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## **The selling of passports: the NDP's only economic plan**

### **Introduction**

It was during the December 2010 elections that the revelation was made by the New Democratic Party, through a press conference by then Opposition Leader, Mr Arnhim Eustace, that it was the NDP's policy intention to sell passports. This policy was further emphasized by the current Opposition Leader and President of the NDP, Dr Godwin Friday, when he stated that "the country is missing out on billions by not having a Citizenship Investment Program. He added that not instituting such a strategy amounts to an "almost criminal" act. He made this statement in February this year, during the NDP's mock People's Budget presentation.

Interestingly, this NDP policy originated from the operatives of Strategic Communications Laboratories (SCL) through Henly & Partners Chairman, Dr Christian Kalin, known worldwide as the King of Passports.

Henly is seen by his critics as someone flogging passports to dodgy rich people, while trying to interfere in elections for the benefit of mysterious investors. These investors try to exploit small countries to advance dubious interests and make huge amounts of money.

However, the Political Leader of the Unity Labour Party and Prime Minister, Dr Ralph Gonsalves has continuously repeated the statement that "the highest office in the land is that of citizen and it's not a commodity for sale." The Vincentian passport is the outward sign of the inward grace of citizenship.

It is on this premise that the Investment Migration Insider, which is the leading source of intelligence for the Citizenship and Residence by Investment industry, enunciated that if the ULP remains in government, a CIP is out of the question. If the opposition NDP gains control, the launch of a CIP is a fait accompli. This shows clearly that the only force hindering and preventing the sale of Vincentian citizenship, through passports, is the Unity Labour Party.

### **Economic Recklessness of CIP**

The price of citizenship is determined in the same way as all other goods sold on the open market, by the relationship between the supply of, and demand for the product. Hence, the IMF advised Caribbean countries pursuing CIP to divert their inflows from Citizenship by Investment Programme away from current expenditure, thereby making their economies less dependent on and vulnerable to, the vicissitudes of demand for the

program. Countries have to be mindful of the chances of a sudden stop in this revenue inflow because of the uncertainty of its continuation, since the program is economically unsustainable.

There is a good reason for this. This program is seen as a race to the bottom. Five countries compete on price and regulations, since they all use similar passports, namely Grenada, St. Lucia, Dominica and St. Kitts and Nevis and Antigua and Barbuda, with the highest cost for passport being US\$250,000 to lowest US\$100,000.

**As a consequence, this led to the creation of the** Citizenship by Investment Programme Association (CIPA) to prevent further price cuts, which could trigger a price war among these Caribbean states. This however did not prevent Saint Kitts & Nevis from cutting the investment requirement of their CIP by 50 percent, with Antigua reducing theirs also. St. Lucia was the latest country to pursue CIP in 2016. It started at a cost of US\$200,000, but faced high competition from other established states, and it attracted marginal interest from applicants

This moved the St. Lucian government to reduce the cost to US\$100,000 dollars and reduce some of the stringent requirements needed to apply.

For this reason, the Prime Ministers of St. Lucia and Dominica are already calling for the need to fix prices or the formation of a cartel, to prevent this race to the bottom. Nothing substantive has emerged, but even if the Caribbean CIP countries succeed in forming (and keeping) a cartel, it would all be for nothing.

If a country somewhere else in the world could offer similar benefits for citizenship at a marginally lower price, then there will be problems. Further mention must be made that most of these countries that pursue CIP initiative still have not seen Debt to GDP levels that are sustainable and there are questions surrounding issues of accountability, transparency and other security implications internationally. It must be asked, at what price does the NDP intend to sell passports and what other features will be offered in such a competitive market?

### **Other Issues**

Additionally, other issues are emerging which have security implications. Anyone around the globe that can afford the cost can apply to purchase a passport. In most instances, the applicants are those with unsavory characters; the sort of people who are in the market for a second, third or even fourth passport and want to short circuit the immigration restrictions of developed states like the United States, Canada and the United Kingdom, among others.

So clearly the market for the sale of passports is no longer yielding the sort of income that St. Kitts and Nevis benefited from about five years ago. Additionally, these countries are increasingly coming under the security microscope of international countries. It is clear that the sale of passports will attract some unsavory applications, some of whom are

wanted by the police. Clearly, the NDP and their spokespersons, have not given this matter careful thought and analysis, as the ULP has done. The issue of citizenship is not for sale, under any ULP administration. The NDP, who will go back to find and use SCL services in the next general election, will be under pressure to adopt a Citizenship by Investment Programme, or the sale of passports.

The ULP will never sell the birthright of Vincentians, that of citizenship!