

# **Explaining the emergence of Immigrant Investment Programs:**

## **A crisp set QCA study of the European Union**



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## Abstract

Immigrant Investment Programs (IIP's) allow individuals to acquire residency or citizenship in another country in return for financial investments. Most of the existing literature assumes that countries are driven to implement such programs by economic incentives. Statistical evidence for these assumptions is lacking thus far. Furthermore, no study has assessed the significance of non-economic conditions in the emergence of these programs. This research reveals the underlying economic and non-economic indicators that create pathways to the presence of both high opportunity as well as low opportunity IIP's, specifically for the European Union member states. It assesses economic conditions as identified in existing literature and draws on new insights as gathered from the National Identity Theory and the Domestic Policy Model. By applying Qualitative Comparative Analysis, this thesis identifies the necessary and sufficient conditions for the presence of high opportunity and low opportunity IIP's and reveals that the emergence of these programs can be explained by a complex relationship between economic as well as non-economic indicators. These final indicators are the GDP size of the individual cases, the state debt, the degree of patriotism and the political orientation of the government of each case.

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## 1. Introduction

Over the last couple of decades, many different European Union countries have adopted policies allowing third-country nationals to invest in their economies in return for a passport or residence permit. These programs are also known as residency by investment (RBI), citizenship by investment (CBI), golden passport and golden visa programs. These type of programs offer investors and their families with the rights associated with citizenship and residency of the given nation (Surak, 2022b). Investment programs in return for residency of citizenship are interesting since it challenges the traditional understanding of migration in which individuals are the key players seeking for prosperity. Investment programs are also concerned with the prosperity that is sought after by the participating states. While this is not a new perspective, investment migration programs are concerned with both key players, the state as well as the migrant (Adim, 2017).

These programs have faced much criticism from within the European Union (Džankić, 2018). Most of the critique is concerned with aspect of preferred treatment, in which investors have better access to citizenship and residency than non-investors (Adim, 2017). According to many, this is the direct result of the rise of neoliberalism, which will be further discussed in this study. The most controversial and talked-about program was that of Malta. The Maltese prime minister Joseph Muscat has presented the economic benefits of the Maltese investment immigration program at multiple occasions. Before the implementation of their “Individual Investor Program” he stated: “the amendments of the Citizenship Act [...] are aimed at continuing the growth and transformation of our economy” (Muscat, 2013).

European countries were not the first to implement such policies. The first records date back to the Roman empire. Contemporary IIP’s find their roots in the 1980’s, when Caribbean islands started to offer passports to investors. Over the years, countries inspired one another and nowadays, most countries have some sort of investment migration program in place. However, right from the start, these programs started to take on different forms, making it difficult to compare the policies to one another. For example, while Caribbean islands offered passports for sale, Austria and France offered naturalization routes for those with “outstanding and exceptional contributions” to the country (Džankić, 2018a).

Existing literature and previously conducted studies have attributed most of the origins of these policies to economic incentives. However, the hard evidence for these assumptions is lacking and thus not convincing. Furthermore, studies have failed to assess the possible significance of other, non-economic factors. This study aims to fill this gap by exploring a

broader perspective and discovering whether non-economic conditions might also play a role in the implementation of IIP's in the European Union.

This thesis is structured as follows. First, the existing literature on the topic of Investment Immigration Programs will be outlined and assessed. Second, this study discusses the relevant theories and forms a framework in which the analysis will be conducted. The fourth chapter dives into the specifics of the chosen methodology. This thesis uses Qualitative Comparative Analysis to analyze the data and reveal the complexity of the emergence of Investment Immigration Programs in the European Union. After, the thesis turns to the operationalization of the different variables. The sixth chapter presents the results of the analysis, after which the discussion, policy recommendations and limitations are addressed in the seventh chapter. The study ends with the conclusion.

## 2. Literature Review

Immigrant Investor Programs (IIP's) only recently became a field of interest for academics. This chapter outlines the different scholarly debates regarding IIP's. First, investment migration is defined using different sources of academic literature, after which the various dynamics and forms of investment migration are discussed. Last the existing literature regarding the underlying motivations for countries to implement IIP's is introduced and critically discussed.

### 2.1 Defining Immigrant Investor Program's

In the broadest understanding, investment migration refers to specific “policies developed by countries seeking to attract wealthy people to become residents or citizens” (Džankić, 2018). The market for investment migration is growing significantly and now offers a large array of different types of possibilities for interested investors. So called “cash for citizenship” programs have little investment requirements, whereas other programs demand specific investments in businesses or require a minimum number of jobs to be created (Sumption & Hooper, 2014). It would be a mistake to think that investment migration is only offered by a small number of countries. Rather, twenty out of the twenty-eight European member states have some form of investment migration implemented, although all entirely different from one another (see Appendix A).

Both in the scholarly as well as in the public domain, “Immigrant Investor Program” is only one of many names for the policies in place to attract foreign investment in exchange for political membership. Other terms include “golden passports”, “golden visa”, “residency by investment (RBI)” and “citizenship by investment (CBI)” (Fernandes et al., 2021; Scherrer & Thirion, 2018; Shachar, 2021a). While they all refer to the same principle, this research follows the terminology of “Immigrants Investor Programs” (IIP's) and “investment migration” as umbrella terms for both residency and citizenship investment policies. As is further elaborated on in the theoretical framework of this thesis, this study aims to approach investment migration in a broad understanding in which the distinction between residency and citizenship is not rigid. However, if a distinction needs to be made for clarification purposes, this study uses the terms “citizenship by investment” (CBI) and “residency by investment” (RBI).

IIP's take on many different shapes and the specifics highly vary per nation state. The programs differ in required investment amount, acquired rights, expected duties and investment options (see Appendix A). In practice, every IIP is unique and only adds significance to the investor within the context of the given nation. It is for this reason that making a clear distinction



between RBI and CBI is rather difficult. Some RBI programs offer a fast-track to permanent residency or citizenship, whereas others have relatively strict conditions under which temporary residency can be achieved. While both programs would fall under the umbrella of RBI, the former offers many more opportunities, making it challenging to compare them to one another. In other words, the distinction between IIP's is not as rigid as the terms CBI and RBI suggest. Hence, to properly compare the different IIP's, this study has made an adapted classification of IIP's in the EU. The operationalization regarding this new classification is further specified in chapter 5 (Operationalization) and is based on the intensity and relative value of the programs, rather than the formal terminology.

While re-classifying IIP's ultimately helps this study, Kristin Surak (2021) rightfully emphasizes the importance of not neglecting the procedural and substantive differences between CBI and RBI. On a substantial level, both types differ in the sense that a residence permit is of temporary nature (except for permanent residency) and can be revoked, whereas a citizenship status is close to, if not impossible to lose. On a procedural level, RBI and CBI require separate administrative processes. Thus, even in cases where residency can lead to citizenship, investors need to re-apply and follow a separate process. Furthermore, residence permits typically require an ongoing investment, whereas investments regarding citizenship programs can be "sold off" over time (*ibid.*).

Another nuance that needs to be made is that investors are not per definition looking for citizenship, some are more interested in mobility rights. In other words, citizenship is not always the end-goal, but mobility might be (Shachar, 2021b). This can also be illustrated when considering the difference in the total amounts of issued residence permits and passports. While exact numbers are difficult to trace due to privacy reasons, it is estimated that within the European Union, roughly thirty-four thousand residence permits have been awarded between start of programs and 2018, whereas "only" six thousand passports have been issued during that same time period (Brillaud & Martini, 2018).

Investment migration could and should be approached from at least two different angles, namely that of the supply (the member states offering such schemes) and demand (the third country nationals interested in investing)(Kalm, 2022; Surak, 2021b). It is important to distinguish between supply and demand as this provides a better overview of which factors contribute to the motivations for member states to adopt investment migration policies, and which are incentives for investors to select specific investor programs. While supply and demand of IIP's do interact, it is crucial to clearly demarcate these from one another.

A third perspective is that of intermediary bodies. One of which is Henley & Partners, who offer guidance to investors when applying to investment migration programs. They state that over one hundred nation states worldwide offer some form of investment migration (Henley & Partners, 2022). Most applicants originate from China, Russia and India, however, as mentioned earlier, it is difficult to gather this exact data as most countries strive to protect the privacy of their applicants (Kalm, 2022; Surak, 2021c). The market of investment migration programs within the European Union is especially large in Russia. In Latvia, for example, 95 percent of the applicants originate from Russia (Sumption & Hooper, 2014). Naturally, the recent Russian invasion of Ukraine has heightened the public debate regarding the possibilities of Russians to buy their way into the European Union. At the time of writing, Russians are banned from participating in most IIP's in the European Union (Džankić, 2022).

For investors, seeking residence or citizenship through investment migration can be attractive for different reasons. Sumption and Hooper (2014) state that while some may simply want to sidestep the eligibility criteria of the ordinary naturalization route, most are mainly interested in the mobility rights (e.g. through visa-free travel) and in some cases the lower tax regimes.

## 2.2. Literature on the justification of IIP's

Most of the literature concerning IIP's approach the phenomenon from a normative perspective, in which the programs are assessed in terms of whether they can be justified. Many scholars, including Ayelet Shachar (2021a), state that hanging a price tag on citizenship and residency is inherently wrong, particularly because it would increase inequality, undermine the rule of law and diminish the power of citizenship as a concept. Furthermore, Shachar argues that selection criteria based on a person's wallet size is discriminatory and thus illegal (Shachar in Roy, 2021).

Ayelet Shachar and Rainer Bauböck have both conducted research on IIP's, in many of its forms. For one of their collaborative publications, they have invited a large array of scholars to discuss the normative side of IIP's (Shachar & Bauböck, 2014). This has resulted in an interesting report with short articles interacting with one another. The arguments of scholars who are against the market for IIP's differ from those who argue that it corrupts democracy to those who state that IIP's contradict the EU requirement of having to have "a genuine link" with the nation (ibid.). Another argument that is often made concerns the state security. These scholars emphasize the lack of adequate background checks on the investors, which might lead to opening borders to potential criminals (ibid.).

The scholars that seem to have less of an issue with the practice of selling citizenship and residency base their argument on the fact that other factors have changed the definition of citizenship and residency in general. According to them, the emergence of IIP's is simply a result of changing attitudes and definitions and should therefore not be critically assessed. Dimitri Kochenov is outspoken when it comes to the discussion with regards to the justification of IIP's. According to this Dutch professor of legal studies, IIP's fit within the legal framework of the European Union and can therefore criticizing them is not constructive. Furthermore, he is critical of scholars, in particular Ayelet Shachar, who follow a line of argument in which selling things is per definition bad, thus citizenship as well. Furthermore, Kochenov argues that those who are critical of IIP's, should re-assess the opportunities that arise from these types of programs. Especially smaller countries, such as Malta, can benefit deeply from the revenues of IIP's. If spent well, the investments can directly impact the society in terms of job opportunities or improved infrastructure (D. V. Kochenov, 2020).

While much of the literature focus on this normative aspect of IIP's, this study is mainly concerned with the actual motivations of governments to implement such programs. Nonetheless, the normative discussion as outlined above, does provide an overview of the existing literature on the phenomenon in general.

### 2.3 Literature on the emergence of IIP's

The emergence of IIP's has heightened the attention from both the media, as well as from academics, however, in general, the literature on IIP's has paid very little attention to the emergence of these programs. Most scholars that attempt to explain the emergence, identify a relationship between the growing trend of implementing IIP's worldwide and the financial and economic crisis of 2008, suggesting the two to be somehow linked. However, substantial evidence for this proposed connection is lacking thus far. This next section, however, outlines the small amount of literature that does discuss, although to different extents, the origins of IIP's.

Kristin Surak (2021a, 2021b, 2022a, 2022b, 2022c; Surak & Tsuzuki, 2021) has studied the emergence and specifics of investment migration programs worldwide. In all her work, Surak states that IIP's are mainly in place to attract economic capital, rather than just human capital. She furthermore proposes a direct relationship between the financial crisis and the emergence of IIP's (Surak, 2022c). This statement appears to be solely based on the very fact that the implementation of these programs took place in the years following the financial crisis. However, the evidence for this relationship is lacking. Surak, on the other hand, acknowledges

that while she believes the investments made by IIP applicants are meant to enhance the national economy, the absolute amounts invested have very little effect on the overall economy. This is confirmed by Jelena Džankić (2022). Rather, Surak argues that IIP's should be seen from a wider perspective in which states attempt to diversify their strategies with regards to boosting the economy (Surak, 2022b).

With regards to this specific study, Surak's most relevant research is that in collaboration with Yusuke Tsuzuki (2021). For this specific study, the two scholars have boiled their research down to the very question if economic factors can explain the emergence of IIP's. While this study is still highly relevant and proposes interesting indicators, most of the used data is based on the economic output of IIP's per country. In other words, they have looked at the success or failure of these programs to address the motivations behind implementation. They conclude their study by confirming that financial might lead to countries turning to the implementation of IIP's (ibid.).

Another scholar who has paid attention to the underlying motivations of states to implement IIP's, is Owen Parker (2017), who has attempted to identify different discourses that might explain the phenomenon of IIP's from different perspectives. In general, Parker (2017) states that IIP's should be approached as being part of broader discourse. According to him, the implementation of selective immigration policies has enlarged the disparity between the wealthy and the poor and come forth from an ideology in which states want to attract the "best and the brightest". He also draws on a theory established by Ronan Palan who explains the emergence of "tax havens" through the lens of changing state attitudes with regards to attracting capital. This comparison with taxation is an interesting one since it highlights how states perform a cost-benefit analysis with regards to the selection of new citizens. Rich investors equal more taxable income and less welfare costs, which makes them interesting newcomers to the nation (ibid.).

Besides his wide angle, Parker also dives into the relationship between the financial crisis and the emergence of IIP's. He has identified a growth in EU countries implementing IIP's after 2008 and furthermore argues that the most liberal programs were implemented by the states that suffered most from the financial consequences of the crisis. However, Parker does recognize that further research must be conducted to explore whether the financial crisis can be confirmed as a necessary or sufficient condition for the implementation of IIP's.

Suryapratim Roy (2021) also links the implementation of IIP's with the economic situation of host nations. He draws on Saint Kitts & Nevis, a small island in the Caribbean who were one of the first to implement a modern investment program for investors seeking

mobility/citizenship rights. Roy (2021) states that their program was a direct result of the country losing preferential access to the European market and thus aiming to fill the economic gap this loss of opportunity created. Again, this is a rather loose statement, and lacking the needed evidence.

## 2.4 Literature on the origin of selective immigration policies

While very little has been written about the exact origins of IIP's specifically, there are more scholars who have paid attention to the general change in attitudes with regards to citizenship, residency, and immigration policies. Many scholars have, however, identified a broader trend of selective immigration policies emerging. Selective immigration policies generally aim to attract the "best and the brightest" while keeping out the poor and unskilled. According to many scholars, this trend is a direct result of neoliberal thinking, in which capital and competitiveness is becoming increasingly important (Harvey, 2010; Jenson, 2012; Joppke, 2021; Lehman et al., 2016). The role of neoliberalism on immigration policies is further outlined in the next chapter, the theoretical framework. Thus, while literature specifically focused on IIP's is not yet extensive, the literature on selective immigration policies in general is much more substantive.

## 2.5 Summary

The existing literature on the emergence of IIP's leads to the assumption that IIP's are in the first place established to boost the economy of the host nation. However, as mentioned before, not a single study has systematically looked at the exact economic indicators to explain the emergence of IIP's within the European Union. Thus, the evidence for the assumption is not only lacking, but studies also fail in providing the exact indicators. Moreover, the existing literature does not touch upon the question whether nations turn to IIP's out of economic need, for example because of the financial crisis, or whether they turn to IIP's simply because it would provide an extra form of income. This study aims to fill this research gap by exploring whether economic indicators indeed qualify as explaining factors to the implementation of IIP's and if so, which indicators are most relevant.

The next chapter explores the theoretical concepts with regards to investment migration policies and the proposed connection to economic incentives. This will also be done through the lens of the financial crisis of 2008, as some scholars have identified a link between the crisis and a growing trend of new IIP's (Parker, 2017; Surak & Tsuzuki, 2021).

### 3. Theoretical Framework

As outlined in the previous chapter, the existing literature of Investment Immigration Programs within the European Union suggests a strong link between economic incentives of states and the emergence of such selective immigration policies. Due to the monetary character of IIP's, the involvement of economic indicators to explain the emergence of such programs seems undeniable. However, as Surak and Tsuzuki (2021) concluded, economic incentives do not provide a clear-cut answer as to why states turn to implementing IIP's. This research aims to explore the role of which additional factors can be used to explain the emergence of IIP's within the European Union. The following chapter outlines the concepts and theories that form the foundation for the remainder of this research.

First, the key concepts are defined, this includes citizenship, residency, investment, and IIP's. Second, this chapter outlines the different theoretical perspectives that each aim to explain the origins of immigration policies in general and applies them to the specific occurrence of IIP's. These theoretical perspectives include, economic immigration policy theory, the National Identity Theory, and the Domestic Policy Model.

#### 3.1 Key concepts

##### 3.1.1. Citizenship

To understand the emerging business of IIP's it is useful to dive into the conceptual understanding of what it means to be a citizen of a nation. The European Court defines citizenship as the “special relationship of solidarity and good faith between [a Member State] and its nationals and also the reciprocity of rights and duties, which form the bedrock of the bond of nationality” (European Commission, 2019). For most people, citizenship is acquired by birth right. This can either be by descent (*ius sanguinis*, or *right of blood*) or because one is born within the territory of that nation (*ius soli*, or *right of soil*) (Dzankic, 2012). Most states decide upon their citizens through a combination of these two principles (Howard, 2012). Another way of acquiring political membership is through a naturalization process. This is the process of becoming a nation's citizen when you already possess another passport (Tanasoca, 2018). Not all nations, however, allow their citizens to hold multiple nationalities, thus in many cases, naturalizing into another nationality means having to revoke your other nationality (Harpaz, 2019).

Thinking about citizenship is relevant as a person's citizenship is the framework in which important rights and duties are acquired. In other words, citizenship defines the scope of an individual's rights. For a long time, the academic interest in citizenship and political citizenship was lacking. Starting around the 1990's, the interest among scholars grew and caused an enormous growth in literature regarding citizenship and belonging. This growing interest could be attributed to a change in nation's attitudes towards citizenship and immigration (Harpaz, 2019).

From a conceptual perspective, citizenship can possess both instrumental as well as identity value for those who possess it. From an instrumental approach, citizenship gives meaning to the rights acquired by it. As from an identity perspective, citizenship gives people something to identify with, both as an individual as well as in a larger group within society. From an instrumental perspective, one must consider the importance of physical citizenship related documents such as passports and visa. Many definitions of citizenship emphasize the importance of a "genuine connection" to the nation state (Scherrer & Thirion, 2018). This idea of a "genuine connection" gained attention after the *Nottebohm* case in 1955 and is a common example for (legal) scholars to highlight the foundation of citizenship and citizenship acquisition (Bello Villarino, 2020). However, the specifics of investor programs illustrate that a genuine connection is no longer a strict requirement to acquire a new nationality, as can be seen in Appendix I, which has outlined the specifics of all IIP's within the European Union. Very little nation states require their applicants to fulfill "identity-related" conditions.

Due to this lack of "identity-related" conditions, citizenship in relation to IIP's should be approached from a conceptual understanding focused on rights and duties, rather than on "genuine connections". In other words, this study conceptualizes citizenship as an instrumental value, rather than an identity. The economic focus of this study suggests another instrumental dimension of citizenship, namely that of the economic value of citizens to the state. From an instrumental perspective, those who acquired citizenship through IIP's directly benefit the state's economy through their investments.

In conclusion, for the purpose of this study, citizenship is defined as the special relationship between state and its nationals and the reciprocity of instrumental values, with rights and duties in the center. Within the scope of this study, citizenship is the term used for investors who have met the investment requirements set by the state and have acquired a passport because of their financial contributions. The focus on the materiality of the passport also highlights the instrumental focus of citizenship.

### 3.1.2. Residency

As established before, this study approaches IIP's in terms of its intensity, without clearly differentiating between citizenship for sale and residency for sale programs. However, it is important to highlight that residency and citizenship are not synonyms and come with clearly different sets of rights and duties. A resident lives, or has the right to live, in a specific place but is not necessarily a citizen (Fernandes et al., 2021). Fundamentally, citizenship and residency differ in the sense that citizenship can generally not be revoked. Residency, on the other hand, can be revoked, even when permanent residency is issued, although difficult (Surak & Tsuzuki, 2021).

Conceptualizing residency is far more complex than citizenship, as residency comes in many different forms and highly depends on individual cases. In their report, Džankić et al. (2017) state that a common definition for residency in relation to IIP's is hard to gather. They define residency as the "legal status/ground under which a is entitled to stay in the territory of the Member State concerned, normally certified by the granting of the corresponding permit" (ibid., p. 6). This definition also highlights the instrumental value of residency, namely that of "entitlement" and "permit". Therefore, this definition is also used to conceptualize residency within the scope of this study.

Residency can either be temporary or permanent. Both types of residencies are offered through the different IIP's within the European Union. Temporary residency can ultimately lead to permanent residency. European regulations state that anyone who has lived in an EU member state for a minimum of five years, has the right to permanent residency (European Commission, 2023). Some IIP's, however, offer permanent residency in return for substantial investments, regardless of previous residency rights.

Residency can also be divided into two categories, namely effective and formal residency. Effective residency requires the resident to be physically present within the borders of the state, while formal residency is only concerned with the administrative side of residency. Formal residency does not require the actual presence of its holders (Džankić et al., 2017). Both types of residencies come with a legal status, meaning that the holders of this status possess certain rights. One of these rights is that of free mobility within the European Union for up to 90 days within 180 days (Ibid.). Previous studies, as highlighted in the literature review, have identified a trend in which investors are interested in the mobility rights that go along with IIP's, rather than in the actual physical presence within the borders of that nation state.



Summarized, this study defines residency as a legal status, regardless of whether those who possess it are physically present. In other words, residency is also understood as an instrumental phenomenon in which rights and duties are prioritized over identity related conditions.

### 3.1.3. Investment

The last concept that needs further exploration is that of investments. As the name reveals, Investor Immigration Programs (IIP's) are centered around investments, thus making this a key part of understanding. The report by Džankić et al. (2017), defines investments with regards to IIP's as "any pecuniary disbursement required as part of the process for obtaining citizenship and/or residence under the investors' scheme (including the administrative fees of the procedure, investment in a company, state bonds, immovable property, etc.)" (p. 7). This definition, however, lacks the additional requirements that many IIP's command, namely that of the creation of jobs. As many programs do have this extra requirement of the creation of jobs, this study suggests including this addition in the conceptualization of investments. Furthermore, this study is aimed to test the economic incentives of governments, thus the inclusion of every economy-related investment requirement in this definition is crucial.

Previous literature generally classifies IIP's into two distinct categories, namely that of residency by investment (RBI) and that of citizenship by investment (CBI). What sets these two types apart is that the former offers residence permits in return for financial contributions whereas the latter offers a passport. This distinction might seem relevant, however, closer examination of the specifics of the different IIP's reveals that the differences between the two types are not as clear-cut as suggested. This is mainly because some states legally only have an RBI program, while in reality offering fast-track routes to CBI. In other words, there is a blurred line between the two concepts. To avoid confusion, this study has thus re-classified the categories for different types of IIP's.

This re-classification has mainly taken the intensity of the programs into account. Appendix A has briefly outlined the different requirements per state and includes a column summarizing the acquired rights which form the foundation for this new classification. As fsQCA relies on binary data, it is required to classify the different types into two categories. Simplified these categories should represent absence and presence. Appendix A also illustrates that there are very few states without any type of program in place. While it would theoretically be possible to classify the outcome variable in terms of complete absence or complete presence,

this is highly undesirable due to the unbalance it results into. Legewie (2013) explains how having an imbalance in amount of present and absent cases in terms of the outcome might make it difficult to track down the necessary and sufficient conditions for either the absence or the presence, depending on which one is over-represented. He suggests approaching the outcome variable more moderately when this occurs. Thus, a binary re-classification of the types of IIP could be based on the intensity of the program. For instance, the Dutch residency program, which costs 1,25 million euros and comes with a relatively small set of rights, cannot be defined within the same framework as the Romanian program, which costs 100.000 euros and offers a fast-track to citizenship (see Appendix A). From a simplified conceptualization, both programs can be considered as RBI programs, however, the disparity between the two programs illustrates how this would not be constructive.

## 3.2. Theoretical perspectives

The next section dives into the existing theories with regards to immigration policy making processes.

### 3.2.1. Economic theory

As has been highlighted several times before, the existing literature clearly suggests a direct causal relationship between economic indicators and the emergence of IIP's. The most detailed account of this claim is the research conducted by Kristin Surak and Yusuke Tsuzuki (2021), whose economic conditions ultimately form the foundation for this research.

Assessing the effect of economic indicators on immigration policy comes with its challenges as different perspectives lead to different conclusions. Many scholars agree that economic indicators do have a significant effect on immigration policies, however, the assumptions following the different theories can vary significantly. Traditional theories, as for example the neoclassical perspective build on the idea that a decline in the economy leads to restrictive immigration policies. This tends to be correct when the policies in place are concerned with labor migrants. This research, however, is focused on investment migrants, who constitute a completely different group of migrants. As will be further explained in combination with the Domestic Policy Model, it is inevitable to discuss the relationship between economic

theory and the emergence of investment migration policy without considering the role of neoliberalism. This perspective suggests a growing disparity between the wealthy and the poor due to policies being implemented as a result of striving after economic growth. This suggests that in time of economic decline, immigration policies might become less restrictive for certain groups (investors), while they become more restrictive for others (low skilled labor migrants).

Although Surak and Tsuzuki (2021) do not explicitly discuss the role of neoliberalism and immigration policies, it becomes clear that they also assume a positive relationship between the decline of the economy and the emergence of investment programs in the European Union. They have specifically researched the economic origins of IIP's in Europe, making their research of importance for this thesis. They conclude that there is some degree of correlation between the emergence of the policies and declining economic factors, however, the long-term economic effects are negligible. They complete their research by stating that national governments turn to IIP's to "plug" short-term economic gaps (Ibid., p 34).

The most explanatory indicator of Surak and Tsuzuki's research is the average GDP growth of each nation. They have found a correlation between a decline in GDP growth and the emergence of IIP's in European states. Besides GDP growth, they have also considered the state debt as a percentage of the GDP, as well as the unemployment rate. Surak and Tsuzuki (2021) conclude their study by stating that their analysis leads to the assumption that economic decline increases the likelihood of nations to adopt IIP's. In addition, they link the consequences of the economic crisis of 2008 to this conclusion and state that economic decline during an economic crisis increases the likelihood even further. These conclusions seem to confirm the economic incentives behind IIP's implementation.

It is furthermore noteworthy to mention that the most controversial IIP's are implemented in small economies (e.g. Malta, Cyprus, Bulgaria, Saint Kitts & Nevis, Grenada). Therefore, it would be interesting to explore whether the size of the economy (GDP size) plays a relevant role with regards to the implementation of IIP's.

In summary, this thesis makes use of the same economic indicators as Surak and Tsuzuki (2021), however, further exploration must be done to determine the specifics and operationalization of each of these indicators. This will be discussed in chapter 5 (Operationalization).

Thus far, existing literature has not been able to attribute the emergence of IIP's fully to economic incentives. Therefore, it is useful to seek for explaining conditions beyond the economic scope. Ethan Meyers (2000) has bundled different theories of the emergence of immigration policies in general. Analyzing the characteristics and requirements of IIP's and

exploring them in relation to the theories as presented by Meyers, it was the following two additional theories that stood out and will be further outlined below: the National Identity Theory and the Domestic Policy Model.

### 3.2.2. National Identity Theory

The National Identity Theory is defined by Ethan Meyers (2000) and aims to explain immigration policies from a historical, sociological, and political perspective. This theory states that every nation has a unique history and their own understanding of what it means to be a citizen or resident. The conceptualization is what determines the immigration policy. To some extent, the national identity approach can be classified within the constructivist tradition as often applied to international relations. This tradition explains how historical processes can play a part in identity creation and nation building.

Both the public as well as the academic debate concerning IIP's has largely been centered around the justification, or lack thereof, of IIP's. As outline in the literature review, many opponents and critics of IIP's argue that IIP's are illegitimate because the investors often fail to provide proof of a genuine connection with the host nation state (Džankić, 2022; Shacher & Bauböck, 2014). While the legitimacy of the "genuine link" argument is disputed, the general debate does illustrate how immigration policies are linked to identity related topics. However, most states with IIP's do not require their applicants to meet identity-related requirements (e.g. language test or proof of cultural-history knowledge). This fosters the possible suggestion that nation states with a relatively low collective and cohesive understanding of what it means to be a citizen of that given nation, are more likely to implement IIP's. It is therefore useful to apply the National Identity Theory to this study to test whether identity related indicators can help explain the emergence of IIP's.

In contrast to an economic approach to finding indicators of immigration policy, the national identity approach does not take into account situational factors (e.g. GDP growth). Rather, it looks at the history and traditions of each country to determine whether this has influenced the policy choices. Brubaker argues that the general state interest does not correspond with immediate economic or demographic conditions but is rather constructed by the self-made idea of what is the state-interest (Brubaker in Bauböck, 2019). The restrictive immigration policy of the United States can be analyzed through the lens of national identity. Higham and Jones state that social cleavages and unrest foster the idea of losing national identity, in turn leading to nationalism and xenophobia which influence the national

immigration policy (Higham and Jones in Meyers, 2000). The following section aims to dissect the National Identity Theory into distinct concepts that can be used as a measurement to conduct the analysis of this study.

### *3.2.2.1. Indicators of National Identity*

After exploration of the existing literature, it can be concluded that there is no consensus as to how the national identity of a nation can be measured most effectively (Andreouli & Howarth, 2013; Ariely, 2020; Meyers, 2000). The concept can be categorized into two distinct dimensions, namely that of national boundaries and feelings of attachment to the nation (Ariely, 2020). This distinction allows researchers to dissect the concept and explore ways in which the qualitative nature of identity can be measured quantitatively. Nationalism and patriotism are two concepts that are often associated with the feeling of attachment and offer possibilities for measuring the level of national identity on a national level. Gal Ariely (2020) states that the categorization of national identity into national boundaries and feelings of attachment to the nation can be best understood using the nationalism and patriotism framework.

### **3.2.2.2. Nationalism and Patriotism**

The dimension of feelings of attachment is best approached through the concepts of nationalism and patriotism. Although these two concepts are often used interchangeably, there are important difference between the two. Recently, nationalism has been termed as a relatively hostile and possibly aggressive movement in which civilians have “an unreflective allegiance to the nation under any circumstances” (Mußotter, 2022, p.2179). Nationalists generally also have an explicit out-group hostility in which they have a negative attitude towards foreigners and stand behind all the actions of the nation. Patriotism, on the other hand, does not by default entail this hostile attitude towards outside groups and is often associated with a more positive approach towards foreigners. Patriotism is often defined in terms of pride for one’s nation, without feeling superior to other nations (ibid.).

Ariely (2020) has strived to combine the civic/ethnic framework with the nationalism and patriotism framework. According to his research, patriotism can be aligned with the civic approach while nationalism has the tendency to affiliate itself more with the ethnic approach. By examining the different frameworks in a combined matter, the conceptualization of national identity becomes more concrete. Exploring whether patriotist or nationalist sentiments and movements influence the implementation of IIP’s help in creating a framework that goes

beyond the economic scope. It is expected that a high degree of nationalism or patriotism has a negative effect on the implementation of IIP's. In other words, it is hypothesized that nationalist countries tend to refrain from implementing an investment program. This expectation is fed by the linked assumption that nationalist movements have a more hostile position towards those who do not belong to their nation.

Measuring patriotism and nationalism on a national level remains a challenge. The operationalization of these concepts into applicable conditions is further outlined in the chapter on operationalization.

### 3.2.3. Domestic Policy Model

Besides the National Identity Theory, Ethan Meyers (2000) also extensively discusses the Domestic Policy Model, a framework that too provides an explanation of the emergence of immigration policies. This approach places the society in the center of its analysis and states that policies reflect societal interests. In contrast to the National Identity Theory, this approach does consider situational factors as possible explanations of immigration policies. Most studies that have applied the Domestic Policy Model to immigration policies use socio-economic factors, however, the model can certainly be applied beyond this.

A crucial dimension of the domestic model is identifying and carrying out the interest of society. The model allows for different approaches to achieve this, including interest groups and political parties. In the specific case of immigration policies, there is the importance of partisan politics processes, thus the ways in which different political parties incorporate immigration policy strategies into their party programs. This leads to inter- as well as intra-political party debates regarding the immigration policies (Meyers, 2000) .

In well-functioning democracies, the political parties in power should represent the public opinion. However, a domestic policy approach allows space for an arena in which the public opinion and interests of political parties influence one another both sides. In other words, the public opinion might affect the stance point of political parties, but dynamics of different interest within and among political parties might also impact the public opinion. This dimension, however, is beyond the relevance of this study. It is, nonetheless, interesting to consider the public opinion as this should, in theory, be reflected in the political decision-making.

### *3.2.3.1. Domestic Policy Model and Neoliberalism*

It is useful to discuss the domestic policy model in relation to the emergence of neoliberalism. As discussed in the literature review of this study, some scholars attribute the growing trend of Investment Immigration Programs to neoliberal acts of states (Jenson, 2012; Joppke, 2021; Mavelli, 2018; O. Parker, 2017; Pühringer & Ötsch, 2018). A definition of neoliberalism is challenging to gather, however, scholars have attempted to distinguish between different arenas in which neoliberalism is a relevant approach. The tradition is most often discussed in relation to economic reform policies. These policies are usually centered to strive for deregulation, liberalization, and privatization of the economic sphere (Ganti, 2014). Another dimension of neoliberalism can be identified with regards to governing. This approach states that a neoliberal government aims for a self-regulating free market which is centered around competition and self-interest. Neoliberalism as an ideology and governing strategy fits well within the domestic policy approach mainly due to the mutual focus on self-interest. However, measuring neoliberalism remains puzzling. While this surely oversimplifies the complexities of political processes, the consensus seems to be that neoliberal thinking is associated with right-wing politics (Joppke, 2021; Pühringer & Ötsch, 2018). Examining the ideology of political parties at the time of policy implementation helps to identify and understand the domestic situational factors of importance.

### **3.3. Conclusion**

The research of Surak and Tsuzuki (2021) is highly relevant for this thesis, hence the choice to include the same economic indicators as have been used by them. However, their research approached the economic indicators as individual conditions that might or might not lead to the implementation of IIP's. This research aims to build on this by first, attempting to identify combinations of indicators rather than an individual approach and second, introducing other, non-economic conditions to the equation. These non-economic conditions have been gathered by closely examining the National Identity Theory and the Domestic Policy Theory.

Careful examination of the existing literature and theories led to the factors as outlined in table 1. The next chapter outlines the operationalization of each of these indicators.

**Table 1***Possible indicators of Investment Immigration Programs (IIP)*

<b>Dimensions</b>	<b>Theories or literature</b>	<b>Factors</b>	<b>Hypotheses</b>
Economic dimension	Surak & Tsuzuki (2021)	Inflation rate	It is expected that countries with a relatively high inflation rate are more likely to adopt high opportunity IIP's than countries with a relatively low inflation rate.
		GDP growth	It is expected that countries with a relatively low growth rate are more likely to adopt high opportunity IIP's than countries with a relatively big GDP growth.
		State debt as percentage of GDP	It is expected that countries with a relatively high state debt as a percentage of their GDP are more likely to adopt high opportunity IIP's, than countries with a relatively low state debt as a percentage of their GDP.
		Unemployment rate	It is expected that countries with a relatively high unemployment rate are more likely to adopt high opportunity IIP's, than countries with a relatively low unemployment rate.
	Own observations	GDP size	It is expected that countries with a relatively small GDP are more likely to adopt high opportunity IIP's, than countries with a relatively large GDP.
Non-economic dimension	National Identity Theory	Patriotism and/or nationalism	It is expected that non-patriot countries are more likely to adopt high opportunity IIP's than patriot countries.
	Domestic Policy Model	Political orientation of the government	It is expected that politically right-oriented governments are more likely to adopt high opportunity IIP's than politically left-oriented governments.
		General migrant acceptance of the country	It is expected that countries with a relative high acceptance of migrants are more likely to adopt IIP's than countries with a relative low acceptance of migrants.

Source: own illustration



## 4. Research Design

This chapter is centered around the research design and proposed methodology of this study. First, it repeats and states the research objective and main research question after which the sub-questions are formulated. Second, it discusses and justifies the selected cases chosen for this research. The chosen method, namely Qualitative Comparative Analysis (QCA) is introduced and explained. After a rather extensive section on the used method, this chapter dives into the operationalization of the different outcome and condition variables and sets and justifies the thresholds for each of these. Lastly, the thinking process behind the selection of the final conditions is demonstrated which leads to the definitive truth-table.

### 4.1. Research questions

This study aims to explain the emergence of Investment Immigration Programs (IIP's) by identifying the underlying conditions that states meet when implementing these types of policies. Investment Immigration Programs consists of two types, namely that of residency by investment (RBI) and citizenship by investment (CBI). However, the distinction between the two is not as clear-cut as these terms might suggest, which is why the umbrella term is more fitting to address the overall phenomenon. The consensus among academics seems to be that economic incentives lie at the heart of the motivation. Nonetheless, the existing literature reveals that economic indicators by itself do not suffice. Consequently, the main research question of this study is the following:

*RQ: Which (combination of) conditions lead to the implementation of high opportunity Investment Immigration Programs in the European Union, and which lead to no or low opportunity Investment Immigration Programs?*

The main research question can be divided into four sub questions. Qualitative Comparative Analysis (QCA) aims to explore the necessary and sufficient conditions and require an analysis for both the presence as well as the absence of the outcome. The specifics of the methodology will be outlined later in this chapter, however, the following sub research questions follow the structure of a QCA study.

*SRQ 1: Which economic, national identity and/or domestic policy model (combination of) conditions are necessary for the presence of high opportunity Investment Immigration Programs.*

*SRQ 2: Which economic, national identity and/or domestic policy model (combination of) conditions are sufficient for the absence of high opportunity Investment Immigration Programs.*

*SRQ 3: Which economic, national identity and/or domestic policy model (combination of) conditions are necessary for the absence of high opportunity Investment Immigration Programs.*

*SRQ 4: Which economic, national identity and/or domestic policy model (combination of) conditions are sufficient for the absence of high opportunity Investment Immigration Programs.*

## 4.2. Case selection

While IIP's are not limited to European states, the continent serves as a fascinating arena for investment visa and passport schemes. Institutional agreements, among which the Schengen agreement, provide citizens and legal residents with rights exceeding the borders of their country of residence. Hence, the citizens and residents of one nation automatically become a subject of concern for the other member states (Adim, 2017).

Another important dimension of the European Union is that of the extensive legislative system in place. The laws and regulations as agreed on by the European Union have a direct and significant effect on the individual legal systems. While the European Union does have a legal framework in terms of Union-wide migration policies, individual nation states also have a certain degree of autonomy when it comes to matters such as citizenship. Nations have the sovereign right to determine who becomes a citizen, therefore, European law concerning investment migration, specifically the sale of passports, is difficult to tackle.

Furthermore, studying the European Union allows for a complex yet cohesive comparison. The European Union consists of 27 individual nation states, differing in size, economy, traditions, and climate, to name a few. This reveals the complexity. The cohesiveness, on the other hand, lies in the willingness of all member states to cooperate. This balance between complexity and cohesiveness allow for an interesting comparison.

By focusing specifically on the European Member states, this study aims to not only contribute to the research concerning the motivations behind the implementation of investment migration programs, but also to the deeper lying contemporary debate concerning the spatial challenges of IIP's within the European Union specifically.

Furthermore, this study aims to reveal the underlying incentives of European Union states to implement IIP's. By identifying these reasons, this study contributes to the overall understanding of IIP's and this becomes relevant when attempting to tackle the challenges of IIP's.

The selected cases for this study include all the current 27 European Union member states. Great Britain is excluded from this study since they withdrew their membership in January of 2020. Thus, the chosen cases are: Austria, Belgium, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, The Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain and Sweden. All the states with IIP's implemented their policies while being part of the European Union. In other words, the implementation took place within the arena of the European Union.

### 4.3. Methodology

The data of this study will be analyzed using the methodology of Qualitative Comparative Analysis (QCA), specifically using a crisp set (csQCA). The next section contains an extensive description of the chosen methodology, both as general approach, as well as the application to this specific study. This section also serves as a framework to remain transparent about the changes and challenges that might occur during the process of researching.

#### 4.3.1. Qualitative Comparative Analysis as a general research approach

QCA allows to statistically compare different cases by identifying the causal relationship between certain conditions and a pre-established outcome (Parker, 2017). The method, first shaped by Charles Ragin in 1985, aims to combine the advantages of both qualitative and quantitative research, making it a fascinating approach for both methodological poles. The mixed method of QCA allows to statistically analyze and perhaps generalize relatively small n-studies while leaving room for complex qualitative factors (Dusa, 2020). While the method was initially designed for small n-studies, over time it has developed into a method also suitable for

large n-studies. Nonetheless, most studies conducted using QCA vary between five and thirty cases (Czaika & Carling, 2020).

Qualitative studies are often criticized for their lack of generalizability, whereas quantitative approaches can be considered as an oversimplification of reality. QCA aims to tackle these challenges by creating a framework in which a statistical analysis can be applied to qualitative data (Finn, 2022).

QCA is a stand-alone methodology and follows a specific understanding of causality, namely that of “multiple conjunctural causation”. This understanding allows for different “paths” to lead to the same outcome. These paths can consist out of different combinations of conditions. By doing so, QCA challenges the researcher to define multiple causal models instead of focusing on a single framework that fits closest with the used data (Berg-Schlusser et al., 2012). An example, as explained by Berg-Schlusser et al. (2012) of “multiple conjunctural causation” can be found below.

*When the combination of two conditions lead to a certain outcome ( $AB \rightarrow Y$ ).*

*When multiple combinations of conditions lead to the same outcome ( $AB + CD \rightarrow Y$ ).*

*When the presence of multiple conditions but also the absence (a) of another condition lead to the same outcome ( $AB \rightarrow Y$  but also  $aC \rightarrow Y$ ).*

Ultimately, QCA strives to identify *necessary* and *sufficient* conditions and their connection to the different possible outcomes (Finn, 2022). A condition is *sufficient* when whenever condition is present, the outcome is also present. A condition is *necessary* when whenever the outcome is present, the condition is also present (Schneider & Wagemann, 2012b, p. 76). For example:

*( $AB \rightarrow Y$ ) and ( $AC \rightarrow Y$ )*

*The combination of AB is a ‘sufficient’ combination of conditions for outcome Y, because whenever the combination of these conditions is present, the outcome is also present.*

*The combination of AC is a ‘sufficient’ combination of conditions for outcome Y, because whenever the combination of these conditions is present, the outcome is also present.*

*Condition A is a ‘necessary’ condition for outcome Y, because whenever the outcome is present, condition A is also present.*

Generally, QCA is considered to be a set-theory method, meaning that it operates with membership scores per case and inherently perceives certain relationships in social phenomena (Schneider & Wagemann, 2012a). Scoring the membership of the different conditions is a crucial step in conducting QCA-led studies. Determining the thresholds of these memberships is where QCA can use both qualitative data, as well as quantitative data.

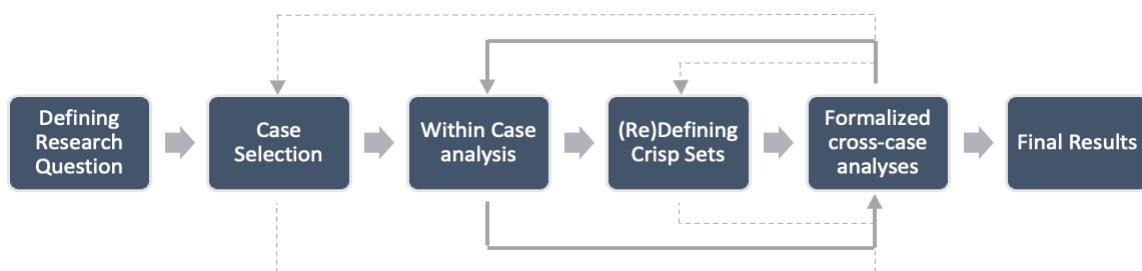
The method allows for multiple different approaches to defining the datasets per condition. A crisp set (csQCA), which is used in this study, attempts to simplify the data set by only using two definitions, namely that of full membership, denoted by number [1] and that of non-membership, denoted by number [0]. A more detailed approach would be that of a fuzzy-set as it also allows for partial fulfillment or partial unfulfillment (Adrian Dusa, 2020). However, this study uses a crisp set (csQCA), specifically to overcome, and attempt to make sense of, the complexity of European policies regarding investment migration.

Table 2 schematically illustrates the different steps for conducting a QCA study. This diagram also shows the iterative nature of QCA. The researchers are challenged to constantly revise the cases, the data sets, and perhaps even the used theory.

## Table

2

### *Steps of conducting QCA*



Source: own illustration adapted from Legewie, 2013

#### 4.3.2. From data to truth table

Once the conditions and cases have been identified and selected, the data needs to be collected and structured. An initial data table consists out of all the raw data collected by the researcher. However, to make sense of this data and apply QCA, one needs to establish the thresholds for each condition to define the respective points of membership [1] and non-membership [0].

These thresholds are mainly dependent on theory and case-knowledge and need to be adequately justified. In this specific work, these justifications are discussed in the chapter Operationalization. Rihoux en de Meur (2012) acknowledge that in some instances, it is rather difficult to identify the thresholds on purely theoretical grounds. To overcome these challenges, the researcher might resort to using the mean or median. While this is not uncommon for QCA, it is crucial to check whether these cut-off points are logical for each condition and case.

The dichotomous data table is a single table containing all the cases, conditions and outcomes. As opposed to a raw data table, the dichotomous data table only includes the membership scores. This table is necessary to “synthesize” the data into a truth table. Usually, the researcher uses abbreviations for the cases, conditions and outcomes. These must be well defined.

While a dichotomous data table contains all the necessary data, depending on the size of the study, the data needs to be synthesized into a table which illustrates the complexity of the causal relationships. The result thereof is called a truth table and is created through the calculation of the software program fsQCA. Truth tables are constructed as follows.

First, each possible configuration (combination) of conditions is identified and forms the structure for the table. Thus, in a study with three conditions there are eight possible configurations ( $2^3 = 8$ ) and studies with five conditions, the truth table consists of 32 configurations ( $2^5 = 32$ ). Hence, researchers are urged to carefully choose their conditions, as too many conditions lead to an enormous number of configurations (e.g.  $2^{10} = 1024$ ), which makes the study less valid as this creates a framework in which each case becomes unique, rather than identifying the common causal relationships (Berg-Schlosser & Meur, 2012). Secondly, each case is ascribed to one of the configurations. Lastly, every configuration is assigned a “configuration outcome” denoted by [1] (presence), [0] (absence), [C] (contradiction), or [L] (logical remainder) (Rihoux & Meur, 2012).

While it is quite common to find contradictory configurations in early attempts of creating a truth table, these need to be resolved as much as possible to continue with the analysis (Rihoux & Meur, 2012). There are different ways to resolve the contradictory configurations [C]. These include, adapting thresholds of conditions, removing, or adding conditions, re-evaluating the outcome variable, and reconsidering the selected cases. If none of these approaches solve the contradictions, the researcher might resort to removing some cases from the study (*ibid.*).

### 4.3.3. From truth table to minimization

To continue with the final truth table, in which contradictions are resolved, the software program fsQCA applies Boolean Algebra. This is used to translate the rather long expressions of the truth table into minimal formulas (Rihoux, 2006). This study uses the software *Kirq* to conduct the sufficiency analyses.

Boolean Algebra uses the following symbols. First, when a condition is present [1], Boolean Algebra uses uppercase letters for the abbreviation. The absence of a conditions [0] is presented with lowercase letters. Second, the symbol [\*] is used for “AND” and the symbol [+] is used for “OR”. Lastly, a right pointing arrow [ $\rightarrow$ ] indicates sufficiency, while a left pointing arrow [ $\leftarrow$ ] denotes necessity. Thus, the Boolean expression “ $A*B\rightarrow Y$ ” reads as “if condition “A” is present and condition “B” is present, then outcome “Y” occurs”(Grofman & Schneider, 2009).

However, in the study multiple paths might occur, which complexifies the expressions. For example, “ $A*B + A*c\rightarrow Y$ ” reads as “if condition “A” is present and condition “B” is present *or* if condition “A” is present and condition “C” is absent, outcome “Y” occurs”(ibid.).

Boolean minimization also reduces the length of the expression by eliminating irrelevant conditions. For example, “ $A*B*C + A*B*c\rightarrow Y$ ” can be minimized to “ $A*B\rightarrow Y$ ” as the outcome “Y” occurs both when condition “C” is present as well as absent, therefore this condition is irrelevant for the studied outcome. The software should carry out the minimization process separately for the configurations in which the outcome is present [1], as well as for the configurations in which the outcome is absent [0], however the order in which this is done does not matter (Rihoux & Meur, 2012). The truth table forms the foundation for these minimizations.

The result of the minimization process might be complex. Thus, it is important to include all the necessary information in the research report.

### 4.3.4. From results to interpretation

The last step of csQCA is the interpretation of the minimized formulas. The formula is usually not the straight-forward answer to the research question. Nicolas Legewie (2013) explains this as the data *containing* the explanation, rather than *being* the information. The interpretation of the data can be approached as a dialogue between the researcher and the data. The iterative

process of QCA also allows the researcher to revise the raw data and run the data through the software again.

Furthermore, to adequately analyze the data, it might be necessary to re-introduce certain conditions, initially removed by the software during the minimization process. This is what is meant with the iterative nature of QCA. The interpretation of the data should contain the answer to the research question.

#### 4.4. Summary

In summary, this chapter stated the research question and its sub questions and introduced the methodology of Qualitative Comparative Analysis (QCA). The different steps of QCA are discussed and form the foundation for the analysis of this study. The next chapter dives into the operationalization of the outcome variable and conditions specifically relevant for this study.



## 5. Operationalization

This chapter aims to justify all the choices that need to be made in order to run the collected data through the software fsQCA and retrieve the results. First, this section dives into the operationalization of the outcome variable; whether or not cases are classified as having a high opportunity Investment Immigration Program. Next, the different conditions that come forth from the theoretical framework are discussed, and the thresholds are justified.

### 5.1. Operationalization of outcome variable

The outcome variable in this study is the presence or absence of an Investment Immigration Program (IIP). CsQCA is a method using binary data, therefore, it is necessary to classify the different outcomes into two categories, belonging [1] or not belonging [0]. The justification as to why it is important to re-classify the traditions concepts of citizenship by investment and residency by investment can be found in the theoretical framework of this study.

The final classification of the outcome variable is based on the types of investments that are accepted by the state in question. The outcome variable thus indirectly refers to the value (for the investor) of the IIP in place. This re-classification ultimately helps with understanding the specifics of the IIP's in place. It allows for nuances that are overlooked when following previously determined classification, such as citizenship by investment and residency by investment.

Programs which allow direct government transfers or offer the possibility of real estate investment are classified as *high opportunity programs*, denoted by a [1]. Countries that only offer investment through a business program are, together with the countries without any immigration investment programs classified as *low opportunity programs*, denoted by a [0]. Table 3 demonstrates the final classification of cases in terms of their outcome variable.

**Table 3***Final classification of outcome variable per case*

<b>Country</b>	<b>CASE ID</b>	<b>Score</b>	<b>Country</b>	<b>CASE ID</b>	<b>Score</b>
Austria	AUS	0	Italy	ITA	0
Belgium	BEL	0	Latvia	LAT	1
Bulgaria	BUL	1	Lithuania	LITH	0
Croatia	CRO	0	Luxembourg	LUX	0
Cyprus	CYP	1	Malta	MAL	1
Czech Republic	CZE	0	The Netherlands	NETH	0
Denmark	DEN	0	Poland	POL	0
Estonia	EST	1	Portugal	PORT	1
Finland	FIN	0	Romania	ROM	1
France	FRA	0	Slovakia	SLVK	0
Germany	GER	0	Slovenia	SLVN	1
Greece	GRE	1	Spain	SPA	1
Hungary	HUN	1	Sweden	SWED	0
Ireland	IRE	0			

Source: own illustration

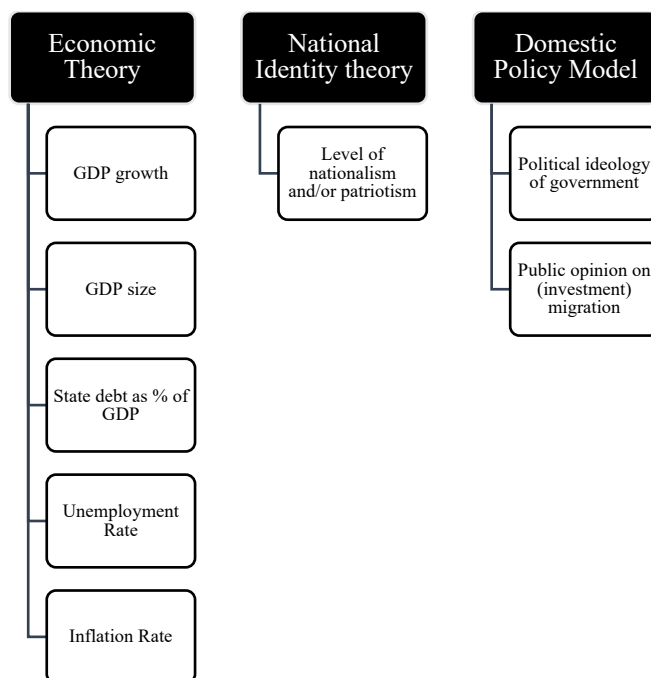
*Note.* [0] = non membership; [1] = membership

## 5.2. Operationalization of conditions

Table 4 visually displays the relevant conditions for this study as identified and established in the theoretical framework.

**Table 4**

*Possible conditions for Investment Immigration Programs*



Source: own illustration

These conditions came forth from the different theoretical insights and form the foundation for the analysis of this study. In a QCA study, the conditions are measured per case. To avoid unreliability, the collected data of most conditions consists of the average data measured over a couple of years. The majority of the IIP's were implemented between 2010 and 2013. The literature thus suggests a direct link between the emergence of IIP's and the global financial crisis of 2008. Therefore, the situational conditions are all based on the average of the four years between and including 2009 and 2012. At first, the thresholds are aimed to be set on theoretical insights. However, when this is not possible or not relevant for other reasons, the thresholds are established with direct regards to the average score or the median or other statistical justifications.

## 5.2.1. Economic conditions

### 5.2.1.1. GDP growth

The Gross Domestic Product (GDP) measures the value of all the goods and services that are produced in the given country and is one of the most used indicators to determine the economic health of a country (Dynan et al., 2018). The growth of the GDP is measured in percentages and generally depicts the growth compared to the previous year. The collected data for the GDP growth (*GDPG*) in this study is the average growth between 2009 and 2012 and is extracted from the database of the World Bank. See Appendix B for the complete data table.

Economic theories generally measure the changes in GDP every quarter and state that two consecutive quarters of economic decline indicate a recession. As the theory with regards to measuring and interpreting the GDP growth annually is lacking, this study works with the average growth. Calculations demonstrate an average growth of -0,6%, thus a decline of 0,6%. The complete data set illustrates that most countries faced their largest decline in 2009, after which most countries recovered again. Thus, although an average of -0,6% seems rather low, this can be explained by the general growth in the years following 2009. As most IIP's were implemented later, it would be undesirable to exclude these years from the study, as the data is aimed to paint a reliable picture of the economic situation of each case. It is expected that countries with a lower growth rate, or a larger decline ( $> -0,6\%$ ) are more likely to implement IIP's. As the threshold for this study is set at -0,6 %, the cases with a growth lower (than 0,6 %) are assigned the score [1] while higher growth rates are assigned [0]. It is expected that countries with a lower growth rate, thus assigned a [1], are more likely to implement IIP's.

### 5.2.1.2. GDP size

Relatively speaking, the revenue that smaller states make from IIP's is rather large. Surak (2021) estimates that the revenue that St. Kitts & Nevis makes from their investment program constitutes 35% of their total GDP. This seems to suggest that smaller states are more likely to implement IIP's than larger states. The economic size of the country is best measured by the absolute GDP size (*GDPS*) (Dynan et al., 2018). Logically, larger countries usually have a

larger GDP. However, the absolute size is not sufficient to explain the wellbeing of the country as it does not take the population size into account. To compare the (individual) wellbeing per country, most studies look at the GDP per capita. However, for this study the absolute GDP size is deemed more relevant as the relative revenue of IIP's increases when the absolute GDP is lower (ibid.). This leads to the assumption that small states with a relatively small GDP, are more likely to implement IIP's than larger states with large GDP as the programs have a more significant influence on the total size of the economy.

A limitation of this condition is that it assumes that all countries make the same absolute revenue of their IIP's, while, there is a large difference in the number of applicants as well as financial requirements per country. In The Netherlands, for example, it is estimated that there have been ten applicants over a period of ten years, whereas Malta has denied applicants before since it exceeded the limit of two thousand annual applicants (Surak, 2022b). Nonetheless, initial inclusion of the absolute GDP size as a condition in the early steps of analysis for this study does seem relevant. The data is retrieved from the World Bank and depicts the absolute GDP size of each Member State in 2012. The complete data set can be found in Appendix C.

A theoretically informed threshold of the GDP size cannot be established, therefore this research turns to the average and the median. The GDP size of the European Union Member States varies between 9,4 billion dollars (Malta) to 3,5 trillion dollars (Germany). This discrepancy makes the average GDP size of all the member states an irrelevant threshold, as the larger sizes significantly influence the average score. The median score is thus more relevant and for this condition belongs to Portugal with a GDP size of 216 billion dollars. The threshold of this condition is thus the median score +1, which is 216221 million dollars. Cases with a GDP size below this threshold are assigned [0], while cases with an economy larger than 216 billion euros, are denoted by a [1] (see Appendix C). It is expected that a smaller economy, thus denoted with a [0] is more likely to implement a high opportunity IIP.

#### *5.2.1.3. State debt as percentage of GDP*

As outlined in the theoretical framework, including the national state debt as a condition for IIP implementation is based on the research as conducted by Kirstin Surak and Yusuke Tsuzuki (2021). The relative state debt is best visualized by comparing it directly to the GDP of the country, thus measuring the state debt as a percentage of the GDP (*SDGD*). The membership score of the state debt can however be measured in different ways. The two most rational ways

would be to 1) take the average state debt of 2009, 2010, 2011 and 2012 or 2) measure the growth of the state debt between 2009 and 2012.

Both approaches have a couple of limitations, however. The average state debt over a couple of years does not reveal possible significant changes over time. Take for example Cyprus. The relative state debt grew from 45,5 % of the GDP in 2009 to 80,3 % in 2012. Comparing the average to the states, reveals that the average state debt of Cyprus is relatively low. However, within four years, the relative state debt almost doubled. However, solely looking at the growth over a couple of years does not reveal the severeness of the state debt. Lithuania serves as a good example. The state debt in 2009 is 34,2 % while 2012 reveals a state debt of 51,2 %. This averages out a growth of almost 50%, while in absolute terms the state debt remains well below the 60 % as set as a guideline by the European Union (Central Bureau of Statistics, 2023). Another shortcoming of measuring the growth of the state debt between 2009 and 2012 is that it does not reveal the changes between 2009 and 2012. There is, however, no country in which the state debt of 2010 and 2011 is higher than that of 2012, thus this shortcoming does not limit this specific study.

Both approaches have first been analyzed separately, however, the outcome seemed irrelevant. As both approaches come with their own strengths and limitations, this study has ultimately combined the two to give relevant membership scores to all the cases. This is operationalized as follows.

Cases with a growth rate above 28 % are considered members IF the average state debt exceeds 60%.

This approach allows a combination of both growth and average. The threshold of 28% is based on the average of all the observed cases. The threshold of 60% is decided upon the guidelines of the European Union which states that the national state debt of member state cannot exceed 60% (Central Bureau of Statistics, 2023). The data is retrieved from the dataset of the World Bank (2022) and the complete data tables can be observed in Appendix D. The cases that fulfill the above mentioned two criteria are denoted by a [1], while the cases that do not meet these thresholds are assigned a [0].

This threshold, however, results in a disbalance with regards to the binary outcome variable; only five cases are now classified as having a relatively high state debt. The other twenty-two member states are thus considered having a relatively low state debt (see Appendix D). While this is undesired, changing the thresholds cannot be logically justified. Nonetheless,

this condition remains possibly relevant for this research and is therefore included. It is expected that countries with a large state debt, thus assigned a [1], are more likely to adopt high opportunity IIP's.

#### 5.2.1.4. Unemployment Rate

The previous three conditions were directly linked to the GDP, which is the most used indicator of economic health. However, as outlined in the theoretical framework, other economic conditions might also play a role. One other important economic indicator is the unemployment rate (*UR*). The unemployment rate depicts the unemployed people of working age as a percentage of the total labor force (OECD, 2022). Economists agree that a certain degree of unemployment is not necessarily bad. This, for example, also includes those who are in-between jobs or students who finish their education but are of working age. According to economists, the ideal unemployment rate lies between 3% and 4,5%. There is no consensus, however, on when the unemployment rate is considered too high (Koser, 2009). As a result of the global financial crisis of 2008, the unemployment rate within the European Union sky-rocketed in the years following the crisis (Surak, 2022b). In other words, all the unemployment rate of all countries exceeded 4,5%, making this an unconstructive threshold. Therefore, the threshold is set at 10%, which marks the average percentage of all cases combined. The unemployment data is retrieved from the World Bank dataset and is displayed in Appendix E.

The cases with an unemployment rate above 10 % are denoted by a [1], while cases with an unemployment rate below 10 % are denoted by a [0] (see Appendix E). It is expected that a relatively high unemployment rate can be found in cases with high opportunity IIP's.

#### 5.2.1.5. Inflation Rate

The last economic indicator included in this study is the inflation rate (*IR*). This is often measured by the consumer price. This can either be done with the CPI (consumer price index) or by calculating the annual change. As this study looks at multiple consecutive years, the annual change is most relevant. Therefore, this study looks at the annual change of the consumer price, which the World Bank states, “reflects the annual percentage change in the cost to the average consumer of acquiring a basket of goods and services that may be fixed or changed at specified intervals, such as yearly” (World Bank, 2022). Economic institutions usually desire the inflation rate to be around 2%. This study sets the threshold of this condition at 2,3 %, which depicts the

average growth of all the cases in the period between 2009 and 2012 (see Appendix F). Cases with an inflation rate above 2,3 % percent are classified as being members to the data set and are thus denoted by a [1]. Cases with an inflation rate below this threshold of 2,3 % do not meet the membership score and are thus assigned a [0] (see Appendix F). From theoretical insights, as outlined in the theoretical framework, it is expected that countries with a relatively high inflation rate, are more likely to adopt high opportunity IIP's.

## 5.2.2. National Identity Conditions

### 5.2.2.1. *Patriotism/Nationalism*

As explained in the theoretical framework, there are academics who argue that the national identity theory has a direct influence on the makings of immigration policies (Meyers, 2000). As the implementation of IIP's is rather niche, it is interesting to test whether these indicators also lie at the foundation of instigating these policies. Common conceptualization of the national identity theory are patriotism and nationalism (Ko & Choi, 2022). However, both concepts are rather difficult to measure. The most used data set containing an index on nationalism is the International Social Survey Programme, the ISSP. While this data set is used in most studies conducting research on nationalism, it does not include every country. With regards to the European Union, this data set lacks the scores of Austria, Bulgaria, Cyprus, Luxembourg, Malta, Poland, and Romania, thus seven out of twenty-seven countries.

The Patriot-Index is another data set which has ranked every country in the world in terms of their level of patriotism (*PATR*). As explained in the theoretical framework, there is a significant difference between nationalism and patriotism, however, both are indicators of the national identity theory. As the Patriot-Index has data on all the cases, the data for this study is retrieved from this dataset, rather than from the ISSP dataset. The final scores are determined by ten different sub-scores, which all measure the degree of patriotism. The ten different sub-categories are scored between zero and hundred and are added to reach the final score. As illustrated in Appendix G, the final scores of the EU member states lie between 394 and 527. Both the average as well as the median score is 451, which is why the threshold is set on 451.

Cases with a score below this threshold of 451 are considered having a relatively low patriotism score and are thus denoted by a [0], while cases with a score above 451 are considered more patriotic and are thus denoted by a [1]. Based on the national identity theory, it is expected that countries with a low patriot score are more likely to implement high opportunity IIP's.



### 5.2.3. Domestic Policy Conditions

#### 5.2.3.1. *Political ideology of government*

The Domestic Policy Model, among other things, proposes a link between political orientation and immigration policy implementation. IIP's are often explained through the neoliberal tradition, and this thus suggests that neoliberal states would be more likely to implement such programs. The neoliberal philosophy is mainly present within right-wing politics it might therefore be interesting to explore whether (neo)liberal right-wing parties are more likely to adopt IIP's than center and left parties on the political spectrum.

The Comparative Political Data Set (CPDS) is an initiative of Zurich University with country-level political data between 1960 and present-day. For all countries, except one (Cyprus), the data of 2012 is used. A closer examination of the data revealed that the 2012 data for Cyprus was inconsistent with the surrounding years, thus this study used the data for 2013.

Out of the many different indicators, this study has integrated four and combined them into one. The first three indicators each state the percentage of the cabinet positions filled by respectively left-, center- and right-wing parties. For the last indicator, the Comparative Political Data Set has assigned numbers to each country, indicating their type of government. The numbers range from [1] to [5] and vary from [1] being a right-wing hegemony and [5] being a left-wing hegemony. Interestingly enough, the CPDS considers center cabinet positions as right-oriented. When the assigned numbers suffice and are able to indicate whether a country is right-wing oriented or left-wing oriented, this is noted. However, the cases that are assigned a [3] need further attention as this score indicates a balance of power between left and right. In these cases, the first mentioned three indicators are turned to determine whether right wing or left-wing cabinet positions dominate. Belgium is the only country that cannot be assigned to either right or left, as their amount of cabinet positions on the left and right are exactly the same. Appendix H has collected all four indicators for each country, which lead to the final score, denoted by [right], [left], or [center].

The threshold for membership is set at [right], meaning that the cases with a majority right-wing government are denoted with a [1] while cases with a majority center- or left-wing government are denoted with a [0] (see Appendix H). Based on the theoretical insights of the

domestic policy model as well as the neoliberal tradition, it is expected that governments with a right leaning political orientation are more likely to implement high opportunity IIP's.

#### 5.2.3.2. *Migrant Acceptance Score*

The last indicator is concerned with the public opinion. While there have been many attempts of capturing the public opinion with regards to immigration, these have never been specifically about immigrants who enter the state borders by IIP's. Instead, the existing surveys usually capture the general opinion on all types of migrants. When they do differentiate between migrants, the rich investors are not included. In other words, the public opinion with regards to IIP's is not measured and thus relatively unknown.

Nonetheless, the public opinion on migrants in general might still reveal possible explanations for the implementation of IIP's. This study has used the Migrant Acceptance Index of Gallup. The survey has collected the answers to questions with regards to the public opinion on migrants and bundled them into one score. Each country has a score between 1 and 9 and thus different countries can be compared to one another (see Appendix I).

Again, theoretical insight as to where the threshold of migrant acceptance should be placed is lacking. Therefore, the threshold is set on two thirds of the scale, thus a score of 6 out of 9. Running the software several times indicates that setting the threshold at 6 reveals less outliers (when compared to the outcomes). A score below 6 is denoted by a [0]. A score above 6 is denoted by a [0) (see Appendix I). It is expected that countries with a high migrant acceptance score, thus denoted by a [1], are more likely to adopt IIP's.

#### 5.2.4. Summary of operationalization of the conditions

Table 5 summarizes the different conditions, their Boolean abbreviation, and the threshold per condition.

**Table 5***Thresholds of outcome and condition variables*

	<b>O</b>	<b>EC</b>					<b>NIT</b>	<b>DPM</b>	
<b>Abvr.</b>	IIP	GDPg	GDPs	SD	UR	IR	PATR	POLI	MAI
<b>Thres- hold</b>		-0,6%	216220 million	28% <u>AND</u> 60%	10,1%	2,3 %	451	Right	5,41 %

Source: own illustration

*Note:* Abvr. = abbreviation; O = outcome; EC = economic conditions; NIT = National Identity Theory; DPM = Domestic Policy Model; IIP = Immigrant Investment Program; GDPg = GDP growth; GDPs = GDP size; SD = state debt as percentage of GDP; UR = unemployment rate; IR = inflation rate; PATR = patriotism score; POLI = political orientation of the government; MAI = migrant acceptance index

### 5.3. Final truth table

The final truth table is constructed by running the conditions through *fsQCA*, a software program. The first truth included all above mentioned eight conditions. This resulted in 22 existing configurations out of 256 ( $2^8$ ) possible configurations. Having 22 configurations on 27 cases is highly undesirable as this creates a framework in which all cases are analyzed uniquely, rather than attempting to identify common identifiers (Berg-Schlosser & Meur, 2012). Thus, the next step required a minimization of the included conditions and revision of thresholds, both for conditions as well as for the outcome variable.

Revision of the outcome variable proves that it is undesirable to change the threshold of membership and non-membership. The threshold based on types of investments offers the strongest justification. Similarly, the removal of cases is not favorable as this research aims to present a complete analysis of the European Union. Excluding cases would undermine this research goal.

Thus, the revision needs to take place with regards to the conditions and the accompanied thresholds of these conditions. As the sample size of this study is relatively small ( $n=27$ ), it is possible to initially analyze the dichotomous data table (see appendix I) by hand

and draw preliminary conclusions based on that. This method reveals that the inflation rate (IR), GDP growth (GDPg), unemployment rate (UR) and the Migrant Acceptance Index (MAI) do not provide valuable explanations, both for high opportunity as well as for low opportunity IIP's. Therefore, these conditions are removed from the study.

A preliminary analysis by hand also seems to indicate a lack of explanatory value in the condition of state debt as percentage of GDP (SDGDP) to explain high opportunity IIP's. It does, however, seem more useful to explain low opportunity IIP's. The level of patriotism (PATR) and political ideology of the government (POLI) seem highly explanatory for the outcome of high opportunity IIP's, whereas they appear insignificant for low opportunity IIP's. In fact, all but one case (Cyprus) with high opportunity IIP's, had a right-wing government in place during the implementation of the programs. An in-depth analysis in which the necessary and sufficient conditions are identified needs to be conducted to verify these assumptions.

The final truth table, thus, includes the remaining four conditions, being GDP size (GDPs), state debt as percentage of GDP (SDGDP), level of patriotism (PATR), and political ideology of the government (POLI). As can be observed in Appendix K the final truth table comprises of four conditions and consists of 10 out of 16 ( $2^4$ ) possible configurations. There are, however, three contradictions that need to be resolved (row 1, 4 and 5). See appendix K for a detailed account of resolving these contradictions. The final truth table can be seen in table 6. The detailed final truth table including the case names per configuration can be found in appendix L.

**Table 6***Final truth table*

<b>Row</b>	<b>C1</b>	<b>C2</b>	<b>C3</b>	<b>C4</b>	<b>High opportunity IIP</b>	<b>Cases (n=27)</b>
	<b>GDPs</b>	<b>sdGDP</b>	<b>PATR</b>	<b>POLI</b>		
<b>1</b>	1	0	1	1	1	9
<b>2</b>	0	0	0	0	0	5
<b>3</b>	0	0	0	1	0	4
<b>4</b>	0	1	0	1	1	2
<b>5</b>	0	0	1	1	1	2
<b>6</b>	1	0	0	0	0	1
<b>7</b>	1	1	0	1	1	1
<b>8</b>	1	0	1	0	0	1
<b>9</b>	1	1	1	0	0	1
<b>10</b>	1	1	1	1	1	1

Source: own illustration based on fsQCA computed truth table

*Note:* GDPs = size of GDP; sdGDP = state debt as percentage of GDP; PATR = patriotism score; POLI = political orientation of the government; IIP = Investment Immigration Program

In summary, this chapter contains the operationalization of all the different variables. It also outlined the process of obtaining the final truth table. The next chapter discusses the interpretation of the operationalized data and presents the final results.

## 6. Results

This chapter presents the results of the QCA analysis on Immigration Investment Programs within the European Union. A QCA analysis aims to identify the necessary and sufficient conditions. This chapter is structured as follows. First it discusses the necessary conditions for high opportunity IIP's. After, it aims to present the necessary conditions for low opportunity IIP's. The same analysis is conducted for the identification of the sufficient conditions, both for the presence of high opportunity IIP's as well as for the presence of low opportunity IIP's.

### 6.1. Necessary conditions for high opportunity IIP's

As this study is concerned with a relatively low case selection, it is possible to identify some interesting trends by hand by analyzing the dichotomous data table. When looking at the dichotomous data table (see appendix J) it can be concluded that all eleven cases with high opportunity IIP's, are characterized with having a right-wing political orientation at the time of program implementation. POLI is thus a fully necessary condition for high opportunity IIP. The other conditions all have a certain number of outlying cases not fulfilling the requirements. Table 7 showcases the highest consistency scores for the individual conditions.

**Table 7**

*Consistency score per condition*

Condition	Consistency	Cases (n)	Cases
POLI	100 %	11	BUL, CYP, EST, GRE, HUN, LAT, MAL, POR, ROM, SLVN, SPA
gdps	81,2%	10	BUL, EST, HUN, LAT, MAL, ROM, SLVN, CYP, POR
PATR	81,2 %	10	BUL, EST, GRE, HUN, MAL, LAT, SLVN, ROM, POR
sdgdp	72,7 %	9	BUL, EST, HUN, LAT, MAL, ROM, SLVN, GRE

Source: own illustration

Note: POLI = right leaning political orientation of the government; gdps = small GDP; PATR = high patriotism score; sdgdp = low state debt as percentage of the government; BUL = Bulgaria, CYP = Cyprus; EST = Estonia; GRE = Greece; HUN = Hungary; LAT = Latvia; MAL= Malta; POR = Portugal; ROM = Romania; SLVN = Slovenia; SPA = Spain

While only a right leaning political orientation (*POLI*) can be concluded as a fully necessary condition for the emergence of high opportunity IIP's (*IIP*), it is interesting to consider the other conditions. The consistency score for both *gdps* as well as *PATR* are below the recommended threshold of 90%, however, they are still worth considering as a combination of the different conditions might reveal an underlying trend. As can be read in the chapter on operationalization, it was expected to find a relatively high state debt in countries with high opportunity IIP's. As the table above, however, illustrates, it turns out that most countries with a high opportunity IIP, have a relatively low state debt. While this consistency score is too low to consider it a necessary condition, it is interesting to note that this is contradicting the initial hypothesis as stated in the chapter regarding the operationalization of the conditions.

The dichotomous data table (see appendix I) demonstrates that Spain and Greece are the only two countries with a high opportunity IIP that do not have small GDP size. Spain is also an outlier when it comes to the patriotism score. This suggests that combining different conditions into a necessity statement might reveal some new insights. For example, eight out of nine countries with a high opportunity IIP and a low patriotism score have a relatively small GDP size. Similarly, eight out of nine countries with a high opportunity IIP and a low patriotism score have a relatively small state debt.

Bulgaria, Estonia, Hungary, Latvia, Malta, Romania and Slovenia all appear in the three most necessary paths towards high opportunity IIP's. When drawing on the raw data, these cases arguably have had the most right oriented governments, with CPDS right-wing scores of respectively 92,8 %, 100 %, 74,7 %, 100 %, 100, %, 39,9 % and 48,4 %. These are, except for Romania and Slovenia, among the highest right-wing scores in the entire data set, proving the condition to be of great importance.

The following table (Table 8) serves as a summary and quick overview of the different necessary conditions for high opportunity IIP's.

**Table 8***Necessary conditions of high opportunity IIP's*

<b>Boolean expression</b>	<b>Statement of necessity</b>	<b>Consistency</b>	<b>Cases (n)</b>	<b>Cases</b>
<b>POLI <math>\leftarrow</math> IIP</b>	A right-leaning political orientation of the government is a necessary condition for high opportunity immigrant investment programs.	100%	11	BUL, CYP, EST, GRE, HUN, LAT, MAL, POR, ROM, SLVN, SPA
<b>sdgdp <math>\leftarrow</math> patr*IIP</b>	A low state debt is a necessary condition for high opportunity immigrant investment programs in countries with a low patriotism score.	88,9 %	8	BUL, EST, GRE, HUN, LAT, MAL, ROM, SLVN
<b>gdps <math>\leftarrow</math> patr*IIP</b>	A small gdp size is a necessary condition for high opportunity immigrant investment programs in countries with a low patriotism score.	88,9 %	8	BUL, EST, HUN, LAT, MAL, POR, ROM, SLVN

Source: own illustration

*Note:* POLI = right oriented political government; IIP = presence of high opportunity Immigration Investment Programs; sdgdp = low state debt as percentage of the GDP; patr = low patriotism score; gdps = small GDP; BUL = Bulgaria; CYP = Cyprus; EST = Estonia; GRE = Greece; HUN = Hungary; LAT = Latvia; MAL = Malta; POR = Portugal; ROM = Romania; SLVN = Slovenia; SPA = Spain.

## 6.2. Sufficient conditions for high opportunity IIP's

Sufficient conditions are identified through the process of Boolean minimalization, which can be done by *fsQCA* and *Kirq*. These softwares can run different calculations and produce the different solutions. As explained earlier, the software produces a *complex solution*, a *parsimonious solution*, and an *intermediate solution*. These solutions differ in terms of the extent of which the analysis takes the logical remainders into account. Logical remainders are the configurations in a truth table without a case assigned to it. These logical remainders often appear because of limited diversity within the cases. Most QCA studies have a certain number of logical remainders. This study specifically deals with six logical remainders as there are sixteen ( $2^4$ ) configurations, ten of which have cases assigned to them, leaving six empty.



Running the [1] configurations including logical remainders through *Kirq* presents one solution with four prime implicants. This reads as follows:

**Solution:**  $patr * POLI + SDGDP * PATR + gdps * POLI + SDGDP * POLI \rightarrow IIP$

The Boolean expression above can be interpreted as follows:

*A high opportunity IIP occurs in case of a low patriot score (patr) and a right-leaning political orientation (POLI) or in case of a high state debt (SDGDP) and high patriot score (PATR) or in case of a small economy (gdps) and a right-leaning political orientation (POLI) or in case of a high state debt (SDGDP) and a right-leaning political orientation (POLI).*

The necessary conditions analysis already revealed the importance of political orientation (*POLI*) as a causal explanation for the emergence of high opportunity IIP's. This analysis demonstrated that all EU countries with a high opportunity IIP's had a right-wing political orientation at the time of implementation. The dichotomous data table (see appendix I) however, shows that 19 out of 27 countries had a right-leaning political orientation. In other words, many countries with a low opportunity IIP also had a right-leaning political orientation. Thus, individually, *POLI* is an insufficient condition to explain the emergence of IIP's. In combination with other conditions, however, it shows to be a significant indicator, being of explanatory value in each prime implicant.

Interestingly, eleven truth table cases can be explained through a low state debt combined with a low patriot score and a right-leaning political orientation ( $sdgdp * patr * POLI$ ). However, theory and existing literature suggest that a high state debt influences the emergence of IIP's. Nonetheless, *sdgdp* as an explanatory condition is lost after the minimization procedure. Paths III and IV offer the most explanatory value, both covering 73 % of the total cases.

As can be observed in table 9 all prime implicants cover multiple truth table rows. Furthermore, all prime implicants deal with a difference between truth table cases and original cases. These refer to the cases within a contradictory truth table row (Czech Republic, Ireland and Poland). The process and justification of including these contradictions are further outlined in appendix J. Table 9 also reveals that every case is covered by the solution formula, providing it with a coverage score of 100%.

As becomes clear from table 9, the cases as explained by path III and IV are identical, except for Greece and Portugal. In other words, the other six countries score very similar across all conditions. Portugal is an outsider as it has a large state debt (average growth of 113 % and a net growth of 40,7 %), while Greece has a relatively large GDP size (242 billion euros). The other six countries are characterized by both of these conditions.

**Table 9**

*Sufficient conditions for high opportunity IIP's*

<b>Path</b>	<b>Prime Implicants</b>	<b>Truth table rows minimized</b>	<b>Truth table cases covered</b>	<b>Original cases covered</b>	<b>Coverage</b>	<b>Original Cases</b>
<b>I</b>	<i>SDGDP * PATR * POLI</i>	4, 7	3	2	18 %	SPA, CYP
<b>II</b>	<i>gdps * SDGDP * POLI</i>	7, 10	2	2	18 %	CYP, POR
<b>III</b>	<i>sdgdp * patr * POLI</i>	1, 5	11	8	73 %	BUL, EST, HUN, LAT, MAL, ROM, SLVN, GRE
<b>IV</b>	<i>gdps * patr * POLI</i>	1, 10	11	8	73 %	BUL, EST, HUN, LAT, MAL, ROM, SLVN, POR
<b>Solution</b>	<i>patr * POLI + SDGDP * PATR + gdps * POLI + SDGDP * POLI</i>	1, 4, 5, 7, 10	15	11	100 %	BUL, EST, HUN, LAT, MAL, ROM, SLVN, SPA, GRE, CYP, POR

Source: own illustration

Note: SDGP = high state debt as percentage of GDP; PATR = high patriotism score; POLI = right oriented political government; gdps = small GDP; sdgdp = low state debt as percentage of GDP; patr = low patriotism score; SPA = Spain, CYP = Cyprus; POR = Portugal; BUL = Bulgaria; EST = Estonia; HUN = Hungary; LAT = Latvia; MAL = Malta; ROM = Romania; SLVN = Slovenia; GRE = Greece

### 6.3. Necessary conditions for low opportunity IIP's

Identifying the necessary conditions for the absence of high opportunity IIP's, and thus the presence of low opportunity IIP's, is also done by closely analyzing the dichotomous data table (see appendix I). None of the individual conditions (both their presence as well as absence) form fully necessary conditions for the low opportunity IIP's in European Union countries. The most explanatory condition is *sdgdp*, which thus forms a slightly inconsistent necessary condition. Fourteen out of sixteen countries with low opportunity IIP's are characterized by a relatively low state debt. This thus meets a consistency score of 87,5 %.

Again, combinations of conditions reveal more complex causal relations. For example, ten out of eleven countries with low opportunity IIP and a large GDP size, are also characterized by a high patriotism score. Furthermore, seven out of eight countries with a low opportunity IIP and a left or center leaning political orientation are also characterized by a relatively low state debt. Table 10 summarizes the necessary conditions for low opportunity IIP's.

**Table 10***Necessary conditions for low opportunity IIP's*

<b>Boolean expression</b>	<b>Statement of necessity</b>	<b>Consistency</b>	<b>Cases (n)</b>	<b>Cases</b>
<b>PATR <math>\leftarrow</math> GDPS*iip</b>	A high patriotism score is a necessary condition for the presence of low opportunity immigrant investment programs in countries with a large gdp size.	90,9 %	10	AUS, BEL, DEN, FIN, FRA, GER, IRE, ITA, NED, SWE
<b>sdgdp <math>\leftarrow</math> iip</b>	A low state debt is a necessary condition for countries with a low opportunity immigrant investment programs.	87,5 %	14	AUS, BEL, CZE, DEN, FIN, FRA, GER, ITA, LIT, LUX, NED, POL, SLVK, SWE
<b>sdgdp <math>\leftarrow</math> poli*iip</b>	A low state debt is a necessary condition for the presence of low opportunity immigrant investment programs in countries with a left or center leaning political orientation.	87,5 %	7	AUS, BEL, DEN, FIN, FRA, LUX, SLVK

Source: own illustration

*Note:* PATR = high patriotism score; GDPS = large GDP; iip = low opportunity immigration investment program; sdgdp = low state debt as percentage of the GDP; poli = left or center oriented political government; AUS = Austria; BEL = Belgium; DEN = Denmark; FIN = Finland; FRA = France; GER = Germany; IRE = Ireland; ITA = Italy; NED = The Netherlands; SWE = Sweden; CZE = Czech Republic; LIT = Lithuania; LUX = Luxembourg; POL = Poland; SLVK = Slovakia

#### 6.4. Sufficient conditions for low opportunity IIP's

When running the [0] configurations through fsQCA and Kirq, the programs both present the following parsimonious solution:

$$sdgdp * PATR + poli \rightarrow iip$$

Translated, this statement reads as: *a low opportunity IIP (iip) occurs in the case of a low state debt (sdgdp) combined with a high patriot score (PATR) or in case of a center or left leaning political orientation (poli).*

This solution reveals that a center or right leaning political orientation (*poli*) is a fully sufficient condition to explain low opportunity IIP's. This is largely due to the fully necessary condition of a right leaning political orientation (*POLI*) in case of high opportunity IIP's. Simply put, all cases with a high opportunity IIP are characterized by a right leaning political orientation (*POLI*) thus left or center leaning political orientation (*poli*) automatically becomes a sufficient condition for low opportunity IIP's.

The minimized formula mentioned above comes forth from primitive expressions and prime implicants. The prime implicants are then minimized using Boolean algebra. This process is completed by the software *Kirq*. Table 11 presents the prime implicants including the raw coverage scores per path and the minimized solution. Table 11 also illustrates that path III has the most explanatory value, covering 9 out of 16 cases, which accounts for 56 %.

In contrast to the high opportunity IIP sufficiency analysis, it can be observed that all the original cases covered are equivalent to truth table cases covered. This is mainly because all contradictory truth table rows were resolved by changing the outcome variable to [1], meaning that the only contradictory cases are found in the [1] analysis (see sufficiency analysis high opportunity IIP). These missing cases, however, do influence the coverage score of the solution. The minimized solution has a coverage score of 75%, which means that four out of sixteen of the original cases with a [0] outcome, thus cases with a low opportunity IIP, are not covered by the solution statement. All four cases belong to a contradictory truth table row and are thus coded as [1] configurations. The process and justification of these choices can be found in appendix J.

**Table 11***Sufficient conditions for low opportunity IIP's*

<b>Path</b>	<b>Prime Implicants</b>	<b>Truth table rows minimized</b>	<b>Truth table cases covered</b>	<b>Original cases covered</b>	<b>Coverage scores</b>	<b>Original cases</b>
<b>I</b>	sdgdp * PATR * poli	2, 6	6	6	38 %	AUS, BEL, DEN, FIN, FRA, LUX
<b>II</b>	gdps * sdgdp * poli	6, 8	2	2	12 %	LUX, SLVK
<b>III</b>	GDPS * sdgdp * PATR	2, 3	9	9	56 %	AUS, BEL, DEN, FIN, FRA, GER, ITA, NED, SWED
<b>IV</b>	gdps * patr * poli	8,9	2	2	12 %	SLVK, CRO
<b>Solution</b>	sdgdp * PATR + poli	2, 3, 6, 8, 9	12	12	75 %	AUS, BEL, DEN, FIN, FRA, LUX, SLVK, GER, ITA, NED, SWED, CRO

Source: own illustration

Note: sdgdp = low state debt as percentage of GDP; PATR = high patriotism score; poli = left or center oriented political government; gdps = small GDP; GDPS = large GDP; PATR = high patriotism score; AUS = Austria; BEL = Belgium; DEN = Denmark; FIN = Finland; FRA = France; LUX = Luxembourg; SLVK = Slovakia; GER = Germany; ITA = Italy; NED = The Netherlands; SWED = Sweden; CRO = Croatia

## 6.5. Summary

This chapter conducted both a necessary condition analysis as well as a sufficiency analysis for both the presence of high opportunity IIP's as well as low opportunity IIP's. A right leaning political orientation is a fully necessary condition for high opportunity IIP's, meaning that all cases with a high opportunity IIP in place, had a right-leaning government at the time of implementation. Although presented with a lower consistency score, the combination of a small

economy and a low patriotism score also proved to be of explanatory value for high opportunity IIP's.

The absence of high opportunity IIP's can best be explained through high patriotism scores combined with a large economy. However, in contrast to the presence high opportunity IIP's, not a single condition is fully necessary for its absence (low opportunity IIP's).

Out of the two, the sufficiency analysis is the most important one within a QCA study. This chapter revealed that there are four sufficient paths leading to the presence of high opportunity immigrant investment programs. These paths mainly emphasize the role of a right leaning political orientation of the government. However, all paths substitute this condition with another condition. The most explanatory paths reveal that besides a right leaning political orientation of the government, a low patriot score also holds explanatory power. The combination of these two lead to the most explanatory paths. The sufficiency analysis of high opportunity IIP's has computed a solution in which all cases are covered, giving it a coverage score of 100%.

A sufficiency analysis of the [0] configurations, reveals that there are two main paths leading to low opportunity IIP's. These paths demonstrate that a left or center political orientation is a sufficient condition for the low opportunity IIP's. The other path states that a low state debt combined with a high patriot score leads to low opportunity IIP's. This solution has a coverage score of 75 %.

## 7. Discussion, limitations and recommendations

### 7.1 Discussion

This chapter discusses the results from the previous chapter and relates them back to the existing literature and theoretical insights as discussed earlier in this study. As QCA is concerned with the combination of conditions, rather than individual conditions, this section is structured per analysis and discovered paths as outlined in the results chapter. Furthermore, this chapter discusses the significance of the study and the results, as well as the limitations of the research.

Overall, this study has illustrated that combining economic conditions with non-economic conditions leads to a better understanding of the implementation of immigrant investment programs within the European Union. QCA studies typically consist of four different types of analyses: namely the sufficient as well as necessary analyses of both the presence as well as the absence of the studied outcome. In all four of these analyses, the study reveals an explanatory value in combining economic and non-economic conditions to discover the emergence of high opportunity IIP's in contrast to low opportunity IIP's.

The most necessary path to high opportunity IIP's, is that of having a government with a right oriented political orientation. This covered all the eleven member states that are characterized by high opportunity IIP's, making this condition fully necessary. This is an interesting conclusion as previously conducted research led to the conclusion that political orientation is an irrelevant factor for the implementation of RBI programs (Parker, 2017; Surak & Tsuzuki, 2021).

The second necessary path reads as follows: a low state debt is a necessary condition for high opportunity IIP's in countries with a low patriotism score. This illustrates that very connection between economic and non-economic conditions. The low state debt, however, is contrary to the hypothesis of this study. It was expected that nation states with a high state debt would be more likely to implement high opportunity IIP's. This pathway, however, does not only contradict this hypothesis, but it also reveals that a low state debt is a necessary condition for high opportunity IIP's. This second path also reveals the importance of the patriot score, which is the result of translating the National Identity Theory into a condition. The patriotism score reveals something about the degree in which the studies member states adhere to their own culture and values and about their position towards outsiders (Ko & Choi, 2022). As IIP's are concerned with acquiring a certain status within a society, the patriotism score might be directly related to migration related policies. Taking existing literature and theories into consideration, it was expected that a high degree of patriotism would stand in direct relation



with the absence of high opportunity IIP's. In other words, it was expected that patriot countries would be less likely to adopt IIP's compared to less patriot countries. This chapter has confirmed this hypothesis. Both the necessity as well as the sufficiency analyses pointed out that the role of patriotism could not be denied.

The final path of the necessity analysis of the high opportunity IIP's points to the significance of the GDP size, in combination with the non-economic condition of patriotism. As expected, there is a positive relationship between small GDP sized countries and the emergence of high opportunity IIP's. This expectation was based on the high success rate of these programs in small countries as for example St. Kitts & Nevis.

While important, the necessary condition does not provide this study with the most explanatory value. Generally, QCA is valued for its sufficiency analyses. In this study, these sufficiency analyses, as mentioned before, also highlight the sought after significance of combining economic with non-economic indicators. The final solution formula of the sufficiency analysis for the presence of high opportunity IIP's reads as follows:

$$patr * POLI + SDGDP * PATR + gdps * POLI + SDGDP * POLI$$

This solution has a coverage score of 100 %, meaning that every case with a high opportunity IIP can be explained by this solution. In contrast to the necessity analysis, this sufficiency analysis does reveal the significance of a high state debt in relation to high opportunity IIP's. In other words, this solution states that a high state debt is a sufficient condition for the presence of high opportunity IIP's. This is in line with the initial hypothesis in which it was expected that countries with a relatively high state debt are more likely to adopt investment immigration programs.

The sufficiency analysis for low opportunity IIP's does not cover all the cases. It accounts for twelve of the sixteen countries with a classified low opportunity IIP, providing it with a coverage score of 75 %. While this solution covers less than the sufficiency analysis of the presence of high, it also reveals a combination between economic and non-economic factors. The final solution of the sufficiency analysis for low opportunity IIP's reads as follows:

$$sdgdp * PATR + poli$$

This solution is minimized. See figure 7 in the results chapter for the prime implicants leading to this solution.

## 7.2. Limitations

While this research has led to the conclusion that the role of non-economic conditions for the emergence of high opportunity IIP's plays a significant role, it does come with a number of shortcomings. This section outlines the different limitations of this study and is structured as follows. First it discusses the limitations of the chosen methodology, after which the operationalization of the outcome and condition variables is discussed.

### 7.2.1. Limitations of QCA

To start off, QCA studies are often praised for their ability to bridge the gap between case study-oriented approaches and variable oriented approaches (Grofman & Schneider, 2009). However, according to critics, this is also one of the methodology's limitations. For this specific study, QCA was applied because it would help in unraveling the complexity of immigrant investment programs and its emergence and form a systematic comparison between all the European Union member states. This method has contributed to a justification in which it made sense to test non-economic conditions alongside economic conditions, as were acknowledged by previously conducted research. However, this is also where QCA loses some of its credibility. While the chosen conditions are theory-based, one must be careful with the conclusions that might follow the analyses. It is tempting to consider the computed pathways and prime implicants as the causal truth of why or why not a certain phenomenon emerges. However, it would be a mistake to blindly assume this. QCA solely provides the researcher with a pattern within the parameters of the chosen conditions and outcomes. In other words, would the researcher have chosen to include other conditions, it might have led to different conclusions.

Nonetheless, by applying QCA to this specific research, it was possible to identify the significance of non-economic conditions, that came forth from the National Identity Theory and the Domestic Policy Model. It also helped in revealing the complexity of these programs.

### 7.2.2. Limitations of operationalization

The next shortcoming of QCA is the dependency on binary data. As this study opted for a crisp set, all the data had to be converted into a binary coding scheme, in which [0] and [1] codes were used to identify membership and non-membership. This not only required careful considerations as to how to operationalize the identified conditions and outcomes, but it also

loses the ability to leave room for nuances. Crisp sets are based on harsh thresholds, in which the difference between membership and non-membership can be minimal. This next section outlines the different challenges that were countered during the process of operationalizing the conditions and outcomes of this study. It first critically assesses the operationalization of the outcome variable before it briefly looks into the different conditions and their chosen thresholds.

#### *7.2.2.1. Limitations of outcome variable*

The re-classification of the outcome variable is the largest adaptation within this study. As outlined in both the theoretical framework as well as in the operationalization, this study opted for a different classification of immigrant investment programs. The most conventional classification of immigrant investment programs is that of RBI (residency by investment) and CBI (citizenship by investment). As explained before, this classification is too simplified. Especially within the group of countries that offer RBI programs, the differences are enormous. The nuances of the different programs, and the different opportunities it offers, are lost because of this simplified classification. By re-classifying the outcome variable based on the opportunities they offer, this study aimed to regain some of that nuance. Now countries with very unattractive programs (e.g. The Netherlands) and countries with attractive programs (e.g. Hungary) are separated. The re-classification, however, comes with its shortcoming and these cannot be neglected.

First, by basing the re-classification on the opportunities it offers, it shifts the focus back to the demand side (investors) of IIP's, while this study is concerned with the supply side (countries). This is not per se bad as it is purely about classifying and operationalizing, but it is important to acknowledge it.

Second, as this re-classification is still based on a binary system, in which a case either belongs ([1]) or does not belong ([0]), thus it still deals with cases that are difficult to group. In this specific study, Poland and Ireland were difficult to group. While they were both initially grouped as having low opportunity IIP's, this led to contradictions in the computed truth table. By re-classifying them as high opportunity IIP's, these contradictions were solved (see appendix J). While this can be justified, it still illustrates how nuances can be lost when classifying phenomena with binary coding. Another researcher might have made a different choice, leading to a different analyses with different conclusions.

### *7.2.2.2. Limitations of operationalization of conditions*

As became clear from the previous section, all operationalizations can be criticized when applying the binary system as the chosen threshold can be changed according to the right justification. This section outlines several challenges that occurred when operationalizing the conditions.

First, all the conditions were operationalized in a binary approach, leaving very little room for nuances. This, however, cannot be resolved, it is merely good to acknowledge it. Second, the majority of the collected data originates from the years leading up to when most IIP's were implemented, namely around 2012. This is a simplified approach as not all countries with high (or low for that matter) opportunity IIP's had these programs implemented in 2012.

The GDP size was the only condition that did not come forth from theoretical insights or previously conducted studies. Rather, it was a result from closely analyzing the set of cases and predicting a possible feature. This condition merely looked at the GDP size, rather than the GDP per capita, which is a more used version of this condition. There are, however, no guidelines as to how one can classify a GDP size as being small or large. Therefore, this study has resorted to identifying the median GDP size. While this classification can be justified, a different classification, for example based on the world-wide median instead of the European median, might have led to different outcomes.

The most difficult condition to operationalized proved to be the state debt as a percentage of the GDP. As extensively explained in the operationalization chapter, this study has resorted to an approach in which the net growth and average growth of the state debt are combined. This operationalization, however, caused a rather skewed division in which only five cases were classified as having a large state debt (Croatia, Cyprus, Ireland, Romania and Spain).

In conclusion, the limitations of this study can be mainly attributed to the choices made in classification and operationalization of the data. This, however, is not limited to this specific study. Every study comes across challenges when it comes the operationalization. By being transparent about the specific shortcomings, this thesis aims to contribute to the literature and help build a foundation on which further research can be done.

## **7.3 Recommendations**

This study has identified different pathways towards the implementation of immigrant investment programs. Over the last decade, these programs have countered much criticism. The European Union is rather unsatisfied with these programs as they have the tendency to attract

the wealthy with devious intentions (Brillaud & Martini, 2018). While these accusations often lack evidence due to privacy regulations of those who have invested in return for immigration rights, it does highlight the dispute and explains why the topic is of constant importance and debate. This study, however, has not evaluated the morality of IIP's. Nonetheless, the conclusions arising from this research can still be used to evaluate the future of IIP's, mainly in the form of better understanding the phenomena.

This study has identified the different pathways of when European Member States might resort to the implementation of both high as well as low opportunity IIP's. It has revealed that non-economic conditions supplement the economic conditions. These are new insights and might assist European Union member states in better understanding the origins and emergence of these programs. By acknowledging that IIP's are a product of more than just economic incentives, countries can more efficiently determine the program requirements and proposed revenues. Furthermore, if countries wish to abolish these programs, which is being stimulated by the European Union, they can use this study to determine the underlying mechanisms and properly determine an exit strategy.

As the scope of this study covered all twenty-seven member states of the European Union, the results cannot be used as a framework to make predictions for remaining member states. Nonetheless, the results might be useful for countries outside of the European Union. Furthermore, the identification of different pathways towards the implementation of high opportunity IIP's will help countries to monitor and evaluate their IIP's.

IIP's generally receive a lot of criticism, while it offers many opportunities for countries. While this goes beyond the scope of this study, countries are encouraged to better define the eligibility criteria of their IIP's and collaborate internationally. The many different criteria often lack clarity and thus contribute to the already existing notion that IIP's are questionable. If criteria are better defined and there are international collaborations with regards to IIP's, the devious reputation of these programs might get restored slightly.

All with all, this study does not aim to conclude with a stance on whether or not IIP's can be justified or not. Much has been written about the morality aspect, and the answer to this question is highly complex. Rather this thesis can be used by fellow academics to broaden their understanding of the emergence of IIP's, additionally it can serve as a framework for policy makers to highlight the importance of looking beyond the economic dimension.

## 8. Conclusion

This study aimed to explain the emergence of high opportunity Investment Immigration Programs (IIP) within the European Union. This was guided by the main research question; Which (combination of) conditions lead to the implementation of high opportunity Investment Immigration Programs in the European Union, and which lead to no or low opportunity Investment Immigration Programs?

This study first drew on existing literature on the emergence of IIP's. While there are scholars who have attempted to explain the growing trend of states implementing IIP's, the literature is not yet convincing. The most extensive accounts can be attributed to Kristin Surak (2021a, 2021c, 2022a, 2022b, 2022c), Owen Parker (2017), and Yusuke Tsuzuki (2021). They are able to identify economic incentives and link them to the implementation of such programs, however, these studies are not fully conclusive.

Therefore, the theoretical framework of this study was set out to identify other possible conditions. This led to three types of conditions, namely *economic conditions*, *national identity conditions* and *domestic policy model conditions*. Part of the research design was attributed to the introduction to Qualitative Comparative Analysis, the method that was used during this study. The operationalization of the outcome variable (IIP) and the different conditions set the important framework for the different types of analyses. Each variable (outcome and conditions) was operationalized by setting a threshold value to determine the binary membership scores. The dichotomous data table (see appendix I) visually summarizes this collection of data. The software programs fsQCA and Kirq were then able to run analyses and compute the necessary and sufficient (combination of) conditions for the presence as well as absence of high opportunity IIP's.

As for the necessary conditions, it became clear that a right leaning political orientation of the government is a fully necessary condition for the emergence of high opportunity IIP's. In other words, every country with a high opportunity IIP is characterized with a right-wing government. As for the absence of high opportunity IIP's, it can be concluded that a high patriotism score is a necessary condition for countries without a high opportunity IIP but with a large economy. The other, although less convincing, necessary paths can be found in the results chapter.

The sufficiency analysis revealed that with regards to the presence of high opportunity IIP, the most explanatory paths logically also highlight the importance of a right-leaning

political orientation. This condition forms the most explanatory sufficient paths for the presence of high opportunity IIP's in combination with a low patriotism score or a small economy. The most telling path for the absence of high opportunity IIP's, reveals the importance of a center or left-wing political orientation. The other path reveals that the combination of a low state debt and high patriotism score constitutes a sufficient path for the absence of high opportunity IIP's.

This study has illustrated the different pathways in which high opportunity and low opportunity IIP's emerge within the European Union. It aimed to broaden the overall understanding of the emergence of IIP's and questioned the much-followed belief that these programs are solely introduced out of economic need. The main take away of this study is that a combination of economic and non-economic conditions leads to the emergence of these programs. So far, not many studies have attempted to study beyond the economic scope when it comes to the emergence of IIP's. While still faced with a number of challenges, this study can be used as the foundation for further research in which non-economic factors contributing to the emergence of IIPs, are used.

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## 10. Appendices

### Appendix A

#### Data table inflation rate (INFL)

EU Country	High opportunity IIP	Inflation rate in percentages					Binary Code
		2009	2010	2011	2012	Average	
Austria	0	0,5%	1,8%	3,3%	2,5%	2,0%	0
Belgium	0	-0,1%	2,2%	3,5%	2,8%	2,1%	0
Bulgaria	1	2,8%	2,4%	4,2%	3,0%	3,1%	1
Croatia	0	2,4%	1,0%	2,3%	3,4%	2,3%	0
Cyprus	1	0,3%	2,4%	3,3%	2,4%	2,1%	0
Czech Republic	0	1,0%	1,5%	1,9%	3,3%	1,9%	0
Denmark	0	1,3%	2,3%	2,8%	2,4%	2,2%	0
Estonia	1	-0,1%	3,0%	5,0%	3,9%	3,0%	1
Finland	0	0,0%	1,2%	3,4%	2,8%	1,9%	0
France	0	0,1%	1,5%	2,1%	2,0%	1,4%	0
Germany	0	0,3%	1,1%	2,1%	2,0%	1,4%	0
Greece	1	1,2%	4,7%	3,3%	1,5%	2,7%	1
Hungary	1	4,2%	4,9%	3,9%	5,7%	4,7%	1
Ireland	0	-4,5%	-0,9%	2,6%	1,7%	-0,3%	0
Italy	0	0,8%	1,5%	2,8%	3,0%	2,0%	0
Latvia	1	3,5%	-1,1%	4,4%	2,3%	2,3%	0
Lithuania	0	4,5%	1,3%	4,1%	3,1%	3,3%	1
Luxembourg	0	0,4%	2,3%	3,4%	2,7%	2,2%	0
Malta	1	2,1%	1,5%	3,0%	2,4%	2,3%	0
The Netherlands	0	1,2%	1,3%	2,3%	2,5%	1,8%	0
Poland	0	3,8%	2,6%	4,2%	3,6%	3,6%	1
Portugal	1	-0,8%	1,4%	3,7%	2,8%	1,8%	0
Romania	1	5,6%	6,1%	5,8%	3,3%	5,2%	1
Slovakia	0	1,6%	1,0%	3,9%	3,6%	2,5%	1
Slovenia	1	0,8%	1,8%	1,8%	2,6%	1,8%	0
Spain	1	-0,3%	1,8%	3,2%	2,4%	1,8%	0
Sweden	0	-0,5%	1,2%	3,0%	0,9%	1,2%	0

## Appendix B

Data table GDP growth (GDPg)

EU Country	High opportunity IIP	Annual GDP growth (in percentages)					Binary Code
		2009	2010	2011	2012	average	
Austria	0	-3,8%	1,8%	2,9%	0,7%	0,4%	0
Belgium	0	-2,0%	2,9%	1,7%	0,7%	0,8%	0
Bulgaria	1	-3,3%	1,5%	2,0%	0,8%	0,3%	0
Croatia	0	-7,3%	-1,3%	-0,1%	-2,3%	-2,8%	1
Cyprus	1	-2,0%	2,0%	-0,4%	-3,4%	-1,0%	1
Czech Republic	0	-4,7%	2,4%	1,8%	-0,8%	-0,3%	0
Denmark	0	-4,9%	1,9%	1,3%	0,2%	-0,4%	0
Estonia	1	-14,6%	2,4%	7,3%	3,2%	-0,4%	0
Finland	0	-6,1%	3,2%	2,5%	-1,4%	-0,5%	0
France	0	-2,9%	1,9%	2,2%	0,3%	0,4%	0
Germany	0	-5,7%	4,2%	3,9%	0,4%	0,7%	0
Greece	1	-4,3%	-5,5%	-10,1%	-7,1%	-6,8%	1
Hungary	1	-6,6%	1,1%	1,9%	-1,3%	-1,2%	1
Ireland	0	-5,2%	1,8%	1,1%	-0,1%	-0,6%	1
Italy	0	-5,3%	1,7%	0,7%	-3,0%	-1,5%	1
Latvia	1	-14,2%	-4,5%	2,6%	7,0%	-2,3%	1
Lithuania	0	-14,8%	1,7%	6,0%	3,8%	-0,8%	1
Luxembourg	0	-3,2%	3,8%	1,0%	1,6%	0,8%	0
Malta	1	-1,1%	5,5%	0,5%	4,1%	2,3%	0
The Netherlands	0	-3,7%	1,3%	1,6%	-1,0%	-0,5%	0
Poland	0	2,8%	3,7%	4,8%	1,3%	3,2%	0
Portugal	1	-3,1%	1,7%	-1,7%	-4,1%	-1,8%	1
Romania	1	-5,5%	-3,9%	1,9%	2,0%	-1,4%	1
Slovakia	0	-5,5%	6,3%	2,6%	1,4%	1,2%	0
Slovenia	1	-7,5%	1,3%	0,9%	-2,6%	-2,0%	1
Spain	1	-3,8%	0,2%	-0,8%	-3,0%	-1,9%	1
Sweden	0	-4,3%	6,0%	3,2%	-0,6%	1,1%	0

## Appendix C

## Data table GDP size (GDPs)

EU Country	High opportunity IIP	GDP in millions (2012)	Binary code
Austria	0	409400	1
Belgium	0	496150	1
Bulgaria	1	54300	0
Croatia	0	57190	0
Cyprus	1	24980	0
Czech Republic	0	208860	0
Denmark	0	327150	1
Estonia	1	23020	0
Finland	0	258290	1
France	0	2680000	1
Germany	0	3530000	1
Greece	1	242030	1
Hungary	1	128860	0
Ireland	0	225500	1
Italy	0	2090000	1
Latvia	1	28170	0
Lithuania	0	42930	0
Luxembourg	0	59780	0
Malta	1	9460	0
The Netherlands	0	838920	1
Poland	0	498520	1
Portugal	1	216220	0
Romania	1	170640	0
Slovakia	0	94250	0
Slovenia	1	46580	0
Spain	1	1320000	1
Sweden	0	552480	1

## Appendix D

## 1. Data table state debt as percentage of GDP (average 2009-2012)

EU Country	High opportunity IIP	State debt as percentage of GDP					Average	Binary code
		2009	2010	2011	2012			
Austria	0	86,3%	90,5%	91,5%	91,5%	90%	1	
Belgium	0	110,7%	108,7%	111,6	121,0%	113%	1	
Bulgaria	1	20,2%	20,6%	19,5%	21,8%	21%	0	
Croatia	0	63,5%	72,4%	78,8%	83,5%	75%	1	
Cyprus	1	45,5%	54,3%	65,9%	80,3%	62%	1	
Czech Republic	0	39,7%	40,1%	47,0%	56,2%	46%	0	
Denmark	0	49,3%	53,4%	60,1%	60,6%	56%	0	
Estonia	1	12,8%	11,9%	9,5%	13,1%	12%	0	
Finland	0	51,6%	58,0%	60,9%	68,0%	60%	0	
France	0	97,6%	101,1%	103,8	111,9%	104%	1	
Germany	0	77,7%	87,1%	86,1%	88,6%	85%	1	
Greece	1	135,5%	130,4%	113,6	167,1%	137%	1	
Hungary	1	84,9%	86,1%	95,1%	98,4%	91%	1	
Ireland	0	67,5%	83,4%	110,8	129,1%	98%	1	
Italy	0	125,5%	124,3%	117,2	135,4%	126%	1	
Latvia	1	42,2%	54,0%	51,5%	49,2%	49%	0	
Lithuania	0	34,2%	45,5%	45,7%	51,2%	44%	0	
Luxembourg	0	22,3%	27,2%	26,7%	27,5%	26%	0	
Malta	1	66,3%	65,5%	70,0%	66,6%	67%	1	
The Netherlands	0	65,3%	69,3%	73,8%	79,5%	72%	1	
Poland	0	57,2%	62,2%	62,6%	65,9%	62%	1	
Portugal	1	97,6%	105,7%	109,9	137,3%	113%	1	
Romania	1	29,0%	36,2%	41,9%	46,9%	39%	0	
Slovakia	0	44,0%	48,3%	51,1%	60,7%	51%	0	
Slovenia	1	43,8%	47,9%	51,3%	61,5%	51%	0	
Spain	1	62,7%	67,4%	78,3%	97,2%	76%	1	
Sweden	0	56,0%	53,4%	53,8%	55,1%	55%	0	

## 2. Data Table State Debt as Percentage of GDP (growth between 2009 and 2012)

EU Country	High opportunity IIP	State debt as percentage of GDP			Binary Code
		2009	2012	Growth	
Austria	0	86,3%	91,5%	6,0%	0
Belgium	0	110,7%	121,0%	9,3%	0
Bulgaria	1	20,2%	21,8%	7,9%	0
Croatia	0	63,5%	83,5%	31,5%	1
Cyprus	1	45,5%	80,3%	76,5%	1
Czech Republic	0	39,7%	56,2%	41,8%	1
Denmark	0	49,3%	60,6%	23,0%	0
Estonia	1	12,8%	13,1%	2,9%	0
Finland	0	51,6%	68,0%	31,8%	1
France	0	97,6%	111,9%	14,7%	0
Germany	0	77,7%	88,6%	14,0%	0
Greece	1	135,5%	167,1%	23,3%	0
Hungary	1	84,9%	98,4%	15,9%	0
Ireland	0	67,5%	129,1%	91,3%	1
Italy	0	125,5%	135,4%	7,9%	0
Latvia	1	42,2%	49,2%	16,5%	0
Lithuania	0	34,2%	51,2%	49,9%	1
Luxembourg	0	22,3%	27,5%	23,3%	0
Malta	1	66,3%	66,6%	0,5%	0
The Netherlands	0	65,3%	79,5%	21,8%	0
Poland	0	57,2%	65,9%	15,3%	0
Portugal	1	97,6%	137,3%	40,7%	1
Romania	1	29,0%	46,9%	61,9%	1
Slovakia	0	44,0%	60,7%	37,8%	1
Slovenia	1	43,8%	61,5%	40,5%	1
Spain	1	62,7%	97,2%	55,0%	1
Sweden	0	56,0%	55,1%	-1,5%	0



### 3. Data Table State Debt as Percentage of GDP (combination of table A and B)

EU countries	High opportunity IIP	Binary code Table A	Binary Code Table B	Binary Code A+B
Austria	0	1	0	0
Belgium	0	1	0	0
Bulgaria	1	0	0	0
Croatia	0	1	1	1
Cyprus	1	1	1	1
Czech Republic	0	0	1	0
Denmark	0	0	0	0
Estonia	1	0	0	0
Finland	0	0	1	0
France	0	1	0	0
Germany	0	1	0	0
Greece	1	1	0	0
Hungary	1	1	0	0
Ireland	0	1	1	1
Italy	0	1	0	0
Latvia	1	0	0	0
Lithuania	0	0	1	0
Luxembourg	0	0	0	0
Malta	1	1	0	0
The Netherlands	0	1	0	0
Poland	0	1	0	0
Portugal	1	1	1	1
Romania	1	0	1	0
Slovakia	0	0	1	0
Slovenia	1	0	1	0
Spain	1	1	1	1
Sweden	0	0	0	0

## Appendix E

Data Table Unemployment Rate (UR) in percentages

EU Country	High opportunity IIP	Unemployment Rate in percentages					Binary Code
		2009	2010	2011	2012	Average	
Austria	0	5,3%	4,8%	4,6%	4,9%	4,9%	0
Belgium	0	7,9%	8,3%	7,1%	7,5%	7,7%	0
Bulgaria	1	6,8%	10,3%	11,3%	12,3%	10,2%	1
Croatia	0	9,2%	11,6%	13,7%	15,9%	12,6%	1
Cyprus	1	5,4%	6,3%	7,9%	11,8%	7,9%	0
Czech Republic	0	6,7%	7,3%	6,7%	7,0%	6,9%	0
Denmark	0	6,4%	7,8%	7,8%	7,8%	7,5%	0
Estonia	1	13,6%	16,7%	12,3%	10,0%	13,2%	1
Finland	0	8,3%	8,4%	7,8%	7,7%	8,1%	0
France	0	8,7%	8,9%	8,8%	9,4%	9,0%	0
Germany	0	7,7%	7,0%	5,8%	5,4%	6,5%	0
Greece	1	9,6%	12,7%	17,9%	24,2%	16,1%	1
Hungary	1	10,0%	11,2%	11,0%	11,0%	10,8%	1
Ireland	0	12,6%	14,5%	15,4%	15,4%	14,5%	1
Italy	0	7,8%	8,4%	8,4%	10,6%	8,8%	0
Latvia	1	17,5%	19,5%	16,2%	15,1%	17,1%	1
Lithuania	0	13,8%	17,8%	15,4%	13,4%	15,1%	1
Luxembourg	0	5,1%	4,4%	4,9%	5,1%	4,9%	0
Malta	1	6,9%	6,8%	6,4%	6,2%	6,6%	0
The Netherlands	0	4,3%	5,0%	5,0%	5,8%	5,0%	0
Poland	0	8,2%	9,6%	9,6%	10,1%	9,4%	0
Portugal	1	9,4%	10,8%	12,7%	15,5%	12,1%	1
Romania	1	6,9%	7,0%	7,2%	6,8%	7,0%	0
Slovakia	0	12,0%	14,4%	13,6%	14,0%	13,5%	1
Slovenia	1	5,9%	7,2%	8,2%	8,8%	7,5%	0
Spain	1	17,9%	19,9%	21,4%	24,8%	21,0%	1
Sweden	0	8,4%	8,6%	7,8%	8,0%	8,2%	0

## Appendix F

Data Table Patriotism score (PATR)

EU member states	High opportunity IIP	Patriotism score 2012	Binary Code
Austria	0	472	1
Belgium	0	467	1
Bulgaria	1	395	0
Croatia	0	428	0
Cyprus	1	494	1
Czech Republic	0	434	0
Denmark	0	491	1
Estonia	1	399	0
Finland	0	473	1
France	0	510	1
Germany	0	527	1
Greece	1	426	0
Hungary	1	406	0
Ireland	0	515	1
Italy	0	473	1
Latvia	1	394	0
Lithuania	0	394	0
Luxembourg	0	519	1
Malta	1	402	0
The Netherlands	0	459	1
Poland	0	419	0
Portugal	1	435	0
Romania	1	414	0
Slovakia	0	426	0
Slovenia	1	451	0
Spain	1	465	1
Sweden	0	503	1

## Appendix G

Data table Political Orientation of government (POLI) - 2012

EU Country	High opportunity IIP	Political Orientation of Government				Type	Binary Code
		GovRight	GovCenter	GovLeft	Type		
Austria	0	0,00	50,00	50,00	3	Left	0
Belgium	0	38,46	23,08	38,46	3	Center	0
Bulgaria	1	92,83	0,00	0,00	1	Right	1
Croatia	0	22,73	0,00	68,18	4	Left	0
Cyprus	1	83,33	0,00	3,97	1	Right	1
Czech Republic	0	81,95	0,00	0,00	1	Right	1
Denmark	0	26,09	0,00	73,91	4	Left	0
Estonia	1	100,00	0,00	0,00	1	Right	1
Finland	0	42,11	5,26	52,63	3	Left	0
France	0	35,54	0,00	62,84	3	Left	0
Germany	0	31,25	68,75	0,00	1	Right	1
Greece	1	44,47	0,00	39,50	3	Right	1
Hungary	1	74,69	0,00	0,00	1	Right	1
Ireland	0	0,00	66,67	33,33	2	Right	1
Italy* (2011)	0	87,95	0,00	0,00	1	Right	1
Latvia	1	100,00	0,00	0,00	1	Right	1
Lithuania	0	88,96	0,36	4,37	2	Right	1
Luxembourg	0	0,00	60,00	40,00	3	Left	0
Malta*	1	0,00	100,00	0,00	1	Right	1
Netherlands	0	50,60	42,21	7,19	2	Right	1
Poland	0	60,00	0,00	15,00	2	Right	1
Portugal	1	66,67	0,00	0,00	1	Right	1
Romania	1	39,95	8,85	34,35	3	Right	1
Slovakia	0	10,27	15,41	74,32	4	Left	0
Slovenia	1	48,47	13,70	37,55	3	Right	1
Spain	1	17,54	81,77	0,00	1	Right	1
Sweden	0	70,83	29,17	0,00	1	Right	1

## Appendix H

Data Table Migrant Acceptance Index (MAI)

EU member states	High opportunity IIP	Migrant Acceptance Score	Binary Code
Austria	0	6.06	1
Belgium	0	6.16	1
Bulgaria	1	2.42	0
Croatia	0	2.39	0
Cyprus	1	5.41	0
Czech Republic	0	2.26	0
Denmark	0	7.09	1
Estonia	1	2.37	0
Finland	0	6.58	1
France	0	6.46	1
Germany	0	7.09	1
Greece	1	3.34	0
Hungary	1	1.69	0
Ireland	0	7.74	1
Italy	0	6.49	1
Latvia	1	2.04	0
Lithuania	0	2.72	0
Luxembourg	0	6.54	1
Malta	1	4.95	0
The Netherlands	0	7.46	1
Poland	0	3.31	0
Portugal	1	6.65	1
Romania	1	2.93	0
Slovakia	0	1.83	0
Slovenia	1	4.42	0
Spain	1	7.44	1
Sweden	0	7.92	1

## Appendix I

## Dichotomous Data Table

EU country	Economic conditions					Non-economic conditions			Outcome
	INFL	GDPg	GDPs	SDgdp	UR	PATR	POLI	MAI	IIP
Austria	0	0	1	0	0	1	0	1	0
Belgium	0	0	1	0	0	1	0	1	0
Bulgaria	1	0	0	0	1	0	1	0	1
Croatia	0	1	0	1	1	0	0	0	0
Cyprus	0	1	0	1	0	1	1	0	1
Czech Republic	0	0	0	0	0	0	1	0	0
Denmark	0	0	1	0	0	1	0	1	0
Estonia	1	0	0	0	1	0	1	0	1
Finland	0	0	1	0	0	1	0	1	0
France	0	0	1	0	0	1	0	1	0
Germany	0	0	1	0	0	1	1	1	0
Greece	1	1	1	0	1	0	1	0	1
Hungary	1	1	0	0	1	0	1	0	1
Ireland	0	1	1	1	1	1	1	1	0
Italy	0	1	1	0	0	1	1	1	0
Latvia	0	1	0	0	1	0	1	0	1
Lithuania	1	1	0	0	1	0	1	0	0
Luxembourg	0	0	0	0	0	1	0	1	0
Malta	0	0	0	0	0	0	1	0	1
The Netherlands	0	0	1	0	0	1	1	1	0
Poland	1	0	1	0	0	0	1	0	0
Portugal	0	1	0	1	1	0	1	1	1
Romania	1	1	0	0	0	0	1	0	1
Slovakia	1	0	0	0	1	0	0	0	0
Slovenia	0	1	0	0	0	0	1	0	1
Spain	0	1	1	1	1	1	1	1	1
Sweden	0	0	1	0	0	1	1	1	0

## Appendix J

**Truth Table Including all Contradictions and Explanation of Solutions**

Row	C1 GDPs	C2 sdGDP	C3 PATR	C4 POLI	High opportunity IIP	Countries (including IIP score)	Cases (n=27)
1	0	0	0	1	C	BUL (1), CZE (0), EST (1), HUN (1), LAT (1), LITH (0), MAL (1), ROM (1), SLVN (1)	9
2	1	0	1	0	0	AUS (0), BEL (0), DEN (0), FIN (0), FRA (0)	5
3	1	0	1	1	0	GER (0), ITA (0), NED (0), SWED (0)	4
4	1	1	1	1	C	IRE (0), SPA (1)	2
5	1	0	0	1	C	GRE (1), POL (0)	2
6	0	0	1	0	0	LUX (0)	1
7	0	1	1	1	1	CYP (1)	1
8	0	0	0	0	0	SLVK (1)	1
9	0	1	0	0	0	CRO (0)	1
10	0	1	0	1	1	POR (1)	1

As can be seen in the truth table above, the initial truth table consists of 10 configurations, however there are three contradiction (row 1, 4 and 5). These contradictions need to be resolved as much as possible in order to continue with the research. Row 1 can be resolved by applying the method of probabilistic reasoning. This method allows for adaptation of the outcome variable for certain cases based on the frequency of the membership scores. In other words, if only a small number of cases have a contradictory outcome compared to the majority, this method allows for adapting the most frequent outcome for all cases in the row (Rihoux & Meur, 2012). Row 1 covers nine cases, seven of which are [1] configurations and two of which are [0] configurations. Thus, the outcome value of Czech Republic and Lithuania are changed from [0] to [1], resolving the contradiction in row 1.

The contradiction in row 4 cannot be solved using probabilistic reasoning as this row includes only two cases, Ireland with a [0] configuration and Spain with a [1] configuration. However, a close examination of these two cases does reveal some possible nuances. In this study, Ireland is initially classified with a low opportunity IIP (thus a [0] configuration). However, in many other studies on IIP's, Ireland is included as their program is among the more popular ones. The threshold of this study, in which the high opportunity IIP's are characterized by options in real estate or direct government transfers, does not take popularity of the program into account, as this is more concerned with the demand-side of IIP's, instead of the supply-side. Nonetheless, Ireland offers an attractive IIP, in which investing in a local NGO (non-

governmental organization), has the possibility to be translated into This however, illustrates that it can be justified to change the membership score of Ireland from a [0] to a [1], thus from a low opportunity IIP to a high opportunity IIP. This thus resolves the contradiction of row 4.

Row 5 can also not be solved using probabilistic reasoning as, like row 4, it consists of two contradicting cases, namely Greece, a [1] configuration, and Poland, a [0] configuration. Similar to row 4, a closer examination of the cases allows for a possible solution as the outcome variable is reassessed based on the information as presented in appendix... Greece is classified as a having a high opportunity IIP. The different investment options are broad and there is a relatively low level of requirements for permanent residency or citizenship. Therefore, it is not possible to reevaluate the outcome score of Greece. Poland is initially classified as having a low opportunity IIP. However, as can be seen in appendix .. Poland takes a rather interesting position with regards to their IIP due to the low investment of 15.000 euros annually combined with the vagueness of the duration period being dependent on the investment amount. While, Poland is initially classified as having a low opportunity IIP, thus a [0] configuration, this reassessment illustrates that it can be justified to change the outcome score to a high opportunity IIP, thus a [1] configuration. This resolves the contradiction in row 5.

To summarize, all contradictions have been solved by using probabilistic reasoning or by closely studying the involved cases. All choices can be justified through an in-depth case analysis.



## Appendix K

## Final Truth Table Including full case names

Row	C1 GDPs	C2 sdGDP	C3 PATR	C4 POLI	High opportunity IIP	Countries (including IIP score)	Cases (n=27)
1	0	0	0	1	1	Bulgaria (BUL), Czech Republic (CZE), Estonia (EST), Hungary (HUN), Latvia (LAT), Lithuania (LITH), Malta (MAL), Romania (ROM), Slovenia (SLVN)	9
2	1	0	1	0	0	Austria (AUS), Belgium (BEL), Denmark (DEN), Finland (FIN), France. (FRA)	5
3	1	0	1	1	0	Germany (GER), Italy (ITA), The Netherlands (NED), Sweden (SWED)	4
4	1	1	1	1	1	Ireland (IRE), Spain (SPA)	2
5	1	0	0	1	1	Greece (GRE), Poland (POL)	2
6	0	0	1	0	0	Luxembourg (LUX)	1
7	0	1	1	1	1	Cyprus (CYP)	1
8	0	0	0	0	0	Slovakia (SLVK)	1
9	0	1	0	0	0	Croatia (CRO)	1
10	0	1	0	1	1	Portugal (POR)	1