

Selling citizenship

Papers please

Hard-up countries flog passports

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IN TIMES of austerity, travel documents come cheap. Portugal is the latest of several European countries to start selling visas to foreign investors; others are slashing their prices. These schemes grant the right to live and travel within the European Union. A passport often follows a few years later.

Christian Kälin of Henley & Partners, a consultancy, says Portugal's Golden Residence Permit is the "most attractive in Europe". It needs investment of €1m (\$1.3m) in financial assets over five years, €500,000 in property or the creation of ten jobs. Spain is mulling a "golden visa" at the same price. Ireland asks for a donation or investment of €500,000 (it cut this from €1m in July).

Countries on the EU's fringes are keen too. Macedonia's scheme costs €400,000. An Albanian law allows naturalisation when the country's "scientific, economic and cultural interest" is at stake.

One category of applicants consists of rich people from emerging economies seeking convenience and security. Many are Chinese, though since the Arab spring demand is growing from the Middle East. A second is made up of citizens of rich countries who wish to disguise their origins when visiting dangerous places. Nick Giambruno of internationalman.com, a website, says it does not much matter which state's papers you carry as long as you do not depend on only one.

Five countries will provide the right kind of investors with passports particularly swiftly. Two are in the EU: Austria and Cyprus, where the cash-strapped government has just cut its price from €10m to €2.5m. The others are Caribbean: St Kitts and Nevis, Antigua and Barbuda, and Dominica. Their passports bring not just camouflage but also some handy visa-free travel.

The trade has sometimes struggled to shed a whiff of scandal. Montenegro stopped its scheme amid a row about a grant of citizenship to Thaksin Shinawatra, a former Thai prime minister who was facing corruption charges. In December an Austrian appeal court handed down a suspended sentence and €67,500 fine to Uwe Scheuch, a politician. He had sought a political donation from a Russian businessman applying for Austrian citizenship. In taped conversations Mr Scheuch had said this was "part of the game".