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EXPERT COMMENTARY

US Citizenship

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The nationality of the US presents a study in QNI contrasts. In 2016, the US was ranked only behind China on Economic Strength and among the top 10 countries with respect to Human Development. It has excellent Travel Freedom, reflecting the fact that US passport holders are admitted to an overwhelming majority of states (174) on a visa-free or visa-on-arrival basis. The Settlement Freedom of the US nationality improved in 2016 due to a number of destinations being introduced in the QNI to which US citizens have full access, including the Northern Mariana Islands, Guam, American Samoa and St. Maarten. However, the US still scores relatively low on the Settlement Freedom element compared, for instance, with the nationalities of EU Member States, which have otherwise comparable quality of nationality. Those low scores, combined with an anemic showing on Peace and Stability, put the US at a middling general rank of 29th, a place which it has held relatively steadily over the last five years. The Trump administration policies inject some uncertainty as to whether this position will be maintained going forward. Furthermore, the European Parliament has recently called on the European Commission to introduce visa requirements for American citizens as a reciprocal measure to the refusal of the US to allow Bulgarian, Croatian, Cypriot, Polish and Romanian citizens visa-free access. Should visas be introduced for American citizens traveling to the EU, this will undoubtedly have a detrimental effect on the American nationality. Last but not least, to the extent that the Trump administration expands its entry barriers, it is possible that other states will impose reciprocal measures against US citizens which would further depress the Travel Freedom metric.



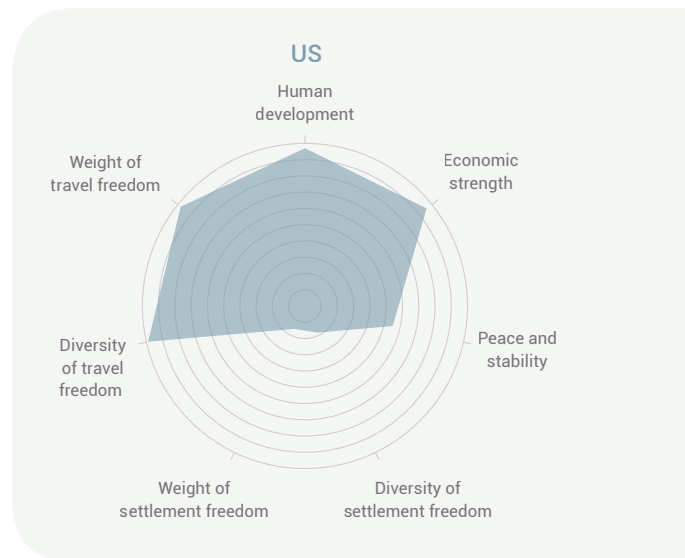
The undeniable desirability of a US passport is anchored in two benefits. First, it gives the holder unrestricted home access to one of the world's most powerful economies. The US is restrictive in allocating permanent residence and business-related non-immigrant admissions. It is difficult as a

non-citizen to secure long-term residence in the US, even in skilled and professional occupations. Non-immigrant admissions could be further constricted by the Trump administration. The US passport thus represents a major economic resource in terms of enhanced employment opportunities. Although it will not be reflected in the indices, reports of harassment by immigration inspectors of non-citizens may also increase the incentives to acquire US citizenship. High US scores on the Human Development element, reflecting such factors as life expectancy, average schooling age, and per capita gross national income, are unlikely to be significantly affected by the changed political context.

As already implied, the US scores less impressively on the Peace and Stability element. This tracks a middle-of-the-pack ranking in the GPI. Some input factors to that index reflect the country’s superpower status: for instance, the level of its nuclear arsenal and its engagement in external conflicts. These weaknesses could be compounded by Trump administration policies. The low GPI score also reflects a higher level of crime and especially incarceration than in other developed states. Most of these factors will not diminish the value of a US nationality for ordinary citizens.

The introduction of new destinations where US citizens can freely settle boosted the Settlement Freedom and External Ranking scores of US nationality. While the US was in position 34 in the ranking for Settlement Freedom in 2015, it increased its value by 11.8 percentage points during 2016 and now ranks 28th. A similar development can be observed in its external value ranking. While the US was in 33rd place last year with a value of 47.5%, the figures for 2016 showed an increase in its external value by 10.1 percentage points, giving the US the new ranking of 27th place. The rankings for the US have been stable in recent years. In light of early Trump administration policies, it is possible that the ranking will decline in coming years. Travel Freedom will almost certainly continue to rank at or near the top, but President Trump’s willingness to adopt extreme and unpredictable immigration and trade policies could trigger a lower future ranking in this category.

There is little prospect in the immediate future that US citizens will secure Settlement Freedom in major economies. Despite its middling score in the QNI and the uncertainties represented by the unprecedented political context, US citizenship constitutes a valuable commodity. That said, it is important to note that US nationality is one of the most atypical in the world with regard to its tax rules not distinguishing, in principle, between citizens living in the US and abroad. The QNI does not take tax rules into account. However, the US income tax imposed on US citizens worldwide is one of the main reasons behind the high number of renunciations of US citizenship by Americans living abroad and holding other nationalities. Holders may wish to diversify their passport portfolio for expanded global long-term employment and residential opportunities.



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