



professionals leaving for higher salaries, better working conditions, and more stable lives in developed countries.<sup>4</sup> 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.<sup>5</sup>

### 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 credit 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 oversimplify, the United States (atypically, in comparison to most other countries) currently considers the worldwide income of its citizens as taxable.<sup>6</sup> 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.<sup>7</sup> 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. 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.

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

5. See *id.* at 38-41.

6. I.R.C. §§ 904-908 (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-TYB>] ("If you are a U.S. citizen. . . [y]our worldwide income is subject

A. Who



**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



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, 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 charge, if necessary, or, when the recruitment is done via government programs, this fact may reduce the government's incentive to engage in such recruiting. In this Paper, I do not want to claim that such recruiting is always problematic or unjust.





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 advantag~~ed~~ 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 ~~revised~~ "Bhagwati tax," first proposed by economist Jagdish Bhagwati<sup>22</sup> 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<sup>23</sup>. The tax may be paid in one installment or, as is the more common suggestion, in installments over time<sup>24</sup>. Typically, it is suggested that a new international institution, under the auspices of the United Nations<sup>25</sup>, would collect this money and disperse it to developing countries<sup>26</sup>. 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<sup>27</sup>—that is, that they make as few changes to the existing order as possible, while still providing a moral improvement<sup>28</sup>. These days, proposals for new international agencies and institutions are, perhaps unfortunately,





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