁵ and variations on the so-called “Bhagwati tax” on emigrating skilled workers.²⁶ My proposal has advantages over both of these alternatives. In relation to emigration or travel restrictions of the sort argued for by Gillian Brock, Peter Higgins, Anna Stilz,²⁷ and others, my proposal, first, has the advantage of providing a significantly smaller restriction on personal liberty. Even if (like me), one accepts that there is no basic right to free movement, and even if (again, like me) one accepts that,

23. See, e.g., PETER W. HIGGINS, IMMIGRATION JUSTICE 213–14 (2013).

24. Countries could also conceivably engage in country-of-origin discrimination in providing visas to relevant skilled professionals so as to avoid the loss of tax revenue that this proposal would entail. Such a scheme is considered by Higgins, for example. See *id.* at 206–07. Though it would take me too far from the focus of this Paper to defend the claim, such a proposal seems to me to be a deeply problematic departure from the core liberal principle that each person be treated as an individual, subject to rules that could be individually justified to him or her.

25. See sources cited *infra* note 27. Such proposals would prevent those educated at public expense in relevant countries from emigrating for some set period of time.

26. A Bhagwati tax is, most generally, an “exit tax” paid by a would-be immigrant with the intent of compensating her or his country of origin and for the training investment made in her or his skills. See source cited *infra* note 32, at 22. The tax would “constitute a simple and rough-and-ready way for emigrating professionals to compensate the [home country].” *Id.*

27. See, respectively, Brock, *supra* note 4, at 48–51; HIGGINS, *supra* note 23, at 225–27; Stilz, *supra* note 12, at 74.

in certain circumstances, contract-like provisions may justify temporary bans or restrictions on emigration, it is better if these bans are avoided, as they, at least, infringe on significant interests held by the people in question, and at least arguably restrict important liberties. If we are able to find a proposal that deals with the most urgent aspects of the brain drain problem, as understood here, without imposing these significant burdens or infringements on interests and liberties, we ought to do so. According to Anna Stilz, this argument does not depend on the idea that there is some “general ‘right to liberty’” but only on the acceptance that people have a strong liberty interest in being able to craft their own plans of life, and that emigration is often an important way to do this.²⁸ The significant infringement on the ability to craft one’s own way of life that comes with emigration restrictions would only be acceptable if they have either been clearly voluntarily undertaken, or else if there are no other alternatives. As my proposal provides an alternative, there is good reason to avoid these interest and liberty reducing approaches.²⁹ Because Stilz herself notes that these restrictions can only be justified when they are “necessary to ensure distributive justice for others,”³⁰ the alternative to emigration restrictions provided by the proposal shows them to be inappropriate.

Furthermore, proposals to limit emigration have the potential of reducing investment in skills in developing countries, further promoting the problem they seek to address. There is significant reason to think that the possibility of emigration is a major reason that people in developing countries acquire higher education and advanced skills and also that not all of those who gain this education and skill will, in fact, leave, even if they had intended to do so when starting.³¹ The possibility of using funds gathered by means of my proposal to increase wages and improve working conditions in developing countries gives us further reason to think that many educated and highly skilled workers may

28. Stilz, *supra* note 12, at 59, 61–62.

29. Stilz and others often seek to limit the liberty and interest reducing impact of their proposed emigration restrictions by making them quite short. Stilz, for example, suggests a one-year period of compulsory service for doctors. *See id.* at 74. It seems very unlikely to me that such short periods of service, especially by relatively newly trained professionals, would be likely to meet the needs of the country of training. If anything, such a short period of service by a newly trained professional might worsen the problem, by locating the least productive years of the professional’s service in the home country, allowing the wealthy host country to escape even more training costs. However, as the term of compulsory service grows longer, its plausible compatibility with liberal principles of justice decline, at least in the vast majority of cases. This tension helps show the general implausibility of compulsory service programs to address the problem of brain drain, I claim.

30. *Id.* at 72.

31. *See* Michael Blake, *The Right to Leave: Looking Forward*, in GILLIAN BROCK & MICHAEL BLAKE, *DEBATING BRAIN DRAIN: MAY GOVERNMENTS RESTRICT EMIGRATION?* 155, 167 (2015) (discussing how Ghana has coerced citizens to stay by “withholding nursing certificates from those who do not practice for some time within Ghana”).

remain in the host country under my proposal, without the incentive destroying features of the emigration restriction proposals. Finally, my proposal is fairer to those who do not have the means to self-fund their education. Most proposed restrictions on emigration focus, with good reason, on those who are educated at public expense, leaving out those who self-fund their education. But, it seems perverse to put extra burdens on those who are, almost certainly, already less advantaged than those who are able to self-fund their educations. The fact that Brock's proposal would do this, while my proposal would put no extra burden on those who are educated at public expense, shows my proposal to be fairer.

My proposal also has significant advantages over the so-called "Bhagwati tax," first proposed by economist Jagdish Bhagwati³² and since modified many times. In its original and most common form, the Bhagwati tax is a sort of exit tax, paid by the skilled workers who leave his or her home country to work in the developing world.³³ The tax may be paid in one installment or, as is the more common suggestion, in installments over time.³⁴ Typically, it is suggested that a new international institution, under the auspices of the United Nations, would collect this money and disperse it to developing countries.³⁵ This is a serious flaw in the proposal that is avoided by my project. It is a virtue of proposed changes to international relations and law that they be "institutionally conservative"—that is, that they make as few changes to the existing order as possible, while still providing a moral improvement.³⁶ These days, proposals for new international agencies and institutions are, perhaps unfortunately, implausible. Therefore, if the problem of brain drain can be addressed without needing to create new institutional bodies, and without needing to depend on forming new multilateral treaties, it is a significant advantage. My proposal meets both *desiderata*. It relies almost entirely on currently existing organizations—immigration agencies for visa application information gathering, payroll tax deductions, and the regular tax system to work out the amount of the credits. Even the eventual transfer of funds would not require the development of new institutions. Furthermore, this proposal would not require a multilateral agreement. Even if such an agreement would be desirable, it would be possible for this proposal to be put in place even by a single country without

32. For a clear and developed version, see Jagdish N. Bhagwati, *The Brain Drain Tax Proposal and the Issues*, in *TAXING THE BRAIN DRAIN: A PROPOSAL* 3, 20–22 (Jagdish N. Bhagwati & Martin Partington eds., 1976).

33. *Id.* at 20 ("[I]t would be a surtax on the incomes of the professional emigrants . . .").

34. *Id.* (suggesting that the tax would be paid over a "reasonable period, such as 10 years").

35. *Id.* at 20–22.

36. There is some similarity between my claim here and Allen Buchanan's call for "progressive conservatism" in reforming international law. See ALLEN BUCHANAN, *JUSTICE, LEGITIMACY, AND SELF-DETERMINATION: MORAL FOUNDATIONS FOR INTERNATIONAL LAW* 63 (2004). I here focus, however, on the need to not postulate the development of currently implausible new institutions if we are to make short-term moral progress.

it causing any perverse incentives or causing serious harm to the country. Finally, and perhaps most importantly, my proposal has the advantage over the Bhagwati tax because it allows the home country to engage in worldwide taxation³⁷ while avoiding double taxation.³⁸ In most proposals, the Bhagwati tax is paid by the migrant in addition to their normal country of employment tax burdens, leading to less incentive to gain and advance skills, and to an unfair burden being placed on the people in question.³⁹ My proposal avoids double taxation, making it fairer and less distortionary.

C. *“Intrinsic” Advantages*

The proposal set out in this Paper also has several of what I will call “intrinsic” advantages—features that increase its plausibility, not just in comparison with other proposals, but also evaluated on its own terms. First, my proposal helps avoid the problem that many developing countries have in collecting taxes, given that the developed host country does the collection. While it is conceivable that a developing country could try to implement something similar to my proposal on its own, it is unclear whether it would be successful in collecting the money, and merely instilling a penalty for non-payment would likely have the perverse incentive of discouraging the migrant from returning home and breaking the bonds between the migrant and his or her home society in other ways.⁴⁰ My system avoids this problem by making use of the tax infrastructure in the developed world, allowing those eligible for the “credit” to claim it via the same process as filing taxes, claiming normal tax credits, and applying for a visa. Furthermore, other institutional infrastructure already in place would serve to help this program function. For example, a list of eligible countries may be derived from the list of countries eligible for preferences under

37. As is suggested, for example, by Stilz. *See* Stilz, *supra* note 12, at 75.

38. The unfairness of double taxation, even leaving aside the issue of whether the burden is born by one already disadvantaged by coming from an underdeveloped country, is ably shown by Ruth Mason. *See* Mason, *supra* note 7, at 181–208. There are also daunting practical complexities that would arise with the sort of general worldwide taxation proposed by Stilz and others. *See id.* at 212–21. It is perhaps unreasonable to expect philosophers to be experts on tax policy, but ignoring the significant compliance problems that would arise from worldwide taxation, perhaps especially for developing countries that already have difficulty with tax collection, renders many discussions of using taxation to address brain drain less than helpful.

39. Sager has also drawn attention to the way in which many proposals to address brain drain place a significant portion of the burden on already disadvantaged people from the developing world. *See* Sager, *supra* note 14, at 221–22. Unlike Sager, however, I agree with those he criticizes that there is a significant problem here, and that developed countries have an obligation to address it.

40. As noted by Mason, such results are not unusual in relation to the United States’ global taxation scheme, and as attempts to improve enforcement have increased, these results have become more common. *See* Mason, *supra* note 7, at 172–77.

the General System of Preferences⁴¹ in trade law, or for other trade benefits. This would prevent the need for an expensive, case-by-case system of determinations.

My proposal can also easily accommodate conditions on the transfer of funds, if this proves to be desirable. This could include conditions on the government in general, with tight restrictions on the transfer of funds to highly corrupt or aggressive governments, or to governments with significant human rights violations, to more fine-tuned conditions, such as that the money be spent on education, or further skills training, or on development more generally. While such conditions would increase the administrative costs of the proposal, this might be acceptable insofar as it helps ensure that the money foregone by the host country actually serves to ameliorate the damage caused by brain drain. My proposal can also be adjusted so as to provide a larger or smaller credit as the worker is in the country of employment for a longer time, or the home country has more need of certain types of skilled workers than others. Finally, my proposal avoids not just double taxation from the Bhagwati tax, but also home-country/host-country double taxation, thereby proving to be fairer and non-distortionary.

III. ADDRESSING SOME WORRIES ABOUT THE PROPOSAL

I will finish by addressing, briefly, several worries that might be raised against the proposal argued for here. The first, and perhaps most fundamental, is the worry that this proposal, even if it is supported by liberal principles of justice, is too utopian, in that it requires developed countries do something that is at least not clearly in their interest—collect tax revenue, but transfer it to other countries, while providing an off-setting credit to their own taxes. While it is true that my proposal requires that highly developed countries forego a certain amount of tax revenue, without any certain or immediate return benefit, I do not think that this is, itself, utopian. For example, it is not clear that this proposal is more utopian than the transfers that come from many other international aid and development plans, or the gain that is foregone via the Generalized System of Preferences for developing countries in trade agreements. Furthermore, my proposal is likely to be better for countries of employment than would home-country based restrictions on emigration. And, if the lost revenue is seen to be too high, some of this could be recouped via charges to employers of foreign workers. (This might also help address certain worries about the recruitment of skilled workers from developing countries, by making it more expensive, but without prohibiting it.) Finally, my proposal could conceivably be tied to certain reciprocal agreements with developing countries, to ensure that the funds were

41. For a useful, brief discussion of the GSP, see *Generalized System of Preferences (GSP)*, OFFICE U.S. TRADE REP., <https://ustr.gov/issue-areas/trade-development/preference-programs/generalized-system-preference-gsp> [<https://perma.cc/SUM2-8E4N>].

properly used or that corruption was reduced, or, if incentives for actions by developed countries are needed, increased access to markets.

The proposal defended here is also better than the status quo and the alternatives from the perspective of the developing countries, providing further plausibility. For reasons given above, my proposal is better from the home-country perspective than travel or emigration restrictions would be, in that it does not discourage investment in skills and education in the public. Furthermore, participation in the program may be made a legal requirement by both the home and the host country, ensuring a high degree of compliance with the program (especially insofar as there is no intrinsic reason to not participate, given that those taking part are not subject to double taxation, as they would be under some alternative proposals).

A final worry about the proposal argued for here is that it would come to little good if the money raised is not properly used. What reason do we have to think that it would be used well? And, what if the money raised by this program is not, in the end, enough to help developing countries meet their needs for skilled workers and other aspects of and adjuncts to development? These worries are significant, and cannot be fully answered, especially before the proposal is tried. However, we should keep in mind that our comparison is not with an ideal program or with the ability to solve the problems of the developing world by fiat, but rather with the status quo and with alternative proposals. None of the other options avoid these same difficulties, and they have significant other problems, as I have indicated. Additionally, some degree of monitoring of the use of money is possible. Given these facts, this worry, while real, should not keep us from ignoring the benefits of the proposal.

CONCLUSION

Problems associated with “brain drain” by skilled professionals from the less developed world to the developed world are only one aspect of a fiendishly difficult problem. While there is no magic bullet that will solve global poverty, finding ways to ameliorate problems associated with the movement of skilled professionals from the less to the more developed world is one step in addressing this issue. However, these steps are only likely to be useful and acceptable if they are both fair (compatible with liberal principles of justice) and practicable, meaning that they do not depend on implausible developments of international institutions or assume that developing countries have tax collection powers that they clearly do not. The proposal developed in this Paper takes steps to develop such a system, and therefore deserves further consideration.