The Power of Global Performance Indicators

Global performance indicators (GPIs), such as ratings and rankings, permeate nearly every type of human activity, internationally and nationally, across public and private spheres. While some indicators aim to attract media readership or brand the creator’s organization, others increasingly seek to influence political practices and policies. *The Power of Global Performance Indicators* goes beyond the basic questions of methodological validity explored by others to launch a fresh debate about power in the modern age, exploring the ultimate questions concerning real world consequences of GPIs, both intended and unintended. From business regulation to terrorism, education to foreign aid, Kelley and Simmons demonstrate how GPIs provoke bureaucracies, shape policy agendas, and influence outputs through their influence on third parties such as donors and market actors and, potentially, even broader global authority structures.

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The Power of Global Performance Indicators

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Preface

The seeds of this volume were planted early in 2011 when we were working on a project about the US efforts to combat human trafficking. That project was focused on the rating system of the US Department of State, which assesses government efforts to combat human trafficking. We wondered, does that “tier” system have any influence on a country’s propensity to criminalize human trafficking? Halfway through the project, in the fall of 2011, we were skyping across the Atlantic in a series of intense revision efforts, when we began to realize that we might be onto something larger than this specific example. There was something about the process of rating that went beyond information gathering; it seemed to constitute social pressure, maybe even an effort at governance. While we had worked before on the effects of monitoring and global norms on state behavior and studied causal mechanisms from reputational concerns to domestic mobilization around global norms, this phenomenon seemed to bring together many of these past insights into a unique combination of causal mechanisms.

Soon thereafter, we were both grateful for the opportunity to attend a conference on the construction of performance indices at New York University in 2014 that was organized by Sally Merry and Benedict Kingsbury. The more we started to think about it, the more we were intrigued about the phenomenon of ratings and rankings.

Although a substantial body of work on such ratings and rankings – or indicators as they were often referred to – was developing, much of the work assumed that these indices mattered, and, therefore, they explored their construct validity, deconstructed their methodologies, and debated their normative content. Only a very few studies attempted to assess or theorize effects on state behaviors, and the ones that did typically did not test behavioral outcomes. We made this the goal of our research on the US tier ranking of countries for their efforts to combat human trafficking.
Our research led us to see just how widespread the phenomenon of rating and ranking states was. Indeed, the practice of arraying information to elicit explicit comparisons seemed to be spreading among states, international organizations, and non-state actors. In order to better understand this phenomenon, we conducted interviews in London, Washington, DC, and New York during the summer of 2014, and spoke with over forty individuals from twenty different organizations. These interviews were incredibly rich, allowing us to gain an appreciation for the creators’ goals, and for the very intentional strategies to deploy indices to shape not only organizational brands and discourse but also actual policy outcomes. The raters explained how states reacted to being ranked, as well as to specific rankings. It started to appear plausible to us that countries cared about how they compared to others.

Our own analysis of the *Trafficking in Persons Report* revealed that the State Department’s rating system had significantly impacted countries’ criminalization of human trafficking through multiple causal mechanisms.¹ We were struck by several aspects of the State Department’s exercise, which helped us detect and define a broader ranking phenomenon. We felt the flurry of ranking creation and contestation was increasingly going well beyond measurement; it represented a governance struggle that was broadly understood. First, ratings and rankings were intentional in their efforts to influence policies, by engaging their targets’ sustained attention. This also meant such information had to be public. Second, many ratings and rankings schemes were recurrent, which appeared to be important for their effectiveness in invoking the enduring reputational concerns that motivated sometimes difficult change over time.

To explore the broader applicability of our ideas, we organized a call for papers for a conference on global performance indices, sponsored by the journal *International Organization*. For focus, we specifically asked that papers examine ratings and rankings as explanatory variables, and examine consequences, for example, on state policies, power relationships, rule-setting, or dominant discourse. We encouraged papers that used a variety of methodological approaches from single-case studies to large N studies, to experiments or statistical analyses. The call elicited nearly 100 proposals. The conference, “Assessment Power in World Politics,” was held at the Harvard Weatherhead Center for International Affairs (WCFIA) in May 2016 and was followed in September by a mini-conference at the annual conference of the American Political Science Association (APSA) that same year. These conferences brought together scholars who worked on a wide range of assessments of state qualities (e.g. transparency), state policies (e.g. press freedom), or

¹ This work was eventually published as “Politics by Number: Indicators as Social Pressure in International Relations,” in the *American Journal of Political Science*, Vol 59(1): 1146–1161, 2015, and as *Scorecard Diplomacy: Grading States to Influence Their Reputation and Behavior*, Cambridge University Press, 2017.
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prevalent social practices within a state’s jurisdiction (e.g. corruption). Papers contributed theoretical and empirical insights about the use and consequences, or lack thereof, of indicators for domestic politics, transnational and/or international relations. While a subset of the contributions to this volume was published as a symposium with *International Organization*, we are delighted to be able to gather the much broader set of contributions in this edited volume. Together, these contributions present substantial evidence that global performance indicators – ratings and rankings – can influence the behavior of states. They also demonstrate the varied mechanisms of influence, and begin to probe the conditions for their effectiveness. As a set of studies, these chapters make a stronger argument than our sole focus on human trafficking ever could: global performance indicators are a tool of global governance, and rankings often do more than help “brand” organizations. They often alter the normative discourse around a subject, create competition around ranking status, and alter the incentives for specific policies.

We have a lot of people to thank for the overall development of this volume. Sam Chase and Nadia Hajji helped us build the database of indicators on which the introduction is based. We are grateful to the following individuals whom we interviewed during the summer of 2014: Alexandra Gillies (PhD) with the Natural Resource Governance Institute which publishes *The Resource Governance Index* (RGI); Clare Doube with Amnesty International (AI), whom we interviewed about why AI does not have an index; Johan Gott, at A. T. Kearney, which publishes the *FDI Confidence Index*; David Roodman, who created the *Commitment to Development Index* for the Center for Global Development; and John Easton, Dan McGrath, and Dana Kelly from the National Center for Education Studies (NCES) who spoke with us about the US interaction with the *PISA Index*. We are grateful to Rita Ramalho, Nadine Shamounki Ghannam, and Betty Mensah at the World Bank, who spoke with us about the *Ease of Doing Business* (EDB), and to Jean-François Arvis and Christina Busch who explained the Bank’s *Logistics Performance Index* to us. We are also grateful to Adriana Alberti, Richard Kerby, Zamira Dzhusupova, Anni Haataja, Deniz Susar, and Tyko Dyrksmeyer who helped produce the *E-Governance Index* for the United Nations Department of Economic and Social Affairs, and to Daniel Calingaert who spoke with us about the Freedom House’s *Freedom in the World Report*. In addition, we thank the Hudson Institute’s Kimberly Russell and Carol Adelman, who created the *Index of Global Philanthropy and Remittances*, and J. J. Messner and Nate Haken at The Fund for Peace, which publishes *The Fragile States Index*; Jeremy Tamanini with Dual Citizen LLC, which creates the *Global Green Economy Index*, and Nathaniel Heller and Hazel Feigenblatt, who help Global Integrity publish the *Global Integrity Index*. At the Heritage Foundation, which produces the *Index of Economic Freedom*, we are thankful to Anthony Kim, Terry Miller, and Kim Holmes. We also thank Klaus von Grebmer who works for the International Food Policy Research Institute.
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Beth A. Simmons would like to dedicate this book to her husband, Bruce Jackan. Judith G. Kelley would like to dedicate it to her husband, Michael Kelley.