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NAVIGATING INDONESIA'S GOLDEN VISA SCHEME THROUGH COMPARATIVE LEGAL POLICY ANALYSIS

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Abstract. As more governments implement Golden Visa programs to attract foreign investment, this strategy provides countries with economic benefits, as well as risks associated with transnational crime and the legal system. Through comparative benchmarking and case studies, this article tries to bridge the gap in order to establish the optimal Golden Visa system for Indonesia. This study will provide insights into the most suitable scheme that Indonesia can implement by assessing the benefits and problems of different citizenship by investment programs in Portugal, Spain, and Malta. This article will present the best schemes for Indonesia based on a qualitative doctrinal comparative analysis technique, considering many legal and socioeconomic parameters such as investment thresholds, processing time, residence restrictions, and return on investment. This research suggests that Indonesia, demographically, needs more investors to provide more jobs, as Indonesia has a workforce of more than 117 million and maintains its economic stability to grow at a rate of 5% per year. Furthermore, in terms of legal gaps, Indonesia does not have any legal basis to provide visas for more than 5 years, as regulated in Immigration Law No.6/2011. Thus, an additional legal framework is required. Based on these findings, the paper will provide case studies of investors who have successfully navigated the Golden Visa process in Indonesia, shedding insight on the practical aspects of the application procedure as well as how to optimize investment outcomes.

Keywords: Golden Visa, legal framework, immigration, Indonesia, benchmarking analysis.

Introduction

Residency by investment (RBI) programs, also known as "Golden Visa" schemes, have gained popularity among countries looking to attract foreign investment (Scherre & Thirion, 2018). In exchange for a significant investment in the host country, foreign investors and their families can gain citizenship or permanent residency. However, the growing popularity of RBI programs has generated worries about the possible risks involved with such schemes, including money laundering and tax evasion (European Parliament, 2022). Nonetheless, many supporters say that by attracting foreign investment, RBI policies might encourage economic growth and the creation of employment (Hartwig-Peillon, 2021). In some European Union (EU) member countries, the Golden Visa policy (or RBI) is becoming one of the main components of the growth of these countries' Gross Domestic Product (GDP), and assisted national economies by stabilizing them during the COVID-19 pandemic (Nicola et al., 2020). Associated statistics which compare RBI, Foreign Direct Investment (FDI), and GDP in the EU area using World Bank data are presented below (Figure 1).

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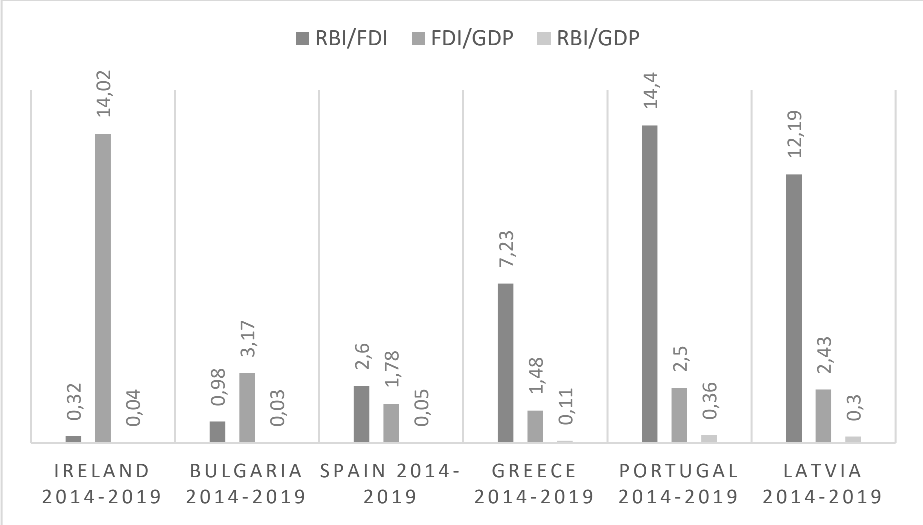

Figure 1. Residence by Investment (RBI) as a percentage of Foreign Direct Investment (FDI) and Gross Domestic Product (GDP)

(Source: Bulgaria: Investment Bulgaria; Greece: Enterprise Greece; Ireland: Department of Justice and Equality; Latvia: Office of Citizenship and Migration Affairs; Portugal: Immigration and Borders Service; Spain: Ministry of Labor and Migration; Eurostat: FDI; World Bank: GDP, 2019)

According to the data in Figure 1, the EU Member States that use Golden Visa schemes have generated significant revenue, to the point that this has become a significant source of income for the respective governments in terms of GDP (Adim, 2017). In Portugal and Greece, for example, the Golden Visa program has surpassed traditional industries such as tourism and manufacturing as the principal source of foreign direct investment (Schacherer, 2022). Despite the fact that the majority of this investment has come from Chinese investors, the Golden Visa program in the United States (US) aided the country in stabilizing its economy throughout the pandemic (Harpaz, 2022). Golden Visa schemes, without a doubt, have been shown to have a favorable overall influence on national economies.

Nonetheless, the easy investment program suggested by RBI has always sparked debate. Despite provoking a global controversy by selling citizenship, which has been dubbed corrupted democracy by some academics, (Bauböck, 2018), Golden Visa programs have also been tied to a number of high-profile examples of financial crime, most notably money laundering-related crimes. For example, in 2019, the Maltese government suspended its Golden Visa program following concerns raised by the European Commission that the program may be a risk for money laundering (Moneyval FATF, 2019). Similarly, in 2020, officials in Portugal initiated an inquiry into possible money laundering associated with a scheme focused on selling real estate to foreign investors (OECD, 2021). In Spain in 2019, 25 people were detained in connection with a money laundering operation involving the sale of Golden Visas to Chinese citizens (Scherre & Thirion, 2018). These cases highlight the potential risks associated with Golden Visa programs and the importance of effective due diligence and oversight. Due diligence checks can help to identify high-risk individuals or transactions, while effective oversight can ensure that these programs are implemented in a transparent and accountable manner. Policymakers must remain vigilant to prevent financial crimes associated with Golden Visa programs, while also promoting the economic benefits that these programs can bring.

Indonesia is set to adopt a Golden Visa program to attract foreign investment, and it will need to perform a benchmarking effort to determine the best schemes for implementation while avoiding the previously indicated concerns. Previously, Indonesia had a similar program known as the second home visa, which allowed investors to obtain permanent residency in the country in exchange for a minimum investment of IDR 2 billion (approximately $111,000) in business, property, or government bonds in exchange for a 10-year visa to stay in Indonesia (Cunningham, 2022). In addition, the Indonesian government stated that the Golden Visa program was intended to attract international investment, generate jobs, and stimulate economic growth (Elo, 2021). The authorities, on the other hand, still face a challenging burden in deciphering the complicated RBI policy landscape around the world and picking the most suitable scheme. Eligibility criteria, investment thresholds, processing times, and advantages of RBI programs differ significantly across nations, making it difficult for Indonesia to compare and choose (Scherre & Thirion, 2018). Therefore, a comprehensive analysis of the benefits and challenges of different RBI programs worldwide and their applicability to the Indonesian context is necessary.

This paper compares different RBI programs worldwide to find the ideal Golden Visa scheme for Indonesia. It analyzes investment thresholds, processing time, residency requirements, and potential challenges and opportunities. Case studies of successful Golden Visa applicants are used to evaluate the applicability of different policies to Indonesia. The paper offers practical recommendations for potential investors seeking to optimize their investment outcomes.

The research will start by outlining the history and current state of RBI programs, before evaluating the pros and cons of these programs using scholarly literature and government reports. For example, a 2018 study by Hogan Lovells International LLP is used to identify concerns such as due diligence and anti-money laundering measures (Surak, 2022). The paper concludes with practical recommendations for potential investors on how to navigate the Golden Visa process and maximize their investments (Brillaud & Martini, 2018). In conclusion, the correct schemes must be provided to answer these opportunities while at the same time avoiding challenges which may disturb these investments.

1. Method

1.1. Analysis framework

This research was conducted using a qualitative analysis framework. Qualitative analysis can be used to conduct a literature review by identifying and synthesizing qualitative research studies to explore a research question or topic of interest (Kawulich, 2004). This involves searching for relevant studies, evaluating their quality, and synthesizing findings across studies to identify common themes and insights. The method of analysis for assessing Golden Visa policies in multiple countries typically involves a multi-criteria analysis, which is a combination of doctrinal, qualitative, and benchmarking analyses (Dodgson et al., 2009). This process may include the following steps:

a) Doctrinal analysis: This involves a comprehensive review of the legal and regulatory framework governing Golden Visa programs in each country under consideration. The analysis may focus on issues such as eligibility criteria, investment requirements, processing times, and any other relevant factors. This analysis involves a detailed review of the laws and regulations that govern the Golden Visa programs in different countries. The analysis aims to provide a comprehensive understanding of the legal and regulatory framework that governs the different Golden Visa programs. This involves reviewing legal documents, policy statements, and other relevant materials (Bhat, 2020).

b) Literature review: A review of existing academic research, government reports, and other relevant literature is conducted to identify potential benefits and challenges associated with Golden Visa programs. This review may consider issues such as the economic impact of these programs, the potential for abuse and corruption, and the impact on social cohesion and political stability. The literature review is a critical aspect of the analysis as it provides an understanding of the available research on Golden Visa programs. The review helps to identify the key benefits and challenges of these programs and also identifies gaps in existing research (Ramdhani et al., 2014).

c) Benchmarking analysis: A comparative analysis of the Golden Visa programs in each country under consideration is conducted. This analysis may examine program design, investment requirements, processing time, and other factors. Case studies and interviews with relevant stakeholders may provide valuable insights. The benchmarking analysis is an important aspect of the broader analysis as it provides a comparison of the different Golden Visa programs. The analysis compares the different programs based on several criteria such as program design, investment requirements, and processing time (Ibbetson, 2012). This helps to identify the strengths and weaknesses of the different programs.

1.2. Benchmarking sample

The benchmarking countries used for analysis in this study will be based on previous research conducted by Surak and Tsuzuki (2021), which analyzed the separated data of the 26 EU Member States and compared it to the World Bank EU GDP report, which classified and ranked the countries with the highest revenue and the greatest impact on their GDP from the Golden Visa program. According to that analysis, the following EU Member States have been the most successful in implementing the RBI or Golden Visa program: Spain, Malta, and Portugal (Surak & Tsuzuki, 2021). Then, after classifying the sample, short briefs of those sample countries can be explained for benchmarking purposes as follows.

a) Portugal in Brief:
Portugal's Golden Visa program has been successful since its launch in 2012. According to the Portuguese Immigration and Borders Service, the program has generated over €5 billion in investment and created over 7,000 jobs. It has been identified that most of the Golden Visa holders are Chinese (Gaspar & Ampudia de Haro, 2020).

b) Spain in Brief:
The total investment made through the Golden Visa program in Spain from its inception in 2013 until December 2021 was €5.36 billion (Spanish Ministry of Inclusion, 2022). The majority of these investments were made in the real estate sector, with other sectors including finance, industry, and energy also attract investments. It is important to note that the minimum investment required to obtain a Golden Visa in Spain is €500,000, and the program has been successful in attracting wealthy foreign investors to the country.

c) Malta in Brief:
According to the latest data published by the Maltese government, the total investment made through the Malta Individual Investor Program (MIIP), commonly known as the Golden Visa program, was over €1.6 billion as of December 2021 (NSO, 2022). The majority of these investments were made in the real estate sector, followed by government bonds and stocks. It is important to note that the MIIP was introduced in 2014 and has been one of the most successful Golden Visa programs in the world, attracting wealthy investors from all over the globe. The minimum investment required to obtain a Golden Visa in Malta is €250,000.

1.3. Benchmarking output

After discussing the legal framework, opportunities, and challenges faced by each country, this research will focus on drafting Golden Visa criteria and standards for Indonesian Golden Visa schemes based on the "*Welcoming talent: formal criteria*" framework. This, in turn, will be based on an agreement between the Governments of the Netherlands, France, and Spain, as summarized by Lange (2018) (Figure 2).

Entry Conditions	Formal Criteria	Actor (Guarantor)
Business Plan	Application Fees	Public
Minimum Investment	Length of Procedures	Regional/Local
Minimum Job Creation	Transparency	Public/Private sector
Minimum Skill Level	Legal Protection	Private
Specific Sector		
Innovative Level		

Figure 2. Welcoming Criteria for Golden Visas in the Netherlands, France, and Spain
(Source: de Lange, 2018)

The detailed standard for the entry requirements for a Golden Visa in this research will follow the standard in Figure 2 by examining the procedures in Portugal, Spain, and Malta in approving the Golden Visa criteria.

2. Country Sample Analysis

As previously mentioned, Golden Visa programs have become a popular way for countries to attract foreign investment and stimulate economic growth. Among the most successful and well-known programs are those offered by Spain, Portugal, and Malta (Surak & Tsuzuki, 2021). These countries have become major players in the global market for investment migration, offering various types of residency and citizenship through investment programs that have generated billions of euros in foreign direct investment.

Benchmarking the Golden Visa schemes of Spain, Portugal, and Malta can provide valuable insights into the design and effectiveness of these programs. It can also help investors and policy-makers assess the relative merits of each scheme and identify areas for improvement. Through a comparative analysis of the legal frameworks, investment requirements, benefits, and risks associated with each program, a better understanding of the factors that contribute to their success and how they can be replicated or adapted to suit the needs of other countries can be generated. Additionally, benchmarking can also help to identify any potential risks or challenges associated with Golden Visa programs, such as issues related to due diligence, transparency, and potential abuses. Ultimately, a comprehensive benchmarking analysis of the Golden Visa schemes of Spain, Portugal, and Malta can serve as a valuable tool for both investors and policy-makers looking to navigate the global market for investment migration.

2.1. Portugal's golden visa schemes

2.1.1. Legal framework and criteria for Golden Visa applications

The Golden Visa program in Portugal was established in 2012 and is one of the most popular and successful RBI programs in Europe (Schiappa Cabral & Associados, 2016). The program allows non-EU nationals to invest in Portugal and receive a residency permit in return. The legal framework for the Golden Visa program in Portugal is established in Law No. 29/2012 and Regulation No. 11820-A/2012 as Amended by Order No. 1661-A/2013 of the Ministries of Foreign Affairs and Internal Affairs. The Portugal Immigration authorities have specific terms regarding the Golden Visa, as referred to in Article III, paragraph (d) as "Investment Activity," which must fulfill the following requirements: (a) capital transfers equal to, or greater than, €1 million into Portugal; (b) creation of at least 30 new jobs; (c) investment in real estate equal to, or greater than, €500,000; and (d) all investment-related activities are carried out in Portugal (Act 23/2007 of July 4, Amended by Act 29/2012 of August 9, 2012). In addition, the investment must be supported by legal documents that have been certified by a financial institution that is formally established in the Portuguese territory, and all employees of the invested-in company must be registered in the Portuguese social security system as stated in Article 3 and Article 7 of Order No. 1661-A/2013.

Furthermore, the main criteria for obtaining a Golden Visa in Portugal are investment in real estate, investment in funds, investment in a business, or capital transfer (Act 23/2007 of July 4, Amended by Act 29/2012 of August 9, 2012). To be eligible for the program, an applicant must meet certain requirements related to investment and residency, have a clean criminal history, and pass the background checking process as stated in Article 23 of Regulation No. 11820-A/2012 as Amended by Order No. 1661-A/2013. After the application for the Golden Visa is granted, firstly, an applicant must invest in the country. The minimum investment requirement is €500,000 for a property purchase, €350,000 for properties older than 30 years or located in urban regeneration areas, €250,000 for artistic or cultural projects, or €500,000 for investment in funds (Visa Connect, 2021). The investment must be maintained for a minimum of 5 years, as previously mentioned. Secondly, an applicant must maintain residency in Portugal for at least 7 days during the first year and at least 14 days during the subsequent 2-year period, as stated in Article 5 of Order No. 1661-A/2013. This means that the applicant must have a valid residence permit and be physically present in Portugal for a certain period each year. Thirdly, an applicant must not have a criminal record and must provide proof of this through a criminal record certificate from their country of origin or during their stay in Portugal.

The legal framework for the Golden Visa program in Portugal also sets out the rights and obligations of the visa holder. A Golden Visa holder and their family members can live, work, and study in Portugal, as well as travel throughout the Schengen area without a visa as stated in Article 60 (Act 23/2007 of July 4, Amended by Act 29/2012 of August 9, 2012). However, the visa holder must comply with Portuguese law and regulations, and failure to do so could result in the revocation of the visa. In conclusion, the legal framework for the Golden Visa program in Portugal is comprehensive and establishes clear criteria and requirements for obtaining a residency permit through investment. The program has been successful in attracting foreign investment to the country and contributing to its economic growth. However, it is important for applicants to fully understand the legal framework and their rights and obligations as Golden Visa holders before investing. In summary, the Portugal visa scheme can be outlined as follows (Figure 3).

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Entry Conditions	Formal Criteria	Actor (Guarantor)
Minimum property investment €500,000	€5,435 application fees	
Minimum capital investment €1 million	Maximum 14 working days for application procedures	
Minimum job creation: 30 jobs inside Portuguese territory	Legalization of the proof of investment by a financial institution that is formally registered in Portugal, as evidenced by an official bank statement	No guarantor needed
Workers have to register with the Portuguese national social security system	Have a clean criminal record verified by an official letter from the home country and legalized by the National Police of Portugal.	
No knowledge transfer required	Pass the background check conducted by the Portuguese immigration authorities	

Figure 3. Welcoming Criteria for a Golden Visa in Portugal
(Source: author's analysis based on certain legal documents)

Regardless of the official requirements, once the Golden Visa is granted, the perks of being a Golden Visa holder in Portugal are extensive, including the ability to work, travel, or even study in the regions of Portugal, as well as the benefits listed below (Portugal Golden Visa, n.d.).

a) Residency: Golden Visa holders are allowed to live and work in Portugal for up to 5 years, and they can renew their visa every 2 years. This residency permit also grants visa-free travel to the Schengen Area.

b) Investment opportunities: To obtain a Golden Visa, investors can choose from several investment options, including real estate, capital transfer, or the creation of a business in Portugal. This provides investors with access to new investment opportunities and a chance to diversify their portfolios.

c) Tax benefits: Portugal offers a tax-friendly environment for Golden Visa holders. Investors can benefit from Portugal's Non-Habitual Resident (NHR) tax regime, which provides favorable tax rates for foreign residents.

d) Family reunification: Golden Visa holders can include their family members in their residency application, including their spouses, children, and parents. This allows families to reunite in Portugal and benefit from the country's high-quality education and healthcare systems.

e) Citizenship: After 5 years of residency in Portugal, Golden Visa holders can apply for Portuguese citizenship, which grants them full access to the EU.

These benefits have made the Portuguese Golden Visa program popular among foreign investors. According to the Portuguese Immigration and Borders Service, as of January 2022, more than 10,000 Golden Visas have been issued since the program's inception in 2012 (Robb Report, 2020).

2.1.2. Legal challenges

Despite the success of Portugal's Golden Visa program, there have been some challenges and cases that have emerged over the years. One of the primary challenges has been the increasing concerns over money laundering and corruption. This issue was highlighted in 2014, when the head of Portugal's anti-corruption agency expressed concern that the Golden Visa program could be used as a way to launder money. For the regulation and oversight of such programs at the EU level, a common and comprehensive strategy is required as proposed by the EU. The Portuguese government responded by introducing additional measures to prevent money laundering, including stricter due diligence checks and enhanced reporting requirements (Pavlidis, 2021). The United Nations Office on Drugs and Crime (UNODC) estimates that 2%–5% of global GDP is laundered each year, amounting to up to €1.87 trillion. According to FATF case statistics, money laundering crimes accounted for nearly 15% of all cases recorded with the Agency between 2016 and 2021. Money laundering instances have been increasing since 2016, and the Golden Visa program has contributed to this growth (Figure 4).

Figure 4. Money Laundering Cases in the EU including Portugal in 2016–2021
(Source: FATF, 2022, as cited by EUROJUST, 2022)

A parallel challenge has been the increasing scrutiny from the EU regarding Golden Visa programs, especially for the Portuguese Golden Visa program. In 2019, the EU launched an investigation into Portugal's Golden Visa program, citing concerns over transparency and potential security risks. As a result, Portugal was required to make some changes to the program, including imposing stricter requirements for applicants, such as mandatory criminal background checks and a higher minimum investment threshold (Running, 2023).

In addition to these challenges, there have also been some high-profile cases related to the Golden Visa program. One such case involved a Portuguese businessman who was arrested in 2019 on charges of corruption and money laundering. The authorities also assessed whether the Golden Visa program had been used by a rich Chinese migrant to leave their country because of political instability (Amante & Rodrigues, 2021). The individual in question had obtained a Golden Visa through the purchase of real estate in Portugal. The case sparked renewed calls for tighter controls on the Golden Visa program, particularly concerning real estate investments. Despite these challenges and cases, Portugal's Golden Visa program remains one of the most popular in the world.

In fact, the program has been so successful that it has led to a significant increase in foreign investment in the country, particularly in the real estate sector. This has had a positive impact on Portugal's economy, particularly in terms of job creation and increased tax revenues (Brillaud & Martini, 2018). In conclusion, while Portugal's Golden Visa program has faced some challenges in different cases over the years, the program remains a popular and successful way for foreign investors to gain residency in the country. With the introduction of additional measures to prevent money laundering and corruption and the imposition of stricter requirements for applicants, the Golden Visa program is likely to remain a key driver of foreign investment in Portugal.

2.2. Spain's Golden Visa schemes

2.2.1. Legal framework and criteria for Golden Visa applications

Spain's Golden Visa program was introduced in 2013 to attract foreign investment and talent to the country. Spain's economic interest is much larger than the aims of the Golden Visa program implemented in Portugal, as the Golden Visa application is available for people who are: (a) investors, (b) entrepreneurs, (c) highly qualified professionals, (d) investigators, or (e) foreign employees that are transferred to a Spanish branch or a branch of the same company group in Spain as legally stated in Law 14/2013 of September 27 (Williams, 2021). In addition, investors can also obtain residency by creating employment opportunities, promoting scientific or technological innovation, or contributing to the country's socio-economic and cultural development. It can thus be concluded that the Spanish Golden Visa program targets broader categories compared that of Portugal.

The legal framework for the Golden Visa program in Spain is governed by Law 14/2013 of September 27, which outlines the requirements for non-EU citizens to obtain a residency permit through investment. The law has since been updated with subsequent regulations, including Royal Decree 557/2011 and Law 7/2021, which introduced new criteria for residency permits. Legally, an applicant for the Golden Visa program cannot stay in Spain when applying for the Golden Visa, and their application must be submitted through the Spanish Embassy overseas as stated in Article 61 of Law 14/2013 of September 27. Foreign nationals who are not resident in Spain can obtain a stay visa or a residence visa for investors by making a significant capital investment, which must fulfill one of three criteria: a value equal to or greater than €2 million in Spanish government debt securities; a value equal to or greater than €1 million in stocks or shares of Spanish companies or bank deposits in Spanish financial institutions; or the acquisition of real estate in Spain with an investment value equal to or greater than €500,000 per applicant, as summarized from Article 62 of Law 14/2013 of September 27. As to the other requirements, the applicant can also submit a business project of general interest that satisfies one of three conditions, including job creation, relevant socio-economic impact in the geographical area, or a significant contribution to scientific and/or technological innovation (Spanish Ministry of Inclusion, 2022). In summary, the Golden Visa schemes employed in Spain can be seen below (Figure 5).

Visa Approved

Entry Conditions	Formal Criteria	Actor (Guarantor)
Minimum property investment €500,000	€8,000 application fees for an individual application; €10,500 application fees for a family application	The applicant must be properly registered in a Spanish corporation and already working for a minimum of 5 years (for international workers), a local government (for entrepreneurs), or a local company or contractor (for investors)
Minimum capital investment €2 million in government debt, €1 million in Spanish company, or €1 million euro deposited in Spanish bank or financial institution	2–3 months (60–90 working days)	
The investor can start a company or organization which involves local workers (no minimum number of workers is mentioned)	Legalization of the proof of investment by a financial institution that is formally registered in Spain, as evidenced by an official bank statement	
Workers must originate from where that company is established (locals)	Have a clean criminal record verified by an official letter from	

	the home country and legalized by the National Police of Spain
The applicant has to contribute positively to Spain's scientific and technological innovation	Pass the background check conducted by the Spanish immigration authorities

Figure 5. Welcoming Criteria for a Golden Visa in Spain
(Source: author's analysis based on certain legal documents)

Furthermore, the applicant must also pass a background check and demonstrate that they have sufficient financial means to support themselves and their dependents while living in Spain. This program has been successful in attracting foreign investment, with over 4,000 visas issued since its launch (Paton & Mayr, 2019). Applicants must also obtain health insurance coverage and pay any applicable taxes and fees. Despite its benefits, the Spanish Golden Visa program has faced some challenges and criticism. Some critics argue that the program has led to an increase in property prices in certain areas, particularly in cities such as Madrid and Barcelona (Scherre & Thirion, 2018). The program has helped to boost the Spanish economy and promote the country's image as an attractive destination for international investors.

2.2.2. Legal challenges

Spain's Golden Visa program has been in operation since 2013 and has become one of the most popular investment migration programs in Europe. However, the program has faced several challenges and controversies, including criticism from the EU over potential abuses of the program for money laundering and organized crime. The program has been criticized for its lack of clear guidelines and monitoring, leading to potential abuse by applicants and intermediaries. The Spanish government has taken steps to address these concerns by introducing new regulations, including stricter due diligence requirements and increased oversight by regulatory bodies. However, the Spanish government has recently introduced new investment options, such as investment in Spanish startups, to attract a wider range of investors. In addition to these challenges, there have been several cases of abuse and controversy related to the Spanish Golden Visa program. In 2018, a Spanish court ordered the cancellation of several Golden Visas granted to Chinese citizens due to evidence of fraud and money laundering (Amante & Rodrigues, 2021). There have also been concerns over the program's potential use by organized crime groups, leading to criticism from the EU and calls for increased regulation and oversight. In detail, the challenges faced in the implementation of the Spanish Golden Visa program are as follows.

1. Lack of transparency: One of the main criticisms of the Spanish Golden Visa program is the lack of transparency in the application process and the criteria used for approving applications. As noted in a report by Transparency International, "There is no information available to the public on the number of applications received, the number of visas granted, or the reasons for refusal." This lack of transparency has raised concerns about the potential for corruption and the lack of accountability in the program (OECD Anti-Corruption & Integrity Forum, 2019).

2. Real estate speculation: Another challenge of the Spanish Golden Visa program is the potential for real estate speculation. The program requires a minimum investment of €500,000 in Spanish real estate, and some critics have argued that this has led to an increase in property prices in certain areas. This has raised concerns about the impact of the program on the local housing market. Moreover, some investors have used the program to launder money, leading to investigations and regulatory actions in some cases (Stucklin, 2023).

3. Dependency on the program: The Spanish Golden Visa program has become an important source of revenue for the Spanish economy, but this has also created a dependency on the program. As noted in a report by the Migration Policy Institute, "Spain has become heavily dependent on the Golden Visa program, with the program accounting for a significant share of foreign direct investment." The COVID-19 pandemic has also highlighted the vulnerability of the Spanish economy to external shocks, including a decline in foreign investment (Adenauer, 2021).

4. Lack of job creation: Another challenge for the Spanish Golden Visa program is the limited job creation that it has generated. The program was initially designed to attract entrepreneurs and highly skilled workers, but most of the investments have been made in real estate or government bonds. As noted in a report by the European Parliament, "the Spain Golden Visa program has not been very effective in creating jobs, as most of the investments are in passive assets that do not generate employment" (OECD, 2014).

5. Increasing competition from other countries: Spain's Golden Visa program faces increasing competition from other countries that offer similar programs, such as Portugal, Greece, and Cyprus. These countries have also attracted significant foreign investment through their programs, and some have introduced additional incentives such as tax breaks and lower minimum investment thresholds.

In conclusion, while the Spanish Golden Visa program has been successful in attracting foreign investment to the country, it has faced several challenges, including a lack of transparency, the potential for real estate speculation, dependency on the program, limited job creation, and increasing competition from other countries. These challenges highlight the need for continued monitoring and evaluation of the program to ensure that it remains an effective tool for promoting economic growth and development in Spain.

Despite these challenges, the Spanish Golden Visa program continues to attract significant investment and has been praised for its potential to drive economic growth and job creation. The Spanish government has taken steps to address concerns and improve the program's transparency and oversight, demonstrating a commitment to maintaining the program's reputation and appeal to investors. Overall, a thorough analysis of the legal framework, criteria, challenges, and cases related to the Spanish Golden Visa program is crucial for understanding the program's strengths and weaknesses and for informing future policy decisions, especially in creating the right schemes for Indonesian Golden Visas.

2.3. Malta's Golden Visa schemes

2.3.1. Legal framework and criteria for Golden Visa applications

Malta's Golden Visa program was introduced in 2015 under the Malta Residence Visa Programme (MRVP) Regulations (LN 288 of 2015). The program was designed to attract foreign investment and stimulate economic growth in Malta by offering a fast-track route to residency and citizenship for non-EU citizens who invest in the country (Fernández-Huertas Moraga & Rapoport, 2015). The regulations were later amended in 2017 to include additional investment options, such as government bonds and securities, in addition to real estate. The amendments were made to make the program more attractive to investors and to stimulate investment in the country. The Maltese Golden Visa program is governed by several legal frameworks, including the MRVP Regulations, the Maltese Citizenship Act, and the Immigration Act. The program is administered by the Malta Residency Visa Agency (MRVA), which is responsible for processing applications and ensuring that all applicants meet the eligibility criteria.

The details of the legal criteria of Malta's Golden Visa program are stated in Article 5 of the MRVP Regulations (LN 288 of 2015), which outlines the qualifying criteria for applicants. To be eligible for a certificate in terms of these regulations, an applicant must: be at least 18 years of age; satisfy a fit and proper test; have stable and regular resources which are sufficient to maintain themselves and their dependents without recourse to the social assistance system in Malta; have sickness insurance in respect of all risks across the whole of the EU normally covered for Maltese nationals; and satisfy one of the investment criteria.

Article 6 of the MRVP Regulations (LN 288 of 2015) outlines the investment criteria for eligibility. An applicant must satisfy one of the following investment criteria: a minimum investment of €250,000 in Malta Government Stocks or bonds, which shall be maintained for a minimum period of 5 years from the date of the certificate; a minimum investment of €250,000 in Malta Government-approved financial instruments, which shall be maintained for a minimum period of 5 years from the date of the certificate; or the purchase of immovable property situated in Malta for a minimum value of €320,000, or the lease of immovable property situated in Malta for a minimum annual rent of €12,000, which shall be maintained for a minimum period of 5 years from the date of the certificate.

Article 7 of the MRVP Regulations (LN 288 of 2015) outlines the validity and renewal of the certificate. A certificate issued under these regulations shall be valid for 1 year and may be renewed thereafter subject to the provisions of these regulations. Article 9 of the regulations outlines eligible dependents. Where an applicant satisfies the criteria established in these regulations, the following dependents shall also be eligible to apply for a certificate: the spouse of the applicant in a monogamous marriage or another relationship having the same or similar status to a monogamous marriage; a child of the applicant, or of their spouse, who is less than 18 years of age, or who is between 18 and 26 years of age and not married and is primarily dependent on the applicant or their spouse; and a parent or grandparent of the applicant or of their spouse, who is primarily dependent on the applicant or their spouse. In summary, the Golden Visa schemes implemented in Malta can be illustrated as follows (Figure 6).

Visa Approved

Entry Conditions	Formal Criteria	Actor (Guarantor)
Minimum property investment €320,000	€40,000 for the application fees	No guarantor needed
Minimum investment of €250,000, in the form of Malta Government bonds, with a minimum period of 5 years	7–15 days for the application review process	
No need to create jobs	Legalization of the proof of investment by a financial institution that is formally registered in Malta, as evidenced by an official bank statement	
No need to create workers	Have a clean criminal record verified by an official letter from the home country and legalized by the National Police of Malta	
€2000 contribution to Maltese society in the form of philanthropic, cultural, sport, scientific, animal welfare, or artistic NGO	Pass the background check conducted by the Maltese immigration authorities	

Figure 6. Welcoming Criteria for a Golden Visa in Malta
(Source: author's analysis based on certain legal documents)

Malta's Golden Visa program has proven to be a popular option for individuals and families looking to relocate to Malta, as it offers various benefits such as visa-free travel within the Schengen area, access to high-quality healthcare and education, and a high standard of living. The program has also been praised for its rigorous due diligence process, which ensures that only suitable and credible applicants are approved. Overall, the MRVP Regulations provide a clear outline of the criteria and requirements for eligibility for the program. The regulations ensure that applicants are financially stable and able to support themselves and their dependents and that they make a significant investment in Malta. The regulations also allow eligible dependents to apply for a certificate, providing an opportunity for families to relocate together.

2.3.2. Legal challenges

The MRVP has proven to be a popular option for individuals and families looking to relocate to Malta, but there are also some challenges associated with the program that applicants should be aware of. One of the main challenges is the application process, which can be time-consuming and complex. Applicants must submit a significant amount of documentation and undergo a thorough due diligence process, which can take several months to complete. While this process is designed to ensure that only credible and trustworthy applicants are approved, it can be frustrating for some applicants who are eager to start their new lives in Malta.

Another challenge is the cost of the program. The main applicant is required to pay a non-refundable fee of €30,000, plus an annual contribution of €5,000 for each dependent. This can be a significant financial commitment, particularly for families with multiple dependents. In addition, the requirement to invest in property or pay a minimum annual rent of €10,000 has led to rising property prices in Malta, particularly in popular areas such as Sliema and St Julian's. Despite these challenges, the MRVP remains a popular option for many individuals and families. The program offers various benefits such as visa-free travel within the Schengen area and access to high-quality healthcare and education. Additionally, Malta is a safe and stable country with a high standard of living, making it an attractive destination for those seeking a better quality of life.

However, the program has faced criticism from some quarters due to the perception that it is primarily targeted toward wealthy individuals. There have also been concerns about the impact of the program on Malta's infrastructure, particularly in terms of the demand for property and services. In addition, there have been reports of delays in the processing of MRVP applications, which has caused frustration among some applicants. Delays can have a significant impact on applicants' business and personal plans, particularly if they are relocating to Malta for work or to start a new business.

Despite these challenges, the MRVP continues to attract a significant number of applicants. According to the latest statistics released by the Maltese government, a total of 2,642 main applicants have been approved for the MRVP, with an additional 5,268 dependents (Government of Malta, 2022). The majority of applicants are from Russia, China, and Turkey, but there are also applicants from a range of other countries. In conclusion, while the MRVP offers many benefits, including visa-free travel within the Schengen area and access to high-quality healthcare and education, there are also some challenges associated with the program, including its high cost and potential impact on Malta's infrastructure. However, for those who are willing to navigate the application process and financial commitments, the program can provide a valuable opportunity to relocate to one of Europe's most desirable destinations.

3. Discussions

3.1 Comparing the Golden Visa schemes

Portugal's Golden Visa program was established in 2012 and has been the most popular option among investors. The program has been successful in attracting foreign investment and has contributed significantly to the country's economic growth. According to the Portuguese Immigration and Borders Service (SEF), from its inception until 2021, the program received a total of 10,223 applications, with over €5.9 billion invested in the country (SEF, 2021). Spain's Golden Visa program was established in 2013 and offers a similar route to residency as Portugal. The program has been effective in attracting investors, especially in real estate, and has also contributed to the country's economic growth. According to the Spanish Ministry of Economy and Business, between 2013 and 2020 the program generated €3.8 billion in investment, with over 50% of it in real estate (Ministry of Economy and Business, 2021). Finally, Malta's Golden Visa program, the MRVP, was established in 2015 and offers a unique approach to residency. The program has been successful in attracting high-net-worth individuals and families looking for European residency that offers a good quality of life and business opportunities. According to the Malta Residency Visa Agency, from its inception until 2021, the program received over 2,600 applications, with over €850 million invested in the country (Malta Residency Visa Agency, 2021).

When it comes to comparing and analyzing the best Golden Visa schemes among Portugal, Spain, and Malta, there are several factors to consider. Each country has its own set of rules and regulations, and what may be considered the best option for one individual may not be the best option for another. Thus, a closer look at some of their factors will help to understand which country's Golden Visa program is the most attractive. First, the investment threshold is an essential factor when considering a Golden Visa program. Portugal has the lowest investment threshold among the three countries, with a minimum investment of €500,000 in property. In comparison, Spain requires a minimum investment of €500,000 in real estate or €1 million in public or business investment. Malta has a lower investment threshold, with a minimum investment of €250,000 in property or a lease of €10,000 per year. While Portugal may be the most affordable, it is worth noting that property prices have been steadily increasing, which could impact investment in the long run.

Secondly, regarding residency and citizenship, all three countries offer a pathway to permanent residency. Portugal offers a 5-year residency permit, while Malta and Spain offer 1-year residency permits. However, the time frame for obtaining citizenship varies. Malta offers the fastest path to citizenship, with the possibility of obtaining citizenship after 1 year of residency. Portugal and Spain require a longer period of residency, with citizenship obtainable after 5 years and 10 years of residency, respectively. It is important to note that citizenship is not a requirement for a Golden Visa program, and permanent residency may be enough for some individuals.

Furthermore, as previously mentioned, the easy nature of Golden Visa residency programs appears to be highly contentious, particularly in the EU, which has a supranational legal framework. A recent case of this contentiousness was experienced by Malta. In 2022, the European Commission decided to submit Malta to the EU's Court of Justice over its investor citizenship scheme (European Commission, 2022). The Commission observed that granting EU citizenship in exchange for pre-determined payments or investments that have no genuine link to the Member State in question is incompatible with the principle of sincere cooperation enshrined in Article 4(3) of the Treaty on European Union, as well as the concept of Union citizenship enshrined in Article 20 of the Treaty on the Functioning of the European Union (Moretti, 2021).

Following Russia's invasion of Ukraine, Malta halted the new scheme for Russian and Belarussian nationals (Times of Malta, 2022). While this was a positive step, Malta continues to administer the scheme for all other nationalities and has stated that it has no plans to terminate it. As a result, the Commission decided to refer Malta to the European Union's Court of Justice under Article 258(2) of the Treaty on the Functioning of the European Union (Consolidated versions, 2012). Scholars also argued that this easy route to citizenship offered within the EU framework would potentially increase illegal activities and irregular migration (Gaspar & Ampudia de Haro, 2020).

Thirdly, all three countries offer favorable tax regimes for Golden Visa holders. Portugal offers a non-habitual residency scheme with reduced tax rates for foreign income. Malta has a global tax system with a high-net-worth individual tax regime, which allows for a flat tax rate of 15% on foreign income. Spain offers a tax regime for non-residents who meet certain criteria. It is worth considering the tax implications of each country's Golden Visa program, as this can impact the financial situation of residents in the long run. Related to financial matters, the Portuguese government was sued by 63 Golden Visa applicants because of the "purposively" slow process of visa approval, based on how much tax the applicant would have to pay to the government (Nesheim, 2022). This legal class action made the government of Portugal amend the Law on Foreign Nationals (Law 23/2007) and form a special task force responsible for ensuring that the application process conforms to national and EU citizenship law (Government of Portugal, 2022).

However, those countries are members of a supranational organization – the EU. The EU also contributes by providing the relevant legal framework surrounding Golden Visa programs in the EU to prevent money laundering and irregular migration for its Member States. The first of these frameworks is the Fifth Anti-Money Laundering Directive (AMLD5) – a comprehensive EU Directive aimed at combating money laundering and terrorist financing (Pavlidis, 2021). It requires Member States to implement stricter due diligence measures and enhance transparency in financial transactions. Financial institutions and designated professionals are required to conduct enhanced customer due diligence (EDD) on individuals involved in high-risk activities, including those seeking Golden Visas (Elo, 2021). This involves conducting thorough background checks, verifying the source of funds, and assessing potential money laundering risks associated with applicants. Furthermore, to ensure compliance with AMLD5, EU Member States are required to establish stringent Know Your Customer (KYC) and due diligence requirements for Golden Visa programs. These procedures involve verifying the identity and background of applicants, including the source of their wealth and funds. The goal is to ensure that individuals applying for residency or citizenship through these programs have legitimate reasons for their investment and that the funds used are not derived from illicit activities.

The EU also emphasizes the importance of information exchange and cooperation among relevant authorities, both domestically and internationally. Member States are encouraged to share information about applicants, their investments, and potential risks. Improved cooperation helps identify and prevent any misuse of Golden Visa programs, such as money laundering or irregular migration. The EU also collaborates with international bodies and organizations, including the FATF, to align its measures with global standards for combating money laundering and terrorist financing. This collaboration involves exchanging best practices, sharing information, and developing common guidelines to strengthen the legal framework surrounding Golden Visa programs.

It is important to note that the implementation of these measures and the specific legal frameworks may vary among EU Member States. Each country has the flexibility to establish its own rules and requirements for its Golden Visa programs, as long as they comply with the overarching EU directives and guidelines related to anti-money laundering and terrorist financing. In conclusion, choosing the best Golden Visa scheme among Portugal, Spain, and Malta depends on individual circumstances and preferences. Factors such as location, taxation, language, and culture can also be important considerations. Ultimately, it is essential to carefully understand the legal impact and the potential for transnational crime which can occur under Golden Visa schemes.

3.2. An analysis of the socio-economic gap in Indonesia

Indonesia has been struggling to attract foreign direct investment (FDI) in recent years, with FDI inflows declining by 6.9% to $23.6 billion in 2020 compared to the previous year (Azémar & Giroud, 2023). One of the main challenges for foreign investors in Indonesia is the complex regulatory environment, which can be a deterrent for those looking to invest in the country. According to the World Bank's Doing Business 2020 report, Indonesia ranks 73rd out of 190 economies in the ease of doing business index, with the country ranking particularly low in the areas of enforcing contracts (139th) and resolving insolvency (164th) (World Bank Group, 2020).

Furthermore, Indonesia's legal system can be slow and cumbersome, with disputes taking an average of 400 days to resolve, compared to the global average of 164 days (World Bank Group, 2020). This can result in additional costs and uncertainties for foreign investors, discouraging them from investing in the country. The COVID-19 pandemic has further exacerbated Indonesia's economic challenges. The country experienced a recession in 2020, with the economy contracting by 2.07% in the third quarter of the year (World Bank Group, 2021). The pandemic also resulted in a significant decline in foreign investment, with the country recording a 30% decrease in foreign direct investment in 2020 compared to the previous year (Azémar & Giroud, 2023). To address these challenges, Indonesia needs to adopt a more investor-friendly approach to attract foreign capital. The introduction of a Golden Visa scheme could provide a valuable incentive for foreign investors to invest in the country. Such a scheme would allow investors to obtain a visa in return for a significant investment in the country, thereby facilitating the transfer of capital and expertise to Indonesia.

Moreover, a Golden Visa scheme could help Indonesia attract high-net-worth individuals and entrepreneurs, who could potentially invest in a range of sectors, including technology, tourism, and infrastructure. This, in turn, could create jobs and boost economic growth. For instance, Portugal's Golden Visa scheme has generated more than €5 billion in investment since its inception, with the majority of investments being made in real estate, followed by capital transfers and business creation. A Golden Visa scheme could provide a valuable incentive for foreign investors to invest in the country and could help Indonesia to overcome its regulatory and economic challenges. However, it is important that the scheme is carefully designed and implemented to ensure that it attracts genuine investors and contributes to the sustainable development of the country's economy.

3.3. Legal challenges identified in Indonesia

The legal challenges that Indonesia may face in implementing a Golden Visa program are numerous and complex. One of the key challenges is the current immigration law, Law No. 6/2011, which sets out strict rules for the issuance of visas and residency permits. This law requires foreigners to meet a number of requirements, including having a sponsor in Indonesia, obtaining a work permit, and passing a medical examination. These requirements can be time-consuming and bureaucratic, and may deter potential investors from applying for a Golden Visa in Indonesia. In addition to the immigration law, Indonesia also has a complex regulatory framework for foreign investment. This framework includes numerous laws and regulations that govern different aspects of foreign investment, such as licensing, taxation, and labor relations. These laws and regulations can be difficult to navigate for foreign investors, and may add to the regulatory burden of implementing a Golden Visa program.

Comparatively, countries like Portugal, Malta, and Spain have more streamlined legal frameworks for Golden Visa programs. For example, Portugal's Golden Visa program requires only a minimum investment of €500,000 in real estate and has a simplified application process. Similarly, Malta's program requires a minimum investment of €250,000 in government bonds and has a clear and transparent application process. To address these legal challenges and create a more attractive Golden Visa program, Indonesia may need to revise its immigration and investment laws and regulations. This could include simplifying the application process, reducing the regulatory burden, and creating more flexible investment options. It is important for Indonesia to learn from the experiences of other countries and benchmark against them to create a Golden Visa program that is both attractive to foreign investors and meets the country's economic and social needs.

3.4. Proposed schemes

After comparing the best Golden Visa programs and analyzing the conditions and potential in Indonesia, Golden Visa schemes in Indonesia can be proposed. Based on the analysis, Golden Visa schemes in Indonesia could follow the example of Spain for eligible applicants who are: (a) investors, (b) entrepreneurs, or (c) highly qualified professionals. In this way, the Golden Visa scheme would maximize its potential to attract foreigners who have potential – not only in terms of investment but also in terms of the need for highly qualified professionals in certain areas. Furthermore, in terms of the entry conditions, formal criteria, and guarantors, the proposed schemes can be illustrated as follows (Figure 7).

Visa Approved

Entry Conditions	**Formal Criteria**	**Actor (Guarantor)**
The minimum property rent is IDR 500 million	IDR 25 million application fees	The investor and entrepreneur would have to cooperate with a local company, while global talent would not need to have a guarantor
The applicant must deposit their money to the Indonesian Bank or registered financial organization of at least IDR 1 billion	Maximum 14 working days for application procedures	
The minimum job creation is 50 workers	Legalization of the proof of investment by a financial institution that is formally registered in Indonesia, as evidenced by an official bank statement	
Workers have to be registered with the Indonesia National Social Security System	Have a clean criminal record verified by an official letter from the home country and legalized by the National Police of Indonesia	
Knowledge transfer and environmental impact required	Pass the background check conducted by the Indonesian immigration authorities	

Figure 7. Potential Welcoming Criteria for a Golden Visa in Indonesia
(Source: author's analysis based on certain legal documents)

Furthermore, there are several potential Golden Visa segments that Indonesia could consider to attract foreign investment and stimulate economic growth. Proposed schemes could include the following.

1. Property Investment Scheme – Indonesia could introduce a Golden Visa scheme that is focused on property investment. This would allow foreign investors to obtain residency in Indonesia by investing a certain amount of

money in the country's real estate market. For example, the investment threshold could be set at IDR 10 billion (approximately $700,000), which would entitle investors to a renewable 5-year visa. This scheme could help boost Indonesia's property market and provide a steady stream of foreign investment.

2. Infrastructure Investment Scheme – Indonesia could introduce a Golden Visa scheme that is focused on infrastructure investment. This would allow foreign investors to obtain residency in Indonesia by investing in the country's infrastructure projects. For example, the investment threshold could be set at IDR 50 billion (approximately $3.5 million), which would entitle investors to a renewable 10-year visa. This scheme could help fund much-needed infrastructure development in Indonesia and create new job opportunities.

3. Business Investment Scheme – Indonesia could consider a Golden Visa scheme that is focused on business investment. This would allow foreign investors to obtain residency in Indonesia by investing in local businesses. For example, the investment threshold could be set at IDR 20 billion (approximately $1.4 million), which would entitle investors to a renewable 5-year visa. This scheme could help stimulate Indonesia's entrepreneurial ecosystem and provide much-needed capital for local businesses.

4. Start-up Investment Scheme – Indonesia could introduce a Golden Visa scheme that is focused on start-up investment. This would allow foreign investors to obtain residency in Indonesia by investing in the country's start-up companies. For example, the investment threshold could be set at IDR 5 billion (approximately $350,000), which would entitle investors to a renewable 3-year visa. This scheme could help create new job opportunities and stimulate Indonesia's start-up ecosystem.

5. Green Investment Scheme – Indonesia could consider a Golden Visa scheme that is focused on green investment. This would allow foreign investors to obtain residency in Indonesia by investing in the country's green projects, such as renewable energy and sustainable agriculture. For example, the investment threshold could be set at IDR 30 billion (approximately $2.1 million), which would entitle investors to a renewable 8-year visa. This scheme could help fund Indonesia's transition to a more sustainable economy and attract socially responsible investors.

6. Global Talent Scheme – Indonesia could introduce a Golden Visa scheme that is focused on attracting global talent. This would allow foreign professionals with specialized skills and expertise to obtain residency in Indonesia by contributing to the country's economic and social development. For example, the scheme could target professionals in fields such as technology, engineering, finance, and healthcare. The investment threshold could be set at IDR 15 billion (approximately $1 million), which would entitle investors to a renewable 5-year visa. This scheme could help address Indonesia's skills shortage and enhance the country's competitiveness in the global economy.

In conclusion, there are several potential Golden Visa schemes that Indonesia could consider to attract foreign investment and stimulate economic growth. The specific scheme(s) that Indonesia chooses to implement will depend on various factors, including the country's economic priorities, investment needs, and regulatory framework. However, by offering competitive and attractive Golden Visa schemes, Indonesia could potentially tap into a significant source of foreign investment and accelerate its economic development.

Conclusions

In recent years, Golden Visa programs have become increasingly popular among countries seeking to attract foreign investment and talent. Indonesia, with its vast potential for economic growth, natural resources, and strategic location, is well-positioned to benefit from such programs. However, designing an effective and inclusive Golden Visa scheme requires a thorough understanding of the benefits and challenges of such programs, as well as the local economic and social context. The comparative analysis of Golden Visa programs in Portugal, Spain, and Malta provides a useful benchmark for Indonesia to design its own scheme. Portugal's program, launched in 2012, has been one of the most successful in attracting foreign investment. As of December 2020, the program had raised over €5.9 billion in investment and created over 80,000 jobs. The majority of the investment has been in real estate, with Chinese and Brazilian investors accounting for the largest share of applicants.

Spain's Golden Visa program, launched in 2013, has also been successful in attracting foreign investment, particularly in real estate. As of December 2020, the program had raised over €3.8 billion in investment and created over 20,000 jobs. Chinese and Russian investors have been the largest groups of applicants. Malta's program, launched in 2013, is relatively more exclusive, with a higher investment threshold and more rigorous due diligence processes. As of December 2020, the program had raised over €1.6 billion in investment and created over 1,700 jobs. The majority of the investment has been in real estate, followed by government bonds and stocks. The largest group of applicants has been from Russia.

However, the Golden Visa programs of these countries have also faced criticism for their potential to increase property prices, contribute to social inequality, and create opportunities for money laundering and corruption. In Portugal, for example, the program has been accused of fueling a real estate bubble and driving up prices in popular tourist destinations, such as Lisbon and Porto. Similarly, in Spain, the program has been criticized for contributing to the housing crisis and displacing local residents in popular tourist destinations, such as Barcelona and Madrid. Moreover, the COVID-19 pandemic has highlighted the potential risks of Golden Visa programs, particularly in terms of public health and safety. In Portugal, for example, the program has been linked to the spread of the virus in tourist hotspots, such as the Algarve and the Madeira Islands.

In light of these challenges, Indonesia should design its Golden Visa program with a focus on promoting social inclusion, addressing the country's socio-economic challenges, and mitigating potential risks. To achieve this, the program should be tailored to the country's specific needs and priorities, taking into account the local economic and social context.

One potential strategy for Indonesia's Golden Visa program could be to set a relatively low investment threshold to attract a broad range of foreign investors, including small and medium-sized enterprises (SMEs) and start-ups. This would help to diversify the sources of investment and promote entrepreneurship and innovation. For instance, Portugal's golden visa program has attracted a large number of investors from Brazil, South Africa, and the United States.

In addition, Indonesia's Golden Visa program should be designed to promote social inclusion and address the country's socio-economic challenges, such as poverty and inequality. This could include setting targets for investment in priority sectors, such as infrastructure, renewable energy, and technology, and providing incentives for investors to invest in these sectors. To mitigate potential risks, Indonesia's Golden Visa program should also focus on due diligence processes and anti-money laundering measures.

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