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# **Impact of Perceived Corruption on the Citizenship by Investment (CBI) Program in Five OECS Countries**

**被認知的貪腐對五個 OECS 國家中 CBI 計畫的影響**

Master's Thesis

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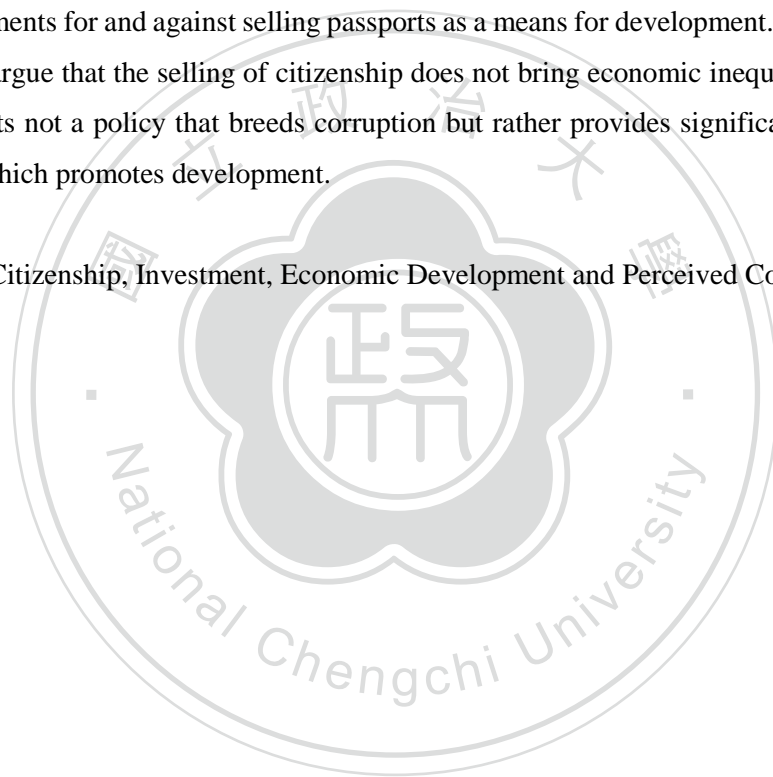
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## Abstract

This research seeks to undertake a study of the Citizenship by Investment Program which has become a phenomenon in the OECS Caribbean with Saint Lucia becoming the last country to implement this program in 2016 and St. Kitts and Nevis being the first country in the world to implement the program in 1984. Citizenship by Investment is a major source of income for OECS countries as well as European countries. It is legal but still stands as the most controversial means of governments raising much needed financing. The study of Citizenship by Investment is relatively new and there is very limited literature that explores the positives of the program and a lot of attention is paid to other aspects especially the perception of corruption. This research seeks to examine arguments for and against selling passports as a means for development. Additionally, this research will argue that the selling of citizenship does not bring economic inequality into political sphere's and its not a policy that breeds corruption but rather provides significant investment for government which promotes development.

**Key Words:** Citizenship, Investment, Economic Development and Perceived Corruption



## 摘要

本研究旨在對投資型公民計劃進行研究，該計劃已成為東加勒比國家組織的一種現象。我國聖露西亞於 2016 年，成為該計劃實施最近期的一個國家，聖克里斯多福及尼維斯則於 1984 年，成為世界上第一個實施該計劃的國家。投資型公民計劃是 OECS 國家和歐洲國家的主要收入來源。它是合法的，但作為政府籌集急需資金的手段，仍然備受爭議。投資型公民計劃的研究相對新穎，探討該計劃正面意義的相關文獻並不多，相反地，多數研究關注其他方面，特別是清廉程度 (The perception of corruption) 這部分。在本論文中，作者將試圖探討論述，以反對將護照作為發展手段、恣意出售。我還想在本文中提出反論：出售公民資格，不會使經濟不平等現象影響政治領域，而將為政府提供可觀投資，促進發展。

關鍵字：公民資格、投資、經濟發展與清廉印象



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## List of Acronyms

BII- Business International Index  
CBI- Citizenship by Investment  
CIP- Citizenship Investment Program  
CPI- Corruption Perception Index  
CLA- Causal Layered Analysis  
CDB- Caribbean Development Bank  
ECCB- Eastern Caribbean Central Bank  
EB-5- Immigrant Investor Program  
EDF – Economic Diversification Fund  
E.U- European Union  
FIIP- Federal Immigrant Investor Program  
GDP- Gross Domestic Product  
ICDF- International Cooperation Development Fund  
ICRG- International Country Risk Guide  
IMPIS- International Master’s Program International Studies  
IMF- International Monetary Fund  
IIP- International Investor Program  
NCCU- National Chengchi University  
NDF- National Development Fund  
NEF- National Economic Fund  
NGO- Non-Governmental Organization  
NTF- National Transformation Fund  
OECS- Organization Eastern Caribbean States  
SGFC- Sustainable Growth Fund Contribution  
SIDF- Sugar Industry Diversification Fund  
SIDS- Small Island Developing States  
U.K- United Kingdom  
U.N- United Nations  
UNODC – United Nations Office on Drugs and Crime  
VERP- Vanuatu Economic Rehabilitation Program  
WTO- World Trade Organization

# CHAPTER I-INTRODUCTION

The first chapter of this thesis covers the introduction which will provide some contextual background into the whole issue as well as the emerging phenomenon of CBI programs in the OECS. This chapter also highlights the research motivation in addition to the purpose of research. In the next part of this chapter, the research questions were stated along with the research objectives followed by the research methodology which also provides the theory which was used to underpin this study. The limitations of the research also formed part of this chapter considering that each research carries its own set of limitations.

## 1.1 Research Motivation

I firmly believe in an equitable and fair society and that it only takes a group of people who care and who has influence at the highest level to reflect changes that will bring about equity. For this reason, I have decided to approach my research from a policy and theoretical level. I have decided to carry out research on the policy of some Caribbean governments to implement a program that will bring substantial revenue to their countries which will promote sustainable development within the small Caribbean Island state. The Citizenship by Investment Program (CBI) is highly controversial especially in the Organization of the Eastern Caribbean States (OECS). It is the means by which government raises much needed financing especially as foreign aid has become much harder to obtain from donor and friendly governments. Small Island Developing States (SIDS) have been borrowing large sums of money in order to achieve their own financial independence resulting in very high debt to GDP ratios which in turn places a financial strain on many of these economies.

My research will take me to five OECS countries who have all implemented the CBI program; Dominica, Grenada, St. Kitts and Nevis, Antigua and St. Lucia. I became interested in this program because it has been a topic of much debate as many countries argue for and against the CBI programs but my interest grew because of the amount of revenue that the Commonwealth of Dominica has raised with a population of 71, 625 residents and a GDP of USD 525,424,630 million U.S dollars (World Bank data, 2016). The Commonwealth of Dominica has one of the oldest CBI programs beginning first in

1993. The CBI program became even more important to the economy of the Commonwealth of Dominica after hurricane Maria ravaged the island in 2017 completely wiping out that country's GDP overnight. Although the funds from the CBI program are generally used in areas that contributed and supported socio-economic initiatives as other sectors like ecotourism, the country has a new focus after the hurricane to become the first country in the world to be known as a climate resilient nation. These are all good things that has happened in one OECS country. However, the entire CBI program has been highlighted as a dubious and corrupt program run by countries with weak political systems which allows the rich to do as they please.

Therefore, I want to investigate if there is an impact on the CBI program as a result of perceived corruption within the five OECS countries. Small Island Developing States are facing many challenges and constraints in pursuing sustainable development due to their ecological fragility and economic vulnerability (Ghina, 2003). In order to ensure the survival of their citizens and that they remain competitive, small islands must resort to diversifying their economies in order to obtain a piece of the pie. Five Caribbean countries have gone the route of implementing CBI against the wishes of bigger players such as the European Union who remains to this day one of the staunch ally's against CBI programs both in and out of their Union.

CBI is a major source of income for a few Caribbean countries as well as European nations. Shachar (2009) posit that CBI brings inequality and is corrupt within the political climate because of the economic power that is inherited in those who will be investing. It is my intention to find out how has this perceived corruption of the CBI program affected the five OECS countries.

## **1.2 Purpose of the Research**

This research will focus on the impact of the perception of corruption on the CBI program in five OECS countries. The CBI could prove to be a valuable asset to OECS economies. However, the negative marketing associated with corruption may further diminish the work of CBI units across the OECS. The countries of the OECS has to find ways and means to meet 21<sup>st</sup> century development challenges. Because the UK aborted preferential access to OECS markets coupled with a more rigorous donor aid policy, small

countries are forced to implement strategies which can create an avenue to generate foreign direct investments (Clegg 1997; Thornburn et al. 2010; Pinheiro 1988 and Grynberg 1998).

This research will underline the importance of the CBI program in the OECS while underscoring the impacts of the perception of Corruption on the CBI. Therefore, this research will contribute to a soft evaluation and provide some of the benefits as well as some of the implications that the CBI program brings. Though the CBI remains a very controversial topic it is important to note that the issue still has an impact on the lives and livelihoods of ordinary Caribbean citizens and that should be taken into consideration. This research can provide Caribbean and other governments with a synopsis of the situation of perceived corruption and its impacts in undermining their various CBI programs and also help identify areas in which the CBI program can increase their corruption levels and also provide a boost in economic performance which will result in more economic opportunities that will help alleviate poverty and help boost government spending in areas of human capital.

### **1.3 Research Question**

How has perceived corruption impacted the implementation of CBI in five Organization of the Eastern Caribbean States Countries (OECS)?

Sub-Research Questions:

1. Is the CBI program a negative or positive program in the five OECS countries?
2. What are some of the implications of corruption on these CBI programs in the OECS?

Research Objectives:

1. To critically assess the CBI program and trace any corruption patterns that may or may not have existed within the program.
2. To identify various approaches which can improve the integrity and performance of the CBI Programs in the OECS small islands.
3. To draw reference and conclusions from this research on corruption perception and identify how it can assist policy makers in making the necessary adjustments.

## 1.4 O.E.C. S

The Organization of Eastern Caribbean States (O.E.C.S) is an International Inter-governmental Organization that is dedicated to regional integration in the Eastern Caribbean. There are currently eleven-member States which comprises of full Member States including Antigua and Barbuda, Commonwealth of Dominica, Grenada, Montserrat, St. Kitts and Nevis, Saint Lucia and St. Vincent and the Grenadines. These member states are part of the Economic Union and received the full benefits of Economic Union like free movement of people and goods, with the British Virgin Islands, Anguilla, Martinique and Guadeloupe as associate members of the O.E.C.S.

The Organization of Eastern Caribbean States came into being on June 18th 1981, when seven Eastern Caribbean countries signed a treaty agreeing to cooperate and promote unity and solidarity among the Members. The Treaty became known as the Treaty of Basseterre, named in honor of the capital city of St. Kitts and Nevis where it was signed. A Revised Treaty was signed on 18th June 2010 in Saint Lucia during the 51st Meeting of the Authority. The Revised Treaty established a single financial and economic space where goods, people and capital move freely. Also, it allows the harmonization of monetary and governmental policies relating to taxes and revenue.

The countries of this Economic Union continue to adopt a common approach to trade, health, education and the environment, as well as the development of critical sectors such as agriculture, tourism and energy. The O.E.C.S Authority is composed of each Member State of the Organization. Member States are represented on the Authority by their Heads of Government. The Chairmanship of the Authority is rotated alphabetically by countries on an annual basis. The Authority is the supreme policy making body of the OECS and is responsible for the general direction and control of the performance and functions of the Organization.

The Authority can enact Acts of the Organization within the areas of legislative competence of the Organization conferred upon it by the Revised Treaty of Basseterre. Decisions of the Authority are binding on all Member States and Organs of the Organization. The Authority meets twice yearly and from time to time in Special Session when required. The chairmanship of the Authority changes every year, rotating

alphabetically by country (O.E.C.S, 2010). The current Chairman of the O.E.C.S is Hon. Roosevelt Skerit, Prime Minister of Dominica.



## CHAPTER II-RELATED LITERATURE & FRAMEWORK

The second chapter of this thesis consists of an essential part of the research which is the literature review. The literature review provides insights into the topic under discussion and delved into existing research and knowledge in the academics on the topic of Citizenship by Investment programs. Additionally, this chapter will provide an explanation of the relationship between two variables, “perception of corruption” and the CBI program which will examine the O.E.C.S CBI phenomenon. This chapter will also provide a synopsis of the arguments for and against the CBI program with an explanation of a case of CBI from Dominica.

### 2.1 Literature Review

#### *Citizenship by Investment*

The CBI program has been one of the most controversial economic policies undertaken by some Caribbean governments in the last decade. The question of whether the citizenship of any country should be put up for sale is a question which permeates the minds of many scholars even today. As of recent, CBI or what is known by many as “economic citizenship” has become a major contention of debate especially in the Caribbean. Many quarters argue for and against CBI for various reasons. But after all is said and done, one question is yet to be answered who is wrong and who is right?

#### *Pros of CBI*

According to Borna et al., (2002) people who are immigrants sees citizenship as a means and opportunity to work as well as means to security with various advantages and other freedoms that are unavailable to them or restricted in their home countries. In the same manner countries in small island developing states perceive that one of the effective ways to development is to sell economic citizenship as a means for economic growth. Borna et al., (2002) also notes that economic citizenship has become economically viable as they note increases in immigration fees for access to US Citizenship as well as high risk for smuggling illegal immigrants. If individuals can attain that level of economic good, then the question is asked, why is it wrong for a small struggling sovereign State to have access to that economic good as well? Borna et al., (2002) in their article highlighted instance



where cases were made as far back as 1968 to sell Citizenship as an economic logic by Adams (1964).

According to Adams (1964) as long as human capital is free to seek the highest reward and as long as migrants bears the cost of their own movement, they will automatically tend to flow into uses where their contribution is greatest where they can do the most good. Other proponents who supports this model such as Chiswick (1982) also argues that the criterion for selling citizenship would be to set the entry price at a level so as to maximize net aggregate income of the native population. This plan would see government be in control of immigration and also maximize the welfare of the existing population thereby giving government a monopoly (Chiswick, 1982). Another advocate of selling Citizenship similar to Chiswick's plan is Becker's (1987). Under his plan one would see immigrants unwilling to wait their turn through regular channels, or those not falling within the regular immigration criteria, could buy their way into a country by paying a fee set by the government similar to the CBI (Becker's, 1987).

According to Borna et al. (2002) they argue in their rationale that selling citizenship can be justified on both theoretical and practical grounds. They argued that the market principle is efficient because the market decides who will immigrate and in the case of CBI because of its excellent due diligence process I can agree with the authors that market can make such determination. Borna et al., (2002) also makes a very good argument from practical economic and political viewpoints, that the selling of citizenship makes sense for several reasons. The authors highlight that among those reasons are that paying immigrants are unlikely to be burden-some when it comes to social service system or government assistance programs. Secondly, selling citizenship would produce significant revenues for the State which will in turn provide development. Thirdly, the authors contend that the market approach will attract ambitious, skilled, and energetic individuals who are confident of recuperating their "investment" in citizenship rights within a reasonable period of time.

Borna et al. (2002) concluded that, although no immigration system is perfect ethically, politically, and economically and notwithstanding its probable political unpopularity, selling citizenship does have advantages that remove some of the hypocrisy, immorality, and disadvantages of existing policies. Based on these above reasons these approaches can be effective when small states adopt CBI as means to economic development.

### *Cons of CBI*

Shachar (2009) concludes in her article that citizenship rightfully should never be placed on the markets for sale. Additionally, she highlighted in her article not because countries have now taken this route of selling citizenship that it is the right thing to do. In my analysis of her work, I don't believe that she has adequately chosen the best arguments or offered a substantial reason why citizenship should not be for sale. In her arguments though many three critical reasons will be highlighted as to why she is a staunch advocate against the sale of citizenship on any grounds.

Firstly, she is of the belief that the selling of citizenship allows for the political directorate to be controlled by the economic sphere. Secondly, she is of the opinion that the sale of passports will severely undermine community. Lastly, she concludes that the selling of passports will corrupt the value of citizenship. In the first instance she observed that if someone purchases citizenship in a country he or she will have no responsibility or even relations of mutual trust with citizen of that other country and as a result this will only seek to weaken community which is essentially built on collective decision making and solidarity.

Shachar (2009) in her second point also argues that once a country sells citizenship this will result in inequality within the economic as well as political spheres. In this same argument, Shachar (2009) is of the belief that this will result in a break of established democratic commitments to protect or safe guard citizen's political power from inequality. Yet, in her arguments though overwhelming the question must be ask is she right? If so be the case, then the practice of economic immigration by poor people for greener pastures should be a straight no.

Shachar (2009) is of the belief that no country should be selling passports regardless of how profitable because according to her the buyer's riches, attitude and character will breakdown community and will further undermine democratic institutions. In correlation of her explanation to that of an economic immigrant who has moved to another country seeking employment and a better way of life. Most times working in the other country is by illegal means just to help his or herself out of poverty. This immigrant would have acted in his or her own self-interest. The mentality is to work, save as much money and send

money back home. In this example there is not a desire to build any relationship of mutual responsibility or trust or community.

The valuable lesson here is that both sets of people whether it be someone who purchased citizenship or an immigrant who have moved to another country for greener pastures both move money, they will also invest based on their personal needs and both can be considered buying their way in the case of Citizenship legally and immigrant illegally. These arguments are ambiguous and the same cannot be measured under two different criteria simply because one is rich and willing to pay big money which will help in the entire development of an economy and the other is unchallenged because it involved the poor and destitute trying to make a living.

According to Bauböck (2018), if citizenships are sold to wealthy elites, worldwide inequality of birthright citizenships will be worsened rather than reduced. Internally, selling citizenship corrupts democracy in the same manner as vote-buying does, and it once again links citizenship's presumed equality to socioeconomic class, just as income tests for naturalization do. So, how should the EU and its member states respond to legislation that provide citizenship to investors? They should resist not only the fact that these policies weaken international solidarity, but also the internal hollowing out of democratic ideals (Bauböck 2018). Bauböck (2018) contends that the EU must be concerned as a union of democracies when the reign of money corrupts democracy in any of its member nations. Bribing government officials isn't the only way this happens. It's also about selling citizenship.

Similarly, Barbulescu (2018) claims that one of his issues with investment citizenship is global inequity and not the fact that it is for sale. Citizenship-by-investment schemes do not cause injustice in and of themselves, but they are unjust because they further exacerbate already-existing global inequalities. There are interesting questions to be ask because citizenship-by-investment deviates from across all citizenship philosophies (Barbulescu 2018). Especially when such policies are generally unpopular and may carry significant political consequences, and, not least, because they delegitimize the very existence of state bureaucracies prescribing citizenship for the ultra-rich. These issues are related to the

dramatic change of the citizenship institution. Barbulescu (2018) argues that the introduction of citizenship-by-investment runs counter to states' efforts to reassert citizenship through exams and integration criteria. These issues are related to the dramatic change of the citizenship institution.

### *A soft case of CBI*

According to Ghina (2003) Small Island Developing States are expected to face many challenges and constraints in pursuing sustainable development due to their ecological fragility and economic vulnerability. The Commonwealth of Dominica is a perfect example of this argument. A healthy environment is the basis of all life-support systems, including that of human well-being and socio-economic development (Ghina, 2003). The Commonwealth of Dominica's government set up the economic development fund under the CBI program. The sole responsibility of this economic development fund is to collect and manage all monies that is generated under the CBI program from applicants. Additionally, the role of this economic development fund is to provide capital and revenue to the governments public expenditure to supports its development mandate. Some of the development priorities as outlined by the government that the fund should be used for supporting public sector projects including the building of public schools, renovations of major public health facilities such as health centers and hospitals and sports development by building a national sports stadium.

This provides a snap shot into what kind of developments projects that are supported and created through the CBI program from a small state such as the Commonwealth of Dominica. The economic development fund is the result of the sale of passports to people who invest into the citizenship of the Commonwealth of Dominica. This fund further provides support to the private sectors as it forms part of the economic development vision of the country. Sectors such as the innovation and technology, tourism industries and the agricultural sectors also benefit from capacity enhancement.

According to the Commonwealth of Dominica (2019) estimates of expenditure from the CBI program moved from EC\$9.1 million dollars or US\$ 3.4 Million in allocations for the period 2014/15 to a significant increase of EC\$ 346.8 million dollars or US\$ 129.4 Million in the 2018/19 expenditure. This translates to the CBI funds contributing to

national development in the Commonwealth of Dominica from a mere 2% in 2014/15 to a massive 41.5% for the period 2018/19 (Price Waterhouse Coopers, 2019).

The Commonwealth of Dominica is a peculiar case study in that it has one of the oldest but the best ran CBI programs in the world. What makes it even more important in ascertaining that development in small states which implemented the program really works is related to the repercussions of one major tropical storm and one monster category 5 hurricane. After these storms ravaged through the country and wiped out their entire GDP in one single night we saw that the Commonwealth of Dominica bounced back even stronger. Because of the CBI we see development at even a faster rate and the transition and development of the country into climate resilience and a service-based economy.

Tropical storm Erika ponded the island of Dominica costing it 90% of its 2014 GDP, two years later a monster hurricane Maria hit and zeroed the GDP of the country. It was estimated that damages amounting to 226% of the country GDP was affected by that Hurricane (Government of the Commonwealth of Dominica, 2019). Economist and other agencies estimated that it would have taken the country decades to recover from the ravages of the disasters. However there have been rapid development within all sectors of the Commonwealth of Dominica largely as a result of the funds from the sale of passports in the country's CBI program. In each of the crises the government faced, it is clear that had the country not been involved in the CBI program the government's ability to respond would have been greatly impacted. The Country also saw an increase in the funds from the CBI program and therefore government's funding capability for development was greatly enhanced. It must be noted that compared to donor funding and pledges of support from friendly governments, the CBI program was by far the best generated revenue stream for government.

According to Statistics from the Commonwealth of Dominica (2018) a total of E.C\$582.6 million or US\$ 217.4 Million dollars in CBI program have funded the development and construction of a total of 15 damaged roads and 19 bridges, the repair to 15 schools island wide and three hospitals. Additionally, the government constructed a total of 6,680 Hurricane-resilient homes for citizens of the country after the Monster Hurricane Maria ravaged the island. In other industries such as the tourism five hotels and ecolodges have been built with room capacity of 628 rooms, over 1,000 new jobs were created during

the construction phase providing direct employment for approximately 900 hospitality workers (PWC,2019). The CBI program has real benefits and has contributed to the development of almost every sector in the Commonwealth of Dominica by supporting the livelihoods of ordinary citizens within tourism across the island and farmers alike. Some authors like Shachar (2009) make their arguments that Citizenship should not be for sale because it's recognized as a democratic community and should never be for sale.

It must be noted that CBI helps build communities, because monies that is raised in the sale of the passports goes back into ensuring that the community remains strong and is built back especially in the face of climate change which triggers natural disasters. There are a number of lessons and examples that can be drawn from the small island developing country of Dominica which has the number one citizenship by investment program. Authors like Shachar (2009) shared sentiments and compares the selling for passports for economic gains to that of selling elections. These arguments by the author are in direct contrast to the reality because there is actual legislation which governs and make CBI legal whereas in election selling or buying of votes is illegal in almost every part of the world.

It was also interesting to note that scholars argue for the CBI program highlighting it as a monetary investment which contributes to the common good of the community as well as the political landscape. Based on the literature some authors disagree on whether citizenship acquisition based on purchase or investment is more arbitrary than the common rules of residence-based naturalization.

The literature also points to cultural relativism as promoting citizenship for sale. Cultural relativism is based on two important premises; one, the existence of cultural diversity and the secondly, a cultural origin of values. Cultural relativists (Sumner, 1906; Herskovits, 1947; Nielsen, 1966) would argue that, in effect, citizenship is already being sold and most cultures consider the practice acceptable. A move to a more market driven model is only a matter of the degree of the practice. The attitudes of some citizens notwithstanding, selling citizenship has been acceptable for centuries. Because no absolute truths exist, cultural relativists would argue it is completely within ethical bounds given current sociology and societal values.



Major ethical philosophies do provide guidance for a proposal to sell citizenship. For example, utilitarianism (Mill, 1861) is the theory most compatible with such a proposal and with capitalism in general. The classic teleological or consequentialists' utilitarian argument would be that a system that allows movement of labor provides the greatest good to the greatest number. The desirable ends of maximum productivity and personal freedom supersede the possible harm to a relatively small group. Critics would point out, however, that the "small group" adversely affected under a selling immigration policy might be as large as an entire country.

### *Perceived Corruption*

Since the rise of CBI in the OECS there are many perceived corruptions report particular as it relates to CBI as in the case of Antigua and Barbuda who was cited in a US State Department report of 2019. Also, cited was a report by Mathias Bak of Transparency International in 2019 which contends that CBI may have resulted in the poor performance of Antigua and Barbuda in the Worlds Bank Governance Indicators report or the US State Department report. The report by Mathias Bak (2019) further implied that besides the corruption cases related to the CBI scheme, Antigua and Barbuda has seen a few corruption scandals involving high-ranking officials in recent years.

Corruption has been widely defined. Davis and Ruhe (2003) states in their article that corruption being an ethical concept is very difficult to define in a universally acceptable fashion. They however, define corruption according to the Webster's Dictionary as "bribery or similar dishonest dealings". The two authors went on to state that corruption is subjective as it may not have the same definition because people classify corruption differently. According to Transparency International web page, corruption can be best defined as eroded trust, a weakened democracy, hampered economic development and an exacerbation of inequality, poverty, social division and environmental crisis (Transparency International, n.d).

Sandholtz and Taagepera (2007) defined corruption as "the misuse of public office for private gains and the corrosion of democracy which undermine the most fundamental principal of democratic governance". According to Braz, (1970) and Jain (1998) corruption can simply be defined or considered as "what an individual perceives corruption to be". When there's a perception by the citizenry that public officials especially politicians are

devoted to their self-interest as opposed to the public's interest then this leads to the perceived corruption. Rose-Ackerman (1999) contends that a number of economic studies has pointed to corruption as being closely connected to devastating economic lost. This position will further strengthen this research argument as to the impact perceived corruption has on the CBI program.

Davis and Ruhe (2003) contends that perceived corruption can be shared among stakeholders. Further, the authors argue that a country has a large number of stakeholders and national decisions may affect those who have influence and therefore an assessment risk is likely to be carried out by the affected party of that particular country. The perceived corruption is formed according to Davis and Ruhe (2013) on other stakeholder perceptions in the absence of first-hand experience. Davis and Ruhe (2013) sums up wonderfully the effects of perceived corruption in their article especially with their hypothesis that where corruption is perceived, trade is likely to be constrained as a result of investment loss which is associated with corrupt practices.

Where there is higher corruption in a country the risk is higher and hence there ought to be a perceived worst investment climate as opposed to countries who has relatively lower corruption. Additionally, there is both economic and political risk associated with corruption and that's because corruption often places wealth in the wrong places hence it is important to point out that the CBI if tainted with perceived corruption is at extreme risk.

Davis and Ruhe (2013) posits that corruption is a difficult term to define in a universally acceptable way whereas Svensson (2005) makes the argument that there is no definition for corruption which is completely clear-cut. However, the author went on to note that corruption is an outcome of the reflection of a country's legal, economic, cultural and political institutions. Svensson (2005) stated that corruption can be born as a result of bad policies or insufficient institutions which are put in place to collect bribes from individuals seeking to get around them. The author notes that countries with corruption do have significantly different policy characteristics. The author also argues in his article that a common approach to controlling corruption is to increase competition among firms. Hence it will be interesting to see how has the competition for the CBI program within the OECS helped strike this balanced approach to perceived corruption.



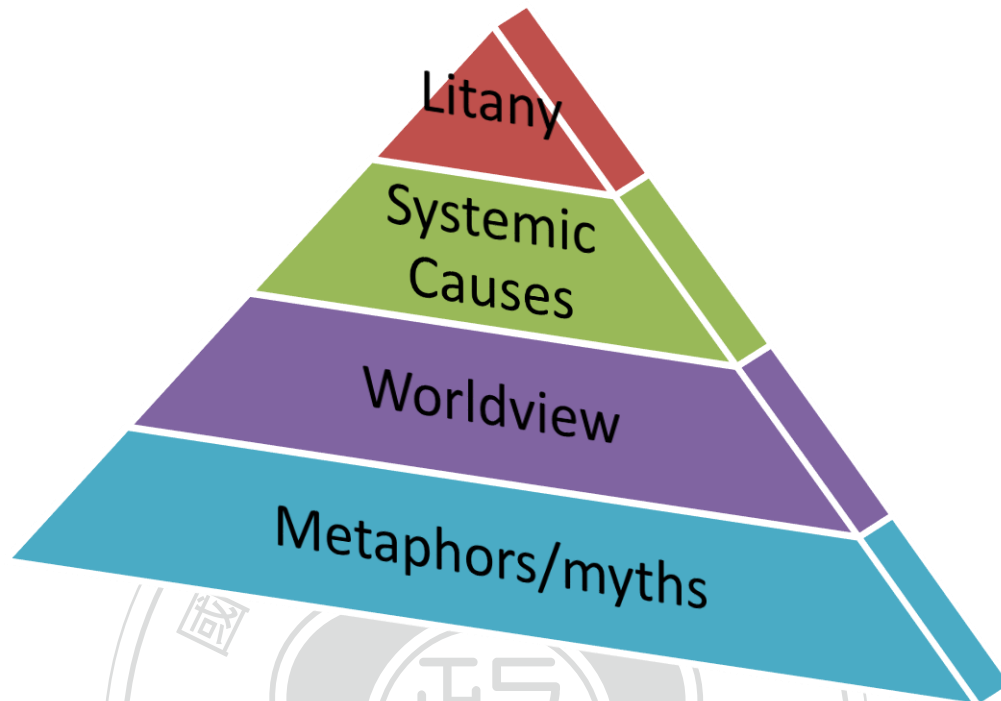
Lindgreen (2004) defined corruption as private individuals or enterprise who misuse public resources for private power or political gains. The author also highlighted in the article that corruption is not limited to one continent referring to Africa but also noted other place like Europe also suffered from the perils of corruption. The author posits that corruption has a negative effect and brings attention to the role that international companies play in supporting and upholding a system of corruption. The author like previous authors noted that corruption remains a complex and multifaceted phenomenon with multiple causes and effects which takes a number of forms and functions in different context. According to Johnston (2013) naturalized citizenship to aliens appeals to policy makers specially to States which experiences financial turmoil and need to attract much needed foreign direct investment. Despite how true this statement holds, authors like Johnston refuses to look objectively at the gains of selling citizenship or rather other factors of CBI program but concentrates solely on the perceived corruption aspects of CBI.

Additionally, Johnston (2013) posits that CBI is a policy which is institutionally corrupt because it threatens to destroy the value of national citizenship and moreover corrodes the public's trust in citizenship. This is an argument that have been supported by prior scholars like Shachar (2009) who also contended that selling citizenship will corrupt the value of citizenship. Johnston (2013) in making the arguments against CBI highlighted that the OECS opposes Antigua and Barbuda's CBI program because it would unilaterally grant investment citizenship the same unrestricted travel access within the region which is enjoyed by OECS citizens under the Treaty of Basseterre agreement.

However, this is a misrepresentation as today five of the six independent member state has the CBI program. Generally, in his article Johnston (2013) noted that CBI maybe an innovative way to boost a country's economy but this fundamentally alters what it means to belong to the polity. This is an innovative way of boosting the economy of any country and does not necessarily alters what is means to belong to the State or becoming a citizen of any particular jurisdiction.

## 2.2 Conceptual Framework

**Figure 1- CLA Framework of Analysis**



Adapted from: CLA method framework, Inayatullah, 2004

### *Introduction of CLA*

The Causal layered analysis (CLA) is a famous research method tool used in Future studies that deepens one's understanding about changes in the future. CLA was built on the assumption that the framing of a problem will impact on how change will be pursued based on that problem (Inayatullah, 2004). The method of analysis of CLA is inclusive and also accounts for various streams of causality works in unity on any one particular problem. According to Inayatullah (2004) there are four dimensions found in CLA. These dimensions include litany, systemic causes, worldview and metaphors/myths. This conceptual framework will deconstruct the present status of the CBI program and look at the future relationship between corruption perception and the CBI program in five OECS countries.

In the first layer, there is the commonly and accepted headlines on how things should be or how it should go. This dimension is known as the litany and the solution to litany related issues are often short term. The litany in the context of this research focuses

on the perceived corruption of the CBI program. This layer will examine two schools of thought; one is where scholars oppose the CBI program and the second is where other scholars support the CBI. Firstly, Shachar (2009) argues against CBI concluding that citizenship should never be placed on the market. Further Shachar (2009) argues that once a country sells citizenship it will automatically result in inequality in the economic and political spheres. A second author, Walzer (1983) argues that political participation should be free of inequalities which is associated with the sphere of money. Other authors such as Adams (1964) posits that selling citizenship is a good economic logic. Borna et al (2002) argues that people who are immigrants sees citizenship as a means and opportunity to work as well as means to security with various key advantages and other freedoms unavailable to them.

The deeper part of this layer is found in the second layer, the systemic causes which focuses on economic, political and social causes of the issue. This layer of the framework will present the opportunity to examine the systemic causes of perceived corruption in the OECS CBI program. Some of the systemic causes are as a result of colonial inequality in tax advantages, transparency, external shocks, poor regulatory frameworks, existing stereotypes and dependency. There is a number of systemic causes which pertains to the perception of corruption as it relates to CBI. One of these major systemic causes is the influence that the EU/US exerts over the smaller countries at the political levels by using sanctions and blacklisting. This is supported by dependency theory. Dependency theorist argues that countries were not developing because of the setup of international system in a way to prevent them from doing so and that this international system was exploitative and there is a dominance of some countries over others. In the case of the OECS CBI, it's an economic policy implemented by Caribbean governments to help their various countries economic situation however, the bigger countries specifically the E.U and US who have very similar programs using different nomenclatures see these programs as a threat and terms it corrupts the value of citizenship or a bad policy for the Caribbean region. This theory will further explain and place into sharp focus the global social inequalities as it relates to the CBI program in terms of how the richer societies has historically exploited the poorer ones.

The third layer is known as the worldview. In this layer an overall picture is painted which informs what appears to be real or not. This dimension gives an overall snapshot of

the shape and understanding from the world's perspective. The worldview in the context of this research is that the CBI program promotes economic development. There is an efficiency associated with high net-worth people who wants to attain a second citizenship for security and prosperity that is otherwise not afforded by their countries. However, there are two strands to this worldview of the CBI program. The second strand argues that citizenship should not be a commodity for sale. Citizenship is an identity and has values and loyalty to a country that must never be sold. It's strictly against EU values for the sale of citizenship. This brings to the fore a discourse on community vs market. Which is very ironic, because the EU which is considered a country on the core as explained in the dependency theory are the ones who stresses community and that citizenship should not be placed on the market because identity and values cannot be for sale. The other strand is that of market as emphasized by the smaller countries of the OECS which is a reverse role because these countries are considered small and are on the periphery. Initially the bigger countries promote markets whereas smaller countries focus on community but in the case, we see reversed roles.

The myth or metaphor is the fourth and final layer. In this layer the deeper story about a particular issue is revealed. In this layer the deeper story or comments reflects that the CBI program is a very good and positive program for the OECS Countries. It provides substantial revenues to governments that would other not have been raised for key social and other developments programs. The information presented in this layer of analysis were dominated by the research respondent's reflection on the negatives and positives of the CBI program in the OECS. There was a distinct message from the respondents that the CBI program was by all indication a very positive, successful and well ran program within the OECS that provides a much-needed revenue stream to the OECS governments. The respondents reflected on the positives of the CBI to the OECS:

Respondent no.5 stated; *"I think it's a highly positive program, if I'm going to do a cost benefit analysis of the program, I think I will see much more benefits than cons. I mean if we look at the program in its ideal sense and I carry out a cost benefit analysis on it, I would conclude that it's an excellent program for the region."*

Respondent no.2 relayed that; *"Its generally a positive program for the OECS because it diversifies income streams for governments. It's also offers government with the possibilities to be less indebted because they won't have to borrow to do everything"*

*socially and infrastructurally for public sector investment such as building roads, bridges or hospitals as in the case of Dominica.”*

Respondent no.8 reflected that; *“In small state economies like ours, I think the opportunity for significant economic and financial impacting capital is always attractive. It’s a positive thing because it can generate a fair amount of cash inflows that can impact our economies in big ways because of the small size of our budgets.”*

Lastly, respondent no.1 articulated that; *“I think it’s a positive program for our OECS countries especially at a time when FDIs is decreasing, at a time when foreign aid is decreasing, at a time when financing for development is very limited, at a time when we as middle-income countries the cost for development financing is out of our reach because of the conditionalities. The CBI program offers an opportunity for us to be able to leverage as citizens and hence I believe it’s a positive program.”*

The CLA though a method framework will be adapted and used as the conceptual framework for this research because of its credibility in previous studies and that fact that it can be used as a research framework or a participatory stand-alone method. The main purpose of this research is to assess the CBI program in five OECS countries and explore any corruption patterns which may or may not exist. Additionally, to what extent has perceive corruption impacted the CBI program and implications that corruption may have on the program.

CLA was developed in the futures area and has attracted much attention in recent years. It has been used in a wide variety of fields. According to Inayatullah (2004) Causal Layered Analysis can both be used as a theory of knowledge and a method for deconstructing complex issues according to four levels. CLA allows for deconstruction on a number of levels. More importantly, it not only addresses different levels but also different depths in terms of culture (Jason & Glenwick, 2016). An important aspect of policy implementation takes place when assessing these cultural aspects.

Becker (2011) posits that using CLA when dealing with policy in the complex contextual domain emerging patterns of change need to be recognized and monitored. CLA offers the means to address many issues in the social, political, historical and cultural

context. Using CLA ensures that researchers examine not only what has happened and the social context in which action occurred, but it allows examination on the worldviews of the participants and the underlying aspects of culture (Riedy, 2008). When the same phenomenon is being scrutinized using CLA each layer provides a different perspective however, each layer of the CLA affords a different level of depth just as in the case of using lenses. There is always a comprehensive understanding of the phenomenon which is analyzed therefore no layer outweighs the other. Collectively these accounts make for a rich and in-depth interpretation of issues. Causal layered analysis assumes that the way in which one frames a problem changes the policy solution and the actors responsible for creating transformation (Becker, 2011). Causal layered analysis asks us to go beyond conventional framing of issues. These four layers are indicative, that is, there is some overlap between the layers.

The CBI program and the perception of corruption shares a complicated but complex relationship. On this basis the conceptual framework will allow for this phenomenon to be further elucidated using the four layers of analysis to understand the dynamics of the CBI Program which will provide a multi-dimensional perspective from this research. This multi-dimensional perspective does not only provide context for future research but most importantly appropriate recommendations to policy makers to ensure the survival of the CBI program.

## **2.3 Research Methodology**

This research will use a qualitative approach which involves the procedure of collecting and analyzing both qualitative data at various points of my research to better understand my research problem completely (Creswell, 2002). One of the rationales for deciding on such method is that the qualitative approaches will be sufficient to adequately capture the complex details or emerging trends of the study under consideration. There is a better and more complete analysis provided when qualitative methods are applied (Green, Caracelli, & Graham, 1989, Tashakkori & Teddlie, 1998).

In research, the researcher determines which instruments that will best investigate a problem and which approach will produce highly reliable and valid data. Creswell (1998) contends that qualitative research is an inquiry process of understanding which helps the



researcher develop a holistic picture, analyze words, reports informants detail account and conducts the research in a natural environment. The participants based on their perception of the world provides data for analysis drawn from particular values. This provides for an understanding of the problem which is based on several contextual factors.

According to Tashakkori and Teddlie (1998), various approaches, variables and units of analysis will be carefully considered once they are appropriate in providing the answers to the research question. One good question to ask is which method, qualitative or quantitative, will be given more emphasis in the research. This is known as ‘priority’. As it relates to “implementation”, this ascertains whether qualitative and quantitative data collection and its analysis happens in chronological order, parallel or concurrently. When the merger or mixing of the quantitative and qualitative data happens during the research it’s known as “integration”.

The researcher will carry out in the first phase the collection of quantitative, numeric data using international data base systems in the OECS and the United Nations. The second phase will see multiple case study approach which will be used to collect text data through individual semi-structured interviews, government documents, news reports to help provide an explanation for certain external and internal factors.

The justification for this approach is that quantitative data and the results generated will provide an overall snapshot into the research problem such as external and internal factors which impacts the CBI program in small islands whereas the qualitative data and its analysis will provide an explanation to some of the results by a more in-depth exploration into the phenomenon or by conducting case study analysis. It must be noted that in this research priority will be given to qualitative method because the qualitative aspect of this research has major aspects of data collection and analysis which will provide in-depth explanations from the explorations of various case studies.

Additionally, this research will see the use of a qualitative methods using a case study analysis with participatory. Participatory action research involves the investigation of practical problems which is encountered in professional practice using various qualitative approaches in defined areas with research participants (Adu 2016). As noted by Yilmaz (2013), Wyse (2011), qualitative studies rely mainly on interviews. Therefore, this study

will rely heavily on in-depth semi-structured interviews to address the research questions. Through this method, the researcher will examine and understand the experiences and perspectives of participants who are also professionals with the various CBI Units.

Primary data will be collected through one on one in-depth interviews with 15 participants through the use of 12 semi-structured open-ended questions, to effectively allow respondents to share their experiences. Interviews will be conducted with people who are in the practice of CBI and policy makers from direct levels of the organization including former Ministers of Government, chief executive officers, agents, civil society organizations and heads of the CBI Units. For the semi-structured in-depth interview approach, questions will be prepared in advance, and will be circulated to participants in preparation of the interview. This will work toward guiding the researcher and interviewee during interaction. Due to the emergent strand of the semi-structured interview, the researcher may ask follow-up questions, based on the respondent's latitude to respond.

Moreover, the researcher will employ a limited quantitative analysis to this research using a small regression analysis or descriptive analysis to draw reference to impact perceived corruption has on the CBI program. The researcher will collect and access the data and information from government documents, reports as well as credible data sets and sources available through the World Bank, United Nations indexes, Global CBI index and the Corruption index.

The Causal Layered Analysis a futures methodology, has been adopted to allow a reflective and contextual approach to policy implementation and involves a structured layered deconstruction of social issues. An example of this approach is highlighted above in the Conceptual Framework with its application examining the impact perceived corruption has on the O.E.C.S CBI program.

## **2.4 Research Limitations**

Researchers often encounter challenges during the research process, these challenges can be referred to as the research limitations. As a novice researcher there were encounters with a number of challenges associated with this research. Additionally, because this research area is a relatively new and emerging it posed additional challenges in identifying



existing research literature on the phenomenon under study. There was also a lack of corruption data available as one or two countries did not have a Corruption Index Ranking. This research may also experience some limitations to the generalizations of the results because the findings are limited to the countries of the O.E.C.S. with CBI programs. The case for its applicability to other regions especially SIDS countries is a subject for future studies.

This research involved the use of social media and other platforms such as google meet and Skype to contact and conduct interviews with research participants. This posed some challenges because of the time differences as well as low internet penetration or connectivity in the O.E.C.S countries of focus. The availability for interviewing some of my research participants pose serious challenge to this research. There were a number of research participants as in the case of Antigua & Barbuda who agreed but refused to respond or in some cases didn't turn-up to the interview. Corruption also served as a limitation because it's a sensitive issue and some respondents were careful not to speak on the record to the issues of alleged corruption in their various countries. Finally, because of the nature of the CBI program some occupational embellishment was encountered because the research participants did not want some of the discourse to be on the record due to issues of trepidation.

## **CHAPTER III-THE PRACTICE OF OTHER CBI PROGRAMS**

Chapter three of this thesis will be a continuation of the related literature of CBI programs exploring first the emergence of the program followed by a comparative study of other CBI programs which is in existence. Likewise, this chapter considered a few countries such as Ireland who suspended their CBI program. The primary aim was to analyze some of the contributing factors that may lead to the eventual failure or success of the program keeping a sharp focus on the economic fallout of corruption on the CBI program in general.

### **3.1 The emergence and limits of the CBI Program**

In the academic world there are many assumptions on how exactly did the CBI program emerged. Before delving into the literature, I had my very own questions into just how did this program reach the Caribbean shores? The CBI to the surprise of many originated from the small island Caribbean country of St Kitts and Nevis. In the year 1984 the CBI was established by the adoption of the Citizenship Act of 1984 which was in response to a newly independent nation who was struck by economic hardship as a result of the loss of preferential agricultural market and falling prices of their booming sugar industry which was the country's main export and foreign income earner Džankić (2012).

Though the CBI program started in the Caribbean Island of St Kitts, a number of Pacific islands also joined the practice of CBI offering economic citizenship at very discretionary rates. Not long after the Commonwealth of Dominica also engaged in the practice informally. During a trip to Hong Kong the then Prime Minister Damn Eugenia Charles publicly advertised that the Minister with responsibility for Immigration had the authority to grant citizenship once a financial investment in the Commonwealth of Dominica is made (South China Morning Post 1983). The Commonwealth of Dominica only regularized and made the CBI program official in 1993. According to the South China Morning Post, in 1992 various consulates established overseas were engaged in the selling of passports without the knowledge of their governments and ambiguous interactions of ministries which lead to scandal in particular the Consulate for African country Lesotho in

Hong Kong. Over the ensuing years a number of programs that operated during those years closed as a result of slack regulations.

The two Caribbean countries of Grenada and Belize who started their programs in 1996 and 1986 respectively had no choice but to completely shut down their CBI programs as a result of pressure exerted from the American government as a result of security concerns after the 9/11 terrorist attacks. In 1989 Ireland also imported the CBI program into its Citizenship Act by imputing financial investment as a requirement to attaining Citizenship. According to Fossen (2007) both Tonga and Nauru were involved in the sale of passports which was largely secretive and ambiguous, as a result, this led to a number of international criminals being found in possession of their passports.

Today the CBI remains a very cloudy business in the Pacific. As a result of the CBI program a great number of countries has established a permanent residence at a cost. In 1978 Canada established a Business Immigration program but in 1986 transformed the program into a Federal Immigrant Investor Program. According to Finlayson (1984), at the time of that transformed program in the 1980s there were only a few hundred applicants to the scheme however there were sharp increases in the thousands by the 1990s. If an applicant to the Canadian program could invest a minimum of CAD\$250,000 and had a net worth of CAD\$500,000 they would be granted a conditional resident visa which would later become a permanent resident after just three years (Ley,2003).

In 1990 the United States of America followed in these very footsteps and introduce a similar program commonly referred to as the EB-5 Immigrant Investor Program. Soon after in 1994 the United Kingdom introduced their program also similar termed Tier 1 Investor program. If one were to ask, this is exactly the type of policy diffusion which took place from small countries to big countries who adopted similar programs to those implemented in the small island-state struggling economies as a means to stop the hemorrhage of their damaged economies. There are several examples of countries who copied the similar programs and, in some cases, elaborated the programs to fit their various countries needs such as Australia, Singapore and even New Zealand. It must be noted that despite these countries adopting or implementing these programs or similar programs the overall economic impact remained trivial. Taiwan was one of the countries who benefited largely from programs like these because the mobility, security, business opportunities and

the quality of life that investing in CBI or residency programs provided abroad (Tseng,2000). According to Tseng (2000) Taiwan during the mid-1990s recorded annually 20,000 people who registered for CBI like programs but with more popular programs from Canada, Australia, USA and New Zealand.

The WTO decided to end St. Kitts and Nevis sugar industry's preferential market access to the EU in 2005 which crippled the main economic activity at the time. In response the government entered into an agreement with Henley & Partners, a Swiss residency firm to formalize and implement a CBI program on behalf of the government. The new program established and regulated the informal program which existed and created a structure whereby applicants could now go through a licensed service provider or agent as opposed to directly to the government as existed in the past. According to Abrahamian (2015) the new program developed a list of approved investment options and a SIDF which is a private entity used for managing all donations to government. Every donation to the SIDF from CBI revenue was paid a commission of \$20,000 which was agreed upon by Henley & Partners who in return marketed the program internationally (Abrahamian,2015). The government of St. Kitts in 2011 would then take over the operations of the private entity set up for CBI and transform the Unit into the Ministry of Security which will now handle all CBI applications.

This CBI unit now falls under the Ministry of Finance headed by the St. Kitts's Prime Minister where all screening and application approvals takes place. The program received a great boost in 2009 because the country was granted access to the Schengen region visa-free which now increased the number of countries one can visit visa-free on a St Kitts and Nevis passport. This would also mean that this passport could easily get free movement and mobility within the European space on a wider scale or equivalent to a passport from the Asian region. This made it easier for financial planners to pair Canadian investor to a St. Kitts passport which would in turn give them access to Europe while they awaited their citizenships in Canada. According to Abrahamian (2015) receipts from the CBI accounted for 1% of the country's GDP in 2006 and exploded to 35% of the country's GDP by the year 2015.

Henley & Partners provided key advice and policy direction to the government at all stages including key reforms to the program as well as legislative changes to be made.

Henley & Partners have remained the dominant third party and despite competition in the markets have been awarded contracts by the governments of St. Kitts, Grenada, Dominica and Malta to establish their CBI programs with payment of commission for each application which goes through the program for services of publicity and advertising on the market. Firms such as Henley & Partners also lobby other governments and states on behalf of countries with CBI programs for visa-free access to increase the number of countries which anyone of their CBI program countries can include as its offerings a win-win situation (Abrahamian,2015).

One of the major limitations of the CBI program is that though it has been around for the last few decades research and the study of granting citizenship in exchange for monetary contribution is remarkably limited. Some of the work that has been done by scholars criticizes the CBI programs largely on theoretical grounds on the pros and cons which often highlights issues of corruption or how unfair or anti-democratic the program may be. There seems to be very little interest on the impact of the program or any serious primary data collection to complement these initial contributions which in my opinion largely misrepresents the actual economic transformative nature of this program on small countries. Though academic material may be limited, a notable exception maybe a comparative analysis of policies which was designed to accentuate best practice for policy makers by Sumption et al (2014). Abrahamian (2015) posits several areas of how the CBI contributed and, in some cases, transformed the economic citizenship industry despite the most negative feedback from limited research that has been carried out.

Scholarly literature only considers key debates which is often dominated with little normative or economic considerations. Moreover, current studies give only a snippet account of the broader picture and does not provide any detail analysis which is comprehensive enough to explore the historical or geographical depth of the CBI program. Citizenship is normally viewed by economists very different from other things that can be traded or commodified on a market. There are arguments for and against selling citizenship and some believe that it's the most egalitarian way one can screen people to be accepted into a country. Borna et al (2002) and Becker (1987) both argues nations should attract people who have certain characteristics such as talent, education, skilled and young as well as those who are able and ailing to pay which would keep them off the funds of the state.

Borna & Stearns (2002) posits that CBI can possibly decrease the flow of certain types of migrants and may well be a new source of revenue for the country.

There are many political theorists who share contrasting views and are more apprehensive towards the policy of CBI. There are two major theorist who contributes to their trepidation, Walzerian which speaks to and promotes Justice separate spheres and Aristotelian which considers the political involvement of citizenship as its foundation. Walzer (1983) posits that political participation should be free of the inequalities that is associated with the sphere of money. Shachar & Hirschl (2014) argues that once a migrant million is granted citizenship into the political community and has a voice in the political arena this serves as the greatest threat to the institution of citizenship based on the principles of participation and equality.

Furthermore, Bauböck (2014) posits that a fundamental right of political citizenship is voting in election hence political influence is being sold once passports are sold and this is a clear danger to democracy and this only helps to reinforce many of society's inequalities. Both the political and economic sides of the debt despite the normative difference which exist contains limitations which are similar to each other. The theoretical understanding of *jus pecuniae* is what both debates stand on and its relatively weak by its actual operation. Some believe that investor citizens would like to only immigrate and settle into their new CBI country and they are investor-as-immigrants who provides threat to democracy or contributes economic gains. However, according to Kälin (2014) that is far from the truth and only a few CBI citizens will actually settle in their new country but the majority is in search of security and the mobility that a second passport would bring.

It must be noted that most countries with a formal CBI programs has strict guidance or laws which will require one's presence in the country for a period of time in order to qualify for electoral participation. In order for a vote to be casted at a general election someone must have been in country and present in the electoral district for several months before the election which is an automatic disqualification for anyone not residing in the country particularly for CBI citizens as well as the diaspora population of the country. According to Xu et al. (2015) small island developing states on the periphery will benefit greater from the economic benefits of investors citizenship once the program is well managed.



These small island developing states has very limited resources and diversified economies that will achieve economic independence from hegemons or international organizations such as the IMF. According to the Antigua Observer (2015), because of the presence of the CBI program and its profits, they were in a position to stand up to the IMF on strict loan conditions that requested that they reduce and cut public sector wages, a decision that would have dealt a blow to the struggling economic conditions at the time when the country was experiencing poverty rates as high as 35%. There is a great need for empirical research and data in order to support theories about the CBI program especially within small islands. There also needs to be a corrective theorizing of CBI to deal with and correct the many misconceptions and unsettling assumptions about the CBI program and how it operates in a contemporary era.

### 3.2 The Practice of Other CBI Programs

Figure 2-Countries with existing CBI Programs



Source: 2019 CBI Index - A Guide to Global Citizenship - [www.cbiindex.com](http://www.cbiindex.com)

Over the last several decades the world has seen an increase in the number of governments offering opportunities for people from other countries to buy into their established CBI programs. There are also a number of residency programs which governments has opened to allow people who have the means to buy into their economic

programs. Figure 2 depicts that there are at least fourteen (14) countries with an active CBI program. Few studies or research has been published on CBI and hence very little is known about the program. According to Džankić (2012). The CBI policy first started in St. Kitts and Nevis as its holds longest program of granting citizenship on the grounds of investment and hence it is right to state that prior to 1984 CBI didn't exist. In recent years there has been a proliferation of investor programs established in various nation-states.

All over the world we see a great demand for immigrant investor program for example the US immigrant investor program which was relatively at a cap for the last two decades in 2014 witnessed a surge to its cap of 10,000 visa in 2014 for the first time since the program's inception in 1990 as a result of huge applicants from China. In March 2014 the Canadian government took a decision to close its program because the immigrant investor program was deemed to provide insufficient benefits to the Canadian economy as per a commissioned study entitled "building a fast and flexible immigration system".

The report pointed out that at the close of the program there was already 65,000 applications. Despite the structures in place for most CBI programs the program gathers a fair amount of integrity concerns and flagged for issues relating to corruption around the world. The reputational risk associated with the program as it relates to its financial management and international security has to be dire in some cases that countries had to take the painful step of suspending or terminating their programs indefinitely Grenada, Nauru and Belize all were pressured and had taken the decision to discontinue their CBI programs as provided in table 1 below.

Notwithstanding that the government of Grenada reintroduced a redesigned CBI in 2013 after a few years of suspending the program, the country was hemorrhaging and there were huge economic declines in Grenada and the country had no choice but to enter into an extended credit facility with the IMF which is a supported program in June of 2014. It appears that it was only inevitable that Grenada restarted their CBI because of the significant benefits that CBI brings to small islands and the kind of economic performance in other states such as St. Kitts.



**Table 1- Countries with Suspended CBI Programs**

<b>Country</b>	<b>Program Periods</b>	<b>Reasons for Suspension</b>
Ireland	1980s-1998	Insufficient economic benefits
Grenada	1997-2001	Security concerns after 9/11
Belize	1995-2002	Security concerns after 9/11
Nauru	1990s-2003	Security Concerns after 9/11
Hungary	2017-	Credit ratings were upgraded
Source: Press reports & Country authorities		

Ireland decided to suspend their Citizenship program in 1998 after the country commissioned a parliamentary review of the program. At the conclusion of the commissioned review, it was recommended that the program be terminated because it brought insufficient economic benefits to the country. However, in 2012 the country returned to a very similar investor program and reintroduced the program called the immigrant investor program (IIP). The sole purpose of the program according to the IIP program website is to encourage business professionals and investors who are outside the economic area of the European Union. This is in a bid to attract investment and have individuals who are desirous of relocating their business interest in Ireland in exchange to secure their residency status.

The IIP program in 2020 raised €3.6 million Euros a week from only Chinese applicants (Nesheim, 2021). One of the differences in this IIP program to the CBI is that it does not offer citizenship nor permanent residency. However, once set conditions are met residency can be extended for an indefinite period of time every few years. The program in Belize remains suspended up till today. However, in 2013 allegations emerged in the national press that there were illegal passports authorizations by the Minister responsible to Middle Eastern and Asian nationals (Channel5Belize, 2013).

Cyprus started its CBI program in 2002 and has gone through several changes with the recent being in May 2019 when the program changed its rules to cap the CBI applicants to the program at 700 per year. This program offers four most popular options which involves purchasing or constructing buildings, land development projects, or investing in infrastructure when considering to enter the Cyprus CBI program. The CBI program of

Cyprus triggers the right to live and work within the EU, but it does not occasion membership of the Schengen Area. The program boast being the quickest route to citizenship within the EU and the only Citizenship which guarantees the fastest access to a European lifestyle. The Cyprus CBI program is not without controversy, according to Aljazeera, 2021 a government appointed board of inquiry found that more than half of the passports which were issued under the CBI program to rich clients were illegal. The report found that more than 3000 investor who coughed up a minimum of € 2 million euros were granted passports between 2013 and 2019. Because of the huge scandal associated with their CBI program an announcement was made that the program was terminated as a result of corruption scandal which embarrassed the government who had hail the program a success (Aljazera,2021).

Malta is another EU country which has a CBI program. Malta formally established the CBI program in 2014 and the program is capped at 1,800 applicants per year. The CBI program highlights a single three-tier investment strategy for applicants who have an interest in gaining citizenship in Malta. A non-refundable contribution into the National development and social fund, the purchase of real estate at or above a certain value and through an investment option portfolio which includes the purchase of government stocks and bonds. In addition to being within the EU they boast visa free travel to Schengen areas in addition to over 165 countries. There has been reported improprieties against the program which the government has pushed back against. The EU one of the staunch allies against the CBI program threatened to take legal action against Malta because of the alleged reports. However, the Prime Minister indicated that he will fiercely defend the CBI program as the program have significantly assisted their economy and placed them in a better budgetary position for the financial year (BBC News, 2021).

Moldova was earmarked to start their CBI program in 2018 and had entered into an agreement with Henley & Partners to help implement the program. After the implementation of the law to establish the CBI the EU applied pressure and threatened to cut aid unless the country repealed the CBI law. The government instead bowed to pressure and suspended the program in 2019 breaking away from a signed agreement with Henley & Partners leaving them deeply disappointed according to reports. According to the prime minister that decision of cancelling CBI could cost the state millions and that was not a decision he took likely because the government would have been in breach of contract.

Vanuatu is a Pacific island which formally established their CBI program in the year 2015 although there were prior versions but this program is also not short of controversy. This program carries the most simplified and single route under the Vanuatu Economic Rehabilitation Program (VERP) where a single contribute is made to the VERP fund of the government within one month of all documents and processing fee one receives approval. Citizens may travel up to 110 countries and the Schengen areas. The CBI program have become a significant revenue earner for the country especially after the pandemic hit. The country saw CBI sales in excess of \$US 84.6 million dollars a real economic success (Blades, 2020). Turkey and Montenegro established their CBI programs 2017 and 2019 respectively. Both programs are in their infancy stages but have attracted huge amounts of applicants. This only proves that the demand for migrant investor programs such as CBI is becoming popular and spreading fast around the world.

### **3.3 The Economic Fallout from Corruption**

The Caribbean has been going through some tough economic challenges and governments have been working assiduously to build their various economies (Córdova & Seligson, 2010). Although they face great economic stresses, bigger countries with much more prosperous and larger economies have attempted to blacklist or gray list Caribbean countries who don't follow their overreached economic rules. One of the fundamental questions which is often asked of small island states which has economic problems are whether corruption is a source or is it a cause for the low economic performance that small countries record. According to Transparency International (2017) the most pervasive types of corruption which has impacted both developing and developed economies alike are political and bureaucratic corruption.

The United Nations is one of the major players against corruption and has the only legally binding universally adopted anti-corruption instrument that helps countries fight against corruption. However, the Transparency International Corruption Perception Index remains largely the most cited and used tool and sources of information when comparing issues of corruption across countries. In the 2018 Corruption Perception Index ranking report, one hundred and eighty countries scored below 50 with an average score of just 43. The CPI index scores countries between 0 and 100, the closer a country is to 0 the more

corrupt it is and the closer a country's score is to 100 the less corrupt it is known to be (C. P. I 2018). Hence if 180 countries score below 50 that translates into 2/3 of the countries in the world and this highlights the perennial problem of corruption globally (C. P. I 2018).

There has been an insurmountable amount of time spent on identifying a linkage between economic fallout and corruption by academics. However, there remain little to no consensus after many years of research on how corruption affects, promotes or hinders development. Acemoglu & Verdier (1998) posits that negative growth may not be as a result of corruption and that corruption may well promote growth as it will allow investors to circumvent governments inefficient and bureaucratic regulations. The authors of that school of thought argues that in their analysis less developed country economies retains a preference for lower levels of property rights and hence they are more accommodating when it comes to corruption (Acemoglu & Verdier, 1988). In sharp contrast to this original school of thought that corruption does not necessarily lead to negative growth but promotes growth is another school of thought that argues that corruption does have a negative impact on economic growth. According to Mauro (2004) there is a very close association to corruption and slow economic growth. Where there continues to be prevalent cases of corruption, countries have little to no incentives in fighting against these cases even if it would serve the country right (Mauro,2004).

The existence of this pervasive corruption translates into less reforms to address the issue or even the will power to seek other ways and means of reducing the scourge of corruption within societies (Mauro 2004). Furthermore, Mauro (2004) argues that without the outside interventions and pressures, countries will find it hard and may be unable to stem out the vicious cycle of corruption that they are stuck in. Therefore, this may be a strong point for watchdog and other international NGO's to press countries to enact reforms against corruption.

Institutional economics has used three principles which helps to simplify the linkages between economic growth and corruption. The first principle looks at formal and informal rules as well as political institutions and how it shapes ones behaviour and expectations. The second principle stresses that different individuals may construe the very same evidence differently because of their various cultural backgrounds and mental models used. The third principle points out that institutions are endogenous.

There has been great influence on the study of corruption and how it correlates with actors and the wider institutional set-up that generates haphazard impacts on growth. Many studies explore corruption's impact in one of two ways, either within the context of endogenous growth or from an intolerant non-benevolent principle (Mendez and Sepulveda, 2006). There is evidence to suggest that there is a non-monotonic relationship which exist between corruption and growth (Mendez & Sepulveda, 2006). If corruption is at low levels it is found to be beneficial for economic growth however at high levels it proved to be detrimental. Issues of corruption and economic growth remains a challenge in the 21<sup>st</sup> century and many countries experience this complex political, economic and social phenomenon. Freckleton et al (2012) argues that corruption contributes to political instability, burdens the poor and hinders economic growth which in effect undermine foreign investments.

The foundations of democratic institutions are weakened by corruption by the manipulation of the electoral process and the blatant disregard to the rule of law especially where bribes are solicited (UNODC, 2012). The fight against corruption has been highlighted as one of the most important issues as of recent years. There has been a deliberate approach by NGOs in helping fight corruption and they have increased and mobilized resources to support combating corruption. There has also been increased scrutiny by the media as well significant research in the academe on corruption. A 2001 world bank report estimates that every year the global economy loses between \$1 trillion and \$1.6 trillion as a result of illegal and illicit activities. In addition to lowering and worsen the standard of living corruption also decreases a country wealth over time. Additionally, corruption is seen by most economist as a major hurdle to economic growth which significantly contributes to low income that results into huge poverty gaps.

There are two other schools of thought when the impact of corruption on economic growth is considered. The first is known as "Sanders" and this school argues that corruption is a major impediment to development, contributes to under development and retards growth. The presences of corruption affect the proper functioning of legal and economic systems in addition to making political and economic transitions more difficult. Further, it causes a misallocation of resources both human and financial as well as diminished incentives for cash flow (Freckleton et al, 2012).

The other school is known as “Greasers” and it argues that corruption promotes development because it’s a way for government’s failure to be overcome by agents. It further posits that corruption serves as a lubricant to economic systems and that it evades cumbersome laws and regulations that is too inefficient. This school refers to it as a competitive auction and if one desires it most then they get it and there is efficiency as a result. According to Heckelman et al (2010) corruption serves as a grease and there is a positive relationship between growth and corruption and as a result growth is fostered. This school of thought agrees that corruption is beneficial to trade and without it, trade would have failed or proved difficult to accomplish. Hence, it only advances efficiency and places the private sector in the best position to sidestep or correct governments failures or red tapes.

Research on corruption has advanced significantly as more empirical studies are being published today. This is good news for social scientist because corruption remains a difficult and complicated area to research. Moreover, researchers and academics have identified a series of factors which provides a link to high perceived corruption with economies. They delve into various corruption indexes to provide variables which may give several explanations in this phenomenon. Research has highlighted that countries that are perceived to be less corrupt by its institutions, experts and citizens has high development and experience good government transparency, vibrant open economies and minimum economic rents.

Notwithstanding these findings, causality of these factors is yet to be categorized as causes or consequences of corruption. Similarly, corruption can be the cause and consequence of a variable contemporaneously. This would result in a definite vicious cycle which countries often find themselves in. There has been many different measurements and variations used in corruption research but one major hindrance that remains is in the quantification of corruption. But all is not lost because recent studies have proven that the formulation of perceived corruption indexes are improving and becoming more accurate. The more acceptable, known and widely used corruption index is the Corruption Perception Index.



There are other indexes which are a little more complicated such as the International Country Risk Guide. The ICRG which is a more multifaceted index which uses 20 different variables which quantifies corruption. These indexes are carried out based on opinions and feelings about corruption from the business community as well as individuals (Knack, 2006). Therefore, other indicators like economic growth may not be appropriate to be measured by these indexes.

Moreover, when these indexes are used it can give people sufficient information on levels of corruption simply because there may not be another way of specifying the scale of corruption (Lambsdorff, 2004). These indexes are proven important and has one goal in common though their various methodologies are applied differently (Treisman, 2007). As discussed earlier academic have varying views and remain spilt on what role corruption really plays in an economy. Leff (1964) argues that corruption is justified because it promotes efficiency and cuts bureaucracy within an economy. Also, it boosts investment, cuts uncertainty and boost entrepreneurs to be more competitive. This argument is further supported by a Queuing Model of Bribery developed by Lui Francis (Lui, 1985).

Svensson (2005) in an empirical study argues contrary to the previous author that corruption does have a negative impact on the economy. Furthermore, there was a statistical significance found between corruption and economic growth in a study carried out by Svensson (Svensson,2005). Another author posits that investment rates are at an all-time high when perceived corruption is found to be lower (Mauro ,1995). This also translates into higher economic growth as a result of these high investment. Another research found that corruption limited economic growth using four different channels; the human capital channel, the political stability channel, the direct channel and the investment channel (Mo, 2001).

It may serve all countries well as it is in their best interest to work towards reducing corruption. It is well documented that where a country is perceived to be less corrupt they become richer by improving on its economy. Countries that are richer and more advanced are found to be less corrupt. Governments all over the world continue to make several attempts in eliminating corruption however some policies are less effective than others. In order to have an effective fight against corruption, countries have to focus on the improvement of their political institutions. Additionally, countries need to look inward and

build anti-corruption organizations that is charged with the responsibility of ensuring government accountability and transparency of their institutions.



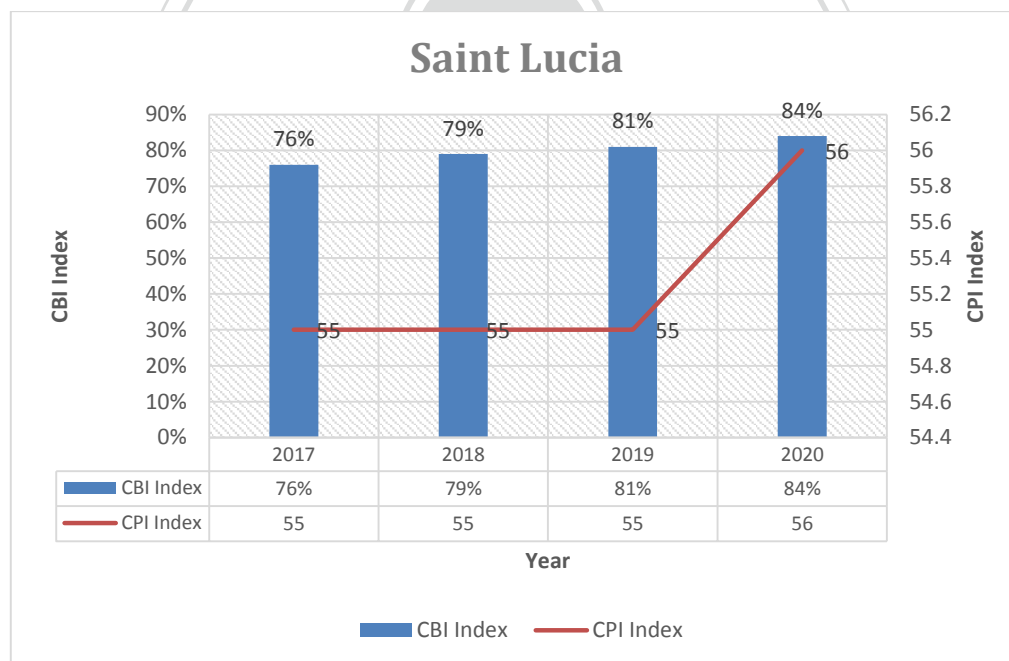


## CHAPTER IV-CASE STUDIES OF OECS CBI COUNTRIES

Chapter four explores the cases of CBI programs in the five OECS countries and provided an overview of each program with a focus on some of the difference in the CBI program within the member states. Also, this chapter identified which OECS country has the most favored program taking into consideration the global CBI index as a performance indicator. Additionally, this thesis will reflect some primary data samples from each country on any challenges or alleged perceived corruption cases within the five OECS countries or identify if any exist.

### 4.1 Case study of Saint Lucia CBI

**Figure 3-Saint Lucia CBI & CPI Index 2017-2020 Data Bar and Line Graph**



*Note.* Adapted from CBI-Index Report (2017), (2018), (2019) & (2020).

<https://cbiindex.com/reports/> and Corruption perception Index, C. P. (2017), (2018), (2019) & (2020), Transparency International.

<https://www.transparency.org/en/cpi/2017/index/nzl>

Saint Lucia is a beautiful country located in the eastern Caribbean islands and is one of the largest OECS member states in terms of population and the second largest in

terms of size. As of 2019 the World Bank estimated Saint Lucia's population to be at 182,790 people. Saint Lucia was inhabited by two separated native Amerindian tribes. The Arawaks who previously name the island Iyonola and the Caribs who named the island Hewanorra. The French are known to be the first European settlers to the island and in the year 1660 the Island Caribs signed a treaty with them. However, from 1663 history shows that England took over control from the Europeans until 1667. The years succeeding saw a battle for the island where the French and the British fought for control of the island fourteen times.

This beautiful gem of the Caribbean would see rule changing hands frequently however the country attained its independence in 1979 from the British empire who were the last colonizers. Saint Lucia has been classified as a Small Island Developing State by the United Nations, a categorization that is similar to that of developing country status. The main aspect of the economy is the service sector which contributes approximately to 82.8% of GDP while industry contributes 2.9% and agriculture standing at just 14.2% of GDP (Central Statistics Office, 2019). The global financial crisis of 2008 contributed to huge declines as it affected the main income earner tourism of the country by double digits (Caribbean Development Bank, 2012).

The country experienced a blow when the WTO sided with the EU which ended preference to the main export, bananas, and increased competition of Latin American bananas. This meant that Saint Lucia lost an important market access hence they needed to quickly find other ways to diversify their economy. The tourism sector as well as the country's offshore banking industries attracted large foreign reserves for the country but even the latter was targeted by the EU with blacklisting and threats of being placed on the gray list for non-compliance.

Saint Lucia's tourism industry remains ever relevant and most vital to the country's economic survival. The government has been working assiduously to revive the banana industry however it become more difficult because of increased competition hence the tourism industry remains and important economic industry which will only get better from here onwards. Saint Lucia has a huge market but there a substantial influx during the dry season usually in the months of January- July which is referred to as tourist seasons. Saint Lucia is one of the best and most popular because of its beautiful scenery, beaches and

modernized resorts. Government needed an avenue to raise much needed financing and needed to diversify their economy and hence the then prime minister, Dr. Kenny D. Anthony, commissioned a committee to look at the introduction of CBI into the Island. That committee was headed by Dr. Vaughn Lewis, a distinguished professor and former prime minister himself. At the conclusion of the committee's work and findings a report was submit which gave the government the green light to implement the program which the then government accepted and legislated the CBI to commence in 2016.

The CBI Index Rankings is an official index which comprehensively assesses all official CBI programs in the world. According to the CBI Index website, the CBI index aims to do one of two things; firstly, it ranks each country's CBI total performance as well as its desirability. Secondly, the index uses 9 pillars which will explore specific program features in the ranking of the program. The 9 pillars of the program are freedom of movement, standard of living, minimum investment outlay, mandatory travel or residence, citizenship timeline, ease of processing, due diligence, family and certainty of product.

Saint Lucia became one of the last countries in the OECS to implement the CBI program on the world stage in January of 2016. The program opened its doors to four options of investment for people to opt for their program. In the first option the government seeks a contribution to its National Economic Fund. The funds from this NEF will be used for development projects within the local economy but selected by the prime minister on the approval of parliament. Originally the contribution sum was set at US\$200,000 but was later reduced to US\$100,000. According to the CBI Index Report of 2017, this move attracted negative criticisms and speculations that the program was performing poorly (CBI Index, 2017).

The second option under this newly established program was an investment into a government approved real estate project which was set at a minimum investment value of US\$300,000. Because of the country's main income earner, the tourism industry, governments expectation was for that investment to be made in boutique hotels and resort properties which must be maintained by the applicant for a period of five years. The third option is for applicants to invest into government bonds pegged at US\$500,000. Additionally, these bonds should be held for a period of five years. The final option for persons who opt into the program is to make an investment of at least US\$3.5 million in an

approved government enterprise project. The applicant maybe the one who alerts the government of their interest in this option.

This final option also has to create a minimum of three jobs and range from investment into establishing a university or building infrastructure as a port. Moreover, there is a joint venture component where there must be a minimum investment of at least US\$6 Million in conjunction with another partner however there must be a contribution of at least US\$1Milliom dollars per investor. This component also has a requirement to create permanent employment of at least six people. All investment options carry due diligence fees however an administration fee will only apply to three investment options namely; the real estate, project enterprise option and government bonds option. As of 2017 the Saint Lucia CBI boast visa free travels 125 countries with the CBI Unit processing applications from prospective applicants. There is also quick approval of within three months to get an approval or denial into the program. There is not a requirement for interview and there is no language requirement for those who are successful in being accepted in to the program.

According to the CBI Index, 2017 just one year after officially entering the CBI Market Saint Lucia ranked at 5<sup>th</sup> place out of 12 countries who has the CBI program with a score of 76%. In 2018 Saint Lucia's CBI program under went some changes that created some uproar in the country. According to the CBI Index, 2018 the country removed to major requirements from the program, first the government removed the net worth of US\$3 Million dollars a requirement for applicants to the program. The government argued that it served as a hindrance to the program and therefore it would make the CBI more attractive. Secondly the government removed the cap on the program, the cap had been set at 500 applicants in any given year to as a measure of control by the previous government. However, the new government saw it as an impediment to the growth of the program.

This brought about lots of discussion in the political circle as well as the public who were largely dissatisfied with the move and criticized it. The opposition in reaction to these latest changes promised to review this measure and any other amendments made to the CBI legislation. As a result, the CBI program in Saint Lucia has been deemed the most politically divisive in the OECS (CBI Index, 2018). As shown in figure 3 above the CBI program in Saint Lucia improve to 79% an increase of 3% compared to the previous year and still maintained its rank at 5<sup>th</sup> place out of 13 countries and increase of 1 country from

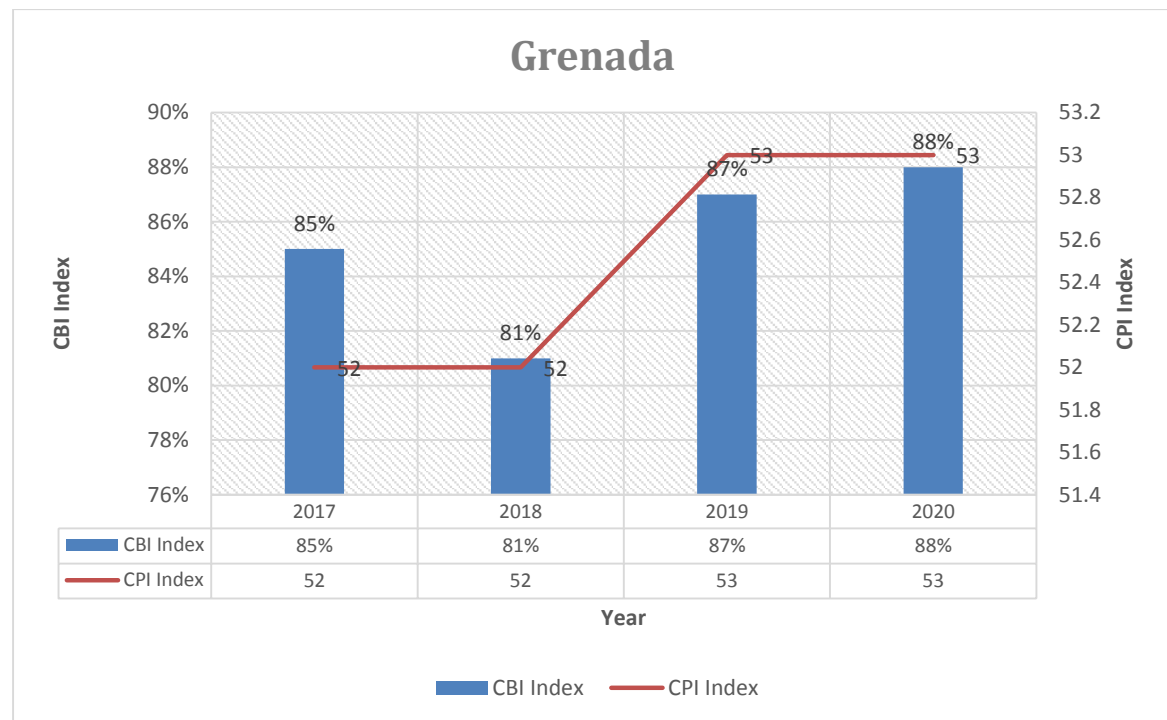
the previous year who has a formal CBI program. Additionally, in the 2018 CBI Index report the country boast of visa free travel to at least 130 countries also an improvement from the previous year. In an effort to harmonize its CBI legislation the government of Saint Lucia gazetted new regulations whereby investors who wish to add their family members to their application it can be done even in a case where the application has already been approved granting citizenship.

The CBI program experienced a bump from 5<sup>th</sup> place to 4<sup>th</sup> place in the 2019 CBI index rankings (CBI Index, 2019). The program also increased in its overall ranking results which increased from 79% in 2018 to 81% in 2019 as exhibited by figure 2 above. The CBI program also in 2019 boast of visa free travels to around 140 countries and territories also an increase from 130 the previous year (CBI Index, 2019). The most cumbersome option of the CBI program is the real estate program. It is cumbersome for many reasons however its more so because it's the most difficult to get off the ground. There has been a number of cancellations and even suspensions to this aspect of the CBI program as a result.

Therefore, concerns remain high among constituents of CBI with regards to the real estate aspect according to the CBI Index ranking report there is only two approved one more than the previous year approved (CBI Index, 2020). Saint Lucia CBI program continues to record changes and the CBI Amendment Act of 2020 came into force and is geared at improving opportunities for the inclusion of other family members. This change means that there is an expansion to have applicants to include siblings because of the redefined meaning of the term “dependent” in the legislation. The 2020 index ranking increased to 84% up from 81% a 3 % increase as shown by figure 3 above. According to CBI Index, 2020 the Saint Lucia CBI programs offers visa free access up apporximatly 145 countries and territories an increase from the previous years of the program.

## 4.2 Case study of Grenada

Figure 4- Grenada CBI & CPI Index 2017-2020 Data Bar and Line Graph



Source: CBI-Index Report (2017), (2018), (2019) & (2020), Retrieved from:

<https://cbiindex.com/reports/>

Index, C. P. (2017), (2018), (2019) & (2020). Corruption perception index. Transparency International. Retrieved from:

<https://www.transparency.org/en/cpi/2017/index/nzl>

Grenada, Carriacou & Petite Martinique is a small but beautiful volcanic island located in the eastern Caribbean. It's located just north of the big South American country of Venezuela which is approximately 160 kilometers in distance. Grenada is one of the protocol members of the OECS and according to the World Bank data has a population 113,016 people. The island country of Grenada attained its independence from the United Kingdom in February of the year 1974. The country attracted the name "Spice of the Caribbean or Island of Spice" because of its huge nutmeg production and exports.

In the year of 1983 Grenada experienced a vicious coup and the Prime Minister and his wife was placed under house arrest by the Army and the opposition. This led to demonstrations in many parts of the country because Prime Minister Bishop was well

loved and retained the support of the masses. A rally in support of the widely popular Prime Minister saw supporters demonstrating for his release at his guarded home, he was later freed as a result of his supporters plea. Prime Minister Bishop then proceeded to the headquarters of the military with his crowd of demonstrators in an attempt to take back control however, the coup leader Coard sent armored vehicles to fight for power and control. These confrontations between the pro government demonstrators and soldiers became deadly and violent where the soldiers opened gunfire on that panic crowds. A study reported that over 100 people were found to be injured as a result with the death of at least eight civilians and three soldiers. The shooting ended after Prime Minister Bishop surrendered however it became one of the darkest days in the history of Grenada because the Prime Minister and seven of his closest advisors were executed by a firing squad of the coup soldiers.

After the killing of the Prime Minister, the General of the People's Revolution Army of Grenada formed a military government and made himself chairman to run the affairs of the country. The military government days were numbered and short lived as the US government invaded Grenada and removed the military government of Hudson Austin. This was as a result of an appeal from the OECS supported by Dominica, Jamaica and Barbados to the United States government for military assistance. Within four days a combined mission which comprised of the Regional Security Systems invaded the country and in four days dismantled the regime. The United States government later confirmed that it got involved at the request of Dominica, Barbados and the Governor-General of Grenada at the time Sir Paul Scoon through diplomatic channels.

Like many small islands in the Caribbean Grenada's economy is largely based on tourism and is a small but open economy. Grenada's main economy was agriculture however tourism remained the country's main foreign income earner. However, the agriculture economy also brought benefits to the country as they exported a lot of the country's nutmegs and mace. Grenada is known to be the second largest exporter of nutmeg only second to Indonesia which is the first in the exportation of nutmegs.

The country is also involved in other crops export such as cocoa, cloves and cinnamon hence it attracted the name spice of the Caribbean. Additionally, the country also exported bananas however that industry also suffered because of the EU end on



preferential markets to the Caribbean islands engaged in banana production. The country's manufacturing industry is operational on a very small scale but it involves the production of beverages, textiles and some electronic assembling for export. The country has experienced great economic decline due to adverse shocks from the world economy such as the 2008 global financial meltdown and natural disasters such as major hurricanes. The country experienced great increases in public debt that stood at 110% of GDP in 2003 pushing the country into an IMF debt structural program (Asonuma et al 2017).

The debt situation was further exacerbated as a result of hurricane Ivan which devastated the country in 2004. Though the international community consolidated and came to the country's rescue with significant aid because of the badly damaged infrastructure the economy remained relatively weak and unable to kick off making the government debt obligations worst hence the country entered a second IMF debt structural program in 2013. The country continued to face much difficulty in its economic recovery and well as with unstained levels of debt which caused the government to have largely than usual financing gaps. The governments priority in the ensuing years were to re-engineer growth and seek ways to raise additional capital to address the vulnerabilities within their society.

Although Grenada was the third small island state to introduce the CBI program in 1996 they were pressured to end the CBI program by the US government in response to the terrorist attacks that took place in the US on September 11<sup>th</sup> 2001 citing security concerns. Notwithstanding the abrupt end to their CBI program in the early 2000s the government took a policy decision in 2013 and enacted legislation to re-commence a much improved CBI program. Governments position was that the CBI program will contribute to the country's sustainable development. Moreover, this type of development will stimulate the construction, tourism, agriculture and manufacturing sectors as a result of much needed and increased foreign investment.

The newly re-structured and implemented CBI program offers two investment options for people who wishes to become citizens under the program. The government has created an agency called the National Transformation Fund, this fund is similar to other in the OECS CBI program and will be used to fund and finance development projects that will be geared towards stimulating the economy within the country. The first option of the CBI program will be for a one-time financial contribution to the NTF. The

second option of the CBI program is for the people with interest to invest into a government approved real estate that must be kept for a period of three years by the applicant. There are fees attracted under each option such as processing, application and due diligence which must be borne by the applicant under either option.

In the first option the total of US\$150,000 is the minimum investment that can be made to the NTF. Any applicant who has a family of up to four members will attract additional fees of US\$50,000 in cases the real estate option is preferred. The second option requires an investment of at least US\$ 350,000 into the approved government real estate. The CBI program started off slowly attracting only 22 CBI applications and approving only 13. However, by 2017 the program saw a significant increase of 296 CBI applications and approval of 194 applications with 25 being rejected (IMI, website). The Citizenship by Investment Committee is the only duly authorized agency that is allowed to process all CBI applications in Grenada.

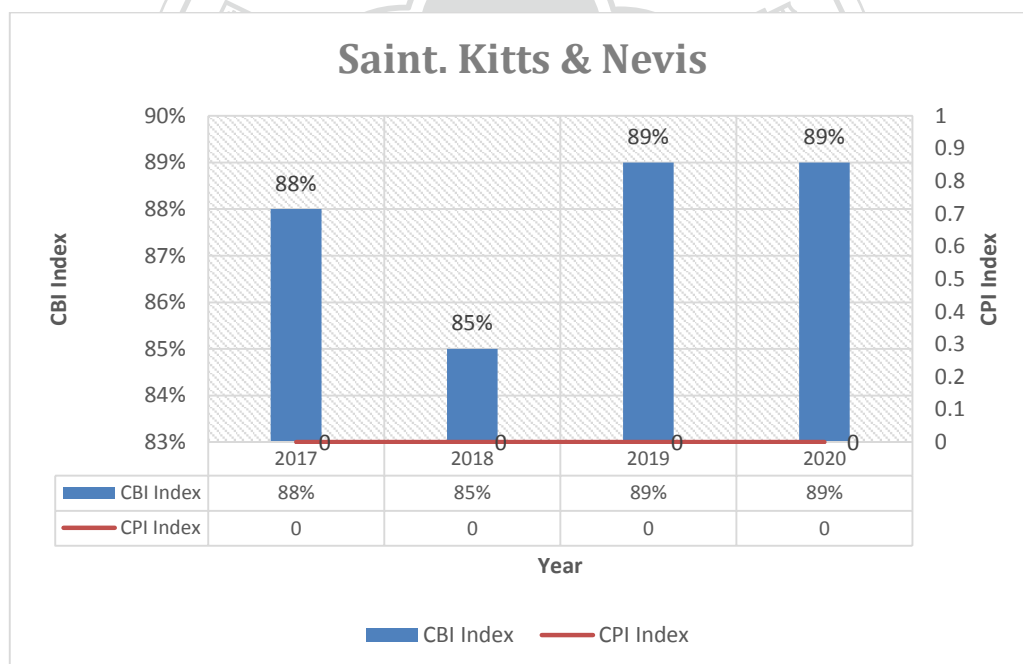
In 2018 the government implemented a new application form however no changes were made to their policy which didn't require applicants go through an interview, have any business experience or any language requirement (CBI Index, 2018). The program offers visa free access to over 125 countries and US visa access through the country's restricted E-2 program with the US. According to the World Bank (2017), it was estimated that by the end of 2016 the country would see an annual growth of approximately 3% of GDP. Data on the CBI Index of countries didn't exist prior to 2017 hence the performance of the former years of the program can't be verified. However, in the 2017 CBI index rankings Grenada placed 3<sup>rd</sup> out of 12 country where the program was implemented with a score of 85% as exhibited in figure 3 above. In 2018 the performance of the CBI program in Grenada was 4% down from 2017 as shown in figure 3. It maintained its original 3<sup>rd</sup> placed this time out of 13 countries but with a slightly lower percentage of 81% which one may argue is a slightly decrease from the previous year (CBI Index, 2018).

In 2019 the CBI program announced a major policy adjustment becoming the only CBI country to have siblings of applicants who are at least 18 years of age added to their application once they have no children (CBI, Index 2019). Since agents has acquainted themselves with the new application started in 2018 there is a faster output by the CBIC

unit. The government of Grenada has also formalized an extradition treaty to improve the overall performance of the program. In 2019 a second part was added to the approved investment for real estate where applicants to that option can now jointly invest in a pre-approved tourism development project at a cost of US\$220,000. Also, the developer in that instance is expected to have 20% of the total cost. The performance of the Grenada CBI improved significantly in 2019 up to 7% from 2018 to 87% but maintained its position at 3<sup>rd</sup> place out of 13 CBI countries as depicted in the figure above. In 2020 the CBI application soared to 394 with 375 approvals in a pandemic year. The CBI program also marked continuous improvement out of 14 countries with the CBI program scoring 88% in the 2020 CBI index rankings as shown in the figure above.

### 4.3 Case study of Saint Kitts & Nevis

**Figure 5- Saint Kitts & Nevis CBI & CPI Index 2017-2020 Data Bar and Line Graph**



Source: CBI-Index Report (2017), (2018), (2019) & (2020), Retrieved from: <https://cbiindex.com/reports/>  
 Index, C. P. (2017), (2018), (2019) & (2020). Corruption perception index. Transparency International. Retrieved from: <https://www.transparency.org/en/cpi/2017/index/nzl>

Saint Kitts and Nevis are no different of other O.E.C.S member states, it's one of our stunning twin islands also located in the Eastern Caribbean. It remains one of the smaller O.E.C.S countries in size and population but a regional power in its own rights. The twin island has a combined square km of 269. This country holds great significance in the O.E.C.S as the charter establishing the organization "O.E.C.S" was originally signed by all seven establishing member states happened in Basseterre, the capital of Saint. Kitts and Nevis, on the 18<sup>th</sup> June 1981 and is officially called the Treaty of Basseterre. According to World Bank data Saint. Kitts and Nevis population stood at a total of 52,834 as of 2019 (World Bank, 2019). The population of Saint Kitts and Nevis has remained relatively low, as a result there are traditional high levels of emigration from the twin island.

Similar to most small countries in the OECS Saint Kitts and Nevis was amid the Caribbean countries to be first colonized by the Europeans settlers. The country is known as the "Mother colony of the West Indies" because it was home to both French and British Colonies. But this didn't end well as the two colonies also fought for the country during the 17<sup>th</sup> century. Britain was given Saint Kitts by Treaty of Utrecht in 1713 but was taken by the French colony in 1782 in a war. However, the following year it was returned to Britain by a peace treaty signed in Paris. The country became independent in the year 1983 but retained the British monarch as its Head of State, like most Caribbean countries. The country's main industry, the sugar industry, ceased after the market overseas declined in 2005. Therefore, it meant that the country was to diversify its industry and replace the sugar industry with tourism like many other OECS countries.

Tourism is now known as the main economic sector in Saint Kitts today. However, the country is still into small scale agriculture cultivating vegetables, fruits and coconuts. The country's main export partners are the UK, USA and the Republic of Trinidad and Tobago a neighboring Caribbean island. The country has very high remittances from their huge immigrant populations which serves as an important foreign exchange income earner for the country. Like many of the O.E.C.S, the country's monetary authority is the Eastern Caribbean Central Bank.

The country thou its small size boast two international airports and a deep-water port in its capital, Basseterre, where it can accommodate large cruise ship vessels during the open tourist season. The economy of Saint Kitts and Nevis is mainly made up of agriculture,

small scale manufacturing and a booming tourism industry. Since the closure of the sugar industry in 2005 as the main economic activity since the 1940s, the government had to diversify the agriculture industry which caused huge financial constraints on the country's economy. Today Saint Kitts and Nevis has a heavy dependence on the services economy an industry that has flourish immensely. In 2009, the country Ministry of Tourism had announced that arrivals had surpassed 587, 479 visitors, an increase of 40% from the 2007 figures.

Saint Kitts in its quest to diversify its economy using tourism, agriculture and offshore banking saw the need to strengthen, improve and redesign its decades old CBI run program in 2006. This country is the oldest country to have and operate a CBI program in the world first establishing such program in 1984. However, the government engaged the services of Henley and Partners to restructure and reposition the program incorporate keys aspects that was missing. Despite being criticized by some for the lack of structure, transparency and risk of corruption, the program in Saint Kitts survived the odds for more than 3 decades and grew stronger spreading to more than 13 countries all over the world. Saint Kitts and Nevis has one of the best performing economies in the OECS recording real GDP growth at 5% in 2015 and 3.5% in 2016.

The country can also boost as a small island in the OECS as having one of the leading and longest running CBI programs in the world for 38 years. The Saint Kitts CBI program is known as the Platinum standard of CBI and attracts applicants as a more mature and diverse program in the OECS. The Saint Kitts and Nevis CBI program offers two tracks for applicants who qualify and wishes to become citizens. The first track is to invest into the country's Sugar Industry Diversification Foundation and the second, an investment into the country's real estate portfolio that is pre-authorized by the government. The first investment option attracts a minimum of US\$250,000 into their SIDF which is non-refundable but also increases based on the number of people included on any one application.

This fund as in other jurisdictions are used for the local economic projects in this case to help the country diversify its economy from the sugar industry into other services and agricultural produce. The second investment option is purchase of real estate that is pre-approved by the government worth at least US\$400,000. A real estate fee is also included for single applicants and this piece of real estate must be kept for a period of five years.

There is also a due diligence fee that is applied under both investment options. All applications to the program are processed and approved by the CBI unit and takes anywhere between 45 days to three months for approval. There is also a VIP option which accelerates the pace of an application at a premium fee. Like other OECS jurisdictions there is no language requirement, interview or business travel requirement for the Saint Kitts CBI program.

The country boasts visa free travel to more than 130 countries and allows for multiple nationalities. Because of how old this program is the CBI index can only account for its performance as of 2017 where the program placed 2<sup>nd</sup> from 12 other CBI programs in the world with an overall percentage of 88 as depicted in Figure 5 above (CBI Index, 2017). In 2018 the CBI program saw some changes where a third option was introduced for investment by the CBI program. Applicants could now invest in the Sustainable Growth Fund (SGF) in addition to the previous two investment options the SIDF and the pre-authorized real estate. This new additional track available to applicants was added in 2018 by new established CBI regulations. The country suffered from the effects of a hurricane which happened last quarter of 2017.

The government in an effort to respond to widespread damaged caused by the hurricane offered a temporary citizenship route called the Hurricane Relief Fund. That fund would later be turned into what is now known as SGF. In this additional option the SGF a minimum investment of US\$150,000 will be required from an applicant. However, applicants can opt to go through the first option SIDF which is still available at the same cost of US\$ 250,000 non-refundable. There is also a new component added which will see joint applicants to the program with each party contributing of at least US\$200,00 each. This contribution will not attract duties and must be held for a period of seven years.

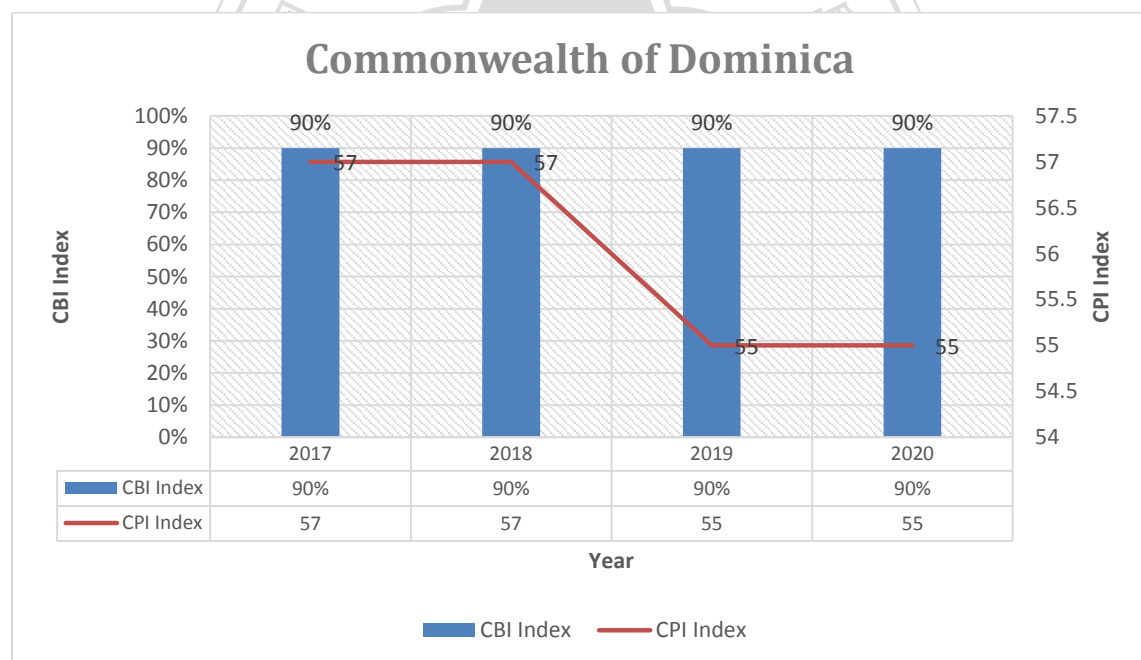
The country boasts visa free travels to an increased number of countries in 2018 and maintain their no residency requirement either prior or after attain citizenship. The overall performance of the country's CBI declined by just 3% out of 13 CBI jurisdictions to 85% among the CBI index rankings for 2018 as shown in figure three above. In 2019, the CBI program of Saint Kitts and Nevis focus on strengthening their due diligence procedures and established new regulations to include biometrics and fingerprinting to their program.



The program claims to have an effective and one of the industry's most robust due diligence procedures. Moreover, 2019 recorded a very good performance for Saint Kitts and Nevis CBI program. It recorded an increase in performance from the previous year to 89% out of 13 CBI countries and sat still in 2<sup>nd</sup> place. The Saint Kitts CBI unit is responsible for all denials and approvals of new applicants to the program and boast to be the only country with a secure and fast VIP track route. This accelerated application is offered by the program at a premium cost. In 2020 as per the figure 5 above the program remained at the top of the CBI index rankings scoring 89% and maintaining its 2<sup>nd</sup> place this time out of 14 CBI jurisdictions an increase of one country which offers CBI from the previous year 2019 which had 13 countries.

#### 4.4 Case study of Dominica

**Figure 6- Dominica's CBI & CPI Index 2017-2020 Data Bar and Line Graph**



Source: CBI-Index Report (2017), (2018), (2019) & (2020), Retrieved from: <https://cbiindex.com/reports/>  
 Index, C. P. (2017), (2018), (2019) & (2020). Corruption perception index. Transparency International. Retrieved from: <https://www.transparency.org/en/cpi/2017/index/nzl>



The Commonwealth of Dominica is a beautiful island located in the OECS with a magnificent landscape. The country is known as the nature isle of the Caribbean because of its spectacular mountain topography and its great natural beauty. The country is 29 miles long and has several volcanoes which are quite active. This beautiful OECS country sits perfectly between to French islands Guadeloupe to the north and Martinique to the south. As of 2019 the World Bank estimated the population of the Commonwealth of Dominica to stand 71,808 people (World Bank, 2019). Before being colonized by the French and British the country was the home of natives Caribs and Arawaks. The first colonist of Dominica was the French but the British captured the island from them in 1759. The island was formally surrendered to the British in 1763. But that did last as the French recaptured the island from the British in 1778. In 1783 the British won over the island once more and kept it until 1795 where the French failed to retake the land in 1795. There was a final assault on the island by the French however after burning the capital they were forced to withdraw.

The country got its full independence in November of 1978. This beautiful island has been susceptible to major hurricanes and storms as the country was hit by hurricane David in 1979. This hurricane damaged the entire agricultural industry wiping out the banana industry the country's main economic activity at the time. In the ensuing year the country was strike yet again by hurricane Allen setting their economy further backward. The Commonwealth of Dominica is heavily dependent on agriculture however because of the country's susceptibility to storms the industry is occasionally destroyed by hurricanes.

The country has tried with some success to diversify its economy like many small islands and look to industries in tourism and offshore financial services. Despite efforts to diversify the economy the agriculture sector continues to make significant contributions to the economy of Dominica making it the most important sector. In the 1980s the Banana industry made up of more than half of Dominica's exports. Hurricanes continuously hammered the banana industry in the 20<sup>th</sup> and 21<sup>st</sup> centuries causing widespread destruction and major loss. The industry was again hampered by a WTO ruling to end preferential markets to the Eastern Caribbean which affected many small islands as a result of a breach in free trade rules.

The Commonwealth of Dominica is one of the only OECS countries who is self-sufficient in fruits and vegetables as demonstrated by the lowest import in that area. The country is one of the main exporters of foodstuff to Guadeloupe. The Commonwealth of Dominica also made significant improvements to their tourism industry in the late 20<sup>th</sup> century despite the lack of hotels and bad facilities. The country like other O.E.C.S jurisdictions has a flamboyant tourism industry which welcomes both cruise-ship passengers and stay over arrivals each year. As previously stated the country is no stranger to climate shocks such as hurricanes and storms. Tropical storm Erika caused extensive damage to the island in August of 2015. At least two dozen people perished as a result of that storm and a wake of destruction like landslip age, destroyed housing and other public facilities.

The IMF in its report estimated that more than 90% of the country's GDP has been wiped out by in the storm in 2015(IMF,2015). A couple years later hurricane Maria struck the island again and was recorded at category 5 the strongest hurricane to ever hit the island. The Prime Minister was reported saying at the United Nations General Assembly that the country was brought to its knees as the hurricane unleashed widespread devastation. The Prime Minister noted in the country's preliminary assessment that the country's development had been set back by at least 20 years because as a result of the hurricane.

The Commonwealth of Dominica established its CBI program in 1993 and is one of the longest programs in the OECS after St. Kitts and Nevis. The CBI program helps the islands sustainable development and promotes its social and environmental thrust. In 2014 like many of the OECS programs the Commonwealth of Dominica underwent changes to their CBI regulations to tighten their procedures, include new investment options and under take a more rigorous applications review system. The islands CBI program offers two investment opportunities, the first a contribution to its Economic Diversification Fund (EDF) and secondly, an approved government real estate project. The funds donated into the EDF will be used for the country's economic development as is the case in many of the O.E.C.S countries. Additionally, the EDF funds will be allocated to the reconstruction of public buildings and improvement of the island's main infrastructure. The first option requires that an applicant donates US\$100,000.00 to the EDF however there is an additional fee for every family member who is added. The second option will attract a US\$200,000.00 investment into an approved real estate which carries a government real estate fee of

US\$50,000.00 for single applicants. The real estate will be required to be held for three years however if the purchaser is a CBI applicant the real estate investment will be required to be held for a period of 5 years. Both options will attract processing and due diligence fees.

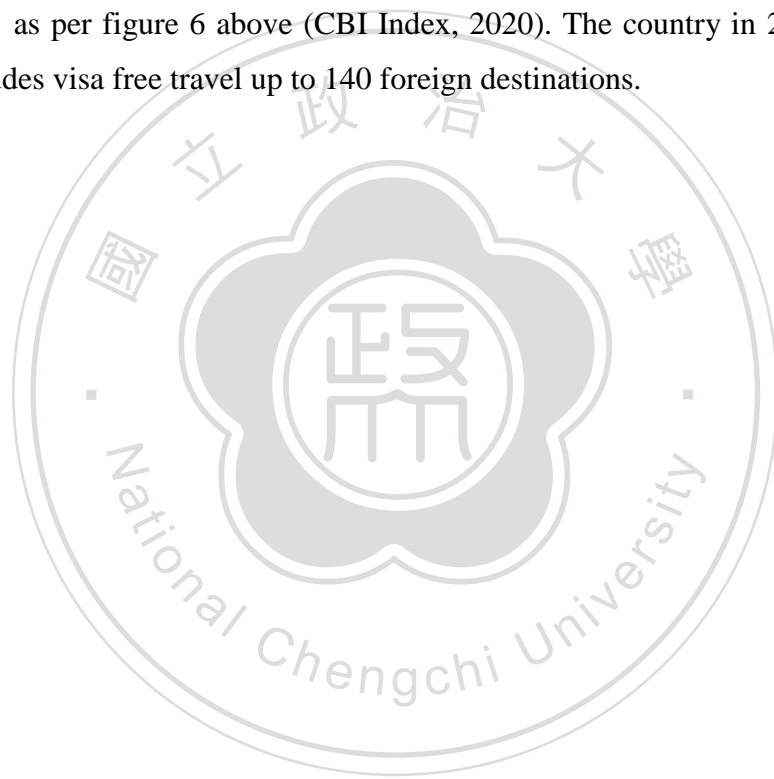
The CBI unit is the government agency responsible for processing all applications and is known to have one of the only programs who does not impose any restriction on an applicant based on nationality. There are only three requirements for applicants to the CBI program of the Commonwealth of Dominica; a). a good character, b). clean criminal record and c). pass a series of due diligence checks. The CBIU is mandated to respond to all applicants within a 3-month window of submission. However, the country boasts of a quicker processing time of 45 to 60 days. There is also no travel or residency requirement to the country, no interview, no language requirement. There CBI program also brag about its visa free travels to more than 120 countries and foreign destinations and the accessibility of the program to attract anyone one from any country who is in good standing by the country's CBI standards.

The CBI program of the Commonwealth of Dominica in 2017 is the best and ranked the number one program out of 12 CBI programs worldwide according to the CBI index (CBI Index,2017). The country place number 1 and scored 90% overall as depicted in figure 6 above and in the 2017 CBI index rankings which prior to 2017 had no way of measuring the performance of the program. The year 2018 it posed to be a challenge for the Commonwealth of Dominica because of the hurricane the previous. However, the CBI program preformed and still maintained its high standards. The CBI industry gave many praises because the CBI program had by the year 2020 reached 14 jurisdictions, however the Dominica program maintained its number 1 spot on the CBI index rankings even after a devastating blow to the country's economy by hurricane Maria in September of 2017.

As per figure 4 the Commonwealth of Dominica scored 90% in the 2018 CBI index and place first for the second consecutive year (CBI, Index 2018). The country's CBI program has one of the cheapest investment options in the OECS and therefore this makes its very competitive with other sister islands. In 2019 there were not any changes reported to the CBI program and the country for a third year in a row captured the top ranking of 1<sup>st</sup> place in the CBI index ranking. As shown in figure 4 above the country scored a percentage

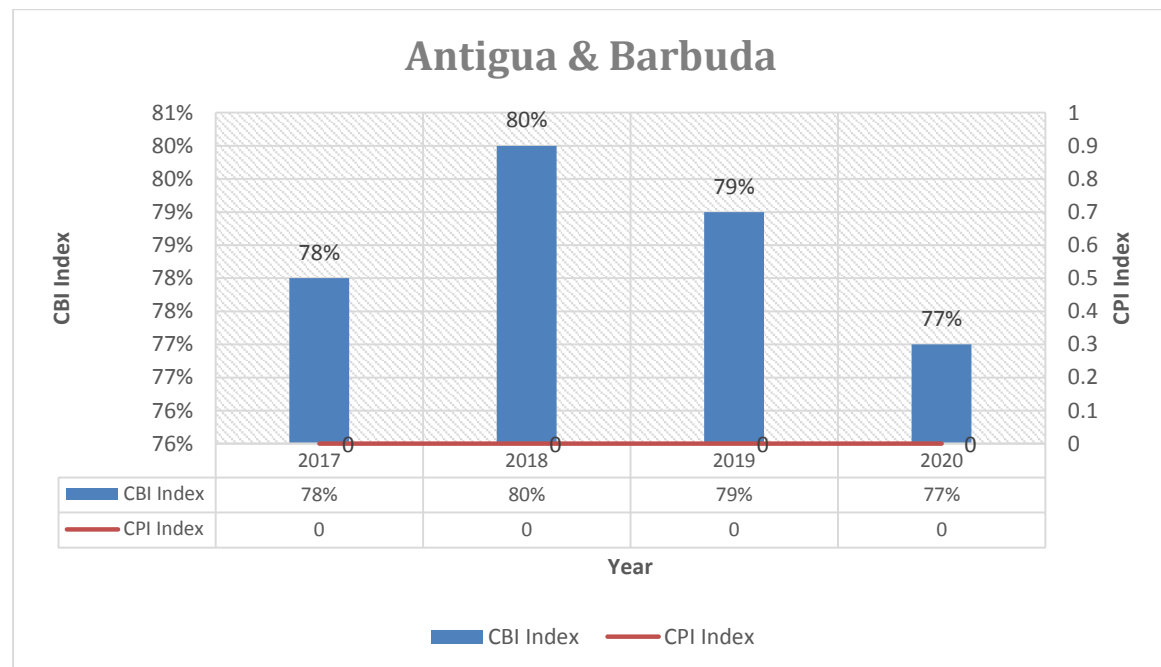
of 91% up 1% from the previous year and maintained its position as first in 13 CBI programs worldwide (CBI Index, 2019). The program boasts visa free travels up to 130 countries and territories as benefits to be gained through the program.

The CBI program went through slight changes in 2020 adding that family members can now be added to an application as of July 2020. The main applicant can now add their spouses or siblings up to the age of 25 a provision that is subject to conditions. The CBI of the Commonwealth of Dominica is said to be among the most efficient and transparent for economic citizenship. The CBI for a fourth year since 2017 has performed remarkably well as per CBI Index rankings. In 2020 the CBI program place 1<sup>st</sup> place yet again with a total score of 91% as per figure 6 above (CBI Index, 2020). The country in 2020 also boasts benefits includes visa free travel up to 140 foreign destinations.



## 4.5 Case study of Antigua & Barbuda

**Figure 7- Antigua & Barbuda CBI & CPI Index 2017-2020 Data Bar and Line Graph**



Source: CBI-Index Report (2017), (2018), (2019) & (2020), Retrieved from: <https://cbiindex.com/reports/>  
 Index, C. P. (2017), (2018), (2019) & (2020). Corruption perception index. Transparency International. Retrieved from: <https://www.transparency.org/en/cpi/2017/index/nzl>

Antigua and Barbuda is known to be a beautiful OECS island located in the eastern Caribbean. According to World Bank data the population of Antigua and Barbuda stood at 97,118 people (World Bank, 2019). Like many of our Eastern Caribbean islands Antigua and Barbuda were colonized by the French and British. The island remained in British rule from 1632 until 1666 when the French attacked and took over. During the 17<sup>th</sup> century because sugar was found to be more profitable the industry changed from tobacco to sugar. During the 1970s an independence movement swept across the region and Antigua and Barbuda was also in the mix. While the country held legislative elections in 1976 Vere Bird emerged winner but he also favored regional integration in the Caribbean at the time compared to his opponent. A couple years later the country upgraded its call for independence from the British. But during talks things became complicated because Barbuda

wanted to separate from Antigua and have its own independence because the felt that the island had been stifled by Antigua for far too long. This is a feeling that is still flourishing today after so many years. However, the country achieved its independence in November 1981 as Antigua and Barbuda where Vere Bird became its first Prime Minister.

Post-independence Antigua and Barbuda political and economy was stable though there were issues of alleged corruption and intermittent scandals. Antigua and Barbuda gained the reputation as a tax haven because of its offshore financial sector. The country had its worst corruption scandal and racketeering in 2009 when Allen Stanford was charged with fraud. He was a U.S financier who had an offshore bank in Antigua running a Ponzi scheme, he was later found guilty in 2012 at a Texas court in the U.S.

The main economy of Antigua and Barbuda is tourism like many other O.E.C.S states. This industry is approximately 80% of GDP for the island. Antigua and Barbuda's economy is fragile because like other small islands in the O.E.C.S the country and its economy is vulnerable to effect of climate change, extreme weather like hurricanes and sea level rise. The sugarcane industry used to be the main economic activity but production has significantly reduced in the 21<sup>st</sup> century. And the agriculture economy once a leading economy has now being supplanted with the tourism industry. As the tourism industry grows and expands the traditional land system is under threat by the development of that industry. The island is also involved in small scale farming of crops such as mangoes, citrus fruits and vegetables.

There is a small role played by the manufacturing industry that involves the processing of agricultural crops and some textiles. Because Antigua and Barbuda is dominating in the tourism industry the country is famous for its luxurious hotel and resorts. This industry has become an ultra-high-end destination and contributes to more than half of the country's GDP. The country also has a very important financial market which contributes to its economic activity. There at least three major financial institutions on the island Scotiabank Limited, Royal Bank of Canada and PriceWaterhouseCoopers, a major financial cooperation. However, the country has been blacklisted and even gray listed for financial irregularities or lack of laws. Especially after it was discovered by the US Securities and Exchange Commission discovered a huge fraud scheme at the then Stanford International Bank.

Antigua and Barbuda launched its CBI program in 2013 by act of parliament. The CBI program was introduced by the government to promote economic development in the country. The CBI program of Antigua and Barbuda offers three pathways of investment for applicants who are successful. In the first investment option applicants to the CBI program can opt to invest into the National Development Fund (NDF). The investment should be at a minimum of US\$200,000 per applicant. The NDF was set up as a not-for-profit in order to support an execute public and private projects, and other charitable efforts geared at improving healthcare and education access. The second option for investment is for an applicant to invest US\$400,000 or more in an approved real estate project. These real estates should add value to room stock to the country's tourism industry and should include hotels, resorts and villas. And the third investment option is a business project investment valued at US\$1.5 million which must gain government approval. Applicants under this option is allowed to joint investment once each applicant invest US\$400,000 in the project that cost at least US\$5 Million. Applicants will be required to pay processing and due diligence fees under all three options with each applicant paying US\$50,000.

The Citizenship Investment Unit is responsible for processing and approving all applications which takes three months to process from the date of the submitted application. The CBI program of Antigua and Barbuda takes pride in the strictest due diligence process and even excludes a number of nationalities from their application process something opposite to what the Commonwealth of Dominica does. Additionally, travel is required to the country or consulate where the applicant will be administered an oath of allegiance. There is also a residency requirement of five days anytime during the five years of holding Antigua and Barbuda Citizenship.

The country boasts of visa free travel to over 130 countries including Canada something that other O.E.C.S jurisdiction can't match up to. Despite these high standards Antigua and Barbuda remains behind most OECS countries in terms of CBI performance but maintains the 4<sup>th</sup> place out of 12 countries. Antigua and Barbuda scored 78% on the 2017 CBI index rankings (CBI Index, 2017). In 2018 the CBI program in Antigua and Barbuda underwent some modifications where in the first option the amount to be contributed to the NDF was reduced to US\$100,000 from its original price tag of US\$200,000. Additionally, applicants can now have up to four members of their family



included in the application in the first investment option. One of Antigua and Barbuda's major selling points of visa free access into Canada was short lived as the Canadian government rejected Antigua and Barbuda's visa free access citing security concerns in June 2017. However, the number of country's they could travel to visa free increased as Monaco and Ukraine join that long list of countries that Antiguanians can travel to visa free. Antigua and Barbuda increased its performance in 2018 CBI Index ranking knocking Saint Lucia off to take over 4<sup>th</sup> place out of 13 jurisdiction which offers the program.

Antigua and Barbuda scored a total of 80%, one percentage point more than Saint Lucia as per figure 4 above. The CBI program made some changes to the investment options to include limited time offers which was schedule to end in October. An applicant under a limited offer who had no more than three family members could make a joint investment. The related party should have the same licensed agent with the applicant at the time of investment which was set at a minimum of US\$200,000. Also, under the final option which came into effect in October 2018 and applicant with a family of four can invest US\$150,000 into the University of the West Indies Fund. After receiving approval one family member of that applicant would be entitled to a one-year tuition scholarship.

The CBI program for the year 2019 returned to its original position of 4<sup>th</sup> place as per CBI ranking. Saint Lucia regained its 4<sup>th</sup> place from Antigua improving its overall performance from the previous year. The CBI program scored 79% and place last in the OECS but 5<sup>th</sup> place out of 13 CBI countries (CBI, Index,2019). In 2019 the CBI program increased the number of countries that has visa free access to after securing visa free access to the Russia and the Republic of Kosovo. The CBI program again registered modifications where in the final alternative that applicants with a family of up to six people and who invest into the UWI fund a total of US\$150,000 can be granted economic citizenship. Additionally, a one-year tutution scholarship will be awarded to one family member. Under that option the applicant will not be required to pay a processing or government fees. The CBI program performance in 2020 declined to 77% as shown in figure 4 and remained at 5<sup>th</sup> place over all from 14 CBI jurisdiction (CBI, Index,2020).

**Table 2: O.E.C.S CBI Program Similarities and Differences**

<p><b>01:</b> High Economic value in tourism and agriculture</p> <p><b>02:</b> High debt to GDP ratios</p> <p><b>03:</b> Small economies of scale</p> <p><b>04:</b> High risk to external shocks</p> <p><b>05:</b> Legislative Framework</p>	<p><b>01:</b> CBI Residency requirements</p> <p><b>02:</b> Investment options</p> <p><b>03:</b> Year of CBI enlistments</p> <p><b>04:</b> CBI programs pricing</p> <p><b>05:</b> Different CBI administrative Structures</p>
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**Table 3: O.E.C.S CBI Program Investment Options**

Country	Type of Programs	Price	Investment	Residency Requirement
Saint Lucia	<b>01:</b> National Economic Fund	<b>01:</b> US\$100,000.00	<b>01:</b> Donation	None
	<b>02:</b> Real estate investment	<b>02:</b> US\$ 300,000.00	<b>02:</b> Real estate	
	<b>03:</b> Government bonds	<b>03:</b> US\$ 500,000.00	<b>03:</b> Government bonds	
	<b>04:</b> Direct business investment	<b>4:</b> US\$3.5 Million	<b>04:</b> Business investment	
Grenada	<b>01:</b> Donation to National Transformation Fund	<b>01:</b> US\$150,000.00 (US\$200,000.00 for up to 4 family members, US\$200,000.00+US\$25,000.00 for each additional member for families of more than 4 members)	<b>01:</b> Donation	None
	<b>02:</b> Approved Real Estate Project	<b>02:</b> US\$350,000.00	<b>02:</b> Real estate	
St. Kitts & Nevis	<b>01:</b> Real Estate Option	<b>01:</b> US\$200,000 (resalable after 7 years) or US\$400,000.00 (resalable after 5 years)	<b>01:</b> Pre-approved real estate project	None
	<b>02:</b> Sustainable Growth Fund Contribution	<b>02:</b> US\$150,000.00 (single applicant) OR US\$195,000.00 (family of 4 members)	<b>02:</b> Donation	
Dominica	<b>01:</b> Single Applicant	<b>01:</b> US\$100,000.00	<b>01:</b> Donation to the Economic Diversification Fund	
	<b>02:</b> Family Application I (applicant + spouse)	<b>02:</b> US\$175,000.00	<b>02:</b> Donation to the Economic Diversification Fund	

	<b>03:</b> Family Application I (applicant + spouse + up to 2 children)  <b>04:</b> Family Application III (applicant + spouse + more than 2 minor children)  <b>05:</b> Real Estate	<b>03:</b> US\$200,000.00  <b>04:</b> US\$ 200.000+25.000 per additional children  <b>05:</b> US\$200,000.00	<b>03:</b> Donation to the Economic Diversification Fund  <b>04:</b> Donation to the Economic Diversification Fund  <b>05:</b> Real estate (Government Approved Development)	None
Antigua & Barbuda	<b>01:</b> National Development Fund  <b>02:</b> Real-Estate  <b>03:</b> Business Investment (Sole Investor)  <b>04:</b> Business Investment (Two or more Investors)	<b>01:</b> US\$ 200.000 or 250.000 for families of 5 or more members (50% special offer until 31st of October 2019: 100.000 for families of up to 4 members and 125.000 for families of 5 or more members)  <b>02:</b> US\$400,000.00  <b>03:</b> US\$1.5 Million  <b>04:</b> US\$500,000.00	<b>01:</b> Donation  <b>02:</b> Real estate  <b>03:</b> Business investment  <b>04:</b> Business investment	5 days during the first 5 years. None during application

Source: Adim, L. (2019). Residence and Citizenship by Investment: an updated database

on Immigrant Investor Programs. *Database*) [http://dx. doi. org/10.2139/ssrn, 3474396](http://dx.doi.org/10.2139/ssrn.3474396).

## **CHAPTER V-RESEARCH FINDINGS & IMPLICATIONS**

The fifth chapter of this thesis dissects some primary data collected from the research interviews conducted with participants from all five OECS jurisdictions using in-depth interview with at least three participants from each country. All the participants are existing professionals or experts within the field of CBI in the OECS and have had some reason to interact with the CBI program at some levels. One of the goals was to find out and ascertain how the issues of perceived corruption impacted or affected the various CBI programs within the five OECS Countries from the context of small islands. The chapter also captured some impacts as well as implications for the CBI program in the OECS.

### **5.1 Findings and Discussion**

The findings and discussion of this chapter is based on the main research question and two sub-questions. Firstly, to what extent does perceived corruption impact the CBI program in five Organization of the Eastern Caribbean States (OECS)? Is the CBI program a negative or positive policy program for OECS Countries? And What are some of the implications of corruption on these CBI programs in the OECS? This chapter will provide excerpts of direct speeches from the transcripts of the research data. These findings are based on data collected from a total of 13 of 15 research participants and will end with a brief conclusion.

#### **1. Corruption Impact on CBI program in the OECS.**

The findings from the main research question confirmed that perceived corruption did have some levels of impact on the CBI program in the five OECS countries. While majority of the respondents noted in the affirmative that there was some impact associated with the perception of corruption there was a minority view that there was not an impact because it did not exist within their programs. In response to the question one; To what extent does perceived corruption impact the CBI program in five OECS countries, respondent no.7 declared that; on a scale of 1-10 with 10 being the highest a grade of 8 would be awarded.

The respondent noted the reasoning behind such a high 8 is the simple fact that whenever a lack of transparency exists then there's room for corruption to play a role. This was followed by an example that the country's prime minister has indicated the existence

of an escrow account which holds the CBI funds, however even after many requests from the opposition to state where this account is being held in escrow or who are the signatories to the account remains unanswered and a mystery.

The respondent stated that by law the only account that should house or hold any government revenue is known as the consolidated funds. Respondent no.1 conveyed that corruption does exist at all public and private sector entities and therefore will invariably exist at some level within the CBI program thereby having an impact. The respondent highlighted the amount of commissions that is paid as a result of CBI and goes unchecked whether it be to agents, promoters or even program heads raises some questions as to when does it become actual corruption. Respondent no.6 refers to it as a double-edged sword because it's one thing to make allegations and another to prove or even convict.

Regardless there is some impact on the CBI program and how that program is perceived by other people or nations. An example followed where a member of government was recorded soliciting donations or funds from a CBI applicant for a project in his country. That member of government was later relieved of his Cabinet position as a result. This created quite an up roar and placed the CBI program under more scrutiny. As it relates to the minority view, respondent no.2 indicated that; *"There is not a significant impact because most of us have security protocols that is multi-layered and therefore we have mitigated the risk significantly down, it's not perfect but note that none of us have had to shut down our programs because of any major corrupt activities."* Respondent no.3 also stated that; *"We have kept our program clean and have remain politically neutral which is important to preserving the integrity of the program. My country is the only one in the OECS with legislation around escrow agreements and hence can be really used as a model to the rest."* Lastly, respondent no.8 indicated; *"I don't know of any corruption within our program, our institutional framework is strong and that tends to weed things like that pretty early. There are couple reports of it from other countries however this should raise red flags for the government to be careful about things like that"*.

The second finding to the main research question is from the question of the extent to which respondents believe that corruption exist within the CBI program. The respondents overwhelmingly detailed that there is a belief that corruption does exist in the CBI program. Respondent no.1 stated that; *"Corruption takes place at all levels; program managers*

*always gets gifts and other kickbacks from helping with the process. And because CBI is a new industry its even worst because there are a lot of different types of players out there. To prove this, we see countries changing their legislations all the time because corruption was at play at some level.”* Respondent no.6 notes that; *“There’s no doubt in my mind that corruption does exist in the program, there has been many concerns especially with transparency and how the CBI funds are utilized by governments.”* Respondent no. 7 emphasized that; *“Some government officials have agents who sells passports but they are the direct beneficiary of these passport sales. The funds are given back to the government official so if this is not corruption then I don’t know what is.”* Respondent no.9 indicated that; *“The corruption is pretty serious because there are a number of stories emanating from our countries.”* Two respondents indicated that they don’t think it’s serious and there is only a threat of corruption. Respondent no.2 stated that; *“I don’t think it’s widespread, if there is corruption they are just one or two isolated incidents and very much on the low side. If I were to attribute a percentage I would say less than 1%.”* Respondent no.5 indicates that; *“There’s a threat of corruption however, I have not had any direct interactions with any corruption cases. I don’t feel any corruption, haven’t heard of any corruption or seen anything to suggest and I work in the belly of the beast.”*

The third findings for the main research question are from the question impact the idea of perceived corruption may have on the CBI program. Several respondents indicated that the impact maybe dire for the CBI program, from the lack of trust in the program to countries protecting their borders from the program to loss of investors and markets to undermining public confidence in the CBI program. Here are a few extracts from the respondents as it relates to these findings. Respondent no.1 stated that; *“First of all it undermines public confidence in the program, because people will see it less as an investment or development option and more as something that’s corrupted and people are just making money out of it hence it may undermine public confidence.”* Respondent no.5 also shared similar sentiments that; *“It will have a significant impact, once there’s no trust in something then people will always become skeptical about it. People will start believing that their politicians are getting underhand deals which will destabilize the whole democratic process because people won’t trust their politicians anymore when it comes to making certain decisions.”* Respondent no.8 specified that; *“I think corruption will bring less investors and less sales to our programs, some investors are above board and integrity*



*means everything to them. When corruption exist, it must be noted that it doesn't do well with stability and investors look for stability.”*

## **2. Benefits of the CBI program to OECS Countries**

The findings from this research revealed that an overwhelming amount of the respondents believed that the CBI program was of positive benefit to the OECS countries. There is an indication that it plays a critical role in most of the OECS island economies and provides much needed government revenue that will support ongoing community and social development within the country. The following are excerpts from respondents to question two of the questionnaires, do you think the CBI program is a positive or negative program for the OECS countries?

These responses demonstrate the positive benefits the presences of CBI bring to the OECS countries. Respondent no.1 relayed; *“I think it can be a very positive program for the OECS at the time when foreign aid is decreasing, at a time when foreign direct investment is decreasing and at a time when financing for development is very limited. The CBI program offers an opportunity for us to be able to leverage development financing as citizens and hence I believe it can be a positive program.”*

A second respondent no.2 affirms that; *“It's generally a positive program for the OECS because it has diversified governments income stream, it's also offers governments with the possibility to be less indebted because we won't have to borrow large sums of money to do everything socially and infrastructurally. As in the example of Dominica who can use CBI funds to build roads, bridges, hospitals and now a new international airport all funded with CBI funds.”* Respondent no.3 states that; *“I think it is a definite positive program for the OECS, it is the only way now for most of our small islands to derive much needed revenue. St. Kitts has been fortunate that they are the leaders in the program and are generating a lot of revenue that goes to the betterment of the country and diversification of the economy.”*

Respondent no.5 detailed that; *“I think it's highly positive, if I'm going to do a cost benefit analysis of the program I think I will see more benefits than cons. I would conclude in all sense that it's an excellent program for the region.”* And respondent no.10 stated empathetically; *“Yes! In the face of declining investment and opportunities to create jobs*

*which contribute to increase governments revenue, the CBI program can contribute significantly and make improvements to our education system and social infrastructure programs.” It is noteworthy that only one respondent expressly found CBI a negative program. Respondent no.9 detailed; “I think its negative because I believe that the people of the said countries have no immediate benefits from such a program. Yes, it generates a lot of income for the countries but the citizenry is not feeling the effects, they are not feeling part of these so-called benefits that the government proclaims.”*

### **3. Implications of Corruption on the CBI program in the OECS countries**

The findings from research sub-question two; what are some of the implications of corruption on these CBI program in the OECS will be answered by questions four and eleven of the questionnaire. The findings indicate that there are a number of implications of corruption when it comes to the OECS CBI program.

The first major finding is that the OECS CBI program is at risk of external shocks such as hurricane, storms and other natural disasters such as volcanic eruptions. These shocks can be attributed to the existential threats of climate change and its real effects on small island economies. Respondent no.8 relayed that; *“What can really have an implication on the program is the external shock of hurricanes, volcanos, natural disasters and things like that. If something happens in one of our islands and the place gets wiped out it will be very hard to get people in or to come back with their investment for that matter.”*

The second finding from this research sub-question on implications to the CBI program is the issue of transparency and accountability in our small islands. A number of respondents highlighted the need to run transparent CBI programs and having government accountable to the citizenry where the CBI program is concerned. Respondent no.7 stated that; *“The lack of transparency as we see it in most of our islands would have implications for our CBI programs. People want to trust their governments and hence government should be more accountable to the people. If that accountability doesn’t exist then we will attract bad apples which will in turn have an implication on how our CBI program is viewed. We need our governments to hold themselves responsible, honest and transparent.”* Additional respondent no.9 lamented that; *“The pricing of our CBI is number one, we need to charge what we are worth. Also, the lack of transparency is a major implication, the*

*program operates much like a secret society but the government need to account to the people. I believe that that lack of transparency from the government on CBI will in the long run have implications for the program.”*

The third finding from this research sub-question is that a weak due diligence process and an ineffective regulatory framework will carry some major implications to the OECS CBI program. A notable implication as noted by respondent no.1; *“When we talk of implications to our CBI programs we be so guided not to lose control of the regulatory framework out there to the point that anybody can sell our country at any price and create all sorts of bogus schemes because that can affect the reputation of our countries. Therefore, we must be careful when it comes to our regulatory framework especially with who is out there promoting your islands for example, promoters, due diligence firms marketing agencies and local agents.”* Respondent no.4 contended that; *“An implication would be our own failure to properly execute due diligence or allow corruption by allowing bad actors to enter our CBI programs. If that happens this failure can be used against our CBI programs.”* Also, respondent no.5 specified that; *“Our island needs to guard and take our due diligence seriously because it can bring serious implications. It’s an important aspect/component of the CBI program and if you don’t take due diligence seriously and I’m talking about getting serious due diligence companies to be part of the process because our small islands have some limitations in getting information. Hence, we need international due diligence partners who can obtain the necessary information on our applicants in order to make a fair analysis and judgement on whether an applicant is good or bad for your CBI program.”*

A fourth finding to this sub-research question is that of undue influence. That type of influence can come from the political levels, investors, opponents of the program and the media. These influences do carry implications for the OECS CBI programs. Respondent no.5 articulates that; *“You have to limit against strong influences because if you do not limit these influences from a perspective of bribery or as simple as influencing the process, the CBI program can lose significantly as a result and this will have implications for the country.* Another major implication to note is the relationship with the EU. Because the EU remains the staunchest advocates against the CBI even with their own country jurisdictions small islands needs to pay close attention because there can be implications especially because the OECS countries carry visa free access to the EU. Respondent no.3 notes that;

*“If the EU cannot make or take any actions against their own they may well target and turn their big guns towards the smaller islands. They will use the security card as an excuse but more so the threat of terrorism. But it must be noted that St. Kitts and the OECS by extension has a much better and robust due diligence process than most EU CBI counterparts for example Malta or even Cyprus who now has to halt their program because of corruption challenges.*

A fifth finding as it relates to implications to the CBI program is the serious threat to visa free access to many countries and territories. Countries can act as in the case of Canada which rescinded its visa free access to many OECS jurisdiction citing security concern as a result of the countries CBI program for such decision. Respondents no.4 conveyed that; *“The threat that countries may increase visa requirements as a retaliatory measure will be a major implication to the CBI program because it will cause our passports to be less and less attractive.”* Other respondents shared similar concerns such as respondent no.6 which relayed that; *“A major implication to our CBI program is the loss of visa free access as a result of corruption associated with our CBI program. Countries will want to protect their borders from bad elements that we attract through our CBI and hence we must guard against that risk.”*

The last two findings that I may wish to highlight is that a political change and bad press within any of our OECS countries may have implications to our CBI programs. The main reasons for these are many of our opposition parties in the various countries share very strong opinions on the CBI program with some as in the case of Saint Lucia stating emphatically that upon assuming office the program will go through legislative changes and even the possibility of suspension. To support this view respondent no.6 stated that; *“A change of political administration is a major implication to the CBI program and its survival may depend on it. A change in policy direction as it relates to the program may also serve as an impediment.”*

Finally, bad press; over the years the CBI program has received a lot of bad news reports and documentaries. These bad news coverages have plenty of implications for the OECS CBI programs as they do directly opposite what most marketing agents try to sell. Some of the news reports are sensational in nature and often does not carry the full story but one bad headline can be deadly for the CBI program. An overwhelming number of

respondents agrees that the way the media portrays the CBI program especially in the OECS will carry implications. Respondent no.3 articulates that; *“Reports and news articles can have implications because some of these reports are targeted and politically motivated. Hence, one must be careful as to what they consume from the media about our CBI programs.”* Also, respondent no.1 supported this finding by stating that; *“The media permeates the idea that the CBI program is corrupt. I also believe that competing marketing agencies uses the media to undermine other CBI programs who may not want to do business with them. They will get negative articles into the global press about the country’s CBI program to undermine the program and that in itself breeds the idea of corruption.”*

## 5.2 Policy Implications

These policy implications presented below are closely aligned to the order of the research questions and information gathered from the interviews conducted. These implications may also reflect some limitations to the CBI program in the OECS in addition to the multi-faceted risks have been highlighted by many scholars through the thesis. The reputational risk to the OECS is monumental in that it threatens potential loss of visa free travel that is currently being offered by many countries worldwide and this could bring an immediate but detrimental halt to the program. The undeniable fact remains that the CBI program has and is raising serious international security concern because of the high demand particularly within the small islands and this may trigger major world economies such as the EU which has been against the program from its inception to implement harsh visa free and citizenship restrictions if some of these concerns are not addressed especially if information and other reports are not made available in a readily and timely manner.

Firstly, governments’ response and transparency remain paramount in effectively mitigating against potential fallouts. EU tax blacklisted at least 17 countries in 2017 which had two OECS countries listed in the blacklist; Saint Lucia and Grenada. The Organization for Economic Co-operation and Development (OECD) was tasked with the responsibility to investigate the loophole strategy and therefore launched a public consultation with the countries affected. The consultation was aimed at achieving 4 things; make an assessment on how CBI programs can circumvent common reporting rules, pin point high risk abusive CBI programs, ensure that stakeholder adhere to correct due diligence procedures in the common reporting rules framework to avoid abuses and the ways in which OECD will



review and take further action with input. Actions such as these can really affect the reputation of the CBI program and eventually result in its demise.

Secondly, the CBI Program should be free of any political interference and should not be operating in silo of the rules of effective and transparent governance. The governments of the OECS should also ensure that there is no ambiguity as to who or what constitute a citizen because currently there are cases of CBI citizens and citizen citizens implying those who are born within the country.

Thirdly, the policy position by OECS governments to compete in regards to the minimal cash injection into the various CBI options offered to potential applicants. There seems to have been discussions and meetings to bring the prices on par with each other but there is clearly disagreement as some OECS countries believe that their product will not be sold and that will only bring diminished revenues to the government coffers. The notion that profits can be maximized by a lower contribution to any of the options the CBI offers and increased application volumes can only exacerbate and place the CBI program in a position where the perception continues to remain negative. Making the CBI program cheaper and easier to access won't help improve the outlook or perception of the program at least not in the long run. There must be a common position by all member states but more so consistency in the management of program to avoid too many changes especially in the case where there is a change of government.

Fourth, the real estate option is the most common in all five OECS countries but remains a headache because of the complexities which exist in this option. This option provides a boom to the construction and service industry when the projects do actually get off the ground and the investors don't run away with the investment. It creates employment opportunity thereby increasing economic activity. For example, in the countries of Dominica and St. Kitts and Nevis the construction industries exploded as a result of investment from the real estate aspect of the CBI program in the service industries and in the case of Dominica housing sector after the hurricane.

Fifth, policy makers must be cognizant of the fact that CBI revenue can decline at any time because of the regions susceptibility to risk and shocks. Hence, they must ensure that the revenues generated from the CBI program are used with caution and in a goal oriented and sustainable manner so to cushion the impact of any revenue shortfall as a result.

A lot of the CBI revenues are used for financing social programs in many OECS countries specifically in St. Kitts and Dominica. While this particular use may be very important is offers little economic gains but more political gains. It would therefore be accurate to say if there should be a decline then these social programs may end abruptly and may create social tensions among the populace. Though important, governments focus should not only be on social programs but other sustainable programs which will reproduce capital such as government public sector financing and other investment programs.





## **Chapter 6: Conclusion & Recommendations**

This is the concluding chapter of the research. It will offer some recommendations emanating from the research, on the way forward or future studies on the OECS CBI programs especially within the context of small island developing states. The last part of this section contains the bibliography which provides the sources to the various literatures used for this research.

### **6.1 Conclusions**

This thesis aims to contribute to the very limited literature on the CBI program in the small island economies of the Caribbean. It examined how perceived corruption associated with the program has an impact whether it be positive or negative on the implementation of such program. It also aims to demonstrate the effectiveness of the program within the small island notwithstanding the many corruption allegations made against the program. Additionally, it aims to assist outside actors of the role such a program can play within small island economies and help policy makers in having a better understanding of the CBI program. By all accounts the program has proven to be beneficial to OECS economies but these benefits are threatened by the perceived corruption that hangs around the program in various member states. The survival of the small economies of the OECS with the CBI is paramount because already it's a challenge to diversify their economy and to attain any significant growth. The scale back of international donor organization to the blow of the WTO on preferential markets for their banana produce just adds to the long list of reasons why it's essential that these small economies protect their CBI industries or face dire economic consequences.

A number of methods was employed to gather and build this research. A number of documentary analysis, desk reviews of governments documents, reports and indexes had to be analyzed to get a better picture of the situation of the CBI program. Moreover, a number of semi-structured interviews was carried out with experts from the field and people who have everyday life experiences in such a program to provide background context and setting in which the research is being framed. That's why lots of information will be captured and the research provided a thorough understanding of the phenomenon based on several contextual factors. This thesis raises a number of issues with regards to perceived

corruption and the CBI program. However, the sale of CBI has been causing quite a stir within certain circles especially within the EU where such programs are strongly discouraged and remain a subject of contention (Parker 2016). A number of academics have placed a very negative connotation to the CBI program. Spiro (2014) contends that CBI programs spells the very end of citizenship while Swoboda (2014) posits that it severely undermines EU values. Others such as Barbulescu (2014) argues that it's a global doorway for the super-rich while Berton (2014) posits that the whole problem with CBI is the price.

Shachar (2014) concludes that CBI is a dangerous liaison while Kochenov (2014) argues that it's too hypocritical and random. Each academic share varying and inconsistent views on the CBI program. There is hardly a coherent approach in academia as to the real reasons why so many oppose the program which leads me to believe that there is still much extensive and empirical research to be done on the CBI program especially from a small island state prospective. There has been relatively limited research and literature as this is a new and emerging field hence a limited number of authors have decided to avoid taking sides to the CBI program or its implications to citizenship but rather just provide facts and present these facts in a very calculated manner.

There is a relatively low number who refuses to even states categorically that they have seen a problem with CBI. In this new field emerging out of the literature are two strands of debate, the first is against the policy of selling citizenship because it should not be commodified and be kept a sacred bond between a country and a person (Baubock 2014 & Shachar 2018). Moreover, the selling of citizenship will only add to existing inequality between those who can't and can afford. The second strand supports the sale of citizenship because it helps build community and demonstrates how valuable citizenship can become (Irving 2019). Additionally, there is some economic good that can be derived from the sale of citizenship.

As a result, competition is significant as there is a proliferation of CBI programs happening in the 21<sup>st</sup> century. The type of economic activity that is being generated by small islands states remains central to their economic and social development strategies. The sale of citizenship is innovative but is one such state asset that can rope in much needed revenue for the government from such an intangible asset. Therefore, to maintain their programs small island states as in the OECS must find ingenious ways to maintain their

CBI programs in order to avoid any economic disaster in the near future. Finally, the analysis underscores the pivotal role the CBI program can play in small island developing economies. The CBI program though complex is dynamic in many ways and therefore cannot be examined through one lens or in isolation or even through simple comparison but must be explored within a broader geopolitical context which will open up possibilities for future research.

## 6.2 Recommendations

The recommendations as presented below are closely aligned with the research findings. They will also be informed by previous data as demonstrated in the review of literature and from the analysis of data gathered from the initial research. These recommendations are also to provide as insights and observations to policy makers on the way forward or future of the CBI program in the context of small islands.

- a. In order to mitigate and curtail the challenges associated with corruption, governments must be transparent and accountable in all facets of the CBI program for example, making public of a list of approved application semi-annually with the names and country of origin of the applicants to the program. That listing should also include number of applications approved and denied, total amount of revenue generated from the program and how is that revenue spent and the economic impact of the program for the year.
- b. Ensure that the CBI program is free from political interference by ensuring the right regulatory framework is in place which will provide independence. This will ensure that everyone operates by the same laws and is subjected to the same due process so as to avoid issues of corrosion or undue influence.
- c. Strengthen CBI legislation to ensure a high level of due diligence takes precedence in the approval of applicants to the program to avoid attracting bad apples. Also, ensure that there are laws set in place for robust financial controls and timely review of CBI in parliament to strengthen existing loopholes within the program.
- d. Ensure that there is integrity and transparency laws that governs administrators of the CBI programs including integrity training for practitioners and those on boards with some oversight of the program.

- e. Develop and maintain an active press and marketing program for the CBI for two purposes. Firstly, to ensure that the population is well informed of the laws that governs the program and what are the tangible benefits of the program, this will greatly help with the populace buying into the program. Secondly, to address issues of bad press and media releases/stories that is circulated as a result of the CBI program. These public education campaigns will mitigate against the risk of the program being labeled as secretive and non-transparent.
- f. Enforce or enact legislation across the board that once an applicant is implicated in issues of corruption or other crimes that will bring the program and government into disrepute prior to the CBI approval in their respective countries, that their statuses will be subject to review and revocation pending the outcome of investigations.
- g. Guarantee that OECS countries have an effective legislative and security policy collaboration to include escrow legislation on the CBI program.
- h. In order to mitigate against abuse of the CBI program, a formal blacklist should be made compulsory for outside actors such as agents, promoters and marketers who runs afoul of rules of engagement and other violations against the OECS CBI program.
- i. Work towards increasing soft power and public diplomacy of the O.E.C.S CBI apparatus specifically to western powers who has existing prejudices against the CBI program. This will make the program more attractive and maintain a positive image on the world stage.

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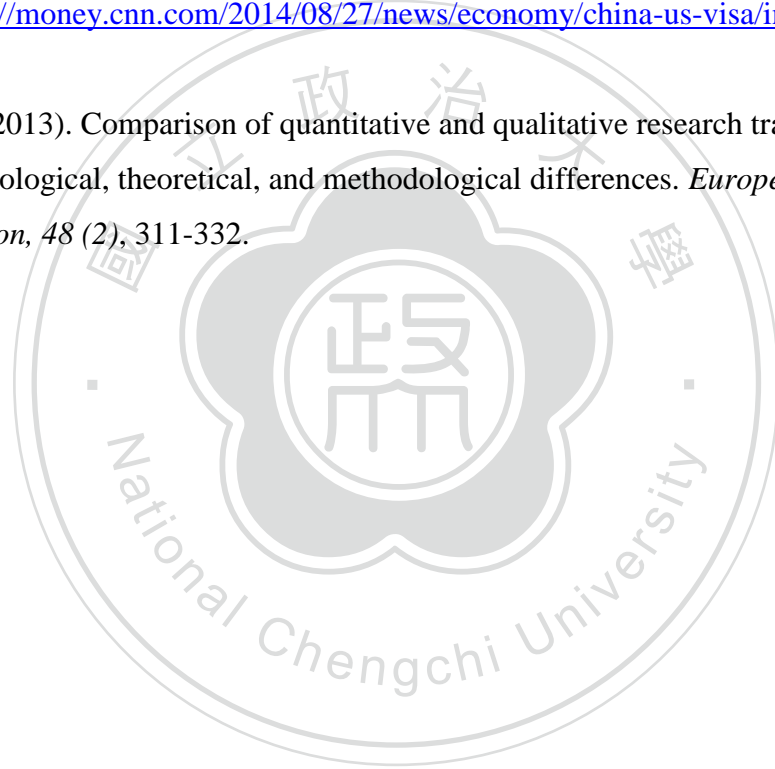
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## Appendix 1

### Letter of request for Permission

Dr. Ernest Hilaire

Member of Parliament for Castries South & Former CBI Chairman

Castries

Saint Lucia

### **Permission to Conduct Research Interview on The Impact of Perceived Corruption on the CBI Program in Five OECS Countries.**

Dear Dr. Hilaire,

My name is Wendell J. Bertrand, I am employed with the government of Saint Lucia attached to the Social Research and Policy Unit of the Ministry of Equity, Social Justice & Local Government. Currently, I am on study leave and is enrolled at the National Chengchi University, Taiwan as a student in the Master's Degree in International Relations programme.

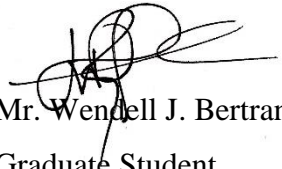
At this time, I am in the process of preparing my Masters research thesis. I have decided to conduct my research entitled, *The Impact of Perceived Corruption on the Citizenship by Investment (CBI) Program in Five OECS Countries*. More specifically, the research will on countries of Saint Lucia, Dominica, Grenada, St. Kitts & Nevis and Antigua & Barbuda. The research questions under consideration is as follows; How has perceived corruption impacted the implementation of CBI in five OECS Countries? Has there been a negative or positive impact on the CBI program in these five countries? What are some of the implications of corruption on these CBI programs in the OECS?

The research will be carried out by observing the ethics of the National Chengchi University for Graduate Research, and I am under the Supervision of Dr. Wu Der-Yuan, a Professor at the National Chengchi University. I therefore seek your permission and indulgence to have an interview with you to help develop and contribute to my graduate research.

I have attached a copy of the questions that I would like to explore with you as a research participant in a semi-structured manner. I am available to discuss all aspects of the request at your convenience through my email [bertrande007@gmail.com](mailto:bertrande007@gmail.com) or via WhatsApp

message at 1758-712-8402. Please note that all courtesies of expedition would be greatly appreciated.

Sincerely,



Mr. Wendell J. Bertrand

Graduate Student

International Master's Program in International Studies

College of International Affairs

National Chengchi University



**Appendix 2**  
**Preliminary Questionnaire**

Country: .....

Position: .....

Section/ Unit/Department: .....

Gender    Male            Female

- 1) Do you think a healthy, collaborative and effective partnership exist among O.E.C.S stakeholders and players where the CBI is concerned? Yes/NO. Please Explain.
- 2) Do you think the CBI program is a positive or negative program for the O.E.C.S Caribbean countries? Yes/No. Please Explain
- 3) Do you believe there is a need for an integrated or harmonized OECS approach to the CBI program?
- 4) What in your professional experience are some implications or will have an impact on the CBI program in the O.E.C.S? Why?
- 5) To what extent do you think corruption plays a role or even impacts the CBI program in the OECS?
- 6) To what extent do you believe corruption exist within the CBI program?
- 7) What impact do you imagine the idea of perceived corruption will have on the CBI program?
- 8) In your professional capacity where do you think the idea of corruption permeates from when it comes to the OECS CBI program?



- 9) Do you think the CBI should be formalized through a central authority for management of standards practice within the OECS Commission? Yes/no. Explain.
- 10) How do you think the integrity and performance of the CBI program can be enhanced to avoid and potential crisis? Please explain.
- 11) Do you think the presence of the CBI program impacts your country's corruption index ranking?
- 12) What role can government and the wider society play to avoid issues of perceived corruption as it relates to the CBI program? Please explain.



### APPENDIX 3

#### Questionnaire

Country: Saint Lucia

- 1) Do you think a healthy, collaborative and effective partnerships exist among OECS Stakeholders and players where the CBI program is concerned? Yes/No. Please Explain

There no healthy collaborative and effective partnership, I know there are ongoing discussions between central bank and OECS Commission is trying to harmonize the approach. I don't think it's necessary to be honest with you. I'm not saying its unhealthy because we talk to each other but we don't have a collaborative approach it's just like attracting foreign investment and it's just like there no collaboration it's a race to the bottom of the barrel in many ways. And that happens in the diplomatic field, it happens in the attraction in FDIs and it happens in CBI I don't know that its unhealthy per say but there is a.... Allen Chastanet, the Prime Minister of Saint Lucia more than anybody else introduce this race to the bottom of the barrel when he devalued St. Lucia. We had pegged St. Lucia as the premium option. He downgraded the price and he removed the cap and changed quit a few things. He tried to make St Lucia the cheapest and I don't think it was a wise idea but I don't even know if we can change it now because the program has to grow before you can do that.

- 2) Do you think the CBI program is a positive or negative program for the OECS Caribbean countries? Yes/No. Please explain

I think it can be a very positive program for the OECS at a time when foreign direct investment is decreasing, at a time when foreign aid is decreasing at a time when financing for development is very limited at a time when we at a state as a middle income countries and therefore the cost of development financing is kind high for us relative to our size and our vulnerability the CBI offers an opportunity for us to be able to leverage as citizens and I believe it can be positive program. I think though for it to be made positive there is the positive benefits from the income and revenue that one can accrue but you must also make the program meaningful now there's is a belief that all people want is their passport they don't really care about the country and I think we need to make it more than that and we have to make the new citizens feel like citizens and there's a notation of citizenship , citizenship means you come with responsibilities and also comes with rights. When we formulated our program, we hired a young lady as outreach officer to reach out to every new citizen prepare and information pack about St Lucia, invite them to the country, tell them what we doing ask them to be part of it to make them feel part of it. But most of them might have no interest, the same way we tell our citizens you have to have national pride, a lot of our citizens have no national pride and I do house to house ,I go on the block, my constituents just like Castries East have a lot of block and the fellas tell you what xxxx country? what shate is that and the reason is because they don't feel they getting from the country and therefore is difficult to ask them to have loyalty to a country they think they not getting nothing from. In the same way we need to tell new citizens that we are getting through investment to be a citizen show commitment make it have value and I think it must be done deliberately the same way we want civics to be taught at school so our children growing up can learn about the flag the national anthem learn to love their country. So, we have to make it positive not only in the economic sense but also in the cultural and social sense which we have not been able to do.

- 3) Do you believe there is a need for an integrated or harmonized OECS approach to the CBI program? Why?

I think only aspects of the harmonization which makes sense has to do with the due diligence and security. We should really come together to harmonize our approach to security and due diligence but not in terms of marketing and promotions because we don't do it for FDI, Development financing, conduct of international affairs so why should we consider it for this. Yes, CARICOM tries to have a harmonized approach but this never works because each country despite size remains an independent sovereign state so I don't know why anybody would think this would work. However, when it comes to due diligence it can work because we have a working structure through regional security RSS and IMPACS and we can do the same with this.

- 4) What in your professional experience are some implications or will have an impact on the CBI program in the OECS?

There are different aspects to it, one due diligence is absolutely critical because if you cannot ensure that you are having people becoming citizens who are worthy of becoming citizens and who will not be an embarrassment and notorious people with infamous reputation you will be in trouble. And people getting passports and travel documents there are people around the world who are interested in these, people who are in drug trafficking, in arms trade, in terrorism so therefore the due diligence is a paramount aspect that has to be managed properly so that it won't have a serious impact to impeded the CBI we must get those things right. We also have to be very careful with the regulatory framework so for example there are people out there who will be promoting your island and announcing and selling citizenship (Promoters, due diligence firms, marketing agency, local agents). For example, you are a multimillionaire and HSBC is your banking institution so you have your personal banking advisor and you say to the person look I am from Iraq and I live in Dubai and I'm afraid of the security situation and I never know what could happen and the personal advisor advises to get into a citizenship program for the Caribbean if anything happens you can move there. Then you request more information and this person refers you to a promoter who has a citizenship office who will say to you that there are about five or six countries you can go to these are the requirements of each I will help you decide these are promoters. But the marketing agents are those people with the big contracts, now some marketing agents also do promotions and some marketing agents also have a network of promoters all over the world. So, all over the world you have networks of people affiliated to different marketing agents so Henley & Partners may have maybe 300 or 400 promoters all over the world bringing out people. Now where the corruption starts is that guy from the bank who recommends you to go to a promoter down the road, when he sends you to the promoter the promoter then gives him a commission and that commission is not even report and no one knows about it. So, you can see how the opportunities for corruption already exist. So, the regulatory framework for CBI is almost a global issue but you don't regulate some of these policies globally. It's just like someone might be an investment promotion agent out there getting investors to send to countries. So, if a man comes to you and says look I want to build a hotel in the Caribbean can you recommend an island and can you help us negotiate a package and if the deals works out you get a 1% finder's fee. These things exist in the world, when Dave Camron lobbies government for incentives for a company if it goes through he gets a commission. So, when we talk about what can impeded the CBI if we lose control of the regulatory framework out there and anybody can sell your country at any price and create all kind of bogus schemes that can affect the reputation of the country all of a sudden St Lucian passport can be sold for 30 thousand dollars and nobody knows about it and the country didn't approve that its causes problems. So there's the due diligence, the regulatory framework and there also the issues of when people advertise real estate and people are buying

investment shares in development projects these projects must take off. We have to take note of all those things to avoid

- 5) To what extent do you think corruption plays a role or even impacts the CBI program in the OECS?

Well it does play a role, where the corruption exist I think corruption exist in all public and private sector. And that's why I started with explaining to you those contexts, corruption will exist at some level. It plays a role in many ways and you must define what you mean by corruption. Because there are a lot of commissions that are given out there and hence you must ask is giving commission corruption? For example, if I'm in CBI and I went to Dubai and a big promoter wants to take me out to dinner because he wants to sell his business and he wants to get involve in our CBI Program. Now while we there he says oh I bought you a gift and here is an expensive watch is that corruption? But I have not given him anything or made any promise in return. At what point will it become corruption. And if I decide as an agent I got this expensive watch and hence I will push his application to become a promoter approved does it become corruption at this point? Is receiving the gift corruption? If you don't give back any favors or any benefit is there corruption? So, if you ask if any corruption exist I will say yes, I think so, I can't say x or y but I can see in the structure that it very easy to be corruption along the lines where people pay commission or some sort of bribe to push an application for them. So, corruption happens at all different levels as well as program managers who get gifts or kickbacks from help processes. And because CBI is a new industry its even worst because there are a lot of players out there. Countries are changing their regulations all the time because corruption is involved at some level.

- 6) To what extent do you believe corruption exist within the CBI program?

I don't think that corruption exist in our program, however if there is the slightest bit of any corruption it will on seek to undermine our CBI programs.

- 7) What impact do you imagine the idea of perceived corruption will have on the CBI program?

First of all, it undermines public confidence in the program, because people see it less as an investment or development option they see it more as something that's corrupted and people just making money out of it hence it undermines the public's confidence. It reduces transparency and accountability because you know people are reluctant to makes certain announcement and say certain things because people may see it as corruption so when changes are made it will be done quietly because you don't want it to be perceived as such. Internationally your country will be seen as a corrupt country because people will say boy the program in St Lucia is so corrupt, so it will make the country look corrupt and it will make it look like your country doesn't have solid anti-corruption practices and laws. So, a lot of it is that the reputational issues that anybody who wants to buy a passport can just go to St Lucia hence a lot of it is reputational

- 8) In your professional capacity where do you think idea of corruption permeates from when it comes to the OECS CBI program?

The idea of corruption permeates from the media and I also believe that competing marketing agencies are undermining other programs and I gave you the example of where Henley undermined the Saint Lucia program even before Saint Lucia received one application they were already putting out negative marketing to undermine the program. And they will get negative articles into the global

press about the country's CBI program to undermine the program and that itself breeds that idea of corruption. So, these articles are planted to undermine the CBI program.

- 9) Do you think the CBI should be formalized through a central authority for management of standards practice within the OECS Commission? Yes/no. Explain.

Well I think there should be an agreement on the standards but it should be between the participating countries and not at the OECS Level. I believe that between the countries they should be talking with each other they should agree to basic terms and conditions and they should not be engaged in undermining each other's CBI programs.

- 10) How do you think the integrity and performance of the CBI program can be enhanced to avoid any potential crisis?

They should adopt very rigid due diligence processes and making sure that the regulatory framework is in place for the approval of promoters and agents and what they can do out there on behalf of the country's CBI programs. Also, locally, issues of investment projects, ensure that people who are promoting CBI can deliver on the projects otherwise people who are buying into these projects won't see any returns because the developers who was promoting the project never delivered and didn't build the development after the CBI is approved. For example, the country has granted citizenship however the developer never built the promise hotel so we must ensure these things are managed properly.

- 11) Do you think the presence of the CBI program impacts your country's corruption index rankings?

Well it does because once there is a perception of corruption or even evidence of it. It will always affect your country's corruption index.

- 12) What role can government and the wider society play to avoid issues of perceived corruption as it relates to the CBI program? Please explain.

I think government is the oversight, and government must ensure that the statutory authority implementing the CBI program adhere to government policy and the laws of the country. So, the government has that primary responsibility of oversight and set in the vision for the implementation of the program if you want to have a cheap program that cost anything to anybody and government allows that then they in for problems but if the government outlines a vision and a framework for the program then that can be beneficial to avoid issues of perceived corruption. I think the wider society is enlightenment of the citizenry, we must have a citizenry that's enlightened and that knows how we can demand accountability and transparency from the government and ensure that people know what's going on. And again, that should apply to construction that should apply to FDI, that should apply to all other aspects of the economic life of the country taxation, so many countries escape from paying taxes. Some avoid paying taxes and is involved massive tax invasion.



## APPENDIX 4

### Questionnaire

Country: Grenada

- 1) Do you think a healthy, collaborative and effective partnerships exist among OECS Stakeholders and players where the CBI program is concerned? Yes/No. Please Explain

From chamber president standpoint that collaboration is what you see in the press that collaboration is what you hear about at heads of government meeting that collaboration if it exists is what you see when CBI has a press conference mentioning what another country is doing and how are we doing in terms of that. There isn't a visibility of meetings, collaborations, best practices things like that being selected from the various island countries and being put together to say look these are the best practices. Now there is one part of our law in Grenada that governs CBI that's very clear if you have been rejected by any of the other programs you cannot apply to our program and your application will automatically be denied so there's no point in applying. So that maybe some sort of collaboration in that regard but I'm not sure that there is an actual mechanism for supporting that or feeding that through. So, I would say there is any collaboration or partnerships as far as I know.

- 2) Do you think the CBI program is a positive or negative program for the OECS Caribbean countries? Yes/No. Please explain

In small states like ours I think the opportunity for economic and financial significantly impacting capital is always attractive. So, its attractive in the sense here is something that we have that will sell and obviously the wealthy people who want buy in for obvious reasons such as the destabilization in geo politics at the moment, there some taxes they would want to get away from and to travel and set up transnational cooperation and investment in different countries and thinking of having two passports might be a good thing. So obviously we have something to sell and we have the man we have people who are buying. Is it a good thing for us? Is it a positive thing so It is positive in a sense that it can generate a fair amount of cash inflows that can impact our economies because of the small size of our economies and budgets. So from that sense yes it is a positive thing and in our little countries and as you see what happened in St. Vincent and what happens every time we get hit by a hurricane when our country remains very, venerable very few natural resources so we have to find ways outside of import taxes and border taxes and duties to be able to generate revenues to continue invest, to continue to turn around continue to get our self to some point of sustainability we are not there yet maybe Barbados is the closest to sustainability as it relates to SIDS. So, it is positive in that regard in that it can generate for us significant capital which can impact our economic and fiscal stability and sustainability. When I think of Fiscal impact it's not just the funds coming into government it also the CBI programs which are real estate base which over flows into the economy into all the service providers all the contractors and all the additional services that it comes with. So, it lends itself not only to cash flow but lends itself to development, it lends itself to putting the country visibility on the map obviously it attracts all these wealthy people and obviously there's some networking happening there and the program has gained international visibility very quickly and that is because of who we are dealing with. And that's not all positive it can also be a negative. How can it be a negative for us? it can be negative for us in the same way the two-edged sword as that development come in and these real estate's most of the time the real estate construction-based projects that supported by the CBI program can really shut out some of

the indigenous local kind of development taking place. So, what we find is that we have nigeric rise of infrastructure development taking place or in the case of CBI rules but it may not be necessarily sustainable and then we become susceptible to these kinds of risk or we have difficulty in forecasting what is sustainable and what our economy looks like what growth looks like. The reality is we need the cash flow and we don't have a lot of natural resources to play with. The next external shock is just 48 hours away in some ways.

- 3) Do you believe there is a need for an integrated or harmonized OECS approach to the CBI program? Why?

There is an absolute need for that, while each country is a sovereign nation and makes its own rules and polices and things like that as a region coming together we will be much more powerful. While we all are unique in our own way we have different things going for us as different countries with have similar but different cultures but we are still a region and working together as a region and the savings that will come about will be significant we talk about the platform to having that top down visibility of applicants and things like that. We would be circulating our single platform and we would have much more economies of scale and economically it will make much more sense. But fundamentally we are a region and we should market our self as a region so you can pick which state in the region you would like to buy CBI from but I believe it will be a win in pulling together resources, pull together the best practice, have a single Invictus program to kill off all the fringes things happening. It will also strengthen the integrity of the program. So, I do believe that a single Invictus program could be beneficial for us. I believe that T. Marshall had the right idea about citizenship and I also believe that we as a region have not made enough strides and if west indies cricket can do it so can we.

- 4) What in your professional experience are some implications or will have an impact on the CBI program in the OECS?

If you think about it the applicant doesn't care a whole lot about living in the country of the CBI, they get into the program for the reason we discussed. They get into the program for because to obtain a second passport, geo-political instability, investment hub, travel, tax things like that. They don't really care a whole lot about what the countries do and that's not important to them, this is just 250,000 out of their millions to get a passport. What can impede the program is the citizens view of the program. How do we view this program? Do we view this program as something we need? Do we feel xenophobic? In the Caribbean we have a fair sense of that from time to time. When we see somebody who's a foreigner arrive we go crazy I don't know why but we do it. How does the population view the program? Does the government effective communicating the whims the benefits to the country; Any negatives to the program so that the populace can form a view of the program. And obviously every program has a story to be told and it has to be told rightly for us to get the grips of it. Now coming from COVID-19 quiet a lot of CBI funds were used to support Grenada for the lockdown and during the lockdown and that's a story out there but haven't really be told. So the populace view of the program places pressure on the government is what can impede the development of the program if the government feels the populace doesn't have a good view of the program obviously government is focused on votes that's kind of one of the things that can lead to a total shut down or to action actual development and growth and refine parts of the program to have real stringent infrastructure and framework that its taking over to the point where it becomes a regional platform. So, I think the populace view of it is important and that's not just the political view but also the business community. The business community wants buy in, they want to part and party to the benefits. If these things are happening outside the reach of the business community



and we feel we are not benefiting if all the concessions are only given only to the CBI and as local entrepreneur and investors I can't get the same concessions that will shape my view of the program , so I think the populace view ,the business, community view, the civil society view of the program, also the environmental view of the program if a program is ongoing and they take over piece of the land its traditionally some kind of environment safe zone and yes they pledged they will do certain things to meet certain conditions but they never do they the populace starts to gets agitated. The populace view is what really can impede the program because it will pull out the government feelings and reactions to what is being pushed forward. What can really impact the program is the external shocks like volcanos, hurricanes, natural disasters things like that if something happens and the place gets wiped out its very hard to get persons to want to come back in. Easy of doing business ranking for the country will also have an impact how do the investor view our country our region in terms of doing business.

- 5) To what extent do you think corruption plays a role or even impacts the CBI program in the OECS?

Personally, I don't know of any corruption in our program, our institutional framework is strong that tends to weed things like that pretty early. There are a couple of reports out there alleging corruption from other O.E.C.S countries. But these reports raise red flags for the government to be careful about these things. Not for investors or applicants because they will apply away. Although some of the press are politically motivated. But when some reports come out its about concerns from the international community coming to light so our governments should be careful how we run our programs. The perception actually exists when the reports come out. SO, it can have a major impact on the program because it can affect our business enabling environment. And if there is little visibility as to how the program is run and operated then it will appear or give a perception of corruption which does not necessarily exist. So, corruption or the perception of corruption from anyone of the OECS CBI will filter through thereof will erode the confidence of the program and that's one of the reasons we should have a regional program because we will have checks and balances at various levels and it would be country checking on their own self or systems. It's like a case of giving the police to investigates its self.

- 6) To what extent do you believe corruption exist within the CBI program?

- 7) What impact do you imagine the idea of perceived corruption will have on the CBI program?

I think corruption will bring less investors and less sales to our programs, some investors are above board and integrity means everything to them. when we have corruption, stability doesn't go well with corruption. An investor looking for stability and invest in the CBI program where corruption is perceived then they will be perceived instability and that will reduce the chances of investment. The perceived corruption because it's an international scale these days would have the impact of reducing confidence and high integrity in investors because of the kind of instability it will suggest in the program.

- 8) In your professional capacity where do you think the idea of corruption permeates from when it comes to the OECS CBI program?

At the government level, at the head. The CBI program in all these little countries the CBI is usually placed within the prime minister's ministry when we make a recommendation to the minister we

are making a recommendation to the prime minister that the minister responsible for that program. So, if corruption is perceived the entry point is at the helm and that's because politicians are generally seen as corrupt hence the program association with politicians therefore that corruption perceptions permeates from that stand point. If the PM is not truthful to the country there will be issues and corruption can permeate from leadership. And when you lose confidence it will create doubts in your mind.

- 9) Do you think the CBI should be formalized through a central authority for management of standards practice within the OECS Commission? Yes/no. Explain.

Every country should run their own program however the only centralization that should take place is surrounding our policies, regulatory and legal frameworks and how we implement and how we deal with marketing pricing etc. If this works the next question will be can we agree on one central body to take over. But it's not the way to go now. The OECS Commission needs to focus on other things.

- 10) How do you think the integrity and performance of the CBI program can be enhanced to avoid any potential crisis?

This program come down to people, there's a board who takes application, there's a review committee who takes an application and reviews it, there's a ministry who a recommendation is made too and he stamps it approve or reject. These things have to be as we know have to be rotated, it can't remain the same for 20 years the individual's roles have to be constantly rotated and this is one way to avoid a crisis. When the boards and committees are put together there are not any integrity training that happens before you are placed on the board and appointments often rely on personal relationship but coming into boards of that nature requires that important training even for the experienced businessman. And the board must be rotated every few years. Another area would be to standardize our CBI prices across the board as well as our CBI framework because we are one region and we all have something to offer as a region. Ensure there are check and balances and sharing of information with each other in assessment monitoring and evaluation of our CBI programs

- 11) Do you think the presence of the CBI program impacts your country's corruption index rankings?

Whenever we do a due diligence for an applicant to the program his/her country's corruption index comes back. I think the presence of CBI does impact it but does it affect it positively or negatively that all depends on the perceived integrity or the perceived corruptness of your program but I think the bodies so set the index looks closely at these programs.

- 12) What role can government and the wider society play to avoid issues of perceived corruption as it relates to the CBI program? Please explain.

The government has the mandate to inform the public about the CBI program, how many passed? how many failed? what is the total of funds that has been generated? what is the impact to the economy? When things go bad the government must report to the population. The civil society must hold the government responsible and accountable especially for monitoring and reporting. Because if it goes well and civil society reports good about it then it may filter down to the population but if it's not going well and civil society is mute about it then people will form their own opinions and what you don't want in a situation like this is people forming their own opinions. So, the role of the

government is to effectively communicate the wins losses, successes, failures with the population and to the civil society. Especially the revenues and how its spent for example recently news broke out the we bought back an electricity grid from a foreign company and reports are it was from CBI funds but the government has remained mute about it. But since people want the grid back and government purchased it using CBI funds it could have been a win for government to be transparent about the funds of the program but they opted not to. And government need to understand the role and responsivity of being transparent and report to the people on things like that.



## APPENDIX 5

### Questionnaire

Country: St. Kitts and Nevis

- 1) Do you think a healthy, collaborative and effective partnerships exist among OECS Stakeholders and players where the CBI program is concerned? Yes/No. Please Explain

The answer is yes and no! And I say yes because all the heads of the different programs all the CEOs have formed a group called Citizenship by investment program Association (CIPA). Each country is represented by the CEO. Now this is where we talk about standardization, procedures, security, and some of those things. We also get invited into the OECS, CARICOM security forum to give updates and for them to bring us up-to-date on security issues around the Caribbean. So, we are much in sync along those lines, there was some work done by the OECS in comparing some of our legal documents and regulations to see if we were basically consistent and the answer is yes and that was an OECS exercise conducted more than two years ago. Unfortunately, no report was shared from that exercise. The reason why I said no is because we can never get our pricing mechanism agreed on. The CEOs are technical people and we are competing against one another, we are going for the same clients. The politicians are those who can take this to another level, however they themselves cannot seem to agree on much or even get it together. One of the things that we collaborate on especially with CARICOM is in-terms of security. There is a group in CARICOM called IMPACS and that the security arm of CARICOM. And out of IMPACS there's a group called JRCC and JRCC is responsible for monitoring all travel into the Caribbean any passenger coming in by ship, by plane is monitored by JRCC. All of our applicants from St. Kitts because not every OECS CBI country follows the same procedure. And I say this because I know one of our countries who does not follow the procedure. And we give all our applicants names to JRCC and JRCC can tell us whether the person is a good person or bad person because JRCC has access to all the various databases USA, UK, EU, Interpol and any sanction list so we compare our list against JRCC databases as part of our due diligence process. Now generally the CIPA members have an agreement that if an applicant is denied in one OECS member country they will be automatically denied in another country and that agreement is to preserve the integrity of the program. I can vouch that only a few countries recognize that agreement for various reasons. And I know of cases where I denied an applicant in St. Kitts and the agent will take that same client to another OECS CBI program who will gladly accept them.

- 2) Do you think the CBI program is a positive or negative program for the OECS Caribbean countries? Yes/No. Please explain

I think it is a definite positive program for the OECS, it is the only way now for most of our small island to derive much needed income. St. Kitts has been fortunate that we are leaders in the program and we are generating a lot of revenue and the goes to the betterment of the country and diversification of the economy so from that perspective yes. From the negative perspective I can't say there is any negatives of having a CBI program other than how some people might perceive citizenship and a lot of people don't like the idea that you are selling passports. As a St. Lucia how would you feel to know that your country is selling passports? The fact remains that we are selling passports but passports as a means of investment to help the country so we will have different people who shares a difference of opinions on that, some people will support it and some people

don't support it. And I think people don't support it because of a lack of transparency and people are not kept informed with the process, procedures or even information on the program. It sometimes operates with some sorts of secrecy.

- 3) Do you believe there is a need for an integrated or harmonized OECS approach to the CBI program? Why?

I think standardization of documentation is important, I think if we talk about pricing maybe more difficult to pin down because with pricing it's a supply and demand thing and it's a competitive product and it either we are competing against our self or we competing against the Malts, Cyprus programs etc. So, we all have to find a way to have an edge and the edge is basically in efficiency how we process or in the pricing. Take for example in St. Kitts the Sustainable Growth Fund which is the replacement of the SIDF is priced at US\$150'000 however in Dominica, St. Lucia, Antigua, Grenada is placed at US\$100,000. We decided that we have a platinum brand and we won't lower our pricing yet we are still successful at that price. Now a couple years back at a CIPA meeting we discussed pricing and the folks from Dominica said listen we can't accede to that. Because we were discussing dropping our price a little to match but that Dominica, Grenada, Antigua and St. Lucia raise their price so we all can be at a decent pricing field and Dominica said we can't even take that to our government because we have nothing and what's keep us on the market is our US\$100,000. There's is nothing we have that can make us a competitor in the field so if we come at this price and that price we will lose all our revenue. So, it becomes what each CEO and Program head is doing to maintain the flow of revenue. So, the OECS region cannot agree on pricing because of the fear that their programs may not be competitive. St. Kitts has more visa free countries than most of the region but we have always been around as the longest running CBI program. So what matters more in the CBI program is price and efficiency.

- 4) What in your professional experience are some implications or will have an impact on the CBI program in the OECS?

First of all, I think it's the EU whatever decisions the EU makes against their countries CBI and residency programs will have an impact. Now if the EU cannot make or take any decisions or actions against their own now they may just turn their guns towards the smaller countries. They all consider this a threat such as terrorism, well St. Kitts and the OECS as a whole have a much more robust vetting and due diligence processes than any other CBI countries. Malta have stopped their program for corruption, Cyprus had stopped theirs for corruption and now is trying to change their processes. Vanuatu doesn't do any due diligence and too me they are like a black mark out there and at some point, somebody needs to take-action against them. Reports and news articles can also have an impact because some of these things can be targeted and politically motivated so one must be careful as to what they consume about our CBI programs.

- 5) To what extent do you think corruption plays a role or even impacts the CBI program in the OECS?

St. Kitts program have kept clean and we have a non-citizen running the program. And from the head of the unit not being involved in the politics is important to preserve the integrity of the program. In most of the OECS CBI the heads of the program expect one have been very professional and not involved in politics and therefore I can talk about what we do expect for one so you would have to talk to the country where the head is involved the political landscape. Dominica allows the developers and agents to hold funds in escrow rather than send it into the country we enforce that all the funds are maintained in St. Kitts so the funds have to come to St. Kitts. Also, St. Kitts is the



only OECS country that have legislation around escrow agreements and we have an escrow law and this is something I thought for the last few years, so you can really say that St. Kitts is a model. You can't allow a developer to hold the CBI funds outside the country and you feel comfortable that the money is coming from the client. And the guardianship of the program are the heads who must avoid playing into the hands of politicians because when it comes to process it must be challenged and you must advise where you can.

6) To what extent do you believe corruption exist within the CBI program?

I believe that there is corruption. However, I don't see it. And if an applicant come through my program they will go through all the due diligence process. And The politicians do not get involved in our programs and that's the advantage of being able to report directly to the Prime Minister.

7) What impact do you imagine the idea of perceived corruption will have on the CBI program?

Well the perception is there because the EU talks about, the US doesn't talk much about it but the EU talks about it in terms of tax evasion. The corruption angle is played more by the politicians. And you see it when it comes down to elections. There is more in the political circles about corruption. And it has an impact on what clients may think about the program but in reality, is more about the media playing it up. And it more about the media and the agents trying to play it up also there are some agents that are more loyal to some programs than others. There are some developers who might want to play that so too where is best to develop. The whole play on corruption is trying to get media attention and trying to have an impact as to where the clients go.

8) In your professional capacity where do you think the idea of corruption permeates from when it comes to the OECS CBI program?

Its starts at the political levels, for example look at the scandal with diplomatic passports in St. Kitts. Additionally, the removal of the place of birth on the passport issued. And this was done to allow the Iranians to travel free with a St. Kitts passport. One can only assume that there was corruption. That bought the US down on St. Kitts and we even lost our Visa free travel from Canada. So, it permeates both at the political level and the media if you were to ask me. And if you review the articles about corruption you will notice that it mainly comes from the opposition parties somewhere.

9) Do you think the CBI should be formalized through a central authority for management of standards practice within the OECS Commission? Yes/no. Explain.

Absolutely not, then you take away all competition. How am I going to sell it? And then I will have someone decide on my behalf how do I know they will make the right decisions? How do I know that they have the expertise to vet and to review a client? I've heard about it but I'm totally against it and I think it's going to kill the program.

10) How do you think the integrity and performance of the CBI program can be enhanced to avoid any potential crisis?

I think if we can standardize on the real estate side because that side has many holes in it. I would also like our prices to go up. we talk about pricing, we talk about agents taking advantage we talk about escrow. if you really understand what the price is really is for real estate its really low. And the governments can't do much because it's a commercial arrangement between the developer and the client and the developer is willing to give back commissions and lower their price and is willing

to accept less. Part of the problem is governments have allowed the developers to sell shares and it's a whole complicated scenario. The integrity and performance, people talk about integrity because there is no transparency and that of the because of the politicians. But people want to know how much revenue we have and how much sales we make but we don't publish that information because it creates fiction and when people see money coming in individual ministers want a bigger piece of the pie but really the money is for the entire country and not only one set or particular set of people. But we eventually publish numbers maybe a year or two later. And people say if there is no transparency then there's no integrity well that's not true. The performance of the CBI program is dependent on efficiency of price what can we do to increase the amount of visa free countries for us and we are actively pursuing that.

11) Do you think the presence of the CBI program impacts your country's corruption index rankings?

I think the legacy might. And it's how the media plays it. There was a ranking done by the US and they flagged St. Kitts as not being transparent and they did the ranking based on interviews with people from the island but guess who they did the interviews most with opposition parties. So, the presence of the CBI may not necessarily impact the program but CBI had a legacy which may be harmful.

12) What role can government and the wider society play to avoid issues of perceived corruption as it relates to the CBI program? Please explain.

I think legislation for example we are the only country with an escrow law and a payout schedule for construction. The escrow law does two things 1. You cannot be a service provider and an escrow agent for the same client. It simply means you can't hold the money for your client it has to be done by a different escrow agent. 2. It says that when there is a real estate sale the funds which is the full amount goes into the escrow agreement and it cannot be released until the various levels of construction takes place. So what that does is it gives assurance to the clients that his/her investment will be used for construction and if he/she has title to that property he/she will receive that title because the property will be finished because of that safe guard. There's always talk about having regulations for agents and so on and I know there's an association called IMC although IMC doesn't have any jurisdictional power so the question is how can you regulate something that you have no jurisdiction over. On my website however, I have a tab that's called blacklist and its purpose is for blacklisted agent who has advertised prices that are outside the governments related prices, I will blacklist and agent if I know they are misleading applicants who are their clients. We are the only program who has a blacklist. For example, I had a situation with a guy from Iraq but he is a big agent for Dominica and he was advertising our program incorrectly and he was blacklisted and Dominica called to have me take him out on my blacklist and hence I would say all the programs should have a blacklist for rogue agents and marketers.



## APPENDIX 6

### Questionnaire

Country: Dominica

- 1) Do you think a healthy, collaborative and effective partnerships exist among OECS Stakeholders and players where the CBI program is concerned? Yes/No. Please Explain

No, there isn't but there's the genesis of something called CIPA which is made up of all OECS islands which collaborate on certain things. I am not saying that this relationship is healthy and they compete more than they collaborate and as such they miss opportunities to become standard bears for the entire CBI industry.

- 2) Do you think the CBI program is a positive or negative program for the OECS Caribbean countries? Yes/No. Please explain

It depends on the context of what is done with the funds. But in general, it is a huge positive, I know it's a positive from Dominica and I think the other islands would say the same. Because it adds revenues to the government which is non-taxed revenue which allows them to be able to provide budget support to many crucial sectors in their economy. Dominica is a classic case, where there's was a Tropical storm Erica which destroyed and entire community, then you had Maria in which the entire island was impacted and not one public servant missed a salary payment and its extraordinary when one thinks about it. Effectively it was almost three- four months before the country returned to some sort of normalcy. And one of the reasons why the country came back was because public servants got paid and by the time the country re-stocked the people had money to buy products and services thereby bringing back VAT revenue and provided a base for government to be able to rebound. Additionally, the government had large reserves for the building of an international airport however, they had to divert it back into the economy to sustain it and that was huge, people don't understand the significance of that especially when our small countries has large public sector wage bills.

- 3) Do you believe there is a need for an integrated or harmonized OECS approach to the CBI program? Why?

Yes, to an extent. I think they should harmonize things like the fees for citizenship and also the standards for which agents are registered in particular international marketing agents. But there still has to be healthy competition and yes there is need to harmonize without damaging the independence of each of these jurisdictions to mark their programs differently. The other side is that these countries has to react to circumstances and we mentioned disasters and what happens when one country has a disaster and has too facilitate special conditions to raise revenue or to expedite the processes as to how to promote their program moving forward. They may need a level of anatomy that they can't be constrained by having some harmonization agreement which will constrain their ability. So that is a give and take but the more positive is harmonization because at the minimum what should not be happening is have a race to the bottom on fees because we are competing because the Caribbean under whole are the leaders in the CBI industry.

- 4) What in your professional experience are some implications or will have an impact on the CBI program in the OECS?

I think a negative impact is a desire by the G7 Nations to quell the wealth of its high net worth Citizens because a strong part of the second citizenship program is to diversify away from being resident of higher tax jurisdictions and if there is a push by OECD and G7 countries to place a lock on their high net worth then this could have negative implications for us. But truth be told because everyone is essentially targeting the same people the biggest issue is that we are regulated by the people we compete with (applying punitive measures). A case in point is Barbados and ICD-Independent Business Companies, The OECD applied rules to IDCs to harmonize their tax rates across the board. Barbados in response increased their ICD tax rates from 0% to 5% and reduced their corporate tax rates from 30% to 5% to harmonize with OECD tax rates. The OECD signs of and said great however, the EU then turned around and blacklisted Barbados for being a harmful tax jurisdiction because they argue that Barbados tax rates are lower than that of EU member countries tax rate. We can juxtapose this to what happened to our banana industry. Chiquita Brands International who had 65% of the banana market at the time to the Windward Island Banana 2.5% of the market lobbied the then President Clinton Administration and paid cash to both democrats and republicans in exchange for support against U. K's preferential market to the Windward Islands. The United States joined forces with Germany and challenged the UK at the WTO that it was giving banana subsidies to its former colonies and that these subsidies via preferential markets affected the price of bananas and was bad for business. Even if that was done on behalf of a private company who had dominated the banana Market by more than 50% the WTO ruled in their favor under free trade rules creating mass devastation around the small Caribbean island main banana industry. Hence as long as these bigger countries or economies have a desire to attract and keep these high net-worth within their countries we the smaller countries are in jeopardy.

On a positive side post COVID people have recognize the value of mobility and the option of calling a place home that have a better handle of the pandemic or any other disaster it's a better option to have a second citizenship in those times.

- 5) To what extent do you think corruption plays a role or even impacts the CBI program in the OECS?

Corruption do exist in every part of society. But this is not imbedded in the laws of our programs or is it endorsed by our governments who run the CBI programs. Typically, all the citizenship programs have agents and some of these agents misrepresents the program to clients on the basis that they can make extra money or try to make short cuts for the program or do things that falls below the radar of the units which is not endorsed by these CBI units. So, I don't think that Corruption exist within the CBI program however because of loopholes and rogue agents there may be a perception attached to the program. The OECS has one of the most robust due diligence and best practice for the CBI than any other region in the world.

- 6) To what extent do you believe corruption exist within the CBI program?

It's a political football and it's a political football in which corruption is taunted because it's the modus operandi of Her Majesty's Opposition to link the program to government largesse. And that has become normalize because it is the main income earner for government programming and bolster the governments image and the opposition believes that if there is damage to the program and the reputation to the government it only makes their job easier to replace the government. But what is instructive is that if these opposition parties form the government none has ever eliminated the program, the most they do is change one or two service providers and declares the program as one of the best in the world. So, it's either the programs are structural hampered or there's a lot of

misinformation being put out there on the program because of the type of political system we have in the OECS.

- 7) What impact do you imagine the idea of perceived corruption will have on the CBI program?

Its quasi-colonial and it's because the idea that there are high net worth individuals interacting with agents and governments brings up the immediate perception that there is corruption and it's a stereotype that has been permeated as part of a colonial construct that is easy to get the local population to believe. First of all, in all of these islands many people believe that an actual passport is just given to someone for some money, so in real terms these people don't really get to understand that there is a proper application process followed by due diligence and having gone through this with many clients, I personally would not go through that process because the due diligence process alone is too intrusive. It is very intrusive I can tell you that much and what's worst is that all of the applicant's data is kept and that data is shared with all security agencies. So, in real terms that idea of corruption is manifest in colonial distrust that we have in each other not necessarily in any of our programs where people are skipping the system and making some money, there is a due process that must be followed and its 99.999% clients we have follow that process.

- 8) In your professional capacity where do you think the idea of corruption permeates from when it comes to the OECS CBI program?

The idea comes from our politicians who are against the program for obvious reasons and some media outlets that target our CBI programs.

- 9) Do you think the CBI should be formalized through a central authority for management of standards practice within the OECS Commission? Yes/no. Explain.

I made the recommendation of an OECS ombudsman and I won't go any further than having an ombudsman. In my opinion you need an ombudsman through decisions, complains can be made especially for service providers. For example, where you have agents who have been delinquent with clients in any one jurisdiction they should be ban or restricted from operating in another and that should serve as a layer of protection for the program. Having that harmonized license process would be a very good thing in that you can't fail the license process in one country and suddenly pop-up in another. So, in that light I would say having an ombudsman office for the OECS region would be good but I don't think it would be as powerful as having that collaborative platform that we spoke of earlier like in the example of CIPA but taking it to another formalized level I think that is most crucial.

- 10) How do you think the integrity and performance of the CBI program can be enhanced to avoid any potential crisis?

Well if CIPA is functioning, first of all CIPA has to function and there must be a proper leadership structure which is independent of the various OECS CBI programs in order to advocate and lobby at the highest level of governments. Frankly, most of the OECD and these jurisdictions have no clue really how we operate our programs and what is being done. Some of the people I mean the IMF have come to Dominica and has been blown away by the infrastructural work carried out after Hurricane Maria when they assumed that they would have to enter Dominica into a structural adjustment program and two years later came back and was like "oh my God, how did you guys manage to pull this off without our assistance" but in reality they don't necessarily understand so

again these big players and countries share a stereotype and I think again having CIPA function to the point where they can lobby and advocate on behalf of the program not just to these bodies but to the general public as well it would play a big role and help improve the perception of the CBI program. But the reality is we are a small pimple on an elephant's backside and as long as the elephant doesn't notice we are fine but as soon as they notice us they will be breathing down our necks, we had it with offshore banking, we having it with IBCs. And it's a hypocritical case because Delaware is the US has the biggest offshore banking sector. In the case of EU and Holland they have low tax rates and our citizens can go to them because of these low tax rates but their citizens can't come to our countries. That's just the reality, first the banana industry, then the sugar industry and now this but the truth is we must they let the world know these are unfair rules, unfair competition and that this will ultimately lead small countries into poverty.

11) Do you think the presence of the CBI program impacts your country's corruption index rankings?

No, it doesn't and the corruption index ranking is based on perceptions. The combined years between St. Kitts and Dominica is over 30 years and there has not been issues or red flags during the 30 years of existence of the CBI program. If there were security and other corruption issues it would have been flagged and closed down a long time ago.

12) What role can government and the wider society play to avoid issues of perceived corruption as it relates to the CBI program? Please explain.

Open communication that has no accusations, speculations or stereotyped. Even for the real estate developers, they engaged in tremendous risk. The developers have to go raise the revenues on their own. Government love that CBI component because they don't have to raise any monies all they do is give licenses and approvals and concessions. In real terms the risk is at the foot of the developers for the CBI real estate option. The society role is difficult, but government should do more PR on the CBI program. And all our OECS countries have high levels of migration to other parts of the world and when our citizens behave with such xenophobia at the prospects of new citizens its worrying. But government and opposition governments have to agree to stay away from painting the CBI program corrupt and engage in meaningful policy discussions that would help promote that much needed investment to our economies.

## APPENDIX 7

### Questionnaire

Country: Antigua & Barbuda

- 1) Do you think a healthy, collaborative and effective partnerships exist among OECS Stakeholders and players where the CBI program is concerned? Yes/No. Please Explain

No, I don't think it exist, we both know that not the case. Recently we saw the countries dropping their rates as an example. There was not even an approach to get the pricing the same. We see with LIAT, we see it with the cruise sectors, we see it with the international flights there are no collaborations amongst our islands. Sometime we have situations where they are in the room and before you leave the room a minister and his team are already cutting a deal on the side with one of the agents and it's so shameful as a region so clearly there's not that desire for a collaborative approach.

- 2) Do you think the CBI program is a positive or negative program for the OECS Caribbean countries? Yes/No. Please explain

It's a double-sided coin, there are pros and there is cons. On the pros side the obvious is there is a non-direct tax revenue source that is coming into the countries that's the main reason why to capitalize getting much needed revenue. Having brought in revenue to the country at the same time it offers the extended benefit of the individual itself coming into the country to create even further opportunity such as in the housing area, whether it's by building a house thereby creating employment in the construction sector and even persons who may service their property or their business like a business we have here who has trucks and four different restaurants who provide jobs in addition to the revenue that the government has raised so there's an exponential benefit besides the upfront revenue that government makes and then this investment is carried over into the economy. Its negative because we run the risk of being denied access to many jurisdictions visa-free like in the case of Canada. Additionally, we run the risk of straining our diplomatic relations because of the presence of a CBI program in the long term. There is also the risk of citizens being harassed at international airports because authorities aren't sure if you are really Antiguan or a CBI passport holder. There is also the issue where the citizenry is concerned that CBI applicants will be allowed to participate in our politics and be allowed to vote. However, it remains unclear as some of the authorities are saying they don't get voting power. CBI is a shortcut to citizenship that should not be allowed, it would be better that the country have a residency program but allow investor or applicants to go through the natural way to obtain citizenship.

- 3) Do you believe there is a need for an integrated or harmonized OECS approach to the CBI program? Why?

There should be a harmonized approach because the only benefit that come out of division is loss. If they don't unite they only going to lose money as they have to drop their rates to compete against each other if they form sort of a monopoly they will be able to control the rates and earn even more than they are. The applicants now can choose which ever country they want but there's one rate across the board. Just having that kind of collective approach to the CBI would help the small countries have a much better bargaining power because if they don't unite they will only lose money.

- 4) What in your professional experience are some implications or will have an impact on the CBI program in the OECS?



Implementation of other CBI programs will definitely impact, what will impede is the loss of visa free access as a result of corruption issues associated with our programs. Attracting criminal elements into our CBI programs are also things which will impede. Also, a change in political administration is also a threat that may impede the program. And personally, I believe that it should not be a CBI but an RBI program. So, a change in policy direction may also be an impediment.

- 5) To what extent do you think corruption plays a role or even impacts the CBI program in the OECS?

It's a double edged sword because if you cannot prove the corruption and no one is being convicted of corruption well then... but we have an issue in Antigua right now with St. Michal and the gentleman from the solar power plant Peter Birdy who was in the UK courts that got him relief from his cabinet position because he was recorded soliciting donations or funds from that CBI person for a project in Antigua and Barbuda and the government said that he was involved in unscrupulous activities so he will let him go but that in itself with the whole west indies oil and other CBI applicant where there were exchanges of passport for shares in the West Indies oil venture and the person disappeared and they couldn't find him and don't know what's happening with that investment anymore. So, allegations of corruption like these will obviously impact the program in terms of how people perceive CBI programs whether they believe it's a hide-out spot for criminals but so far it hasn't stop persons who legitimately want CBI benefits from getting it. So as to whether the corruption exist people will still access CBI programs once its available to them.

- 6) To what extent do you believe corruption exist within the CBI program?

There's no doubt in my mind that corruption does exist in the program, there has been many concerns especially with transparency and how the funds are being utilized. But one of the benefits and perks of the CBI is that on top that fact that it's a revenue stream for government, they also boast that these funds are used in the social sectors and programs of the country that otherwise would not be funded or underfunded but the reality remains where there's a lack of transparency then obviously there will inevitably be issues of corruption.

- 7) What impact do you imagine the idea of perceived corruption will have on the CBI program?

I think even with the idea of perceived corruption there are still people who legitimately wants to be part of the CBI program because of the benefits or the opportunities that it offers them, whether it be business, security for their family from a unstable political situation or just a second option to them not having to wait for citizenship for a very long time. So once there is the money and the avenue they will still purchase so regardless of the idea or any perceived corruption people will still purchase CBI so I don't think there will be a great impact on the program.

- 8) In your professional capacity where do you think the idea of corruption permeates from when it comes to the OECS CBI program?

Some of these failed CBI projects are calls for concern and when people invest and there are no returns because people skip with their monies you automatically think corruption. Also, it stems from the types of applicants to the program for example a case in Antigua with Mehul Choksi who is a wanted fugitive in India but now holds a Antiguan CBI passport all this negative press about one alleged criminal involved in the CBI program will inadvertently give the idea of corruption.

- 9) Do you think the CBI should be formalized through a central authority for management of standards practice within the OECS Commission? Yes/no. Explain.

In my opinion yes if we are to have a unified program, clearly, we should have a unified secretariat to help formalized, monitor and evaluate our programs. So, this would strengthen the processes especially due diligence and all OECS countries will be on the same page.

- 10) How do you think the integrity and performance of the CBI program can be enhanced to avoid any potential crisis?

As with any other programs there will always be weak spots and people will always exploit them and it can be at various levels especially for CBI some of these agents out there who knows that some of these applicants are no good but still forward their applications to small countries because of some loopholes. To strengthen some of these loopholes a lot can be done for example a simple thing of publishing who the applicants to the programs are their names country of origins etc. using official media sources like newspapers and national gazette. Involve the country to participate by asking them for reason why this person should not be a citizen and have them make submissions to government. Increase the amount that applicants pay for the CBI program. Additionally, change the program to a residency by investment because we will attract more money and resources that way based on studies.

- 11) Do you think the presence of the CBI program impacts your country's corruption index rankings?

I don't know at this time but I think generally other things that happen within the country within the political establishment will impact our corruption ranking. So, it may not be primarily CBI but CBI will certainly contribute especially various parts like the real estate option that is offered under the CBI program.

- 12) What role can government and the wider society play to avoid issues of perceived corruption as it relates to the CBI program? Please explain.

Perceived corruption may always be around however government needs to become more transparent with the population about the CBI program. Strengthen the laws and legislation concerning CBI will also help on the governments part. Government should make their self-available to the people to answer questions about the program and reports of the program. But even if all the transparency is given that fact remains that Citizenship should not be for sale as far as I'm concerned and I would support an immediate suspension of the program.