

An analysis of success and failure in the immigrant investor programmes of the United States and the United Kingdom

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Impact

Despite the widespread use of immigrant investor programmes worldwide, scholars and policymakers still know relatively little about the factors that make these programmes ‘successful’. The research in this thesis aims to start building a better knowledge base on what shapes the successes and failures of investor programmes. To do this, it draws on an analysis of two programmes facilitating private-sector investment—the United States EB-5 investor programme and the (now closed) UK Tier 1 Investor visa.

The results are relevant to policymakers around the world who are considering introducing, reforming or closing investor programmes. As some of my research participants pointed out, investor visas may seem sensible and straightforward to the casual observer. The present study has shown that they are much more difficult to develop and implement than policymakers often realise. This finding is consistent with many informal conversations I have had with policymakers in other countries over the past nine years since I first wrote a working paper on investor visas for the Migration Policy Institute, a think tank in Washington, DC.

I hope the present study will help policymakers anticipate and address problems that can emerge in immigrant investor programmes. For example, the UK and US case studies can help policymakers in other jurisdictions understand the consequences of their approach to the qualifying investment. How important is it to policymakers to ensure economic benefits flow from the investment? If investment benefits are important, are they willing to pay the costs that more economically beneficial designs might impose? For example, how much operational complexity are they willing to tolerate, and do they understand the risks of fraud in a market overseen by visa applicants who often lack the expertise to scrutinise complex investments? Have they planned for the expertise required to monitor even relatively simple programme designs? Alternatively, suppose policymakers are primarily interested in investor visas for the people rather than the money. In that case, the research can help them think through whom they are really trying to attract. Are other immigration options already available for their target clientele? Are they happy to admit ‘leisure migrants’ who appear to have become the main users of investor visas—both according to my research and previous studies?

While my research suggests that no perfect investor visa design resolves all the challenges policymakers can face, I believe that thinking through these issues can help policymakers better align their programmes with their underlying objectives. These objectives will vary by country. As a result, there is no ‘right answer’ that policymakers should reach after reading my findings. In some cases, policymakers might reasonably decide—faced with a realistic assessment of the challenges—not to have an investor programme at all.

To help policymakers use the findings in my research and other studies on investor visas, I plan to write up shorter-form publications that will be more accessible to a policy audience. In my experience, this will likely lead to invitations for formal and informal discussions with policy audiences. For example, I have previously presented analysis of investor visas to policymakers convened by the OECD and numerous industry conferences with government delegates from around the world. I have also had informal discussions about investor programmes with government officials in various countries, and I expect this to continue after publishing this study.

For scholars, I believe that the main impact of the present study will be to help define more clearly the objectives, potential effects, and challenges that private-sector investor residence programmes can face. Because it is such a resource-intensive exercise, relatively few studies have looked in depth at how investor programmes operate and how programme participants (e.g. investor applicants and businesses using their funds) interact with them. Studies have thus often had to make assumptions about what the programmes are for. For example, the symbolic function of investor programmes has arguably not received enough attention in the research to date. To reach scholarly audiences, I plan to produce shorter journal articles based on this study.