INVESTOR VISAS IN OECD COUNTRIES

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Jean-Christophe Dumont
Head of International Migration Division
Directorate for Employment Labour and Social Affairs
OECD
Entrepreneurs and investors programmes in the OECD …

Many existing programmes for entrepreneurs / self-employed
Most new programmes focus on investors and set capital / job creation thresholds
• **New Zealand**: "investor" and "investor +" since 1999 (rev 2009)
• **Spain**: since September 2013
• **United States**: "immigrant entrepreneur" visa EB5 since 1990 and "E2 treaty investor visa" since 1952
• **Australia**: "investor" and "significant investor" (subclass 188) since 2012
• **Netherlands**: since 2013
• **Greece**: "investor", "strategic investor" & "real estate owners" since 2014
• **Korea**: F5, F2 and G1 visas since 2010
• **United Kingdom**: "investor subcategory" since 2009
• **Portugal**: since 2007
• **Ireland**: since 2012
• **France**: "exceptional economic contribution" since 2009
• **Canada**: ended its lump-sum system in 2010

New entrepreneurs programmes have focused on start-ups
• **Chile**: Start-Up Chile (contest for entrepreneurs) since 2010 providing incubator and small capital
• **Canada**: Start-Up Visa programme (since 2014) for entrepreneurs with local supporters
…with quite diverse objectives

- Economic transformation
- Job creation
- Regional development
- Productivity gains
- Links to international markets
- Stimulating housing market
Taxonomy of investors programmes

Donation/
(public debt €,$)

Investment capital

Business,
Employment,
innovation

Property

Ireland, Spain

USA, Netherlands,
Germany, France,
Chile, Canada

Ireland, UK,
Spain, Korea

Ireland, Spain,
Portugal, Greece,
(Latvia)
Recent policy changes

• Early adopters, constant refining
  – Multiple criteria, different grounds (U.K, AUS, CAN, NZ)
  – Larger the investment, fewer the requirements (e.g. < age, < language, < stay and residency duration)
  – Points Based System (e.g. standardised criteria and sorting) and numerical controls
  – Simplifying investment instruments (e.g. improve incentive and take-up)

• Strong focus of recent programmes on the housing market
  – Ireland, Greece, Spain, Portugal

• Few systematic evaluations
  – Focus on process and service (e.g. take-up, connection to local groups)
  – Examining key outcomes (e.g. earnings/taxes, expanded output or improved jobs headcount)
Comparing parameters across countries

- **Financial capital**
  - Investment thresholds and type (active/passive) *

- **Human capital**
  - Age, education, language, business experience

- **Settlement factors**
  - Self-sufficiency, non-entitlement to public services

- **First renewal**
  - Success criteria (lock-in investment type/period)
  - Access to permanent residency and nationality *
Looking at investment thresholds….

Minimum investment (EUR)

Millions

Mexico*  Poland*  Estonia  Switzerland  Greece  Korea  Ireland  Portugal  Spain  Canada  United States  New Zealand  Australia  Germany  U.K  Netherlands  France

10 m
Years to gain permanent residence

Conditional residence

Canada | U.S.A | Germany | Greece | Australia | New Zealand | Ireland | Spain | U.K | Netherlands | France

0 | 2 | 4 | 6 | 8 | 10 | 12 |
What do people with capital elsewhere want?

- **Immigration and investment** are “separate issues each with its own logic”

- **Migrant motives – investment returns, really?**
  - Safe destination/insurance policy
  - Tertiary education systems
  - lifestyle
  - Access to visa-free travel privilege

- **Rational choice: taking the path of least resistance**
  - how do investor and entrepreneur visas compare and overlap?
Key policy questions

- **Public perception** (is the programme bringing value, or giving away/selling or “discounting” residency/citizenship)

- **Selection and monitoring**
  - Are immigration officers qualified to assess plans and monitor their successful implementation?
  - Identifying the type of investment projects representing a potential net gain for the country
  - Setting criteria to select start-up projects

- **Front and rear end policy controls**
  - Due diligence of investment source (resource intensive, capability)
  - Integrity (e.g. preventing use for money laundering)

- **Cost-benefit analysis**
  - Reputational risks (e.g. money laundering)
  - Resource intensity (e.g. dedicated, trained staff, marketing “favoured destination”)
  - Distributional impacts (e.g. housing)
  - Externalities (e.g. impact on neighbours as in free mobility areas)
  - Uptake of visas compared with other streams (e.g. entrepreneurs, direct hires)
Thank you for your attention

For further information:
www.oecd.org/migration
jean-christophe.dumont@oecd.org