

Henley Passport Index and Global Mobility Report



2020

“More than ever before, migration touches all states and people in an era of deepening globalization.”

United Nations

World Migration Report 2018





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by DR. PARAG KHANNA
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With more to come in 2020, last year represented a crucial milestone in the world’s adaptation to migration as a permanent condition of global life. There will always be ebbs and flows, but no longer an on–off switch.

If anything, we must expand our horizons to account for and categorize the growing varieties of migration encompassing the movements of talent, labor, wealth, refugees, and other groups whose behavior reflects shifting realities on the ground.

Migration, as with almost everything else, is a function of supply and demand — and, increasingly, it is accepted that more migration creates more demand, stimulating badly needed economic growth. As the world economy heads into a synchronized slowdown, we must view migration as part of the solution, not the problem.

A growing sense of pragmatism is revealed in the past year’s gradual convergence between East and West on migration issues. In 2019, it was noted that Western politics remained negatively obsessed with migration — both in terms of numbers of migrants and political decision-making over migration— while Asia in particular has been more open and pragmatic.

The present circumstances suggest the emergence of a set of policies and practices being adopted worldwide that take a less politicized and more structured approach to migration, and 2020 may prove decisive in determining whether important countries can shift migration from politics to policy.

As the US nears full employment, there has been a recognition that H1-B visa issuance continues to be an engine of investment and innovation. The reelection of Canada’s liberal government under Justin Trudeau portends a continuation of the country’s massively expanded annual rate of migrant inflows. Whereas Canada’s approach resembles the UK’s Highly Skilled Migrant Programme, the UK itself continues to struggle with Brexit and its impact on migration. It seems likely that the slowing economy and lack of single market access will continue to deter significant new foreign investment and inbound migration. At the same time, the education market has remained resilient as US–China trade and visa tensions and the pound’s devaluation have made UK tuition more affordable for foreigners. There is therefore a consensus that foreign students are critical for the UK economy, and that view is likely to hold.

In continental Europe, the diminished migrant inflows across the Mediterranean have enabled a steadying of politics in core powers such as Germany, while in southern Europe changes in leadership in Greece and Italy have brought about a new focus on essential structural economic reforms rather than the political scapegoating of migrants.

The Arab world and Africa will continue to pose risks emerging from both the economic and environmental arenas. The renewed waves of protests across the region such as in Lebanon and Iraq are a reminder that fundamental governance challenges have yet to be systematically addressed and are potentially just a trigger away from unleashing a new migrant wave.

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2020 may prove decisive in determining whether important countries can shift migration from politics to policy.

Asia remains a dynamic theater and laboratory for international migration. The US–China trade war has accelerated the shift of Western investment out of China towards Southeast Asia, bringing a new wave of foreign talent into ASEAN countries that have been opening to greater migration through streamlined visa and residency policies.

Despite the political turbulence and climate volatility that will continue to provide unpleasant surprises and sudden surges in migration, it is the growing acceptance of these and other realities that is conditioning governments to appreciate that migration is a force greater than each of us. The solution to migration is not resistance or mitigation, but pragmatic adaptation. It has been win–win for all of history, and will continue to be in the future as well.



by DR. CHRISTIAN H. KÄLIN
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Global economic growth is stagnating while global mobility increases. The implication of this is that nations and wealthy individuals alike have reached a point at which diversification is essential to future prosperity.

For wealthy individuals, diversification means thinking beyond equities and fixed income. Citizenship, residence, and property in alternative jurisdictions are becoming essential for the world’s wealthy, given the security, opportunity, and diversification they can deliver.

Global wealth may be about to decline, driven by uncertain financial markets, sluggish economic growth, and rising trade tensions. High-net-worth individuals (HNWIs) will be significantly affected. After increasing for seven consecutive years, their numbers have thinned by 200,000 to about 18 million individuals, while their collective wealth has fallen nearly 3% to about USD 68.1 trillion.

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Citizenship, residence, and property in alternative jurisdictions are becoming essential portfolio holdings for the world’s wealthy...

However, this smaller group of individuals have become more mobile than ever. Approximately 108,000 migrated last year, up from 95,000 the year before. Some 36% of ultra-high-net-worth individuals around the globe (those with net worth exceeding USD 30 million) hold an alternative passport — up from 34% in 2018 — and 26% plan to emigrate permanently.

China, India, the Russian Federation, and Turkey saw the largest outflows of wealthy individuals during 2019, underpinned by concerns about authoritarianism, safety, pollution, and economic insecurity. Canada, Switzerland, and the US were top destinations of choice for these individuals, due to the business opportunities on offer, high living standards, and robust personal liberties. However, Australia topped the list, with around 12,000 HNWIs moving there during the year, seeking safety and stability, high-quality education and healthcare, and strong economic growth, not to mention an attractive climate and no inheritance taxes.

Smaller nations are also welcoming HNWIs in large numbers. Cyprus, Greece, Malta, and Portugal are popular destinations, partly due to their membership of the EU. Caribbean states including Antigua & Barbuda and St. Kitts & Nevis saw strong inflows of wealth, too.

Migration to many of these nations is facilitated by residence- and citizenship-by-investment programs, which recently accounted for almost a third of HNWI migrations worldwide. For growing numbers of wealthy individuals and families, residence or citizenship in an alternative jurisdiction is now comparable in importance to the equities, fixed income, and real estate assets they hold.

Supply of investment migration programs has also increased — over 100 of the world’s nations currently have one in place. Trading the right of residence or citizenship for investment flows is a pragmatic way to meet financial needs without adding to already burdensome debt levels.

Growing numbers of wealthy and talented individuals around the world are eager to diversify their wealth — broadly conceived — by moving themselves, their skills, and their capital to new countries, which are diversifying their economic growth options by rolling out the red carpet. It’s a win-win scenario.

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When it comes to talent migration, a worrying gap between policy and rhetoric is opening up. This gap can be most clearly perceived if we look at attempts by some countries to restrict the inflow of undocumented migrants and refugees, heated discussion of which has dominated the media landscape.

For instance, the US Supreme Court stated in September that it is legitimate to reject the applications of asylum seekers who did not ask for protection in the countries they crossed before entering the US. European countries have remained mostly silent with respect to the recent Turkish military intervention in northeastern Syria, so as not to put at risk the bilateral agreement signed in March 2016 to stop major inflows of refugees fleeing the armed conflict.

When it comes to talent migration, one might be tempted to take for granted that, while countries take forceful steps to hinder refugee flows, they still fight hard to attract ‘the best and the brightest’ among immigrants. However, actual opportunities for talent migration towards OECD countries might be worsening.

The sluggish improvement of labor market conditions after the 2008 crisis, and the concomitant rise of nativist political parties, is reinforcing the perception of immigration as a threat rather than as an opportunity. This was notably seen in the 2016 British referendum that led (or, at least, should have led) the UK to leave the European Union — immigration was one of the key domains in which the Leavers were pushing for taking back control.

More and more countries are endorsing a ‘fixed number of jobs’ view, where immigration leads, one-to-one, in a loss of employment opportunities for natives. In terms of talent migration, this entails taking a shorter-term view, according to which migrants are welcome only inasmuch as they contribute to fill existing vacancies, rather than selecting immigrants on the basis of their human capital. This latter approach (pioneered by Canada, timidly reproduced in Europe with the EU Blue Card initiative, and advocated for in the US) might result in a more difficult initial integration into the labor market, but it pays off in the long term.

Student visas represent an important gateway for talent migration. Completing tertiary education in a university of the recipient country can kill two birds with one stone: allowing the country to gain a better sense of the ability and productivity of an immigrant, and ensuring a better match between the human

capital of the immigrant and what domestic firms need. But even this entry door for talent is progressively being restricted: the US has tightened the conditions under which foreign-born graduates of US universities can obtain a work visa and have progressively made life harder for Chinese students.

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It is not only talent that migrates, but that migration promotes talent...

France has introduced, from this academic year, differential tuition fees for foreign-born (non-European) students. Even though the government has stepped back on an identical increase for PhD students, this change could still backfire in terms of lowering the quality of foreign-born students, whose ability to study abroad would be more closely related to their socio-economic conditions than to their ability.

It is not only talent that migrates, but that migration promotes talent, as experiences abroad are typically very effective in fostering one’s own skills and productivity. The worrying current trends will be hopefully short-lived, and countries will get closer to implementing their rhetoric of attracting the best and the brightest in the year to come.

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by PROF. ROSEMARY LYSTER
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It is difficult to estimate how many people are, or will be, displaced by climate change because the capacity of countries to meaningfully monitor this issue is hindered by data-related challenges and knowledge gaps.

This includes problems with the availability, quality, and accessibility of data, the definitions and approaches used to capture the data, and the capacity to analyze it. However, estimates (or, rather, ‘guesstimates’) about the scale of displacement vary from 25 million at the conservative end, to 1 billion in the middle, and 2 billion at the high end.

Acknowledging the risks of climate change, the Parties to the 2015 Paris Agreement agreed to hold the increase in the global average temperature to well below 2°C above pre-industrial levels and to pursue efforts to limit the temperature increase to 1.5°C above pre-industrial levels. However, in 2018, the Intergovernmental Panel on Climate Change’s Global Warming of 1.5°C report estimated that global temperatures had already risen by 1.0°C, while warming is likely to reach 1.5°C between 2030 and 2052.

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The scale of climate displacement is estimated to be 2 billion at the high end.

More recently, 11,000 climate scientists announced that they have a moral obligation to advise that planet Earth is facing a climate emergency, and that ‘tipping points’ in the Earth’s climate system could occur from 1–2°C of warming. The World Meteorological Organization also announced that carbon dioxide in the atmosphere hit a record level of 407.8 parts per million in 2018, continuing to rise in 2019. Finally, the United Nations Environment Programme’s Emissions Gap Report 2019 states that countries’ efforts under the Paris Agreement must increase threefold to avoid more than a 1.5°C rise in global warming and fivefold to avoid more than a 2°C rise.

Obviously, these warnings have implications for climate displacement. In a below-2°C scenario, potential losses in

developing countries start at US\$400 billion per year by 2030 even where US\$200 billion worth of adaptation measures are already in place. Yet, as of April 30, 2019, only US\$10.2 billion had been pledged to assist developing countries to reduce their emissions and adapt to climate change. This lack of funds for adapting means that the numbers of climate displaced persons (CDPs) is likely to grow significantly.

To better protect CDPs, the Task Force on Displacement, mandated under the Paris Agreement, has recommended that countries adopt the following measures: implement legislation, policies, and strategies to avert, minimize, and address displacement, taking human rights into consideration; map, understand, and manage human mobility; strengthen preparedness, including early warning systems, contingency planning, evacuation planning, and resilience building; integrate human mobility into national planning processes; protect internally displaced persons; and facilitate the orderly, safe, and responsible migration and mobility of people by enhancing opportunities for regular migration pathways.

Further, at the December 2019 Paris Agreement negotiations, the Parties established the Santiago Network to enhance the provision of greater technical assistance to developing-country governments from a range of expert organisations. It can only be hoped that this will remove some of the barriers to climate change adaptation and prevent the worst estimates of climate displacement.

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Over the past year, phrases like ‘refugee crisis’ and ‘forced migration’ have become political buzzwords — used during election campaigns to make a point, to sway voters, or to illustrate a wider worldview about who does and does not belong.

These statements rarely focus on the lives of the people affected, and instead hinge on what their existence means for the rest of the world. It is therefore more critical than ever that we look closely at the facts of the global displacement crisis and consider those affected: not as political buzzwords or threats, but as people with lives, dreams, talents, and hope.

At the end of 2018, according to the UNHCR, 70.8 million people around the world had been forced from their homes by conflict, persecution, violence, or human rights violations. Another way of putting this is that every two seconds, someone in the world is forcibly displaced.

Experts continue to warn that even these shockingly high numbers should be considered underestimates. In 2018, for instance, the official figure for unaccompanied or separated children seeking asylum was 138,600, but on-the-ground reports suggest that this figure is much higher. What is clear is that almost 60% of the world’s refugees come from three enduringly unstable countries, where the obstacles to returning home are dangerously high: Syria, South Sudan, and Afghanistan.

There are 41.3 million internally displaced people and, of that number, only 2.3 million have been able to return to their homes. The average stay in a refugee camp is now 17 years, and with less than 1% of refugee youth having access to higher education, it is justifiable to state the obvious: the world is losing an entire generation.

As alarming as these trends are, there have been several heartening developments as both the public and the private sector devise ever-more creative and holistic ways of meeting the growing scale and duration of the crisis. The Global Compact on Refugees, the historic agreement to forge a stronger response to large refugee movements and situations of prolonged displacement, has focused on fostering self-reliance in a way that eases pressure on both refugees and their host communities. Private sector engagement in humanitarian action has similarly indicated a profound shift in attitude, with a growing number of multi-nationals actively employing and training refugees. High

HR retention and innovation improvements are among the most cited benefits.

Globally, treating refugees as ‘burdens’ or ‘objects of care’ is slowly giving way to an understanding that refugees have an extraordinary wealth of talent and a desire to rebuild their lives. In most cases they want to participate in and contribute to their host communities: to work, build networks, and establish independence. Giving them a chance to do so would reduce aid dependence, while simultaneously raising national productivity and GDP levels, economists argue.

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...every two seconds, someone in the world is forcibly displaced.

It is undeniable that the global displacement crisis has reached proportions that would have seemed unimaginable a generation ago. The number of forcibly displaced people worldwide is now greater than the population of Thailand; with intensifying geopolitical conflict and ‘forever wars’ now a fact of life, it is easy to become pessimistic. Global citizenship seems a long way off. However, developments of the past year have shown that, while some see threats emanating from refugees and forced migration, others are actively working to create meaningful, productive long-term solutions.

Henley & Partners actively supports the Andan Foundation, a Swiss non-profit dedicated to refugee self-reliance through private sector and technology driven interventions. Find out more at www.andan.org

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Asia accounts for approximately one third of migrants throughout the world. In 2019, the influx of migration to non-Asian countries and within Asia remained a key trend in the region with an increase in mobility between and among the Association of Southeast Asian Nations (ASEAN).

Asia’s working-age population is among the largest in the world and, as such, has high levels of mobility, with these individuals able to migrate in search of better economic futures. It is expected that migration policy in the broader region will continue to evolve and adapt as the workforce seeks gainful employment opportunities, and countries implement policies to facilitate economic collaboration and attract talent.

Asia-Pacific is home to two of the three biggest global economies (Japan and China) and is the fastest growing economic region in the world, with a growth rate of 5.7%. To prepare for projected

continued growth in 2020, countries will need to begin investing more in technology and adapting the workforce to accommodate and train high-skilled laborers.

Environmental factors are likely to remain another key driver when it comes to migration in this region, with natural disasters, such as earthquakes, typhoons, flooding, and volcanic eruptions, inducing widescale regional displacement.

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Harsh treatment of migrants by both the US and Mexican governments has been a steady trend in 2019, with backlogs in the courts and makeshift tent camps at the US–Mexican border. Sluggish world economic growth and unrest in many Latin America countries are likely to encourage more people to continue to migrate north, even under these difficult conditions.

President Trump’s America First policy has affected more refugees and asylum seekers than skilled migrants (through the H-1B program), which has negatively impacted both North and Central America. Out-migration from Guatemala, Honduras and El Salvador has increased because of long-standing structural conditions, namely social, political, and economic insecurity.

This past year, the number of illegal migrants entering the US reached an all-time high, with numbers of detentions reaching

over 114,000 in the month of May (the highest level in 13 years) — a drastic uptick since Trump’s inauguration in January 2018.

In terms of policy, a likely critical turning point came in November 2019, with the DACA program being argued in the US Supreme Court. Additional projections for changes in US migration policy are dependent upon the US presidential election in November 2020.

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At the beginning of 2020, three years after the UK’s referendum to leave the European Union, the future of mobility between the UK and EU remains highly uncertain.

EU migration to the UK had been running at record highs in the couple of years before the 2016 referendum, fueled in part by the UK’s relatively strong economic performance compared to much of the rest of Europe.

But in the aftermath of the referendum, the UK appears to have become a less attractive destination for EU citizens. Arrivals have significantly slowed down, and net EU migration to the UK fell by 59% from 2015 to 2018. One likely reason for this is the sharp fall in the value of the British currency. Political factors and uncertainty about the future may also have played a role. British emigration to Europe, on the other hand, has remained relatively stable.

What will happen next? The Conservative government, elected with a large majority in December 2019, has promised an ‘Australian-style’ points-based system. The finer details of this policy are expected to be announced later this year, but the government has already warned that EU citizens coming to the UK will face visa fees and there will be restrictions placed on how long lower-paid workers can stay. As with all significant migration policy changes, what this will mean for actual levels of mobility, however, remains extremely difficult to predict.



by DR. MARINA SOROKA
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The states in the territory of the former Soviet Union — some whose economies are fragile or underperforming as a result of the 2007 crisis, and some that are politically and socially unstable (such as Ukraine and Moldova) or economically and socially stagnant (such as Russia) — experienced a considerable outflow of migrants in 2019.

At least 313,000 Russians left Russia in 2018. Generally, high-skilled people in the 25–34 age group are leaving Russia, with mostly low-skilled people arriving from countries nearby. Apart from depopulation, there is a concern that this trend is causing a shortage of skilled workers in the former CIS.

Russia remains a major receiving country for labor migrants, and a desire to regularize the inflow has led to Russian authorities’ repeated invitations to the CIS states to harmonize their migration laws. Internally, in the Far East, Kaliningrad, and St Petersburg

regions, Russia is testing a simplified electronic visa system for nationals of selected countries. If successful, the process will be applied nationwide on 1 January 2021.

In 2020, it seems likely that the CIS countries will continue to lose workers to higher-income countries, with Russia being either their final destination or a stop-off on the way to the EU.

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by DR. LORRAINE CHARLES
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Migration in the Middle East is largely dominated by the impact of regional conflict. With the political situation in countries such as Syria, Libya, and Yemen becoming increasingly complex, it is likely that these patterns will continue in 2020.

As the Syrian conflict entered its ninth year in 2019, over 12 million Syrians remained displaced. Contracting economies in Jordan, Lebanon, and Turkey, the reluctance of their governments to provide a durable solution via local integration, and shrinking global resettlement quotas have meant that options are limited for Syrian refugees. Although the situation within the country remains critical, voluntary returns to Syria have risen, in part due to the difficult conditions in host countries.

The four-year conflict in Yemen also deteriorated in 2019, impacting migration trends. Although the majority of those displaced (3.6 million people) remain within the country’s borders, 80% of the population is in need of assistance and

protection. Yet despite these worsening conditions, over 250,000 Somali refugees have fled to Yemen. In addition, large numbers of East African migrants, destined for Saudi Arabia to seek economic opportunity, arrive in Yemen monthly.

Escalating armed conflict in Libya has continued to fuel internal displacement. With increasing state fragility, migrant flows from sub-Saharan Africa to the European Union have increased, and both state actors and irregular armed groups are now key players in transnational human trafficking networks.

As these conflicts show no signs of abating — and with renewed protests in Egypt and Iraq, and recent demonstrations in Lebanon — forced displacement will most likely continue to dominate migration patterns in the Middle East.

MIGRATION AND MOBILITY IN AFRICA



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Migration on the African continent over 2019 continued to be driven by various push and pull factors that are likely to continue in 2020. In west and central Africa, political instability and conflict remained a key driver for human migration. This was particularly the case in Cameroon where an escalating separatist insurgency in the Anglophone Northwest and Southwest Regions has displaced more than 500,000 people, placing the conflict on top of the list of the world’s most neglected displacement crises.

Forced migration of communities within and outside national borders will also continue to define the socio-political situation in Burkina Faso, where the specter of extremist groups looms ever larger over the Sahelian state. Both Cameroon and Burkina Faso are unlikely to become unburdened by the threat of conflict in 2020, which could see insecurity — and forced migration — increasingly impact these countries’ immediate neighbours.

2019 also saw population movements that were related to peace initiatives, perhaps best exemplified in Tanzania where about 600 refugees from Burundi undertook voluntary repatriation. However, there are concerns that Burundi’s forthcoming 2020 presidential elections could again expose ethno-political cleavages that could influence the forced migration of Burundians once again and adversely impact the fragile diplomatic relations that exist in the region.

Finally, climate change was another key driver of population movement on the continent. Notably, UNICEF cited climate change as being one of the key reasons as to why the total number of displaced children on the African continent reached a record-breaking 13.5 million in 2019.



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Political, economic, and environmental factors continue to drive Caribbean migration trends. Recently and most significantly, the political crisis in Venezuela has jeopardized regional stability through South–South forced migration. Migrants fleeing the crisis have entered neighboring developing countries, such as Brazil, Colombia, and Trinidad and Tobago, threatening these states’ capabilities to cope with the influx of new arrivals. Given this political crisis, it is likely that 2020 will continue to witness increased numbers of Venezuelan migrants who are forced to cross the borders of Latin American and Caribbean states.

Looking beyond migration within the region, economic factors continue to be a significant feature of Caribbean nationals’ international migration to the developed countries of the UK, Canada, and the US. Contract and seasonal labor migration as well as work and study programs dominate the international migration trends in the region. Temporary workers and the

repatriation of their earnings benefit migrant-sending and migrant-receiving countries respectively. Given the benefits derived from labor migration, these trends are likely to continue in 2020.

Environmentally induced migration and the impact of climate change is another trend to continue monitoring in the coming year. In 2019, northwest Bahamas was devastated by a Category 5 hurricane, leaving at least 50 people dead and thousands more missing.

Political and economic trends have tended to push Caribbean migrants to move between countries, with environmental issues forcing internal migration. In 2020, international migration from Caribbean countries to developed ones is likely to remain strong, and domestic migration and South–South regional migration is also likely to intensify as geopolitical instability and the effects of climate change continue.

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by DOMINIC VOLEK
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As we enter a new decade, the latest results from the Henley Passport Index provide us with a fascinating snapshot of the world in which we now live.

Ten years ago, the UK held the number-one spot on the index, with a visa-free/visa-on-arrival score of 166. Japan is now in first place, with passport holders able to access 191 destinations around the world without needing to acquire a visa in advance. In 2010, the lowest ranking country on the index was Afghanistan, with a score of 26. Ten years later, Afghanistan remains at the bottom of the index, and, astonishingly, its score remains the same. In other words, there is a growing divide when it comes to travel freedom – a difficult truth that sits alongside the fact that globalization has made us more mobile and connected than ever before.

It is undeniably the case that, over the years, there has been a substantial increase in the number of countries an average individual can visit without needing to get a visa in advance. But this surge is driven largely by developed countries, with developing countries remaining static in this respect. Put very simply, Japanese passport holders are able to access 165 more destinations around the globe than Afghan passport holders can. Analysis of historical data from the index reveals that this extraordinary global mobility gap is the starkest it has been since the index’s inception.

This is just one of many insights that the latest ranking provides. Ten years ago, the top three spots were held by European countries: the UK at number one, Denmark second, and Sweden third. Asian countries now dominate the upper reaches of the rankings, with Singapore in second place and South Korea in third. The year 2020 marks the third year running in which Japan has held the top spot, and it seems clear that this trend is likely to continue. While Asian countries are on the rise, countries whose positions once seemed unshakeable are declining. The UK has dropped in the rankings over the past ten years, and now sits in eighth place with the US. While it is not yet possible to make any firm predictions about the effect that Brexit will have on UK passport power, it seems increasingly unlikely that it will regain the first place position it once held. The same is true of the US — a look at the historical data shows that in 2014, the country was ranked first when it came to travel freedom, but with the

implementation of ever-stricter immigration policies the top spot appears to be well out of reach for now.

Overall, European countries continue to fare extremely well in the rankings. Going into 2020, Finland and Italy share joint fourth place, with a score of 188, while Denmark, Luxembourg, and Spain hold fifth place, with a score of 187. Of the 30 countries that take up the index’s top 10 positions, 21 are European: a clear testament to the value of an EU passport and the travel freedom it guarantees. Again, it’s not yet possible to make firm predictions as to what impact Brexit will have on the composition of the top 20, if any. As was the case at the beginning of 2019, uncertainty surrounds the future of migration and mobility between the UK and the EU, with many questions yet to be answered.

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The global mobility gap is the starkest it has been since the index’s inception 15 years ago.

The index’s dramatic success story remains the sustained upward ascent of the UAE, which climbed four places over the past year and now sits in 18th place, with a visa-free/visa-on-arrival score of 171. Looking back at the historical data, the rise of the UAE passport seems almost meteoric – it has climbed an extraordinary 47 places over the past decade, as the country has implemented a succession of mutually reciprocated visa waivers in a bid to attract tourism and trade. Taiwan’s ascent has also been impressive – it has moved up 37 places since 2010, with passport holders now able to access 146 destinations around the world without acquiring a visa in advance. Countries in the former Soviet space have fared well over the past ten years, particularly Georgia and Ukraine, climbing 19 and 22 places up the rankings respectively, with dramatic increases in score. Western Balkan countries have also done well over this period,

as many of them relaxed their formerly restrictive immigration policies and implemented a series of reciprocal visa waivers. Albania, for instance, now sits in 54th place, with a visa-free/visa-on-arrival score of 114, compared with its 2010 score of just 49. It is worth pausing to consider what these extraordinary increases mean for the citizens of these countries – in terms of travel freedom, of course, but also in terms of personal and professional opportunities, and expanded horizons.

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There is a strongly positive connection between visa freedom and a variety of indicators of economic freedom.

Alongside the index’s success stories, a number of somewhat bleaker narratives emerge. Globally, states affected by ongoing conflict or unrest have experienced heavy losses in their scores over the past decade. In the Middle East, Syria has dropped 18 places since 2010, with citizens now able to access just 29 destinations without needing to acquire a visa in advance,

while Yemen has dropped 15 spots in that period, from 88th to 103rd place, and now has a visa-free/visa-on-arrival score of 33. In Africa, Libya has dropped 16 places, from 87th to 103rd place, while Mali has dropped 13, from 75th to 88th place. It is fascinating to consider the implications of this in conjunction with ongoing research about the connection between travel freedom and other kinds of liberties, whether they be economic, political, or individual. For instance, research using exclusive historical data from the index has revealed that there is a strongly positive connection between visa freedom and a variety of indicators of economic freedom, including foreign direct investment inflows, property rights, tax burdens, and investment freedom. Research also indicates the robustly positive connection between powerful passports and key socio-economic indicators such as government integrity and personal or political freedom.

We are living in an era of extremes – in terms of political volatility, inequality, and the climate crisis – and the latest results from the index show us that the same is true of travel freedom. This is an inflection point of sorts – will that mobility gap get smaller, as the forces of globalization bring us closer together, or will it get wider, as other forces prevail?

2015

The last time the US or the UK held the top spot on the Henley Passport Index

8th

The Q1 2020 position jointly held by the US and UK

191

The number of territories accessible to citizens of Japan, who hold the strongest passport in the world



International Air Transport Association

THE 2020 HENLEY PASSPORT INDEX

Rank	Passport	Score
1	 Japan	191
2	 Singapore	190
3	 Germany	189
	 South Korea	188
	 Finland	
	 Italy	187
	 Denmark	
	 Luxembourg	
	 Spain	186
	 France	
	 Sweden	185
	 Austria	
	 Ireland	
	 Netherlands	
	 Portugal	
	 Switzerland	
	 Belgium	184
	 Greece	
	 Norway	
	 United Kingdom	
	 United States	
	 Australia	
	 Canada	183
	 Czech Republic	
	 Malta	
	 New Zealand	
	 Hungary	
	 Lithuania	181
	 Slovakia	
	 Iceland	
	 Latvia	180
	 Slovenia	
12	 Estonia	179
13	 Liechtenstein	178

	 Malaysia	
14	 Poland	176
15	 Monaco	175
16	 Chile	174
	 Cyprus	
17	 Romania	172
18	 Bulgaria	171
	 United Arab Emirates	
19	 Argentina	170
	 Brazil	
20	 Croatia	169
	 Hong Kong (SAR China)	
21	 San Marino	168
22	 Andorra	167
23	 Brunei	166
24	 Barbados	160
25	 Israel	159
26	 Mexico	158
27	 Bahamas	154
	 St. Kitts and Nevis	
28	 Uruguay	153
29	 Seychelles	151
30	 Antigua and Barbuda	150
31	 Costa Rica	149
	 Trinidad and Tobago	
	 Vatican City	
32	 Mauritius	146
	 St. Vincent and the Grenadines	
	 Taiwan (Chinese Taipei)	
33	 St. Lucia	145
34	 Macao (SAR China)	144
35	 Grenada	142
	Paraguay	

36	 Panama	140
37	 Dominica	139
38	 Peru	135
	 El Salvador	133
	 Honduras	
	 Serbia	
	 Guatemala	132
	 Venezuela	
41	 Samoa	131
	 Solomon Islands	130
	 Vanuatu	
43	 Nicaragua	128
	 Ukraine	127
	 Colombia	
	 Tuvalu	125
	 Tonga	
46	 Montenegro	124
47	 North Macedonia	123
48	 Kiribati	122
	 Marshall Islands	120
	 Moldova	
50	 Palau Islands	119
	 Micronesia	118
	 Russian Federation	
52	 Bosnia and Herzegovina	117
53	 Georgia	116
54	 Albania	114
55	 Turkey	111
	 Belize	100
	 South Africa	
57	 Kuwait	95
	 Timor-Leste	93
	 Qatar	
59	 Ecuador	91

	 Fiji	88
	 Guyana	
	 Nauru	
	 Jamaica	85
	 Maldives	
	 Botswana	84
	 Papua New Guinea	
63	 Bahrain	82
64	 Oman	79
	 Bolivia	78
	 Suriname	
	 Thailand	77
	 Saudi Arabia	
67	 Kazakhstan	76
	 Namibia	75
	 Belarus	
69	 Lesotho	74
70	 eSwatini	73
71	 Malawi	72
	 China	71
	 Indonesia	
	 Kenya	
	 Tanzania	70
	 Zambia	
74	 Tunisia	69
75	 Gambia	68
76	 Azerbaijan	67
	 Philippines	66
	 Cape Verde Islands	
	 Uganda	65
	 Ghana	
	 Dominican Republic	64
	 Zimbabwe	

80	 Kyrgyzstan	63
	 Morocco	62
	 Sierra Leone	
	 Armenia	
	 Benin	61
	 Mongolia	
82	 Mozambique	61
	 São Tomé and Príncipe	59
	 Burkina Faso	
	 Rwanda	58
	 India	
	 Mauritania	57
	 Tajikistan	
	 Côte d'Ivoire (Ivory Coast)	56
	 Uzbekistan	
	 Gabon	55
	 Senegal	
	 Guinea	54
	 Togo	
	 Cambodia	53
	 Madagascar	
	 Mali	52
	 Niger	
	 Vietnam	
	 Bhutan	51
	 Chad	
	 Comores Islands	
	 Equatorial Guinea	
	 Guinea-Bissau	
90	 Turkmenistan	50
	 Central African Republic	50
	 Jordan	
	 Algeria	50
	 Laos	

	 Angola	49
	 Burundi	
	 Cameroon	
	 Egypt	
	 Haiti	
	 Liberia	47
	 Congo (Rep.)	
	 Myanmar	46
	 Djibouti	
	 Nigeria	43
	 Ethiopia	
	 South Sudan	42
	 Sri Lanka	
	 Bangladesh	41
	 Congo (Dem. Rep.)	
	 Eritrea	40
	 Iran	
	 Kosovo	39
	 Lebanon	
100	 North Korea	39
	 Sudan	38
	 Nepal	
	 Palestinian Territory	37
	 Libya	
103	 Yemen	33
104	 Pakistan	32
	 Somalia	29
	 Syria	
106	 Iraq	28
107	 Afghanistan	26

This graph shows the full Global Ranking of the 2020 Henley Passport Index. In certain cases, a rank is shared by multiple countries because these countries all have the same level of visa-free or visa-on-arrival access.

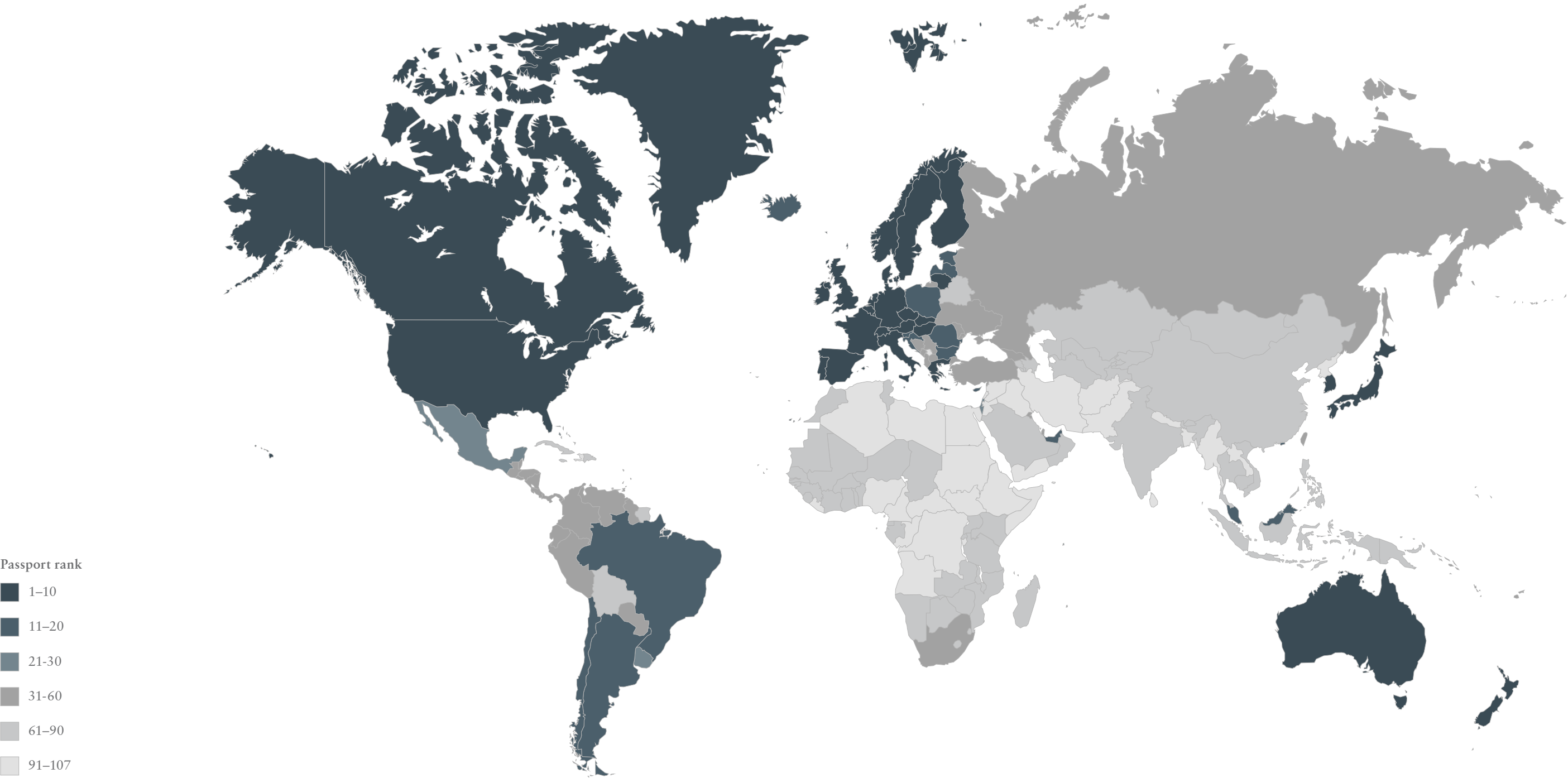
The Henley Passport Index is a live ranking. The information provided here reflects the ranking on 7 January 2020. For the latest ranking, visit henleypassportindex.com

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International Air Transport Association



PASSPORT POWER WORLDWIDE

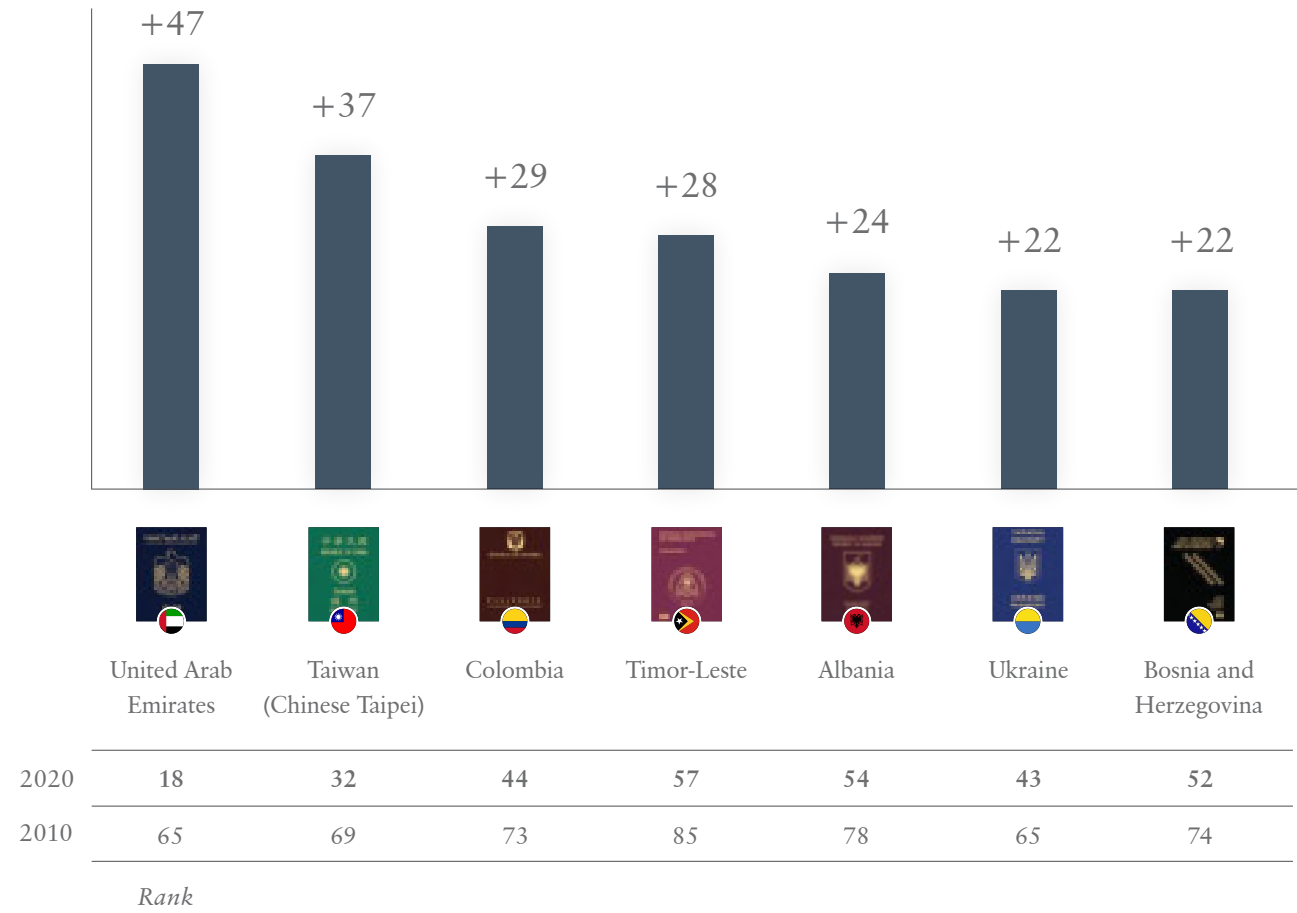
This map shows the differences in relative passport power on a global scale, with light gray used to indicate the passports with the lowest visa-free or visa-on-arrival score and dark blue used to indicate the passports with the highest score.



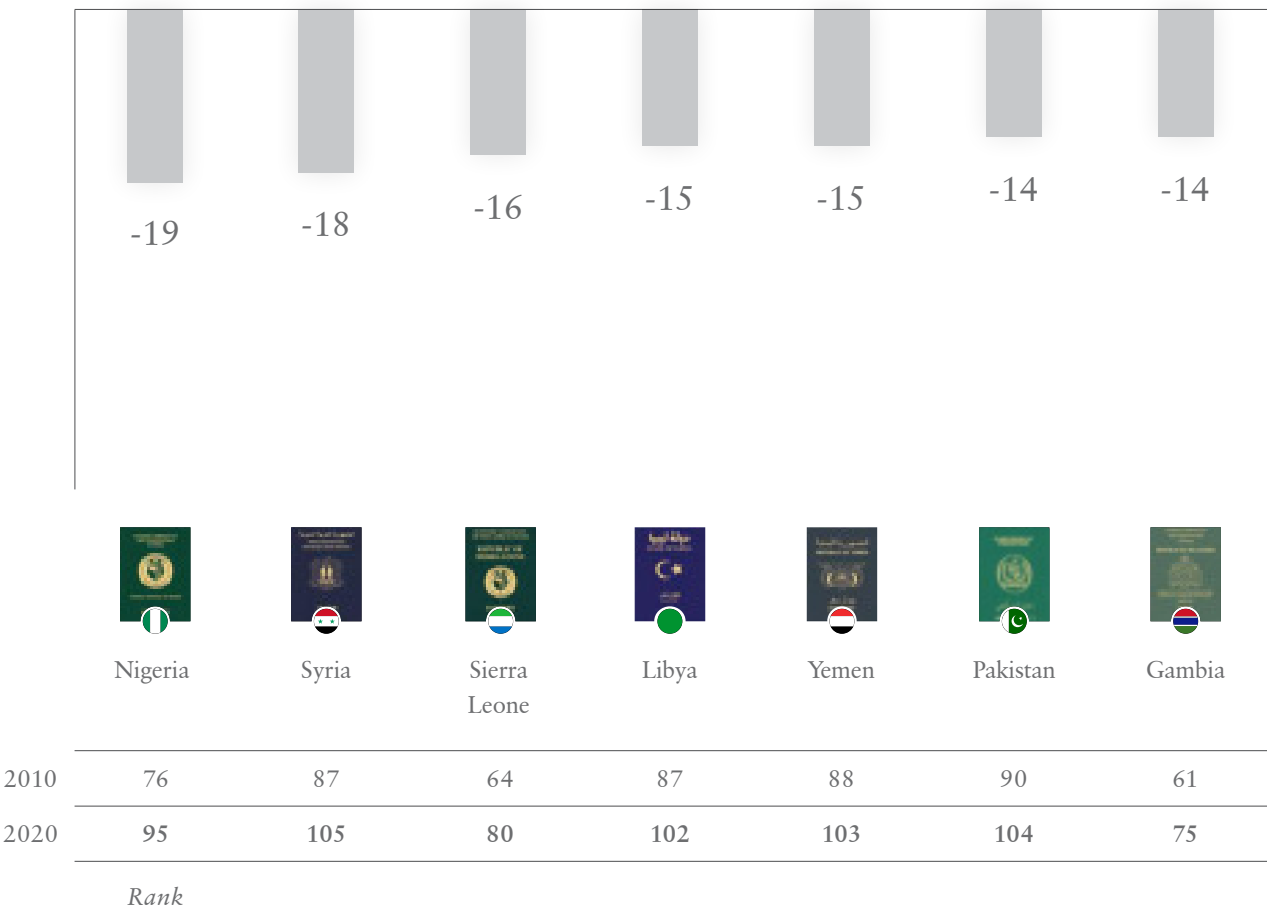
The information provided here reflects the 2020 Henley Passport Index ranking on 7 January 2020.

BIGGEST CLIMBERS AND FALLERS ON THE HENLEY PASSPORT INDEX: 2010 – 2020

This graph shows the countries that have climbed the highest up the Henley Passport Index rankings over the past decade, as well as those that have fallen most sharply over that period.



Biggest Climbers Since 2010



Biggest Fallers Since 2010

The information provided here reflects the 2020 Henley Passport Index ranking on 7 January 2020.



by UĞUR ALTUNDAL and ÖMER ZARPLI
Uğur Altundal and Ömer Zarpli are Researchers in Political Science at Syracuse University and the University of Pittsburgh, respectively.

Passport Power and Trade Freedom

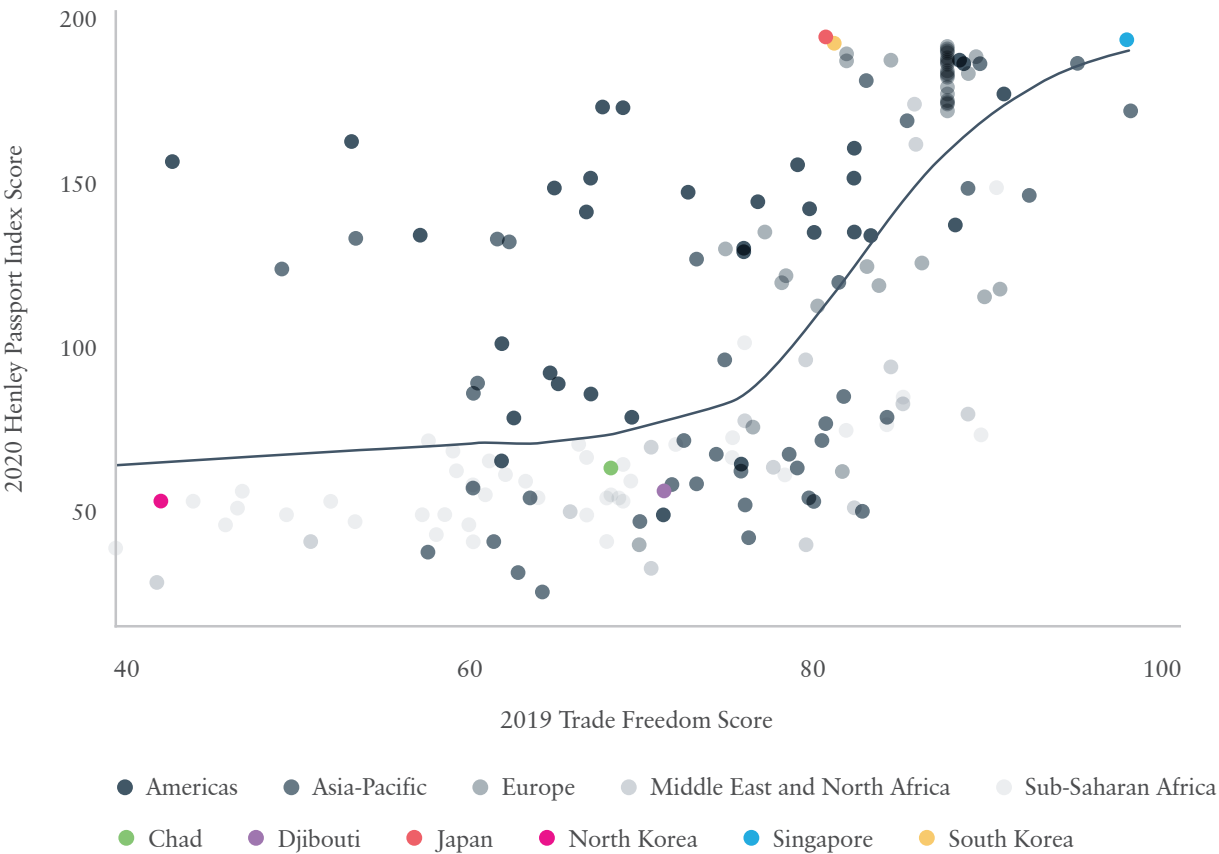
Using historic data from the Henley Passport Index and a range of other indices, we have discovered a strongly positive correlation between visa or travel freedom, and a variety of other indicators of economic, political and human freedoms.

Trade, for instance, is closely linked to passport strength, in that countries that have more open trade tend to sign more visa-waiver agreements. At the same time, visa-free travel broadens business opportunities. International travel and personal cross-border contact are also important in establishing and deepening business relationships.

Asia-Pacific countries such as Hong Kong, Singapore, New Zealand, and Macao are known to be the freest countries in

terms of international trade. They rank very highly in terms of trade freedom, with scores above 90 out of 100. If we look at travel freedom, the Singapore passport ranks as the second most powerful, with access to 190 visa-free destinations. New Zealand is at number nine, with 183 visa-free destinations.

If we look at the countries that have the lowest trade freedom scores, and compare with their passport power, there are broadly two groups: (1) those with closed economies, and (2) those without strong institutions, mostly because of domestic civil conflicts and wars.



Sources: Henley & Partners and The Heritage Foundation

Passport Power and Government Integrity

Despite the important economic benefits that ‘open borders’ bring, visa waivers can also pose a potential threat for the host country, as they undercut the host government’s ability to vet the visitors through background checks. Therefore, some governments take into consideration non-economic factors before they liberalize their visa policies with other countries. For example, the European Union (EU) visa-waiver agreements include provisions related to fundamental issues such as human rights and corruption. As such, countries with strong domestic institutions and political stability are able to sign more visa-waiver agreements.

New Zealand and Singapore hold the top spots in terms of government integrity, followed by Northern European

countries and the United Kingdom. They also have the strongest passports. The United Arab Emirates is also in the top 20 when it comes to both government integrity and passport power.

It is not surprising that countries which have lower passport power also have lower government integrity scores. For instance, the South African passport is ranked 56th on the Henley Passport Index and has a government integrity score of 39.7 out of 100. These results imply that governments associated with relatively high corruption have difficulties increasing their visa-free destinations, while high-functioning states are likely to have stronger passports.



Sources: Henley & Partners and The Heritage Foundation

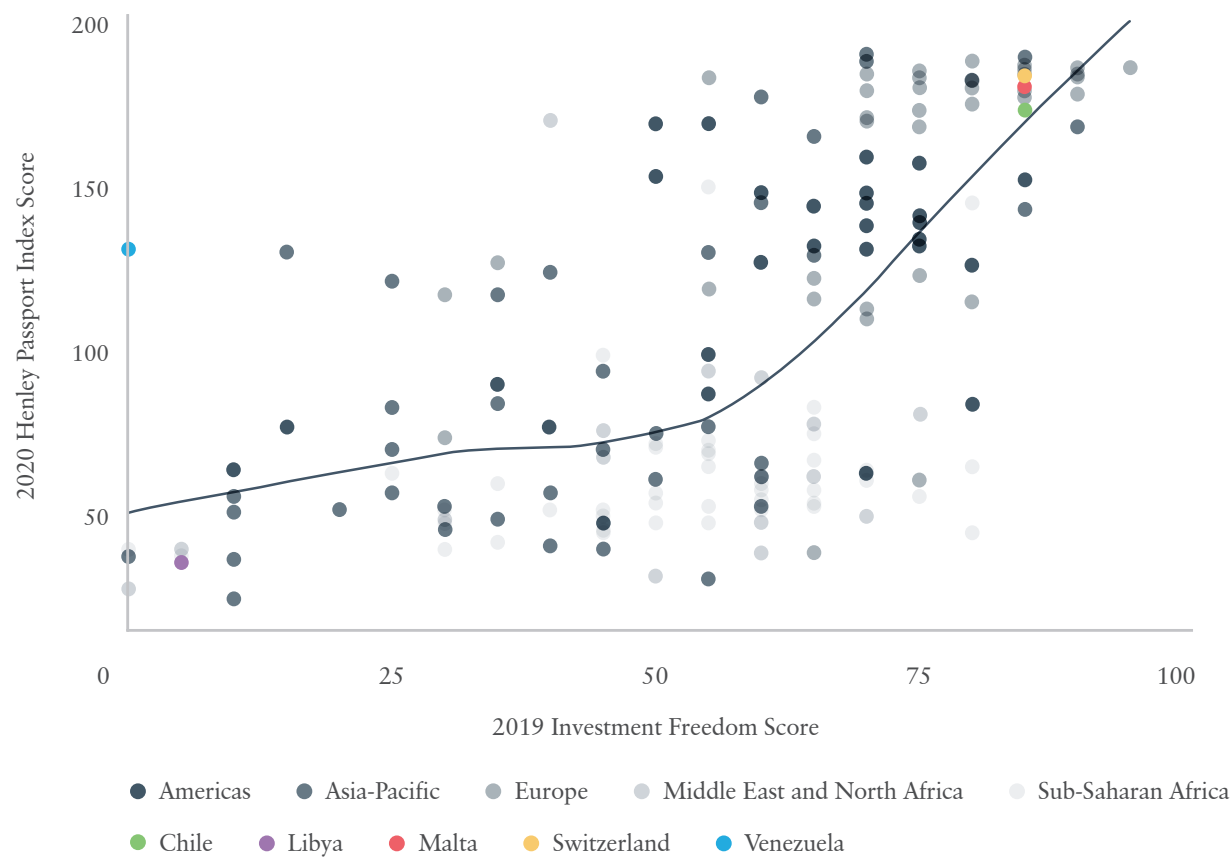
Passport Power and Investment Freedom

Most countries impose a range of restrictions on investment. These could include having different rules for foreign and domestic investment; imposing restrictions on foreign exchange, payments, transfers, and capital transactions; and closing certain industries to foreign investors. The existence and the extent of these restrictions determine the investment freedom score of each country.

Looking at these results, it's clear that there is a strong and positive correlation between visa freedom and investment freedom. Similar to trade freedom, countries that rank highly in investment freedom generally have stronger passports. For instance, European states such as Austria, Malta, and Switzerland

clearly show that countries with a business-friendly environment tend to score highly when it comes to passport power.

On the other hand, countries such as Venezuela and Libya have extensive investment restrictions. Venezuela's investment freedom score is 0; Libya's score is just 5, out of 100. As predicted, the Libyan passport ranks near the bottom of the Henley Passport Index. However, the Venezuelan passport is still relatively strong, with access to 132 destinations visa-free. However, if the number of people being displaced from Venezuela continues to grow, it is likely that the Venezuelan passport will lose much of its power.



Sources: Henley & Partners and The Heritage Foundation

Passport Power and Human Freedom

While Western democracies are keen to promote human rights and democracy in other states, they are often hesitant to admit and provide access to those fleeing from persecution or share the responsibility with respect to refugee claims. Accordingly, these countries do not waive visa requirements from 'refugee-generating' regions. This likely explains why countries with lower human freedom scores are less likely to have strong passports.

By using the Human Freedom Index, we find a strong correlation between personal freedom and travel freedom or passport power. Personal freedom indicators take into account factors such as the rule of law, security and safety, movement, religion, association, assembly, and civil society, expression and information, identity, and relationships.

Many of these indicators depend on liberal democratic institutions. Therefore, it is not surprising that Western European countries have higher scores when it comes to personal freedom. On the other hand, the decrease in personal freedom correlates with lower visa scores. Countries that have been going through armed conflicts such as Syria, Yemen, and Iraq find themselves near the bottom of both indices. Take Syria, for instance: it ranks toward the bottom of the Henley Passport Index, and its Human Freedom score is 0 out of 10. Ultimately, it points to the reality that those most in need of human freedom tend to lack visa freedom, too.



Sources: Henley & Partners and The Cato Institute



by DR. JUERG STEFFEN
Dr. Juerg Steffen is CEO of Henley & Partners.

Over the past three decades, investment migration has grown slowly but steadily, as a new generation of wealthy individuals and investors have gradually awakened to the idea that residence or citizenship in an alternative nation is an asset of great value to themselves and their families. One by one, nations around the world have opened their doors to the capital and talent these individuals can bring to their shores.

This past year marked an important inflection point for the investment migration industry. Demand for residence and citizenship in an alternative jurisdiction is rapidly accelerating, just as the supply of residence- and citizenship-by-investment programs proliferates globally.

Increasingly, nations and wealthy individuals see investment migration as more than a competitive advantage. Today, it is viewed as an absolute requirement in a volatile world where competition for capital is fierce.

Instability and a growing lack of faith in government institutions, slow economic and wage growth, and the creeping impacts of climate change are driving political and social upheaval from Asia and Africa to Europe and Latin America.

This global turbulence, along with persistent vast differences in wealth between advanced and emerging economies, is pushing international migration to new levels. By mid-2019, the number of international migrants had topped 272 million, a new high. Motivated by economic necessity, personal safety concerns, or simply a desire for new opportunities for their families, people are increasingly looking to put their labor, talents, and wealth to work in other nations.

Despite the recent backlash to immigration and globalization from a few nations, each year more states implement programs to welcome migrants and the value they can bring. Approximately 100 countries today have implemented investment migration programs, including more than 70% of the EU member states, with the majority of them put in place after the year 2000. These programs, comprising both residence- and citizenship-by-investment, are neither niche nor new but have benefitted from a surge in interest over the past few years.

The investment migration industry has clearly entered a new phase of growth and maturity, as demand has steadily increased and the supply of national programs has matched its pace.

Governments around the world are waking to the fact that residence- and citizenship-by-investment programs are an effective way to stimulate economic growth without resorting to increasing government debt or more monetary easing by already-strained central banks.

Migration trends suggest they will have no shortage of customers. Some 108,000 high-net-worth individuals (HNWIs) migrated in 2018, up from 95,000 in the previous year. Residence- and citizenship-by-investment programs accounted for almost a third of these migrations. In short, the world’s wealthy are flocking to them.

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...wealthy individuals see investment migration...as more than a competitive advantage. Today, it is viewed as an absolute requirement in a volatile world where competition for capital is fierce.

Policymakers looking for new sources of foreign capital would be remiss to ignore the effectiveness of investment migration programs. Similarly, wealthy individuals — or their advisors — who want to weatherproof their portfolios against volatile economic and political climates must consider residence- or citizenship-by-investment opportunities if they want a truly secure future for themselves and their families.

Global mobility, and the opportunities that come with it, increased for most people in the sixty years following the Second World War, as free trade expanded and barriers to the

cross-border movement of goods, people, and capital fell away. Sadly, in recent years a number of nations have backtracked, enacting protectionist policies that have brought new trade tensions and a sharp decline in international commerce.

Investment migration is an antidote to this disturbing trend. It can, in effect, create a ‘market’ for wealth and talent, allowing individuals who possess them to move more freely to the places where they will be valued and treated accordingly. Many countries have begun to compete for these individuals by offering the best of their natural assets via residence- and citizenship-by-investment programs.

The contribution of investment migration programs to a nation’s economic and fiscal health is profound. It is estimated that investment migration has delivered approximately EUR 25 billion in foreign direct investment (FDI) to EU countries since 2010. It is also widely acknowledged that these programs provided critical assistance in the aftermath of the global financial crisis and the European sovereign debt crisis.

The impact of these programs has been even greater in many small and lower-income nations. While large economies like the US use investment migration programs to attract capital to distressed regions, their macroeconomic impact is modest. However, investment migration programs and the FDI they attract can have a vast impact on smaller economies.

Consider Malta, the EU’s smallest member state. The island nation lacks natural resources yet has much else to offer, including its attractive location in the Mediterranean Sea and access to the Eurozone. Until recently, Malta ran budget deficits every year for decades, a dangerous situation for a small economy that does not control its own currency. Seeking alternatives to debt, in 2014, Malta embraced the concept of sovereign equity through a citizenship-by-investment program. As a result, the government is expected to run its fourth consecutive budget surplus in 2019. The country’s economy grew by 6.6% in 2018, the second highest growth rate in the EU. Malta’s 3.5% unemployment rate is among Europe’s lowest. Last year, the country earned a top ranking from the World Economic Forum for macroeconomic stability.

Also take, for example, the twin-island nation of Antigua and Barbuda. The Caribbean economy is highly dependent on tourism, with large investment needs in hotels and related infrastructure, yet it is also susceptible to hurricanes. Hurricane Irma devastated the small nation in 2017, with rebuilding costs estimated at USD 150 million. Antigua’s citizenship-by-investment program, instituted in 2013, provided a lifeline in the wake of the storm, funding construction that mitigated fallout from reduced travel demand. In 2018, Antigua and Barbuda posted GDP growth of 7.4%, the highest among Caribbean nations.

These success stories have not been lost on other nations hoping to attract outside investment. Montenegro, for example, launched a citizenship-by-investment program in 2019 with expectations that it would attract much-needed FDI, increase economic activity, and create jobs. Montenegro ranks in the top 50 nations on the Henley Passport Index due to its association with the EU, its strong safety record, and its commitment to the rule of law, all of which should make it a strong draw for investors looking for residence or citizenship in a new nation.

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The contribution of investment migration programs to a nation’s economic and fiscal health is profound.

The successful emergence of the investment migration industry has not gone unnoticed by national and supranational organizations, either. Once skeptical of — or even hostile to — the industry, these institutions are slowly but surely evolving to the view that it is a permanent and possibly even beneficial addition to the infrastructure of global mobility, and they are now working out how best to monitor and regulate it. Such organizations are finally realizing what investors and governments already know: investment migration is a highly sensible and necessary response to the challenges of the 21st century, for individuals and governments alike.

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Henley & Partners is the global leader in residence and citizenship planning. Each year, hundreds of wealthy individuals and their advisors rely on our expertise and experience in this area. The firm’s highly qualified professionals work together as one team in over 30 offices worldwide.

The concept of residence and citizenship planning was created by Henley & Partners 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.

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