

Second Homes, EU Visas, and 'Buying into' the Welfare State: A Qualitative Study of Spain's Golden Visa Program

Max Holleran, University of Melbourne

Aim:

This paper examines how Mediterranean countries have tried to mature their tourism industries in the wake of the 2008 financial crisis. Many debt-stricken countries have begun attracting long-term 'residential tourists' through new national programs that offer EU visas linked to purchasing second homes, so called 'golden visas.' This strategy of incentivized investment through visas, and eventual citizenship, is becoming popular in Southern European countries with housing gluts, sovereign debt, and aging populations. It also threatens to undermine basic concepts of citizenship and fair migration practices. This paper focuses specifically on the Spanish visa market and potential citizenship investors predominantly from Russia and China. Drawing on ethnographic fieldwork and interviews with potential property purchasers from non-EU countries, I show that those seeking visas are not only motivated by political conditions in their home countries and investment opportunities but they also are 'buying into' EU welfare states. Many home-purchasers see their new cities, not as a chosen community, but as a means to cheaply access welfare state services unavailable in their countries and they make long-sighted geopolitical predictions through the purchasing of homes and the visas that come with them.

Methods:

For this article, I mobilize one year of ethnographic fieldwork with second homeowners, real estate developers, and urban planners in the region of Valencia. I also draw on 19 interviews of brokers and potential buyers dealing specifically with the Golden Visa program. Ten of those interviewed were potential buyers from China, Egypt, Russia, and Brazil who were recruited through real estate agents and previous contacts in tourist enclave-communities where potential buyers were searching for homes. While only ten buyers were interviewed, real estate agents and developers related numerous other pieces of information from previous potential buyers.

Results:

As global instability increases, the market for islands of safety for elites is growing. However, as my data shows, many wealthy people do not want to live in a state of security alertness, always vigilantly guarding their wealth. Changing countries, and citizenship, allows for a new form of security because wealth disparities are less evident due to a strong and numerous middle class. This is viewed by potential buyers as both better for personal safety and for peace of mind. Citizenship by investment allows for greater mobility and the opportunity to settle in countries with less environmental, political, and crime-related hazards. Even countries with slowing economies may be appealing because work is not a central aspect of the life that is being marketed to investors. The Golden Visa program in Spain builds on the country's historically successful industries of tourism and retirement while looking beyond the regional wealth disparities of the EU to attract higher net worth investors, who are obliged to pay for passports rather than gain freedom of movement through political pacts. The program is seen by many ordinary Spaniards to be a fair exchange but some also worry that it will dilute the meaning of national community while disfavoring truly needy refugees. The success of national branding in Spain represents the pre-2008 economic expectations for Southern Europe, without a full accounting of the long term effects of debt, austerity, and unemployment. The fact that people are still willing to 'buy into' Spain and are attracted to its public services is reassuring to some. However, it is also a potential harbinger of a Europe to come, in which economic cohesion between North and South has been given up and the EU must fully leap into global free markets and even starker global class divisions.