

Why Not Privatize the Border?

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The federal government has failed to properly secure our borders and to suitably regulate immigration. As if the border were meaningless, myriad people swarm into America without any control, disease screening, or criminal background checks. In some cases, shady characters cross the border with ill-will for America.

Complaints over too much *illegal* immigration and not enough *legal* immigration are commonplace. Current policy is a classic case of what public choice economists call “government failure”. They explain that the problems we face are not necessarily caused by the *willful blindness* of political actors or their *inability* to secure our borders. Political actors face perverse *incentives* and inadequate social *knowledge* which produce poor policy outcomes, mission inefficiency, and overall ineffectiveness *relative to what markets could provide*.

So why are so many concerned citizens clamoring for yet another government solution? Would the situation be improved by passing more laws, trying to “enforce existing laws better”, building walls, or appointing “better” officials? Why not try something entirely different? Why not let market forces work in our favor by privatizing the border?

After dividing the 1,952 mile Mexican border into twenty 98-mile sections and the 5,500 mile Canadian border into eleven 500-mile sections, the federal government could open a competitive bidding process—saving billions of dollars. Winning bidders would provide security services for (no more than) one of these 31 sections. (Groups like Halliburton and Carlyle would not be allowed to dominate the bidding pool.) A firm’s bid would take into account the cost of providing education or skill-level screening, English proficiency grading, DNA testing, background checks, immigrant quality grading, and body heat scans to discover disease carriers at established border portals.

Firms would assign each immigrant a grade, much like a credit report score, providing valuable information to potential employers and law enforcement agencies. A score card would be issued indicating skills, purpose of entry, and permitted tenure of stay under State Department guidelines. Special preference would be given to persecuted people and spouses or children of American citizens. A firm’s failure to grant access to an appropriate number of migrants, or its failure to prevent untrammelled illegal immigration, would result in contractual fines or repudiation.

The federal government would retain its constitutional (Article IV, Section 4) role in oversight and funding. The local Sheriff’s enforcement role would become paramount, backing up the efforts of the border security firms and deputizing their members or volunteers (e.g., minutemen groups) when necessary.

Satellite, radar, and infrared technology could be utilized to identify porous sections of the border. An actual count of illegal entrants could be made at precise geographical points, with corresponding responsibility assigned to the firm which permitted the intrusion. The federal government would monitor and rank (quarterly) the relative success of each firm. Rankings provide a means for evaluating contract renewal, and the resulting competitive pressure is healthy for efficiency and effectiveness.

Market incentives would alleviate border problems. If the average contract were worth \$100 million annually (after a vigorous and efficient bidding process), would not firms have a huge incentive to do a good job? Not only would they employ high tech surveillance technology, but their lucrative contracts would provide them an incentive to capture and deport illegal immigrants wherever they are found. State minutemen groups would be paid for their welcomed efforts in helping the firms.

Indeed, the incentives of a redeployed soldier or tenured bureaucrat pale by comparison to those of border firms or minutemen. And the same profit motive that minimizes corruption in the private sector tends to exacerbate it within bureaucracies. As Gary North recently noted: “The [Great] wall [of China] was no more secure than one greedy guard.” Government actors get paid regardless of their effectiveness and are prone to corruption.

A government employee’s incentive to patrol and capture is not as strong as a private firm’s incentive under competitive pressure. Border firm employees and paid minutemen would have a huge incen-

tive to capture and expel illegal immigrants. And even if markets may fail at times, government failure is far more troublesome.

Exactly how will private firms choose to regulate the flow of immigrants on the border? The answer depends on what solution is the most economically efficient—another important market incentive to be shrewd and creative. Imaginative border entrepreneurs and managers will minimize costs by using the optimal mix of resources to profitably do the job. And that policy is good for America.

Unlike Bob Inglis, I have a plan that will work. I am the only candidate for U.S. Congress (4th District) with an original and practical solution for revamping immigration and border policies. If I am elected to Congress on November 7th, I will work to effectively resolve border and immigration problems.