

Citizenship for sale: Vanuatu launches ‘Economic rehabilitation after Pam’

Author : Camilla Burkot

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The government of Vanuatu this week announced its ‘Economic rehabilitation after Pam’ initiative, following an official launch in Hong Kong on April 13. Under the initiative, overseas applicants will have the opportunity to acquire ‘honorary citizenship’ in Vanuatu.

Port Vila seeks to raise \$16.2m through the scheme, with 100 citizenships initially on offer at \$162,000 [each](#). Prospective citizens will also [reportedly](#) be required to pay a non-refundable fee of \$40,500 before their applications are reviewed, with final [approval](#) to be granted by the Prime Minister and President following criminal and financial background checks.

No doubt Vanuatu is [in need of cash](#), and quickly. It’s certainly possible that the scheme will lead to a rapid influx of funds directly into the Treasury, particularly if (as Minister for Internal Affairs Charles Salwai has [assured](#)) no middlemen will be involved. And Vanuatu, among [several other Pacific island countries](#) [pdf], is no stranger to economically-motivated citizenship sales – and to the controversies they can entail, as last year’s [Capital Investment Immigration Plan](#) (CIIP) demonstrated.

However, a number of uncertainties surround the implementation and potential impacts of the initiative. One is whether the scheme will involve an investment component. There is no specific information to date on this, beyond implications that the government is targeting [‘wealthy Chinese investors’](#). Even if investment is a requirement of new ‘honorary citizens’, it is difficult to know exactly what kinds of investments are likely to be made, and to whom the benefits of those investments will accrue.

There are also concerns about the implications of extending citizenship on Vanuatu’s national credibility, and on the ability of ni-Vanuatu to travel, work and engage in trade overseas. The apparent ease with which several Pacific countries and territories have issued ‘passports of convenience’ has previously resulted in [objections](#) [pdf] and the tightening of visa requirements by Australia, NZ, the US, Canada, and others on security grounds. This ought to be of particular concern to those crafting the initiative, given Vanuatu’s continuing efforts to increase access to Australia and NZ labour markets.

In short, not enough information has yet been made public about the rights that ‘honorary citizenship’ will entail – indeed, assurances provided to the [ABC](#) that ‘the work is continuing to look at other ways we can make honorary citizenship meaningful for the applicants’ suggests this is still an internal work-in-progress.

Though prospects are good for ‘Economic rehabilitation after Pam’ to be an effective and much needed revenue raising exercise in the immediate future, the fraught history of such schemes and potential for broader negative consequences raise a number of red flags about the possible impacts over the long term.