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*The emerging politics of international rankings and ratings**A framework for analysis*

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Introduction

On May 7, 2012, on his first day as once-again elected President of the Russian Federation, Vladimir Putin declared that he would make economic modernization the goal of his administration, vowing to take Russia from its current position as 120th on the World Bank's Ease of Doing Business Index (DBI) to 50th by 2015.¹ The remark was noteworthy for two reasons: First, the Russian President chose the DBI as an authoritative and credible outside judge of the endemic bureaucratic corruption and dismal investment conditions that still characterize the country. Second, Putin cited the DBI even while he and other Russian officials have consistently denied the authority of other international rankings of Russia, such as those measuring Russian democracy, civil liberties, or media freedoms. Given Russia's near obsession with guarding its sovereignty against the influence of Western external actors and non-governmental organizations, the Kremlin's public acceptance of the DBI seems even more striking.

Nine months earlier, the private New York-based credit rating agency Standard and Poor's announced that it was downgrading the credit rating of the United States for the first time ever from its "AAA" highest rating.² The downgrade came in response to the political brinksmanship displayed by the US Congress in the lead-up to its vote to raise the US debt-ceiling and spawned a host of media scrutiny and commentary. What gave this private company the right to judge, let alone downgrade, the powerful United States? What impact would this decision have on the world's

¹ "Russia's Putin orders investment, labour shake-up," *Reuters* May 7, 2012. Also see the speech from February 3, 2012 in which Putin made more favorable references to DBI at: <http://www.bsr-russia.com/en/economy/item/2138-putins-speech-to-rspp-business-lobby-full-text-translation.html>.

² www.standardandpoors.com/ratings/articles/en/us/?assetID=1245316529563

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economic superpower? And what would the downgrade mean for global perceptions about US capacity to continue to exercise its traditional leadership role in world affairs?

These two anecdotes suggest that rankings are playing an increasingly important role in the domains of international relations and public policy, yet scholars and commentators have not yet fully appreciated their scope and impact on state behavior and global governance. Dozens of private actors, international organizations (IOs), non-governmental organizations (NGOs), and even governments have started issuing rankings, ratings, or other indicators that provide information about, measure, and assess the performance of states in world affairs. As tools of organizational power, these rankings are designed to exert normative pressures on states to promote change in a country's performance or improve some aspect of its domestic institutions or policymaking.³ Taken cumulatively, Kevin Davis, Benedict Kingsbury, and Sally Merry observe that these indicators are even becoming a new and distinct "technology of global governance," creating and disseminating new forms of knowledge and embedding themselves in international institutions and administrative practices.⁴

Some of these ratings and rankings organizations (RROs) are relatively well known. The so-called "big three" credit rating agencies of Moody's, Standard and Poor's, and Fitch are the main private companies that evaluate and rate the creditworthiness of sovereign entities, while, since 1995, the Berlin-based NGO Transparency International has ranked states on their levels of public corruption in its annual Corruption Perceptions Index (CPI). The World Bank's DBI each year ranks countries according to a number of indicators that capture aspects of their regulatory environment, while the US-based NGO Freedom House releases annual democracy rankings that characterize countries as "Free," "Partly Free," or "Not Free."

We now have established global rankings that measure levels of human development,⁵ quality of life,⁶ hunger,⁷ business

³ Bauhr and Nasiritousi 2012.

⁴ Davis, Kingsbury, and Merry 2012a; and Davis, Fisher, Kingsbury, and Merry 2012.

⁵ United Nations Development Program, "Human Development Index," <http://hdr.undp.org/en/statistics/hdi>.

⁶ Organisation for Economic Cooperation and Development, "Better Life Index," <http://www.oecdbetterlifeindex.org>.

⁷ International Food Policy Research Institute, "Global Hunger Index," <http://www.ifpri.org/publication/2011-global-hunger-index>.

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environment,⁸ budget transparency,⁹ aid transparency,¹⁰ environmental performance,¹¹ democracy,¹² media freedoms,¹³ civil society,¹⁴ and economic freedoms.¹⁵ Nor are international indices limited to political and socio-economic issues, as rankings and scorecards now also measure the likelihood that states will fail or collapse,¹⁶ assess their compliance with international efforts to stem human trafficking,¹⁷ evaluate the security of their nuclear materials,¹⁸ judge their coherence and effectiveness as members of the European Union,¹⁹ assess their levels of militarization²⁰ and propensity to wage war.²¹ Appendix 1 identifies ninety-five of the international rankings, ratings, and indices that have emerged through the year 2013, and classifies them according to issue area.

State reactions to international rankings

Given the public statements by state leaders about RROs and their increasing prominence in the global policy sphere, it seems curious that

⁸ World Bank, "Ease of Doing Business Index," <http://www.doingbusiness.org/rankings>.

⁹ Open Budget Partnership, "Open Budget Index," <http://internationalbudget.org/what-we-do/open-budget-survey>.

¹⁰ Publish What You Fund, "Aid Transparency Index," <http://www.publishwhatyoufund.org/resources/index/2011-index>.

¹¹ Yale University, "Environmental Performance Index," <http://epi.yale.edu>.

¹² Freedom House, "Freedom in the World," <http://www.freedomhouse.org/report-types/freedom-world>; and Economist Intelligence Unit, "Democracy Index," http://www.eiu.com/public/thankyou_download.aspx?activity=download&campaignid=DemocracyIndex2011.

¹³ Freedom House, "Freedom of the Press," <http://www.freedomhouse.org/report/freedom-press/freedom-press-2012>.

¹⁴ Civicus, "Civil Society Index," <http://civicus.org/what-we-do-126/csi>.

¹⁵ Heritage Foundation, "Economic Freedom Index," <http://www.heritage.org/issues/economic-freedom/index-of-economic-freedom>.

¹⁶ Fund for Peace and Foreign Policy Magazine, "Failed States Index," <http://www.foreignpolicy.com/failedstates>.

¹⁷ United States State Department, "Trafficking in Persons Report," <http://www.state.gov/j/tip/rls/tiprpt>.

¹⁸ Nuclear Threat Initiative, "Nuclear Materials Index," <http://www.ntiindex.org/results/#1-0>.

¹⁹ European Council on Foreign Relations, "European Foreign Policy Scorecard," <http://www.ecfr.eu/scorecard/2012>.

²⁰ Bonn International Center for Conversion, "Global Militarization Index," <http://www.bicc.de/our-work/gmi.html>.

²¹ Vision of Humanity, "Global Peace Index," <http://www.visionofhumanity.org/gpi-data/#/2011/conf>.

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the topic has not received more attention from international relations scholars, even as legal scholars, development practitioners, and anthropologists have generated important theoretical insights and empirical findings.²² States are now responding to these external rankings, but their concerns and reactions vary considerably. Some governments flaunt their improving performance on indices in glossy large ads in international publications such as *The Economist* and *Financial Times*, while elites, as typified by President Putin's speech, also use these rankings as focal points to identify areas of policy priority and launch new initiatives. Other times, states might even attack the very authority, credibility, and legitimacy of RROs, in an attempt to counter negative evaluations, as was the case with China's reaction to being ranked poorly in the World Bank's 2013 DBI survey or, as Abdelal and Blyth describe in this volume, when European Union officials during the Euro-crisis attacked credit rating agencies (CRAs) as counterproductive and even threatened to ban them from issuing downgrades.²³ Responding to RROs has become a common concern for policymakers across a wide variety of fields, especially as their visibility has increased over the last decade.

The extensive literature on international organization suggests two general approaches for explaining how states might react to these outside assessments: rationalist and socially driven responses. Proponents of rational bargaining approaches would claim that states are most likely to respond to those changes in rankings that exert material costs.²⁴ A number of these international rankings potentially can inflict economic damage upon recipients. For example, states that are downgraded by international CRAs usually have to pay higher rates on their bond issues, while states that do not meet benchmarks set by RROs on issues such as political rights or rule of law will not be eligible for assistance under the US Millennium Challenge Accounts. Just as with analyzing the effects of foreign aid conditionality, small states that are economically dependent on international donors or capital flows will

²² See Merry 2011; and Davis, Kingsbury, and Merry 2012b. One exception is the international political economy literature on credit rating agencies. See Sinclair 2005; and Bruner and Abdelal 2005. Also see Rotberg 2014 and Kelley and Simmons 2015.

²³ "Doing in business at the World Bank," *Wall Street Journal* May 7, 2013. On the European reaction to CRAs, also see Klinz 2011.

²⁴ For representative examples, see Abbott and Snidal 1998; Koremenos, Lipson, and Snidal 2001; and Krasner 1982 and 1991.

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care more about international rankings than states that are economically self-sufficient or relatively insulated from international lenders. On the other hand, external rankings that exert no material costs should be ignored.

A second strategic response by states might be to “teach to the test,” or minimize actual institutional reforms by targeting the most malleable measures and indicators on which they are actually ranked, thereby improving their scores without adopting new norms or standards of behavior. Sociological research suggests that, over time, indicators inevitably become substitutes for the phenomena that they are measuring, rendering the indicator itself, not what it is measuring, the focus of social action. For example, in their study of the effects of the *U.S. News & World Report* law school rankings, Sauder and Lancaster find that university administrators have adopted a number of strategies specifically aimed at improving the indicators used to assess their rank.²⁵ As states become increasingly attuned to the importance of certain RROs, rationalists would expect them to design strategies to generate as quick improvement as possible, while generating the least political disruption possible.²⁶

Taken even further, rationalists would also expect states to conform to the basic expectations of “Campbell’s Law.” In his 1970s study of the dynamics of standardized educational testing and teacher performance Donald Campbell observed, “The more any quantitative social indicator is used for social decision-making, the more subject it will be to corruption pressures and the more apt it will be to distort and corrupt the social processes it is intended to monitor.”²⁷ Thus, gaming the system, attacking the credibility of rankings, and directly lobbying RROs for improvements in rankings (without accompanying behavioral changes) are all behaviors broadly consistent with rationalist approaches.

On the other hand, constructivist scholars and social theorists would emphasize that states would react according to the norms and social pressures generated by RROs. In extreme cases, states might be fully socialized by an RRO to accept its authoritative judgment and

²⁵ Sauder and Lancaster 2006.

²⁶ This may even be internalized. For example, the government of Rwanda has a special division housed within the Ministry of Foreign Affairs whose exclusive focus is on improving the country’s place in international rankings.

²⁷ Campbell 1975: 35.

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uncritically implement its prescriptions. For example, in response to the 2011 pilot index on aid transparency, published by Publish What You Fund, the Swedish International Development Cooperation Agency (SIDA) fully accepted the report's findings and even announced that it would adopt future versions of the index as a benchmark for assessing its performance on aid transparency.²⁸

But short of socialization, work on the social dynamics of international groups suggests that RROs might still exert influence by impacting the recipient's social status. From this perspective, though states pay attention to their overall global standing on an issue, they will be especially concerned when an international ranking highlights their hierarchical standing, either through "naming and shaming" or by judging them against a peer state, rival, or regional grouping.²⁹ For example, Armenian officials are unlikely to be bothered if their country is compared in the area of corruption or democratization to Ecuador or Zambia; however, any unfavorable comparisons to neighbor and rival Azerbaijan are carefully noted and scrutinized. Work on stigmatization in international relations even suggests that, in certain cases, lower-ranked states might embrace their "deviant" status as a counter-stigmatization strategy designed to undermine the international normative and political order in which a ranking is embedded.³⁰ By exerting social influence, rankings appeal to the status of states and state leaders, offering positive reinforcement for their practices, opprobrium, or opportunities for normative contestation.

Framing an international relations research agenda on rankings

But exclusively focusing on state responses, and their drivers, to selected rankings does not capture the broader array of international impacts potentially generated by the rise of RROs. Because rankings have so rapidly become an increasingly accepted policy tool in the international arena, we are mandated to think more broadly about their role in global governance and international organization.

This introductory volume represents a first cut at exploring some of the important theoretical, methodological, and political issues raised

²⁸ Author's interviews with representatives of Publish What You Fund, London: May 2012. Published with permission of SIDA.

²⁹ Johnston 2001; and Bauhr and Nasiritousi 2012: 544–545.

³⁰ Adler-Nissen 2014; and Zarakol 2011.

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by the proliferation of RROs in the study of international relations. It brings together a distinguished group of scholars to examine these issues across a wide range of international rankings and issue areas. Theoretically, we identify the different roles played by RROs in international relations and consider why certain actors acquire the authority to issue rankings about states, what common methodological issues ratings and rankings engender, and how rankings might reconfigure political relationships at both the transnational and domestic levels. Empirically, we consider the importance of RROs in a broad range of issue areas, including assessing the quality of democracy, controlling corruption, ensuring media freedom, evaluating the creditworthiness of states, and determining which states are the most likely to “fail.” As we will see, RROs are growing in scope and relevance to the practice of global governance. They have the power to informally regulate global institutions and practices, to create specific normative understandings about issues like “corruption” or “failed states,” to measure the openness of a state’s media environment or political system, provide benchmarks for aid distribution and other policy decisions, and reconfigure political networks among international actors and domestic bureaucracies in their efforts to respond to ranking pressures.

Though the proliferation of rankings and ratings is a global phenomenon, many of our contributions focus upon the experience of the post-Soviet states. Instructively, the rise of RROs has overlapped with the post-Communist states’ so-called political and economic transitions. Born out of the assumption that the collapse of socialism would yield progress towards market economies and liberal democracies, the post-Communist transitions spawned new rankings such as Freedom House’s *Nations in Transit* or the European Bank for Reconstruction and Development’s transition indicators that were designed to measure, track, and highlight this political and economic progress.³¹ Throughout the 1990s, such RROs provided upbeat assessments of these transitions and documented steady improvements throughout the world in the areas of democratic development, respect for political rights, and market-friendly economic reforms, theoretically reinforcing the assumptions in the Western policy community that the teleological transition model was broadly applicable, despite some laggards.³² But

³¹ For a critical overview, see Gianonne 2010.

³² See, for instance, Karatnycky 1999; and Pilon 1993.

during the 2000s, under the assertive and often revisionist leadership of Vladimir Putin, Russia led a backlash in the region against RROs, criticizing rankings and ratings, and singling out Freedom House, as harboring clear biases serving the foreign policy agendas of the West.³³ This was part of a broader backlash against the perceived meddling of Western actors in the domestic politics and sovereignty of the post-Soviet states during which Russia and several Central Asian states expelled democracy and human rights monitors and enacted more restrictive laws against Western-funded NGOs. At the same time, other former Soviet countries such as the Baltic states and Georgia (after 2003), as Schueth documents in his chapter, openly embraced RRO judgments precisely to signal their desire to integrate with the West and be judged according to Western standards.

The political debates that we observe surrounding Western RROs in the post-Soviet sphere are reflected more broadly in emerging research about how global power relations are implicated in the information-gathering and the production of indicators in developing countries. Sally Merry's work suggests that UN statistical gathering procedures designed to produce generalizable indicators have been contested and accused of excluding southern inputs, while Morten Jurgén's research shows how the enduring inaccuracies of African statistics used as inputs in a broad array of indicators distort fundamental related policy actions such as foreign aid allocations, evaluations, and development policy.³⁴ And Seva Gunitsky's contribution to this volume suggests that the reliability of democracy rankings varies precisely in that category of "middling states," neither consolidated democracies nor authoritarian, that policymakers consider the most susceptible to external democracy promotion efforts and targeted projects.

The link between theory generation about RROs and the emerging policy context across different issue areas, then, is critical, and informs all of our chapter contributions, including this introductory chapter and the conclusion. The next part of this analytical overview examines the origins of the recent rankings frenzy, especially the proliferation of new rankings and indices in the 2000s. The chapter then outlines four different roles that RROs have come to play in global governance and

³³ Tsygankov 2012; and Lyudmila Alexandrova, "Reaction to Freedom House report in Russia," *ITAR-TASS Daily* February 2, 2007.

³⁴ Merry 2011; Jurgén 2013.

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international affairs – as judges, sources of governmentality, advocacy tools, and as self-promoting organizations. The next section investigates three themes that inform the comparative study of rankings and the chapters of this volume – the authority of RROs, the methodological questions surrounding their construction, and their emerging ability to create new political configurations and networks, both transnationally and within states themselves. The chapter concludes with brief summaries of our contributors' chapters. Ultimately, our authors' use of a wide variety of social science theories, methods, and approaches to engage with the rise of RROs suggests a fertile new research area that is ripe for further theoretical development and practical scrutiny.

The origins of the rankings frenzy

Why this proliferation of international rankings and indices? Scholars of the development of the modern state have long noted how technologies to standardize accounting, measurements, coinage, and weights were critical in the expansion of bureaucratic reach and capacity and, in Hendrik Spruyt's account, determined the administrative superiority of the modern state over competing organizational forms such as city states or city leagues.³⁵ As James Scott has exposed, the modern state could only acquire true administrative capacity, or "get a handle on its subjects and their environments," when it reduced complex social and local practices into simplified new categories amenable to standardization, classification, and regimentation.³⁶ Similarly, historians and sociologists have noted how during the late nineteenth century quantification became critical for the development of public bureaus and state regulatory capacity.³⁷ The very exercise of modern public accounting, for budgeting, planning, and infrastructure development, was founded upon the modern state's ability to successfully measure and evaluate complex social practices.

Such accounts of the genealogy of indicators as a tool of statecraft are fascinating and obviously relevant, but by themselves are insufficient to explain the dramatic burst of new international RROs since the post-Cold War period. As Figure 1.1 suggests, of the total of ninety-five indices that we have identified in Appendix 1, eighty-three have appeared since 1990 and sixty-six since 2001.³⁸ These RROs are now

³⁵ Spruyt 1994. ³⁶ Scott 1999. ³⁷ Porter 1995.

³⁸ The criteria for included RROs are described in Appendix 1.

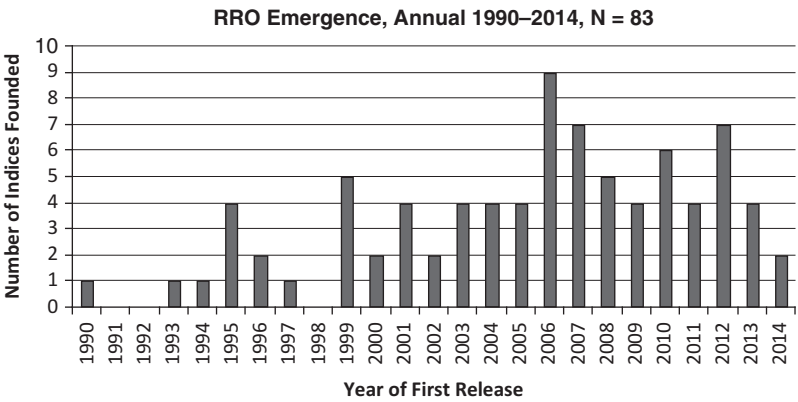


Figure 1.1 RRO emergence, annual 1990–2014, N=83

being produced explicitly in the international realm and targeting a diverse global audience of national policymakers, international bureaucrats, transnational activists, and media outlets.

The spectacular proliferation of international rankings seems to be the result of at least three related trends: the adoption of techniques of performance evaluation in modern political and social life, the strengthening of global governance networks, and the proliferation of new information technologies and open data sources.

First, the global practice of ranking and rating is part of a broader trend within social life over the 1980s and 1990s to develop tools for performance evaluation and assessment. Spawned by the neoliberal turn and demands for public sector accountability, and embodied in the dissemination of modern management techniques, assessment practices have now been adopted by most large public and private organizations, including corporations, bureaucracies, and not-for-profits.³⁹ Driven by the twin axioms of transparency and accountability, performance evaluation and internal risk management, in turn, require a set of standardized and comparable benchmarks, as well as appropriate scales for rendering judgments. As a result, star ratings, letter grades, scores, and ordinal rankings have all become common metrics in the assessment of individuals and organizations. Even in the social sphere,

³⁹ See, especially, Power’s (2007) account of the rise since the mid-1990s of modern risk management and the adoption of internal controls in corporations and other organizations. On NGOs specifically, see Ebrahim 2003.