

“Golden Passports” – Use, Abuse and Recommendations

LSE Research Briefing

Summary

- Citizenship by investment, or “golden passport” schemes, allow individuals to obtain citizenship in a host country through significant financial contributions, such as investment in real estate or donations to government. Research conducted by LSE academic [Dr Kristin Surak](#) shows that these schemes are changing quickly and becoming increasingly popular.
- Globally, **over 50,000 people gain new passports, and resultant new privileges, each year through citizenship by investment, in a global market worth over \$4 billion. Turkey’s scheme alone accounts for over half the total approvals globally**, with demand for Turkish citizenship particularly high in China, Russia and the Middle East.
- Previously dominated by smaller states, the research shows that larger countries including Jordan, Egypt and Russia now offer these schemes. Though most investor citizens are seeking benefits such as easier travel or access to finance, it is important to be alive to misuse and unintended impacts. These pose significant questions for the UK, which has already acted against some countries where abuse of the schemes occurs.

Research Headlines

- Over 60 countries globally now offer “golden passport” or “golden visa” schemes, allowing individuals to gain citizenship or residency through financial contributions. **More than 130,000 people have obtained citizenship or residency in the EU through these schemes, giving them freedom of movement across the whole bloc.**
- Citizenship (or residency) by investment programmes can provide greater cross-border mobility and easier access to third states and business opportunities through treaty agreements amidst unstable geopolitical situations.
- **The main markets for these schemes are China, the Middle East and Russia.** Demand is driven by individuals seeking insurance against uncertainty in their home countries, where wealth accumulation and authoritarian rule often go hand in hand.
- For countries selling citizenship and residency, schemes can significantly boost their GDP, accounting for **10 - 15% of foreign direct investment in Greece and Portugal, and nearly 5% of GDP in Cyprus.** In the UK’s former colonies of Saint Kitts, Dominica, and Vanuatu, citizenship by investment accounts for more than 10% of GDP.
- Local citizen responses to these schemes vary, with some residents viewing them as corrupt, while others accept them as a pragmatic choice important to the domestic economy.

Record Sales in Turkey

- Accounting for over half the global market, Turkey’s programme attracts a high interest. **For \$450,000 of investment, a person and their family can become Turkish citizens and subsequently gain easier access to third countries.** A smaller \$200,000 investment in a domestic business unlocks a residence permit for the entire family.
- New Turkish citizens can no longer enter the UK through the Turkish Businessperson Visa, but Turkey’s scheme’s popularity remains high given its straightforward application – **the Turkish government does not hire external due diligence firms to run checks** and instead just applies the government’s own standard vetting and screening procedures. **Turkey also does not prohibit applications from citizens of countries on US travel-ban or sanctions lists**, including Iran and Iraq, and **continues to naturalise Russian citizens.**

The UK's Position

- On 19 July the Home Secretary issued a [Statement of Changes in Immigration Rules](#) imposing a new visa requirement on visitors from 5 countries, including Dominica and Vanuatu, noting:

“Careful consideration of Dominica’s and Vanuatu’s operation of a citizenship by investment scheme has shown clear and evident abuse of the scheme, including the granting of citizenship to individuals known to pose a risk to the UK.”

- The Government’s awareness of the risk citizenship by investment can pose is valuable, and the Home Office confirmed in June that the UK has no plans to reintroduce its own Tier 1 (Investor) scheme¹, noting that the programme was vulnerable to fraud, delivered poor economic outcomes, and used by criminals with wealth obtained through illicit means.

Implications and Next Steps

- Golden passport and visa programmes have far-reaching economic, social and political impacts. They can open access to movement and financing to investors and those moving from authoritarian regimes. But they can also allow bad actors, and citizens of countries with international restrictions imposed on them, ease to move around the globe and access financial systems.
- Policymakers must consider these factors when both developing their own schemes and responding to potential domestic risks from other countries’ operations. Dr Surak’s research shows the importance of any approach sensitively balancing challenges posed by these programmes against the demands and motivations of those seeking to obtain additional citizenships.
- Dr Surak’s research provides a clear picture of how these schemes operate globally and she has prepared an extensive report used by European Parliamentarians, in conjunction with her newly released book *The Golden Passport: Global Mobility for Millionaires*.
- She has briefed the European Parliament’s Civil Liberties Committee on better regulation options, including:
 - banning the schemes entirely;**
 - taxing the schemes;**
 - better regulating them, including through the approvals and investment regimes; and**
 - putting in place much stricter residence requirements.**
- Dr Surak would be happy to discuss her research, data, and policy options with UK policymakers.

Further Reading

- [The Golden Passport: Global Mobility for Millionaires](#) (Harvard University Press, Oct 2023)
- [Dominica May Have Sold Thousands More ‘Golden Passports’](#) (Guardian, 12 October 2023)
- [Golden Passports and Global Mobility: A conversation with Dr Kristin Surak](#) (LSE International Development, July 2023)
- [Golden passports and visas: the global market in residence and citizenship](#) (LSE Research for the World, July 2022)
- [Are golden visas a golden opportunity for economic development?](#) (LSE Business Review, May 2022)
- [Avenues for EU action on citizenship and residence by investment schemes](#) (European Parliamentary Research Service, Oct 2021).
- [Are golden visas a golden opportunity? Assessing the economic origins and outcomes of residence by investment programs in the EU](#) (Journal of Ethnic and Migration Studies, May 2021)

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¹ The UK’s Tier 1 (Investor) scheme was closed in February 2022 and is an example of residency by investment, so-called “golden visas”, which allow investors to settle in a country for a defined period.