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# Millionaire mobility and the sale of citizenship

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## ABSTRACT

Why do wealthy people purchase citizenship in peripheral countries? This article investigates the demand for citizenship by investment programmes, which enable naturalisation based on a donation or financial investment. Extending research on long-distance naturalisation among the middle class and on residence by investment programmes, I examine the motives of the wealthy using citizenship by investment options. Based on over one hundred interviews with rich naturalisers and intermediaries in the citizenship industry, I find that mobility, both in the present and as a future hedge, is a strong driver, followed by business advantages. Often it is privileges in third countries – not the place granting the citizenship – that are sought. In contrast to middle-class strategic naturalisers, quality of life, education options, and job prospects were not important, though navigating geopolitical barriers and risks were. Many naturalisers were not compensating for the failures of their citizenship at birth, but manoeuvring within a world of state competition. Finally, some individuals inverted the citizenship hierarchy and downgraded from ‘first tier’ memberships when, after years of living abroad, their nationality became a liability. The conclusion elaborates on the duplex structure of intra-state and inter-state inequality that channels demand, and the implications for citizenship more broadly.

## ARTICLE HISTORY

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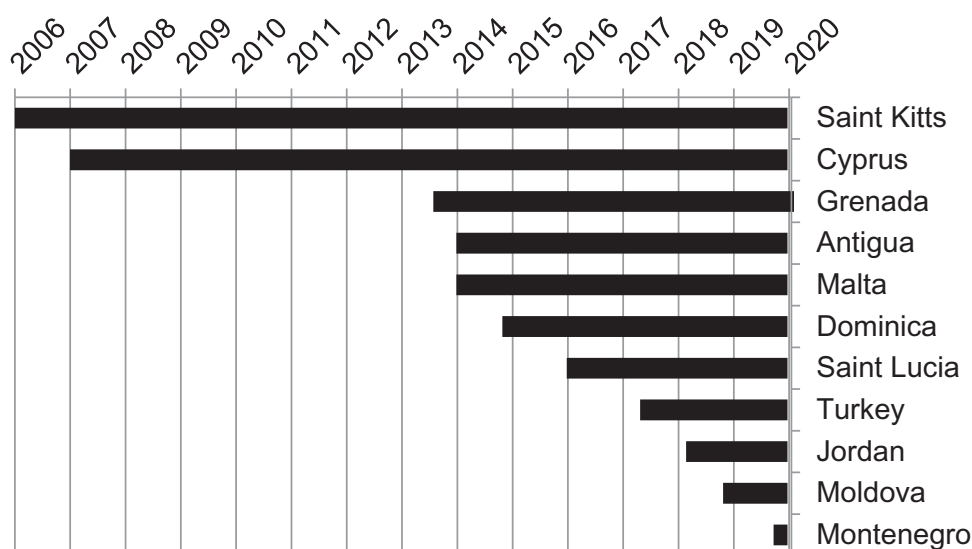
## KEYWORDS

citizenship; inequality; the wealthy; mobility; hierarchy; geopolitics

## Introduction

For several years, the British Airways magazine *High Life* has carried a six-page advertisement for dual nationality options. Headlines like ‘Global Citizenship: The Insurance Policy of the Twenty-First Century’ stretch over images of pristine beaches, golf resorts, and champagne-sipping young women. In the pullout section, prime ministers proudly tout their offerings: a second passport from Dominica, Grenada, or Saint Kitts, secured by investing in or donating to the country, can supply a pathway to ‘prosperity, mobility, and financial security’. For as little as \$100,000, membership can be had in these Caribbean paradises, where readers are told, ‘Taking ownership of a citizenship means you “belong,” and “belonging” means you will always have a place to call home’. The allure of boats and beaches aside, one is still left wondering: What drives demand for citizenship in these peripheral places?

Currently eleven countries – Antigua, Dominica, Grenada, Saint Kitts, and Saint Lucia in the Caribbean, plus Malta, Cyprus, Turkey, and Montenegro in the Mediterranean, as well as Jordan and Moldova – offer formal citizenship by investment programmes (Figure 1).<sup>1</sup>



**Figure 1.** Begin of Formal Citizenship by Investment Programmes.

Applicants donate or invest between USD\$100,000 and €2.7 million to qualify, and if approved, secure citizenship for their families in three months to one year. These schemes stand apart from discretionary grants of citizenship – a sovereign right of any state – that extend membership on an exceptional basis, as when New Zealand naturalised Peter Thiel after he purchased some luxury properties and donated to an earthquake relief fund. In contrast, citizenship by investment programmes set out a formal application procedure that clearly specifies the qualifying investment options, due diligence checks, time frame, and fee structure (Figure 2). Typically governments establish a unit to run the programme and license the service providers who submit applications on behalf of clients. The channels are official, public, scalable, and can be modelled. Crucially, applicants need not physically reside in the country before naturalising, though some states require a visit during the application process. Globally, demand for investment citizenship is sizeable for the population of most likely consumers: newly wealthy individuals from outside the North Atlantic with at least \$5 million in liquid assets. Of these 500,000 individuals, approximately 10,000 naturalise annually through all citizenship by investment programmes (Surak 2019). What drives individuals to seek these ‘citizenship solutions’?

In the following sections, I introduce the broader field of mobility options for the moneyed and situate citizenship by investment programmes within them. Extending research on long-distance naturalisation among the middle classes and residence by investment programmes for the wealthy, I investigate the differences in motives that lead the very rich to use citizenship by investment programmes. The analysis draws on interviews with over one hundred service providers working in the industry around citizenship by investment, along with interviews with eight wealthy naturalisers. I find that mobility, both in the present and as a hedge against future risks, is a strong driver, followed by business advantages and tax benefits. Very often it is privileges in third countries<sup>2</sup> – not the place granting the citizenship – that are sought. In contrast to middle-class strategic naturalisers, quality of life, education options, and job prospects were not important. However, navigating around geopolitical barriers

Country	Type of qualifying investment	Additional financial requirements	Application fees	Total cost for single applicant
Antigua	\$100,000 donation to the National Development Fund		\$33,700	\$133,700
	\$400,000 investment in real estate		\$58,700	\$458,700
Cyprus	€2 million investment in real estate, land development, or infrastructure	Hold a residence in Cyprus worth €500,000 and donate €75,000 to the Research and Innovation Foundation and €75,000 to the Cyprus Land Development Corporation	€2,000	€2,652,000
	€2 million investment in companies employing at least five EU-nationals			
	€2 million investment in alternative investment funds or securities			
Dominica	\$100,000 donation to the Economic Diversification Fund		\$0	\$100,000
	\$200,000 investment in real estate		\$25,000	\$225,000
Grenada	\$150,000 donation to the National Transformation Fund		\$8,000	\$158,000
	\$350,000 investment in real estate		\$58,000	\$408,000
Jordan	\$1.5 million deposit at the Central Bank of Jordan			\$1,500,000
	\$1.5 million investment in treasury bonds or securities			\$1,500,000
	\$1 million in small- and medium-sized enterprises			\$1,000,000
Malta	€650,000 donation to the National Development and Social Fund and €150,000 investment in stocks, bonds, or investment vehicles	€350,000 real estate purchase or lease a residence for at least €16,000 per year	€8,200	€808,200
Moldova	€100,000 contribution to the Public Investment Fund		€46,800	€146,800
Montenegro	€250,000 investment in approved projects	€100,000 donation to the government	€15,000	€365,000
Saint Kitts	\$150,000 donation to the Sustainable Growth Fund		\$7,850	\$157,850
	\$200,000 investment in real estate		\$42,850	\$242,850
Saint Lucia	\$100,000 donation to the National Economic Fund		\$59,500	\$159,500
	\$300,000 investment in real estate			\$359,500
	\$3.5 million investment in an enterprise			\$3,559,500
	\$500,000 investment in government bonds			\$559,500
Turkey	\$250,000 investment in real estate			\$250,000
	\$500,000 bank deposit			\$500,000
	\$500,000 investment in fixed capital			\$500,000
	\$500,000 investment in government bonds			\$500,000
	\$500,000 investment in real estate funds or venture capital funds			\$500,000

**Figure 2.** Minimum Qualifying Investment and Basic Cost (2019, single applicant).

and risks emerged as a key motive. As such, many naturalisers were not compensating for the failures of their citizenship at birth, but manoeuvring within a world of state competition and unpredictable rulers. Finally, there was evidence of individuals who inverted the

citizenship hierarchy and downgraded from a ‘first tier’ membership when, after years of living abroad, their nationality became a liability. The conclusion expands on implications for citizenship and inequality.

### Citizenship by investment

Citizenship by investment schemes are one route of several – including student visas, retirement schemes, and entrepreneurial and self-employment routes – for people with financial means to acquire a residence and perhaps citizenship in a foreign country. The closest overlap is with residence by investment programs, or ‘golden visas’. Examples include the EB-5 visa in the United States, the Quebec Immigrant Investor Programme in Canada, the Tier 1 (Investor) visa in the UK, and the Autorização de Residência para Atividades de Investimento (ARI) in Portugal. In these ‘golden visa’ programmes, the investor supplies a qualifying cash injection into the country and receives a residence permit.

Though residence by investment and citizenship by investment are often treated together (e.g. Adim 2017; Boatcă 2014; Dzankic 2016; Mavelli 2018; Shachar 2017; Tanasoca 2016), the difference between them is substantial. At the procedural level, golden visa programmes may – though not necessarily – lead to citizenship: if citizenship is acquired, it is through a separate and subsequent qualifying procedure.<sup>3</sup> At the substantive level, residence rights are more easily lost than citizenship. If an applicant fails to maintain the investment, she can expect to forego her residence status, whereas citizenship, by contrast, is far harder to revoke. Furthermore, citizenship is inheritable, whereas residence is not, raising the stakes of its acquisition for future generations. Citizenship also comes with access to a passport rather than a visa in a passport, which can affect cross-border mobility. Some business opportunities as well are limited to citizens. Because these differences are likely to have an impact on demand, this study limits its scope to only citizenship by investment programmes. Of course, citizenship is not the end-goal for all: residence may be more desirable to investors from countries, such as China, where dual citizenship is forbidden.

### *The super-rich and mobility*

Moneyed elites often appear as the privileged cosmopolitans of a well-heeled globetrotting class for which borders have little meaning (e.g. Birtchnell and Javier 2014). Presumably, wealth enables them to extract more from their citizenship, compensating for its failings elsewhere (e.g. Macklin 2007, 358). Indeed, the very rich are an unusually mobile set. A survey of two thousand advisors to ‘high net-worth individuals’ (HNWIs)<sup>4</sup> in six world regions found that nearly half of their wealthy clients had lived in more than one country (Barclays Wealth and Investment Management 2014, 10–11) – a staggering proportion given that migrants account for only 3 per cent of the world’s population.

Yet questions remain about the mobility of the super-rich. To date, the sociological literature on the wealthy, though growing, has focused largely on their networks, hierarchies, and lifestyles (Bourdieu 1984; Khan 2011; Mears 2015; Sherman 2017; see Khan 2012), often in nationally bounded studies that bracket issues of international mobility. The literature on international migration, too, has traditionally said little about this population. When elite mobility is taken into account, it is usually within the framework of labour that structures much of the migration literature, reducing it to the flow of highly skilled – and

sometimes highly compensated – workers (Beverstock 2005; Kōu and Bailey 2014; Cranston 2017; Favell 2009). Though successful, the ex-pats studied often do not have the investible assets – at least \$5 million or so – to place them among the population of very wealthy individuals who can afford citizenship by investment routes.

Studies of the demand for international mobility options among the wealthy have, to date, focused mainly on investment residence programmes in English-speaking settler states, such as Canada and the United States, which offer residence – not immediate citizenship – in exchange for an investment in the country. David Ley's (2010, 77) groundbreaking work uses survey data to show that wealthy Hong Kong, Taiwanese, and Korean migrants move to Canada due to – in descending order – quality of life, children's educational options, and geopolitics. These mobility channels are not merely pragmatically selected options; they are a modality of elite class consumption found among newly wealthy Chinese (Liu-Farrer 2017). Many 'millionaire migrants' maintain their core business back home and spend only part of their time in their new country of residence, establishing an additional base abroad (Ley 2010; see also Ong 1999). Though these studies offer valuable insights, it remains unclear whether the patterns of demand for investment residence in OECD countries, which become destinations of sorts, extend to citizenship by investment programmes. Unlike wealthy people seeking residence in traditional countries of immigration, investor citizens rarely establish an additional base in their new country. As such, it is unclear what role, if any, factors such as quality of life, rule of law, low tax burdens, or education options play in the decision.

The existent literature on citizenship by investment, too, offers few answers about demand. Economists working on the topic typically focus on the putative efficiency of market mechanisms for selecting the best immigrants to a country (Borna and Stearns 2002) and reduce debates largely to questions of programme design (Simon 1989; Johnson 2018). Scholars operating in a normative mode have addressed the moral quandaries that emerge when citizenship is offered for a price (Shachar 2017; Tanasoca 2016; Shachar and Bauböck 2014). Others have compared programme design (Dzankic 2012; Sumption and Hopper 2014) and speculated about outcomes in inequality (Boatcă 2014), neoliberalisation (Mavelli 2018), supranational governance (Carrera 2014), and tax receipts (Adim 2017). Yet the reasons for demand remain elusive. Grell-Brisk (2018) uses a case study of Dominica's citizenship by investment programme to examine how countries employ such routes to diversify their economies. Though she does not carry out empirical work on the population of naturalisers, she speculates that demand is driven by a new transnational capitalist class in the 'Third World' that possesses both transnational lifestyles and limited mobility options. For them, she contends, mobility requirements determine the market – a hypothesis that has yet to be tested. As such, the following questions remain: What drives demand for citizenship by investment? What do the wealthy gain by naturalising in microstates? And what, more broadly, do these developments tell us about the relationship between citizenship and inequality today?

### *Citizenship and inequality*

Citizenship concerns membership in a state in three aspects: it is a legal status pertaining to the rules of membership, a bundle of rights and capacities connected to that status, and an identity nexus related to perceptions of membership in the resultant collectivity

(Joppke 2007). In these areas, it operates as an instrument of social closure, embracing some while excluding others (Brubaker 1992). The selective thrust has generated a substantial literature on the gaps between the presence of individuals in a state and their complete exercise of rights, access to full membership, and sense of belonging. Examining populations long present within a state, studies of second-class citizenship have unveiled the mechanisms and agents that deny the full embrace of individuals based on race (Pryor 2016), ethnicity (Kymlicka 1995), gender (Gardner 2009), religion (Korteweg and Yurdakul 2014), and their intersections. Looking beyond the state as a closed system, the literature on international migration has dissected the variable ways that people crossing borders have become included in (Soysal 1994; Joppke 2007) and resisted their exclusion from (Nakano Glenn 2004; Ngai 2014) these domains.

Motivating this work is a concern with inequality, a vexation of citizenship for several reasons. The first is political. Unequal inclusion can have deleterious effects on the quality of democracy, impeding government participation and representation (Bauböck 1994). The second is moral, stemming from social justice concerns with human dignity, fundamental rights, and basic life chances (Bosniak 2006; Carens 2013). The third is procedural. Equality may inhere in the letter of the law, but not in practice, resulting in contradictions that must be rectified to safeguard the legal underpinnings of a state (Light, Massoglia, and King 2014).

Historically, studies of citizenship and inequality focused on the limits of citizenship's compass within a country, bracketing disparities in the citizenship of a different sort: inter-country inequalities. Recently, however, scholars from a range of disciplines have noted that not all citizenships are equal when it comes to the benefits they secure, whether social welfare provisions, stable political rule, legal protections, or mobility to other countries. As Macklin (2007) observes, the 'heft' of citizenship differs. Typically low- and middle-income countries offer packages of rights and benefits that are inferior to those of their wealthier counterparts (Mau et al. 2015; Kochenov 2018; Harpaz 2015). International migration is one strategy for handling the disparity, yet immigration restrictions – and occasionally emigration restrictions – limit this option for many. The result transforms citizenship into a 'birthright lottery' (Shachar 2009): where a person is born has, on balance, the greatest impact in determining her life chances (Korzeniewicz and Moran 2009). Unsurprisingly, the most impoverished decile in low-income countries fares far worse than its counterpart in wealthier states. Notably, however, wealth does not insulate the rich from the consequences of 'citizenship penalt[ies]' (Milanovic 2016, 131). The most affluent decile in the Congo, for example, also occupies a lower position on the global income distribution than its correlates elsewhere. The difference represents a 'citizenship premium' for those born in countries higher up the global income ladder (Milanovic 2016, 131–134), resulting in a veritable 'citizenship hierarchy' (Harpaz and Matteos 2018). If citizenship for those in wealthy democracies secures a panopoly of rights, in poorer and authoritarian ones, it can become liability (Kochenov 2019). Within this space, citizenship by investment programmes offer the wealthy the opportunity to convert economic resources into new memberships that enable them to circumvent the limits of their citizenship of birth.

The raw instrumentality of such decisions may be striking to some, but the dominance of utilitarian motives when naturalising is evident across the class spectrum among people not gifted 'top flight' citizenships at birth. Harpaz (2019a) demonstrates that individuals from non-Western countries are more likely than OECD counterparts to make strategic use of co-ethnic and ancestry-based naturalisation options in EU countries where they do not



presently reside. To compensate for the deficiencies in their citizenship of birth, people in 'second-tier' countries employ naturalisation options in 'first tier' ones. The long-distance naturalizers may not live in their new country, still the additional citizenship offers a bouquet of rights and options – citizenship *à la carte* (FitzGerald 2009) – to the non-resident new members. Using a regression analysis, Harpaz (2015) infers that non-resident naturalisers view their newly acquired citizenship as first and foremost an 'economic asset': the unemployment rate has the most powerful impact on the decision to naturalize, and the democratic health of and extent conflict within a country have no effect. His interview-based work with naturalisers from the middle classes and above in three countries reveals that the primary motives were the desire to emigrate (Serbians), provide education opportunities to children (Mexicans), and obtain general economic opportunities (Israelis) (Harpaz 2019b).<sup>5</sup> Studies of long-distance, largely middle-class naturalisers from the Southern Cone have also shown that economic motives drive the decision, with travel ease the second rationale (Cook-Martín 2013, 122). Others have noted that the promise of eased mobility (Dumbrava 2019; Cook-Martín 2013; Mateos 2019), employment opportunities (Cook-Martín 2013; Harpaz 2015), insurance against an unknown future (Knott 2019; Cook-Martín 2013; Mateos 2019), educational benefits (Pogonyi 2019, Cook-Martín 2013; Mateos 2019), and welfare resources (Mateos 2019; Cook-Martín 2013) can motivate individuals to naturalise in countries where they do not presently live.

These studies reveal the strategic nature of naturalisation decisions by many who were born into a lesser position on the hierarchy of citizenships. Yet to date none disaggregates the population of naturalisers by class – it is either an undifferentiated population or those in the middle-income range who dominate the findings. However, one might expect the motives of the very wealthy to differ: employment chances, education opportunities, and welfare benefits are less likely to be an allure. Similarly, democratic health of a country, or the extent of authoritarian rule, may affect the wealthy more strongly if a sovereign regularly seizes assets – or if business competitors do so by manoeuvring a weak legal system – because they have more to lose. To assess these possibilities, the analysis below takes a qualitative, interview-based approach to investigate the motives behind the decision to naturalise through citizenship by investment.

## Methods

The analysis draws on materials from a larger study concerning citizenship by investment and residence by investment programmes that included fieldwork in sixteen countries on four continents. Initial contacts were made at professional conferences on investment migration. I attended twenty such events in London, Zurich, Geneva, Monaco, Sveti Stefan (Montenegro), Athens, Moscow, Dubai, Frigate Bay (Saint Kitts), Bangkok, Shanghai, and Hong Kong, where I met bureaucrats, lawyers, private wealth managers, real estate developers, and due diligence companies involved with the investment migration industry. The frequent breaks for networking provided the opportunity to meet people and introduce my research. I found that many in the field were happy to speak to an academic about their work. As many people attend several professional events each year, I had the opportunity to build trust and meet some informants several times.

To understand how the programmes operate on the ground – an essential element of the wider project that helps contextualize my understanding of demand – I conducted



fieldwork in countries with citizenship by investment programmes including Antigua (2016), Saint Kitts (2016, 2018), Cyprus (2018), Malta (2018), and Vanuatu (2018). In all countries, I visited government offices, service providers, and real estate developments, as well as talked to locals about their impressions of the programme. I also interviewed service providers in the UK, Canada, the US, Switzerland, Russia, China, and the United Arab Emirates (UAE). I carried out formal interviews with over one hundred people and informal interviews with over three hundred people involved in all aspects of these programmes. I also interviewed eight individuals who had naturalised through citizenship by investment programmes. They were from Asia (3), North America (3), and the Middle East (2).

The analysis below is based on interviews with these wealthy naturalisers and with more than one hundred service providers. The service providers consisted of lawyers, private wealth managers, or professional migration consultants who help clients submit their files to apply for citizenship by investment programmes. To enhance the diversity of the client cases accessed, I sought out service providers working for a range of firm types. I interviewed employees or owners of 16 large multinational firms, including 10 migration consultancies, 3 law firms, and 3 multinational accountancies. These firms had offices in multiple countries and employed several dozen to several thousand workers. I also carried out interviews with employees or owners of 49 medium- to small-sized firms, typically with only a local presence. These included 14 law firms, 26 migration consultancies, and 9 wealth management firms. Because of the transnational nature of the field, the exact location of the interviews was often moot: the busiest service providers travel so frequently that they may fill a passport in less than a year, and many have a migratory background and some more than one citizenship. Most of the wealthy interviewees I met were on the go too. For example, for one interview I was in Malta with an intermediary who facilitated a phone interview with the client from Asia who was on holiday abroad. Another person I first interviewed on a plane and later carried out a follow up, across different hemispheres, by phone.

Interviewing the very wealthy is infamously challenging (see Nader 1972; Harrington 2016; Sherman 2017), and concerns about privacy and exposure common (Gilding 2010; Harrington 2017). Most service providers I met were reluctant to introduce me to clients due to confidentiality agreements. Furthermore, some countries like China and India prohibit dual citizenship (though the provisions may be irregularly enforced in practice). For these reasons, I avoid identifying markers when describing the cases. As with many studies of the very rich – including popular wealth reports by groups like Knight-Frank and Credit Suisse – the bulk of the information came from intermediaries, who for business reasons are also highly attuned to client motives (see also Harrington 2016; Glucksberg and Burrows 2016). I collected instances either as they emerged in conversation or by asking for descriptions of recent cases. The willingness of service providers to share information was predicated on the protection of privacy, and therefore I use only general descriptors and occasionally change gender pronouns. Presumably, no service provider will talk to a researcher about ‘dodgy clients’, should they have any, and there may be a preference for describing memorable cases or ones an academic may find sympathetic. The latter is less likely at industry conference sessions where panels of professionals talk to audiences of professionals and also, on occasion, speak about clients or patterns in client demand. I rely too on notes taken there. I coded the materials using MAXQDA and

employed an abductive approach (Tavory and Timmermans 2014; see also Charmanz 2009) to look for general types of motives based on existent studies of residence by investment programmes and strategic naturalisations, discussed above, as well as unexpected findings that were then cross-checked. As the sample is one of convenience and many of the interviews were loosely structured, I cannot make claims about the representativeness of the range of motives. However, they present the variety of drivers behind such decisions, which extend far beyond the criminal or scandalous motives that grab newspaper headlines. The repetition of similar motives across region (North Atlantic, Middle East, Russia, Asia), type of interviewee (lawyer, migration consultant, private wealth manager, or wealthy naturaliser), and setting (interview or professional conference presentation), suggests that the broad patterns observed are not simply happenstance or collaborative whitewashing, and point towards genuine and generalisable motives. I exclude demand for citizenship by investment in Jordan, Turkey, and Moldova because their programmes began in full force only recently and after my fieldwork ended.

### Investor citizens

Who are the ‘global citizens’ making use of investment options to acquire a new nationality? The available statistics on uptake indicate that demand clusters in three areas: China, Russia, and the Middle East (Figure 3). In Saint Lucia and Dominica, the greatest demand

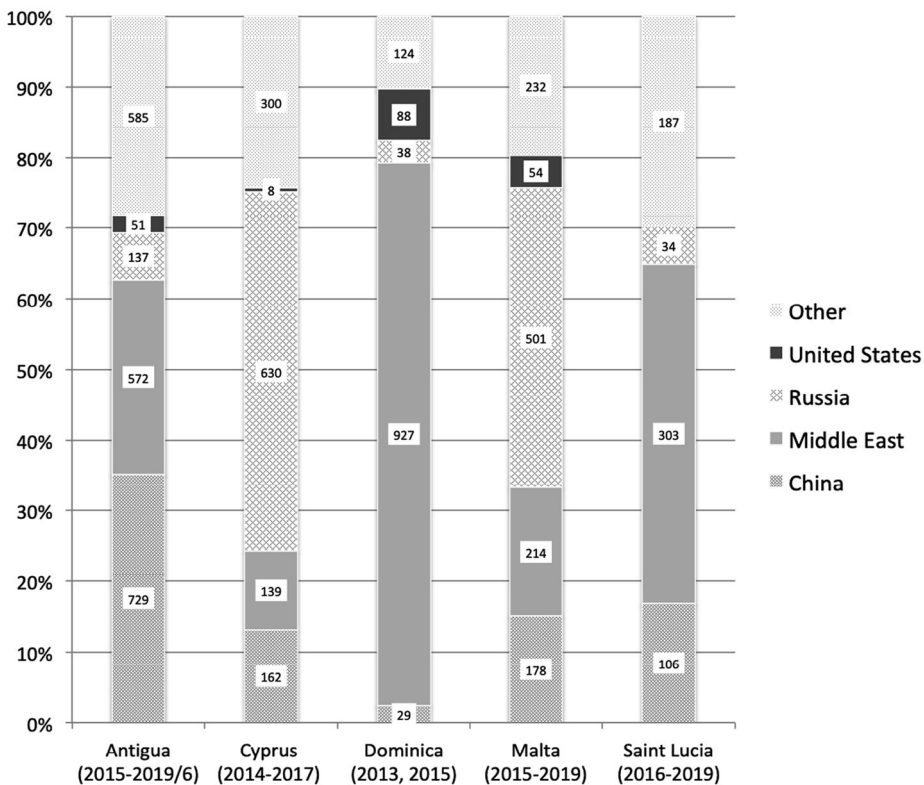


Figure 3. Key areas of origin.

is seen from the Middle East, which accounts around half of reported naturalisers.<sup>6</sup> In Antigua, the proportion is less, but still significant, coming just behind China, the other key source area. Though official numbers for Saint Kitts are unavailable, bureaucrats working with the programme state that about half of the citizenships granted are to Chinese and half are to people from the Middle East. In the Mediterranean, the numbers of Russians are much greater, accounting for over 60 per cent of the Cypriot programme and about half of the Maltese programme, with people from the Middle East taking second position.

Geopolitics and business interests account for some of the patternings. Caribbean countries have traditionally recognised Taiwan rather than the People's Republic of China, sometimes opportunistically changing relations depending on investment and other lures. Saint Kitts, for example, has diplomatic relations with only Taiwan, and thus China has few mechanisms to pressure the country over dual-nationals. In the Mediterranean, Cyprus has a long history of business connections with Russia, and membership within the European Union – a key business site for Russians – adds to the allure of both Cyprus and Malta.

Notably, the array of offerings is segmented, with the programmes in the Caribbean commanding a lower price-point and supplying fewer benefits than counterparts in the EU. Typically the Caribbean options are marketed as supplying new citizens with 90-days visa-free access to the Schengen Zone of the EU, plus the UK, whereas those in the Mediterranean countries offer their new members, as EU citizens, the possibility to settle in any EU member state. Those naturalising in Malta also gain visa-free entry to the US. The prices are pitched accordingly, with the EU options costing around ten times more than Caribbean ones. As one service provider in Dubai described, the Caribbean programmes offer 'just travel ease, nothing else. You're never going to live there', he said, and 'there's no business there'. The European programmes, by contrast, provide the benefits of access to, including residential rights within, the rest of the EU, he confirmed.

Finally, it is crucial to note that the demand for citizenship by investment itself is premised on the absence of other options. Long-distance naturalizers commonly use ancestry and co-ethnic channels, which are far cheaper as well, costing between a few dozen to the low thousands of dollars (see Harpaz 2019b). But these opportunities remain out of reach for those in the Global South without genealogical connections to countries at the top of the citizenship hierarchy, where ancestral options have often been used as a proxy for racist selection (FitzGerald 2017). Notably, demand for citizenship by investment is low in South America where the wealthy – a typically whiter strata – simply make use of Spanish or Italian ancestry to gain a European passport, and for far less than the nearly €1 million required for the Maltese programme. Russians aside, non-white wealthy individuals dominate citizenship by investment numbers.

### **Demand for investor citizenship**

In interviews with service providers and wealthy naturalisers, a similar set of motives emerged across all of the regions, with differences a matter of emphasis. The two that most frequently appeared were the pursuit of a travel document or an insurance policy – or an insurance policy that could be used as a travel document. As one service provider in Dubai described, 'When things go well, it's for business travel. When things go bad in

your country, you want to be able to take your family somewhere safe'. What do such responses mean?

### *Present mobility*

Crossing borders can be a challenge, particularly for people from the Global South entering the Global North. As one lawyer put it, a passport from the Middle East doesn't allow you to leave the region. A London-based service provider offered the case of a Pakistani client who runs a business supplying luxury brands in Europe. 'He [the client] has got a passport this thick', he said, spreading his fingers an inch wide. 'He gets his visas, but it's a hassle'. The client asked the service provider straightforwardly, 'How much will it cost to get this monkey off my back?' For the very wealthy, a lawyer in London told me, 'Time is everything'. With opportunity costs high, 'it's debilitating' to leave a passport at an embassy for long stints. One wealthy Asian naturaliser I spoke to said that 'everything happens at the last minute' in his life, so being able to travel freely 'really makes a difference'. Without his Caribbean passport, moving around in Europe 'is a real hassle'. Even if he obtains visas to the countries he wants to visit, he never knows if they will be for 90-days, several years, single entry, or multiple entry, he said. A couple from South Asia, successful in business, also gave mobility as their main motive. They lamented that they could travel to only fifty-odd countries on their passport, but sought out the new documents mainly for their children who are studying abroad: 'I wanted to open up more opportunities for them', the father explained. In some cases, the travel challenges are perceived as a stigma. A Hong Kong-based lawyer described the motives of one of his clients from the subcontinent who runs an international business: 'He may be rich, but if he can't travel to London whenever he wants, he will always be second class'. To be 'high class', he explained, you have to have freedom of movement to go wherever you want, whenever you want. As the wealthy naturaliser introduced above told me, he wouldn't think about a second citizenship if he were, for example, British. 'It's like when you travel somewhere and you suddenly realize what you have at home because it's not available where you are. It's not until you don't have something that you realize your privilege'.

The strength of these boundaries, however, is not fixed: geopolitics determines fluctuations. If a country negotiates bilateral visa provisions, then the utility of a second passport for border crossing decreases. China, for example, has recently secured ten-year multiple-entry visas with several countries, including the US and the Schengen states, and service providers in China and Hong Kong note the decline in clients seeking only mobility. However, demand has not disappeared entirely as the approval of multiple-entry visas is not guaranteed, which leaves many still searching for solutions. And even if one has a valid visa, border guards may police certain citizenships more strictly than others. Service providers in the Middle East and Russia regularly share stories of clients who may have permission to enter the UK, but still prefer to fly to the country on a European passport because crossing the border is otherwise a hassle, exacerbated by growing diplomatic tensions.

Even individuals from relatively 'high-ranked' countries may seek out alternative mobility options due to geopolitics. One service provider in Asia described a recent American client who sought a Caribbean passport because he was dispatched to Yemen for work. A wealthy former-American I interviewed, long based in Asia, listed travel ease and safety as

a key motive for picking up a new citizenship: he frequently traveled to Africa for work and showing a US passport was possibly dangerous in some areas he visited.

Naturalisers may be motivated by a desire not only to move across borders but also to stay where they are, a drive found on occasion in the UAE. There 90 per cent of the population is foreign and need a work visa to live legally in the country. However, a visa must be housed in a valid passport for it to function, which raises problems for some. Political turmoil, for example, can impact a home country's ability or desire to renew passports, as has been the case in recent years for Syrians who decamped to Dubai. Venezuelans working in the Middle East oil industry have faced similar challenges. Another service provider in the region noted a substantial uptick in interest after Nicolás Maduro began to restrict emigration. 'You send in your passport and it sits with the government for ten months', he said. 'And then it comes back not renewed and you don't know why'.

One notable place that investor citizens are typically not looking to visit is the country issuing the passport itself. Some variation is evident – Russians may have holiday homes in Cyprus, for example, and some service providers will arrange tours to visit the prospective new country and investment – but most people working in the industry describe requirements to travel to or spend time in the new country as a liability, undesirable for most applicants.

### *Future mobility*

Though present mobility is a key selling point, future mobility may be a greater allure. Many people aren't thinking of moving immediately, one service provider explained. 'They don't want to use the passport now', but to have it 'just in case'. In these instances, the second citizenship serves as an 'insurance policy' or a 'Plan B', as intermediaries frequently put it. This may mean simply facilitating future desires. A service provider in East Asia clarified: 'There's mobility and there's mobility'. He explained that it's not just about flying around the world, but saying 'I can move there if I want ... It's options, not migration. They want a real, unlimited option'.

A portfolio of options may represent the luxury of choice, as described above, or it may supply crucial alternatives under more difficult circumstances. A service provider in Cyprus described the motives of some recent clients from Syria. They are against the regime and may never be able to go home, the agent related, and they don't want to stay in Dubai. For many Middle Easterners who have relocated to Dubai, I was often told, the uncertain future of their home country was a greater motive for picking up an alternative citizenship than even mobility on a 'bad passport'. More dramatically, one service provider in the region described clients who travel to Canada on Caribbean passports when seeking asylum from oppressive governments. If their case isn't approved, he said, they'd be deported to an island country rather than their authoritarian regime, where they'd end up in jail. 'As an insurance policy, it's pretty cheap', he declared.

Service providers in Russia and China often cited the necessity for businesspeople to remain based in the home country to protect their companies. Yet they want to 'back up' their gains with a Plan B. The weak rule of law may provide lucrative business opportunities for some in emerging or post-communist economies (Hoang 2018, Cooley and Heathershaw 2017), but this is double-edged. A service provider in Russia described the local scene: businesspeople like 'working in the grey' – there's money in it. 'But they

want it backed up in black and white'. Everything needs to be very clear for them, I was told. Distrust of the government – whether in Putin's Russia or Xi's China – frequently emerged as a motive for future planning, with autocratic leaders a great source of uncertainty and anxiety. An intermediary in China explained that her clients know that their government cannot be trusted and that their emails and phones are monitored. In such uncertain circumstances, 'The thing is to retain flexibility', a lawyer in London underscored. Even democratically elected leaders can furnish enough distrust and unpredictability for some to seek out a Plan B citizenship. In London, intermediaries told stories of the 2016 wave of 'Armageddon clients' from the US, who became interested in European citizenship options after the election of Trump. Most were not looking to move immediately, but for 'a lifeboat' just in case.

In addition to internal issues including weak legal structures and authoritarianism, external, geopolitical ones were a key concern as well. A service provider in Hong Kong explained that his Taiwanese clients seek citizenship options because they may get stuck if something goes wrong between Taiwan and China. 'It would leave everyone in the lurch', he said, 'but the rich have more at stake'. In Russia and the Middle East, sanctions by the West have stoked worry within the business community about future growth. One service provider described an in-or-out logic in Russia: entrepreneurs with companies that are largely Russian-based are staying in, while those that rely on foreign markets are shifting out of Russia and looking for other options. In the Middle East, not only sanctions, but also conflict and war have left people anxious to acquire a Plan B elsewhere, with Syrians supplying good business for many.

Yet passports that are largely Plan Bs may end up never leaving the deposit box in which they are stored. Particularly in China, where dual citizenship is illegal, naturalisers are likely to park their passports in a box. 'Once they get it, they just put it in a safe. They don't really talk about it either. Sometimes their family members don't know', one service provider told me. I met him in Shanghai, though he is based in southern China, and he explained that clients prefer that: working with someone from a different region lends a sense that the secret will remain secure. Interest in secrecy, which I regularly came across in China, stands apart from the accounts of the Plan B citizenships acquired by middle class naturalisers who make use of – far more public – ancestry options (see Knott 2019; Cook-Martín 2013; Mateos 2019). Several service providers in China cited the continued exit limits on people in certain professions as a further motive. Types of civil servants, police officers, bank presidents, and people in other listed jobs in China are not allowed to keep their own passports. For them, a second travel document is a form of security.

### **Business benefits**

After mobility and security, business and tax benefits emerged as motives or secondary advantages for choosing investment citizenship. The EU offers the clearest case, where gaining citizenship in a member state, such as Cyprus or Malta, facilitates business activities within the entire Union. A service provider, for example, described securing citizenship for a group of Russian investors who planned to buy a European bank and constitute themselves as its board of trustees, an activity, I was told, was possible only if they were EU citizens. Indeed, Europe is the key market for many Russian magnates, making business



options – along with easy mobility to and from their investment sites – an important concern. Similarly, one service provider in Dubai described: If you're doing business between the EU and the Middle East, 'it makes your life much easier if you're holding a European passport while you are banking, getting lines of credit, setting up a business ... It's much easier to be European. It's much more efficient'.

In the Middle East, Maltese or Cypriot citizenship can be useful for circumnavigating the barriers to business erected by geopolitical conflicts. Especially in Cyprus, I came across a number of cases where individuals selected to naturalise after years of using the country as an international business platform. For example, an Egypt-based exporter used Cyprus as a business hub to meet and work with individuals who cannot travel to Egypt. After years of running business through – and occasionally investing in – the country, he decided to add citizenship to his local activities as well. Service providers also described cases of citizens of Arab countries using Cyprus, and on occasion Cypriot citizenship, to facilitate business transactions with Israeli partners.

Though such channels have come to be called citizenship by *investment*, naturalisers rarely see these opportunities as a substantial moneymaking venture. The double-digit returns, available in emerging markets, that produced the wealth of many naturalisers are typically not found in investment migration projects. Investors are aware that their money would be making more money if placed elsewhere: citizenship is the premium for the low or no return. One naturaliser I interviewed had so little faith in the viability of the real estate projects where he naturalised that he preferred to donate a few hundred thousand dollars to the government to investing twice the amount in an unbuilt condo. Of course, citizenship is for life and once it is gained, investors can sell off their qualifying assets after a specified number of years, usually three to five. The result transforms the investment into a 'saving account'. In these cases, the effective cost of citizenship is the difference between the amount invested – and then divested – and what the money might have otherwise earned over three to five years (plus – as always – fees).

### **Tax benefits**

Tax, however, is more byzantine. Mobility may come with tax implications, though these are rarely straightforward. Typically physical presence determines one's tax residence: spend more than 183 days in a country and it becomes your tax home. If one is mobile enough to stay under that number, then the location of one's 'center of vital interests' is assessed, with citizenship considered as one factor of several. Most countries offering citizenship by investment have low- or zero-income tax. A common misconception is that these tax regimes are a great allure for wealthy naturalisers. However, to make use of such provisions for income tax is complicated, even under the most beneficial circumstances. For example, if one spends less than 183 days in any country and can produce enough 'substance' to make the claim that Malta is one's tax home, but yet remain 'domiciled' in another country, then one can make use of its preferential tax regimes for the non-domiciled, including a potentially reduced rate of tax income arising in the country and a zero-tax rate on income or capital gains arising outside the country that are not remitted to it.

American citizens are the important exception as they are taxed on their income no matter where it arises and where they are in the world, which can encourage some to shed their membership.<sup>7</sup> Some are libertarians, but most cases I encountered were of



ex-pats or ‘accidental Americans’ who spent most of their lives abroad. One whom I met introduced himself by his American city of birth rather than his new nationality and told me proudly that he expatriated to become a citizen of Saint Kitts in 2006. ‘I could see the writing on the wall’, he said. The US was going to more seriously enforce its regime of taxation on global income, and he wanted out. He had moved to Europe years before and developed several businesses, and didn’t want to continue to pay tax in a place where he spent no time. He naturalised in Saint Kitts because it was the only programme on offer, and even maintains a residence there, though he rarely visits. He had no complaints about the process or the programme: ten-year multi-entry visas to the US and to the Schengen countries in Europe are easy to obtain and he has never had a problem at the border. There’s little else that he asks of his citizenship, he told me. Though one might wonder why an American would give up a ‘good’ citizenship, the status can become a burden for some who shift their lives outside the country. A service provider in Hong Kong captured the logic when he described an American client, based in Asia for many decades, who was considering expatriation: ‘Even if a Saint Kitts passport is weaker, it doesn’t really matter since he doesn’t live there [in the US] and doesn’t need it for Hong Kong and Bangkok’, where his homes are.

The rollout of the Foreign Account Tax Compliance Act (FATCA) in 2010 also stimulated expatriation among long-time non-resident Americans. Under the Act, the US requires all non-US financial institutions around the world to report the assets and identities of all US citizens or green card holders. Reporting requirements have left foreign banks skittish about taking on US customers, even for mundane requests such as mortgages. Service providers in places like Hong Kong had stories of long-term American residents who sought to finally expatriate because day-to-day financial transactions had become too onerous after FATCA.

Following FATCA’s lead, the OECD developed a similar tool with the Common Reporting Standard (CRS) in 2014. To date, around one hundred countries have signed this agreement, which facilitates the exchange of information about assets and accounts held globally. The immediate result, particularly in China where Xi Jinping combined its launch with a crackdown on tax evasion, was a burst of interest in cheap ‘banking passports’ as a tool for ‘serious tax planning’. Though the boom generated extra business for service providers, in practice the passports have not proved to be a silver bullet for tax evasion. Mainstream banks, responding to their legal departments, demand evidence of ‘substance’ beyond the passport – documentation indicating long-term physical residence in the country – to establish one’s tax home.<sup>8</sup> The CRS-rush also highlights a crucial characteristic of the relationship between citizenship by investment and tax: it is only when governments become serious about collecting tax that workarounds proliferate. For this reason, tax evasion is not a motive for many wealthy people hailing from and making their money in developing countries, where the state often does not have the infrastructure to enforce tax collection.

## Discussion

### *What ‘mobility’ really means*

Across the interviews, improving mobility emerged as a key motive, but in a more complex way than mere demand for visa-free access would suggest. Easy movement across borders

did emerge in the interviews, and respondents gave examples of the hassle and stigma of travelling on a 'bad passport'. But in some cases, the additional passport meant the possibility to *stay*, rather than move. If the home country restricts emigration or the local consulate is not renewing passports, as has been the case with Venezuela and Syria, an additional document provides an alternative house for the permits required to legally reside abroad. Alongside present mobility, future mobility was also a driver, expressed as a desire for options or an insurance policy. The contingencies of frequent last-minute travel planning lead some to ensure that they can enter the countries they want, when they want: the luxury of possibility. More common were stories of backup plans to be activated if the political situation at home changes – or doesn't change – under authoritarian rule or violent conflict. Entrepreneurs remained in their country of origin to build their businesses, but made sure they had a lifeboat as well. The unpredictability of geopolitics was a source of concern, with sanctions, war, and nationalist tensions fueling anxiety. Passports acquired solely as a Plan B – or C, D, and E – are often never used; they simply sit in a safe waiting to be activated if the going gets tough. If mobility includes the possibility of longer residence in a place, it's rarely the country of citizenship that is the destination. Cyprus is the only state that has seen noticeable uptake of residence options, and then mainly by Russians on a temporary basis. London is, by far, the destination of choice for those seeking to establish a physical base elsewhere, though even then, it is typically added to the list of homes and locales that the wealthy have already secured.

### **Third-country benefits**

This points to one of the most remarkable characteristics of citizenship by investment. Though we often think of citizenship as concerning the rights gained within a country, the value of investor citizenship rests largely on what it secures *outside* it. Extra-territorial privileges extend the compass of citizenship's benefits beyond the boundaries of the granting state. Enabling these advantages are treaties and alliances. Though typically formed to encourage the free flow of capital and goods in the first instance and labor in the second, they simultaneously produce the benefits that buyers seek, whether visa-free access, the right of abode, the possibility to establish businesses, or schooling options for children. Even under advanced globalisation, the citizenship of capitalists may still hinder the cross-border flow of their money – something a different set of documents might circumvent. Doing business in Germany, for example, can be much easier if one holds Maltese rather than Mongolian citizenship. For wealthy individuals, the allure of London as a place to be seen during 'the season' or of elite private schooling for children remains strong. As long as Brexit remains delayed, Malta and Cyprus continue as popular 'back-doors' to the capital city. When the motives are a 'real' Plan B, quality of life, or education, they refer largely to the benefits secured in third countries.

### **Changing politics and geopolitics**

Political instability, insecurity, and violence condition demand as well. Citizenship, after all, is about a legal connection to a state, whether one likes the government or not. Authoritarian regimes, by nature, generate uncertainty about the government's future moves, encouraging the search for a lifeboat or Plan B. The spread of capitalism

within formerly communist states, still often authoritarian, has generated substantial wealth among the few, facilitated by weak legal structures, within a situation of political precariousness (see Hoang 2018; Surak 2020). Geopolitical tensions, particularly when translated into sanctions and travel bans, also generate risks and liabilities. Politics, of course, can change, moving in either direction. It was relatively easy to travel on an Iranian passport in the 70s; now it is far more difficult. China, by contrast, has seen greater welcome. Its broad acceptance into the global capitalist economy has enabled the government to negotiate ten-year multi-entry visas with places like the US. And though the US is a relatively stable democracy, the election of Donald Trump to the presidency still produced a rash of so-called Armageddon clients concerned to secure exit options.

### *Inverting the citizenship hierarchy*

Though a citizenship hierarchy (see Harpaz 2015, 2019; Kochenov 2018) – one that fluctuates – is evident, its ranking does not determine all demand. Individuals with top citizenships may seek citizenship by investment ‘solutions’ in countries lower on the spectrum. Most common are Americans with lives based outside the US, whose nationality has become a liability. American pressure on international banks may render simple transactions, like taking out a mortgage, extraordinarily onerous. Indeed with the inception of FATCA in 2010, the number of Americans renouncing their citizenship has increased substantially, from a few hundred to over 5000 annually since 2015 (Konish 2018). Other factors can matter as well: individuals may see no reason to pay tax to a country where they haven’t resided in decades, or face danger in parts of the world where an American presence is unwelcome. Or a regime change may leave some feeling no longer a part of the country and cause them to search for exit options. Though less common than citizenship ‘up-grading’, such cases expose the complexities of state membership and extraterritorial influence. For citizenship is not only ubiquitous (cases of statelessness, relatively small in number, notwithstanding), it is also portable, and obligatorily so: even outside the UK, a British citizen is still a British citizen. Citizenship by investment offers options for escaping a status that may have become an impediment internationally.

### **Conclusion**

Citizenship by investment programmes provide an opening to reconsider questions of inequality that exceed the interrogation, though important, of how the wealthy buy privilege. For citizenship scholars, a focus on inequality is hardly new – it stretches back to T. H. Marshall’s (1950) agenda-setting analysis of political membership and social class. Citizenship by investment programmes, however, remind us that it’s not merely inequalities within states that matter. Disparities between states also play a crucial role in producing the value of citizenship (see also Cook-Martín 2013; Harpaz 2015). Not all countries are equal and neither are all citizenships, and it’s these differences that undergird the market. The distal source of demand is a duplex structure of inequality: it is the confluence of inter-state inequalities in what citizenship secures and intra-state inequalities in wealth that produces a privileged class with

limited mobility, uncertain futures, and in search of superior options. In its face, many people act strategically. The implications go beyond the well-known story that global inequality fuels migration among those seeking to improve their life chances: in this case, not immigration itself but mobility options and other benefits in third countries define the stakes for most.<sup>9</sup>

Dissecting the motives of wealthy naturalizers shows that, as Grell-Brisk (2018) proposed, mobility is a key consideration, but this is more complex than securing easy border crossing. Not only present mobility, but future mobility, as an insurance policy, is a great allure. In this aspect, the rich from non-core countries share similar motives as their middle-class counterparts (Mateos 2019; Cook-Martín 2013; Knott 2019), but with a concern for privacy or secrecy – particularly for those from countries that do not allow dual citizenship – more common.

In contrast to middle-class strategic naturalisers, quality of life, welfare benefits, and employment options do not determine demand among the wealthy. To the extent that economic factors influence the decision, it is as business opportunities – often in third countries – rather than jobs or welfare options, as found with the middle classes (cf. Harpaz 2015; Vink, Prokic-Breuer, and Dronkers 2013; Mateos 2019; Cook-Martín 2013). Geopolitics, however, emerged as a key concern. This may be due to the sizeable stakes involved: the very wealthy have more to lose when, for example, sanctions block business or trade wars escalate. From the US's 'Muslim ban' to the UK's delays in renewing the residence permits of Russian oligarchs, citizenship and geopolitical interests have become recoupled after years of separation. As geopolitics shift into the geoeconomics of global capitalist competition, this trend may increase.

Using qualitative work to disaggregate the proximate drivers of demand reveals a more nuanced story than merely a quest for 'compensatory citizenship' (Harpaz 2015, 2019a). Indeed, many investor citizens achieved their lofty economic status thanks to their citizenship at birth: their Chinese or Russian citizenship was a premise for their ability to accumulate great personal wealth at a particular historical juncture (Surak 2020). As such, these 'mid-tier' memberships have been, for some, an enormous boon as well. Certainly, improved mobility is an important motive for many. But the search for business and tax benefits is not simply about offsetting the gaps in what Kochenov (2018) terms 'the quality of citizenship'. And on some occasions, wealthy people with 'first tier' citizenships downgrade to, ostensibly, lesser options when their original membership becomes a liability, often after years of living abroad.

What do these developments mean for our understanding of citizenship? In conventional accounts, naturalisation is intimately tied to immigration. To become a citizen, one must first move to the prospective country. Citizenship by investment schemes reconfigure this: it's not the person, but her money that that must be resident for a defined period, contributing to the economy in the same way that labour might. If the modern state is both a territorial organisation and a membership organisation (Brubaker 1992), a disjuncture between the two may be increasing as countries strive to draw into their ambit, though not always not their terrain, desired populations. In this way, the state's embrace of external investors resembles the extension of dual citizenship to emigrants in order to encourage financial transfers back home (see FitzGerald 2006). Yet unlike the inclusion of remittance-sending emigrants into a transnational diaspora, investor citizenship doesn't stretch the nation-state's hyphen, but slices it. Wealthy naturalizers

show no interest in their new imagined communities, and the issuing states aren't fostering multicultural identities for them. Unlike their compatriots, these non-present citizens are members of the state but not the nation. Importantly, citizenship that has lost the baggage of identity dissolves the boundaries that set off the national 'us' from 'them' – with, potentially, positive effects against blights like xenophobia, and negative ones on resource redistribution. Notably, this extra-territorial citizenship is, in Pocock's (1995) terms, more Roman than Athenian: it concerns a legal standing, not democratic participation (see also Surak 2016; Joppke 2019). Yet as even liberal democracies de-democratise, the *zoon politikon* may be facing extinction in its natural habitat. It is the citizenship of *legalis romanus* that marks the contemporary world: a territorial yet portable legal status.

Where T. H. Marshall (1950) charted the progressive 'thickening' of citizenship through a cumulative enrichment of rights, the direction of development is now inverted. Citizenship by investment is symptomatic of citizenship's 'thinning' (Joppke 2010). The rights investors claim are those of the most limited sort: foremost mobility, possibly business benefits, and perhaps residence in a third state. Increasingly, citizenship is a tool, both for states seeking to embrace possibly profitable populations, and for migrants leveraging options (see also Ong 1999; Harpaz 2019b; Joppke 2019). Investor citizens are a part of this trend, if a privileged tier within it.

Does ascribing a price to citizenship diminish its value? Some argue that citizenship by investment programmes allow those with economic capital to purchase a public good which would normally remain outside the economic sphere (Shachar 2017, Grell-Brisk 2018; Dzankic 2012; Parker 2017). The result is a transactional version of citizenship that, these scholars warn, threatens to degrade the institution globally and erode the moral bonds sustaining it (Shachar 2017, 2018; Mavelli 2018; Dzankic 2012; see also Tanasoca 2016, Somers 2008). Here quantification and commensurability are the thorns: economic valuation debases citizenship's normative underpinnings. Yet not all price tags leave residues (Zelizer 1985; see also Fassin 2018). Money has been offered in compensation for murder since ancient times, without subverting the sacrosanctity of life or the vilification of killing. Similarly, payments for eggs and sperm have little effect on the love accorded to the child produced. Indeed, a decrease in the utilitarian valuation of an item and increase in its sacralisation may, counter-intuitively, correspond to an increase in the price attached to it, as Zelizer (1985) demonstrates occurred with children in the early twentieth century. Little indicates that 10,000 investor naturalisations per year in largely peripheral states are debasing citizenship as we know it.

However, they do throw into relief processes visible elsewhere, for at stake is what money can buy. In strategising, investor citizens appear no different to their middle-class counterparts from countries outside the global core who also utilise options to improve their citizenship status. Individuals without access to easier and cheaper channels – especially those lacking ancestors from 'top tier' countries – avail themselves of what they can afford, and for some this includes investment migration options. States, too, reveal a similar logic in their endeavour to harness resources. In the competition for globally mobile talent – whether athletes, artists, or entrepreneurs – richer countries establish provisions to lure the best and brightest, offering packages that less prosperous countries cannot match. But selection is not only positive; it is also negative. All states are hesitant to admit people who are poorer than their average citizen. Hierarchies of worth channel mobility and membership – and not only in cases of citizenship by investment. If much of the discourse in the Global

North on citizenship celebrates its promise of equality, admission into a state remains fundamentally unequal. The permeability of its borders (around both membership and territory) depends on the value and category ascribed to different human beings – whether labour migrants, refugees, co-ethnics, family reunifiers, entrepreneurs. Or investors.

Demand for citizenship by investment programmes will persist as long as countries in the Global South continue to produce wealthy citizens looking to improve their travel options or for an insurance policy against their government, and as long as geopolitical conflict plays out in the realm of mobility. Were source countries able to negotiate the same visa-free access and mobility options that Germany offers, demand would fall. Yet it would not end entirely. The draw of business options, as well as the ‘insurance policy’ that a second passport offers, would continue to sustain the desirability of programmes. Overall, the findings are consonant with the literature on the thinning of citizenship from an identity-laden singular relationship to a state imposing duties towards a strategically leveraged legal status guaranteeing rights (Joppke 2010; see also Spiro 2008; FitzGerald 2006).

## Notes

1. This article employs a strict definition of citizenship by investment programs and thus takes the revamping of channels in Saint Kitts, Dominica, and Cyprus as the start date of their formal programs (see Surak 2020 on the definition of formal programs and Surak 2019 their evolution).
2. ‘Third country’ refers to a state that is neither an individual’s main country of citizenship nor the country whereshe naturalizes through citizenship by investment.
3. As such, Bulgaria’s investment residence program does not operate as an independent citizenship by investment program (cf. European Commission 2019) since applicants move first through residence, held for at least one year, and then submit a separate qualifying investment to apply through an additional channel for citizenship, which typically takes two to three years to obtain. This stands in contrast to the Maltese and Cypriot regulations, which grant residence as a procedural matter within the process of applying for investor citizenship.
4. ‘High net worth individual’ is a term in the wealth management industry to classify the rich. Typically the ‘mass affluent’ are individuals with \$100,000 to \$1 million in liquid assets; ‘high net worth individuals’ hold \$1 million to \$30 million in liquid assets; and ‘ultra high net worth individuals’ occupy the space above them.
5. The Mexican case Harpaz examines concerns not naturalization but strategic birth. Balta and Altan-Olcay (2016) find motives similar to those of other strategic naturalizers in their study of Turkish parents utilizing birth options in the US to secure citizenship for their children.
6. The figures for Dominica are an estimate based on the name recorded in the National Gazette. This undercounts, for example, individuals with an Arabic name who are US citizens. It also undercounts the number of participants. Government officials involved with the program estimate that it processes 1500–2000 applications per year, yet the Gazette lists only several hundred names. Separate figures for Americans naturalizing in Saint Lucia are not available.
7. Currently the minimum income threshold in such cases is just over \$100,000.
8. Citizenship by investment programs do offer one workaround to CRS because signatory countries exchange information only with foreign countries. As such, if an individual with Dominican citizenship opens a bank account in Dominica, there is no reporting, even if she also has citizenship and is a tax resident elsewhere. Reportedly, the most common way to avoid CRS is simply to open an American bank account, as the United States has not signed the agreement.



9. Absent systematic study of the economic impact of citizenship by investment programs on specific subpopulations, it is impossible to fully assess the results for inequality. In the issuing countries, the programs can constitute a substantial portion of the GDP, and in several countries the receipts fund development projects and social welfare programs. In the countries of origin, the number of naturalizers is negligible, as is the amount of money they funnel out to pay for the options (Surak 2020).

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