

## **REGIONAL INITIATIVE TEMPLATE**

Please complete each section below.

### **1. Contact Details**

Please provide the following contact details:

<b>Name of individual or group submitting initiative</b>	Sam Johnson (New Zealand) Penehuro Lefale (New Zealand) Robert Torvelainen (Finland)
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### **2. Name of Initiative**

*Citizen by Entrepreneurship*

### **3. Background and Rationale**

You may consider: What is the issue being addressed by this initiative? What are the causes of this issue? Are there relevant studies that have been carried out to support the issue? Are there links to national, regional or international goals/policies?

**Please limit your response to no more than 750 words.**

Many states around the world operate special visa categories that allow individuals to gain citizenship or residency by investing significantly in a new economy. Commonly known as *Citizen-by-Investment schemes*, the programmes are constructed purposefully to attract foreign direct investment in exchange for lifestyle, and other opportunities. These are successful due to their wide appeal to wealthy individuals as they seek greater personal freedom, alternative lifestyles, privacy and security.

While financial capital is easily quantified and verified, and cash investment is helpful, other forms of capital (e.g. intellectual, social, cultural, entrepreneurial) are increasingly recognised as critical to creating vibrant, prosperous and developed economies.

Efforts in larger countries to attract emergent intellectual capital tend to be stifled by stiff immigration criteria that tend to target financial contribution. In the Pacific Islands, the main barrier to migration appears to be an assumption that there is low opportunity for entrepreneurs in due to geographic isolation, lack of world-class infrastructure, etc.

With over 60% of the world's population aged under 30, traditional education being overtaken by online learning, and a global rise in the social entrepreneurialism (business that is of social good to all), therein lies a unique opportunity for Pacific Islands to target, entice and welcome new waves of socially driven entrepreneurs into the region.

Entrepreneurial people are particularly attuned to the unique opportunities in new locations, often bringing with them new ideas, approaches, and systems that in partnership with local people can springboard economies and developments.

#### 4. Description

*Please provide a brief overview of this initiative. Try to address the following: Does this initiative contribute to a positive change to the region? What makes this initiative of importance to the Pacific region as a whole? Who would implement this initiative? Who are the main beneficiaries? Are regulatory or legislative changes required at the national level to implement this initiative? How would the initiative be funded? Has this initiative been carried out previously? What are the key risks in implementing this initiative? Are there any complementary projects and programmes currently active? What is the proposed timeframe for this initiative? How would the initiative be sustained over the proposed timeframe?*

**Please limit your response to no more than 750 words.**

This initiative seeks to

- quantifiably demonstrate the value an injection of foreign socially entrepreneurial people could add to Pacific Islands in economic and social terms
- explore and develop appropriate frameworks, methodology, competitions or other methodologies to help the region identify and attract such entrepreneurial investors
- trial the initiative within existing legislative frameworks and related regional/national programmes and projects.

Possible Structure:

- Public Private Partnership (PPP) between X pacific regional advisory group, 2 Pacific Islands, and X

consultancy who will manage the implementation of the project.

- External advisory board of country experts, experienced entrepreneurial talent spotters and investors.

#### Key Risks

- Entrepreneurs exploit Pacific peoples for their own benefit
- Entrepreneurs seek to disrupt cultural norms
- Entrepreneur fails to find suitable project or project fails

#### Risk Mitigation

- Entrepreneurs must be socially minded and carefully selected by a panel of experienced entrepreneurs, investors and Pacific people who recommend nominee(s) to interested governments who make the final decision.
- Entrepreneurs need to be socially and culturally sensitive; again careful selection is vital.
- It is often that projects fail. This is expected. We believe the efforts if done in partnership with Pacific Islands will give a net positive gain.

A similar initiative is being explored in New Zealand through a public private partnership between a leading US entrepreneurial group KiwiConnect and Immigration New Zealand.

This concept was initially launched in Switzerland at the St Gallen Symposium by the Symposium's Think Tank "Tomorrow Lab."

## 5. Alignment to Regional Vision, Values and Objectives

*Briefly describe how your initiative supports the vision, values and objectives set out in the Framework for Pacific Regionalism. These can be found in the Framework for Pacific Regionalism document or in the submissions guideline document.*

**Please limit your response to no more than 500 words**

<Enter text here>This initiative fully supports the regional values and objectives set out in the Framework for Pacific Regionalism. The Pacific Leaders envision the Pacific region as "a region of peace, harmony, security, social inclusion and prosperity so that all Pacific people can lead free, healthy and productive lives." The major threat to achieving this vision is lack of employment opportunities throughout the region, coinciding with rapid and unsustainable population growth. This initiative aims at addressing this threat by facilitating economic and political integration (a whole of community approach)

The initiative embraces the Pacific region common values and what separates it from other regions; the integrity of the vast ocean and island resources, diversity and heritage, good governance, the full observance of democratic values and rule of law, defence and promotion of all human rights, gender equality and commitment to just societies, peaceful, safe and stable communities and countries, ensuring full security and wellbeing for Pacific people. The initiative supports full inclusivity, equity and equality for all people. Social entrepreneurs' values transparent, effective, open and honest relationships and inclusive and enduring partnerships, based on mutual accountability and respect.

This initiative will contribute to regional and national efforts to meet the Framework for Pacific Regionalism objectives;

- Sustainable development that combines economic social, and cultural development in ways that improve livelihoods and well-being and use the environment sustainably;
- Economic growth that is inclusive and equitable;

- Strengthened governance, legal, financial, and administrative systems; and
- Security that ensures stable and safe human, environmental and political conditions for all.”

This initiative compliments national governments and the private sector where they lack capacity to provide national employment and development services for their people. We did not have time to undertake a cost-benefit analysis on our initiative but we strongly believe, this initiative should bring substantial net benefits (social and economic) for all stakeholders - win-win situation.

## 6. Additional Information

*Please provide or attach additional information in support of this initiative.*

***Please limit your response to no more than 5 pages.***

# **Citizenship-by-Investment Entrepreneurship**

*A new class of global citizen: entrepreneurial people whose abilities are the currency of tomorrow.*

*-- Case for immigration reform in small prosperous states --*

## **Background**

Many states around the world operate special visa categories that allow individuals to gain citizenship by investing significantly in their new economy. Known as *Citizen-by-Investment*, the programmes are constructed purposefully to attract foreign direct investment in exchange for lifestyle and other opportunities. These are successful due to their wide appeal to wealthy individuals as they seek greater personal freedom, privacy and security.

While financial capital is easily quantified and verified, other forms of capital (e.g. intellectual, social) are increasingly recognized as critical to creating vibrant and prosperous economies. Efforts to attract these other forms of capital are frequently frustrated by difficulty in meeting immigration criteria targeted to drive financial contribution into the economy.

Entrepreneurial people, rich in intellectual capital, frequently are particularly attuned to the unique opportunities of particular countries and institutions. For example the ability of small states to adapt to the rapidly changing global landscape. Small prosperous states such as New Zealand and Finland continually lead by example in this field; though despite being known for the agility, are not alone in having wide choruses of city leaders, communities and entrepreneurs expressing frustration caused by immigration regulation.

## **Rationale (statement of need)**

*While Citizen-by-Investment schemes exist, there is no analogous framework to encourage and enable highly talented people without high levels of personal wealth or traditional high-demand skills to relocate and contribute to entrepreneurial hubs in small states.*

## **Proposed Solution**

Demonstrate the value entrepreneurial people can add in economic and social terms, without high levels of personal wealth or traditional skills to small states. Develop the frameworks and tools to help policy makers identify and attract the right entrepreneurial people. Trial a Citizen-by-Entrepreneurship scheme.

## **Benefits**

Financial investment is a fast and highly mobile form of capital investment with easy to observe impacts. However careful measures are required to reduce the risk of capital leaving as quickly as it arrived. While capital investment can occur quickly, other forms of capital building take time and are harder to transfer. This 'stickiness' (a core principle of economic sustainability) underpins our argument.

Entrepreneurs build teams and businesses to create wealth, by its very nature this investment of time, resources and talent, creates a 'sticky' investment. It is inherently more difficult to quickly transfer this

off-shore. So while the investment may take longer to manifest it is much more likely to create a long term and durable benefit to the economy.

Another real benefit lies in a countries desire to stay at the top of global rankings such as competitiveness, innovation or per capita wealth. The zeitgeist of innovation no longer rests in attracting small numbers of heroic or wealthy individuals, but in curating the conditions where diverse entrepreneurial people, not generally found on 'high demand skills lists', can act as a catalyst to rapidly mature innovation eco-systems.

### *Mechanics*

Most countries use point based systems, past records, and other extensive due diligence tests to vet new citizens; all of which can be adapted to entrepreneurial people and their ventures. The academic discipline of Entrepreneurship has developed a robust body of knowledge through which a filtering lens could be developed. Domain knowledge experts could combine with Enterprise incubators, investors and local entrepreneurs to bring extensive knowledge, experience and processes to validate an entrepreneur's application.

### *Landscape*

This proposal is well aligned with existing international advocacy promoting ideas around the [freer movement of people](#), between Commonwealth Countries. The core of this concept rests in building sticky investments which are of greatest value to a country rather than fueling the movement of likeminded people.

In New Zealand, trials of connected ideas are being advanced in by a [local council](#) as a way to inject talent during the city's disaster recovery and entrepreneurial group [KiwiConnect](#).who propose selecting visa via a social impact model.

In the USA [Fwd.us](#) is focused on immigration reform to support the tech community; a model with clear alignment to this idea, though with a more complex political landscape to navigate. .

In Finland, [entrepreneurial visas exist](#) although need realignment, as they require qualifying companies to be profitable from an early stage (which is naturally not often not a reality), and could improve the government screening process to better utilize industry experts identify people and ideas worth exploring further.

### *Intentions*

The *Citizen-by-Investment-Entrepreneurship* concept is a policy idea to spark debate and nudge decision makers to consider talent focused immigration reform. The concept will be presented at the 45<sup>th</sup> St Gallen Symposium in Switzerland in May 2015 to an international audience of 600 Leaders of today, and 200 leaders of tomorrow.

*Team*

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