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QNI Quality of
Nationality
Index

2nd Edition • 2016

EXPERT COMMENTARY

China and India

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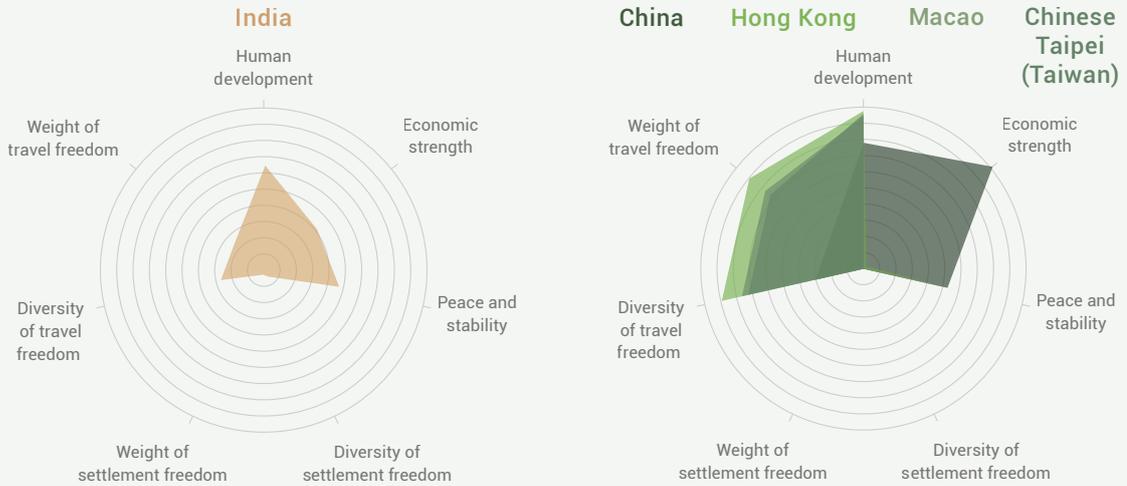


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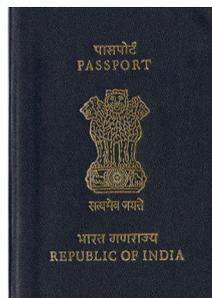
China and India have been in the international spotlight for the last two decades, primarily due to their economic growth and robust cross-border financial flows. According to the latest World Bank GDP growth estimates, India has a compelling 7.6% annual growth rate, while China has an equally impressive 6.9% (it should be noted, however, that Macao is currently in recession). The component of the QNI this property directly translates into is Economic Strength, which constitutes 15% of the ranking, and there are myriad ways in which Economic Strength can have an indirect effect on the other sub-elements of the QNI. It transpired from the cumulative ranking that such indirect effects are not evident, and in the case of India probably modest: Chinese nationality secures a rank of 61 and Indian nationality 101 in the General Ranking. This can be attributed to the little progress made in relation to other elements of the QNI, especially the ones relating to the external aspects of the quality of nationality.

The other beguiling property common to China and India is their size: they encompass several metaphorical nationalities within their borders. Given the internal diversity within the two countries, there is substantial truth to this perception. This metaphor assumes a literal quality with regard to China – several different kinds of passports are issued by Chinese authorities, corresponding to different statuses of belonging known in Chinese law. Importantly, these different statuses are not ranked equally on the QNI. In fact, the ‘China’ mentioned above refers to the People’s Republic of China (PRC), and does not include Hong Kong, Macao and Taiwan. All three nationalities score higher than the PRC on the QNI: 47th place for the nationality of Hong Kong, 50th for Taiwanese nationality and 60th for Macanese. To summarize the status of citizenship in China, a Taiwanese passport is a Republic of China passport. This is distinct from a PRC passport. Permanent Residents of Hong Kong and Macao are eligible for PRC Special Administrative Region (SAR) passports issued under the Basic Laws of Hong Kong SAR and Macao SAR respectively. It should be noted that rules and regulations governing the residence and citizenship of Hong Kong and Macao need to conform with the constitution of the



PRC. In comparison, post-independence, and after its secession from Pakistan and Bangladesh, India issues a single passport to all its nationals.

Both Indian and PRC nationalities demonstrate a modest improvement in their cumulative QNI scores between 2012 and 2016. This is due to an improvement in the Internal Value of the two nationalities, while Travel, Settlement and External Freedom have remained mostly unchanged. Despite similarities in both Economic Strength and Peace and Stability, the comparatively higher internal value of Chinese as against Indian nationality may be attributed to its position on the Human Development Index. The PRC's nationality clocks in at 90th (while Hong Kong is at 12th; Taiwan and Macao are not ranked separately) while India is at 130th. The relatively high Economic Strength and Human Development of Hong Kong, Macao and Taiwan enhance the weighted Travel and Settlement Freedoms of the nationalities which have access to them. This potential has been tapped in relation to Travel Freedom by virtue of an Entry and Exit Permit issued to citizens of the PRC for entry into Taiwan, and the PRC's relaxation of visa restrictions on Taiwanese citizens in July 2015.

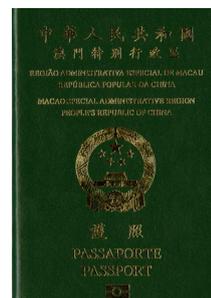


Historically, there have been tensions regarding the autonomy of Hong Kong, Macao and Taiwan on the one hand, and attempts at PRC unification on the other. This has resulted in some cooperative freedoms with regard to travel and settlement between PRC, Macao and Hong Kong. The value of such cooperative freedoms is led by the Travel Freedom enjoyed by the Taiwanese, who could travel freely to 133 countries and territories in 2016. The nationalities of both PRC and Hong Kong witnessed a favorable rise in their Travel

Freedom between 2015 and 2016 (a rise in 21 places for the PRC's nationality and 12 for the nationality of Hong Kong) which can be attributed to the cooperative arrangements with Taiwan. Having said that, the period between 2015 and 2016 witnessed a slight drop in the position of these nationalities on the QNI. This is not due to any major adverse events, but due to improvements in the ranking

of other countries which have agreed favorable travel and residency arrangements with countries in the Schengen Area.

In contrast, India continues to restrict entry to citizens of neighboring countries (other than Nepal and Bhutan). The Indian nationality, for example, only gives visa-free or visa-on-arrival access to 49 countries and territories and is easily surpassed by the nationalities of countries with lower Economic Strength, such as Bulgaria, with visa-free or visa-on-arrival access to 152 countries. We anticipate, however, that there will be some improvement in the position of Indian nationality in subsequent versions of the QNI due to the ongoing extension of fast-track e-visa access to several countries, commenced in 2013. This is a much needed improvement, as reciprocity is an important marker in easing the process of international travel; the difficulty in accessing India may be a contributing factor to the difficulty that Indians have accessing other countries. The e-visa, however, is restricted to short-term visits and is not useful for entering the Indian labor market.



Picking up on the concerns informing access to markets, the only sub-element where Indian nationality performs marginally better than the PRC, Macao, Hong Kong and Taiwan is in the Settlement Freedom ranking (India is ranked 43rd while the others are at 46th, not allowing free settlement to any other country at all). This is due to the investment and settlement privileges enjoyed by Indian citizens in Nepal and Bhutan. Given that Nepalese nationality does not score well on Settlement Freedom Weight, this advantage is marginal.



The QNI clearly indicates that holders of passports in most countries in South Asia and Southeast Asia are not welcome to settle in other countries despite their recent economic performance, and their so-called 'cultural soft power'. International migration flows from the PRC and India are thus relatively high despite their Travel and Settlement Freedom. As is evident in other parts of this Index, the way a country is positioned within regional arrangements has an impact on the value of its nationality on the QNI. By virtue of their position as Member States of the EU, those countries acquire a substantially higher value in relation to Travel and Settlement Freedom. The association of some post-Soviet republics with the Russian Federation has had a varied impact on the value of their nationalities. In comparison, there are relatively few Settlement Freedom advantages that India and China can derive from the blocs they find themselves in. This may be understood in relation to (i) post-colonial arrangements, and (ii) arrangements among these countries.

With regard to (i), decolonization has not been a Travel and Settlement Freedom-enhancing political process for either India or China. Indeed, quite the reverse is true. Other political events, such as wars or the disintegration of an empire have not set in motion processes which enhance the value of their nationalities. In relation to (ii), unlike the advantages to travel and settlement available between Taiwan and China, or facilitated by other regional blocs such as the EU or the EAEU, there are no such arrangements between India and China. India's membership in arrangements such as the South Asian Association of Regional Cooperation (SAARC) does not mediate either its Travel or Settlement Freedom. This explains why the countries with relatively high Travel Freedom, namely Hong Kong and Taiwan, have sought bilateral arrangements.

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