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COVID-19 impact | Demand for alternative citizenship, residence-by-investment programmes intensifies

COVID-19 has brought much-required attention to the importance of good healthcare in a country. This is one of the significant reasons people are interested in acquiring alternative citizenship of countries which give easy access to healthcare.

PARESH KARIA | JANUARY 07, 2021 / 03:48 PM IST



The year 2020 will go down in history and forever etched in our memory for obvious reasons - the pandemic and its effect on the world. The year 2020 will also be known for the ironies it created, which left people surprised and confused.

The first one is the global equity markets reaching a new high while businesses worldwide were being battered, and people were losing jobs. A lot has been already spoken and written about this.

The second one was the increased desire among people to migrate (to a safe place) and enjoy the freedom of mobility when there were severe travel restrictions, and countries were shutting their borders. As the pandemic raged, the consequent tension and distress tempted ultra-high net worth individuals inhabiting not only emerging markets but also developed countries to seek alternative residency/citizenship. This choice also became an essential guarding shield for them to safeguard their interests from the political, social and economic challenges caused by COVID-19. All this led to a sharp increase in the residency/citizenship by investment programmes being offered by many countries. These programmes provide an avenue for investors to gain permanent residency or citizenship in exchange for an investment in a country's economy. This is usually in the form of real estate, venture funds, business leading to job creation, or contributions to government funds.

Let us look at this ironic phenomenon from a holistic lens and comprehend the key factors contributing to the same.

The immediate fallout of the pandemic was severe restriction on travel and mobility across the globe. According to an analysis made by Pew Research Center of border closure announcements and United Nations population data, the restrictions affected approximately 7.1 billion people.

Thus, the pandemic severely curtailed people's ability to travel freely, thereby affecting their business and keeping them away from families overseas at a crucial time. People now realise more than ever, the need and importance of having an alternate residency/citizenship, which will ease their travel in future, should such a situation arise again.

One of the primary advantages of alternative citizenship is the visa-free travel it offers to many countries, which determines the ranking of its passport in the industry.

Safety and security of the family

Another important lesson the pandemic has taught us is that we should not take our safety and family's safety in the home country for granted and need a Plan B (alternative residency/citizenship). 'We want to know,' said an Italian multi-millionaire in a report by Schengen Visa Info, "there is a safe place, with good medical services, that the whole family can go to at short notice if we need to, [...]."

COVID-19 has also exposed the country's leadership and administration and their preparedness and ability to effectively deal with a pandemic. Some countries with the best infrastructure and medical facilities have failed to extend these benefits to their citizens and protect them. On the other hand, countries with good leadership (some of them with limited resources) have managed to contain the spread of the pandemic and provide protection to their citizens.

The year 2020 has seen a significant increase in the number of people from countries, like the US and the UK which were hit hard by the pandemic and failed to deal effectively with it, seeking alternate citizenship towards achieving their Plan B. A majority of interest was directed towards countries like Portugal, Australia, and New Zealand, which handled the pandemic well and provided an excellent healthcare system.

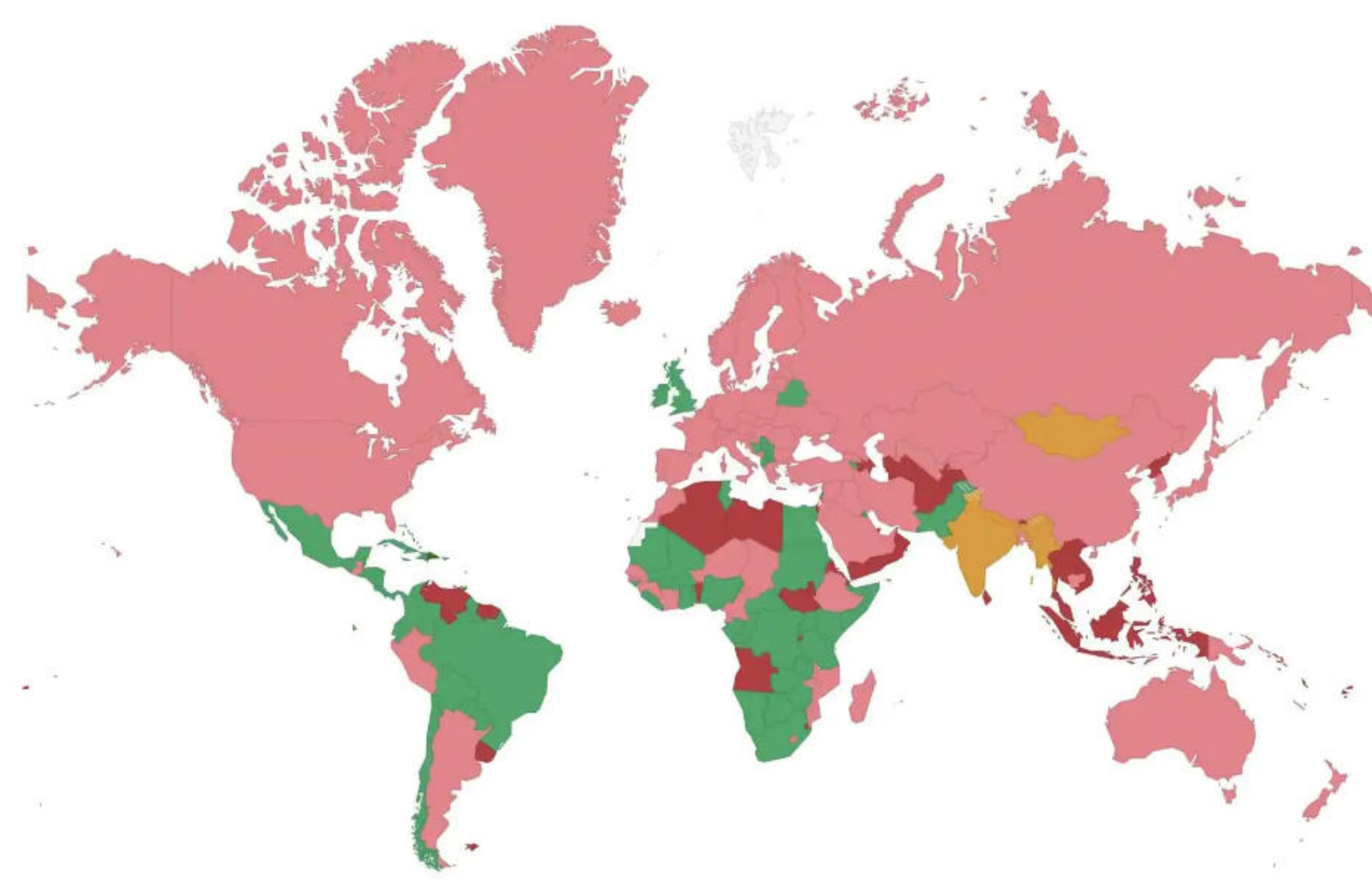
Healthcare system

COVID-19 has also accentuated the need for easy access to a sound healthcare system on a timely basis.

COVID-19 has brought much-required attention to the importance of good healthcare in the country. This is one of the significant reasons people are interested in acquiring alternative citizenship of countries which give easy access to healthcare. Because of COVID-19, investors are looking for countries which are thoroughly prepared if another pandemic strikes us. It is a general understanding that the timely use of personal health services is an utmost requirement for people, especially now that we have experienced a pandemic. The quality and efficiency of the healthcare system in a country can have a massive impact on its inhabitants' quality of life.

Travel restrictions by country*

This map shows which countries have entry restrictions by air for travel into the country.



In countries like India, where private health care is very costly, a pandemic like COVID-19 could prove to be a costly affair, in financial terms and cause a significant dent to your wealth. This has become one of the critical factors that have promoted many people to look at countries like Canada which provide free healthcare to its residents.

Digital work culture

The pandemic has also rapidly accelerated the momentum towards digitisation in a manner no one could have imagined. Concepts like Work from Home, Study from Home, etc. have brought a change in the fabric of the work culture worldwide. It was commonly understood that work from home would not be an ideal option, for it would be comfortable, plush, and would interrupt work. However, people adapted to this housework culture almost instantly. Many businesses and business processes have also moved online, which means that physical presence is not required. We can manage the business from anywhere as long as we have digital connectivity and infrastructure.

This has given people the freedom to work and conduct business from anywhere convenient to them based on their liking, children's education needs, and economies of staying and operating the business. One can now work from the comfort of an affordable luxurious home on a beach in Portugal enjoying the pleasant weather, instead of a cramped-up office in London with its unpredictable and cold weather.

There is an emerging trend, where people have started thinking about alternative citizenship as Plan-B, in case another pandemic comes around. It has also brought about a paradigm shift. Hitherto, people from developing countries or autocratic and unstable regimes were looking at moving to greener pastures. Now, people from the developed and democratic world are also looking at immigration options as a backup plan. Alternative citizenship gives the holder the power to choose their future, and therefore, it is worth considering investing in a Plan B.

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