

Passport Power

– Citizenship by Investment Programmes Exploiting
Spatiotemporal Hierarchies of Passports

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ABSTRACT

The practice of selling passports through Citizenship by Investment (CBI) programmes is gaining more attraction and legitimacy in light of increasingly stricter immigration policies. Instead of simply weighing the pro and contra points of CBI, this thesis aims to understand CBI as a consequence of neoliberalism and analyses the correlation between so called 'passport power' and wealth, whereby the former is determined by rankings and the latter is represented in terms of the gross domestic product (GDP). Hence, a combination of quantitative and qualitative methods is used to firstly, examine the strength of correlation, and secondly, supported by Laclau and Mouffe's discourse theory, discuss how CBI is understood and debated in the context of today's governed communities. The CBI arises out of a discursive struggle between citizenship and class, and exacerbates preexisting global inequalities. Furthermore, it challenges the normative foundations of citizenship and its connection to the nation state. On the one hand CBI contests the sedimented discourse of the modern passport system (and by extension the notions of citizenship), on the other hand capitalist negative individualism corrupts/distorts the initially egalitarian, utopian vision of what it means to be a citizen of the world.

Keywords: Passport, Passport Inequalities, Mobility, Citizenship, CBI, Global Citizen.

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ABBREVIATIONS

CBI	Citizenship by Investment
CBIU	The Dominica Citizenship by Investment Unit
EEC	European Economic Community
EU	The European Union
ECP	Economic Citizenship Programmes
FATCA	Foreign Account Tax Compliance Act
GCF	Global Citizen Forum
GDP	Gross Domestic Product
GNP	Gross National Product
IATA	International Air Transport Authority
IIP (or MIIP)	The Malta Individual Investor Programme
IMC	Investment Migration Council
IMF	International Monetary Fund
OECD	The Organisation for Economic Co-operation and Development
RBI	Residency by Investment
TCN	Third-Country National
UHNWI	Ultra-High-Net-Worth Individual
USD (or US\$)	The United States Dollar
VFS	Visa-Free-Score

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PREFACE

“*Homo sapiens*, man calls himself. Sapiens: knowing: the perception of truth. But one of the tragedies of our times is that modern man – as man of ages past – doesn’t know himself. He has even lost confidence in his own, innate capacity. He restricts himself. And only then does he yearn to be free.

Man’s deadliest self-imposed, restrictive device is nationalism. You and I may be fellow humans, but we are not fellow nationalists. I am a fellow who willfully withdrew from the co-partnership of citizen and national state and declared himself a world citizen.”

– Garry Davis 1961

After World War II Garry Davis denounced his US citizenship and lived as a stateless person because of his conviction that nations are the cause of war. He became known as an international peace activist and as the inventor of the “World Passport”, a document based on interpretation of Article 13(2) of the Universal Declaration of Human Rights: “Everyone has the right to leave any country, including one's own, and to return to one's country.” I, as the writer of this thesis, have always wondered how the world would function, if everyone had the same kind of access to it, and for example, what were to happen if each country would have the same currency. I am constantly reminded of the fact, that something as random as the place of birth, whether one’s own or one’s parents’, can determine the opportunities one will or won’t have. What justifies the fact that I get to see my relatives in Indonesia anytime I want, thanks to visa free access with a German passport, but they need to go to extensive lengths to get a visa in return? While I get to study without fees in Sweden – perks of an EU citizenship – my fellow non-EU students need to pay high amounts in fees. What differentiates us is not necessarily the place we are from, but simply which passport we hold. Passports attached to historical incidents, that are forever attached to us.

I think it is important to further challenge ‘given’ structures and to heighten awareness that there is no such thing as equality without equal opportunities – conditions that presupposes those equal opportunities, such as the possession of a passport. This thesis is my attempt of a small contribution to fostering that awareness and understanding. I apologise for any errors, misconceptions, and/or unintentional generalisations.

1 Introduction

The passport is a materialisation of the national citizenship. It is an important document that proves an individual's membership to a collective community – the nation state. This membership includes an abundance of rights, obligations and restrictions. Citizenship, as Balibar identifies, cannot be given a single definition; it has transformed over time and still is taking various shapes (2015, 2). Bellamy indicates that citizenship corresponds to “three key values: belonging, rights and participation” (2008, 599). In a normative perspective, the latter three values interact within a national domain, in which the citizenship exists.

In common discourses the word ‘citizenship’ connotes a strong sense of national identity contingent upon a combination of ethnicity, history, culture and upbringing. However for the purposes of this study, the focus is placed on the document that represents citizenship itself: the passport. The extent to which a passport grants access to certain rights, such as the freedom of movement, differ from one nation state to another, producing hierarchical and hegemonic relations between the nations and in effect the individual. These intersections of privilege and oppression lead to a discourse of passports, some considered to be more desirable or more ‘powerful’ than others, which in return produces a platform to establish a market economy: the market for passports through Citizenship by Investment (CBI) schemes. Balibar accurately describes that “[r]ather than reducing conflict, neo-liberalism tends to instrumentalize it, therefore exacerbating it in certain ‘zones’ and disqualifying it through repression in others” (2015, 118).

A symptom of neoliberalism is the growing inequality in the globalised world. Hence CBIs, which grant wealthy individuals a fast-track to be included to a new society, perhaps with greater rights than others, need to be paid closer attention to. In effect, if economic standing allows the purchase of a citizenship and hereby the acquisition of a full membership to a new national domain with its set of values, “enacting international citizenship” as depicted by Isin 2017, the discourses around [un]wanted [economic] migrants and/or [illegitimate/legitimate] refugees should become obsolete. The following is Isin's interpretation of Foucault (2017, 190/191):

Foucault's gesture is a refusal to distinguish between those who deserve to be refugees and those who are faking it, between legal and illegal, and between legitimate and illegitimate. Foucault makes no such distinctions because he claims that we don't need to and aren't even able to know why some men and women leave their country. [...] So for Foucault solidarity across borders is our obligation as members of the international community of the governed. And that we find witnessing the suffering of the other intolerable is not a moral injunction but arises from our solidarity with the subjects of abuse of power.

In order to perform a thorough analysis of how CBIs exploit spatiotemporal hierarchies of passports, the context and background knowledge must be provided first. Thus, what are spatiotemporal hierarchies of passports, what exactly is the CBI and how does it work?

1.1 Historical Background of Passports

“The transition from private to state control over movement was an essential aspect of the transition from feudalism to capitalism.”

(Torpey 2000, 8)

Before nation states even existed, barriers in form of walls have separated the insiders and outsiders of cities and towns (Harzig & Hoerder 2009, 19). The concept of a stranger or ‘outsider’ having to ask for permission to enter, and the mechanisms of inclusion/exclusion can be traced back to “the Greek term ‘barbarian’ originally merely designated a person who did not speak Greek, but later it came to imply generic imputed inferiority” (ibid). ‘Outsiders’ were rendered to be of lesser culture (ibid). Those who tried to enter city gates – ‘to pass a port’ – such as migrants, mobile farmers, and merchants had intentions to trade goods and/or services. Trade plays a big role in the need to enter or exit certain spaces and determines the rules of such. The inequalities that arose out of fifteenth- and sixteenth-century’s global power structures continued to affect early twenty-first century trade and migrations (ibid, 27). “Peaceful mercantile protocols” were replaced by armed trade “— merchant rule laid the basis for the ascendancy of Europe and the Atlantic World, Asia’s relative decline, and Africa’s role as labour supplier” (ibid).

One has to keep in mind that migrations far preceded the means to control them, meaning that “[t]he great migrations that populated many of the worlds’ inhabited regions would otherwise have been greatly hampered, if not rendered impossible” with today’s nation states’ control system (Torpey 2000, 8). Particular social groups had the authority to move “before the coalescence of the modern state system” (ibid). The citizenship and passport legislation, as known today, emerged under nation state regimes of the 1880s, at which “entry regulations became far more restrictive and demands for loyalty and military service to the nation increased” (Harzig & Hoerder 2009, 43).

In the Atlantic World, emigration controls were superseded by immigration controls, with passports transforming from a travel document into a tool to identify nationality and allegiance, and hereby instrumentalised as an exclusionary mechanism towards other cultures or skin colours (ibid, 95). Stricter immigration control laws and restrictive visa regimes appeared in

the late twentieth century, most “directed against the people living in the independent states that had once been colonized by Britain, France, Portugal, or the United States – and who were of skin colour other than white” (ibid).

France, the Netherlands, Belgium, Italy and Germany were all former colonial and imperial powers that entered into the European Economic Community (EEC)¹ with “colonial possessions” (Bhambra & Holmwood 2018, 583). Spain and Portugal, also former colonial powers, joined the EEC later with the UK, which was still greatly engaged in colonial endeavours at the time of joining (ibid). There was movement between the British imperial metropole, the dominions and the colonies, whereby the movement of non-white subjects from the Caribbean, the Indian sub-continent, and south-east Asia resulted in whites-only immigration policies in the dominions and infused hostility to ‘coloured immigration’ during the 1960s British immigration crisis (Hansen 2000). Esping-Andersen (1991) brings into play the importance of these experiences within the historical trajectories that informed the different welfare benefits and produced hierarchical status, not only in the EU region, but also in the “white ‘settler’ capitalist countries” (Bhambra & Holmwood 2018, 580) USA, Australia, New Zealand and Canada. The emergence of a ‘nation’ brought about racially structured polities, each embedded in hierarchies of inclusion and exclusion and influenced by colonial dependencies (Bhambra 2017).

Torpey’s *The Invention of The Passport* studies “the historical development of passport controls as a way of illuminating the institutionalization of the idea of the “nation-state” as a prospectively homogeneous ethnocultural unit, a project that necessarily entailed efforts to regulate people’s movements” (2000, 1). A nation state depends on boundaries – not only territorial – to distinguish nationals from non-nationals, “between citizens/subjects and possible interlopers, and regulating the movements of each”, and such boundaries “are rooted in the legal category of nationality” and “can only be maintained [...] by documents indicating a person’s nationality, for there are simply no other way to know this fact about someone” (ibid). Furthermore, Torpey argues that states have managed to create a “monopoly of the legitimate means of movement” during the past few centuries, meaning, instead of churches and private enterprises, states authorise movements (ibid). What Torpey finds most “remarkable about the contemporary system of passport controls is that it bears witness to a cooperating ‘international society’ as well as to an overarching set of norms and prescriptions to which individual states must respond” (ibid, 3). Without a doubt, the invention of passports is part of state-building but by focusing on “what Foucault somewhere described as the ‘humble modalities’ of power”, Torpey strove to provide a more adequate “understanding of the capacity that states have amassed to intrude into our lives over the last two centuries” (ibid). Essentially, states hold the power to authorise people’s movements, hence

¹Created by the Treaty of Rome 1957

depriving them of their freedom of movement across certain spaces. Not only do people have to seek permission of state's authorities for their mobility, but they "also become dependent on states for the possession of an 'identity' from which they can escape only with difficulty and which may significantly shape their access to various spaces" (ibid, 4). Torpey furthermore claims that to comprehend the functioning of modern states it is imperative to understand the processes of the monopolisation of the legitimate means of movement, and that the majority of state formation analyses lack information on how states penetrate societies (ibid, 5). He then continues to say that "[s]uch analyses have posited that successful states developed the ability to reach into societies to extract various kinds of resources, yet they typically fail to offer any specific discussion of the means they adopted to achieve these ends"; which according to Torpey has been corrected by Foucault's writings on *governmentality* (ibid).

Before the modern nation state system, despotisms all over the world decidedly controlled means of movement and movement itself, "but these states generally lacked the extensive administrative infrastructure necessary to carry out such regulation in a pervasive and systematic fashion" (ibid, 7). Extensive bureaucracies and technologies were and are still very necessary for a "*successful* [original emphasis] monopolization of the legitimate means of movement by states and the state system"; and these documents, which have existed in earlier versions, have over time become uniformly disseminated as international passports (ibid). In consequence of the existence and the operation of modern passport systems, certain movements can be deemed illegitimate, meaning unauthorised movements or migrations become "illegal" (ibid, 9). Hence, the debates around 'illegal' or 'undocumented' migration arise from the state's monopolisation of the legitimate means of movement (ibid).

1.2 The Citizenship by Investment Programme (CBI)

The CBI provides wealthy individuals a "fast track to a second citizenship and passport in return for investment into real estate or a donation into a government fund" (CBI Index 2018, 4). According to the CBI index report of 2018, which is the second in a new series of Professional Wealth Management publication by the Financial Times, the first country to offer such a programme was St Kitts and Nevis in 1984, closely followed by Austria in 1985, making this path to citizenship "increasingly attractive as a gateway for non-EU citizens to access Europe" (ibid). A clear distinction that needs to be made is that CBI grants an applicant not only residency, but a passport with unlimited stay and inclusion to rights and obligations of the respective national domain. Many countries offer investment programmes for a residence permit and many more allow time-intensive

and restriction-bounded naturalisation processes. However, according to the CBI index report of 2018, only thirteen nation states are currently admitting CBI jurisdictions. Four of them are members of the European Union (EU): Austria, Bulgaria, Cyprus and Malta, and rank among the countries with the top 10 most powerful passports, defined by the number of countries a passport is granted visa-free entrance (Arton 2019). Austria is a peculiar case, since the CBI index report of 2018 claims that Austria has been offering such schemes since 1985, yet there is no official record by government authorities of such practices, nor do studies (Džankić 2015, EPRS 2018) mention Austria as offering CBIs.

The market for citizenship grows, while immigration policies simultaneously seem to be tightening in a fast-paced interconnected world. The CBI is obviously targeted at the few percentage of wealthy individuals, and the CBI index report is supposed to guide these individuals into ‘making the right choice’ for their investment. The report provides details on each country’s CBI procedures and sums it up into the index which indicates the ‘best option’. The index is built upon seven pillars: 1. freedom of movement, 2. standard of living, 3. minimum investment outlay, 4. mandatory travel or residence, 5. citizenship timeline, 6. ease of processing, 7. due diligence (CBI Index 2018, 16).

According to the CBI Index report, the interest mostly comes from Russia and Asia, but also increasingly from Middle Eastern regions (2018, 4). Aside from the investment opportunities, the CBI programmes can act as an ‘escape plan’ for (wealthy) individuals whose home country is plagued by political chaos and/or economic instabilities. Malta and Cyprus seem to have “attractive programmes, as they offer EU citizenship as part of their package, with property ownership demonstrating a ‘durable link’ to a host country through commitment to the local economy” (ibid, 4/5). Governments appeal to the demand side of the citizenship market by advertising the benefits of political stability and economic security and they are supported by investment firms that handle the transactions and recruit investors with slogans such as: “Become a global citizen” (Arton 2018). On the supply-side, selling citizenship can be a great source of revenue for the state, as for Caribbean jurisdictions which had to endure natural disasters, and European island nations which were hit by the financial crisis (CBI Index 2018, 4). Apparently, “some countries will prioritise economic development and recovery over security”, meaning that background and security might be bypassed for a quicker monetary flow (ibid, 5). Each state holds authority over their citizenship regulations and needs to adopt new legislation to introduce and implement a legitimate CBI programme (ibid, 7). In the end, a successful applicant will receive full membership, be handed a new passport and obtain “an array of civil, economic and political rights and duties which, other than in extreme circumstances, are permanent and irrevocable” (ibid, 8). The difference between an ‘economic citizen’ and ‘economic resident’ is that the citizen receives

the passport (almost immediately), securing the individual’s “place” in the state and protected by the laws of that nation; whereas the resident receives “temporary fluid rights” and needs to prove themselves in the long road to naturalisation (ibid). “Despite these significant differences, citizenship and residence by investment [RBI] are often collapsed into a single category: investor immigration” (ibid).

1.2.1 An Example: The Dominica Citizenship by Investment

The following is a description of the necessary steps in order to receive citizenship, while keeping in mind that these steps depend on the laws laid out by each nation state. This example is taken from the Dominica CBI programme – “Section 101 of the Dominica Constitution and Section 8 and Amendment 20(1) of the Citizenship Act define the investor program in law, legally granting eligible persons instant citizenship in the country by a Certificate of Naturalization” (Dominica Citizenship by Investment 2019). The Dominica Citizenship by Investment Unit (CBIU) is a recently established government authority within the Ministry of Finance. It is responsible for enforcing all passport programme regulations and “is the regulatory body that ensures only worthy applicants are accepted” (ibid). All information below and further details are available on the programme’s Website (ibid). Here is an overview of requirements:

- eligibility for Dominica Citizenship Program
- at least 18 years of age
- must meet all the Dominica immigration requirements:

Clean Background Check, the Government of Dominica commissions a private investigative agency to conduct a comprehensive due diligence procedure on all applicants – only individuals with no criminal record and legally derived funds

Good Health, general clean bill of health, including medical certificate attesting the absence of contagious diseases

Financial Investment, either in form of a serious economic contribution to a Government Fund or the purchase of approved real estate on the island. (In both cases, the applicant must officially commit to making the investment prior to application, but does not have to pay in full until **after** approval in principle.)

Table 1 Financial Investment Options in the Dominica CBI

Government Fund	Real Estate
<p>Non-refundable monetary contributions:</p> <p>Single applicant - USD \$100,000</p> <p>Main applicant and spouse - USD \$175,000</p> <p>Main applicant, spouse, and up to 2 children under 18 years of age - USD \$200,000</p> <p>Additional dependents - USD \$25,000 each</p> <p>(The fund finances public and private sector projects. Public sector projects include renovating the local hospital, building new schools, constructing a national sports stadium, and promoting the Island of Dominica offshore industry. Private sector projects eligible for government funding are concentrated on advancing the nation's information technology, tourism, and agricultural sector</p>	<p>Purchase approved real estate for <u>at least USD \$200,000</u> and maintain ownership for a <u>minimum of three years</u>.</p> <p>Plus application fees:</p> <p>Main applicant - USD \$25,000</p> <p>Spouse - USD \$10,000</p> <p>Family of up to 4 - \$35,000</p> <p>Family of up to 6 - \$50,000</p> <p>Family of 7 or more - \$70,000</p>

- application process

1. Contact an authorised agent of the Caribbean economic citizenship program – direct application submission to the CBIU is not possible. The authorised CBIU agents will present new applicants to the programme.
2. The authorised agent or company will perform basic due diligence on the potential investor client, and only if no issues arise, the investors will be guided through the entire process. The agent will then prepare and submit a citizenship of Dominica by investment application on their behalf, including all documentation and validation, and professional translations.
3. Investor client must sign a retainer agreement with their representative agent and pay the agent’s service fees with varying amounts depending on the complexity of the file – multiple or single persons), as well as Government due diligence, registration, and application fees. Breakdown of fees: a standard Government processing fee of US\$3,000 per application, a naturalization fee of US\$750 per applicant, a passport

fee of US\$60 per applicant, and a stamp fee of US\$15 per applicant; additional cost of US\$1,200 for an expedited passport.

4. Vetting – a deep background check will be carried out by an independent regulatory risk mitigation firm on behalf of the Dominican Government to ensure individuals involved in organised crime, money laundering, or terrorism are not able to buy a Dominica citizenship. Due diligence fees must also be covered by the investor: Principal applicant - US\$7,500; spouse - US\$7,500; dependents (16+ years of age) - US\$4,000 each; dependents (12 to 16) - US\$2,000 each; dependents (under 12 years of age) – free.

4. It takes the Governments approximately 60 to 90 days to fully process the application, during which the investor is not required to attend an interview - all correspondence with the Government is handled by the representing agent.

5. If due diligence proves to be clear, the investor client will be issued a CBIU Letter of Approval in Principle and must now make the predetermined investment.

6. As soon as CBIU confirms that the correct investment has been made, a signed and notarised Oath of Allegiance will be submitted to the Ministry of Foreign Affairs, Immigration and Labour. After approval by the Prime Minister of Dominica, **“the client will be promptly issued a Certificate of Naturalization and will receive a Dominica passport within seven days”** [original emphasis] (ibid).

1.3 Research Objectives

This thesis does not intend to argue the pro and contra of CBI, but rather aims to problematise it in the context of today’s governed communities. The monopolisation of the legitimate means of movement demonstrates that states are essentially driven by economic strategies in a world with global capital markets, hereby ignoring the nation state’s sovereignty and undermining the solidarity of its citizens. Consequently, the following research questions arise, which serve to guide the development of comprehensive arguments:

- How can we understand CBI as a consequence of neoliberalism and how does it expose states’ ambiguities in the political economy?
- Can we find a correlation between passport power and wealth?

2 Theoretical Grounding

With the aim of addressing the research objectives and answering the research questions, the appropriate theories must be laid out as a foundation. In this section, a general idea of how an economic citizenship came into being will be discussed, then an elaboration on Foucault's *governmentality* and *biopolitics* will be provided, followed by a literature review.

T. H. Marshall indicates that citizenship existed in the form of an economic citizenship three decades prior to CBI schemes. He acknowledges the contingency of identity and privileges as a citizen with economic standing and participation through discussing the intricacies of social class, capitalism and distinct forms of citizenship (Marshall 1950). He challenges the citizenship concept of a "full membership of community", "which is not inconsistent with the inequalities which distinguish the various economic levels in the society" (ibid, 8). Citizenship should, in theory, allow for everyone to be equal, despite social class inequalities - establish a plane of equality given disparities in socioeconomic standing. In this frame of reference Marshall poses three questions, two of which regard the concept of 'basic equality': first, whether social class inequalities persist if basic equality is formally embodied into citizenship, and second, whether or not basic equality can be instituted "without invading the freedom of the competitive market" (ibid). Marshall argues that the 1950s' society accepted that basic equality and inequalities of social class were compatible and that "citizenship has itself become, in certain respects, the architect of legitimate social inequality" (ibid), as in forming the 'illusion' of equality, through the same citizenship within national borders, to compensate for inequalities surfacing from a capitalist society.

The third question deals with the marked shift of emphasis from duties to rights in modern citizenship and whether or not it is "inevitable and irreversible" (ibid, 8/9). Formerly, the duties that were inferred through a full membership of a society had more weight than the rights a citizen received: to be full members of society the citizen had to fulfill the labour in his² place in the free competitive market (ibid). Marshall's ideas might be considered 'out-of-date', yet even though today's citizenship debates have shifted towards underlining its rights dimension, the citizen is still very much obliged to participate and contribute in terms of labour, tax, etc. "The basic human equality of membership, [...], has been enriched with new substance and invested with a formidable array of rights" (ibid), however, "equitable relationship is a social, not an economic, concept" and thus, "the basic conflict between social rights and market value has not been resolved" (ibid, 73). In

²Marshall elaborated upon class and citizenship in the 1950s, during which gender equality was not a priority, and although aware, this thesis will not delve further into that issue.

fact, with CBI, market value has been assigned to social rights, since citizenship is key to gaining these rights, putting a price tag on citizenship translates to putting a price on rights. In a similar manner, Martin Ruhs (2013) argues that there is a trade-off between open immigration policies and the advancement of migrant rights in high-income countries. This means that more inclusive rights for migrant workers can come at the expense of stricter immigration policies, consequently deterring further international labour migration of particularly lower-skilled workers, whose international movement is already the most impeded. In this sense, the price of rights is the increased exclusion of others who are looking for better opportunities in higher-income countries.

Following Marshall's line of thought regarding the increased attention to rights, Balibar takes one step further and claims that citizenship involves the "conquest of universal rights" (2015, 33). This conquest, however, simultaneously involves "different insurrectional modalities of emancipation" within a given political community, and thus citizenship "will inevitably take on a paradoxical form" (ibid). *Equaliberty* is the term Balibar employs to signify the sense of 'universal rights' and it is complementary to Marshall's proposal of citizenship as an equal basis. Balibar suggests that the relationship of fellow citizens of equaliberty are agonistic, they "are neither friends nor enemies" (ibid). In "an aggregate of economic and social subjects" individuals seem to be driven by "the invisible hand of self-interest" (ibid). Moreover, he outlines that "subjects and societies alike oscillate between moments of pluralism, or the recognition of differences, and moments of normalization, which impose homogeneous, constricting, models" (ibid, 98). Thus, the creation of CBIs hints towards 'moments of pluralism', or one could claim that the CBI provides a new path to circumventing normative, restrictive models.

2.1 Foucault's *Governmentality* and *Biopolitics*

Michel Foucault devoted his studies to the phenomena in which human beings became subjects: his objective "has been to create a history of the different modes by which, in our culture, human beings are made subjects" (1982, 777). He identifies "three modes of objectification which transform human beings into subjects": a) modes of inquiry in attempt to attain the status of science; b) objectivising of the subject or "dividing practices"; c) the human being turning himself into a subject (ibid). An example for a) would be "the objectivizing of the speaking subject in *grammaire generale*, philology, and linguistics or the objectivizing of the productive subject, the subject who labors, in the analysis of wealth and of economics" (ibid), or in the analysis of citizenship-for-sale the subject simultaneously occupies the position of a citizen/ an immigrant/ an investor. Item b)

refers to the fact that subjects are “either divided inside himself or divided from others [...] Examples are the mad and the sane, the sick and the healthy, the criminals and the ‘good boys’” (ibid, 778). For c) Foucault has sought to study “the domain of sexuality – how men have learned to recognize themselves as subjects of ‘sexuality’” (ibid).

Even though ‘power’ is a recurring theme in his research, it is actually ‘the subject’ which is the general theme (ibid). In fact, “Foucault affirms [...] power is only power (rather than mere physical force or violence) when addressed to individuals who are free to act in one way or another”, and further more can be “defined as ‘actions on others’ actions’” (Gordon 1991, 5). Gordon’s understanding of Foucault’s interaction with power is that “it presupposes rather than annuls their capacity as agents; it acts upon and through, an open set of practical and ethical possibilities.” (ibid). Within this permeable sense of power Foucault questions “who can govern; what governing is; what or who is governed”, meaning he “was interested in government as an activity or practice”, as a “rationality of government” or as he correspondently called “art of government” (ibid, 3). Governmentality refers to this very ‘art of government’. A government or state power that governs life – its population – is a “power that seeks to administer, secure, develop, and foster life” (Lemke 2011, 35). The population is an aggregate of citizens, human beings, that are being governed – subjects governed by a polity. The latter is the basis of biopolitics and replaces the “right of life” by the “norm of life”, i.e., a relative logic of calculating, measuring, and comparing, thus creating a “normalizing society” (ibid, 39).

Part of the government’s *raison d’État* (governmental reason in the nation’s interest) is to regulate the behaviour of its subjects, which are its citizens, “so as to be able to enter into competition with other states, that is to say, maintain an always uneven, competitive equilibrium with other states, [...], to regulate their economic activity, their production, the price [at which] they sell goods and the price at which they buy them, and so on” (Foucault 1978/79, 7). Governmental reason does not separate subjects into that of freedom or submission (either consented or imposed), but rather focuses on the possibilities of actions that can or cannot be carried out upon them (ibid, 11/12). ‘Political economy’, a “term employed by Rousseau in his famous article in the *Encyclopedia*”, makes possible the self-limitation of governmental reason (ibid, 13). According to Foucault this expression has been fluctuating “between two semantic poles” (ibid):

Sometimes this expression aims at a particular strict and limited analysis of the production and circulation of wealth. But, in a broader and more practical sense, “political economy” also refers to any method of government that can procure the nation’s prosperity [...] sort of general reflection on the organization, distribution, and limitation of powers in a society.

In this sense, political economy can seem to have been derived from *raison d'État*, resulting in the monarch's total and absolute power (ibid, 14). A government which defines and controls its economy "is a matter of absolute despotism" (ibid). Furthermore, political economy is a reflection of governmental practices themselves; it does not question the 'right' of the practices but rather takes into consideration the effects of them (ibid, 15). Foucault exemplifies the latter on tax levies, the question that would be of concern is: What were to happen – what were the effects – if a certain part of the population is taxed higher than another? (ibid). Nonetheless, no matter the operation carried out, it is only 'natural', "a law of nature" that populations migrate towards places where wages are higher (ibid, 16). All practices, such as tax levies, the protection of market prices, customs charges, etc, "were conceived of as the exercise of sovereign rights, of feudal rights, as the maintenance of customs, as effective procedures of enrichment for the Treasury", or as precautionary methods to hold in check discontent of particular subject groups – to avoid social revolt (ibid, 18).

Ergo, the market becomes the platform "to falsify and verify governmental practice", since the equilibrium – natural price – is created by market mechanisms and not the state (ibid, 32). It is within this instance that "we examine what government does, the measures it takes, and the rules it imposes" (ibid). As the market becomes the place of "verification-falsification", it represents a site of truth, by which a "good government" should behave accordingly; "a good government is no longer quite simply one that is just [...] [It] has to function according to truth" (ibid).

2.2 Literature Review

While Foucault, Balibar and Marshall form the meta-level of the theoretical framework, it is as equally pivotal to take into account studies that have directly engaged with empirical analysis of CBI. Hence, this part of the theoretical grounding will review three pieces of literature which study CBI and its related forms.

The first research paper presented here, *Should Citizenship be for Sale?* by editors Ayelet Shachar and Rainer Bauböck (2014), is a compilation of various comments and arguments which are supposed to represent a series of views on CBI. Shachar and Bauböck have summarised the different views into three categories: (1) global, (2) European and (3) national perspectives. From a global point of view, many authors claim that citizenship has increasingly become the primary source of mobility, meaning that the mobility rights attached to them come to the forefront,

rather than the bond between individuals and their state. While on the one hand some say that CBI is as arbitrary as any other form of citizenship acquisition, on the other some are more concerned “fairness and justice” (Owen in Shachar & Bauböck 2014, 1), especially when considering those persons “who are threatened by persecution or who fight for democratic values as a means of protection or exit option” (Paskalev in *ibid*).

The problem with CBIs in the EU is that, if one EU state is selling its passports, it directly impacts other EU states, who are not selling theirs. The individual who acquires it from one EU nation automatically receives access to the entirety of EU, which is why some argue that Maltese citizenship, or any other EU citizenship for sale has a higher price in the market, than most other CBI. Far more frequent than the CBI schemes in the EU are the residency programmes based on investment, which in effect also offer privileged path towards citizenship. EU citizenship is complementary to a Member State nationality and the laws governing citizenship is left to each Member State’s authority, which is why “EU law does not provide much leverage against either the sale of EU passports or other policies of creating new EU citizens without genuine links to any EU country” (Bauböck in *ibid*). The European Parliament does not intervene in the selling of passports *per se*, but call “for a broader debate on shared principles that ought to guide Member State policies in matters of citizenship” (*ibid*).

Most authors in this compilation uphold citizenship as a membership in a democratic community which is based on nationality, and not a commodity. However, the investment made in exchange for citizenship may become a significant source of revenue for the government and may help finance public spending, for which the idea should not be dismissed too quickly. In a global justice perspective RBI is equally unfair to the less wealthy as CBI, however, considering the democratic aspect of citizenship perspective, the RBI is considered less problematic, since it upholds a ‘genuine link’ regarding the conditions of residency (Bauböck in *ibid*, 2). One of the authors points out that some states offer their citizenship for ‘exceptional service’, may it be in form of example army duty or sport achievements. Thus, following this logic, offering an investor citizenship that might contribute to the common good of a community may be justified. The criticism placed here though, is that a one-time investment or the purchase of a property, may not result in a productive nor permanent relationship (Dzankic in *ibid*).

Ultimately, a global trade of citizenship appears to be contaminating the ideologies of a “democracy by breaking down the wall that separates the spheres of money and power” (Bauböck in *ibid*). In a way, the connection between citizenship status and social class is being re-evaluated.

The second research paper, *Buying in: Residence and Citizenship by Investment* was written by Allison Christians (2017). Christians observes that the global competition between states has become about pulling in wealthy individuals for the purposes of tax revenue, may it be through attractive tax reduction programmes or schemes such as the CBI. In comparison with the other two studies presented here, Christian is the only Author who makes a link between tax regimes (revenue as well as distributional effect) and schemes that aim to attract the wealthy. Governments progressively utilise their tax system as a tool to “increasing the value of residence and citizenship in their countries” (Christians 2017, 3). International Law leaves the authority to decide over who gets to be national or not to the state, thus “to define nationality to fulfill strategic aims may be viewed as consistent” with those principles (ibid). She acknowledges that using the tax system to attract the wealthy may lack normative justification, however she also correctly points out that this is common practice in the competition to attract companies. Additionally, Christians asks: “Does it differ when the luring state is richer or poorer relative to the countries of origin of prospective immigrants?” (ibid, 4)

According to Christians, the “straightforward commodification” of citizenship rather follows the aim to raise government revenue, than actually making foreign wealthy individuals reside within their national boundaries (ibid, 10). There is a vast number of immigration programmes, “with varying types, levels, and lengths of investment required”, which “seek inbound investment in specified sectors, the most popular being real property”, although some have no industry specifications” (ibid, 9). Even though many governments keep statistics on immigration, there is no public record of the statistics regarding the actual number of individuals who have acquired citizenship under such schemes (ibid, 11). Indeed, the government is also in the background when it comes to advertising or seeing an applicant through, there is always an intermediary of legal and financial services (ibid).

Some tax systems do not only take into account the “new” potential tax payers, but also try to limit emigration or tax evasion. The examples mentioned included: Finland, who tax nonresident citizens three years after emigration, without sufficient proof of “no longer have any ties to Finland”; Hungary, which permanently imposes tax on nonresident citizens, unless one is a member of another nationality or emigrates to “a country that has a tax treaty with Hungary”; Italy, who, up until a 2015 tax reform, did not absolve nonresident citizens from paying taxes, if their destination was blacklisted as a tax haven; and Spain, who continued to tax nonresident citizens for five years if they moved to a blacklisted tax haven (ibid, 14). The United States and Eritrea tax their respective “citizens regardless of residence” (ibid, 15). These practices are mostly unilateral, however “they might also arise from bilateral agreement: France treats nonresident citizens as

permanent tax residents if they move from France to Monaco, pursuant to a treaty between the two nations” (ibid).

Considering that tax residence, “and by extension citizenship”, is transformed into commodity, the wealthy are absolved from any “financial and legal barriers to mobility”, and hence this hinders states from taxing their wealthiest residents (ibid 19). It is in this instance that the normative foundations of a tax regime are corrupted (ibid). Most countries repel a foreign country’s efforts to attract their wealthiest citizens, whereas they themselves act the same way by providing wealthy immigrants generous tax expenditures (ibid, 20).

Lastly, Jelena Džankić (2015) examined CBIs and RBIs in the European region in her paper: *Investment-based Citizenship and Residence Programmes in the EU*. In October 2013 Malta introduced their investment-based citizenship scheme, which prompted a European Parliament (EP) debate named ‘EU citizenship for sale’ in January 2014, due to the fact, that whoever acquires a Maltese citizenship automatically becomes an EU Citizen (Džankić 2015, 1). The debate offered a platform to “discuss the programmes adopted by a number of Member States of the European Union (EU) offering either residence or citizenship on grounds of investment”, only to conclude that citizenship is “an area of exclusive competence of the Member States, but that in regulating their membership, states should uphold the values enshrined in the EU treaties” (ibid). As a result of this debate, Malta made amendments to its CBI, from a zero-period residency on the island to a one-year residence requirement (ibid). Džankić sees debates on investment-based immigration programmes in the EU as a vehicle to discuss “the paradox created by the notion of EU citizenship, which is simultaneously an embodiment of the EU’s values and an opportunity structure that the countries use to commodify their national, and by extension EU citizenship” (ibid).

According to Džankić EU citizenship is an enhancement of national citizenship, since “additional rights enforceable beyond the specific Member State’s borders” are being conferred (ibid, 5). Using these additional rights as a pull factor for wealthy individuals’ challenges EU citizenship values, “which has not been intended as an instrument for selectively amplifying the national membership, but rather as a set of rights reflecting sincere cooperation and mutual trust among the Member States” (ibid). She then continues to divide investor programmes into ‘stockholder citizenship’ and ‘stakeholder citizenship’ (ibid). The former refers to citizens who “see their membership in a polity as instrumental to the materialisation of their personal interest” and the latter “entails the idea of conceiving demos in the polity in the increasingly transnational communities” (ibid). She also distinguishes three different practices regarding citizenship acquisition (ibid): (1) fully discretionary naturalisation on grounds of (economic) national interest; (2) investor citizenship programmes, whereby investment leads to full membership with or without

further criteria; (3) golden residence³ and entrepreneurial⁴ programmes, in which the pecuniary contribution results in different types of residence rights while citizenship is conditioned by meeting all other ordinary naturalisation conditions.

Number 1 and 2, such as CBI, lead to naturalisation regardless of “ordinary” naturalisation processes, and rather implies ‘stockholder citizenship’ for there is lack of proof that the pecuniary exchange will lead to an actual commitment of the investor into the new polity (ibid). Number 3 has the potential to turn investors into a ‘stakeholder’ citizen, since residency implies, that they have an interest in conducting their businesses locally (meaning they hold a stake in prosperity of the new polity), and their path naturalisation is still conditioned by “ordinary” naturalisation laws (ibid 19). The access to the EU States is acquired through pecuniary exchange.

Džankić notes that number 3 already follows market logic, with required minimum investments ranging “from 70,000 euros in Romania to 10 million euros in France” (ibid, 18). Barriers to entry depends on the desirability of the market, the higher the desirability (more demand), the higher the price – the laws of demand and supply (ibid). These programmes fluctuate, adapting to certain economic cycles, as was the case with the financial crisis, which hit the Eurozone in 2009 (ibid). Following which countries, inter alia Spain, Portugal, and Hungary, “reformed or re-introduced” residence programmes (ibid). This indicates the use of such programmes to gain “quick” revenue after a financial crash.

³EU countries conducting Golden Residence programmes: Bulgaria, France, Greece, Hungary, Ireland, Malta, Netherlands, Portugal Romania, Spain, United Kingdom (Džankić 2015, 15-17)

⁴EU countries conducting Entrepreneurial Residence Programmes: Austria, Belgium, Croatia, the Czech Republic, Denmark, Estonia, Finland, Germany, Lithuania, Slovenia, Slovakia, and Sweden (Džankić 2015, 19)

3 Methodological Framework

In order to meet the research objectives, a combination of quantitative and qualitative methods will be used. Firstly, a macroscopic view will show how passport power is defined by world rankings and how these rankings are produced by investment companies in order to boost the market for passports. Within this frame, a basic correlation analysis will be performed on the rankings against wealth, in terms of the gross domestic product (GDP) per capita adjusted to its power purchasing parity. Due to the involvement of economic variables the use of a quantitative approach leaning on George Argyrous's third edition of *Statistics For Research* (2002) is appropriate. The temporal frame for this part of the analyses begins in 2006 and ends in 2017 on account of data availability from the passport rankings and from the World Bank Open Data (2019). Further details on the correlation analysis will be provided in the respective section.

Secondly, by referring to Marianen Jørgensen and Louise Phillips for discourse analysis this thesis has “the aim of carrying out critical research, that is, to investigate and analyse power relations in society and to formulate normative perspectives from which a critique of such relations can be made with an eye on the possibilities for social change” (2002, 2). By no means does this study attempt to establish an absolute methodological structure for the study of discourse. Rather, the approach to studying the empirical material should be “left up to the individual researcher's own creativity and discretion” (Hansen 2000, 31). Ergo, Laclau and Mouffe's discourse theory, as explained by Jørgensen and Phillips, will provide the tools for empirical analyses, because it leaves room to the analyst on how to go about the study, yet provides points of references to structure the study (2002, 50):

- Nodal points, master signifiers and myths, can be collectively labelled key signifiers in the organisation of discourse;
- The concept of chains of equivalence refers to the investment of key signifiers with meaning;
- Concepts concerning identity: group formation, identity and representation; and
- Concepts for conflict analysis: floating signifiers, antagonism and hegemony

Principally, nodal points arrange the discourse, for example, ‘CBI’, while master signifiers construct identity, for example, ‘citizen’ or ‘investor’, and myths designate a social space, such as ‘the Euro zone’ or ‘centre/periphery’. The aim in a study of discourse is to identify key signifiers in specific empirical material and examine “how discourses, identity and the social space respectively

are organised discursively” (ibid). In order to do so, the other signs that key signifiers are combined with need to be taken into consideration, since key signifiers are basically empty signs: “that is, they mean almost nothing by themselves until, through chains of equivalence, they are combined with other signs that fill them with meaning “(ibid).

Within these chains of equivalence, the theme, or using Laclau and Mouffe’s term, the floating signifier, ‘power’ runs throughout the passport/citizenship discourse implying an “ongoing struggle between different discourses to fix the meaning of important signs” (Jørgensen & Phillips 2002, 28). Power, also a concept Foucault greatly dealt with, has its own place in discourse: “power does not belong to particular agents such as individuals or the state or groups with particular interests; rather, power is spread across different social practices. Power should not be understood as exclusively oppressive but as productive; power constitutes discourse, knowledge, bodies and subjectivities” (ibid, 14). Furthermore, Jørgensen and Phillips suggest “that power is closely connected to discourse”, due to “Foucault’s coupling of power and knowledge”, and that discourses produce subjects “and the objects we can know something about (including ourselves as subjects” (ibid). Additionally, they interpret Foucault’s concept of power/knowledge as having no “access to universal truth since it is impossible to talk from a position outside discourse; there is no escape from representation” (ibid). They differentiate between Foucault’s archaeological phase, in which “‘truth’ is understood as a system of procedures for the production, regulation and diffusion of statements”; and his genealogical phase, where he connects truth and power, claiming “that ‘truth’ is embedded in, and produced by, systems of power” (ibid). Hence, the search for truth should be replaced by how ‘truth effects’ are conceived in discourses and how discursive process come to “represent true or false pictures of reality” (ibid).

Laclau and Mouffe have a similar understanding of the concept of power as carried out by Foucault. Power is productive, as it is oppressive: “we are dependent on living in a social order and the social order is always constituted in power. But we are not dependent on living in a particular social order, and the exclusion of other social orders is also one of the effects of power” (ibid, 37). Hence, there is no escape from power and according to Laclau and Mouffe, “power and politics are two sides of the same coin, where power refers to the production of objects such as ‘society’ and ‘identity’, while politics refers to the always present contingency of these objects” (ibid, 38). Objectivity applies when a world is taken for granted; “it is sedimented discourse” produced by power and politics (ibid, 36). For example, citizenship is taken for granted, as something which seems natural today (but actually is not, it is a historical outcome of political actions and struggles), and is now again, entering the play of politics, problematised as a newly articulated citizenship-for-sale. It is as Jørgensen and Phillips state “[j]ust as the objective can

become political again, so manifest conflicts can, in the course of time, disappear and give way to objectivity where one perspective is naturalised and consensus prevails” (ibid, 36). Objectivity is achieved through “hegemonic interventions”, processes by which “alternative understandings of the world” are overpowered by a single naturalised perspective (ibid, 37).

The CBI as a global discourse, will eventually be narrowed down to the European Union and the analysis will involve documents produced by consulting firms (websites, reports, articles), the mass media (news articles), and supra-national institutions such as the European Parliament (debates, studies) in which the concepts of *hegemony* and *antagonism* will be the main analytical tools.

Hegemony

According to Jørgensen and Phillips reading of Laclau and Mouffe, the concept of hegemony lies in between ‘objectivity’ and the ‘political’, what is uncontested and contested (ibid, 36). Bates suggests that ‘hegemony’ “means political leadership based on the consent of the led, a consent which is secured by the diffusion and popularization of the world view of the ruling class” (1975, 352). Historical materialism focused on processes taking place in the economy, whereas “Gramsci’s theory of hegemony implies that the processes of meaning creation taking place at the level of the superstructure are worth studying in their own right” (Jørgensen & Phillips 2002, 33). Laclau and Mouffe see the base and the superstructure to be intertwined, using Marxian terms, because “groups that exist are always created in political, discursive processes”, which is why there is no distinct division of ruling and working class (ibid).

Antagonism

The concept of antagonism refers to a situation in which “different identities mutually exclude each other” (ibid, 47). A subject will always occupy several identities, and these do not necessarily need to be exclusive, some can coexist. Each identity is attached to its individual discourses. Hence, when one is excluded, it becomes part of the other’s ‘field of discursivity’ – everything that is omitted by a discourse. Thus, antagonisms occur in the midst of discourses collision and “may be dissolved through hegemonic interventions” (ibid, 48). It is in these moments that “its [the discourse’s] contingency, and the contingency of the identities it constitutes, become visible” (ibid).

4 Spatiotemporal Hierarchies of Passports

Passports allow or limit movement, depending on the nation the passport is attached to. The movement is then regulated by “visa-granting or – refusing consulates” (Harzig and Hoerder 2009, 100). The focus of this chapter is to investigate the hierarchies reflected by the modern passport system.

According to Harzig and Hoerder, territorial/ spatial borders have experienced a change in meaning and place since the end of the twentieth century, with an increase in positioning border controls distant from the actual border (ibid). International borders are comprised not merely of geographical lines separating spatial regions, but more currently they are represented by airports or consulates (ibid). An example of removed border control would be the US immigration checkpoints in Stockholm, Jakarta or Frankfurt airports. Not only do “powerful states” impose immigration control at distant places, they also seek to “externalize borders: the EU demands control of northbound West African migrants at Algeria’s southern border, the US of Latin American migrants at Mexico’s southern border” (ibid). The latter are systems of control that intervene with external “local transborder migrations and, from such disrupted economies, further (often non-white) migrants have to depart for the exclusion-practicing states of the First, often implicitly white, World” (ibid). David Scott FitzGerald calls the technique to restrict mobility via airspace a “virtual *dome*” anchored by “consulates across the planet where diplomats or their deputies decide whether to issue visas allowing travel to particular destinations” - a global visa regime constructed to “quietly” deter asylum seekers away from rich democracies (2019, 7).

Mechanisms of inclusion/exclusion are an inevitability of citizenship considering “nation-states’ imposed dichotomy between members of the nation and Others” (Harzig & Hoerder 2009, 113), which in theory, and in practice in a number of states, is supposed to be compensated by linking citizenship with human rights – “from their inception intended to be global and not dependent on colour of skin” (ibid). Yet some, if not most states chase neoliberal economic objectives, which concomitantly produce “rights-deprived labour forces of segregated, often colour-coded peoples, whether they be Mexicans in the US or Bangladeshis in the Persian Gulf states” (ibid). Harzig and Hoerder speak of “trans-spatialization of transcultural approaches: not only transoceanic and transcontinental, but transnational, as well as transregional and translocal or ‘glocal’ spaces” when referring to an expansion of “the systems approach to particular societies and states, as well as to their interconnectedness through transborder migration, capital flows, commercial exchange, ideas and values” (ibid). An example of such transcultural spaces would be

“borders – separating, porous, permeable” (ibid). It is within these “glocal” spaces of borders that the passport hierarchies come into being. In order to cross the border, one must possess the correct passport or at least one that can attain the necessary visa to dwell in the territory that is circumscribed by the border to be crossed. The global visa regime is very asymmetric, with “[m]ost member countries of the Economic Co-operation and Development (OECD) hav[ing] visa restrictions on most Asian and African nationalities” (FitzGerald 2019, 7). In 1973 there was a restriction of African nationalities of “74% of all bilateral dyads (such as Canada-Somalia) between OECD countries and African countries”, which then increased up “to 93% by the early 1990s” (ibid, 8).

Torpey clarifies that the process of states’ monopolisation of the legitimate means of movement involves states’ “capacity to ‘embrace’ their own citizens in order to extract from them the resources they need to reproduce themselves over time” (2000, 1). The citizens become subjects of the state and hence identification papers, such as the passport, become relevant in distinguishing citizen from non-citizen “and to track the movements of persons in order to sustain the boundary between these groups (whether at the border or not) [...], although documentary controls on movement and identification have been more or less stringent developed and enforced in different countries at various times” (ibid, 2). Torpey then continues to equate identification papers of various kinds with money because of their commonality as “mechanisms for enabling and constraining social choices” - passports “are the currency of modern state administration” (ibid, 10).

4.1 “Passport Power” by Rankings

The hierarchies of passports are displayed by contemporary rankings. These rankings can be found on the World Wide Web, which are compiled and circulated by various consulting firms who define passport power via a ‘visa-free-score’ (VFS). This score consists of the number of countries a national passport is able to enter without a visa, or only with visa on the spot; the higher the score, the better the ranking. Arton, which has already been referred to in the introduction section, is “a global financial advisory firm specializing in investor programs for residence and citizenship” (Arton Capital 2019) and provides such rankings on an interactive online portal - “Passport Index Empowered by Arton”. It allows the audience to research the so called “Global Passport Power Rank” and enables them to compare between passports, which in turn should encourage a decision towards making an investment towards a second (or multiple) ‘powerful’ passport(s). Figure I depicts Arton’s ranking.

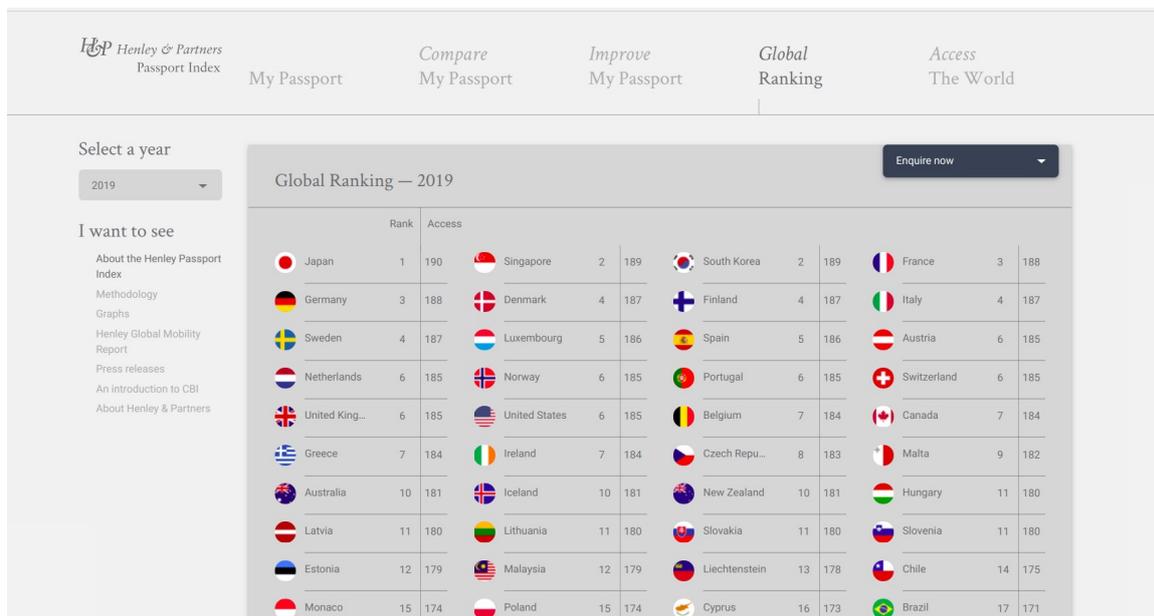
Fig. I Screenshot of the Arton Passport Index



The map on the left side identifies the geographical spaces with the most powerful passports (intensified colouring), clearly exposing global disparities and tendencies of ‘powerful-ness’ leaning towards wealthier regions. The ranking itself, with a picture of the passport and its VFS are depicted on the right-hand side; since this figure is a screenshot, only the top three ranks are visible, however their website includes 199 passports.

Arton Capital is not the only investment-based residence and citizenship planning firm to offer a global view on passport powers. Henley & Partners, for example, produce similar ratings “based on data provided by the International Air Transport Authority (IATA) and supplemented, enhanced, and updated using extensive in-house research and open-source online data” (Henley & Partners 2019). The Henley Passport Index, another interactive website, can be seen in Figure II.

Fig. II Screenshot of the Henley & Partners Passport Index



Henley & Partners' ranking is not as visually strong as Arton's at first glance, however the gathering and evaluation of their data is more transparent (see option to see methodology, graphs, reports on the left hand side), with historical data spanning fourteen years. Moreover, their motives to encourage an investment is explicit with the choice to see "An introduction to CBI". Henley & Partners claim to have created the concept of residence and citizenship planning in the 1990s, "as globalization has expanded, residence and citizenship have become topics of significant interest among the increasing number of internationally mobile entrepreneurs and investors whom we proudly serve every day" (ibid). In addition to that, the firm also advises governments in the implementation and operation of residence and citizenship programmes and "has raised more than USD 8 billion in foreign direct investment" (ibid). The index also consists of 199 passports and is updated in real-time, and adjusted towards visa-policy changes, throughout the year.

When comparing these two figures, one notices that the rankings differ – Arton places the United Arab Emirates in first place, whereas Henley & Partners places Japan on the top. This may have to do with differences in methodologies, the firms' headquarter location⁵, and the clientele they target. However the main point and a common recurring theme here is the combination of wealth and passport.

4.2 Correlation of Passport Power and Wealth

One of the research objectives is to find out whether or not there is a relationship between passport power and wealth. The strength of passport power is measurable in terms of the VFS, which designates a numerical order, with rank 1 being the most "powerful" and an increasing value indicating declining powers. GDP per capita [in USD] is chosen to measure the variable "wealth", because in contrast to the gross national product (GNP) which considers income of all persons with the same national passport dispersed in the world, the GDP concentrates on the income generated within the spatial borders of a national region. Hence the two variables are [rank] and [GDP per capita]. "The descriptive technique [...] for [...] data with many points on the scale is a scatter plot" (Argyrous 2011, 226) and this scatter plot "allows us visually to gauge whether there is an association between the two variables" (ibid, 225).

⁵Henley & Partners are based in London, UK and Arton Capital is based in Montreal, Quebec

4.2.1 Limitations, Errors and Programmes Used

Before demonstrating the correlation on a scatter plot, it is important to discuss the limitations and errors of the method. There are various sets of rankings and an abundance of data sets on GDP. In no means does this correlation analysis claim to be an absolute, nor to be causation. The analysis underlies the limitation of ranking data availability, since the data presented only covers the time frame from 2006 to 2017, and may error in using only specific data sets from perhaps biased providers. The ranking by Henley & Partners is selected because it comprises a vaster temporal frame and because its methodology including the cooperation with IATA and real-time updates seem to be most reliable. Henley & Partners' ranking is based on the VFS only, and is continuously updated by a research team when visa policy shifts occur. Furthermore, the data for GDP per capita [in USD] is extracted from the World Bank Open Data (2019) for reasons of free and open accessibility to global development data. In order to avoid human error in handling a great amount of numbers the platform *Jupyter* (2019) was used as an aid to extract data from each relevant website and to turn it into a comprehensive tabular form. Hereafter the data set from the table was run through the programme *Matplotlib* (2018) to form the scatter plot, and *Pandas* (2019) was used to calculate the correlation coefficient, which indicates the strength of association.

4.2.2 Correlation Analysis

The rankings of 199 passports are juxtaposed to the nations' corresponding GDP per capita [in USD] of each year for the available data, meaning from 2006 – 2017. Each year has its individual graph, however in order to show the trend of the correlation over the years, scatter plots of years 2006 (Figure III), 2011 (Figure IV) and 2017 (Figure V) are sufficient (the remaining graphs can be found in the appendix). Each dot represents a national passport which was included in the rankings. The GDP as the independent variable is displayed on the X axis, whereas the rank is on the Y axis – note that the higher the value on the Y axis, the lower the rank, and hence the lower the power.

Fig. III Scatter Plot Passport Power and Wealth 2006

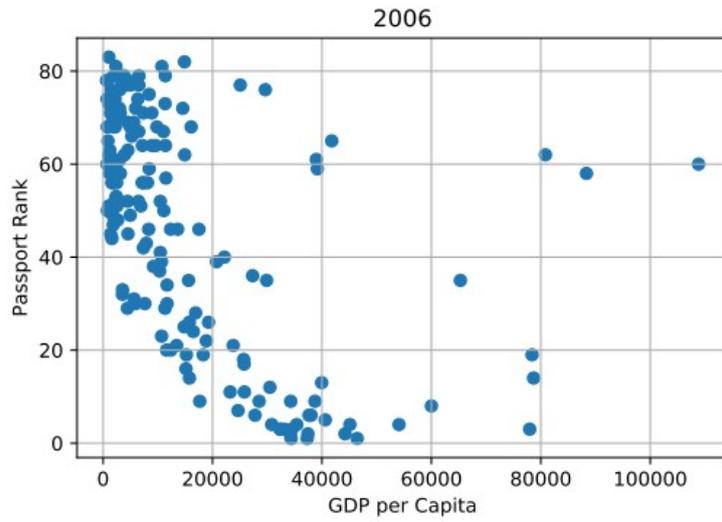


Fig. IV Scatter Plot Passport Power and Wealth 2011

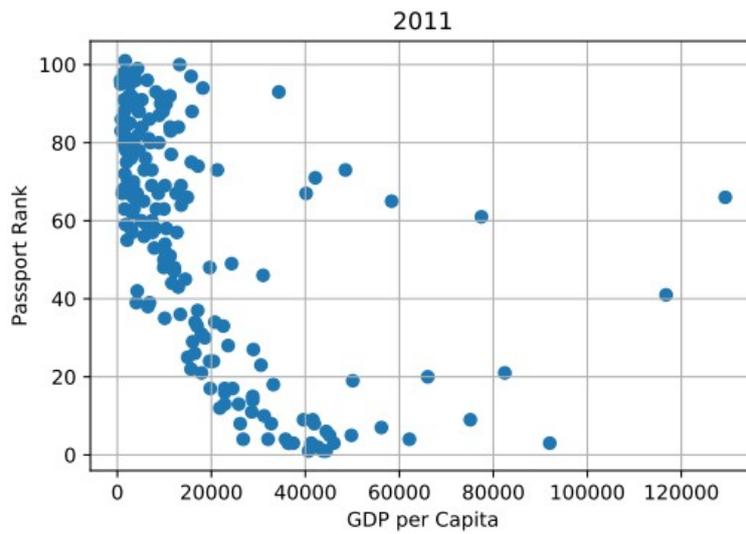
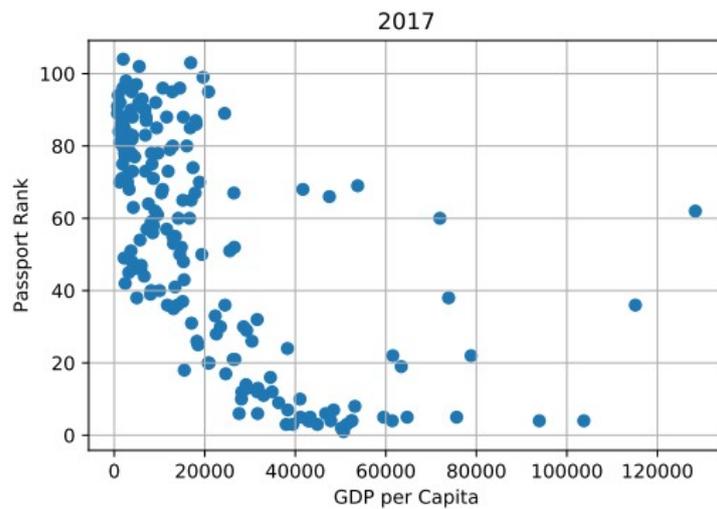


Fig. V Scatter Plot Passport Power and Wealth 2017



The scatter plot exposes the relationship between passport and wealth: the higher the GDP per capita, the better the rank, consequently increasing the power of a passport. The majority of dots (national passports) accumulate in the lower ranks with GDP per capita lower than 20.000 \$ per annum. In order to evaluate how strong, moderate, or weak the association between the two variables are, the *product moment correlation coefficient*, or *Pearson's r* is calculated – “Pearson's *r* will always range between -1 and +1, regardless of the actual units in which the variables are measured” and is calculated by the following formula (Argyrous 2011, 236):

$$r = \frac{\sum (X_i - \bar{X})(Y_i - \bar{Y})}{\sqrt{(\sum (X_i - \bar{X})^2)(\sum (Y_i - \bar{Y})^2)}}$$

The closer the value of *r* is to -1 or +1, the stronger the relationship, with the positive or negative sign indicating whether it is an upward [+] or downward [-] slope. With the help of *Pandas* (2019) the correlation coefficient has been calculated for each year available and is represented in Table 2.

Table 2 Correlation Coefficient of GDP/ Rank

Year	Pearson's correlation coefficient GDP/ Rank
2006	-0.5223465840395198
2007	-0.5368763992631734
2008	-0.5572329103233464
2009	-0.5617175307644711
2010	-0.5827452800382309
2011	-0.5790680733450696
2012	-0.5692594044846045
2013	-0.5766834252562987
2014	-0.5831228898733628
2015	-0.6232583750711145
2016	-0.6339861015255924
2017	-0.6287292356749163

The data reveals that the association between GDP and rank is relatively strong, with strength of association increasing from 2006 until 2017.

The scatter plots are a visual aid to understanding that economic stability (here represented in terms of the GDP) is key to the visa-free access to other countries (here represented in ranks). The asymmetries in visa regimes reflect hierarchies. Furthermore, the scatter plot combined with the map by the Arton's passport index (see Fig. I), reveals wealth inequalities between spatial regions of the world that have been established by "unequal terms of trade, set in the late twentieth and early twenty-first century by powerful economies with the support of the respective states" (Harzig & Hoerder 2009, 75). The unequal terms of trade, which in the economics sphere would be covered up with the term 'comparative advantage' are responsible for "the constraining conditions on disparities, hierarchies, and natural endowments [which] influence conscious decisions of families and individuals to attempt to improve their material life" (ibid). World systems approaches, such as the one presented by Wallerstein (2004), are key to framing a global perspective on economics of migration.

Harzig and Hoerder name the North-South divide a "global apartheid" (2009, 48), resulting from the powerful industries (mostly in the northern hemisphere) imposing tariff barriers and also visa restrictions on the economically weaker nations (of mostly the southern hemisphere). However, the North and South divide has become more than a spatial representation; North becomes a symbol of wealth and prosperity, whereas South is its counterpart. Australia which spatially is located in the southern Hemisphere, always belongs to the North in discussions about economic wealth. Thus the 'global apartheid' shall rather refer to the ever-growing inequalities between high- and low- income countries. According to an Oxfam Briefing Paper, the world's billionaires wealth "increased by \$900bn in the last year alone, or \$2.5bn a day", while the wealth of 3.8 billion people which make up "the poorest half of humanity" decreased by 11% (2019, 10). "Wealth is becoming even more concentrated" (ibid). In 2017, 43 people owned the same as 3.8 billion, in 2018 it was only 26 (ibid). The wealthy are continuously getting richer as a result of low tax levels for them and the companies they own: "In rich countries, the average top rate of personal income tax fell from 62% in 1970 to 38% in 2013. In developing countries, the average top rate of personal income tax is 28%" (ibid, 12). On top of that, the super-rich are allegedly "hiding \$7.6 trillion from the tax authorities", with corporations also hiding away "large amounts offshore", leading to Oxfam's accusation that "this deprives developing countries of \$170bn a year" (ibid). The topic of tax evasion, stashing away money offshore and money laundering will be dealt in more detail in Section 5, yet it already becomes visible that CBI schemes feed of existing hierarchies and plays a role in reinforcing the 'global apartheid'.

4.3 Pathways to Citizenship – Receiving a Passport

In order to fully comprehend the debates of and around CBI it is important to briefly distinguish the different paths to citizenship; the common rules of *ius sanguinis* (by parentage), *ius soli* (by birth on the territory) and residence-based naturalisation. Even though most are “born into” their passport, there are endless reasons to attaining a dual (or multiple) citizenship, e.g. marriage to other nationals, migrating due to work/ family/ etc. Paths to receiving a passport, are nation-state based and usually involve a naturalisation process, which is the legal act through which a non-citizen may become a citizen of a particular nation-state: “Countries have different immigration policies that attract different types of immigrants and they have different requirements for naturalization” (Hunger 2017, 280). Naturalisation is a discourse within itself, and is an element of citizenship and immigration discourses (Aptekar 2015; Hunger 2017; Oers 2013).

To demonstrate the differences in the citizenship acquisition, Malta will be used as an example, since it offers CBI and residency based investment (RBI) apart from the 'common ways'. Malta became an Independent State on 21 September 1964 and established the Independence Constitution which laid out the laws of “who should become a citizen of Malta automatically by birth and who could be registered as a citizen of Malta” (Identity Malta Agency 2019). On 10 February 2000 changes in the citizenship law occurred and categories of eligible persons to apply for registration have been added under the Maltese Citizenship Act (Cap. 188) (ibid).

Ius Soli & Ius Sanguinis:

- born (abroad) to Maltese parents who are returned migrants
 - born in Malta, and at least one of the parents is a Maltese citizen
 - born to parents who were non-Maltese, but one of whom or both subsequently acquired Maltese citizenship
 - born abroad and of Maltese descent.
- (ibid)

Naturalisation for non-Maltese nationals:

- resided in Malta throughout the twelve months immediately prior to the date of application; and
- resided in Malta for periods amounting in the aggregate to a minimum of four years, during the six years preceding the above period of twelve months
- of good character
- adequate knowledge of the Maltese or the English language;

- being a suitable citizen of Malta.

(ibid)

RBI – Maltese Investor Residency Programme (MIRP):

- indefinite residency rights to international investors who invest a minimum of €250,000 in Maltese government bonds or equities for a period of 5 years
- plus a €30,000 investment to the Maltese State Fund and the purchase or renting of a residence on the island
- investors must cover the associated legal and processing fees of €40,000

(LA Vida Golden Visas 2019)

CBI – The Malta Individual Investor Programme (IIP or MIIP):

- introduced in 2014 and the first of its kind to be recognised by the European Commission, recognised legally by the executive body of the EU
- 12-month residency requirement
- upon initiation of a nominee's residency in Malta, a small deposit of €5,000 for the primary applicant and €1,000 for each family member is due on account of the National Development and Social Fund contribution
- Investment commitments in various forms, in addition to due diligence and administrative fees⁶

(Malta Immigration 2019)

All types of citizenship acquisition (RBI can lead to naturalisation), except for the CBI, rely on ties to the state that cannot be established purely through monetary input. That is probably one of the main criticisms about the CBI. However, all forms seem to be rather arbitrary. Citizenship laws, as can also be seen in the Malta example change over time and new laws are passed, depending on what is required in that given moment. In any given case, citizenship laws are discriminatory, with RBI and CBI having economic standing as the main exclusionary mechanism, and hereby immediately excluding the many who cannot afford it.

⁶Similar to The Dominica Citizenship explained in Section 1.2.1

4.4 Extremities: CBI vs. Statelessness

Considering excluded individuals, when dealing with hierarchies of passports, and citizenship acquisition, the many who are stateless and thus have no passport or identification papers whatsoever, must not be neglected. Arendt claims that statelessness is a symptom of nation states (1973), as she delves into the historical development and proclamation of human rights and their contingency upon belonging to a certain nation. In theory, human rights – or initially called “The Rights of Man” - were presumed to be “inalienable”, for they should exist autonomous of governments, however in reality “the moment human beings lacked their own government and had to fall back upon their minimum rights, no authority was left to protect them and no institution was willing to guarantee them” (ibid, 291). People who do not belong to – or not documented in – a nation state, do not belong to a governed community, and as a consequence become right-less: “Their plight is not that they are not equal before the law, but that no law exists for them; not that they are oppressed but that nobody wants even to oppress them” (ibid, 295/296). Humanity is organised into these governing nation states, and thus whoever is right-less falls under “expulsion from humanity altogether” (ibid, 297). Equality, or as Balibar says ‘equaliberty’, does not exist on its own but instead is the “result of human organization insofar as it is guided by the principle of justice” (ibid, 301). Arendt elaborates upon the fact that mutually equal rights can only be guaranteed if all become equal as members of a group; this is the foundation of political life and an organised world (ibid). Furthermore she warns that it is exactly this organised world of universally interconnected civilisations that “may produce barbarians from its own midst by forcing millions of people into conditions which, despite all appearances, are the conditions of savages” (ibid, 302).

Within a universally interconnected civilisation “the production of such subjectivities that are included but do not ‘belong’ ” is visible (Mezzadra & Neilson 2012, 67). Mezzadra and Neilson emphasise the exclusionary effects brought by social inclusion programmes, which are targeted at the growing migrant populations in the European space, and which form the concept of “differential inclusion” and “function as devices of hierarchization and control” (ibid). “Civic stratification”, a term Morris borrowed from Lockwood (1996) (Lockwood in Morris 2002, 79) goes hand in hand with the concept of differential inclusion. Civic stratification stands for a “system of inequality based on the relationship between different categories of individuals and the state, and the rights thereby granted or denied” (Morris 2002, 79). The intricacies of migrant’s rights reveals “the political and negotiated nature of rights” and the position of the asylum seeker exposes the need to examine “the nature of socioeconomic rights in transnational context” (ibid, 95).

The CBI seems to extrapolate the continuum of civic stratification, or perhaps it ascends on to the highest point in a hierarchy caused by differential inclusion, whereby the ‘low point’ is statelessness. The very fact that there is a growing market for a global trade of citizenship indicates a transformation towards global citizenship, or at the very least it is a call for turning the theory of “inalienable” rights into practice – equating social rights with human rights for all human beings as citizens of the world.

Instead of seeing it as a continuum with CBI and statelessness on two different ends, perhaps one is the solution to the other? Atossa Araxia Abrahamian (2015), an opinion editor at Al Jazeera America, is intrigued by the concept of a citizenship-for-sale and dives into a story which reveals a compelling connection of CBI and statelessness, or rather as she puts it, CBI becomes a market-based solution to the ‘problem’ of statelessness. The *Bidoon*, which in Arabic means “without”, are a stateless population in the Middle Eastern region, who has been denied citizenship, because the latter “would give them access to the myriad benefits accorded full members of this wealthy oil state — from free health care and education, to a guaranteed income, subsidized utilities, a marriage bonus, land and an interest-free house loan. Instead, they are categorized as illegal immigrants” (Bellamy 2016). To exempt themselves from any kind of responsibility, the United Arab Emirates (UAE) took advantage of an impoverished African island state, and created a plan in 2008 to assign their stateless population the Comorian citizenship (Abrahamian 2015). Kuwait adopted a similar policy for their Bidoon in 2014, even though a supposed 25% of their army was bidoon (Bellamy 2016). In the global trade for citizenship, there are not just the ultra-high-net-worth individuals, but there are also those who “unwillingly” become citizen of a country they probably will never set foot on (Abrahamian 2015). For the wealthy few the purchase of a passport is for their convenience, to access foreign markets, to travel to destinations for business and to benefit from “advantageous jurisdictions to safeguard their accumulated wealth” (Bellamy 2016). However, for the Bidoon who became Comorian, it is for the State’s convenience and not that of the individuals. Abrahamian manages to bring back the ancient belief of a cosmopolitan citizenship, and makes a connection between the growing citizenship market and the “corruption and commercialization of this idea by a global business elite” (ibid). Hence, Abrahamian’s suggestion is quite an obvious one, yet unpractical: to put an end to all arbitrary borders and turning all human beings into world citizens. However, state-based citizenship is ‘state-based’, because of the duties that arise from an active participation in a particular social, economic and political community that is organised into and governed by nation states – there is a dynamic relationship between rights and duties. Abrahamian accurately frames the questions that need to be asked when it comes down to discussing CBI (2015, 16/17):

What does citizenship become when it becomes detached from any kind of civic engagement and political identification – when it is a matter of convenience, not community? What are the stakes when members of a community no longer feel a particular kinship or loyalty to a particular place? What does it mean when the wealthy can move freely between countries and exploit the “borderless” world that globalization has promised, but that the poor who try to cross borders can’t – or, if they can, routinely die trying? Who among us gets to be “global”?

4.5 Summary

This chapter dealt with the hierarchies reflected in the modern passport system. On the one hand, hierarchies are presented as rankings that have become a marketing tool for consulting firms; whereby passports will be considered to hold more power if it allows for greater freedom of mobility. On the other hand, the possession, acquisition, or the lack of a passport represents another hierarchical relationship. Furthermore, there is a strong correlation between the passport power – the rank – and wealth. It seems as though, the higher the GDP of a state, the better its national passport seem to rank. High-income countries have more leverage and power to negotiate visa regulations on their terms, and so do wealthier individuals, who have the option to forgo lengthy naturalisation processes via the RBI or CBI.

5 The CBI Discourse: Exploiting the System or Market-based Solution?

The CBI explicitly makes a connection between wealth and passports and enables a legal way of jumping the queue towards citizenship. This chapter will delve into the qualitative part of the analyses and will examine in more detail as to why this ‘queue jumping’ is controversial.

Foucault has repeatedly highlighted the importance of surveillance and governance in modern societies. However, Torpey argues that Foucault’s writings “often remains unclear [...] to what particular purposes surveillance is being put” and that “we would do well to regard states as seeking not simply to penetrate but also to *embrace* [original emphasis] societies, ‘surrounding’ and ‘taking hold’ of their members – individually and collectively – as those states grow larger and more administratively adept” (2000, 11). Torpey then refers to Michael Mann who suggests that the “unusual strength of modern states is infrastructural” (Mann in *ibid*), meaning that it is the state’s infrastructural power “to embrace their own subjects and to exclude unwanted others” (Torpey 2000, 11). Hence, the activities undertaken by states to “embrace” populations are crucial to “the production and reproduction of states in the modern period” (*ibid*).

Shachar and Bauböck claim that it should be governments and not markets that should have the sole authority to “allocate the precious legal good of membership in the political community” (2014, 5). However, if the governments legally allow for the market to determine citizenship, does that not fall under such activities to ‘embrace populations’? In fact, the governments that implement CBI programmes “often do so in the name of advancing their country’s national interest while paradoxically setting up dangerous connections between money and access to citizenship, possibly to the detriment of the basic egalitarian and participatory thrust of political membership as we currently know it” (*ibid*). The progression towards commodification “raise[s] core ethical and legal questions” (*ibid*):

Why are states putting citizenship up for sale? And what precisely is wrong with easy-pass naturalisation along the lines of the cash-for-passport programmes? Is it the queue jumping? The attaching of a price tag to citizenship? The erosion of something foundational about political membership itself? Or, perhaps, all of the above?

These programmes are often associated with ‘shady business’ and critics argue that “they facilitate tax evasion, money laundering and fraud” (Pitel 2019), “and organized crime figures who may find it useful to be able to cross borders on short notice” (Bagnoli 2018). The news in recent years have reported these criminal investigations exposing “dubious practices and scandals surrounding CBI/RBI schemes” (Scherrer & Thirion 2018, 5). Checks on criminal behaviour and due diligence

are conducted and are part of the legal framework, nonetheless, “their accuracy is questionable” and so are the sources of the funds being invested (ibid). In addition to that it compromises the fundamental values of citizenship and political relations; “as such, it is expected to both reflect and generate a notion of participation, co-governance, and a degree of solidarity among those included within the body politic” (Shachar in Shachar & Bauböck 2014, 5). Simply put, passports in exchange for cash distinguishes member and nonmember by their “ability to pay a certain price”; “the notion that everything, including political membership, is ‘commensurable’ and reducible to a dollar value” (ibid). The meaning that is formed within the chains of equivalence in law and social ethics is that the “contemporary market-friendly state” prioritises a certain group of individuals “in the immigration and naturalisation line and whom it covets most as a future citizen” (ibid). The conduct of commodifying membership to a nation state implies how “volatile” the state of modern citizenship is (ibid). This would imply that the price mechanism alone would become the factor of inclusion/exclusion, rendering “other important considerations” irrelevant and preventing “the vast majority of the world’s population from ever gaining a chance to access citizenship in well-off polities” (ibid). Over time this could transform into “a world where anyone included in the pool of members must pay up, or risk ‘falling helplessly to the wayside’” (Spiro 2008 in Shachar & Bauböck 2014, 5).

Shachar then claims to bid “farewell [...], to the hard-earned ideal of inclusive citizenship as equal membership” (2014 in Shachar & Bauböck 2014, 6). Although whether or not such a thing as ‘equal membership’ in practice has ever existed is highly debatable. The point that Shachar wants to make is that “our (however imperfect) procedures of exerting some degree of democratic governance and collective decision-making on what it means to belong to a political community, how to obtain a secure legal status of citizenship, and on what conditions” are being polluted by supply-and-demand rules (ibid). “[A]nyone who objects to the ultimate triumph of economics over politics” will be unsettled by the notion of selling citizenship and by reducing “public life and ethics into mere pecuniary transactions, or the imperialistic idea that ‘trades’ occupy the full terrain of human value and meaning” (Radin 1987; Sunstein 1997; Sandel 2013 in Shachar & Bauböck 2014, 6). In a “dystopian extreme”, this kind of system will lead to financial capability as the decisive mechanism of “suitable” and “unsuitable candidates for initial entry and eventual citizenship” (Shachar in Shachar & Bauböck 2014, 7). The debate is not about whether a certain price such as “€ 650,000 is too high or too low”, but that placing a price tag on “non-market relations”, will change the “view of what it means to belong to a political community” (ibid). Shachar puts forward that we should be as critical of the birth place determining citizenship, as the notion that money can “secure membership” in a polity (Shachar 2009; Shachar 2011 in ibid).

The question is, how far has equal citizenship become reality or just an aspired ideal? And the second question, where is it heading to? During the past decades, unrestricted cash-for-passport programmes because of economic calculations increasingly jeopardise not only the realisation of equal citizenship, but the importance of citizenship itself (Shachar in *ibid*).

5.1 Identifying Key Signifiers

As already referred to in the methods section, the aim in a discourse analysis is to identify key signifiers within particular empirical material. From then on, one can examine how “the nodal point is filled with meaning” indicating a relevant connection “by being equated with some, and contrasted with other, signifiers” (Jørgensen & Phillips 2002, 48). Different discourses compete to make meaning and “to divide the social into groups along different lines, and to fill the different master signifiers with different content by equating them with different signifiers” (*ibid*). These signifiers are elements that constantly struggle to be prevalent and to construct subject positions and consequently identities (*ibid*).

The empirical material has been categorised into the supply side material and demand side material, because “we need to understand better whether this was a supply or demand driven policy change, what stakeholder alliances lobbied for this policy, what channels they used, who set the price tag, and what arguments persuaded political elites to implement it” (Barbulescu 2014, 16). In policies regarding citizenship, “there are strong path-dependency dynamics”, which is why “neoliberalism needs promoters and legitimisation” to prevail “against other competing paradigms” (*ibid*). The question then becomes, why would governments choose to adopt this policy change, knowing that such revisions “are largely unpopular and may have a high political cost and, not least, because they delegitimise the very existence of state bureaucracies administrating citizenship for the ultra-rich?” (*ibid*). The CBI, and programmes alike, have a “large impact on an essential political institution and its success in carving out global mobility corridors through entangled states” (*ibid*).

5.1.1 Supply Side Key Signifiers

The main actors on the supply side are consulting agencies, such as Arton Capital, Henley & Partners, La Vida Golden Visas who are intermediaries between the state and individual (potential investor citizen). The states who legally are offering the ‘product’ (citizenship) “outsource” their

business. The marketing and conduct from start to finish are taken over by consulting firms; borrowing Salter's words, this is the point "where the operation of state power is both naked and hidden from view" (2006, 185). Due to the "whiff of scandal" (*The Economist* 2013), governments strategically distance themselves from the operations. In this section, the websites of these intermediaries, and articles promoting CBI will serve as empirical evidence.

All three actors mentioned above have specialised in selling citizenship, hence the very obvious nodal point is the 'CBI', or rather 'passport' which the websites use more frequently to promote the product they are selling. The discourse is arranged around these nodal points and rely on the following identities that construct the discourse: 'citizen', 'investor', 'global citizen', and 'cosmopolitan'. The target group is the so called ultra-high-net-worth individual (UHNWI), "someone with a net worth of over US\$30 million excluding their primary residence" (The Wealth Report 2018). The myth – the social space – that creates and recreates the discourse is the 'globe'/'world', or to be more specific, what is being advertised is the access to the global market, bypassing restrictions from nation states. Arton (2019) addresses its website visitor with the directive to "Become A Global Citizen", Henley & Partners (2019) use the first-person narrator "Improve My Passport", while La Vida Golden Visas (2019) employs the slogan "Let us help you achieve your goals". The message is clear and simple: unfettered access to the world will improve your wealth.

The websites redefine the social category 'citizen' to suit its capitalist agenda, and show that the individual (the UHNWI) can have the power to choose their passports, to diversify their portfolio, hereby lowering risks on their investment, avoid taxes and even in some cases escape criminal charges. The world represents a place for wealth management and security – which basically is wealth accumulation. Henley & Partners (2019) even exhibit the perfect combination of passports to behold in order to access every recognised country in the world without a visa, and by that they imply having access to all markets without barriers. At this stage, it is important to identify that as soon as "tax residence (and by extension citizenship) is commodified, financial and legal barriers to mobility for the extremely wealthy simply drop away, making it virtually impossible for any state to tax their wealthiest residents" (Christians 2017, 19). "[T]he very normative foundations underlying any tax" is hereby violated (ibid). Citizenship needs a community to belong to, may it be by territory, nature or cultural heritage. Hence, Balibar questions, how citizens can at all exist outside of a community, no matter whether "defined as a product of history or a purposeful construction" (Balibar 2015, 35). This raises the next question, how the state can be impartial, if it becomes strongly involved into the conflict of different social classes by supporting novel solutions

rather than those maintaining normative foundations. Through this antagonism social conflicts may become “politicized” and the state “becomes a part of the power struggle” (ibid, 92).

The consulting firms aim to disconnect the citizen from the nation, and by that they neglect the obligations a citizen has towards the community they belong to. The citizenship system is built upon the ties to the nation state. In other words, the citizen is a productive subject paying taxes to the state (and by extension its community), having the right to participate in the polity, and hence shaping the polity they want to be represented by. In return the (welfare) state is obliged to cater for basic needs (social benefits, pensions), public institutions, and security. Certainly, the latter is an oversimplified description of how governments “embrace populations”. In order to compensate for their lack of considering any form of obligation, they insist that they are advocating for a re-evaluation of the interdependence of nationality and citizenship (A Guide to Investment Migration for Governments and Global Citizens 2019):

More than half a century of rapid globalisation has linked nations, economies and markets in new configurations. Yet while global connectivity continues apace, static notions of nationality remain, and citizenship — the accident of birth that determines where individuals can travel and reside, what markets and networks they can access — continues to define and constrain people.

Yes, these consulting firms are treating passports, and hereby citizenship as a commodity, a product provided by a nation-state, and turning the individual to a ‘rootless’ subject, yet as any corporation would do, they set up a corporate responsibility department to make good on their image. Arton, for example, has set up a Global Citizen Forum (GCF) (2019):

By investing in the power of global citizenship, we are propelling the transformation to a more united world. [...] Our goal is to create a network of select individuals and organizations that are ready to invest their time and resources to improve the state of migration and mobility for future generations.

Currently, aside from two GCF supported initiatives (Children of Armenia Fund and Yerevan My Love), there are three GCF initiatives, including (1) a think tank dedicated to conduct research on global governance, mobility & migration, identity, technology, and creativity; (2) the Caribbean Relief, helping rebuilding Islands struck by hurricanes; and (3) a Global Tax proposal: “The global residence and citizenship industry must be part of the solution, joining hands with partners in industry, governments and international organizations to address such challenges” (GCF 2019). Number 2 is one of the main reasons island states willingly put up their citizenship on sale, the revenues flowing in from CBI not only help the state come out of a climate crisis, but it generally benefits the state budget. For example, “Vanuatu’s government now gets no less than 33% of its revenue from citizenship by investment. It’s also played an important role in balancing the country’s budget; in 2018, the government recorded a positive net operating balance of VT 11.3

billion (10.4% of GDP), of which CBI-funds constituted some 88%” (Nesheim 2019). St Kitt’s “passport money” accounted for 25% of its GDP (Abrahamian 2015, 80).

As for Number 3, Arton Capital calls upon “the industry and participating governments to support a special assessment on all Residence and Citizenship applications received” (GCF 2019). They propose to increase 1% - 5% of “investment required for the purpose of addressing the most pressing needs- for example, alleviating the global refugee crisis emanating from the MENA region and affecting many parts of Europe” (ibid). Furthermore, they suggest a “joint program” comprised of governments to administer the special assessment and establish a plan for distribution; “or could be assessed by the industry on behalf of governments and subsequently channeled to an independent fund for distribution to approved international organizations” (ibid). Arton Capital calculated, using past data on “the quantity residency/citizenship applications and investments made”, that an estimated “1 billion euros could be raised within 60 months of creation” (ibid). According to the consulting firm, this potential ‘global tax’ is a “game changer” (ibid):

The effort would showcase the generosity and willingness of the of the Global Citizen community to take an active role in addressing key global challenges. A specific purpose for the funds should be in line with addressing a global issue, ideally with a link to the broader concerns over migration/movement of people.

Whereas Arton sets up GCF, Henley & Partners founded the Investment Migration Council (IMC), a “worldwide association for investor immigration and citizenship-by-investment, bringing together the leading stakeholders in the field and giving the industry a voice” (IMC 2019). Included in the leading stakeholders are governments, international organisations, academicians and professional associates. The IMC is also a self-proclaimed ‘change maker’, eager “to improve public understanding of the issues faced by clients and governments in this area and promotes education and high professional standards among its members” (ibid).

With the CBI, the category of ‘investment migration’ gains a new level of meaning and legitimacy. The language adopted by the supply side clearly frames the world as a market – a global market – in need of a reformation of the citizen, because this frame determines the actions of the individual subject towards a sort of ‘global citizen’ identity, which has nothing to do with an egalitarian approach to a universal utopia, but with corporate principle, instead (O’Byrne in Abrahamian 2015, 157).

5.1.2 Demand Side Key Signifiers

The empirical material that serves to analyse the demand side constitutes of articles from the mass media and reports from supposedly impartial international bodies such as the Migration Policy Institute, and the International Monetary Fund (IMF).

First of all, the master signifier ‘immigrant’ is combined with the sign ‘investor’, creating a new meaning in the chains of equivalence and bringing a new aspect to the immigrant discourse. Alike the master signifier ‘citizen’, the ‘immigrant’ is charged with its own discourses, associations and meanings. According to the Migration Policy Institute, “[i]mmigrant investors typically come from emerging economies or from countries experiencing ongoing political or economic instability” (Sumption & Hooper 2014, 4). In this particular report, the immigrant investor refers to not only the group of CBI clients, but also RBI clients and are of a variety of backgrounds. Investors from China are “dominating programs in the United States, Canada, Australia, and European locations like Portugal”, while Russians, “former Soviet Union nationals (predominantly from Russia) received approximately 95 per-cent of Latvia’s immigrant investor permits between mid-2010 and mid-2013” (ibid, 4/5). The report furthermore suggests that residence and citizenship planning firms identify “tumultuous political events like the Arab Spring” to have affected the “strong demand from wealthy individuals in North Africa and the Middle East” (ibid, 5). The latter is exemplified by a BBC story about a family who “escaped war-torn Yemen on a United Nations evacuation flight” and are now Maltese citizens on the grounds of the CBI scheme (Tulett 2017). This presents as a legal escape route for wealthy individuals fleeing forms of persecution and/or war. It is a sort of ‘high-end’ smuggling business. An IMF Working Paper has also observed that “a combination of growing wealth in emerging markets and an increase in global uncertainties and security issues” have contributed to the growing CBI market (Xu et al. 2015, 5). Xu et al. have identified three main points driving the demand. Firstly, the group of UHNWI “outside industrial countries” are seeking for “easier travel in the face of growing travel restrictions and encumbrances for nationals of non- advanced countries post 2001 World Trade Center attacks” (ibid). Secondly, this group demands “a safe haven in the context of a deteriorating geo-political climate and increased security concerns” (ibid, 5/6). Lastly, they mention “other considerations, like estate/tax planning” (ibid, 6).

The Migration Policy Institute have made very similar observations in their report and summarised their key findings into four categories (Sumption & Hooper 2014, 5): 1) Traditional immigration, becoming a citizen of popular destinations will ease immigration process

for the entire family. “Educating their children in these countries without paying international student fees can also be a motivation for investors”. 2) Insurance policy, equivalent to the second point about ‘safe haven’. 3) Visa-free travel, also similar to above’s first point, however Sumption and Hooper make an emphasis of business people traveling. 4) Lower taxes, “Wealthy investors who establish residence in a low-tax country such as Singapore or St. Kitts and Nevis may be able to reduce their tax bills”. All of the above “motivations are not mutually exclusive” and some investors may make multiple applications simultaneously, “for example to improve access to visa-free travel in the short term while working toward citizenship in a traditional destination where they intend to settle permanently” (ibid). Some states require an applicant “to demonstrate their business expertise” (ibid), since they are ‘investors’ in the first place. However, “in most cases this is not required” as these programmes aim to attract greater numbers of clients (ibid).

Scherrer and Thirion conjointly stress that “tax-related incentives” are a driving factor for CBI/RBI demand (2018, 5/6). “Citizens from advanced countries represent an important share of applicants to some citizenship programs, generally motivated by lower tax regimes” (Xu et al. 2015, 6). Various countries, among them many small states, “have historically acted as tax havens” (ibid). Offering low or zero tax rates on personal and corporate income and marketing bank secrecy without restrictions on financial transactions, some ECPs [Economic Citizenship Programmes] have attempted to attract fiscally potent clients seeking global tax planning (ibid). Such habits are not only practised in the Caribbean, but also in several EU members offering more favourable tax treatment to resident firms and individuals (ibid). The Organisation for Economic Co-operation and Development (OECD) and the G20 have increasingly scrutinised places considered tax havens and demand them to “share tax and banking information to combat international tax avoidance, money laundering, and the financing of terrorism” (ibid). These citizenship schemes do not provide an escape from common financial reporting standards per se, however they do “enable false statements to be made on residency and can thereby undermine due diligence procedures”, obscuring tax transparency (Scherrer & Thirion 2018, 6). However, a growing number of advanced countries have adopted anti-avoidance provisions “in their tax legislation and enact financial transparency laws”, in order to make using such schemes as tax evasion more difficult (Xu et al. 2015, 6/7). These provisions resemble the US Foreign Account Tax Compliance Act (FATCA), whereby US citizens are obliged to pay taxes to the US state, regardless of residency (ibid, 7).

Taking into account the above-mentioned aspects, in particular difficulties and risks, security increasingly becomes an important factor, or in Laclau and Mouffe’s terms, ‘signifier’ on either side as well for the client as for the state granting the citizenship. “[S]ecurity has become a

master frame for public debates about asylum, especially in Europe” and in addition to that “[m]any Europeans are opposed to granting asylum because they view it as a backdoor immigration policy and do not want to be settler societies” (FitzGerald 2019, 13). If the asylum system represents a backdoor immigration policy, then what can be said about CBI as an immigration policy? It is instead framed as a strategy. The requirement to check whether or not the funds for CBI were obtained legally, deterred investors and as a consequence that condition was removed by consulting firms (Christians 2017, 13). The latter only justifies that CBI is a backdoor immigration policy, and “unless safeguards are put in place, the risk is significant that the dishonest will find it easier than the honest to migrate to the countries of their choice” (ibid).

The more there are international consulting firms promoting the CBI, the more demand there seems to be (Xu et al. 2015, 7). Individuals are gaining more and more awareness that obtaining a second passport or a residency visa can be done through a market. “These firms hold frequent conferences around the world providing a forum for discussion among interested clients and intermediaries” and “offer comparative analysis on the relative merits of various programs, providing a rating system” (ibid). The firms are not only consultants of the client, but are also advisors to the ECP countries in regards to the design and administration of the schemes (ibid). The IMC is one of the platforms that aim to increase demand “and facilitate further growth and expansion of this industry” (ibid).

Both the Migration Policy Institute and the IMF agree that accurate statistics are scarce and that they have to rely on press reports and trend observations to further gain understanding of the push-pull factors (Sumption & Hooper 2014; Xu et al. 2015). On the demand side, there is less talk of the ‘global citizen’ but more focus of the ‘immigrant investor’ who seeks to avoid tax obligations. All reports, papers and articles used in this thesis mention tax at least once as a factor of demand. The consulting firms who provide financial and legal services do not explicitly advertise “state tax evasion as a goal, but many advertise investor residence and citizenship programs as means to achieve legal tax avoidance via a change in tax residence” (Christians 2017, 12). To the demand side it is promoted as “achieving privacy and ‘asset protection’ goals” (ibid).

5.2 Discursive Struggle

Towards the end of the 19th century, the years preceding the First World War, Eric Hobsbawm observed the processes of collective identity and found that “people’s sense of belonging to nation states was growing and the division of the world along national lines seemed increasingly natural” (Hobsbawm 1990 in Jørgensen & Phillips 2002, 47). That is what seems to have become the objective, the uncontested, sedimented discourse of today – the nation state system accepted as the only ‘natural’ way to organise humanity. Simultaneous to the heightened sense of national identity, individuals increasingly identified as ‘workers’ (ibid) - productive subjects. This identification forms a new group signifying “another understanding of the world – one constituted by ‘workers’ in contrast to ‘capitalists’ across national borders” (ibid). At first, the two different identities are not in conflict, since the subject can occupy various subject positions at one time, whereby one does not necessarily need to exclude the other. However, in the period leading up to the First World War, an antagonism arose: “Advocates of people as nations competed for the people’s favour with advocates representing people as classes, and, finally, the national articulation prevailed” (ibid). Hobsbawm claims that a war between nation states would not have erupted “if the group formation principles of the class struggle had been established as objectively true” (ibid). Hobsbawm’s analysis serves to show that the discursive struggle on articulations of the individual as a subject of state and/or of class far antedates the CBI discourse. One could say that the group formation of the UHNWI and the emergence of the CBI implies that the antagonism has never been resolved, but has over time progressed into new modulations.

With the idea of ‘social exclusion’ evolved the notion that “discourse of citizenship” was opposed “to that of the free market” and that the poor were increasingly ostracized from having citizenship rights or even “citizenship itself” (Levitas 1996, 7). Levitas pursued Marshall’s line of thought when discussing the origins of popularity of the term social exclusion, “like the ‘outcast poverty’ version of the ‘underclass’”, the term derived “from a concern with inequality, even if it always contained a tendency to present an overly homogeneous view of the situation of those included in society” (ibid). However, Levitas claims that the term “has been co-opted into a different discourse, with different purposes and different effects”, which “obscures the questions of material inequality it was originally intended to illuminate” (ibid). Similarly, citizenship, which has also been pulled into different discourses, is now again being put into question in relation to material inequality within the CBI discourse. Social exclusion hence “presents ‘society’ as experiencing a rising standard of living by defining those who have not done so, who have become poorer, as ‘excluded from’ society, as ‘outside’ it” (ibid).

There seems to be a “gulf between democratic principles and oligarchic realities” (Balibar 2015, 42). There are various mechanisms in which the characters of class have had an effect on the constitutions of citizenship, hence it is redundant “to embark on a lengthy justification of the idea that class struggle has played a vital democratic role in the history of modern national citizenship” (ibid). Struggles of and organised by the working class, in all its historical modulations – may it be “reformist”, or “revolutionary” - have activated the bourgeois society to identify and define certain fundamental social rights (ibid). The development of industrial capitalism made the establishment of the latter “more urgent and more difficult and which contributed at the same time to the birth of a ‘social citizenship’” (ibid, 43). Class struggles bring about “individual engagement and collective movements” and are in “a direct relationship with” equaliberty (ibid). Furthermore, the combination of individual engagement and collective movements is at the core of the idea of insurrection (ibid):

It is a characteristic trait of modern citizenship, whose value is inextricably both ethical and political, that the rights of citizens are carried by individual subjects but conquered through social movements that are able to invent, in each circumstance, the appropriate forms and languages of solidarity. Reciprocally, it is essentially through collective action aiming to conquer or extend rights that the "subjectivization" that autonomizes the individual and grants her a true "power to act" comes.

The growing community of investment migration, as exemplified by the mushrooming of residence and citizenship planning firms and the establishment of organisations such as the IMC, make possible the new “subjectivization” of citizenship. Although from a class perspective, this does not arise out of a class struggle from below, since in class terms the UHNWI would form the modern bourgeois society. Leaving aside the ‘tax evasion’ aspect for a moment, many UHNWI seek freedom of mobility, meaning that the demand comes from individuals with restrictive passports. The struggle represented here then, is that of ‘passport power’. The CBI can be interpreted as an insurrection, an attempt to resist the predetermined modern passport system. As Balibar puts it, “resistance and protest against the forms of determined domination or oppression always involve the emergence or construction of counter-communities with their own modalities of exclusion and internal hierarchies” (ibid, 44). The investment migration can be seen as a counter-community, whereby financial capital is the modality of exclusion, overriding passport hierarchies with concepts of class. This draws attention to the temporality of insurrectional moments, whereby citizenship takes on these different forms depending on the prevailing struggle, thus “there is no such thing as an "absolutely universal" emancipatory universality that could escape the limitations of its object” (ibid). It is the internal contradictions within emancipatory politics that demand equaliberty in “even the most democratic constitutions, which contributes, at the very least passively, to the possibility of their ‘de-democratization’” (Balibar 2015, 44).

It seems as though a recurring theme across migrant discourses are security and affordability issues, whether they represent a liability (forced migration) or an opportunity (investment migration). More often than not, refugees are linked to being a “fiscal burden” (Hansen 2018). The CBI discourse exposes preexisting inequalities of power, and only because of these imbalances can CBI exist; herein lies the discursivity. There has always been a discursive struggle between the master signifier ‘citizen’ and the sign ‘class’, yet as the international passport system seems to uphold class inequality – as supported by the quantitative analysis – and as it becomes the ‘objective’, sedimented discourse, the CBI gets to exist as the contestant of the uncontested. CBI emerged as a new modulation in the discursive struggle between class and citizenship.

Inequality is a structural phenomenon that is constantly reproduced and extended (Smith 2012, 12). “Meanwhile, there is every sign that inequality in the distribution of wealth in Western societies is increasing on a massive scale” (ibid, 16). According to Smith, neo-conservatives consider the expansion of the capitalist “free” market to be the equivalent of “freedom, equality and democracy” (ibid, 18). However, in fact capitalist formations, such as the CBI, “depend on exploitation and coercion, foster inequality, and either neutralize democracy or tolerate fundamentally anti-democratic conditions” (ibid). Laclau and Mouffe conceptualise “the radicalization of democratic discourse” (1985 in Smith 2012, 26) whereby different struggles, “including capitalist exploitation, sexism, homophobia and racism” should construct a form of solidarity in the fight against the structures of institutionalised inequality” (Smith 2012, 32). Similar to Balibar’s temporal insurrectional moments, Laclau and Mouffe elaborate upon “democratic pluralist forms of unification” that induce “progressive movements” (ibid, 26). These movements then “would renegotiate its identity by incorporating the others’ demands, and by forging temporary blocs according to the tactical conditions at hand” (ibid). The discursive conditions that enabled the distinction of “different forms of inequality as illegitimate and antinatural, and thus make them equivalent as forms of oppression” was firstly symbolised by the Declaration of the Rights of Man (Laclau and Mouffe 1985 in ibid, 9). In this sense, in order to achieve social change, ‘inequality’ would need to be reframed as ‘oppression’, and in the CBI discourse, passports are abundantly associated with the signifier ‘power’, not only as a well-sounding alliteration for marketing purposes (see for example Arton 2019). However, who gets to decide what constitutes just/legitimate and unjust/illegitimate imbalances of power? This is a deeply philosophical question going beyond the scope of this thesis and so, cannot be answered here. The point is that the CBI can be argued to neither be just nor unjust, it simply represents a site of power, where a “capitalist world-economy needs the states, needs the inter-state system, and needs the periodic appearance of hegemonic powers” (Wallerstein 2004, 59). As Wallerstein simply but accurately describes it (ibid):

The priority remains always the endless accumulation of capital, and this is best achieved by an ever-shifting set of political and cultural dominances within which capitalist firms maneuver, obtaining their support from the states but seeking to escape their dominance.

5.3 Summary

The CBI in a global discourse creates new identities, such as those of the UHNWI and the investor immigrant. The suppliers of the CBI frame the world as a place for wealth accumulation. Being the owner of different citizenships – being a global citizen – allows for the highest freedom of mobility and wealth security. The demand side is less concerned with the symbolism of the global citizen but is more attracted to the tax evasion aspect. Furthermore, the CBI challenges normative ideas of citizenship, by contesting the ‘objective’, sedimented discourse of the international passport system, while simultaneously reproducing the discursive struggle between citizenship and class, and exacerbating inequalities.

6 CBI in the EU Context

If CBI in the global context is questionable, then it will become even more complex in the EU region. Not all Member States are offering such programmes, however all Member States will inevitably be affected. The intricacies of a CBI in the European region will be the focus of this chapter.

CBI schemes carry various risks, as discussed in previous sections, and for the EU it additionally “includes a devaluation of EU citizenship”, whereby fundamental values are being undermined (Scherrer & Thirion 2018, 5). The increase of businesses or rather consulting firms that specialise in ‘residence and citizenship planning’ and promote “the benefits of a second passport or alternative residence worldwide” is proof that the market of both CBI and RBI is expanding (ibid). Even though EU citizenship is favourable in the first two of the seven pillars of the CBI index (1. freedom of movement; 2. standard of living), the overall results of that report show Dominica to be the ‘best option’ (CBI Index 2018, 24). The access to a Dominica citizenship involves lower fees and a speedy process. This means that there are higher barriers to entry when it comes to an EU citizenship, which carry more ‘power’. The following section takes a closer look into EU citizenship and may provide an explanation to its higher market value.

Citizenship legislation in the EU have been progressively modifying since the 1960s, which admitted greater tolerance towards dual (or multiple) citizenship, and membership recognition based on descent (*ius sanguinis*), and based on birth in the immigration country (*ius soli*) (Faist et al. 2016, 4). The stipulation of citizenship laws certainly varies from one Member State to another, yet what they do have in common is the freedom of movement which allows any EU citizen to travel, work and/or reside in any Member State. Furthermore, the Treaty of Amsterdam and the Lisbon Treaty has expanded the “array of rights attached to EU citizenship” to incorporate “diplomatic protection, linguistic rights, and rights of direct representation in the municipal and European parliament elections” (Džankić 2015, 1). The latter, and the fact that EU passports can access over 100 countries without a visa (precise number varies between Member States, see Arton 2019) give reason for Member States, who are offering CBI schemes, to score well on the factor ‘freedom of movement’. The EU has allowed for the emergence of what Faist et al. call “new mobile cosmopolitans”, a group of mainly high-skilled young urban populations oscillating within EU territory (2016, 9). Since 2011, non-EU high-skilled professionals may as well move about within EU borders by acquiring temporary mobility through an EU Blue Card,

“which grants its holders the right to work and live in an EU member country, provided that certain conditions related to the job and the income are met” (Faist et al. 2016, 9).

Faist et al. discuss that migrants originating from relatively rich countries are less likely to naturalise because “their migration intentions are often temporary and circular” (ibid). Additionally, there is the occurrence of “several partially overlapping, partially competing, governance structures with diverging membership criteria existing within a single territory” (ibid, 10). The authors refer to the various non-citizen residents that enjoy voting rights in certain municipal elections in Europe and debate the antagonistic relation of this disaggregation: On one hand it performs as a sign of de-democratisation in favour of “transnational capital, labour and consumerism” (ibid), on the other hand, such disaggregation may be a sign of “pluralist cosmopolitan federalism” as the German philosopher Immanuel Kant promoted (Benhabib 2004 in ibid). Post-nationalists view human rights to be equal to citizen’s rights because “liberal democratic states have increasingly come to respect the human rights of persons, irrespective of their citizenship” (Soysal 1994 in Faist et al. 2016, 12). The term ‘denizenship’ (Hammer 1990) has emerged to describe the latter (Faist et al. 2016, 12). Certain groups, i.e. immigrants with permanent residence status, are granted an array of civil and social rights without being a formal citizen of the country they reside in. As a result, supra-state institutions, such as the European Court of Justice, guard the common rights of all EU residents regardless of citizenship. This contends the normative course of national state citizenship and diminishes the differential gap between citizen and denizen in Member States (ibid).

The human rights discourse confounds the boundaries of race, ethnicity and religions, “that stigmatizes group-level exclusion, but sanctions individual-level exclusion based on language, culture and human capital” (Faist et al. 2016, 15). Liberal nations states can legitimately demand from immigrants, loyalty towards their internal norms and universalistic rules, and support for their outside autonomy. It may seem to be a liberalisation of citizenship law at first, yet a closer look at how nation states implement these universalistic rules indicates another. For example, they market human capital on the upper level of the social status and discriminate immigrants at the lower end. This inconsistency eventually becomes the universalistic norm paradoxically generating identity on the one hand and discrimination on the other (ibid).

Bellamy suggests that EU citizenship creates a “kind of post-national cosmopolitan citizenship grounded in the moral entitlements we have as human beings and the obligations we owe each other to secure them in an increasingly interconnected world”, which is supported by many scholars and policy makers attempting to diverge from the nation state “as a model for the EU

and see Union citizenship as an opportunity to go beyond the traditional values of citizenship as found in the member states” (2008, 597). Nevertheless, rights are still tied to states (ibid, 598):

Formally, at least, the relevant Treaty articles and residence directives do not confer an unlimited right to reside in that state but are linked to the EU citizen having either independent resources or participating in the economic life of the host state, thereby avoiding becoming a burden on its services.

Effectively, union citizenship restores the interdependence of belonging, rights, and participation within member states instead of transcending them (ibid). However, they do transcend the monopoly of legitimate means of movement. The freedom of movement, which allows for easier migratory processes, actually convolutes any sense of state belonging, and in addition to that, challenges a state’s capability to deliver public goods which are essential to a citizen’s rights (ibid, 600). This calls for a reassessment of existing participatory actions which need to encompass greater cultural and social diversity, hence the EU project is often examined as an attempt to “overcoming the resulting shortcomings of state-centered citizenship” (ibid). The efficacy of the EU project is under continuous scrutiny; however, it clearly underlines the shift towards the disassociation of citizenship from national identity, making an EU citizenship even more attractive and fitting to the CBI narrative. States need to adjust to socioeconomic changes produced by globalisation and “enter into cooperative arrangements to control their interactions in ever more spheres, especially with regard to the economy and security” (ibid, 602). To an extent, these arrangements may “have weakened their [the states’] sovereignty”, regardless of the fact that they volunteered to enter the agreements (ibid). The CBI programmes can be viewed as such an arrangement.

A study undertaken by the European Parliamentary Research Service, suggests that the CBI delivers positive short-term effects on an economic level, meaning the financial contribution made to the states (Scherrer & Thirion 2018, 6). To what extent these contributions actually stimulate job creation or have an effect on further tax revenue is still undetermined (ibid). Furthermore, Member States that allow schemes to function based on real-estate acquisition may encounter “high demand pressures leading to an increase in property prices. At a social level, increased property prices can make access to housing more difficult for low-level income sections of the population” (ibid). A further impact on the social level concerns the security and justice for EU citizens (ibid):

As policies related to visa-waivers and visa-free travel agreements between countries mainly rely on the assumption that their citizens are safe to admit, poorly conceived CBI/RBI schemes in terms of security checks and deemed as 'risky' could jeopardise these agreements. Besides, allowing the richest TCNs to obtain fast-track citizenship or residency can rightly be perceived as discriminatory in nature.

The political level is attacked in the sense that “the integrity of the CBI/RBI schemes can harm confidence in institutions, and a possible additional erosion of mutual trust between Member States”, and affects the notion of citizenship itself (ibid). The fact that, thus far there is a lack of concrete data for a cost-benefit analysis of such schemes, makes it difficult to conceive and administer a long-term policy (ibid).

Malta is the only government in the EU with “disaggregated data available, allowing for comparison with the total number of granted citizenships” (ibid, 18): During the period of 2014 to 2016, 947 citizenships were obtained via the CBI scheme, while 1 508 through miscellaneous routes; meaning that “more than 38 % of all naturalisations in Malta” were due to CBI scheme. Cyprus’ available data only allows for an estimation “that more than 10 % of new Cyprus citizens acquired their nationality through a CBI scheme” in the period between 2008 and 2017 (ibid). Bulgaria seems to have only had 16 naturalisations via “the CBI scheme during a ten-year period” (ibid). The data becomes even more obscure when it comes to the multitude of RBI schemes, yet what is available indicates that Latvia grants 40% and Portugal 9 % of their residence permits by the agency of their respective RBI schemes (ibid).

Member States have the sole authority to grant membership, yet any individual holding citizenship of any Member State “can claim benefits from the rights attached to EU citizenship”, creating “a paradoxical iterative relationship between national and EU citizenship, whereby one citizenship regime has the potential to distort the other” (Džankić 2015, 1). In a way, these additional rights on top of national citizenship, “activated through mobility in the EU, create an opportunity structure”, a selling point used by states and their acting agency to exchange citizenship for investment (ibid). The EU project set up is already constantly challenging the citizenship notion of rights and duties, thus turning citizenship into a commodity adds an extra layer of intricacies. The CBI has the potential to “corrupt not only the symbolic and democratic values underpinning European citizenship, but also the rights and duties stemming from it” (ibid, 3). When Member States choose to commodify their citizenship it “indirectly affects the supranational political membership good that is shared by other countries, which may resist such commodification” (Shachar in Shachar & Bauböck 2014, 6). However, in fact, it is a direct effect, since the possession of a national passport of a Member State automatically entails the array of EU rights including the freedom of movement. This raises questions about whether or not one Member State needs to justify their “selective admission and naturalisation policies” to another that is not putting up their citizenship on sale, or to the Commission of the European Union, or “[t]o would-be entrants who might have had a shot at admission through standard migration streams (family, employment, and humanitarian) but who are priced out of the advantage given to those who can

afford a ‘golden passport’” (ibid). Furthermore, how is it, that the civic integration processes required in common routes of naturalisation, such as citizenship tests to prove “knowledge or familiarity with the political structures, main civic institutions, history or language of the country”, do not apply to the UHNWI who naturalise through CBI (ibid)? CBI opposes “the very recent efforts of states to re-substantiate citizenship through tests and integration requirements” (Barbulescu 2014, 15). Creating fast-track route around these requirements for the UHNWI, draws attention to “doubts of the credentials of the previous citizenship reforms” (ibid). This could lead to the demand for justification of why states employ civic knowledge and other integration requirements and for “proof that they are something more than a filter to make immigration more selective” (ibid).

6.1. European Parliament Debate on CBI

When the Maltese government introduced a new legislative initiative – the IIP – amending its Citizenship Act in 2013, it ignited a debate upon what it means to be “Maltese” among Maltese society and set off a Parliament debate at EU level in January 2014 (Tulett 2017; Scherrer & Thirion 2018). Initially, “the programme offered citizenship to TCNs in exchange for €650 000”, however after numerous debates and objections it was rectified with a higher total investment amounting to €1.15 million and a limit of 1 800 applications (Scherrer & Thirion 2018, 20). The CBI programme in Malta and programmes alike continue to run, despite the “strong criticism, in particular in relation to the general principle of fairness and discrimination, the EU principle of sincere cooperation and the lawfulness of these schemes as regards the criteria of a ‘genuine link’ ” (ibid). In regards to the principles of fairness and discrimination, it is clear that the CBI prioritises the UHNWI, providing “access to citizenship solely on grounds of financial abilities, through quicker and easier procedures than traditional immigration routes” (ibid). Even though “the general tendency in the EU and worldwide is to tighten immigration laws and regulate mobility for TCNs more strongly” (ibid), TCNs ‘get a pass’ if they are part of the group of UHNWI. In the EU context CBI/RBI schemes “have been particularly condemned” in relation to the “refugee crisis” (ibid, 21). This juxtaposition is often employed to criticise such programmes and “[i]t has been pointed out that some EU Member States that demonstrate considerable interest in integrating immigrant investors into their territory are not similarly open to refugees” (ibid). Repeatedly, an affordability issue is implied, meaning investors are seen as contributors, whereas refugees are seen as a “fiscal burden” (Hansen 2018), hence not welcome.

The EU principle of sincere cooperation determines “that the Union and the Member States shall, in full mutual respect, assist each other in carrying out tasks that flow from the Treaties” (Scherrer & Thirion 2018, 22). Member States shall not “jeopardise the attainment of the Union's objectives”, but rather assist the progress of the Union’s tasks (ibid). Hence, those states that offer CBI programmes are prone to be “ 'free-riders' that benefit from the attractiveness of life elsewhere in the Union and the substance of citizenship of the Union” (ibid, 23). They use EU citizenship enhancements as a marketing strategy to attract investors and hereby they can be accused of weakening “the coherence and the integrity of the EU internal market” (ibid). The latter is especially relevant with regard to money laundering and tax transparency issues (ibid). The Commission’s EU citizenship report emphasises the need to respect the principle of sincere cooperation, as when nationality is granted or removed, it automatically grants or removes EU citizenship (ibid).

The 1955 Nottebohm decision in the International Court of Justice established the 'genuine link' criteria (ibid), which declared that a citizen must build a “meaningful connection to the state” (ibid, 25). The Parliament’s resolution on the CBI debate also repeatedly used these criteria as a mandate (ibid). Residence can be taken as one of the factors to verify “the relationship between a person and the country granting citizenship” (ibid, 24). In addition to that civic tests such as that of language and culture are common prerequisites for TCNs when wanting to obtain EU citizenship (ibid). The lack of conditions to sustain the genuine link criteria was the main argument that initiated the amendment of the MIIP to include a residency requirement (ibid). This is a requirement that can easily be complied by the client, with or without actually ‘being’ in the country. Nevertheless, the use of the genuine link criteria, as making “real connections” to the country, “may paradoxically fuel nationalistic misuses by Member States [...] as a way to justify restrictive integration policies on the acquisition of nationality” (ibid, 25).

As made abundantly clear throughout this thesis the main concerns regarding the CBI are tax evasion and general transparency issues, money laundering, and security, which all together constitute substantial parts of the push-pull factors of a CBI. The EU Commission’s list of concerns is no different (*BBC News* 2019). These four signifiers, being ‘tax’, ‘transparency’, ‘money laundering’, and ‘security’, appear reiteratively in CBI debates, it seems even more frequently than the concern of the erosion of a democratic entity. In fact, the mass media is primarily concerned with ‘practical’ issues, while research papers question the affect CBI might have on the notion of citizenship itself, as a constituent of a democratic society. Certainly, the European Parliament (EP) is invested in both the practical and theoretical matters which they address in their resolution of the EU citizenship for sale debate (EP resolution 2013/2995(RSP)): subpoint M.1. of the resolution

states that “the direct or indirect outright sale of citizenship, undermines the very concept of European citizenship”, approaching the topic on an institutional level. From the point of view of actual practices subpoint M.2. “Emphasises that access to funds should not be the main criterion in conferring EU citizenship on third-country nationals; calls on the Member States to take account of fraud-related criminal concerns such as money laundering”. At the same time, M.6 indicates that the EP “[a]cknowledges that matters of residency and citizenship are the competence of the Member States; calls on the Member States, nevertheless, to be careful when exercising their competences in this area and to take possible side-effects into account”. On the one hand the EP condemns CBI, but on the other it cannot legally prohibit the selling, due to the fact that each Member State holds the authority over their citizenship laws, exposing an antagonism in not only EU citizenship discourse but the EU discourse itself.

The concept of ‘the order of discourse’ emerges out of “Laclau and Mouffe’s distinction between the objective and the political” (Jørgensen &Phillips 2002, 57). It designates the continuation of a group of discourses within “the same social terrain – both in conflict and in concordance with one another” and supports “further analysis of the conditions of possibility for permanence and change (ibid). The CBI debate in the EU parliament caused by the launch of Malta’s IIP can be understood as an order of discourse in empirical research “aiming to reveal the objects of struggle on the one hand and the aspects that are commonly accepted on the other” (ibid). The EU debate adjure Member States “to recognise and live up to the responsibilities they hold in safeguarding the values and objectives of the Union” (M.2. in EP resolution 2013/2995(RSP)); and “[r]eiterates that Article 4(3) of the Treaty on European Union enshrines the principle of ‘sincere cooperation’ between the Union and the Member States, which are, in full mutual respect, to assist each other in carrying out the tasks which flow from the Treaties” (M. 4. in EP resolution 2013/2995(RSP)). However, there are contrasting views as to what these values and objectives are, and what sincere cooperation means, leading to a recursive struggle between discourses to form a ‘European identity’ (Jørgensen &Phillips 2002, 57):

This is because there is an open conflict about European identity, making such an identity a realistic possibility, whereas there is an (almost) uncontested, tacit consensus about the existence of national identity, making it improbable that it should suddenly disappear as a relevant category for identification.

However, there is no certainty that a European identity will surface, or that the nation state stays the mains source of identification (ibid). The variety of possibilities, or chains of equivalence, is what constitutes the contingency (ibid). At this instance, “the question of national identity belongs to the domain of objectivity – national identity is taken for granted as natural and is

therefore not questioned” (ibid), and by extension so is the modern passport system. On the contrary, “the question of European identity belongs to the domain of the political (to use Laclau and Mouffe’s definition of politics): it is something that is explicitly discussed and fought over”, and perhaps, more recently, it is becoming increasingly denied, challenges and re-appropriated for different purposes. The CBI also belongs to the domain of the politics, it is controversial and being publicly debated, “consequently it is easier to imagine how it could be changed” (Jørgensen & Phillips 2002, 57).

Ultimately, the CBI, whether within EU borders or in a global sphere, is only available to a select few: the individuals who have accumulated a substantial amount of wealth and thus seem to gain unfettered access to the entire global market. With the CBI they have also received the option of exiting – paying their way out of – a nation, may it be out of economic and/or political choices. The few who possess the capital have managed to manipulate certain governments to favour the needs of the few. Balibar points out Brown’s concept of de-democratisation, whereby neo-liberalism “defies ‘traditional’ definitions of the political” and “transcends both ‘class politics’ and ‘liberalism’” (2015, 104). It is not about having the government or the political retreat from free markets, but rather “about redefining both its ‘subjective’ side and its ‘objective’ side” (ibid). The latter applies for CBI, where capitalistic ambitions are integrated within the legal framework of an existing political community, and which further perpetuates “the problem of adapting subjects to capitalism, of adjusting individual behavior to the ‘politics of capital’” (ibid, 105). “[T]he development of internal contradictions of social citizenship”, in combination with the “deterioration of the power struggle between socialism and its adversaries” envisions “political regimes that are not only moderately democratic or anti-democratic, but in fact a-democratic” (ibid, 106). Meaning that the values that are innate to the “demands for universalizable rights”, also collectively called equaliberty, ceases to “play any role in their functioning or their development” (ibid). Where there is a market, reproducing inequalities, there is no equaliberty, and by that the CBI fills an a-democratic symbol, representing the “negative individualism” (Castel 2009 in Balibar 2015, 46) driven by neoliberal rhetoric.

6.2 Summary

The paradoxical relationship between the national and EU citizenship, results in the CBI directly affecting not only the country offering it, but all other Member States as well. Even though the general tendency is to restrict immigration policies for TCNs, the CBI becomes a backdoor for TCNs who are wealthy enough to afford it. Perhaps, it is precisely the restrictive nature of the CBI

that makes it more tolerable and less publicly debated than the issues of asylum seeking. From an economics perspective, there is insufficient concrete data for a cost-benefit analysis of CBI schemes in order to determine long-term policies, however from a political perspective, it is clear that the CBI has the potential to pollute the symbolic and democratic values of European citizenship.

7 Conclusion

CBI schemes are built on preexisting inequalities between nation states. Hence, they do not create or alleviate global disparity, but they certainly reproduce it and even aggravate it. The discursive struggle between the master signifier 'citizen' and the sign 'class' has always existed. However, as the passport system has increasingly become the sedimented discourse – undisputed and 'objective' – the emergence of CBI reignites the debates over citizenship and class, and thus, the CBI gets to exist as the contestant of the uncontested.

States are “undermining the very imaginings on which they were built, most explicitly by endorsing the sale of citizenship for short-term profit” (Abrahamian 2015, 157). In this context Barbulescu’s rhetorically questions: “If all countries were equal in living conditions would the scheme be objectionable?” (Barbulescu 2014, 15). The answer is probably no, meaning that the source of injustice is not the immigration policy at hand, but global inequality itself (ibid). In a policy perspective, will sovereign nations be able to reformulate the notions of citizenship according “to the way we live now, or ought they try to shore up the twentieth-century nationalism that proved successful in both redistributing resources and starting wars?” (Abrahamian 2015, 158) This question implies that the topic of this thesis goes down to the deep-rooted issue of nation states per se, how far 'national identity' as fixed in these states is 'naturally' granted, and even beyond, how far nation states have the 'natural right' to decide about an individual's identity; where are borderlines of national identity and nation state's authority, and can such borderlines be drawn towards global citizenship? To answer these questions, we would have to go far beyond the scope of this thesis. So, the question within its scope remains:

Will countries keep competing to host the best, brightest, and richest “global citizens” by coaxing them over with tax breaks and passports, or will they start paying attention to those who need help in their own back yards? Will borders open up and let more people through, or will states close their doors and admit only a select few based on their wealth, status, and qualifications? (Abrahamian 2015, 158)

Only a limited group of individuals have the possibility of owning 'global citizenship' through their financial power to be disconnected from a single state and to choose which state they want to belong to. This concept of global citizenship “can be used and abused in contexts that have nothing to do with citizenship” (O'Byrne in Abrahamian 2015, 157). Moreover, it is “becoming a postmodern free-floating signifier unattached to any meaning. It becomes emptied of the concepts Garry Davis struggled to push. And this corporate hijacking of the term is a very real danger (ibid). This group of wealthy individuals have managed to overcome the state's monopoly, or rather used

the state's monopoly to their advantage. The reality proves Wallerstein's statement that the priority always lies in the "endless accumulation of capital" (Wallerstein 2004, 59), which holds true for governments seeking financially powerful human capital as well as individual and corporate capitalists who obtain support by these states on the one hand and manage to escape their dominance, on the other. In the end, following Foucault's logic, governments have to decide whether they choose to put their citizenship on sale and expose themselves to the site of verification-falsification, acting according to the rules of the market or whether they should open up their borders – of course under certain controlled conditions – but under the principle of and for global equality. However, as Marshall points out equality is not an economic concept, it is a social one. Thus, the CBI rather resembles Ruhs' (2013) claims about a trade-off between openness and migrant rights, at which the CBI represents full rights and complete membership, with extremely high (financial) barriers to entry, and thus limiting the openness. *The Price of Rights*, to borrow Ruhs' title, does not only mean the increased exclusion of other potential migrants in exchange for more inclusive migrant rights, but in the case of CBI also means an actual price tagging of rights.

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9 Appendix

Scatter Plots Passport Power and Wealth (2006 – 2017, GDP in USD)

