In light of both reviewers’ comments, I have changed the structure of the manuscript. It is now divided into two sections:

Section 1 addresses the four moral costs of refugee markets, including the cost of negative valuation arising from xenophobia, the cost of discrimination, and the cost of refugees having fewer choices.

Section 2 considers what ought to be done when refugee markets both increase the number of refugees gaining asylum, but also entail the costs I describe in Section 1. Section 2 now includes a more precise set of claims regarding when markets are superior to alternative mechanisms for refugee protection.

Below are more specific changes I have made in light of the Reviewer A’s helpful comments:

1. S/he noted that refugees do not have a right to choose their country of asylum under international law. I now do not claim that a given market denies refugees a given right. I only claim that markets can deny refugees the ability to choose their country of asylum, and this is a moral cost (p. 12).
2. The reviewer also criticized the claim that, if refugee markets are instituted, then this will express negative valuation from xenophobic preferences. S/he noted that many states may pay for fewer refugees for reasons other than xenophobia. I now qualify my claim regarding negative valuation: negative valuation is only expressed in a market when states are motivated by xenophobia (p. 4).
3. The reviewer suggests that, even if xenophobia is one reason for a state paying another state to accept refugees, this is not a reason to reject the payments. It must be shown that ‘xenophobia is *the main or controlling reason* behind the payments.’ I rejected this claim, arguing that, if xenophobia has any effect on the market rate, the market can expresses negative valuation. Such expressions can be avoided under some non-market schemes, providing one reason to accept some non-market schemes over markets (p. 5).
4. S/he noted that I only present one market mechanism that accounts for refugees’ preferences, and suggested I engage with the proposal of Blocher and Gulati. In light of this, I have made the following change:

Sub-section 2.3 now addresses what ought to be done when markets both decrease refugees’ ability to choose their country of asylum, but also increase the number of refugees obtaining asylum. I consider the possibility that Moraga and Rapoport’s proposal encourages states to increase the number of refugees accepting protection, while also increasing refugees’ choices. I argue that, in some cases, the proposal will be less effective at increasing the number of refugees gaining asylum compared to alternative market mechanisms that completely ignore refugees’ choices. This leads to a dilemma, where we must choose between a market that ignores choices but increases asylum, and an alternative mechanism that respects choices and decreases asylum. I then argue that, in general, we ought to select the former over the latter (p. 20-24).

I have made the following changes in light of Reviewer B’s helpful suggestions:

1. S/he suggested that the hospital analogy was doing more work than it could carry. I now mention the hospital only once, on page 9.
2. S/he noted that I was inconsistent with when real world problems were allowed to defeat abstract arguments. I have made the following change in light of this comment: In the first version of the article I stated that, because states often do hold xenophobic preferences, and will be motivated by xenophobia, markets contribute to negative valuation. I now simply claim that, when states are xenophobic, the market permits them to engage in offensive negative valuation that they cannot express in alternative schemes (p. 4). This version does not raise a real-world objection to an abstract argument. It is simply a more qualified abstract argument.
3. The reviewer noted that the conclusion was rather weak. I have made significant changes in light of this comment:
4. Section 2 now more directly addresses when refugee markets are better than alternatives.
5. I defend the following specific claims: (a) a refugee market that protects more refugees but expresses negative valuation is morally superior to a market that protects fewer refugees and expresses no negative valuation, all else being equal (p. 17-18). (b) When refugee markets permit discrimination, they are morally superior to an alternative which does not permit discrimination, so long as no refugees are worse off in the market compared to the alternative (p. 18-19). (c) When refugee markets decrease choice compared to an alternative, the market is generally morally superior if more refugees will gain protection. More specifically, *the more refugees struggle in their home and transit countries, and the more they will benefit from asylum in another country, the more we should prioritize asylum in another country over choice (p.* 23).
6. These are spelled out in the conclusion on page 25.