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Re-thinking Immigrant Investment Funds

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Investment Migration Working Papers
IMC-RP 2016/2

Re-thinking Immigrant Investment Funds*

Alan Gamlen,† Christopher Kutarna‡ and Ashby Monk§

ABSTRACT: The idea of selling membership into society is not new, but it has taken on new life with the recent proliferation globally of Immigrant Investor Programs (IIPs). These programs involve the sale of national membership privileges to wealthy foreigners. They are justified by attractive policy objectives: to stimulate economic development and attract engaged investor-migrants. But they are often plagued by failures to achieve either of these two goals. This paper surveys the universe of IIPs, reviews their objectives, activities and performance, and explores how they might be improved. We develop a two-dimensional typology for distinguishing IIPs according to types of criteria they impose on program applicants: (i) wealth criteria and (ii) engagement criteria. We map out four distinct immigrant investor strategies that emerge out of these different IIP criteria: Aspiring Astronauts, Absent Oligarchs, Migrant Mayors and Pioneer Patrons. By analyzing which IIP criteria encourage which strategies, we highlight common mismatches between stated objectives and embedded incentives, helping to explain why many IIPs report poor economic and immigration policy outcomes. We also contemplate solutions. In particular, we observe that the success of an IIP depends upon the coming-together of expertise from two domains—migration policy and investment management—and we draw upon insights from successful Sovereign Development Funds (SDFs), which likewise must simultaneously achieve public policy and financial goals. We propose a set of principles to guide the emergence of a new type of SDF: Immigrant Investment Funds (IIFs). We also indicate how such vehicles might help address urgent issues around migration and refugees, for example by investing in refugee and migrant entrepreneurship and in the infrastructures needed to incorporate newcomers, thereby demonstrating the public value of immigration at a time when anti-immigrant rhetoric has become a serious irritant in world politics.

KEYWORDS: Immigrant investor programs; immigrant investment funds; highly-skilled immigration policy; economic citizenship; financial citizenship; civic buyout; entrepreneur citizenship

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1. Introduction

The idea of selling membership in society is not new. The French sold noble titles going back to at least the 16th century. The practice reached a peak under the reign of Louis XIV (r.1643-1715), when titles were sold to wealthy commoners both to finance war and to expand the technical capacity of the state (Lucas 1973). The practice became so common that the King's diarist, the Duke of Saint-Simon (1675-1755), went so far as to describe it as 'the reign of the vile bourgeoisie'.[5] His revulsion stemmed not just from fear of having to share noble privileges with commoners. It also expressed the widely held belief that 'titles of nobility contain no merit unless they reside upon virtue'—which at that time meant civic virtue: 'the interest in, care for, and adeptness at the defense' of public affairs (Lucas 1973: 99-100). In a word, he feared that the sale of nobility, as a form of public office, amounted to corruption.

An echo of these protests is found today in the concerns that citizens in wealthy countries voice regarding the rise of Immigrant Investor Programs (IIPs), which involve the sale of national membership privileges to wealthy foreigners. These citizens also fear that civic virtues are debased whenever their governments offer 'citizenships for sale'. IIPs have spread globally in recent years, taking a variety of forms but everywhere representing an exchange of residency or citizenship rights for financial capital. Our research found 60 different IIPs in 57 countries, and half of those were set up since the year 2000. These programs present governments with an opportunity to convert the inherent appeal and attraction of their state into financial wealth for economic development. Such efforts merit

[5] Colin Lucas 1973, "Nobles, Bourgeois and the Origins of the French Revolution, *Past & Present*, No. 60 (Aug., 1973), pp. 84-126, especially pages 97-100

the attention of scholars and indeed policymakers from migration, development and sovereign wealth management fields because, ultimately, the rise of IIPs presents important conceptual and practical challenges for theories about citizenship, sovereignty and global governance in the 21st century.

This paper documents the rise of IIPs, reviews the available information on their objectives, activities and performance, and explores how they might be improved. The body of the paper has three sections. In Section I we ask **what** IIPs are and examine why governments establish them. We identify two policy objectives driving the establishment of IIPs that are embedded in their application criteria: (1) attracting wealth and (2) cultivating what we call 'engagement'. In Section II of the paper we ask **who** migrates via IIPs. First we examine the geographic and socio-economic origins of immigrant investors and summarize existing literature on their motivations. We then build on this by identifying the opportunity structures that IIPs create for migrants. We outline four types of immigrant investor strategies that different IIP criteria are likely to incentivize, and we analyze which IIPs in our review align with which type. In Section III we ask **how** the performance of IIPs could be improved, first by examining documented concerns raised to-date about IIPs, then by suggesting ways that future IIPs might better meet their wealth and engagement objectives. We observe that fulfilling the dual objectives of IIPs depends upon the coming-together and coordination of expertise from two domains—migration policy and investment management by public entities—in order to yield two distinct but inseparable outcomes: actively engaged immigrant investors, and a demonstrable public benefit from the funds the programs generate.

In light of these considerations, we conclude with insights from the financial literature on Sovereign Development Funds (SDFs). Well-designed SDFs pursue double bottom-line objectives, often comprising for-profit financial motives with extra-financial public and developmental requirements. Immigrant Investment Funds (IIFs) could be designed under similar governance models, albeit tailored to the unique needs of IIPs and local geographies. Overall, the aim of this project is by no means to say the final word on IIPs and IIFs, but instead to stimulate a much-needed research agenda on the topic. Among other things, we see this agenda exploring the unique opportunities that IIFs may present, in the context of the current global crisis, to stimulate new investment linked to refugees and migrants. IIFs could help build countries' capacity to share responsibility for global population movements, by investing in immigrant and refugee entrepreneurship and in the development of necessary public infrastructure in refugee and immigrant receiving states. In doing so IIFs could play a role comparable to that of the Nansen Stamp Fund, which helped solve the refugee crisis following the Russian Revolution, and demonstrate the public value of immigration at a time when nativist rhetoric threatens to poison politics around the world.

2. What are Immigrant Investor Programs?

Immigrant Investor Programs (IIPs) are an exchange of national membership rights for immigrants' financial and human capital. IIPs represent an innovative and increasingly common mechanism that allows governments to, in effect, monetize the allure of their countries to migrants, thereby converting intangible assets into financial assets. These programs range from the USA's EB-5 Immigrant Investor Program (the world's largest), which offers permanent residence in exchange for a job-creating investment of US$500,000 to US$1 million; to Malta's straight-up offer of citizenship in exchange for a €650,000 payment to the Malta National Development Fund (Wilbur 2014); to tiny Kiribati's now defunct US$20,000 'Investor Passport' program, which until 2004 offered visa-free access to the 80+ countries with which Kiribati shares visa-waiver agreements.

Figure 1: Sampling the Range of Immigrant Investor Programs (IIPs)

Country	**Canada**	**Cayman Islands**	**Malta**	**Nauru**	**United States**
Program name	Immigrant Investor Venture Capital Pilot Program	Investor Residency with Right to Work	Individual Investor Program	Citizenship by Investment Passport	EB-5 Program
Years in operation	2015-	2003-	2014-	1997-2005	1990-
Benefit to migrant	Permanent Residence	25-year Residence	Citizenship	Citizenship	Conditional 2-yr Green Card Permanent residence if 10 jobs created
Wealth criteria	US $1.5 million investment over 15 years in Venture Capital fund and assets of US$7.6 million. Tertiary qualification (1 year +). English or French proficiency.	US$1.9 millon in real estate or assets over US$7.3 millon plus US$1.2 millon in a business. Good health.	US$380,000 in real estate or property lease (US$17,000 p/a) for 5 years. Contribute to National Development and Social Fund US$164,000 in stocks/bonds/vehicle for 5 years. Min US$54,000. Health Insurance.	US$15,000 fee.	US$1 million investment over 5 years which creates 10 full-time jobs; or US $500,000 investment through regional centre program that creates or sustains at least 10 local jobs for 5 years.
Engagement criteria	Reside in country for 2 years during 5 year period, not in Québec.	Good character.	Resident in Malta in 12 preceding months to application.	None	Be engaged in managerial duties or policy formulation of business. Reside in country 219 days p/a.

Source data: See Appendix.

half of which have emerged since the year 2000 (see Figure 2).[6] It is estimated that 36,500 investor visas were issued globally in 2014, with a handful of high-income English-speaking destinations (the US, Canada, the United Kingdom, Hong Kong and Australia) accounting for a large majority. Most other countries offer fewer than 200 IIP entrants each year.[7]

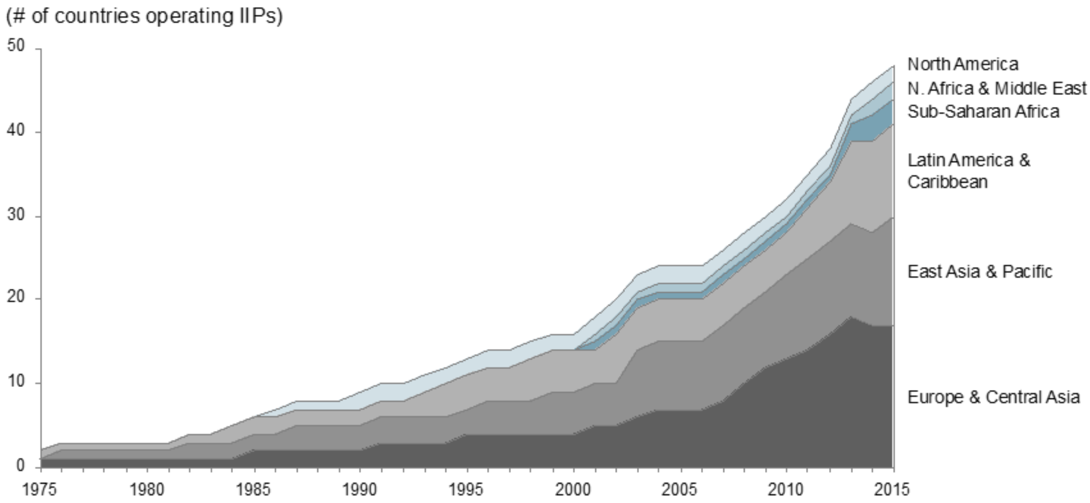
Many countries run multiple IIPs with distinct qualifying criteria and benefits. For example, Australia offers three—'Investor', 'Significant Investor' and 'Premium Investor'—to immigrants who commit AU$1.5 million, AU$5 million and AU$25 million, respectively. The global IIP landscape is also characterized by considerable churn. Roughly 10 percent of all programs, small and large, have been disestablished and replaced with revised versions in the past 15 years. In 2014, Canada, an IIP pioneer, closed down its program after a 28-year run, amidst media coverage of real estate inflation attributed to the program and a bloated applications backlog. It was replaced with an Immigrant Investment Venture Capital Pilot Program in 2015, with higher investment thresholds and new human capital criteria.

Over 90 percent of the IIPs we found are located in High Income countries (63 percent) or Upper Middle Income countries (30 percent) at the core of the global economy. In North America, both the US and Canada operate IIPs. Most Western European countries, and some Central and Eastern European countries, also run programs, as do Australia and New Zealand, and the advanced Asian economies—such as Japan, Hong Kong, Korea and Singapore.

[6] Our scan of immigrant investor programs began with a review of existing academic studies. Although these studies are relatively up-to-date, none attempt an exhaustive map of all existing programs. Therefore, we built significantly upon these partial databases by reference to open government sources, including websites, legislative documents or statements from officials. Despite our best efforts to be exhaustive, we recognize that it is not, given inherent limitations to our approach. In particular, information is less complete and reliable regarding the programs of states with low levels of online government and/or data transparency. In a number of cases, open-source review was merely able to determine the existence of an immigrant investor program, and did not support detailed analysis of its composition or history. We supplemented official data with data supplied by media outlets and private sector brokerage companies, but only where such data could be corroborated by other sources. Brokerage companies proved an important archive of information regarding immigrant investor programs that have since been discontinued (and thus, have been removed from official sites). Cited statistics and data were sourced directly from government publications and market research reports.

[7] Our estimation takes into account 41 operational IIPs, of which the top 5 destination countries (Australia, Canada, Hong Kong, UK, USA) make up just over 80 percent of all visa grants.

Figure 2: Countries with Immigrant Investor Programs, by region, 1975-2015[8]



Source data: See Appendix.

These IIPs primarily monetize the value inherent in standards of living and quality of life available to citizens and residents of these countries. Other programs are hosted by satellite states and territories on the peripheries of the global economy: by small island nations such as Antigua and Barbuda, the Bahamas, Belize and the Caymans; and by small mainland states such as Panama and Costa Rica. These programs monetize the value inherent in the international freedom of movement and tax-haven access available to passport holders from these countries.

2.1. Why do governments establish IIPs?

The present IIP landscape remains exceptionally diverse, reflecting ongoing policy experimentation. However, we observe considerable convergence among IIPs, to the extent that we feel confident in identifying two key policy objectives in this area: (1) attracting wealth, and (2) cultivating what we call ‘engagement’. Below we explain these objectives and discuss how various IIPs in our review aim to achieve them.

Objective #1: Attracting wealth

IIPs aim to attract wealth in two main forms: financial capital and human capital. In a climate of shrinking public budgets, IIPs aim to help governments raise the financial

[8] Counts include countries only, not other territories (e.g. Jersey, Quebec). Countries with multiple IIP streams are counted only once. Counts are therefore conservative.

capital needed to provide the core traditional benefits of citizenship—by monetizing that very status. All the IIPs we reviewed aim to raise financial capital, but different countries command very different prices for entry. At the lower end of the spectrum, several Pacific Island states offer, or have offered, 'investor passports' for very small sums of cash (Kiribati, US$15,000; Fiji, US$23,000). A little higher up the scale are island states on the peripheries of the US and Europe: Antigua and Barbuda and St Kitts and Nevis both provide investor passports for US$250,000, while Malta charges US$824,000. Investor access to large wealthy countries is priced at the high end. For example, to qualify for residency in France requires a €10 million investment into domestic industrial or commercial assets. Austria's limited citizenship-by-investment program is rumored to entail a €2 million donation or US$10 million recoverable investment (Wilbur 2014).

IIP financial commitment criteria appear in two general forms: private investments and monies given directly to the government (Sumption and Hooper 2014). A little over half (53 percent) of the IIPs in our study allow applicants to put up risk capital.[9] Commonly accepted forms of risk capital include investment into real estate, stocks, managed funds and active businesses. Around a quarter of the programs (28 percent) allow applicants to invest in recoverable deposits,[10] such as the purchase of government bonds or maintenance of a minimum onshore bank account balance. In 19 percent of cases the financial capital commitments are more accurately classified as fees than investments, since the investor migrant is not entitled to recover any portion.

Private investments may be loosely channeled to or from particular geographical areas or economic sectors. For example, the US nudges immigrant investments into target regions, while Latvia draws them toward major cities. Real estate investments qualify for entry to the Bahamas, the United Arab Emirates, Greece and Malta, but not the UK or Australia (where they fuel concerns about housing-market inflation). More often, IIPs recognize almost any kind of private investment, which is then simply absorbed into the wider economy. Costa Rica's IIP lets investors sink their US$200,000 into any 'productive' project of 'national interest', whether in real estate, registered goods, shares, stocks, or

[9] Defined as monies invested into an asset for a specified holding period, whose recovery or return is uncertain and depends upon the asset's financial performance or market value.
[10] Defined as monies lent out for a specified lending period, whose recovery—sometimes, with interest—may be wholly or partially insured.

anything else. IIPs in Germany, the Netherlands, Bulgaria and elsewhere in Europe are similarly open.

Monies given direct to the government are typically absorbed into the wider treasury rather than reserved for specific purposes. Switzerland's IIP takes an annual lump-sum tax straight into general revenue. Many other IIPs require the purchase of generic government bonds which can be used towards objectives such as building public infrastructure, including roads, schools, water treatment or disaster recovery (one case being New Zealand's 'Kiwi Bonds'). Cyprus counts 'financial participation in an infrastructure project' towards eligibility (Cyprus Ministry of the Interior 2014).

In a few cases, IIPs channel revenues into institutional investment vehicles, or Immigrant Investment Funds (IIFs), with the capacity to manage those revenues toward specific policy purposes. Malta's IIF, the National Development and Social Fund, is mandated to 'contribute to major projects of national importance', including initiatives in 'education, research, innovation, justice and the rule of law, employment and public health' (Identity Malta 2014). British Columbia's Immigrant Investment Fund (BCIIF) was set up to manage that province's share of the funds generated by Canada's previous Immigrant Investor Program (which was terminated in 2014). Its mandate was to invest in public infrastructure (to lower the borrowing costs to taxpayers of such projects) and venture capital (to promote jobs and investment), with a smaller share put into recoverable deposits to help ensure the stable financial performance of the fund.

Many IIPs also impose human capital requirements, in line with broader trends in immigration policies designed to link human capital with innovation and economic growth (e.g. Challinor 2011). Many IIPs require applicants to demonstrate qualities such as 'talent' (Andorra, France) 'skills', 'education', or 'qualifications' (Hong Kong, France, Canada). Some require 'experience' in areas such as 'business', 'management', or 'investment' (e.g. Australia, Quebec, Japan), or in the fields of 'science' or 'culture' (e.g. Austria, Jersey, Guernsey). Most IIPs require applicants to be in good health. The kind of human capital most widely prized by IIPs is an amalgam of all the above: 'entrepreneurship', an elusive attribute named by IIPs in Australia, Canada, Germany, Hong Kong, Ireland, Isle of Man, New Zealand, Spain and the UK, amongst others.
However, human capital requirements are not a universal feature of IIPs. Germany's IIP

requires job-creating investment and a commitment to residency, but no specific skills other than 'sufficient knowledge of German language and culture'. Similarly, the Netherlands requires no specific business skills, although it does require immigrant investors to pass a 'civic integration test' to prove their understanding of the language and society. IIPs in both the UK and US require 'language proficiency' and 'engagement in day-to-day management' of the investment, but no other specific skills or experience. Around half the IIPs we reviewed impose no human capital criteria beyond knowing the language and having other kinds of socio-cultural fluency needed to integrate. These competencies were related to another common underlying immigration policy aim, which we call 'cultivating engagement'.

Objective #2: Cultivating 'engagement'

Immigration policies are often evaluated on their 'settlement outcomes', measured in terms of immigrants' ability to participate actively in various spheres of the destination society—including the economy, the political process, and everyday community life. Ideas of 'settlement' are complex, covering hotly contested concepts such as 'assimilation' (Gordon 1964), 'integration' (Joppke 2007), 'multi-culturalism' (Parekh 2000), 'social cohesion' (Vertovec 1999), and 'active citizenship' (Kearns 1995)—to name just a few. Without rehearsing these debates in full, we note that many IIPs require immigrant investors to participate actively (rather than passively) in the economy and broader community of settlement. We think of these as engagement requirements.

Since ancient times, the idea of citizenship has been based around shared residence and engagement in the public life of a particular place. In line with this traditional emphasis, physical residence is required by some of the IIPs we reviewed. At the top end of commitment, Monaco requires continuous residence for a 10-year period. A number of other countries require an 'intention' to reside permanently. However, residence requirements are often reduced or omitted completely from IIP criteria. Acquiring a visa through the Portuguese IIP demands just seven days of residency in the first year, and 14 days every two years thereafter. In a few cases residency is not even part of the transaction: the now-defunct Kiribati Investor Passport neither granted the bearer residence nor demanded it, but merely monetized Kiribati's visa-free access to other countries.

This flexibility around IIP residence requirements suggests that they are often less intended to promote traditional forms of citizen engagement (e.g. in civil society and the public sphere), and more as a means of cultivating what might be thought of as economic engagement. For most IIPs, the baseline level of active economic engagement is 'economic self-sufficiency'—that is, no dependency on public health, education and welfare support. For some, the investor is explicitly required to be self-employed; Quebec's IIP states that applicants 'must come to Québec to create their own job' (Gouvernement du Québec 2014). Other forms of employment are sometimes forbidden (e.g. Cayman Islands, Costa Rica, Greece).

About a third of IIPs (36 percent) require more demanding levels of economic engagement. The US's EB-5 program requires the investor to 'be engaged in day-to-day managerial duties or have input into policy formulation' (U.S. Citizenship and Immigration Services 2015). Applicants to Australia's 'Significant Business History' visa stream have to 'maintain substantial ownership, direct and continuous involvement in the day-to-day management of the business, [and] make decisions that affect the overall direction and performance of the business in a way that benefits the Australian economy' (Australian Department of Immigration and Border Protection 2015). Entrants through the 'Venture Capital Entrepreneur' stream must have 'a genuine and realistic commitment to continuously maintain an ownership interest and engagement in business and/or investment' (ibid.). A number of IIPs specify that the investment must actively promote the public good in some way. For example, Panama's program requires investment in government-approved agriculture or reforestation projects. The majority of IIPs, however, allow wealthy immigrants to passively park wealth in the destination country, or pay what amounts to a one-off (albeit substantial) entry fee.

A minority of IIPs temper their emphasis on economic engagement by acknowledging more traditional citizenship expectations. For entrants through Singapore's 'Global Investor Program', their male offspring, like everyone else's, are liable for National Service up to the age of 21. Fiji's IIP requires that 'the holder shall not behave in any manner prejudicial to peace, good order, good government or morals' (Fiji High Commission 2015). Romania's IIP requires not just knowledge of the 'language, culture, constitution and national anthem', but also 'loyalty to the Romanian State' (Dzankic 2015). A few programs expect entrants to understand, or commit to, national 'values'

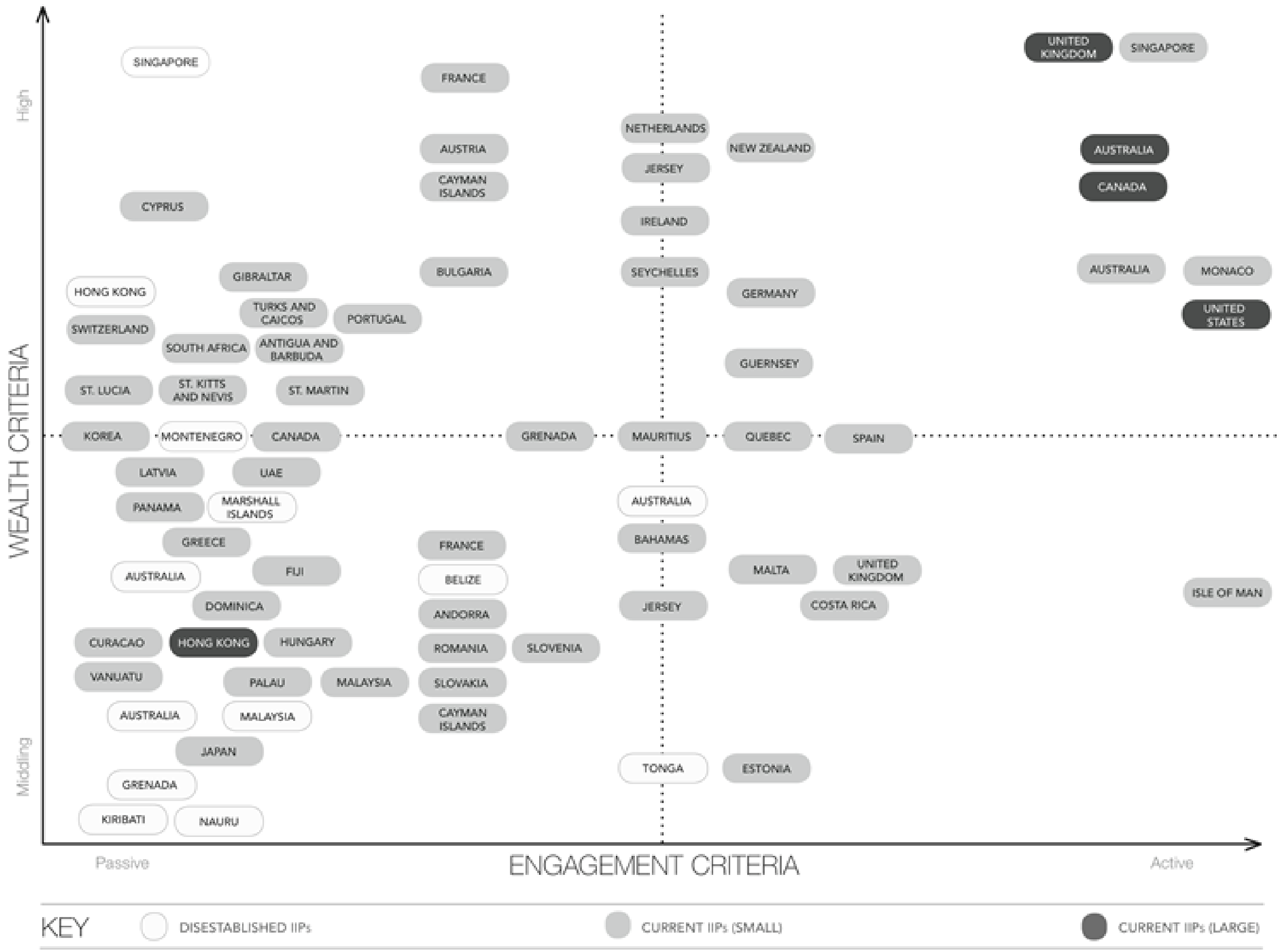
(Australia), or to sign an oath of allegiance (Tonga). In Slovakia, citizenship can be granted to people of special economic benefit if they display good character, a clean criminal record, 'reasonable knowledge of Slovakian language and culture, and fulfil their tax and other legal obligations'. However, most IIPs simply require applicants 'of good character', i.e., a bare minimum of public regard demonstrated by respect for the law.

2.2. What levels of wealth and engagement do IIPs require?

Conceiving IIP objectives in terms of these two dimensions, attracting wealth and cultivating engagement, encapsulates some key issues—and so we explore this approach further in Figure 3. We assign each IIP in our sample with a score between 1 and 5 on each dimension and generate a schematic scatter chart. On the wealth dimension, all programs require some kind of investment, so none are scored at zero. We assigned 1 point for a financial capital requirement of up to US$50,000; 2 for a minimum investment of US$51,000-200,000; 3 for US$201,000-$800,000; 4 for US$801,000-$1.5 million, and 5 for commitments above US$1.5 million. Where programs fell on the threshold between one wealth score and the next, we took human capital requirements into consideration. On the engagement dimension, we assigned a zero where no criteria are specified; 1 for minimal requirements such as a brief visit to renew documents or self-sufficiency; and 2-3 for demanding an 'intention' to reside permanently or some other significant but not necessarily onerous or enforceable obligation (e.g., signing a values statement or agreeing to act in the national economic interest). A lengthy residence requirement (e.g. of tax residency length) was scored around 4, as were requirements to be actively involved in investment management. Anything judged more onerous than this scored a 5. These rankings are schematic, not scientific.

Most programs cluster in the bottom-left quadrant of the chart, with low to middling wealth requirements, and very low engagement requirements. A disproportionate number of countries in this quadrant are small-island tax havens, although a few Southeastern European fringe states also feature. Many of the IIPs listed in this quadrant had been disestablished by the time of our review. The next most populated is the top-left quadrant, indicating IIPs with high wealth thresholds but low to middling engagement requirements. This quadrant features current IIPs, notably from a mix of English-speaking and non-English-speaking high-income OECD countries. Only a few IIPs fall into the top-right quadrant, indicating high thresholds for both wealth and engagement—the largest current programs are among these. The bottom-right quadrant of the chart is sparsely populated: IIPs tend not to combine low wealth criteria with high engagement criteria. The results of this schematic analysis hint at some of the concerns that these programs raise. Before discussing those concerns in Section III, we now turn to the question of who these distinct IIP migration channels tend to attract.

Figure 3: IIPs ranked their by wealth and engagement criteria



Source data: See Appendix.

3. Who migrates via Immigrant Investor Programs?

Immigrant investors comprise a small fraction of 'highly-skilled migrants', who in turn form a small fraction of the 250 million people currently living outside their birth countries (UN Population Division. 2015). Of the estimated 17 million migrants who cross borders around the world each year, well under a million are highly-skilled migrants (Goldin, Cameron and Balarajan 2012: 124-125). However, the increasing skills-based selectivity of immigration policies means that highly skilled immigrants form a disproportionate number of entrants to developed countries such as Canada, the US, New Zealand and Australia (e.g. see Canadian Immigration Office, 2014).

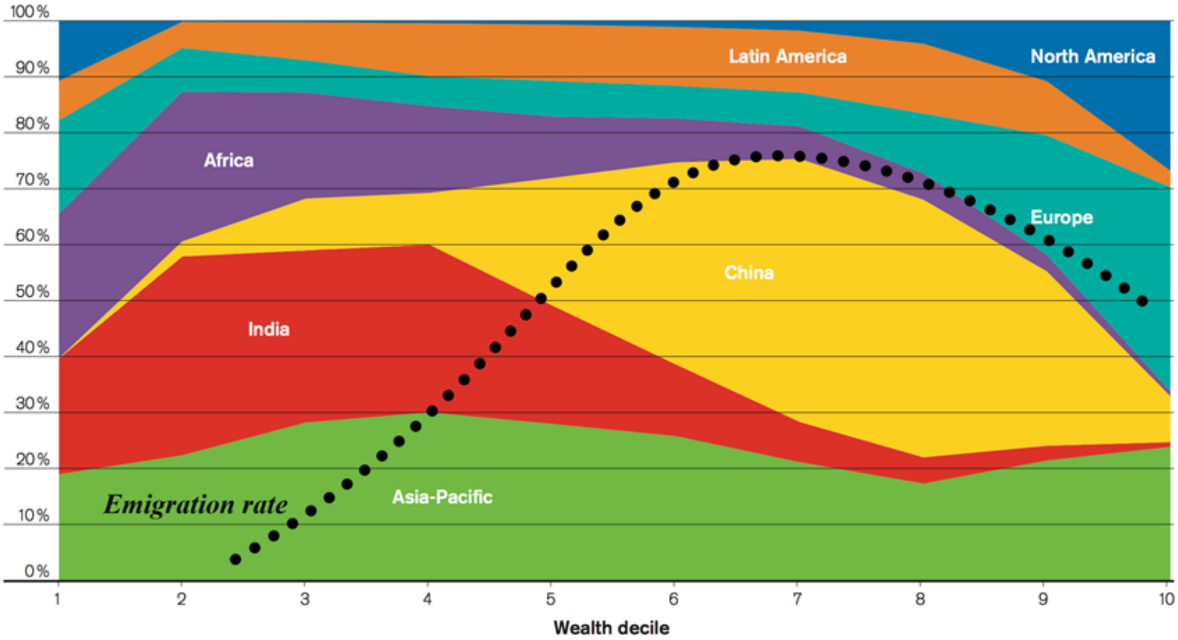
Moreover, the scale of highly-skilled migration is set to grow. Wealth is increasing globally, but spreading unevenly within and among countries. Within developing countries, many remain poor, but a growing few are obtaining the resources to get out. Emigration rates are highest in middle-income ranges, because the poorest of the poor lack the means to escape their predicament, while the wealthiest typically lack the incentive (Martin and Taylor 1996). This helps explain why popular IIPs receive most of their applications from members of the new middle- and upper-classes in rapidly developing middle-income countries, and not from the poorest or richest countries (see Figure 4).

To borrow terminology from the wealth management industry, the main targets of IIPs are 'high net worth' (HNW) households, which control private wealth of US$1 million or more. Globally, about 34 million people live within HNW households—0.7 percent of the world's population (Credit Suisse, 2015).[11] There is a broad range even within this tiny elite: wealth managers refer to lower-HNW (US$1-$20 million in private wealth), upper-HNW (US$20-$100 million), and ultra-HNW (US$100 million and above). By 2014, 38 percent of global, high net-worth household wealth resided in the developing world, a share projected to rise to 45 percent by 2019 (Boston Consulting Group, 2015).[12] China now has the second-highest number of millionaire households in the world (four million), behind only the US (seven million) (ibid).

[11] Refer to Credit Suisse's 'Global Wealth Report 2015'.
[12] Refer to The Boston Consulting Group's 'Global Wealth 2015: Winning the Growth Game'.

Figure 5 shows the relative size and origin-country breakdown of the intake pools for four of the world's most popular IIPs: the US, Canada, Australia and New Zealand. Chinese nationals make up the majority of entrants in each of the first three. The US EB-5 program experienced dramatic growth over the last decade, from just over 500 visas in 2006 to over 9,200 visas in 2014 (US State Department 2014). More than 8,500 of the visas issued in 2014 went to mainland Chinese applicants, up from just 63 in 2006 (ibid). Canada has seen a similar regional shift and growth in applicant mix.

Figure 4: Regional composition of global wealth (2014) and 'migration hump'



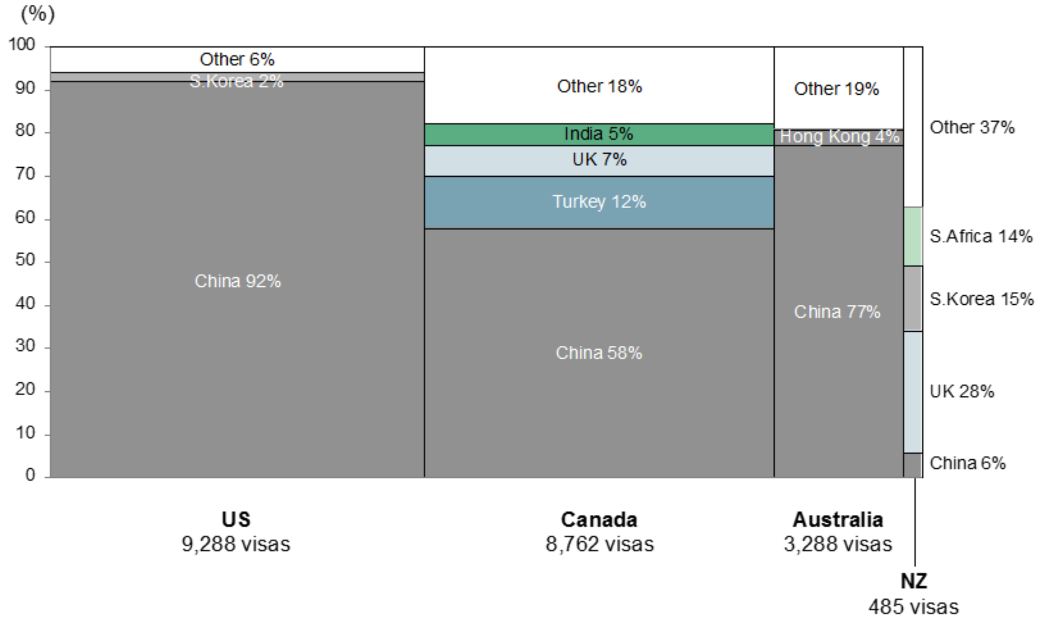
Source: Koutsoukis, A., Davies, J. B., Lluberas, R., Stierli, M., & Shorrocks, A., 2015.
Emigration rate: adapted from Martin and Taylor 1996.

Between 1990 and 2014, the share of investment-class migrants coming to Canada from China rose from approximately 10 percent to nearly 60 percent of the total annual cohort (Citizenship and Immigration Canada 2012 and 2014). When Canada terminated its long-standing IIP in 2014, the vast majority of the 65,000 applicants in the program's six-year backlog were from mainland China.

3.1. What motivates immigrant investors?

Fundamentally, IIPs allow wealthy individuals and households to maintain transnational lives in a world where their money can cross borders more easily than they can themselves. In this study we collected data on IIPs but not on the migrants who participate in them

Figure 5: IIP migrants by country of origin



Source data: Australian Department of Immigration and Border Protection 2014, Canadian Immigration Office 2012, Immigration New Zealand 2014, US State Department 2014. Authors' analysis.

However, following Sumption and Hooper (2014), and drawing on both anecdotal and survey evidence from the investor-class immigration industry, the range of specific motivations of immigrant investors can be summarized as follows:

1. To fast-track access to favourable education, healthcare, air quality and other public goods. Immigration laws and regulations are complex and can be time-consuming to navigate. IIPs allow wealthy individuals and households to bypass many of these procedures *en route* to securing improved welfare conditions (sometimes provoking protests at their perceived 'queue jumping'). A 2015 immigration consulting industry white paper on high-net-worth individuals' emigration motivations found improved access to education (both in terms of quality and lower tuition fees) to be the most commonly-cited motivation among

wealthy Chinese emigrants, followed by dissatisfaction with domestic pollution levels (Hurun Report and Visas Consulting Group 2015).

2. To insure against political and economic risk. Many immigrant investors come from developing countries where various forms of instability may threaten their wealth. 'If you're from a country that's politically unstable, where you're not sure what the future holds, you want to have an alternative,' explained the managing partner of a second immigration advisory firm, Henley. Arton Capital, a Canadian immigration advisory group, claims that a majority of its Middle East applicants are motivated to seek a second citizenship by regional unrest (Underwood 2015). IIPs allow them to park wealth and family members in safer locations (occasionally raising issues about 'dirty money' and poorly integrated dependents).

3. To access visa-waiver countries. Developing-country passport-holders often enjoy visa-free temporary access to very few foreign countries. This can be a severe limitation when conducting international business or consuming global lifestyle goods. IIPs may allow such investors to access a wider range of territories without the need to apply for a visa (this can create concerns about fraud, and occasionally lead to the cancellation of visa-waiver agreements). The same Canadian immigration advisory group claims that more than 95 percent of its investor-class applicants herald from countries or regions that it classifies as 'low mobility', such as China, Russia, South Asia and the Middle East (Underwood 2015).

4. To reduce taxes. Many IIPs operated by offshore financial centers and tax havens specifically target wealthy individuals seeking to avoid tax.

3.2. What opportunity structures do IIPs create for migrants?

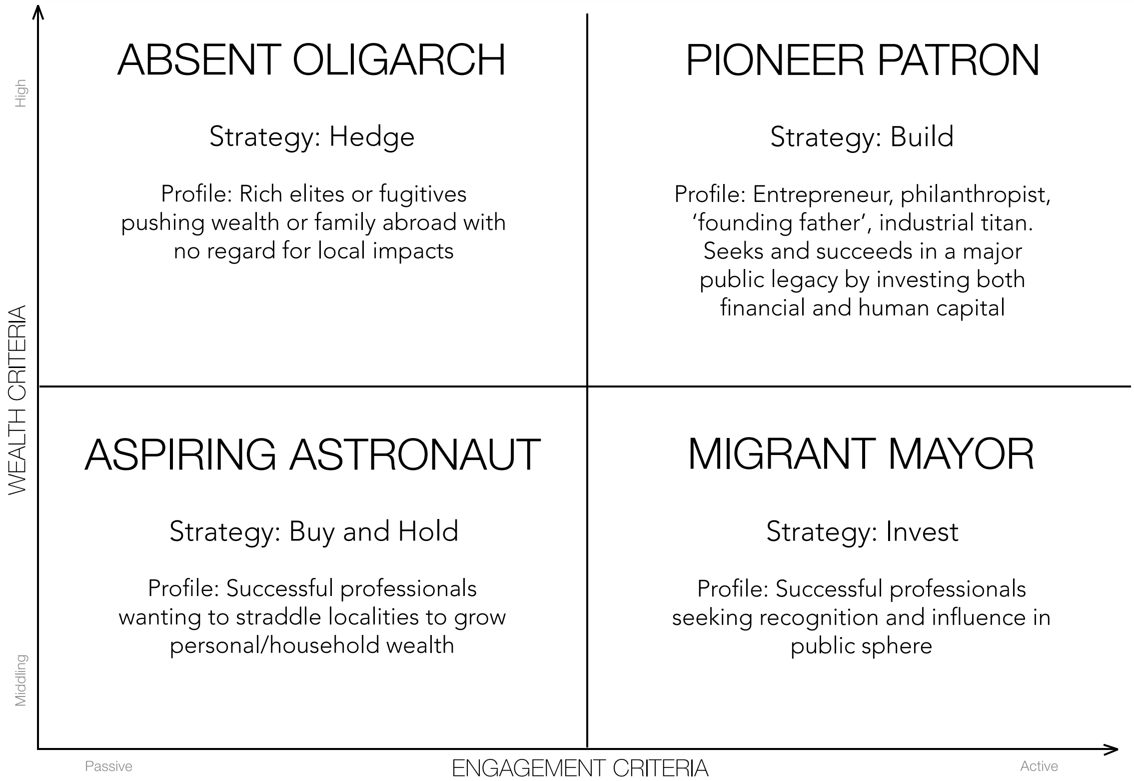
Different IIP wealth and engagement criteria create opportunities for different kinds of immigrant investor strategy. Building on our analysis of IIP objectives above, we identify four 'ideal-type' immigrant investor strategies. To do so we break the 'wealth' scale into two categories: 'middling' wealth programs targeting immigrants with private wealth in the single-digit millions, and 'high' wealth programs targeting private wealth from the tens of millions. High wealth programs may also target advanced levels of human capital (e.g.

higher degrees and multi-lingual skills). Similarly, we divide the 'engagement' scale into 'passive' IIPs with few residence requirements or investment management responsibilities, and 'active' IIPs which require deeper commitment to the destination country (see Figure 6).

We identify four types of immigrant investor strategy that are likely to emerge from different combinations of IIP requirements:

1. IIPs that require middling wealth and passive engagement may enable **Aspiring Astronaut** strategies. Aspiring Astronauts are successful professionals seeking to straddle localities so as to access global opportunities and grow their financial and human capital— so that they or their children may one day become an 'Absent Oligarch' or a 'Migrant Mayor'.

Figure 6: Immigrant investor strategies incentivized by different IIP criteria



Meanwhile, the costs and commitments of an IIP constitute a significant outlay, which they seek to buy and hold. This category accounted for the lion's share of

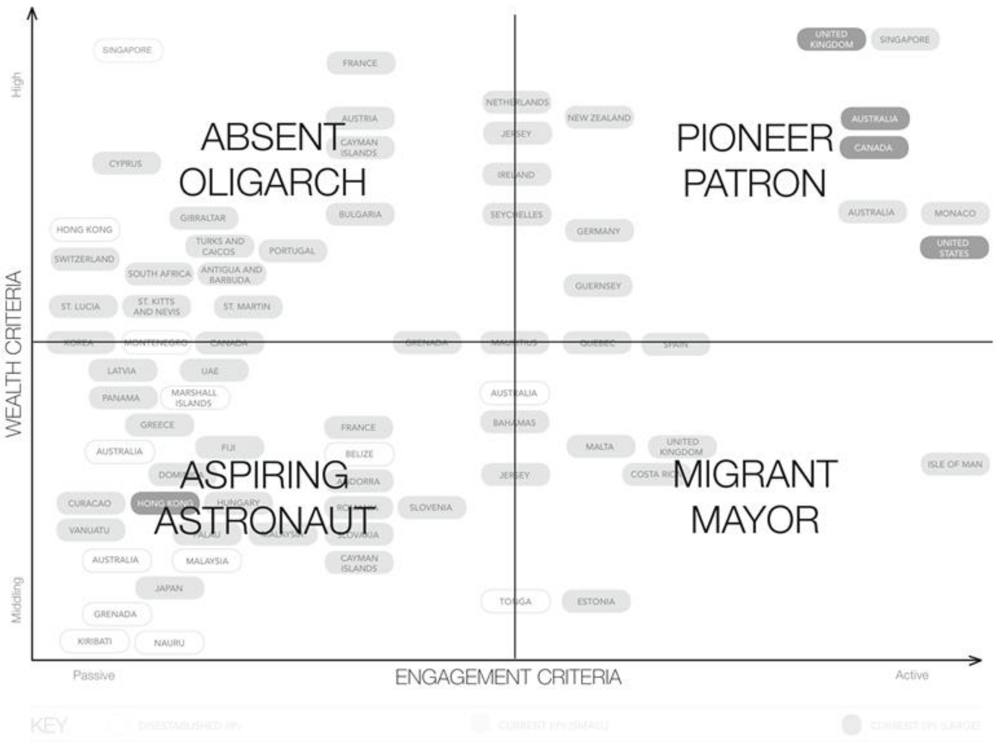
IIPs in our study. Depending how borderline cases are categorized, we estimate more than a third and possibly as many as half of all the IIPs in our database target this type of immigrant investor, even if inadvertently (see Figure 7).

2. IIPs with high wealth but low engagement requirements may incentivize **Absent Oligarch** strategies. Absent Oligarchs are rich elites (and in some cases, fugitives) who wish to park wealth and/or family abroad to hedge against political and economic risks at home, with little or no regard for the impact of their strategy in the destination state. Absent Oligarchs see IIP wealth criteria as minor hurdles, and they are attracted by low engagement criteria. The Absent Oligarch category was the second-largest of our four: in our assessment it accounted for somewhere between a fifth and a third of the IIPs we found (see Figure 7). However, this category also probably accounted for many of the loudest complaints about IIPs (see below).

3. **Pioneer patrons** are ultra-wealthy and public-spirited people with both the desire and the ability to build a major public legacy in an adopted home. Having achieved truly exceptional financial success, they are ready to give back by engaging at the highest levels in major public works. We speculate that most IIPs hope to attract pioneer patrons, but very few create the right incentives to do so: by our estimation, less than one in four of the IIPs we reviewed (and perhaps as few as one in seven) put in place the incentives to target this category (see Figure 7).

4. IIPs requiring middling wealth but active engagement may create opportunities for Migrant Mayors. Migrant Mayors are successful professionals seeking higher levels of financial success and public recognition in an adopted country. IIP wealth requirements constitute a significant cost for people in this wealth bracket, but they are prepared to meet the engagement requirements and fully invest themselves in their new home. In histories of immigrant entrepreneurship in the 19th century and before, Pioneer Patrons often cut their teeth as **Migrant Mayor** types, and so it is perhaps surprising that so few IIPs seem to encourage this type of strategy. From our analysis, this category accounted for well under a fifth of IIPs reviewed, and possibly less than 1 percent, depending how borderline cases are categorized (see Figure 7).

Figure 7: Immigrant investor strategies incentivized by IIPs to-date



4. **How could IIPs be improved?**

In this research we bring to bear a considerable depth of primary expertise on migration and migration policy issues (Gamlen), on the Chinese business and investment environment (Kutarna), and on Sovereign Development Funds and institutional investors more broadly (Monk). That said, our review of IIPs has a number of limitations. We collected data on IIPs but not on the migrants who use them. We relied mainly on secondary information about IIPs and had limited interaction with policy makers directly involved in this specific area. We do not claim to have exhaustively covered the topic—and indeed, our primary purpose in writing this paper is to stimulate the formation of a much-needed research agenda around IIPs. Notwithstanding these caveats, this research has put us in a position to comment on the circumstances in which IIPs appear to work well, or not. In this section we provide such commentary, first by analyzing the concerns that have been documented about IIPs to-date, then by suggesting how IIPs might better achieve their objectives of generating wealth and engagement. Finally, we draw insights from the literature on Sovereign Development Funds that may provide guidance to the designers of Immigrant Investor Programs as to how the additional financial wealth could be put to good use in the local economy.

4.1 What concerns have IIPs raised?

Figure 7 above hints at some of the worries that have been raised by IIPs to-date. In line with our broader analysis, we identify two main concerns: poor economic outcomes, and poor immigrant engagement.

Concern #1: Poor economic outcomes

As we demonstrate below, IIPs have often been criticized for failing to deliver on their hoped-for aim of attracting wealth. We offer two plausible explanations. First, they may fail because they are unable to attract immigrants with the right skills. Second, IIPs may deliver poor results because they do not set meaningful performance targets.

IIPs aim to attract immigrants with the skills and abilities to make a substantial impact on the destination economy. This is an ambitious aim, and it may fail if IIPs attract people who lack the requisite attributes. The US-China Economic and Security Review Commission (2015 p.15) has highlighted 'questions about the benefits of the [EB-5] program and whether foreign investors, often disinclined or unable to assess business risks, are adding the intended value to the US economy.' In two other high-level critiques, the US Department of Homeland Security reported that the US government 'cannot demonstrate that the [EB-5] program is improving the US economy and creating jobs for US citizens'; and a Brookings-Rockefeller research initiative reported that 'knowledge of the program's true economic impact is elusive at best' (Elkind and Jones 2014:1).

Part of the issue is that 'skills' and 'abilities' are notoriously hard to capture in immigrant selection criteria: they involve intangible elements (particularly at the high-skill end of the spectrum), and labor market demand for them may change faster than policies can adapt. IIPs face a magnified version of this problem. The skill of creating wealth involves attributes (including talents or networks) that are especially fluid and hard to define—

otherwise, everybody would be wealthy. So it is not surprising that IIPs have generally failed to measure and target accurately the human capital they seek.

These difficulties are leading many conventional immigration programs to shift away from 'measuring' skills and talents through official points systems and towards giving employers the responsibility to recruit immigrants with the skills they need (Chaloff and Lemaitre, 2009). But for IIPs, this presents a second challenge: most IIPs have not identified 'employers' capable of vetting and 'hiring' entrepreneurs and investors with the requisite skills. Perhaps this is because such people are conventionally thought of as 'self-employed'—even though, regardless of their legal employment status, investors and entrepreneurs often effectively 'work for' a bank or some other financial intermediary, whose function is to match capital with investment opportunities.

Involving financial firms and institutions in the selection of immigrant investors would be an obvious way of bringing IIPs into line with other areas of high-skilled immigrant selection, but we did not find evidence of this approach in the IIPs we reviewed.[13] Indeed, some documented concerns about IIPs explicitly highlighted a discrepancy between IIP scrutiny of investor proposals and the scrutiny that would be carried out by financial industry professionals. For example, *Fortune* magazine reported that:

> 'because the EB-5 industry is virtually unregulated, it has become a magnet for amateurs, pipe-dreamers, and charlatans, who see it as an easy way to score funding for ventures that banks would never touch. They've been encouraged and enabled by an array of dodgy middlemen, eager to cash in on the gold rush. Meanwhile, perhaps because wealthy foreigners are the main potential victims, US authorities have seemed inattentive to abuses.'

Inefficient use of financial capital is partly a human capital issue—a lack of investment nous—but also an issue of overall program design. Remarkably few IIPs specify any clear purposes for the funds they generate, a circumstance clearly at odds with other programs and policies designed to convert and/or manage sovereign wealth. The few existing

[13] Declaration of interest: This project received approximately CAD$10,000 from Dundee Corporation, an investment company, which supported three research assistants.

attempts to incentivize/dis-incentivize investment in particular regions or sectors have proved difficult to monitor and enforce, and most programs simply dissolve private investments into the economy in the vague hope that growth will somehow result. This lack of clarity over investment objectives also plagues those IIPs whose monies are given directly to the government. Programs may be rhetorically justified by the objective of raising capital for key sectors or strategies, such as economic transformation or infrastructure renewal, but, based on our assessment, such statements of intent seldom correspond to any specific fund management strategy. Instead, funds given to the government are typically absorbed into the general treasury, where they lose any distinctive identity or capacity to be harnessed for a specific objective.

In the absence of clear targets, few IIPs even attempt to measure their results. Those that do so often report disappointing impacts on high-level measures of economic growth and job creation. In 2015, the US Government Accountability Office slammed the office of Citizenship and Immigration Services for failing to put a strategy or system in place to assess the EB-5 investor visa program's economic benefits (despite its legislated mandate to create jobs). St Kitts and Nevis' IIP was one of the few we found publishing regular evaluation-friendly data. In such a vague climate, it is unsurprising that a 2014 report by the UK's Migration Advisory Committee concluded that the country's Tier 1 Investor Visa scheme, launched in 2008, had yielded no demonstrable welfare gains to-date.[14] When coupled with concerns about the 'sale of citizenship', such unclear and unconvincing evaluations have often brought experiments with IIPs to an abrupt end.

The IIF model, in which IIP revenues are placed in a distinctive and professionally managed institutional investment vehicle, is an exception to this characterization. IIFs offer a vehicle through which to mobilize IIP resources in specific and often commercial ways. They can thus, if structured properly, be a source of profits for the state and investors and enable a more rigorous assessment of outcomes in what would otherwise be a highly ambiguous environment of diffuse impacts. In the final section of this paper we expand on how IIFs might better do so by adopting insights from the design and performance of

[14] As of October 2015, St Kitts and Nevis' IIF, the Sugar Industry Diversification Foundation, had disbursed US$174,231,394.

Sovereign Development Funds (SDFs)—another kind of institutional investment vehicle that serves a developmental policy objective in addition to a commercial objective.

Concern #2: Poor immigrant engagement

While the economic impact of IIPs is often difficult to perceive, the complaints they generate in public discourse often come across clearly to those with the political authority to renew or discontinue such programs.

Perhaps the most visceral complaints about IIPs concern perceived changes to the meaning of citizenship. Traditionally, the citizen has been a person who is both governed and who participates actively in government. IIPs align squarely with the trend in large, open Western economies toward economic citizenship, which emphasizes participation in commercial and financial markets, rather than participation in the public sphere and civil society, as a basis for public recognition and reward. Wealth-based components to citizenship are not new. Property ownership has been a criterion for citizenship since ancient times, and public-spirited commerce, investment and philanthropy have long been the price of public influence. Therefore, the pressing concern about IIPs may not be their promotion of economic citizenship per se, but rather that they promote what might be thought of as financial citizenship, in which parked wealth buys out the need for any public participation, and passive rent-seeking is rewarded over public engagement. Many IIPs have reported cases of entrants who drop off the radar and remain disengaged from local communities. In 2014, Canada's then immigration minister, Chris Alexander, echoed these concerns, noting that, 'There is little evidence that immigrant investors, as a class, are maintaining ties to Canada' (Carman and O'Neill 2014).

Certain program design choices may exacerbate public concerns about what we call civic buyout. Some programs allow investors to reduce (buy out) their residency requirements by committing higher levels of financial capital into the program. For example, by upping their capital commitment from US$1 million to US$6.6 million, investor migrants to New Zealand can cut their residency obligation from 146 days per year in two out of every three years, to just 44 days. Entrants through Australia's 'Business Innovation' and 'Investor' streams must sign an Australian Values Statement and reside for extended periods, but 'Significant' and 'Premium' Investors need not. Similarly, for the UK's 'Tier 1

Entrepreneur Visa', the period of residency required prior to obtaining permanent residence or citizenship is dependent on the investor's level of business activity in the country. Other programs dis-incentivize immigrant engagement in more subtle ways. In Bulgaria, the price of permanent residency is US$3.3 million if directly invested into an unlisted Bulgarian company, but only US$560,000 if invested into listed stocks and shares—a provision that may rightly discourage fly-by-night start-ups, but may also dampen the potential for IIPs to stimulate the small- and medium-enterprise sector (where, economists argue, most jobs are created).

Perhaps a more enlightened approach is that of Ireland, whose IIP lowers capital requirements for more engaged forms of investment: a two-year residency permit can be had for a relatively passive US$2.2 million investment into the Irish bond market, or half that—US$1.1 million—for a more active investment into an operating Irish business. Such active investment is still a form of economic citizenship, which may always be anathema to many people. But in cultivating what might be thought of as *entrepreneur citizens*—as opposed to either *worker citizens* or *financial citizens*—perhaps it is economic citizenship of a less divisive kind.

Nonetheless, IIPs can evoke strong protests about disdain for the virtues of citizenship when politicians sell it for profit and immigrants purchase it for dubious purposes. In 2014 an Opposition Leader in St Kitts was quoted as saying, 'We do not see that sufficient controls are currently in place to ensure that bad people, for want of better language, do not get access to our citizenship' (McFadden 2013). In 2013, an Austrian politician was fined €67,500 for soliciting a contribution from a Russian investor in return for Austrian citizenship—an arrangement the former described as 'part of the game' (The Economist 2013). That same year, Montenegro ended its scheme amid controversy for granting citizenship to former Thai Prime Minister Thaksin Shinawatra, who had been charged with corruption (ibid). Infamously, Kiribati's IIP enabled two North Korean businessmen use the countries visa-waiver agreements to establish an illegal military factory in Hong Kong (Ryall 2012). Similarly, in regional free-movement zones like the EU, when one states sells visas it affects all the others, and so in 2014 the head of the EU Parliament's Budgetary Control Committee stated, 'Citizenship in exchange for money is cynical. This has nothing to do with European values, and this practice must be stopped immediately' (Brusa 2014). A former Dominican Attorney General told Associated Press that 'There could be a flood of people with our passports relocating here. What are we going to do then? Really, this program must be halted. It's dangerous to us and dangerous for our neighbors' (McFadden 2013).

Such statements reveal both anxieties about citizenship and a related foreboding, common across many other IIPs, about sovereignty and security issues. In 2011 the BBC reported on Latvia's immigrant investor initiative, highlighting that 'Many Latvians object to their government providing incentives for Russians to buy Latvian assets. And some … believe that an influx of Russian investment will increase Moscow's influence in the region' (McGuinness 2011). The Migration Policy Institute's Madeleine Sumption, meanwhile, crystallized concerns emerging from the hyper-securitized US policy context, saying 'No level of scrutiny can completely guarantee that terrorists will not make use of these programs' (McFadden 2013). Albeit on the alarmist side, such documented concerns indicate a wider disquiet about IIPs that must be addressed.

Such concerns perhaps reflect the weaknesses of present approaches rather than the failure of a general idea. Our wealth-vs-engagement survey of the existing IIP landscape suggests that few countries strive to attract high levels of both. Programs that lowball each dimension have been plagued by problems, as evidenced by their disestablishment rate. Some IIPs have responded to this outcome by increasing the wealth threshold for immigrant investors, which raises more cash but also amplifies concerns about Absent Oligarchs buying out their civic duties and inflating safe assets. Fewer IIPs have responded by increasing their engagement provisions—even though, in our assessment, some of the most successful and carefully designed programs are those that do target 'Pioneer Patrons', i.e., applicants with both high wealth and high willingness to engage with the destination economy and society. From this perspective, the key question becomes: how can IIPs be re-thought and re-designed to spur greater levels of economically active public engagement?

4.2 How should the capital attracted by Immigrant Investor Programs be governed?

A key aspect of this re-think is to improve the utilization of the human and financial capital that IIPs bring in—to design a higher thresholds for economic citizenship into programs themselves, rather than hope that investor immigrants will cross it on their own.

Based on the capital management models we reviewed (see pp. 6-7), by our reckoning IIPs have the best chance of achieving their twin objectives of attracting wealth and cultivating engagement when these programs are paired with some form of Immigrant Investment Fund (IIF). Immigrant Investment Funds are an inconsistently-practiced capital management model at present, but a promising one. Whereas most IIPs diffuse program revenues into either the general economy or the state's general revenues, IIFs offer the possibility of a third alternative: a government-owned or -overseen investment vehicle that receives immigrant investors' capital contributions and manages them according to both for-profit, commercial objectives and developmental objectives whose clear public benefits can be traced back to the IIP itself—and thus, back to immigrant investors.

An IIF may appear to be a unique investment vehicle, in large part thanks to its unique source of investable assets (via IIPs), but we would label IIFs as a new type of sovereign wealth fund and, more specifically, as a form of sovereign development fund (SDF). Sovereign funds are quite different from other investment organizations, such as pension funds or endowments. The latter, due to the direct liabilities they owe to those who contribute funds, are bound by fiduciary duty to focus exclusively on providing them with a return on their investment. Sovereign funds, by contrast, owe no specific liabilities to individuals or organizations outside of the government. The wealth belongs to the sovereign. Likewise, an IIF would seem to have no specific liabilities to individuals or organizations outside of the government, as its wealth comes in the form of non-returnable fees (i.e., risk capital) contributed by immigrant investors.

The lack of direct liabilities frees sovereign wealth funds to take on strategic objectives as part of their investment function (Clark et al 2013), at which point they may be more accurately termed sovereign development funds (Monk 2009). The world's existing SDFs tend to be strategic, government-sponsored investment organizations that have dual objective functions: to deliver competitive investment returns while fostering extra-financial goals, such as job creation, infrastructure development or economic growth (i.e., 'development'). The best SDFs drive positive development outcomes by leveraging the capitalist system. Their competitive financial performance attracts the participation of private capital, which multiplies the development activity the SDF can generate. The result is the growth of socially valuable industries. For successful SDFs, high private returns on investment and strong, explicit public benefits are not conflicting goals; the former is a key input that helps drive the latter (Clark and Monk 2015).

In our view, given IIPs' dual objectives of attracting wealth and engaging immigrants, governments considering the launch or redesign of an IIP should evaluate IIFs as part of the policy package. When doing so, they should consider IIFs as a new kind of SDF that simply has a unique funding source. Doing so would allow governments to draw important lessons from the accumulating global pool of SDF experiences. For example, it is now understood that outperforming SDFs often have access to local and unique knowledge bases to drive their investment decision-making (Clark and Monk 2015). We therefore envisage that a well-designed and -governed IIF would tie the investment vehicle and its investment strategy not only to the IIP's objectives, but to the immigrant investor community itself—drawing on their global networks and investing in their local activities. Mining the networks and knowledge contained within the IIP's immigrant community can yield profitable investment opportunities, attract additional private funds to multiply the IIF's public impact, and yield a more sustained economic engagement between investor migrants and their destination country—all core IIP public policy objectives.

Our review of the current landscape identified about a half-dozen IIPs that operate vehicles akin to IIFs, but which are incomplete for either of two reasons. Some fail to pursue a financial bottom line—which can bring rigor, professionalism and indeed measurement—and instead simply disburse the program monies they control as grants. They are, in essence, 'sovereign spending funds'. Antigua and Barbuda, Dominica, Grenada, St Kitts and Nevis, and Malta operate vehicles that fall into this category. Others fail to link the IIP monies they receive to a clearly demonstrable public-good outcome. They become fully for-profit vehicles, and they thereby obscure any concrete connection between migrants' economic investment and their public contribution. Australia, the Netherlands and Singapore might be considered in this category: they all offer migrants the option to put their capital contribution into one of a number of government-approved, but privately-run, venture capital funds.

The one example we found of an IIF that passes this critique and does explicitly pursue both commercial and developmental objectives is the British Columbia Immigrant Investment Fund, originally set up to invest the Province's share of funds received through

Canada's previous Immigrant Investor Program. The BCIIF is organized as a state-owned corporation with a government-appointed, private sector board of directors. Its financial objective—'to maximize the financial returns from the funds invested'—is an explicit part of its mission and values, and its development objective is also clear, albeit very broad: 'job creation and economic growth in British Columbia'. However, the BCIIF departs from the ideal IIF in other ways. The wealth it controls is not fully 'sovereign'; under Canada's previous IIP, an investor migrant's US$300,000 (later, $600,000) deposit was fully guaranteed and had to be returned to the migrant after five years. Partly as a result of this liability, the BCIIF must invest a portion of its funds into short-term money markets and vanilla debt instruments in order to honor its repayment obligations.

In a manner of speaking, IIFs in 2015 exist in a 'pre-principle' era, similar to sovereign funds in 2007. At that time, sovereign funds were barely a topic of policy-making, and there were as yet no generalizable standards of governance or management to be found. In 2008, however, the sovereign fund community came together and promulgated a set of principles (called the 'Santiago Principles') intended to help all governments establish successful sovereign funds. Today's IIP and IIF policy makers, we believe, could benefit from a similar set of principles and policies. As such, drawing on Clark and Monk's (2015) research on SDFs, we propose a set of principles derived from the lessons learned to-date. While not prescriptive, we do want to endow governments with a broad organizational and operational blueprint that can lay the foundations for a successful IIF:

Principles for successful public-good performance:

1. **Coherence**: IIF objectives should be aligned, such that high financial performance coheres with successfully obtaining extra-financial objectives.

2. **Oversight**: The sponsor should seek to imbue the IIF with world-class governance, which generally demands a small group (seven to nine members) of sophisticated investment or business professionals.

3. **Delegation**: The IIF will operate in complex, local environments that demand independence of operation. There should be a clear separation of

powers between government and the fund, and between the board and management team.

4. **Accountability**: At the same time, boards should be accountable to their government sponsor in accordance with the IIF's mandate, just as senior executives should be accountable to their boards of directors.

Principles for successful financial performance:

5. **Measurement**: An IIF should always have a financial rate of return target. This signals a risk tolerance to the management team and gives stakeholders an expected long-term performance benchmark with which to hold management accountable. The time horizon for this target should be long-term, but intermediate hurdles should be set and met as well.

6. **Commerciality**: An IIF should have a well-defined, commercial orientation that can guide management and decision-making, as well as help other investors understand and appreciate its mission. The art in designing a successful IIF will inevitably be in selecting the capitalist activities that can achieve the specified public policy objectives.

7. **Marketability**: One test of an effective investment strategy is whether other market participants might view it as attractive enough to join the IIF in specific projects and/or investments. An IIF should evolve from being a market catalyst into being a 'market maker'.

Principles for recognizing and realizing the IIF's dual public-private nature:

8. **Positioning**: An IIF may be asked to catalyze ecosystems rather than specific companies. This means having the flexibility to do single deals that may seem unwise in isolation, but which in the context of a broader strategy generate considerable upside. It is thus important that the IIF be positioned to participate in the upside of specific companies as an ecosystem matures.

In short, it should be attuned to the commercial activities emerging from the IIP and IIP migrant networks, and be positioned to participate.

9. **Capabilities**: An IIF's investment performance will often be predicated on unrivalled knowledge of local markets and opportunities. As such, the IIF will have to be able to source, assess, structure, and de-risk (as appropriate) investment opportunities, which means it has to be able to attract and retain quality people.

10. **Phasing**: An IIF will inevitably operate in immature and private markets, which means it will have to navigate higher levels of illiquidity. A well-run IIF will develop a strategy of phasing in investments over time so as to ensure capital is deployed into only the most promising investments, recognizing that it can be difficult to assess that at the beginning of an investment.

11. **Risk**: An IIF will face idiosyncratic, project-specific risks rather than the generic market risks faced by traditional investors. It is thus important that the IIF recognize the nature and scope of risks in its projects and plan accordingly, drawing on scenario planning, agent-based models and other qualitative factors.

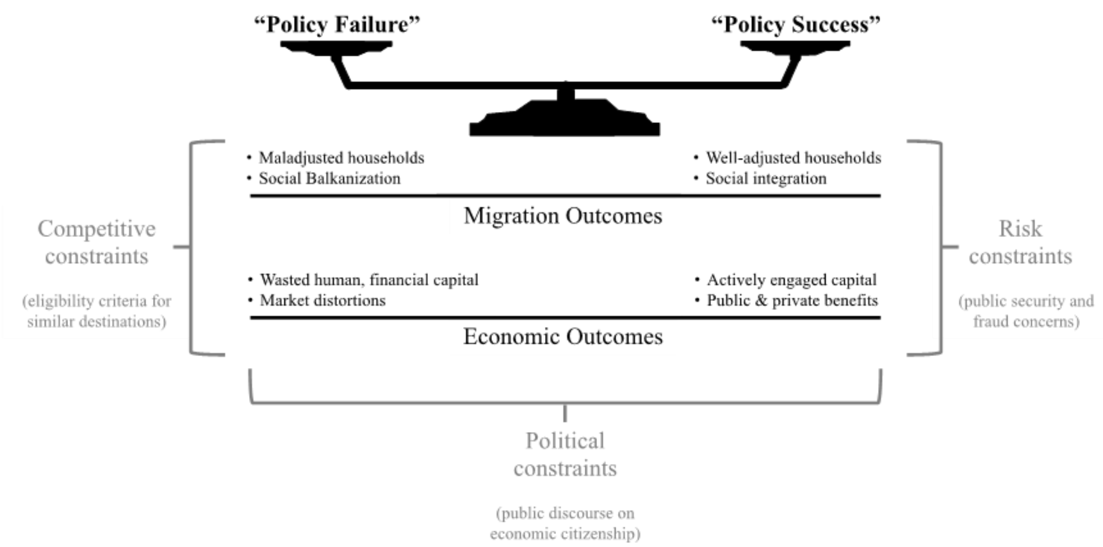
12. **Translation**: An IIF can serve as an important and valuable point of contact for investor communities that are in some way connected to the immigrants or to geographies that the immigrants represent. Because of the government connection, the IIF will be in a position to help foreign investors communicate with local governments, not least to help governments understand the investment needs and opportunities they bring.

The above principles and policies, drawn from our research on SDFs, should inform the design of IIFs. Such a blueprint could be invaluable to policymakers—and thus, to the local communities who may ultimately benefit from the investing and development activity of a well-run IIF. Conceiving the management of IIP human and financial capital inflows in this way suggests the possibility of a virtuous cycle of immigration, investment and growth. Thus far, this possibility has eluded IIP policy implementations. But the SDF experience proves that a virtuous circle can be achieved in other domains of sovereign wealth management through sound design, strong governance and sophisticated management of the investment vehicle.

5. Conclusions

Immigrant Investor Programs are a site of vibrant policy experimentation and growth. The present proliferation of these programs should come as no surprise, given their promise to advance two urgent and important public policy objectives: attracting new financial and human capital to support government budgets and developmental agendas, and cultivating economically engaged citizen-entrepreneurs who can drive economic growth and innovation. As we noted in the introduction, similar objectives have motivated analogous policies for centuries. But just like these historical precursors, IIPs raise deep conceptual and practical issues that urgently need rethinking, weighing concerns about citizenship, sovereignty and security, against enthusiasm about potential new sources of economic dynamism and publicly engaged investment.

Figure 8: To succeed, IIPs must navigate a complex policy environment



We observe that much IIP experimentation to-date has targeted varying levels of immigrant investor wealth, and consistently low levels of immigrant investor engagement. We also observe that popular and durable IIPs have targeted high levels of both wealth and engagement, and that other significant IIPs have been moving in this direction over time.

The challenge is how to conceptualize and design IIPs to achieve these twin objectives. Our review of the emerging IIP universe shows that models and best practices remain elusive. This, too, is no surprise, given the complexity of the policy environment (see Figure 8). Underlying the design and administration of IIPs are two separate domains of expertise, immigration policy and financial management. These domains operate with very different conceptual language, frameworks and patterns of practice, and the overall success or failure of the program depends upon their close coordination and consistency with each other.

Their work is further complicated by a variety of constraints: political constraints set by prevailing public discourses and attitudes toward what we call passive 'financial citizenship'; risk constraints, specifically threats to public security and sovereignty, and of fraud; and competitive constraints, determined by the eligibility criteria set by programs for similar destinations. The latter is a constant reminder to policymakers that the financial and human capital resources they seek to attract and engage via IIPs are embodied in individuals and households that bear their own interests and agendas. Program participants see IIPs as opportunity structures, and they develop strategies to satisfy policy makers' eligibility criteria without compromising their own lifestyle and wealth management objectives. The interplay of the above policy inputs and environmental constraints yields a range of policy approaches and outcomes, and this paper has taken the first steps toward mapping them out.

We have also identified ways in which IIPs can better position themselves for success, specifically in the objectives around development and catalyzing local economic activity. We hypothesize that the establishment of well-designed and governed Immigrant Investment Funds to separately manage the proceeds of these programs, as an alternative to scattering them into either the general public purse or broad economy, would improve the chances of IIP success. Indeed, recent research into Sovereign Development Funds strongly suggests that the establishment of IIFs can facilitate a variety of policy improvements: the codification of more specific and measurable 'double bottom line' financial and public policy objectives; the involvement of investment professionals in the recruitment of immigrants possessing genuine investment skill, akin to the private sector's involvement in recruiting other highly-skilled foreign workers; better economic engagement of investor-migrants, via participation in the administration of fund investments and/or the identification of investment opportunities in their origin markets; and better transparency regarding the public benefits that accrue from the IIP's conversion of the country's destination appeal into tangible human and financial capital.

Most importantly, we have identified the urgent need for further research to better understand this mushrooming policy phenomenon. Beyond the manifest challenges of managing incoming program revenues and integrating incoming investor migrants, IIPs confront policy makers and their publics with one of the most profound normative questions in all politics: What is the meaning of citizenship? Do IIPs represent a fundamental shift in emphasis from civic to economic duties of membership in society, and what are the implications of that shift? Equally vital is to better understand the journeys of investor migrants themselves. Do IIPs treat them as 'cash cows', valued instrumentally for their wealth rather than intrinsically as human beings (Harrison 1996). Can IIPs dignify 'investment' as a sought-after skill and genuinely engage the migrants who possess it, or do the opportunity structures created by IIPs instead lock them into a purely transactional relationship with the destination society? There is much rhetoric, but little data, on how varying IIP criteria and administration can impact the entrepreneurial resources that investor migrants bring to bear, as well as their social and cultural adaptation, in the destination country.

To finance scholars and practitioners, IIPs invite a bold rethink of the concept of 'sovereign wealth' to recognize a wider array of latent stores of value—like destination appeal. Recognizing these unconventional forms, their convertibility into human and financial capital, and the strong economic incentives to do so, raises profound, urgent questions: should these latent stores of value be converted into ready capital? Can they be depleted, like other forms of sovereign wealth, and if so, what would that depletion look like? How should they be governed and managed, once converted? How applicable are the lessons learned from conventional sovereign wealth management, or do these unconventional forms demand distinctive stewardship models and approaches? The present scale of Immigrant Investor Programs means that finding good answers to the above questions may directly impact tens of thousands of migrant journeys, and billions of dollars in cross-border capital movements and public investment, each year.

Moreover, on the practical front we see potential for IIFs to help address today's global crises surrounding refugees and migration. First consider the historical example of the 'Nansen Stamp Fund', which was seeded by the sale of humanitarian visas to refugees after the Russian Revolution of 1917 (Long 2013). These visas gave refugees freedom to seek work instead of languishing in camps and queuing for quotas. Meanwhile, the fund generated by the visa fees made refugees self-supporting, which staved off host-country fears that they might become an economic burden. Today we would call the Nansen Stamp Fund a kind of IIF, and indeed we suggest that IIFs may be a key to the idea of reviving the Nansen System, which has recently been proposed (Long 2015; Betts 2015). The Nansen Fund failed to demonstrate that refugees may create jobs rather than steal them, and so the visa system collapsed under rising unemployment and related anti-immigrant sentiment during the Great Depression. But a modern IIF need not suffer the same fate.

Drawing lessons from other types of Sovereign Development Funds, modern IIFs could incubate start-ups led by and for refugees, pursuing commercial objectives as well as facilitating refugee and immigrant integration. Norway is already using a Sovereign Development Fund to invest in an increased refugee intake (The Local 2015), in the knowledge that within five to ten years the economic benefits of this intake will outweigh the costs (Connolly 2015). Meanwhile, IIFs that focus on infrastructure investment could help build the refugee-hosting capacity of states closest to conflicts, thereby 'enhancing the protection space' afforded to refugees. And by helping to stimulate infrastructure growth and other public goods in destination countries farther afield, such IIFs could demonstrate, unequivocally, the development contribution made by immigrants and refugees. In this way IIFs might help flip the anti-immigrant narrative that is dangerously poisoning politics in many countries (Zamora-Kapoor and Verea, 2014). These are but a few examples of how IIFs might today be put to good use—we hope to explore many more.

Did the pro-aristocracy Duke of Saint-Simon end up on the wrong side of history? Perhaps it is too soon to say yes or no. Despite his vociferous warnings, the admission of the 'vile bourgeoisie' into the nobility did not wreck France—although it may have been one of the many domestic factors behind the French Revolution, which began 34 years after his death. If Immigrant Investment Funds can bring about evolutionary rather than revolutionary change in the way immigration and investment serve the public good, we see them as an exciting new development worthy of further conceptual and practical development. Either way, the rise of Immigrant Investment Funds and their implications for 21st century citizenship and sovereignty are high-stakes trends that demand our full attention.

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Country	Program Name	Established and/or Disestablished	Immigration Benefits	Investment Type	Wealth Requirements	Engagement Requirements
Andorra	Residence Without Gainful Activity	2012	Residency, citizenship possible after 20 years.	Risk Capital	**Financial Capital:** Economic self-sufficiency required. Residence Without Gainful Activity: €400,000 (US$438,000) in assets. Residence for Professional with International Client Base: €50,000 (US$55,000) deposit with Andorran National Finance Institute plus €10,000 (US$11,000) for each dependant. Residence for Recognised Sports Cultural or Scientific Talent: €50,000 (US$55,000) deposit with Andorran National Finance Institute plus €10,000 (US$11,000) for each dependant. **Human Capital:** Residence for Professional with International Client Base: Operational base in Andorra with a maximum of one employee. Must demonstrate international dealings and business coherence. Residence for Recognised Sports Cultural or Scientific Talent: International recognition in one's field (sports, culture, science).	Must reside in country 90 days per year. Employment not permitted.
Antigua and Barbuda	Citizenship by Investment	2013	5 year citizenship.	Fee, Recoverable Deposit, Risk Capital	**Financial Capital:** US$250,000 donation to National Development Fund; or US$400,000 Real Estate held for 5 years; or US$1.5 million business investment.	Reside in country 5 days in first 5 years to renew passport.
Australia1	Entrepreneurial Migration Visa	1976-1981	3 year residency.	Risk Capital	**Financial and/or Human Capital:** No minimum amount of investment capital set, but in practice at least AU$200,000 (US$143,000) required. Investors needed detailed business proposals. Changed to Business Migration Programme in 1981	

Australia2	Business Migration Programme	1981-1991	3 year residency.	Risk Capital	**Financial and/or Human Capital:** Assets worth (AU$300,000 and AU$850,000) (US$ 15,200 and US$609,000). Must be transferrable to Australia. Must have successful business record.	Intend to permanently settle and establish business.
Australia3	Business Owner (subclass 160), Senior Executive (subclass 161), Investor (subclass 162)	1991-2012	3 year residency.	Risk Capital	**Financial and/or Human Capital:** AU$200,000 assets (US$143,000) and 10percent ownership of public company. Minimum AU$10,000 (US$7,100) to settle. Professional, technical or trade services do not qualify. Must demonstrate knowledge of English and be under age 45. Replaced by Business Innovation and Investment visa (subclass 188).	

Australia4	Business Innovation Stream Visa, Investor Stream Visa, Significant Investor Stream Visa, Premium Investor Visa	2012	Temporary visa, must meet criteria for permanent residence after 4 – 8 years depending on investment size. Premium Investor: 12 month fast track to permanent residency.	Recoverable Deposit, Risk Capital	**Financial Capital:** Business Innovation Stream: Ownership interest in business with AU$500,000 (US$358,000) annual turnover in past 4 years. Individual or partner must have AU$800,000 (US$573,000) in transferrable assets available. Investor Stream: Invest AU$1.5 million (US$107 million) in state or territory government security. Directly manage investments worth AU$1.5 million or have 10percent ownership interest in qualifying business and have acquired AU$2.25m (US$1.6 million) in previous 2 years (transferable to Australia). Significant Investor Stream: AU$5 million (US$ 3.6 million) held over 4 years of which at least AU$500,000 (US$358,000) in venture capital or growth private equity fund and AU$1.5 million (US$107 million) in eligible funds investing in emerging companies. Premium Investor: AU$25 million (US$17.9 million) in Australian securities exchange listed assets, approved bonds or notes, Australian proprietary limited companies, real property in Australia, deferred annuities issued by Australian registered life companies, state or approved philanthropic contribution. Individual and partner must have assets of AU15 million (US$10.7 million). Residential real estate investment restricted. **Human Capital:** Significant Investor Stream and Premium Investor: Good health Business Innovation: Good health and under age 55 (can be waived). Must score over 65 on Points Based System and have successful business career. Investor Stream: as above and minimum three years' experience direct involvement managing successful qualifying businesses or investments.	Business Innovation Stream: Good character. Sign Australian Values Statement. Must be nominated by state or territory government. Desire to continue own and manage business in Australia. Investor Stream: Good character. Sign Australian Values Statement. Must live in state of investment for 2 years. Direct investment in residential real estate prohibited. Must have commitment to continuing investment in Australia. Significant Investor Stream Visa: Good character. Continue investment after conclusion of Visa. Reside in Australia 40 days per year (or spouse resides 180 days). Premium Investor: Good character. Continue investment after conclusion of Visa.

Australia5	Business Talent (Permanent) visa, Venture Capital Stream, Significant Business History Stream	1991	Permanent residency	Risk Capital	**Financial Capital:** Significant Business History Stream: Net business and personal assets of at least AU$1.5 million (US$1.07 million) and annual business turnover of at least AU$3 million (US$214 million). Venture Capital Entrepreneur stream: At least AU$1 million (US$700,000) in venture capital funding for the purpose of the commercialisation and development of a high-value business idea in Australia. **Human Capital:** Must be under age 55 (can be waived) and of good health.	All: Good character. Nominated by a state or territory government agency and invited to apply by the minister. Establish or participate in a qualifying business. Significant Business History Stream: Maintain substantial ownership, direct and continuous involvement in the day-to-day management of the business, make decisions that affect the overall direction and performance of the business in a way that benefits the Australian economy. Venture Capital Entrepreneur Stream: Must meet the requirements of venture capital agreement. Must have a genuine and realistic commitment to continuously maintain an ownership interest and engagement in business and/or investment.
Austria	Citizenship-By-Investment program	1985	Citizenship at discretion of Austrian Government.	Fee, Risk Capital	**Financial Capital:** €2 million (US$2.2 million) donation into Austrian economy/charity or US$10 million recoverable minimum investment in Austria.	Engage and invest in the Austrian economy through joint venture or a direct investment in a business creating jobs (or bring new research or science)
Bahamas	Economic Permanent Residency	2011	Permanent residency (accelerated with 1.5 million investment).	Risk Capital	**Financial Capital:** US$250,000/ $500,000 in residential real estate.	Intend to reside permanently. Employment not permitted for US$250,000 investor visa

Belize	Citizenship by Investment	1998-2002	Residency	Fee	**Financial Capital:** Non-refundable fee of US$25,000 to be paid into Belize Economic Citizenship Investment Fund. US$5,000 registration fee for each additional, qualifying individual. US$15,000 for those under 18.	Must be fully conversant with the requirements, criteria, guidelines, regulations, laws etc. pertaining to the Economic Citizenship Investment Programme. Must maintain a local agent and office in Belize (if a non-Belizean).
Bulgaria	Bulgarian Immigrant Investor Program	2009	Permanent residency, citizenship after 5 years.	Risk Capital	**Financial Capital:** Investment of BGN 1 million (US$560,000) or have increased investments by such amount through acquisition of Bulgarian shares, Bulgarian concession agreements or securities/rights provided by law, invest BGN 6 million (US$3.3 million) of capital in Bulgarian company not listed on Bulgarian stock exchange.	Must have acquired rights to long-term residence in Bulgaria.
Canada1	Business Immigration Program	1978 Expanded in 1986 to include foreign investors.	Permanent residency	Recoverable Deposit	**Financial Capital:** CA$400,000 (US$300,000) investment in Citizenship and Immigration Canada (increased to CA$800,000 (US$600,000) in 2010) guaranteed recoverable by the Canadian government with zero interest.	
Canada2	Immigrant Investor Venture Capital Pilot Program	2015	Permanent residency	Risk Capital	**Financial Capital:** CA$2 million (US$1.5 million) investment held over 15 years in Immigrant Investor Venture Capital fund and personal net worth of CA$10 million (US$7.6 million). **Human Capital:** Must have completed postsecondary degree, diploma or certificate of at least 1 year and proficiency in English or French.	Reside in country for 2 years during 5 year period, not in Québec.

Canada3 (Quebec)	Investor Program, Entrepreneur Program, Self-Employed Program	1986	Permanent residency, eligible for citizenship after 3 years.	Risk Capital	**Financial Capital:** Investor Program: Invest CA$800,000 (US$600,000) in authorised financial intermediary and individual or partner must have CA$1.6 million (US$1.2 million) of assets. Entrepreneur Program: CA$300,000 (US$228,000) of net assets and carry out or acquire a business with CA$100,000 (US$76,000) in Québec (with 25percent control of equity). Self Employed Programme: Have CA$100,000 (US$76,000) in net assets. **Human Capital:** Investor Program: Experience in management in a legal farming, commercial or industrial business, or in a legal professional business where the staff, excluding the investor, occupies at least the equivalent of two full-time jobs, or for an international agency or a government or one of its departments or agencies. Entrepreneur Program: Age, language skills and knowledge of Québec influence application. Must have two years' experience in managing the business in question. Self Employed Programme: Age, language skills and knowledge of Québec influence application. Must have two years of experience as a self-employed worker in the profession or trade to be practised.	Investor Program: Intend to settle in Québec. Self Employed Programme: Individual must come to Québec create own job.

Cayman Islands	Investor Residency, Investor Residency with the right to work	2003	25 year residency.	Risk Capital	**Financial Capital:** Investor Residency: Income of CI$120,000 (US$146,000) without the need to be employed. CI$500,000 (US$600,000) in Grand Cayman (at least CI$250,000 (US$305,000) in developed residential real estate). Must be economically self-sufficient. Investor Residency with the right to work: CI$1.6 million (US$1.9 million) in developed real estate or personal net worth over CI$6million (US$7.3 million) plus CI$1 million (US$1.2 million) in an employment generating business. Must be economically self-sufficient. **Human Capital:** Good health.	Investor Residency: Employment not permitted. Investor Residency with the right to work: Good character.
Costa Rica	Rentista Inversionista	2012	Temporary visa, upgraded to permanent after 2 years if no legal issues.	Risk Capital	**Financial Capital:** US$200,000 in real estate, registrable goods, shares, stocks, productive projects or projects of national interest.	Must reside in country six months per year. Cannot be hired as an employee.
Curacao	Investor Permit	2014	ANG 500,000: 3 year residency ANG 750,000: 5 year residency ANG 1.5 million: Permanent residency.	Recoverable Deposit	**Financial Capital:** Investment of ANG 500,000 (US$282,000) ANG 750,000 (US$423,000) or ANG 1.5 million (US$84,000).	

Cyprus	Citizenship by Investment	2011	Citizenship	Recoverable Deposit, Risk Capital	**Financial Capital:** €5 million (US$5.4 million) bank deposit; or €5 million investment in Cypriot real estate, land development, infrastructure projects, Cypriot business, financial assets or companies that have undertaken a public project; or €1.5 million (US$1.6 million) revenue over 3 years from Cypriot business; or €1.05 million (US$1.14 million) investment in business that employs 5 Cypriot citizens - reduced to €800,000 (US $875,000) for 10 employees. Individuals whose deposits with the Bank of Cyprus or Cyprus Popular Bank suffered a loss of at least €3 million (US$3.2 million) due to the resolution of 15th March 2013 are also eligible. Must own a residence in Cyprus worth €500,000 (US$547,000).	
Dominica	Citizenship by Investment	1993	Citizenship	Fee, Risk Capital	**Financial Capital:** US$100,000 non-refundable contribution to Government fund; or US$200,000 investment in real estate to be held over 3 years. Requirement increases according to number of dependents.	Have a local licensed promoting agent (provided by Offshore Advisor).
Estonia	Article 10 Citizenship Act	1995	1 year renewable residency.	Risk Capital	**Financial Capital:** €65,000 (US$71,000) shares in Estonian company; or €16,000 (US$17,000) into company as sole proprietor.	Actively perform managerial or supervisory functions without receiving any remuneration for such work.
Fiji	Investor Permit	2003	3 or 7 year residency depending on investment size.	Risk Capital	**Financial Capital:** <u>3 year permit:</u> approved investment of less than F $500,000 (US$232,000). <u>7 year permit:</u> F $500,000 (US$232,000) plus an approved business trade or undertaking.	Must not behave in any manner prejudicial to peace, good order, good government or morals.

France	Exceptional Economic Contribution Visa	2009	Residency, permanent residency after 10 years.	Risk Capital	**Financial Capital:** Exceptional Economic Contribution Visa: €10 million (US$10.9 million) long-term and non-speculative investment in industrial or commercial assets in France. Skills and Talents Temporary Residence Permit: Involved in project which can generate assets of €300,000 (US$328,000), or create/protect 2 jobs; or be involved in a project which is led by foreign company and already established in France **Human Capital:** Skills and Talents Temporary Residence Permit: Education to degree level.	Exceptional Economic Contribution Visa: To renew residency immigrant must meet conditions of creating/saving at least 50 jobs, and/or maintaining investment. Skills and Talents Temporary Residence Permit: Applicants must be able to present a project that contributes to the economic development and outreach of France and their country of origin as well as establishing their ability to carry it out.
Germany	Entrepreneur Visa	2004	Residency, permanent residency after 3 years.	Risk Capital	**Financial Capital:** €1 million (US$1.09 million) investment in German project that creates 10 new jobs. **Human Capital:** To acquire permanent residency after 3 years individual must have sufficient knowledge of German language and culture.	To acquire permanent residency after 3 years, individual must have held residency for five years.
Gibraltar	High Net Worth Individual Residency	1999	1 year renewable residency, citizenship after 5.	Recoverable Deposit	**Financial Capital:** Available funds of £2 million (US$3.1 million). Must own residential property in Gibraltar. Must be economically self-sufficient.	Residency in Gibraltar in 36 months prior to application not permitted. Must have private medical insurance.
Greece	Real Estate Owner Residence Permit	2014	5 year renewable permanent residence permit.	Risk Capital	**Financial Capital:** €250,000 (US$273,000) investment in property in Greece; or if residence permit is needed for an investment plan.	Employment not permitted.

Grenada	Citizenship by Investment Program	1994-2001	Citizenship	Fee	**Financial Capital:** US$50,000 into the economy for a family of five (plus US$15,000 for each extra child).	
Grenada	Citizenship by Investment Program	2013	Citizenship	Fee, Risk Capital	**Financial Capital:** US$350,000 in approved real estate project (4 year holding period) or US$200,000 donation to Island Transformation Fund.	Donation option involves holding permanent residency prior. Application by invitation only.
Guernsey	Immigration for businessmen, Investor visa, Artist, Writer and Composer Visa	-	Residency, permanent residency after 5 years.	Risk Capital	**Financial Capital:** Immigration for businessmen: £200,000 (US$310,000) available to invest. Investor Visa: Invest £1 million (US$1.5 million) in Guernsey and maintain investment of £750,000 (US$1.1 million) Artist, Writer and Composer Visa: £200,000 (US$310,000) available. **Human Capital:** Businessmen and Investor Visa: Knowledge of English. Artist, Writer and Composer Visa: Knowledge of English plus valid entry clearance as a writer, composer or artist.	Businessmen Visa: Intend to manage a business in Guernsey. Employment restricted to own business. Approved business plan from immigration Department of which investor will hold 50percent interest. Investor Visa: Main residence in Guernsey.
Hong Kong1	Capital Investment Entrant Scheme	2003-2015	Residency	Recoverable Deposit	**Financial and/or Human Capital:** HK$10 million (US$1.3 million) invested in permissible investment asset classes within six months of application or approval. Residents of mainland China not permitted.	

Hong Kong2	Investment as Entrepreneurs	2015	2 year residency permit, renewable provided investor maintains investment; permanent residence after 7 years.	Risk Capital	**Financial Capital:** No minimum investment stated but financial assets must be approved by the HK Immigration Department. Must be economically self-sufficient. **Human Capital:** Immigrant must have a first degree or technical qualifications that can make contribution to Hong Kong economy.	
Hungary	Investment Immigration Program	2012	6 month residency then eligible for permanent residence, citizenship after 8 years.	Recoverable Deposit	**Financial Capital:** €250,000 investment (US$260,000) in government bonds for 5 years.	
Ireland	Immigrant Investor Programme	2012	2 year residency permit, renewable for further 3 years. Permanent residency after 5 years.	Fee, Recoverable Deposit, Risk Capital	**Financial Capital:** €2 Million (US$2.2 million) investment bond for 5 years; or €1 Million (US$1.1 million) investment in Irish enterprises for 3 years, or €1 Million (US$1.1 million) investment in rental property, or €500,000 (US$547,000) philanthropic donation.	Intend to reside in Ireland or demonstrate clear benefit for Ireland. Must have private medical insurance.

Isle Of Man	Entrepreneur Visa, Investor Visa, Artist, Writer and Composer Visa	2001	3 year residency, citizenship after 5 years.	Risk Capital	**Financial Capital:** Entrepreneur Visa: Business plan to establish, join, or take-over business in Isle of Man with at least £200,000 (US$300,000). Investor Visa: Invest £200,000 (US$300,000). **Human Capital:** Entrepreneur and Investor Visa: Score over 75 on Points Based System (including language requirements). Artist, Writer and Composer Visa: Score over 75 on Points Based System and hold a qualification as a writer, composer, or artist.	All visas: No use of public funds. Investor Visa: Reside in country continuously for 5 years. Artist, Writer and Composer Visa: Intend to work as a writer, composer or artist.
Japan	Investor Business Manager Visa and Business Manager Visa	2015	1 or 3 year residency permit.	Risk Capital	**Financial Capital:** Investor Business Manager Visa: ¥5 million (US$41,000) in new or existing business or business with more than two full-time employees who are Japanese or legal residents. Business Manager Visa: ¥5 million (US$41,000) in business in Japan with one full-time employee who is Japanese or legal resident. Must have business plan and secured office space. Economic self-sufficiency required. **Human Capital:** Investor Business Manager Visa: Three years' experience in business management.	

	Immigration for businessmen, Investor visa, Artist, Writer and Composer Visa	-	2 year residency, permanent residency after 2 years, citizenship after 5.	Risk Capital	**Financial Capital:** Businessmen Visa: Intend to open, join or take over a business in Jersey with approval from Economic Development Minister. Employment restricted to own business. Investor Visa: Invest £1 million (US$1.5 million) in Jersey and maintain investment of £750,000 (US$1.1 million) Artist, Writer and Composer Visa: Have £200,000 available (US$310,000). **Human Capital:** All visas: Knowledge of English. Businessmen visa: Approved business plan from Immigration Department of which investor will hold 50percent interest. Artist, Writer and Composer Visa: Valid entry clearance as a writer, composer or artist.	Investor Visa: Main residence in Jersey. Artist, Writer and Composer Visa: Intend to work as a writer, composer or artist.
Kiribati	Immigrant Investor Passport	1996-2004	Access to foreign territories through Kiribati's visa waiver agreements. Does not grant its holder citizenship or residency rights, nor dual citizenship.	Fee, Recoverable Deposit	**Financial Capital:** Pay US$15,000 to government and US$5,000 deposit.	Good character. Respect laws, customs and traditions of Kiribati. Investor must present themselves in country and report to the Minister of Immigration on the progress of the investment programme 14 days prior the expiration of investor passport.

Korea (Republic of)	F5 Visa	2012	Temporary residency.	Risk Capital	**Financial Capital:** US$500,000 invested in line with Foreign Investor Promotion Law and which hires 5 Koreans; or ownership of stocks/shares; or donation according to Foreign Investor Promotion Law. Economic self-sufficiency required.	
Latvia	Immigrant Investment Visa	2010	5 year residency permit renewable provided investment is maintained; eligible for permanent residence after 5 years.	Recoverable Deposit, Risk Capital	**Financial Capital:** €300,000 (US$328,000) bank deposit for five years; or €250,000 (US$273,000) worth of real estate in major Latvian cities; or €70,000 (US$76,000) business investment upon invitation.	
Malaysia1	Silver Haired Programme	1987-2006	5 year residency.	Other	**Financial Capital:** RM200,000 (US$46,000); or a retirement pension of RM5,000 (US$1,100) per month. <u>2004 Revision:</u> Retirement Pension with a spouse, RM10,000 (US$2,300) a month, (RM7,000 (US$1,600) without a spouse); or savings with a spouse of RM150,000 (US$35,000) (RM100,000 (US$23,000) without a spouse). **Human Capital:** Must be over 55 years old (only open to Japanese and Western European nationals) <u>2004 revision</u>: Must be over 50 years.	Employment not permitted.

Malaysia2	Malaysia My Second Home	2006	10 year social visit pass with multiple entry visa.	Recoverable Deposit	**Financial Capital:** Valid medical insurance required. Applicants aged below 50 years: Liquid assets worth a minimum of RM500,000 (US$110,000) and offshore income of RM10,000 (US$2,300) per month. Applicants aged 50 and above: RM350,000 (US$82,000 in liquid assets and offshore income of RM10,000 (US$2,300) per month. Pensioners: Proof of receiving pension from government worth RM10,000 (US$2,300) per month. Fixed deposit requirement is less for those that have purchased property worth RM1 million in Malaysia.	Employment not permitted. Those 50 years and above with specialized skills and expertise in critical sectors of the economy are allowed to work 20 hours per week. MM2H holders are not allowed to participate in activities that can be considered as sensitive to local people and as threat to the security of the country.
Malta	Individual Investor Program	2014	Citizenship.	Fee, Risk Capital	**Financial Capital:** €350,000 (US$380,000) real estate investment held over 5 years; or lease property for 5 years at €16,000(US$17,000) per annum as well as contributing to National Development and Social Fund and investing €150,000 (US$164,000) in stocks/bonds/vehicle for 5 years.	Resident in Malta in 12 preceding months to application. Must have minimum €50,000 Global Health Insurance coverage.
Marshall Islands	Investor Passport	1987-1996	Passport.	Recoverable Deposit	**Financial Capital:** US$50,000 investment. Revised 1989: US$250,000 investment. Buyers prohibited from buying or owning land in the Marshalls. Revised 1993: US$33,000 bond held over 25 years.	

Mauritius	Permanent Residence Permit, Occupation Permit, Retiree Residence Permit	2002	Permanent Residence Permit: 10 year renewable Permanent Residency. Occupation and Retiree Residence Permit: 3 year renewable residency.	Risk Capital	**Financial Capital:** Permanent Residence Permit: US$500,000 in qualifying investment or resident with company turnover of MUR 15 million (US$417,000) annually. MUR 150,000 (US$41,000) monthly salary for professionals for 3 years. MUR 3 million income (US$83,000) for Self-Employed individuals for 3 years. Retirees must transfer USD$40,000 into Mauritius for 3 years. Occupation Permit: Business activity with MUR 4 million (US$110,000) annual turnover; or salary exceeding MUR 45,000 (US$1200) annually (MUR 30,000 for ICT) (US$800); or business activity exceeding MUR 600,000 (US$16,000) for self-employed individuals. Retiree Residence Permit: Deposit US$120,000 over 3 years into a Mauritian bank account. **Human Capital:** Retiree Residence Permit: Must be over age 50.	Permanent Residence Permit: Must have held an Occupation Permit for 3 years prior (unless contributing US$500,000+ in qualifying investment). Cannot own more than one apartment (their personal residence). Retiree Residence Permit: Reside in country 183 days per annum. Employment not permitted.
Monaco	Business Investor Immigration Program	2003	Permanent Residency, eligible for citizenship after 10 years.	Recoverable Deposit, Risk Capital	**Financial Capital:** €1 million (US$1.2 million): €500,000 deposited in a Monaco bank; €500,000 to purchase property worth €500,000.	Must have resided continuously in Monaco for 10 years. Qualifying family members must have resided in Monaco 6 months per year. Must renounce previous nationality.
Montenegro	Article 12 Citizenship Act	2008-2012	Residency.	Risk Capital	**Financial Capital:** €500,000 (US$550,000) investment in real estate or business in Montenegro.	
Nauru	Citizenship by Investment Passport	1997-2005	Citizenship.	Fee	**Financial Capital:** US$15,000 fee.	

Netherlands	Wealthy Foreign National Visa	2013	1 year residency permit; renewable with eligibility for permanent residence after 5 years.	Risk Capital	**Financial Capital:** €1.25 million (US$1.4 million) in an innovative company; a contractual joint venture that invests in one or more innovative companies; a venture fund recognised by the Dutch Minister of Economic Affairs, or a venture capital fund affiliated to the Nederlandse Vereniging van Participatiemaatschappijen (NVP).	Must pass Civic Integration test (knowledge of language and society).
New Zealand	Investor Visa, Investor Plus Visa	1999	<u>Investor Visa:</u> Permanent Residency, eligible for citizenship after 10 years. <u>Investor Plus:</u> Permanent residency after 4 years.	Recoverable Deposit, Risk Capital	**Financial Capital:** <u>Investor Visa:</u> Invest NZ$1.5 million (US$1 million) to be held over 5 years in either government bonds; equity in public or private NZ firms; or new residential property development. <u>Investor Plus:</u> NZ$10 million (US$6.6 million) to be held over 5 years in either government bonds; equity in public or private NZ firms; new residential property development. **Human Capital:** <u>Investor Visa:</u> Must have minimum 3 years business experience be under age 65 and demonstrate English proficiency.	<u>Investor Visa:</u> Must reside in NZ 146 days in 3 of last 4 years. <u>Investor Plus:</u> Must reside in NZ 44 days in 2 of last 3 years.
Palau	Elite Resident Visa	2007	10 year residency.	Risk Capital	**Financial Capital:** US$20,000 fee and purchase or lease a property worth US$250,000. Economic self-sufficiency required.	Employment not permitted. Medical Insurance required.
Panama	Investor Visa	1960	Permanent Residency (3 year residency permit for US $60,000 investment).	Fee, Risk Capital	**Financial Capital:** US$60,000/ $80,000 investment in government-approved agriculture or reforestation projects; or US$300,000 investment in either real estate or fixed-term three-year bank deposits; or US$200,000 purchase of “non-citizenship immediate passport” with five-year validity. Economic self-sufficiency required.	

Portugal	Residency For Investors	2007	1 year residency permanent residence after 5 years, citizenship after 6 years.	Recoverable Deposit, Risk Capital	**Financial Capital:** Acquisition of property above €500,000 (US$600,000); or transfer of funds above €1 Million (US$1.2 million); or create 10 new jobs.	Reside in country 7 days in first year and 14 per 2 years thereafter.
Romania	Residency by Investment	1991	1 year residency renewed annually. Citizenship after 8 years (Reduced to 4 if immigrant invests €1 million).	Risk Capital	**Financial Capital:** €100,000 (US$120,000) (stock company)/ €70,000 (US$76,000) limited companies; or create 10 jobs (limited company)/15 jobs (stock company). Economic self-sufficiency required. **Human Capital:** Knowledge of language, culture, constitution and anthem.	Loyalty to the Romanian state.
St. Kitts and Nevis	Citizenship By Investment	1984	Citizenship	Fee, Recoverable Deposit	**Financial Capital:** US$250,000 Non-refundable charity donation to the Sugar Industry Diversification Foundation; or US$400,000 Investment in a designated recoverable real estate project.	
Seychelles	Permanent Residence for Investors	2013	5 year residency permit, Citizenship after residence in country for 11 years.	Risk Capital	**Financial Capital:** Invest US$1 million in a business in Seychelles.	Must have resided in Seychelles for 1 year or must manage business for 5 years.
Sint Maarten (Dutch)	Investor Residency Visa	2003	Residency	Risk Capital	**Financial Capital:** Business investment and/or real estate in Sint Maarten with a total value of ANG 900,000 (US$500,000).	

Singapore1	Financial Investor Scheme	2004-2012	Residency	Recoverable Deposit	**Financial Capital:** SGD $5 million (US$4.5 million) in assets held in Singapore for five years. <u>2010 revision:</u> Personal assets of SGD $20 million (US$14 million) – and at least SGD $10 million (US$7 million) of assets held in Singapore for five years.	
Singapore2	Global Investor Program	2012	Permanent residence. Citizenship is after 2 years.	Risk Capital	**Financial Capital:** SGD $2.5 million (US$2.25 million) investment in government-approved venture capital fund, new business or existing business in Singapore; or SGD $5 million (US$4.5 million) investment in a financial institution authorized by the Monetary Authority of Singapore. Economic Self Sufficiency required.	Male offspring under 21 years of age will be liable for National Service.
Slovakia	Article 7 Citizenship Act	2011	Citizenship if person has been resident in Slovakia for 8 consecutive years prior to the application or 10 years with a permanent residence permit.	Other	**Financial and/or Human Capital:** Person who is someone of special benefit to Slovakia in the area of economics, science, technology, culture, sport or society, or the person's acquisition is otherwise in the interest of the country. Reasonable knowledge of language and culture of Slovakia required.	Good character.

Slovenia	Article 7 Citizenship Act	2013	Citizenship if person has been resident in Slovenia for 10 years, of which 5 were continuous, and with a 'settled status' immediately before the application.	Other	**Financial and/or Human Capital:** Person is someone of special benefit to Slovakia in the area of economics, science, technology, culture, sport or society, or if the person's acquisition is otherwise in the interest of the country. Economically self-sufficiency and knowledge of Slovenian language required.	Must not pose a threat to public order, security or national defence. Must pledge oath to respect the free democratic constitutional order of Slovenia.
South Africa	Business Visa	2014	24 month renewable residency	Risk Capital	**Financial Capital:** Proof of ZAR 5 million (US$360,000) in cash; or a capital investment of ZAR 5 million in a business with 60percent South African employees (minimum five South African citizens or permanent residents).	
Spain	Investor visa category under Law to Support Entrepreneurs	2013	2 years renewable residency; permanent residence after 5 years.	Recoverable Deposit, Risk Capital	**Financial Capital:** €500,000 (US$6 million) investment in real estate; or €1 million (US$1.2 million) bank deposit; or €2 million (US$2.4 million) government bond.	Investor must reside in country for 183 days per annum.
Switzerland	Lump Sum Swiss Residency Program	1862	Permanent residency	Fee	**Financial Capital:** CHF ₣150,000 - CHF ₣1 million (US$150,000- 1 million) annual lump sum taxation fee, depending on the chosen Swiss canton of residence. Investor must own or be renting real estate in Switzerland. Economic self-sufficiency required.	Employment not permitted. Must not have resided in Switzerland during last 10 years.

Tonga	Tonga Protected Person Passports	1982-1996	5 year passport (no citizenship or residency). 1991 revision: 1 year residency permitted with 10 year passport.		**Financial Capital:** Registration of a lease to land on the uninhabited island of Fonualei. 1991 revision: passports sold for US$50,000 each.	Must sign oath of allegiance to Tonga.
Turks and Caicos	Permanent Residence Certificate	2013	Residency renewed annually.	Risk Capital	**Financial Capital:** Fee of $25,000 and investment of not less than US$300,000 in construction of a new home, or in renovation of a distressed property as a home for the applicant on the islands of Grand Turk, Salt Cay, South Caicos, Middle Caicos or North Caicos (US$1 million for other islands); or investment of US$750,000 in a business or enterprise in Grand Turk, Salt Cay, South Caicos, Middle Caicos or North Caicos which business generates employment for persons in TCI (minimum 60percent TCI nationals or permanent residents) (US$1.5 million for other islands).	Real estate investment visas not conferred right to work.
United Arab Emirates	Investor Visa	2002	3 year residency permit.	Risk Capital	**Financial Capital:** AED 1 million (US$270,000) investment in real estate and monthly income over AED 10,000 (US$2,700).	Employment not permitted.

United Kingdom	Tier 1 Investor Visa and Entrepreneur Visa	2008	Investor Visa**:** *£2 million*: Permanent residency after 5 years, citizenship after 6. *£5 million*: Permanent residency after 3 years, citizenship after 5. *£10 million*: Permanent residency after 2 year. Entrepreneur Visa: a)Residence after 3 years. b) Continuous residence for 3 years, (5 years if 2 jobs have been created).	Recoverable Deposit, Risk Capital	**Financial Capital:** Investor Visa**:** £2 million (US$3 million) government bonds, loan or share capital held over 5 years; or £5 million (US$7.7 million) government bonds, loan or share capital; or £10 million (US$15 million) government bonds, loan or share capital. Entrepreneur Visa: a) Invest £200,000 (US$300,000) in UK businesses; or have access to £50,000 (US$77,000) investment from venture capital firms regulated by the Financial Services Authority); one or more UK entrepreneurial seed funding competitions listed as endorsed on the UK Trade and Investment (UKTI) website; or, one or more UK Government departments or devolved Government departments in Scotland, Wales or Northern Ireland, made available by the department(s) for the specific purpose of establishing or expanding a UK business. Must create 10 new jobs. b) Establish a new UK business that has had an income of at least £5 million (US$7.7 million) in 3 years; or investment in existing business that has resulted in £5 million (US$7.7 million) net profit. **Human Capital:** All: English language Business Management and Investor Visa: Must also have and knowledge of life in the UK	Investor and Business Management Visa: Must reside in UK 185 days a year. Entrepreneur Visa: Must complete a continuous residence period of 3 or 5 years dependant on the level of business activity in the UK. Not permitted to access public funds or to take employment outside of the eligible business.

United States	EB-5 Program	1990	Conditional green card (2 years); convertible into full permanent residence if 10 full-time jobs are created or preserved.	Risk Capital	**Financial Capital:** US$1 million private sector investment held over 5 years which also creates 10 full-time jobs; or US$500,000 investment through regional centre program in target employment areas that creates or sustains at least ten local jobs for five years.	Engagement in day-to-day managerial duties or provide input into policy formulation. Must reside in country 219 days a year.
Vanuatu	Economic Rehabilitation after Pam Permanent Residence Program Capital Investment Immigration Plan	2015 2011 2013	<u>Economic Rehabilitation after Pam</u> : Citizenship <u>Permanent Residence Program</u>: 10 year residency <u>Capital Investment Immigration Plan :</u> 7 year residency, eligible for citizenship	Fee, Risk Capital	**Financial Capital:** <u>Economic Rehabilitation after Pam</u>**:** US$162,000 donation. <u>Permanent Residence Program:</u> US$3236 fee for visa. Must apply in Hong Kong, Macau, China or Taiwan. <u>Capital Investment Immigration Plan:</u> Establish a Vanuatu International Company worth US$260,000. Deposit not less than US$100,000 in a Vanuatu Financial Institution, part investment and part fees. To qualify for citizenship must waive repayment of the Vanuatu Government bonds issued; and donate to the Vanuatu Government a further 25percent of investment made under the Plan.	

Sources for information in this table are available on request.

Investment Migration Papers is a multi-disciplinary peer-reviewed academic publication dedicated to the analysis of the proliferation of citizenship and residence by investment around the world. The series aims to advance understanding of the law, politics, economics and history of investment migration, including residence and citizenship by investment. The papers analyse the processes and long-term implications of investment migration and examine how investment migration programmes function in different countries around the globe.

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