

NOORA LORI: Good morning. Good afternoon. Welcome. Thank you to everyone for being here. Thank you for coming to the Inter-University Committee on International Migration's Myron Wiener Seminar Series on International Migration. I know that I speak on behalf of the other members of the Steering Committee and myself-- and I see a couple of them here, Professor Ueda Professor Tirman that we're just absolutely delighted to introduce our next speaker, Professor Kristin Surak, who has an amazing array of accomplishments that I'm going to just briefly give you an overview of.

So Professor Surak joined the London School of Economics in 2020 from SOAS at the University of London, where she was a senior lecturer, associate professor of Japanese politics. Her research on international migration, nationalism, and political sociology has been translated into half a dozen languages. In addition to publishing in major academic and intellectual journals, she also writes regularly for popular outlets, including the *London Review of Books*, *New Statesman*, *New Left Review*, *Washington Post*.

She's author of several-- her book *Making Tea, Making Japan-- Cultural Nationalism in Practice* came out in 2003 and received the Best Book of the Year Award from the American Sociological Association's Asian section. She has been a Richard B. Fischer member of the Institute for Advanced Study in Princeton, a Fung Global Fellow at Princeton University, a Sainsbury Fellow at the Sainsbury Institute for Japanese Arts and Cultures and a visiting professor at the Tokyo University of Foreign Studies, as well as a lifetime fellow of Clare Hall at the University of Cambridge.

So you can see that she's-- we're exceptionally excited to have her here with me today. I can say more about her bio, but I don't want to take up more time. I will say that with the webinar system, we can't see you. I'm sorry we can't see the audience members. But we're really delighted that you've taken the time to be here.

So please, use the chat box. I'm going to be facilitating the question and answer. And on a personal note, I really love Professor Surak's work. And so I know that I can easily dominate the discussion, but I don't want to. So please, at any point in time,

put questions in the chat box, and we'll definitely get to them. So without further ado, welcome, Professor Surak. Thank you for being here.

**KRISTIN
SURAK:**

Thanks so much for having me here. It's a real pleasure to be able to join-- and be able to do this five hours away as well. And it's especially a pleasure for me, too, to be able-- to be a part of a seminar series that you're organizing, because so few people have done real research on this topic that I've been exploring. So it's very nice to connect that way as well. So I'm very happy to be here. I've got a PowerPoint presentation, so I'll probably move into the Share Screen mode at this point in time so that you can see it. is this visible?

NOORA LORI:

Yes, it's perfect. Thank you.

**KRISTIN
SURAK:**

I'm going to take [INAUDIBLE]. All right, so back in the real world-- let me see if-- hold on. Yeah, here we go. So back in the real world, when we all used to fly-- I'm curious. Oftentimes, when there's a physically co-present audience, I'll ask if anybody actually has ever done this, flown British Airways.

Because if you have, what's very interesting is in the middle of the in-flight magazine-- and this has been the case for years and years now-- there's always an advertisement for citizenship in one of three Caribbean countries. Here's an image of the departures area at the airport in Antigua, which is a country in the Caribbean, has a citizenship-by-investment program.

And you can see at the very top, it's being advertised at the airport right above the immigration booth. So if you're thinking about coming back, you can even come back to the island as a citizen. Here's an image from Cyprus, where you can see on the left side of the screen an advertisement for citizenship for properties that, again, enable you to become a permanent resident or citizen in the country. And driving down the street is a bus with a big advertisement on the back as well in Arabic, Chinese, and Russian. The Chinese is the only one I can read. But it's actually advertising Cypriot passports as well.

And in fact, thinking about this thing of citizenship, this possibility of buying a property or investing in something and becoming a citizen in a country is a fairly large industry as well. There's magazines, there's pamphlets, there's citizenship-by-investment books that are all about this idea of becoming an economic citizen,

becoming a new citizen in a country simply by gifting money to the government or investing in something.

In the middle, you can see the booklet that the country of Saint Kitts gives to all of its new global citizens where they're offering up-- they're delivering a tailor-made solution to your unique immigration needs. That's been the focus of our CBI program-- Citizenship By Investment-- for over three decades. The *St. Kitts and Nevis Citizen*-- that book-- takes stock of our platinum standard milestones inspired by you as we endeavor to safeguard your deserved piece of paradise.

And in fact, there's even whole trade fairs and global hubs around the world where both governments and service providers pitch their citizenship products. And you can visit the booths of various countries and learn about the different investment options. You have another one in the Caribbean where you can see the key people running the various s in the Caribbean talking about their concerns in managing how citizenship by investment operates.

And there's even gala events, like the Global Citizen Forum, which was set up in some geodesic domes on the Adriatic Coast, where people like Robert De Niro and Cherie Blair, Tony Blair's wife, come out and proclaim the need for global citizens with entrepreneurial skills that we should all share. So this is the world of citizen by investment. And it's a world that effectively turns TH Marshall on its head.

So if you remember, TH Marshall famously observed 70 years ago in his essay "Citizenship and Social Class" that citizenship is the great equalizer. As he argued, it's a status that, over time, reaches downward to include ever poorer or excluded classes. So citizenship, for TH Marshall, supplied a modicum of equality within a world of capitalist inequality.

But here, by contrast, in the world of citizenship by investment, we find moneyed people leveraging their economic resources, basically, to escape the limits of their citizenship of birth once it becomes a hindrance. And they do this in order to safeguard themselves as well as their assets and to increase their options. So what goes on in this world of citizenship by investment?

Now, of course, any sovereign can grant citizenship on whatever grounds the

sovereign wants. So for example, my colleague at the LSC, Angelina Jolie, has become a citizen of Cambodia based on her environmental work there. Or an investment can be a reason that countries use this, too. So for example, New Zealand naturalized the founder of PayPal, or one of the founders, Peter Thiel, after he bought some luxury properties and donated to an earthquake relief fund. And he basically did that so that he could get citizenship so he could build an escape pad in New Zealand.

These are cases in which it's a very highly discretionary grant that's very typically individualized, the basis on which citizenship is extended. Citizenship by investment, though, is a little bit different from those kind of discretionary grants. So unlike discretionary grants, citizenship by investments are-- I'm sorry-- are fairly formal.

They have very clearly defined price points. They have clearly defined investment types. They have clearly defined time frames, clearly defined background checks. It's not just cash for passports. There's an extended process that's relatively transparent and formal. You can find this on all of the government websites, for example.

Citizenship by investment, which I'm looking at today, is also different from so-called golden visa programs or immigrant investor visas. So things like-- in the US, there's the EB-5 Program. The UK has a Tier 1 Investor visa. Portugal and Spain have very well-known options. Because in these investor visas, what's on offer is residence and not citizenship. And even though some academics have argued about the increasing convergence of citizenship and permanent residence, there's still some very important differences between the two.

So citizenship is inheritable. You can pass it on to your children, whereas residence you can't. Citizenship comes with the possible access to a passport, whereas residence is just a visa and a passport. With citizenship, you can usually sell the investment after three to five years, and of course, you're still a citizen. It's a fairly sticky status that's hard to lose, whereas with residence, once you sell the investment, the visa goes, too. You can move in and out of residence much more easily as well. So that's important to keep in mind.

I'm focusing mainly on citizenship by investment today. And I'll be talking about it

based on fieldwork that I've carried out for several years-- fortunately, most of it before COVID-- trying to understand how these programs operate not just on paper, but also in practice. So I traveled to 16 countries on four continents, and I attended lots of industry conferences. I did over a hundred formal interviews and many more informal interviews with people involved in all sorts of layers of the program as well as talking to nationals of these countries about what they think about this as well.

In trying to unpack what this global market in citizenship looks like, I'll start off by talking about the supply side and the demand side of these programs. So first, I'll do supply. Where are these programs? So currently, there's 15 countries in the world operating schemes of some sort. I tend to focus on ones that have much more formalized programs.

I know there are some that are playing in the gray quite a bit, where it might be hard to figure out what date the program started or who's in charge of issuing the passports, or even in the things that Professor Noora has looked at, even things that are questionable under international law. I usually don't include those as formalized programs. So formal programs bring the number down to about 12 right now.

You can see that most of these countries are former British colonies. And they have common law provisions and something of an offshore industry. And that's hugely important in terms of networks and getting the word out. But this is changing, too, because there's been the spread of programs in the Middle East with countries like Turkey and Jordan. And Turkey is really dominating the scene right now. I won't be talking about it because it's much more recent development, but it's been hugely important today.

And then there's other cases that tend to be, as I mentioned, a little bit more in the gray. They lack clarity, they're a bit more ambiguous, et cetera. So I'm focusing, really, mainly on these formalized programs. And there's a number of countries that are coming on board as well. So Egypt recently passed a provision. Russia and the Marshall Islands have been making noises about starting programs. Armenia and Georgia have been in discussions about this. So it's a trend that's been growing and may be continuing to spread.

So if we look at the programs themselves, how do they operate? What goes on

within them? What does it take to apply? Here's a list of just some of the provisions by country. And these can also change depending on the legal format of the programs. But just to give you a sense of how it works, there's certain investment options, minimum investments, government fees, processing time, and physical presence requirements.

So in terms of options, applicants typically invest in approved real estate projects or in a business venture, or else they just donate a specific amount of money to the government. The minimum cost usually ranges between about \$100,000 to a little bit over \$2 million US, plus fees. And fees can be quite significant. The whole process can take anywhere between two months to about a year to approve an application.

Usually, there's some sort of background checks, checks that the investment were made, goes through a couple of different offices within the government as well. Some of the countries, though, also interestingly, enable you to do this all from overseas. You can swear in, become a citizen at an embassy, for example, without having ever spent any time in the country as well.

If we think about demand, these-- demand is certainly growing. And it's still growing even now. So applications reached nearly 10,000 before 2009, and they're even higher today because of Turkey. Now, 10,000, of course-- I know that sounds small, but it's actually quite significant when it's placed in the context of naturalization, which is extraordinarily rare in the first place. Very, very few people in the world naturalize.

Plus, the population of potential buyers is fairly select. So people who are interested in these programs are usually first-generation, new wealth from the global south. And they usually have at least \$5 million in liquid assets. And that number is in the ballpark of about 700,000 people. So within that population, 10,000 or so is actually much more significant.

And it's important to keep in mind as well that in most cases, family members are added to the applications, too. So for every main applicant, there's usually an additional 1.5 people naturalizing as well. So you can multiply those numbers. And from this slide, you can also get a sense of the difference in proportions, with the

Caribbean options that are much cheaper being much more popular than the more expensive and somewhat more restrictive European options as well.

If we look at demand, looking at where people are from, we can see that most people who apply-- and this is across the world. This is not a complete side. Most people who apply, in general, are from China, followed by Russia and the Middle East. And here, you can see how different sorts of people channel into different places, in some ways based on where they're from.

So Russians tend to go for Cyprus. There's been longstanding Russian-Cyprus connections. Middle Easterners tend to go to Saint Lucia, for example. And there can be a number of factors behind those patterns. I won't go into too much detail about that today. China, I should explain, doesn't show up in the numbers very well because-- and part of that is because countries with a lot of Chinese applicants tend to be reluctant to release information.

And that's largely because China forbids dual citizenship. So countries that are usually popular among the Chinese are also countries that tend to recognize the diplomatic status of Taiwan rather than China, which is the case with Saint Kitts. And it's also one of the reasons why Saint Kitts never releases statistics on just who's applying.

We can also think of citizenship by investment as a form of long-distance citizenship. And that's something that people like David Cook-Martin and Yossi Harpaz have written about. That is, the people who are naturalizing don't live in the country where they naturalize. In fact, they're not even looking to move there. And they might not have even ever been to that country.

So you can ask them, why would a wealthy Vietnamese businesswoman want to buy citizenship in, say, a country like Antigua? And the answer here isn't tax evasion, because most of the people are from places where governments aren't very effective in collecting taxes in the first place, even if there is a substantial tax infrastructure at all. So it's an interesting question to think about, in part, because we typically think of citizenship as being about a bond between a sovereign and a subject. We tend to think about it as the rights citizenship grants within the state.

And scholars like Michael Walzer, Linda Bosniak, Christian Joppke, et cetera, in a lot

of the work on citizenship start from that premise, as does the big literature on, say, second-class citizenship, so books by people like Peggy Somers and Michelle Alexander, which focuses on the inequalities in access to those rights of citizenship. But citizenship by investment highlights the fact that citizenship supplies benefits outside a country as well. So becoming a citizen of Antigua is not about what it gets you in Antigua. It's about what it gets you in Europe, namely, visa-free access. And that's what buyers seek, those third-country benefits.

And my research on this, looking at demand, has shown that most people are pursuing mobility options in the present. So things like visa-free access to Europe is a really big motive. And one might also note that this is also true of middle-class, long-distance naturalizers who have the right ancestry that they can apply for European citizens. So people like Argentinians who are lucky enough to have an Italian ancestor can use that to pick up an Italian passport so that they can go and work in London or Paris, for example.

But for the wealthy, future mobility is really important, too. That is, citizenship abroad is often for them an insurance policy against authoritarian government. It's a plan B. And the wealthy not only have quite a lot to lose. They're also typically quite anxious about holding onto their assets for various reasons, especially depending on how they've acquired them and the relationship to the government in the first place.

And number three, people who go for these programs are usually interested in accessing business opportunities as well. So depending on where you're from, it can be hard to set up a business in the US, for example. But if you become a citizen of Grenada, you can apply for an E-2 treaty trader visa and start a company in Louisiana with no problems and get residence in the US.

And it's important to stress here that these are-- what people are looking for are almost always third-country benefits, which adds an interesting dimension to the way the market works. And so it means that, for example, citizenship in Malta is not about going to Malta and living there, usually. It means visa-free access to the US, so it means mobility. It means the opportunity to move to Paris, an escape hatch. And it's also the chance to buy a bank in Austria, for example, business opportunities.

And it's important to keep in mind, too, that people from outside the North Atlantic often can't take these things for granted in the same way that European or American counterparts can. There's a substantial inequality between citizenships, as well. And that's one of the reasons for demand, too.

So of course, though, in talking about this, we also need to keep in mind that many buyers are very wealthy in the first place precisely because they're nationals of, say, China or Russia at a particular historical juncture. So it's not as though they're simply completely victims of an unequal world of borders. I think the story is much more complicated than that. And it's precisely this dual system of inequality, both between countries in terms of what citizenship gets you, and within countries between the haves and the have-nots or the have-much-mores, even, that creates the demand for citizenship by investment.

So to unpack a little bit more how citizenship works as a commodity, all of this begs this question of how it is in the first place that a sovereign function, like citizenship, can be brought to market. I mean, how is it that the state can sell something that is seen as so intrinsically a state right, something that even in international law, there's very little about naturalization procedures for states? There's very little that binds them. So how is it that citizenship can be brought to market? And the story isn't so exactly straightforward as one might think.

So if we look at the literature on states and markets, we can see that traditionally, states have been seen as setting the rules of play and acting as the guardians against market fallout. In neo-institutionalist approaches, the state is effectively seen as a market enabler. And here, the work of people like Neil Fligstein, Frank Dobbin, [INAUDIBLE] really work within this paradigm.

There's also a big literature on neoliberal transformations of the state. So people like David Harvey, Aihwa Ong, Wolfgang Streeck-- they look at how states have ceded control to markets, or how the political sphere has become recast, or how it's become colonized by market logics. And we do see that, to some degree, in citizenship by investment, too. But neither of these strands, which is looking at the relationship between states and market-- neither of them tells us much about how a market in a sovereign prerogative is possible in the first place.

And it's an interesting challenge, too, because with the-- excuse me-- with the commodification of sovereign prerogatives, the state is not only the key rule maker of the market, which we know from other work. It's also the sole producer of the good. Only the state can produce citizenship and have it be legitimate. And this raises questions, then, about legitimacy and credibility that market actors need to manage.

Because the state is effectively wearing two hats. The state is making the rules of the market, and it's producing-- it's the only entity that can produce the product. And this challenges conventional assumptions that separating those roles helps mitigate conflicts of interest and helps to stabilize market transactions. So creates a multiple-hat problem.

How do states solve this? And here, I'll intimate the answer that that'll get to at the end of a historical examination of the evolution of these programs. But basically, what happens is that the state creates distance between these two roles, between making the rules and producing the good, by shifting elements of review and of implementation to separate agencies, to external firms, and to other third-party actors. So it's no longer just the executive that's now dealing with these matters any longer.

And what happens, then, is you get a division of labor on the one hand, and the outsourcing of oversight to due diligence firms and the like, that separates the executive of the state from the operation and the supervision of the program. And this has been crucial to the development of these formal citizenship-by-investment schemes.

And it's interesting, too-- I'll bring this in a little bit at the end, but [INAUDIBLE] it here-- is that it's also observable in other cases of sovereign prerogatives going to market, like the development of a market in sovereign bonds. There, we also find the institutionalization of a division of labor that's necessary as the market expands as well as the involvement of third-party actors in order to secure the credibility of the market. How do you know you're going to get your money back from a state? Because the state has sovereign prerogative around that. There's Moody's and Standard & Poor's out there to tell you that you will.

So basically, we have, in this case, a sovereign product that's going to market. There's an authority vacuum that emerges, and third parties move into that in order to facilitate a competitive market around it. And it's interesting to see, as this is something that's moved in and transformed the global market in citizenship by investment. And we can see from looking at the prehistory of citizenship by investment what it looks like when this doesn't happen.

So if we look at the origins of citizenship by investment, the birth of CBI, you can see it as emerging in the early 1980s in Hong Kong. And after 1984, when it became clear that the UK was handing over not only the territories on the mainland but also Hong Kong Island proper, there became this huge Russian concern to try to get citizenship somewhere else in order to secure their capitalist gains and opportunities as well. It was a huge, booming market with all sorts of stuff going on. There was even a local magazine called the *Emigrant* that advertised various exit options.

And within the scene of people looking for exit options, countries like Nauru, Vanuatu, Tonga began selling citizenship, or basically passports. They sold an estimated 14,000 passports for anywhere between about \$5,000 to about \$50,000 each. But in looking at the scene and the nature of these sales, they were largely secretive and defined by a lot of ambiguity.

So if we look at the Tonga case, Tonga revised a law in 1984 which gave the king of Tonga full discretion to naturalize foreigners. What happened? Middlemen opened up shop in Hong Kong, and they sold over 8,000 passports outside the knowledge of the Tongan immigration office. And the proceeds of the sales ended up not going into Tonga, but the bank accounts in North America. And there was no formal process, no credibility. And when news got out, there were unprecedented street protests that brought down the prime minister.

So it was this shady dealing where it's unclear. One hand of the government doesn't know what the other one's doing. It could just be embassies selling extra passports. There were international criminals showing up at airports with Nauruan or Vanuatuan documents. Imelda Marcos even was flying on one. Thousands of passports went missing, et cetera. And the bulk of the sales-- a lot of it was really going on in the Pacific, but other countries began following suit.

So in 1984, Saint Kitts added a channel in its citizenship act when it got independence from Britain. [? Lesotho ?] in Southern Africa started selling citizenship from its consulate in Hong Kong. Belize and Grenada opened up discretionary channels until the US pressured them to stop following September 11. And even Ireland had a fiscal naturalization stream that it ran throughout the 1990s.

However, the government closed it before-- I think it was 1998, because there were a lot of problems with fraud and difficulties in showing the actual economic benefits of the program. And from this quote from a debate within the Irish Senate, you can get a sense of just how murky the scene was. So as one of the senators was saying, "The scheme was apparently perfectly legal in that it broke no law, but the basis for it was not set down either in the form of legislation or ministerial order.

It worked entirely within the scope of the discretion available to the minister of the day. It came into being with an informality that's quite staggering, particularly in view of the importance of the issues involved. There seemed to be no rules governing the scheme at all." So in these early years, it was a fairly murky world, a business that involved, usually, only countries, pretty small countries on the periphery. Ireland might be the arguable exception, but it's also still on a periphery in some ways, too.

But what's interesting in moving beyond this is that the global court would get involved, too, but in a slightly different way. So global court countries, wealthy countries in the West, for example, began offering not citizenship but residence. You still had to do the time to get citizenship. So Canada really kicked things off when it launched its Federal Immigrant Investor Program in 1986.

And for this, Vancouver was really a hotspot. It completely revamped, actually, the downtown area of Vancouver as well. Investors could acquire residence in Canada, basically, by parking their money in the country. Initially, it was just \$150,000 Canadian. In exchange, they would get a conditional residence visa that became permanent residence after three years, and then they could apply for citizenship.

And in all of this, there was a required application process. It was much more formalized. The banks checked the assets. Government Immigration services were

involved. There were statistics on it. It was pretty formal. Throughout the course of this program, which was hugely, hugely popular, the price went up over time and eventually reached about \$800,000 Canadian. But banks got involved with processing the applications, and they work out financing, as well.

So the actual price came down in terms of what people really paid. And the result was a hugely, hugely popular program. It produced over 200,000 new Canadians or permanent residents over its history. And you can see the change in time in popularity. The big drop we see in the 1990s was due to a review of the program followed by an increase in price and stricter enforcement of the rules.

And it's also in looking at all these issuance, permit issuance data. It's also important to realize that sometimes it can take even a couple of years for a country to issue a permit. And sometimes they can do that on a deliberately slow basis, slowing down the numbers that are coming in. So it's not an actual reflection of demand. But Canada did pretty well off of this, and other countries began to take note.

So the US followed suit. In 1990, it started its EB-5 Investor Program where you invest. Now the price point has gone up, but it was-- for many, many years, you invested \$500,000 in the US, and you could get a green card with a lot of-- there were a lot of complexities in terms of how it worked, but that was the basics of the program. The UK had a program. Australia rolled out a program very early on. Now, in fact, almost half the countries of the European Union have these sorts of programs.

But what we see then, basically, is that we've got a set of these discretionary, somewhat dodgy economic citizenship channels in more peripheral countries. And then we have these more formal residents by investment [INAUDIBLE] in the global core. And it's within the space between the two that we see the emergence of citizenship by investment.

So basically, what happened was in 2006, a Swiss wealth planning company called Henley & Partners basically borrowed from both of those types, the discretionary economic citizenship and the immigrant investment visas, to create something new. So Henley & Partners went down to Saint Kitts and suggested how it might expand

their discretionary economic citizenship stream into a formal citizenship-by-investment program.

So Saint Kitts did have a law allowing naturalization based on financial contributions. But basically, it was the foreign minister running a law firm that gave a few dozen passports annually to Americans avoiding taxes and sometimes to some drug runners in South America. It was there, but the numbers were really small, sometimes even less than a dozen per year.

But under the advice of Henley & Partners, the government began to elaborate and standardize the whole process. So it set up a private entity, a citizenship investment unit-- or it set up a private entity, a private fund to manage the funds coming in. It created a system to license service providers who were handling the applications. It created a separate bureaucratic unit, a CIU, Citizenship Investment Unit, to vet the applications and have focused dedicated bureaucrats doing this.

And then, in the end, all the approvals had to go through the cabinet rather than just be approved by the prime minister. And looking over a shoulder at the US because, of course, it's third country interests that are very important to this market, the government outsourced its background checks to American due diligence firms, so to say that you guys should be able to make sure these people are clean. And the US was also not happy about possibilities of money laundering through the program.

So Saint Kitts established two clear investment possibilities. One would be contributing \$250,000 US to a government development fund, or purchasing approved real estate worth at least \$400,000 US. And in return, you would get citizenship in a couple of months plus fees, plus background checks. So the result of all this wasn't exactly cash for passports but really an extended process with a clear division of labor, clearly defined procedures, clearly defined price points, clearly defined investment options.

And this formalization was required for the program to scale up. Then, what was very important-- so this happened in 2006, 2007. Then, in 2009 came the big bonus. Saint Kitts got visa-free access to the EU, which is valuable for any sort of Russian oligarch or Chinese nouveau riche. So rather than having their passports sit in-- if

they're traveling across the EU, rather than having their passports sit in embassy after embassy as they're trying to get travel visas, they can just go on a passport from Saint Kitts and get in.

The government also contracted Henley & Partners to advertise the scheme in exchange for a very nice commission of about \$20,000 for every application that came in, which was a pretty good incentive for Henley & Partners to promote the program. So it started a citizenship conference. It bought advertising space in the *Economist* magazine. It set up international passport rankings. It created a global citizen award and founded a *Global Citizen* magazine, as well, all this stuff, these accouterments creating elements of the market.

But most importantly, the firm began promoting the program among personal wealth managers and global banks and major accounting firms. And these places, which would have a very wealthy clientele looking at various options for themselves-- they could then-- they were already doing, say, applications for Canada. But they could now line up Saint Kitts citizenship alongside, say, the Canadian or the American options. With all these transformations, citizenships in Saint Kitts was no longer a murky venture but a legitimate option. And importantly, it was one that wouldn't raise warning flags for the risk divisions of these international banks or major accountancies or law firms.

So in encapsulating this shift, a lawyer at a Big Four accountancy described it saying that in the early 2000s, a client had asked her about these sorts of options. A client had heard about them. She was unfamiliar with it, and so she did a risk analysis, and that threw up all sorts of red flags.

But the client wanted her to find out more, so she flew to the country on a fact-finding mission and said she was met by some shady people at the airport, eventually got into a government cabinet meeting but couldn't really find out much about it, and it didn't seem right to her. She said, nobody could tell me what the scheme was. There was no transparency. I couldn't find out, head or tail, what was going on and had a bad feeling about it.

So she advised her client not to do it. But now, actually, she does applications all the time. She explained, there's been a big shift in the formalization, and that's made a

difference. So as she put it, "But now, when you think about all the transparency and due diligence, we've come a massively long way. All those things that were so wrong then are so good now."

And others who work in wealth management would describe this as well. So a former banker, "10 or 15 years ago, if a client came in with a Saint Kitts passport to open a bank account, no one knew where it was and they wouldn't do it. Now all the compliance departments know about it and know where the islands are. Another one who had been involved in the industry for many years said, in the early years, these countries-- they didn't have a dedicated team like the CIU, the separate Citizenship Investment Unit vetting the applications. They didn't have a system of licensed agents. But it's all a lot more transparent now.

So the effect of this, the effect of creating a division of labor and a transparent process-- that had a huge impact on legitimacy. It made citizenship by investment into a scalable product. And here, you can see the change in growth. So 2006 was Henley & Partners went into Saint Kitts. And if you look at the numbers that are available for the years before that, it's also pretty small in almost all years, with one or two exceptions.

But we see that the numbers really take off, from a few dozen of naturalizations in 2006 to over 2,000 by 2013. The income from the program in 2006 was about 1% of GDP. Now it's over 30% of Saint Kitts' GDP. And the receipts that the country gets from the fees alone are greater than the receipts that the government collects in tax.

So unsurprisingly, given especially for very small states, it's a model that spread very quickly in the region. So we can see in 2013, Antigua and Grenada develop similar schemes. In 2014, Dominica, which has had a longstanding discretionary channel going back to 1993-- it develops a more formalized program along the model used in Saint Kitts. In 2006, Saint Lucia gets on board. And they're doing this all in very close interaction with these international service providers through this.

We also see that the Mediterranean has become a key center of sales. So Henley & Partners took its model to Malta, which started a program in 2014. The initial plan was to offer citizenship within six months for a single donation of 650,000 euros, but

the European Commission began to put pressure on Malta. And there's a bit of a political backstory to that.

So Malta extended the process to one year. It raised the price. And quite importantly, it involved multiple private agents in vetting the applications and hired independent companies to carry out background checks. Malta, in following this sort of model, a slightly elaborated form of what was developed in the Caribbean-- it joined Cyprus, which, since 2007, has been revamping its discretionary citizenship channel into a more formal channel as well. And it's also been acquiescing to pressure from Brussels.

Now, the Cypriot case is interesting because it's a case where the power of international service providers has been much less, though it's not long existent. But it's largely coming from the government, a lot of these reforms. I should also flag that as of autumn last year, it's been put on hold. The law is still on the books, but it's been completely frozen because of an expose by some journalists from Al Jazeera showing some very high-ranking government officials having created, basically, a VIP lane going around the formal program.

So I think what's interesting here is that the formal program is still there. It was still vetting applications, still there. But if you had a very difficult client with a shady background, some government officials created an alternative channel around the program where they would, through some greased palms, still give out citizenship. And that's come out. And since then, [INAUDIBLE] has launched a big investigation of these officials.

So the result of all of this has been an interlinked global market in citizenship that now sees as an annual turnover of over \$4 billion US. But the development of this market has only been possible once-- it was after the states were able to deal with this multiple-hat problem, that is, that only after they were able to establish an internal division of labor and an extended application process, and after they began outsourcing elements of implementation and oversight to third-party actors, making it more transparent, more trustworthy in the eyes of global wealth players.

What's interesting is that we see this in the cases of other sovereign prerogatives going to market, too. So as I mentioned before, if you look at the origins of the

market and sovereign debt, it didn't really function. People couldn't really trust the state until joint stock companies stepped in between the state and the buyer in order to formalize the process, certify the deal, and guarantee that the sovereign could be trusted and the money would be repaid. It's why we have Moody's, for example.

We also see the elaboration of an internal division of labor, especially with sovereign bonds, when sales of sovereign bonds shift from, originally, backroom deals into competitive markets. And all of this goes on [INAUDIBLE] multiple-hat problem. So I'll wrap up by quickly expanding out with three observations about state behavior in this scene.

Now, even though states have full discretion over naturalization policies-- there's virtually nothing in international law that impinges on what's really a domain [INAUDIBLE] of the state-- what's interesting is that we find states now adjusting their citizenship, their naturalization policies to conform to market demands in three key ways.

And I'll just quickly add, what's interesting, too, is that countries that remain outside of this market that still are doing more discretionary economic citizenship deals, like Tonga-- they don't react to this market competition in the same way and market demands in the same way that we've seen around formal programs. It's the formal programs, really, where we see state actors beginning to act like market actors.

So first, we see states reacting to competing products, resulting in price wars, for example. So here's a recent price for the Caribbean, where we see countries in succession dropping their minimum investment costs. And here, you can trace out the minimum investment cost for a family of four. And you can also see this in the competition between Cyprus and Malta, how Cyprus has been curating a price drop in response to Malta entering the market as well.

We also see states responding to purchaser preference, so for example, allowing more family members to be included on the application, allowing dependent children-- used to be 18 years old. Then they're 22, 26. Some countries consider 30-year-olds to be dependent children. We see parents of applicants being able to come on. So at first, it was dependent grandparents. Now the dependent parents

can be 50 years old, for example.

But I think what's really interesting as well is that we see states not only reacting to purchaser preferences in this way, but states giving concession to third countries and supranational organizations, like the EU, even though they're not legally bound to do so at all. So in the case of Malta, Malta acquiesced to EU pressure even though, legally, there's nothing the EU can do against Malta for its citizenship-by-investment program.

However, if we think about the nature of the way citizenship is operating in this market, it's not too terribly surprising. Because citizenship is not only about the rights you get within your country, which is how we usually think about it, the bond between a sovereign and subject, but citizenship also secures rights outside of a country in third countries, usually established through treaties, so visa-free access, business opportunities, and the like. And it's in citizenship by investment that this external values [INAUDIBLE] usually seek.

So the effect of this gives external states a great deal of power over what is, at heart, a sovereign prerogative. And that's why, even if a measure of legitimacy has been achieved, one that's enough for actors in the market for it to work, it still can't be taken for granted by those involved in its sale. So even if a market in citizenship has become routinized and continues to expand, as we see with places like Turkey, Jordan, Montenegro coming on board, its future still hangs on these inequalities in power between states. So I'll wrap up there and open things up. And I'll stop my screen share as well.

NOORA LORI: Great. Thank you. That was a tour de force. I have so many questions that I've typed up, but we also have already questions from the audience. Professor Ueda and Professor Tirman who are other members of the Steering Committee, might join. And I mean, they're here. I don't know if they might intervene and ask a question, too.

I think what's so fascinating about your approach is that the dominant narrative, our understanding is this is just high-net-worth individuals looking for tax evasion. And I think you show on both the supply side and in the demand side very effectively how that's not really the story we're seeing, and that it's actually a lot more political than

economic. And I think that one of the-- there's also a really interesting way that you're working with time in this argument that I found fascinating.

I have a couple of different threads that I'll bring up as we discuss in some of the analytical side. But I do also want to first privilege the audience questions. So [? Venette ?] [? Sharm, ?] I thank you, [? Venette. ?] You gave us four questions, so we'll-- I'll try to combine a few of these. And so he's asking, or she's asking-- sorry, I'm not sure-- how is citizenship [? in ?] purchasing as a commodity leading to lowering the quality of education in institutions as wealthy are using this to move up the hierarchy? So getting to the questions of how this may exacerbate inequalities.

Another question is, how is citizenship a cause of economic crises, as lots of immigrants take jobs away from residents, leading to dissatisfaction and frustration among natural citizens? So perhaps one way of answering that would be to come back to these ideas of scarcity and managing scarcity and how this leads to competition. Next question is, there's a perception that citizenship policies are leading to issues of inequality, money laundering, and innovation being negatively impacted, such as affluent citizens indulge in round tripping and using political lobbies to run the system for them than rather for the masses.

And then, finally, is citizenship as a commodity causing an erosion of democracy, capitalism, and also the rise of populism and nationalism which is leading to authoritarian leaders? So I think all of these questions point to inequality, relationship with the host society, and then also some of the political outcomes. I see that we have other questions, but that's probably enough for the first around. What do you think?

KRISTIN

SURAK:

That sounds good, yeah. So I think what's important to keep in mind with this is that in the vast majority of cases, the new citizens don't go to these countries. And if they do, oftentimes the countries want it because they've got a lot of money and they can spend it. So especially for the Caribbean countries, these are small countries dominated by tourism.

They have to import everything. They get a lot of cruise ships, which are also terrible for economies because people aren't on the island spending. So they're like, yeah, come. We want our investor citizens to be our best new tourist citizens.

Come and spend time here. Most of the time, they don't. They'd rather be in Dubai or London or any one of the global hub.

So I think that's one of the important things to keep in mind, that it's not citizenship in terms of immigration. It's completely de-linked from immigration. So that means that in terms of inequality-- it's an interesting question. It's hard to quantify in these cases. One could say that in a lot of these countries, there's capital controls. So getting money out in order to buy citizenship elsewhere can be illegal, just getting the money out of the country.

But if you look at the amount of money that's gone out of China or gone out of Russia in comparison to what it costs to do these programs, this is a tiny, tiny drop in the bucket. It's not really exacerbating inequality in that sort of form. In terms of the receiving countries, you can ask questions about how the money is being reinvested into the country, how it's being used.

Some of them do use it for scholarships and school buses and things like that. Not all the money is as well spent as it could be. And that's a whole other set of issues about, are these programs really structured in doing what they should do in terms of development?

And then, finally, this question around democracy and populism-- what's interesting here is-- I mean, round tripping is something different. Round tripping [INAUDIBLE] investment in companies, so it's slightly different in this case. So citizenship by investment-- so far, these are pretty small countries on the periphery, with the exception of Turkey where it's becoming big. But Turkey is a huge country, so the number of naturalizations is still a drop in the bucket for Turkey.

I don't think it's really impacted-- the effect on the major democracies in the world is zilch. And the undermining of democratic participation was going on anyways. Look at voter turnout in the US. Look at oligarchy in the US. And the US doesn't have a citizenship-by-investment program. So I don't think it explains that much in terms of general global trends in citizenship. But I think it's an interesting sub-area that can illuminate a lot of really interesting dynamics.

NOORA LORI: Absolutely, and I think that it comes back to inequality in the way that you've connected it to Marshall, that this is-- I thought you said it very nicely when you said

it turns Marshall on its head, where-- we think of citizenship as supplying a modicum of equality in a world of capitalist inequality, as you said. And now this is turning it on its head.

So this question about the political regime type, politics-- I think, for me, it was very striking when you showed China, Russia, Middle East that perhaps the demand for this is less about, as you put it, tax evasion. These might not be countries where we see these robust tax systems or large amounts of extraction of income in that way. But it might be a indication of Hirschman's *Exit, Voice*, like, does this demand actually point to a regime-type question of, potentially there's greater demand for these kinds of passports from autocratic or authoritarian states?

I've been told to speak up, so I hope you can hear me a little bit better. I've got closer. OK, and so that connects to a different question we have from an audience member. [? Azamat ?] [? Morzelev-- ?] sorry if I'm mispronouncing your name-- asks, in what extent do sanctions of US and the EU against Russia and Iran affect these programs?

**KRISTIN
SURAK:**

That's a very good question. I think it's also an interesting one because it also has come up already that the media portrayal in the West does focus on the few cases-- I mean, there are some bad apples who have gone through. Those tend to get a lot of the press.

But very often, it's forgotten how difficult it is to travel or to do business if you're a citizen of any number of countries. So if you're a citizen of Pakistan, you get visa-free access to about 30 countries. If you're a citizen of Japan, you get visa-free access to 180, which is a big difference. It's a huge difference in terms of what you can do.

And definitely, the sanctions-- this has been-- it's shifting because the US is putting more and more pressure on these countries in terms of blocking the possibilities to use them as sanctioned workarounds. But that certainly has been, traditionally, a big reason for demand. So for example, if you're a business person from Egypt doing business with Israel, it can be easier if you're doing it via Cyprus simply because of the geopolitics of the region.

NOORA LORI:

And I think that your comment comes back to this-- the importance of these third-

country actors, that we don't-- this isn't just a question at stake. Sometimes, it's not necessarily where you're purchasing the passport from, but being able to access, as you put it, the EU or the US. And so I thought that that was so fascinating and a dimension that I really haven't seen.

And your response to this last question, also, about these passport rankings and how-- it reminds us-- I think there's often this narrative of, in international relations, this is an anarchic world system. And I think that what your work helps show is that it's not anarchic. It's hierarchical. And there is an entire political economy that emerges around the fact that mobility is highly unequal. And so I do want to encourage other-- if there are questions from the audience, please keep asking them. I don't see any.

KRISTIN [INAUDIBLE] answer the first one that you mentioned, the Hirschman and the
SURAK: regime type--

NOORA LORI: [INAUDIBLE].

KRISTIN --are questions coming up, too. Because that's also been an interesting
SURAK: development, too, especially post-COVID. So [INAUDIBLE] passport used to be pretty good. Now, of course, American citizens have to pay taxes on their assets globally, which, if you're very wealthy, is very much a concern. Most people who do naturalize-- who are wealthy, who do naturalize as American citizens, structure their wealth before they do that in order to protect it from the taxman.

But what's been interesting since COVID is that travel on an American passport is now really hard. I think there's about 80 countries that you can go to, last time I looked. And that was about a month ago. That might have changed. And so there's been a huge interest by Americans in looking at these options. There's long been an interest by expat Americans who've-- they've shifted their life overseas, and it's a real hassle to be American overseas, in part, because banks don't like to bank Americans because there's all sorts of background checks that have to go on because of the tax system. And it can become a real hassle in other sorts of ways.

I've also met people who do-- an engineer who works in Central Africa so that it's actually safer for him to travel on a passport from the Caribbean than on a US

passport simply because of this geopolitical level. And so yeah, for me, this is what's really fascinating, the way that there's all sorts of-- the inequalities are just not the straightforward inequalities that we usually see. There's all sorts of power inequalities, wealth inequalities, hierarchical inequalities that are striated across these fields that get illuminated in this scene.

NOORA LORI: And monetized, right? What I think is fascinating about these programs is it wouldn't make sense if mobility was equal. What we're capturing, what we're monetizing is precisely the differences in inequality that are global. And I think that your explanation of the role of Henley & Partners is fascinating. And I mean, you can see that they're big in this space, but I think what you've shown is how key they were to institutionalizing this market and making it something that could be monetized. So again, I don't see questions, so I'm going to ask-- I'm going to be selfish and ask a bunch of questions.

KRISTIN SURAK: I think [INAUDIBLE], too, because one of the things I also found that's interesting-- just real quick-- is that the opinions of people in different countries about this, what locals, residents in these countries would think about-- they would always ask-- I never spent months. I'm not a proper anthropologist in all of this. But in a place like Saint Kitts, 19 out of 20 locals who I spoke to were OK with selling citizenship.

They might have thought-- it's very highly politicized. They might have thought the present government was doing a great job and the previous government did a terrible job, or the previous government did the great job, and the present government did a terrible job. But I was really struck that the idea of selling citizenship-- they were like, yeah. And they might also ask, I want to see more money going to the stuff that I'm working in. I want to see more money going here.

So it's not that they weren't critical of aspects of it, but they were like, what else can we do? We don't have a lot of options. And when countries like the US would criticize it-- and there was-- while I was doing fieldwork, *60 Minutes* came out with a highly critical thing on that. People from Saint Kitts were like, the US is just jealous because they have their own program. They knew about the US investor visa program, and they're like, they're just jealous and trying to shut down our thing.

So it's interesting. And this varied country to country. In some countries, people were

like-- in Montenegro, people were like, oh my God, the government is doing this. It's so corrupt. So it varies. But it's also interesting, the different attitudes that came up as well, which you don't really usually get in the literature on this.

NOORA LORI: Yeah, no, not at all. That's why I'm really excited for your book to come. I can't wait to really dig in. And also, its scope-- the massive scope that you have. So we have a perfect connection to your previous statement on Saint Kitts. We have a question from Luise Druke. And Luise was one of the founders of this Inter-University Committee for International Migration. So thank you, Luise. We're happy you're in the audience.

So she asks, I wonder what the income in other countries is, considering Saint Kitts is 30% of the budget. If I may just add one line to that, one thing that when I heard that about Saint Kitts is this is now a major source of public funding. How does that influence the politics, that this money is coming from outside?

And I ask this coming from a perspective of working on the Middle East, where we have this really robust literature on oil states and this idea of rentier states, that the money from these oil companies is coming externally so states are not extracting this income through taxation from their citizens, and that this leads to political effects of not being accountable or buying out or leading to repression, et cetera. And so yeah, I like this question-- I love this question by Luise because it gets to this question of-- there's a lot of money going into the public budget. What does it look like in other countries other than Saint Kitts and Nevis? And I add, what are some of the potential political effects of this?

KRISTIN SURAK: That is a really interesting question. So Saint Kitts and Nevis do pretty big numbers, and it's a pretty small place. So the population is 55,000, which is-- I'm from a college town. 55,000 is the population of the entire country.

NOORA LORI: Wow.

KRISTIN SURAK: Yeah, so you can imagine, it doesn't take a lot to make a difference. In terms of mean application-- so multiply by, say-- add about 2.5 people for applications. They're also doing over a thousand applications a year, interesting. All of these countries have large emigrant populations in the Caribbean, whether they're New York or London. And there's also a lot of intra-Caribbean mobility as well, so the

populations also have a lot of people from other parts of the island. So that's an, I think, important mobility aspect of all this to keep in mind.

So all of these countries, most of them-- Antigua's, I think, about 100,000. Grenada's about 200,000. It's a smaller portion of the budget, somewhere between 10% and 20%. So it's still pretty big. Malta, Cyprus-- I think, Malta, it's around 4%, much smaller. It's a bigger country, so wealthier country. Cyprus also much smaller, but still, I think the real question is how it's coming in.

So it comes in. It looks like foreign direct investment. And I've done a little bit of work on the golden passport programs in Europe, so get residents in those countries where the numbers are pretty good across cases. And if you look at it as a proportion of foreign direct investment, it can be as high as 15% in some countries, which are much larger countries. I mean, they've got populations of millions, unlike all of these-- except for Turkey and these newcomers, they're all populations of under a million in the first place.

This question about rentier states and how it gets spent is really interesting. As you might imagine, it's really hard to get information on this sort of stuff. So you can go online and look at government budget stuffs and look at revenue and try to get a sense, but it's really tricky, in part, because it's unclear where all of the money goes. So it is a really interesting question in that sense.

But in the Caribbean, it's also-- politics are really vibrant. People are really into politics and talk politics and all of that. In all of these places, there's been a turnover in power. Governments will often campaign against the program during their election campaign, but then they always keep it. So in that sense, it doesn't seem to be-- they haven't created rentier-- monarchy-style rentiers. Although thinking about it through that lens, I think, is interesting.

NOORA LORI: Yeah, but maybe-- Middle East, I'm thinking of that. And I guess I also-- it seemed like there was an uptick in Saudi Arabian consumers at this time when MBS came into power and there was [INAUDIBLE]. Really, I think the political dimensions of this market are so fascinating. And you're really pushing us to think in new ways, and I appreciate that.

So I have more questions, but there are actually-- we have more questions from the

audience. I'll go to them. [? Venette, ?] because we've had four from you already, I'm going to go to the two others that haven't had a chance to-- so [? Andre ?] asked, how different is the Singapore situation from Hong Kong? So if you can speak to that. I'm not sure if you [INAUDIBLE]

KRISTIN We can play with that.

SURAK:

NOORA LORI: [INAUDIBLE], but maybe we need some clarification. And then, from [? Binyon-- ?] she says, hi, Kristin. Thank you for a very interesting seminar. It's a niche field of migration research, and it's very intriguing to learn about it today. Would you be able to talk more about the emerging countries interested in entering this market, considering many island states do not have much industry, so this is a good source of income? Why are countries like Armenia also talking about this? Are there more reasons than emigration? So great question, and I think it connects to what we were just talking about. So let's get a chance to respond to this, too.

KRISTIN So Singapore and Hong Kong-- pretty different, to be honest, because Singapore is pretty-- doesn't have the threat of being taken over by a communist government and a timeline for doing so. So in that sense, both of them are big, capitalist city-states in East Asia, Southeast Asia.

But it was really after 1984 when people in Hong Kong began to panic. And that's not quite the same thing in Singapore, where-- they were panicking because, especially at that point in time, China was way more communist than it is now. And I think even now, they're still-- you still have to watch where you are vis-a-vis Beijing in terms of what you're doing, whereas Singapore is also, obviously, not exactly terribly democratic. But I think the legal protections around capital are much, much stronger, so people are much less panicked.

And also, the foreign currency controls-- Hong Kong has, for a long time, operated as the way, the channel for money to get out of China. And Hong Kong doesn't have to worry about that. And now that's becoming much more difficult in-- or Singapore doesn't have to worry about that, and now that's becoming much more difficult in Hong Kong as well. So even now, since the Umbrella Movement and the more recent protests in Hong Kong, there's been huge demand in people looking for more

options to get out.

In thinking about the-- yeah, these countries that are in discussion-- it is interesting. What are the next ones? Obviously, for service providers, they can make a lot of money off of it. Their fees are really good. People don't like filling out paperwork for this stuff. And if you're really wealthy, it's really complicated. And some of these-- the application files-- are this thick if a country is really taking it seriously and has one of these formal programs.

So these service providers make loads. And so they definitely want countries to start programs, and they want them to be-- themselves to be-- whatever. They want control in who can be a service provider so that they might be able to claim that themselves. And ideally, they want this concessionaire status, which Henley & Partners invented, of getting 10% of all the receipts coming in in exchange for advertising, helping to manage, and doing those sorts of things.

That's not nearly as common anymore, and most countries that have a population of above a million don't do it. They're like, no, we're a state. We can do that ourselves. But the service providers are definitely key in pushing this as an option. I think Armenia, because they've had a change in government-- it's probably off the table, I would imagine. But they were, in the previous government, in discussions about it.

NOORA LORI: Thank you. So I think that this question of the service providers and the role they play is actually connected to-- we have a question from an anonymous attendee who asks, what is the risk of this kind of citizenship for financing acts of terrorism, for example? Are there security risks associated?

KRISTIN SURAK: I mean, because the question is about financing-- I think, in general, yeah, I'm not sure. I mean, most of the stuff around moving money you can do without citizenship. If you want to evade, avoid taxes, if you want to round trip, if you want to set up completely complex offshore companies that have no-- nobody's liable for them in the end, you can do that all without the citizenship stuff. And in fact, if you needed the citizenship stuff, the numbers would be through the roof because there's way more demand for that sort of stuff.

But if you want to ask-- for example, one thing I've always wondered was, in all the

terrorist incidences that have gone on since, say, 2015, nobody has been on any of these passports. And if that were to happen, boom, they would be shut down by the US, by Canada, by the EU immediately.

And it's interesting. I think part of it is because it's easier to get visas through other channels, because these programs usually have background checks of some sort. Get a student visa. If you want to get into the US for whatever, get a student visa, easy peasy. So that's why I think it's-- and a lot of people who work in this industry have also been like, yeah, one terrorist act could just destroy us all. I think it hasn't happened, and because the due diligence is more present than it is in most ways that people look for mobility across borders.

NOORA LORI: Absolutely. And I think, actually, that response really makes me think of this narrative of refugees posing a terrorist threat, whereas when you look at what actual refugee status determination looks like, the amount of paperwork and time-- there's just so many easier ways, like you said, on a tourist visa to be able-- but it's interesting because I think that, precisely, these are the kinds of programs that we point to and say, could there be a black market going on here?

I wanted to ask you about the supply side and what is being-- well, two questions. One is a comment. I really appreciate the way that you're using time. I think that when you were distinguishing between the citizenship-by-investment programs and the residency, you said people still have to do their time. They still have to be the present.

So there's a question-- I think what's fascinating about this market is it's very much about speeding up time that it takes, speeding up all of the legwork that has to be done before you travel, and monetizing that and showing how people are willing to actually pay those premiums. And I think of a parallel market with these visa processing centers that have now become really-- I know about them because with a Bahraini passport, you need a visa to go anywhere.

And so often, it's these third parties now that are taking our fingerprints and taking a cut from both the state and the individual in order to process these visas. So I think you're looking at, between the citizenship by investment, the investor visas, and then these kinds of visa application third-party centers, there's a whole industry

here that's about speeding up mobility. But you also used it in a really interesting way when you were giving us those quotes from the bankers, for example, about how there seems to be a particular moment in time where the institutionalization of this market makes it so that more actors can enter.

So lots of interesting-- that's more of a comment, lots of interesting ways that you're using time that I really appreciated. And then the question is, now thinking of the supply side-- so we understand the incentives. States make an income out of having these higher mobility scores because they can sell these passports. How do they get higher mobility scores?

Do you see that the states that are selling passports are now, for example, investing time and effort on diplomatic side to open up these visa waivers? What's happening with these visa waivers? Are these quid pro quos with other agreements? It seems to me like this opens up a whole range of mobility diplomacy that emerges in order to increase the international value of your national identity documents.

**KRISTIN
SURAK:**

Absolutely, and they do-- and I have documented that a little bit, that the countries do-- you can trace this statistically, that countries with citizenship-by-investment programs statistically are more likely to raise in these rankings than other countries. And it is because they do go around-- they know these rankings, or they're very aware of them. And competing against each other, they'll say, oh, yeah, we've got X number of countries, for sure.

Now, of course, most people don't care about visa-free access to Papua New Guinea or Guiana or whatever, Mauritius. But they're easy to get. So these countries do-- the prime ministers, often when they go abroad-- they do use this now as a possibility for talking to the other heads of state and trying to get visa-free access.

NOORA LORI:

Thank you for that. We have two more questions from [? Venette, ?] and he or she is still engaging. I want to encourage anyone else. We still have about 10 minutes. So if anyone else wants to ask some questions, please jump in. So do you feel that regulation should be framed so that citizenship does lead to transparency and legal capital flows moving around countries?

And then the second question-- there were small countries being talked about in the presentation, so do these countries not have local rebellion towards policies of

citizenship as it leads to the erosion of sovereignty? So you said a little bit about that in Saint Kitts and Nevis, but maybe if there are any other examples, so for transparency and then local opposition.

KRISTIN
SURAK:

I mean, I do think if a country is going to have these sorts of programs, a transparent policy that does the most to make sure that the money coming in is being used to develop the country is certainly the way to go. And I think, in a lot of these countries, that's a big challenge. And you see it's the same sort of challenge of foreign aid, of building the economy, and all of that.

Those sorts of challenges are there in the same way with citizenship by investment. There's a lot of challenges in making these sorts of things work. But if they do, then, hey. The question that I was often asked in the Caribbean-- what other options do we have?

In terms of local rebellion or, say, protests against the programs, it depends. Usually, there's more hesitance before they get started and right after they get started. Usually, they're heavily politicized. And people, especially in the Caribbean-- they were really frank about this. I hate the program because I support the opposition party. And they would say, but if my party-- and they would be really frank about this.

And in Malta, it became super highly politicized. And that has to do with the nature of the way the program was implemented and the electoral politics there. So it came in right after the opposition party, that had been in opposition for almost two decades straight, got into power. And so this became an immediate bone of contention with the former party in power. It was taken up to the level of Brussels. It's an interesting transformation. It was taken outside to Europe as a way to leverage what was going on in the country.

If you look at public opinion polls from that time, people who were longstanding-- it was labor party who got into power. People who were longstanding labor party supporters-- something like 80% supported citizenship by investment. If they were longstanding nationalist party supporters, the party that lost the election and didn't start the program, it was something like-- they supported it only 5%. So it was totally divided along party lines in terms of support.

Cyprus, more recently, especially since all these revelations have come out via Al Jazeera-- there's been a lot more public resistance, public protest around it. When I was in Cyprus, which was two, three years ago, I didn't encounter that much, to be honest. I mean, I didn't talk to too many people out on the streets. It was an election year. It was not an election issue.

What's interesting in Cyprus is that it was started by a communist party, and it's since-- I know. Since then, the government has been run by more center right, technocratic party. It's then continued on across the parties. The politicians at that party level-- they don't have an issue. And there's about seven major parties in Cyprus as well. But I think now, because of corruption, concerns around corruption, it has become much more a site of protest within the country.

When I was in Vanuatu, which also-- it's got a fuzzy-ish program. People I would ask-- some of them would say, why would anybody want to buy our citizenship? They all thought I was Australian. And they would be like, no, I want-- can you marry me? I want your citizenship. So it's also indicative that, especially countries that aren't in those top citizenship rankings-- people were much more instrumental.

And we see this across the class spectrum. So the research on long-distance citizens using ancestry options-- you were middle class. They often tend to be instrumental about their citizenship. And that's also very racialized on top of it, too. So who in Chile and Argentina is able to get an EU passport? It's the people with white ancestry who can do it. Wealthy people who don't have that look for other options around it.

NOORA LORI: Oh, OK, great. I had another question, but we have one from the audience. So let's take this. Also from an anonymous attendee, can you talk more about Malta? Obviously, they're an outlier because they're an EU member state and they face a lot of pressure from the EU about this. Their government seems to publish the name of the naturalized investors, too, for public scrutiny. How would this affect the citizenship-by-investment scheme going forward in EU member states since Cyprus is on track to becoming an EU member state, too?

KRISTIN SURAK: Cyprus is an EU member state. So Cyprus, I think, joined the EU in, if I remember, 2004 or something like that. So it's in the EU. It's not in Schengen, but it's in the EU. Yeah, Malta publishes the names. It does it in alphabetical order by the first name,

so it's confusing.

NOORA LORI: [INAUDIBLE] probably to make it really hard to find.

KRISTIN

SURAK:

And they don't want to publish it initially. This has been a bone of contention. And there's also issues around privacy as well. Should others have the right to scrutinize this? I think Saint Lucia might publish names in its national gazette only. So you have to go to Saint Lucia, to the place in the parliament building where they store this information and you can get it. Dominica has [? ish-ish ?] sometimes done it.

Yeah, so I mean what's happened with that-- what's happened right now in the status of Malta and Cyprus. Malta started off with a cap of 1,800 applications. They've reached that cap, and now they're revamping things. So right now, they're not doing any applications, but they plan to reopen. And Cyprus, as I mentioned before, because of the exposure of the scandals of people going around the programs through greasing palms of politicians, is on hold. So it's a bit unclear. But Cyprus is a member of the EU, which is why people want the citizenship.

NOORA LORI:

I wanted to ask, because you've done so many interviews with-- if I'm understanding correctly, I mean, you basically look at the whole market, the brokers, the suppliers, the demand side. And so from the demand side, does it-- I realize that these programs are quite expensive. Does it feel like there really are the ultra wealthy who are making these decisions, or do you feel like people who are middle class may be considering this investment alongside other ways of thinking about their social mobility?

And I'll give you an anecdote from research I was doing in the UAE, where I was talking to an individual who is born in the UAE. His family migrated in 1971, right when the union was formed, from Iran and never received Emirati passports or citizenship, but were able to use the father's side of the family through networks to get Iranian passports. And over time, it's gotten exceedingly difficult to renew their visas with Iranian passports living in the UAE because of the political situation.

And so they're not super wealthy, but there was a decision to-- let's take all our savings and buy passports from Dominica so that we can continue to live in the UAE as residents. And so I mean, the story is very much about that third-country benefit that you've mentioned.

I wonder, is that just a fleeting anecdote of one individual, or is there something about these programs that can be supportive for people who maybe don't have documents, or have the wrong documents for the wrong state? I know that Henley & Partners also has a citizenship review, and they push this framework of global citizenship and refugees. And is there a kind of humanitarian bent, a kind of possibility for not the super ultra-wealthy to also benefit from these programs?

**KRISTIN
SURAK:**

Yeah, that is really interesting. With the Middle East, I mean, it's also such a complicated situation because there's so many different countries with different geopolitical-- or similar ones of different geopolitical challenges. And Dubai, and maybe a little bit Lebanon, although much less-- and also, I suppose, Istanbul, but especially Dubai is such a hub, as you know all too well.

Especially in Dubai, you need a passport to put your document in. If you don't have a passport to put your visa-- you can't get a visa unless it's in a passport. And I did encounter, especially in interviews with service providers in Dubai-- this was pretty common. So it wasn't super wealthy oligarchs. It was successful in business. I mean, you do have to have about \$100,000, but also not that rich, especially if they don't have papers for all these different geopolitical reasons, and the rentier state not wanting to extend its welfare benefits to everybody in the country.

If your child wants to go abroad for university, your child might have to get a passport if they don't have the documents. You know better than anybody else about the stateless and undocumented issue. And in those cases-- or Palestinians is another population where getting a passport, even if it's not your own, really changes life opportunities for people in terms of travel. And so I think definitely.

And you don't see it in the same way in China. In China, you get many more people who get it and put it in the safety deposit box, and it's a just-in-case. Maybe it never comes out of that, but they just don't know what's going to happen, and might as well just in case. Russia also-- regime that's been in and out and all of this, just in case. And also, Russia with the geopolitics of flying to London-- people would say, it's so hard to fly to London on a Russian passport now just because the geopolitical tensions are so tight. So yeah, the Middle East-- and especially since it used to be-- traveling on an Iranian passport in the 1970s was not an issue.

NOORA LORI: Absolutely. Exactly. Yeah, and I mean, I think that's why the temporal-- certain moments in time create these critical junctures that make mobility more or less likely for you. Any last words? We're basically out of time, and we answered all the questions, which is great. I just want to give you the floor in case there's any thing you want to-- take-home message you want us to have from the presentation.

KRISTIN
SURAK: This has been great for me. It's been a while since I've-- I've been so swamped with teaching, it's been a while since I got to think about this. And it made me excited to get back into finishing the book now. So yeah, I really enjoyed the opportunity, and I hope that we all have a chance to reconnect in the real world at some point soon.

NOORA LORI: Very much hope so. Thank you for all our attendees for being here, and please join us next week. We have another one of these. And I think that we're going to put the poster now for the next session. So Professor Surak, thank you so much for joining us, and I look forward to reading the book.