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RESEARCH ARTICLE

THE POLITICS OF GLOBAL INDICATORS IN DESIGNING, PROMOTING AND LEGITIMATING THE COMPETITION STATE

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ABSTRACT: Global indicators of state's performance have grown exponentially over the last three decades. Issues such as economic freedom, competitiveness, property rights, business environment, creditworthiness, democracy, governance, transparency and media freedom have become central topics of several global benchmarks focused on the evaluation of the state. The objective of this paper is to analyze the reasons behind this phenomenon, investigating the role of those global indicators in world politics and the shaping of an "ideal state". In the first section, the study emphasizes that the global diffusion of rankings and ratings is primarily linked to the rise of neoliberalism. Drawing on Michel Foucault's work on governmentality, global indicators are conceived as specific apparatuses of neoliberal rationality that help to conform states' polities and policies to the twin neoliberal principles of competitiveness and entrepreneurship. The second section describes the often contradictory construction of the neoliberal competition state. Then the study analyzes how the neoliberal state is forged by global indicators. Specifically, the paper focuses on the Global Competitiveness Index by the World Economic Forum. The article ends with some concluding remarks on the power of global indicators and some suggestion for future research.

KEYWORDS: Benchmarking, Competition State, Competitiveness, Global Competitiveness Index, Governmentality, Indicators, Neoliberalism, World Economic Forum.

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1. Introduction

Global indicators and indexes of state's performance have grown exponentially over the last three decades. International institutions (such as the World Bank and the International Monetary Fund), governmental and non-governmental organizations (such as USAID, Freedom House and the Heritage Foundation), international private bodies (such as the World Economic Forum), and private actors (the "unholy trinity" of the credit-rating agencies, Fitch, Moody's, and Standard and Poor's)[1] produce annual indexes aimed at evaluating states' behavior mainly in relation to three issue areas: business and economics, country risk, and democracy and governance (Cooley and Snyder, 2015). Issues such as economic freedom, competitiveness, property rights, business environment, creditworthiness, public debt, democracy, governance, transparency and media freedom have become central topics of several global benchmarks focused on the evaluation of the state. What are the reasons behind this phenomenon? What is the role of those global indicators in world politics? And is it possible to delineate the features of the "ideal state" they intend to promote? The objective of this paper is to address these issues. In the first section, the study emphasizes that, despite the global diffusion of rankings and ratings has been caused by different reasons, it is primarily linked to the rise of neoliberalism. Drawing on Michel Foucault's (2007 and 2008) work on governmentality, here neoliberalism is conceived as a specific rationality of government that requires discourses, practices and apparatuses able to conduct human beings at a distance. Global indicators can be conceived as specific apparatuses of neoliberal rationality that help to conform states' polities and policies to the twin neoliberal principles of competitiveness and entrepreneurship (Dardot and Laval 2014). From the creation of a media and political environment that is conducive to competitiveness and free market, as the diffusion of some global indexes of competition does, to the more compelling ratings of creditworthiness, which could influence states' policies and investor confidence: global indicators constantly monitor states' performance and evaluate their conformity to the principles of the hegemonic paradigm. Unruly states are sanctioned by bad ratings and/or by their placement at the bottom of the rankings: as 'losers', they are driven to improve, while the 'winners' are presented as blueprints.

As an additional premise, the paper assumes that, despite the crisis that began in 2008 has called into question the effectiveness of neoliberal policies, neoliberal governmentality remains the hegemonic political rationality which is able to inform subjects' behavior in accordance with neoliberal principles. In the context of this study, this means that

[1] As of 2015, they had about 93 per cent market share (ESMA 2015).

neoliberalism has made some values more relevant than others, thus emphasizing the need to assess, measure and monitor such values through specific neoliberal instruments. Furthermore, it also means that these instruments, mirroring the hegemonic values, are often deemed as the most prominent and used for measuring specific topics. Finally, this means that, relying on their alleged neutrality and depoliticized nature, some global indicators act as pattern-setters which are able to impose specific understandings of the topics concerned. These indicators act as "technologies of performance" (Fougner 2008, 318) that produce sedimentations of the normal on specific issues, which may influence the behavior of the evaluated subjects, as well as of other parties interested in the topic. As it will be specified later, this is the case of competitiveness and the Global Competitiveness Index by the World Economic Forum (WEF).

Since the transformation of the state is one the main objectives of neoliberalism, "the quantitative and qualitative restructuring of nation-states, involving redrawing the boundary between civil society, market, and state" (Ward and England 2007, 12) is among the privileged processes that neoliberal instruments aim to evaluate. The (often contradictory) construction of the neoliberal competition state is addressed in the second section, which describes it as a twin process of roll-back and roll-out neoliberalization (Peck 2010), characterized by spatial and socio-political variegation (Moini 2015). The third section analyzes how the neoliberal state is forged by global indicators. Specifically, the paper focuses on the GCI by the WEF. Drawing on their alleged political neutrality, indicators are capable of defining the contours of the ideal competition state and, although at different level of effectiveness, they can exert both direct and indirect pressure to change on states: "effects are direct when an indicator is used to make a decision and indirect when they shape modes of thinking and analysis that provide the information on which decisions are made" (Davis, Kingsbury and Merry, 2015, 21). The paper ends with some concluding remarks on the power of global indicators.

2. The global diffusion of benchmarking and indicators

As the seminal contributions to metrology by Desrosières (1998) and Porter (1995) pointed out, statistics and accounting are key features of the development of capitalist economies, modern societies and democratic politics. In fact, the use of numerical measures and quantitative knowledge was conceived as a more rational and efficient way for governing social life. As scholars on governmentality have emphasized (Ewald 1990; Foucault 1991), the growth of the welfare state after the World War II was accompanied by the concern with standardization and normalization of individuals by governments. The production of statistical indicators, which was largely in the hands of national governments, had both knowledge and governance effects: on the one hand, they helped decision-makers to get more accurate information on domestic population and produce more evidence-based decisions; on the other hand, statistics exerted a form of control over individuals, because through standardization and normalization it could affect behavior at a distance.

During the postwar era, another important contribution to the development of indicators came from the advent of benchmarking in industrial sector. First emerged within the manufacturing context of "embedded liberalism" (Ruggie 1982) as a technical tool narrowly focused on efforts to improve quality through comparison internal to companies and with internally set standards, benchmarking was conceived as a narrow business technique framed through the language of quality and involving comparisons within companies to ensure the consistency of products (Larner and Le Heron 2004).

By the early eighties, with the rapid diffusion of neoliberal policies based on privatization, liberalization and downsizing government, the creation of indicators has migrated from the realm of the state to that of independent agents, such as corporations, civil society organizations, international organizations and NGOs (Rottenburg and Merry 2015). As Avant, Finnemore, and Sell (2010) argue, from then on these subjects have constituted new authoritative actors who actively make rules, set agendas, classify phenomena, evaluate outcomes, and implement rules and programs in global governance. From being the main indicators' producer over the "golden age", by the late eighties the state has become the preferred unit of evaluation of global indicators. Besides being a part of a broader trend within social and political life to develop tools for performance evaluation and assessment (Cooley 2015), this phenomenon is fully consistent with the neoliberal project of transforming state's polity and policies, as well as with the neoliberal understanding of discretionary decision-making by politics and government as flawed and irrational. Assuming that individuals are rational economic actors seeking impartial, updated and comparable data to make rational choices, neoliberalism operates in the attempt to replace political judgement with economic evaluation (Davies 2014), based on numbers and quantitative measures. Because of their declared commitment to technicality, objectivity, rigour and impartiality, global indicators and benchmarking are privileged substitutes for political choice in order to introduce market rationality and the neoliberal principles of competitiveness and entrepreneurship in state's action. For this purpose, benchmarking assumes a new role and a new meaning. In fact, economic globalization and the liberalization of capital flows – both linked to the advent of neoliberal revolution – pushed companies for a revision of traditional benchmarking, moving from a focus on internal comparison to an external frame of reference explicitly linked to concerns about competitiveness. Benchmarking was then conceived as a managerial strategy to address global market uncertainties, which was "*outward looking*, aimed at improving performance by comparing across organisations, industries *and nation-states*" (Larner and Le Heron 2004, 217-8, my italics). Specifically, it was understood as a calculative practice facilitating the actions of two categories of individuals, both become prominent with the neoliberal turn: the international investor, to which benchmarking provided more information to reduce the risk to her investments in the various countries of the world, and the consumer, whose new centring in the discourse of customer satisfaction led to the application of benchmarking also to public sector organisations, such as government , education, and sanitary system.

Taking advantage of the ICTs revolution and increasing computerization, which allowed the development of more refined techniques to measure and compare the performance of companies, since the late eighties there has been a proliferation of indicators aiming at measuring and benchmarking states' performance. In this new context, global benchmarking established itself as a distinct mode of transnational governance by non-state actors, representing "a new and distinctive application of authority in world politics" (Broome and Quirk, 2015, 816). As Foucault pointed out (2008), this new application of authority is representative of the way in which power is exercised in modern societies, that is not so much on prohibitions or commands, but on more or less stable sedimentations of the normal, "which is produced and updated through normalizing forms of knowledge and techniques" (Triantafillou, 2007, 834), including benchmarking and global indicators. Global benchmarking operates as a normalizing governing technology, that is a set of "procedures and processes through which a norm is brought into play and informs the practices that it seeks to regulate" (Triantafillou 2004, 496). Normalization does not necessary imply a standardization of conduct. Rather it can be regarded as an attempt to act on the actions of others, a stimulus to self-governance, whose strong point lies in the definition of the normal as a fixed (not static) "point for the ways in which a phenomenon is turned into an object of reflection, intervention or contestation" (Triantafillou 2007, 835). Global indicators regularly produce and update the normal for complex and contested values, such as democracy, free market, human rights, corruption, competitiveness and transparency. Moreover, by translating them into simplified numerical representations, they tend both to obscure the normative nature of measurement and ignore the specificity of socio-political contexts.

3. Characteristics of the neoliberal competition state

According to Ward and England (2007), neoliberalism can be conceived as a state form, since the transformation of the state is among the privileged objectives of neoliberalism. But in order to describe what characteristics the neoliberal state should have, what role it should play, and what policies it should implement, some theoretical premises are required. The first is to conceive of neoliberalism as a process rather than an end-state. In this way, it is possible to deal with the apparent contradiction between, on the one hand, policies aiming at dismantling welfare state and downsizing government, which seem to aspire to a less interventionist state, and, on the other hand, policies aiming at creating, promoting and protecting markets, which seem to aim for a central role of the state in neoliberalization. Conceiving of neoliberalism as a process also allows us to better understand its special feature, that is neoliberalism's ability to adapt itself to different contexts, as well as to put states in a never-ending process of continuous adaptation and transformation.

The second theoretical premise consists in considering neoliberalization as a twofold process, characterized both by spatial and socio-cultural variegation (Moini 2015). The first one is a roll-back process, consisting in restructuring projects "typically focused on dismantling alien institutions and disciplining potentially unruly (collective) subjects" (Peck 2010, 22). Based on the neoliberal understanding of state planning as inefficient and threatening individual freedom, this process emphasizes state's ability to dismantle welfare institutions and hollowing out public companies and services. In this context, neoliberalization means lean state. Besides being predominant with the initial onset of neoliberalization and its emphasis on privatization and deregulation, by the late eighties this process is associated with a roll-out process, characterized by an "explosion of 'market conforming' regulatory incursions" (Peck 2010, 23). Roll-out neoliberalization rests on the proactive role of the state in the creation, protection and promotion of markets, through the provision of a legal, regulatory, fiscal, and institutional framework consistent with market rationality.

Given the neoliberal idiosyncrasy for government and politics, both these processes are better disciplined and regulated through depoliticized and allegedly objective forms of transnational authority. Besides traditional depoliticization, consisting in the reassignment of government tasks to 'non-political' bodies, such as the European Central Bank, global indicators act as depoliticized measures both to increase the accountability, transparency and external validation of government policies, and to limit or affect government room for manoeuvre. As Dardot and Laval (2014) pointed out, state's policies and polity have to be adapted to the principles of competitiveness and entrepreneurship. In fact, neoliberal globalization entraps the states in an international regime of competition, where every state must show to be reliable (and more reliable than other states) to financial markets for raising money through the sale of government bonds (Streeck 2014). At the same time, globalization exhorts states to enter into the pursuit for competitiveness: every state must be able (and more able than other states) to attract capital and investors, in order to respond effectively to the problem of job creation, that since the eighties has been entrusted to private sector, as claimed by the neoliberal dogmatism on supply-side economics and privatization (Gallino 2013). In this context, during the long transformation from the "Keynesian national welfare state" (Jessop 2002) to the Hayekian competition state, a key role in redefining the discourse on national competitiveness problem has been played by the World Economic Forum, which promoted a new definition of "country competitiveness", consistent with the conception of firms as 'homeless' transnational actors. According to the WEF, country competitiveness is the "extent to which a national environment is conducive or detrimental to the domestic and global competitiveness of enterprises operating in [that country]" (Rauschenbach 1991, 202). National environments are judged in terms of their attractiveness and aggressiveness, the former being understood with reference to the "quality of resources available in a country from the point of view of an entrepreneur" (Välikangas 1991, 8), and the latter with reference to "the competence of firms in transforming the available resources into value-added products and services" (Ibid.).

It is important to stress here that neoliberal globalization did not force states to behave in particular ways, rather it encouraged them "to work on themselves to recreate themselves in very specific forms with particular capacities. […] Both people and places are encouraged to apply financial disciplines, demonstrate entrepreneurial capacities, and seek out new opportunities" (Larner and Walters 2004, 509). As Fougner (2008a, 108) pointed out, "states have increasingly come to be subjected to a form of neoliberal governance" that "implies that there is a growing tendency for them to be constituted and acted upon as flexible and manipulable subjects with a rationality derived from arranged forms of entrepreneurial and competitive behavior".

As previous studies emphasized (Giannone 2016; Neave 2012), based on two carriers of change that act simultaneously for neoliberalizing state's polity and policies, the state constitutes itself both as "evaluated state" and as "evaluative state". On the one hand, global indicators and benchmarking act as transnational carriers of neoliberal governance, that systematically monitor and evaluate (thus rewarding and sanctioning) states, based on their performance with respect to some crucial neoliberal issues. On the other hand, in order to conform their behavior to the hegemonic values and possibly improve their ranking or rating, the states become evaluative states: through a myriad of agencies and the diffusion of a culture of evaluation, they constantly monitor and assess public action and policies, as well as the conduct of individuals and organizations, based on quantifiable and allegedly objective measures. The evaluated state and the evaluative state are the two sides of the same coin. In fact, as neoliberalization pushes the states to regard themselves as enterprises both in their internal functioning and in their relationship to other countries (Dardot and Laval 2014), the states come to justify decisions, policies and rules in terms that are commensurable with the logic of the market (Davies 2014): that is they shall show to be cost effective and market-friendly. In this context, the New Public Management (Hood 1991; Osborne and Gaebler 1993), with its understanding of public services as enterprises that could be run in a more business-like fashion, and its purpose of transposing market performance indicators into non-economic domains, such as education, sanitary system, justice and public services, can be interpreted as one of the privileged way for the neoliberalization of the state.

4. Shaping the competition state through indicators

In a recent work, Cooley and Snyder (2015) collected a list of 95 prominent rankings and ratings having the state as the main unit of evaluation. Indexes are categorized according to 7 issue areas: business and economics (n=17), country risk (sovereign and political) (n=11), democracy and governance (n=18), environment (n=4), media and press (n=5), security issue and conflict (n=9), social welfare (n=20).

This collection shows that states are systematically monitored and evaluated by global indicators. Besides being based on different values and proposing alternative understandings of the state, all these indexes create competition between the states by ranking or grading them. As Foucault (1999, 101) pointed out: "The distribution according to ranks or grade has a double role: it marks the gaps, hierarchizes qualities, skills and aptitudes; but it also punishes and rewards. […] Rank in itself serves as a reward or punishment". Rankings and ratings "steer behavior toward some desirable goal, and encourage […] [the states] to stay on top of their commitments. There are incentives for compliance, material or symbolic rewards for success, and sanctions for failure" (Fourcade and Healy 2013, 564).

In the context of the present study, issues related to business and economics are of particular importance. In fact, by establishing the primacy of economics over politics (Berman 2009), neoliberalism pushed for the extension of market rationality to non-economic domains and the replacement of political judgement with economic evaluation. Furthermore, as previous studies pointed out (Streeck 2014), neoliberal policies based on the liberalization of capital movements and privatization of public companies have forced the states to compete against one another to attract capital and investments. The creation of the Hayekian competition state is a never-ending transformation that states engage in and whose success is evaluated through the transnational governance of indicators. Hence, competitiveness is the keyword of neoliberalization: it is both a target for the states, that have to become competitive, and a *modus agendi*, as the states have to promote competition as a rule of conduct in all life domains. Among the indexes related to business and economics, the most prominent instrument for measuring states' competitiveness is the Global Competitiveness Index (GCI), published annually since 2004 together with the Global Competitiveness Report (GCR), which was first elaborated by Klaus Schwab in 1979. The GCI is produced by the World Economic Forum (WEF), a Swiss nonprofit foundation which is best known for its annual meeting in Davos, that brings together some 2,500 top business leaders, political leaders, economists and journalists. The importance of the GCI is evidenced by the fact that it has become a point of reference for other indexes. For instance, the Index of Economic Freedom by the Fraser Institute takes most of its indicators for measuring states' economic freedom from the GCI; Transparency International has been using the GCI data for the elaboration of its Corruption Perceptions Index and the Bribe Payers Index. Other institutions such as the Organisation for Economic Co-operation and Development (OECD), the World Bank, and the International Monetary Fund (IMF) also refer to the GCI data in their publications, as do several academic publications. Furthermore, the GCI "has been used as an important tool by policymakers of many countries over the years"[2] and the Global Competitiveness reports "have served as benchmarking tools for business leaders and policymakers to identify obstacles to improved competitiveness" (Sala-I-Martin *et al.*, 2007, 3), and "assisting [governments] in the design of better economic policies"[3] and institutional reforms. Despite the many changes undergone by the instrument over the last three decades,[4] the GCR keeps true to its original objectives of supporting business leaders in their investment decisions and, to this aim, introducing competitive pressure on national governments through benchmarking. This pressure follows "from the reports' overall competitive framing of states, the normalising and visualised comparison among countries

[2] http://reports.weforum.org/global-competitiveness-report-2014-2015/methodology/#hide/fn-4

[3] http://www.palgrave.com/de/book/9781403949134

[4] Since 2014 the WEF has been working to modernize also the GCI, in light of the new reality brought about by the so called Fourth Industrial Revolution, "a convergence of technologies that is blurring the lines between the physical, digital, and biological in ways that promise to disrupt almost every industry in every country" (Sala-I-Martin et al., 2016, 51). The 2016-2017 report presented some preliminary results on the three most renovated pillars: education and skills, business dynamism, and innovation capacity. In the context of the present study, we make reference to the stabilized version of the GCI.

found in the reports, and the competitive logic internal to the benchmarking" (Fougner 2008, 319-320) that the WEF promotes and seeks to install in states.

Taking it for granted that "governments are engaged in efforts to improve national competitiveness" (Fougner 2008, 317), the GCR ascribes the constitution and responsibility of it to governments. In fact, despite emphasizing that they are private enterprises, and not countries, that compete in the global economy to create jobs and wealth, the WEF, alongside other organizations such as the World Bank, assigns national governments a crucial role in fostering efficient markets, by enacting market-supporting policies. Competitiveness is defined as "the set of institutions, policies, and factors that determine the level of productivity of a country" and is measured through a set of 110 indicators, organized in twelve pillars, representing the key drivers of competitiveness according to the WEF.[5] One third of the indicators comes from public available sources, such as the United Nations and the World Bank, while two thirds come from the Executive Opinion Survey, an instrument aimed at capturing the voice of the business community around the world. According to its authors, the Survey aims to measure some critical concepts, such as appetite for entrepreneurship or the incidence of corruption, for which statistical data are unavailable or unreliable (Browne *et al.*, 2016). Besides these methodological justifications, it is necessary to emphasize that indicators can also be seen as "political spaces" (Urueña 2015) in at least two different meanings. In the first place, they are political spaces because "political judgements are implicit in the choice of what to measure, how to measure it, how often to measure it and how to present and interpret the results" (Alonso and Starr 1987, 3); in the second place, indicators are "highly compressed summaries of information, meanings and values, […] [that], in selecting some categories of information over others, […] embody certain values about the kinds of information that 'count' in capturing the phenomenon being measured" (Kabeer 1999, 2). Hence, it is (also) a political choice to base the GCI on business leaders opinion, with the 2016 edition of the Survey capturing the opinions of over 14,000 business executives in 141 countries. Their opinion influences the construction of the index to such an extent that "an economy not included in the Survey cannot be covered by [the] index"[6]. The GCI performs at least two functions: on the one hand, it mirrors what business leaders expect from the state; on the other hand, it creates an 'air of competition' between the states to improve their ranking. Although states remain formally free to ignore

[5] The pillars are: Institutions, Infrastructure, Macroeconomic Environment, Health and primary education, Higher education and training, Goods market efficiency, Labor market efficiency; Financial market development, Technological readiness, Market size, Business sophistication, Innovation.

[6] http://reports.weforum.org/global-competitiveness-report-2014-2015/box-1-a-brief-history-of-the-executive-opinion-survey-and-the-global-competitiveness-report/

this ranking, as well as business community opinion, they actually cannot do it. In fact, as the neoliberal revolution has forced the states to resort increasingly to public debt to support their activities, the sustainability of public finances is even more related to the opinion that those business leaders (as holders and buyers of government securities) express on the state, first of all in terms of interest rate on government bonds (Streeck 2014). Hence, the more the state performs as business leaders expect from it, the more the state could possibly improve its position (and get a sustainable interest rate, or attract foreign capital and investment).

At this point, you must be wondering what policies and polity the GCI's indicators[7] encourage the states to carry out. Analyzing the various indicators that make up the twelve pillars of the GCI, we selected the ones that mostly embody specific values and purpose a political understanding of state's role and function. Specifically, in order to understand what kind of state the GCI endorses, we focused on indicators related to the main distinctive issues between alternative forms of state: the economic dimension, related to the level of state intervention in economy, as well as its power of redistribution of resources, for instance through taxation; the legal dimension, related to state's position with reference to companies' rights and workers' rights; the social dimension, related to state's understanding of individuals, as well as state's role in society.

As to the economic dimension, the most of the indicators of the GCI focuses on the need to maintain sustainable public debt levels, a government balanced budget, as well as values of inflation between 0.5 and 2.9 percent: these are three basic principles of neoliberalism. The understanding of inflation as the main economic issue of modern economies, derived from monetarism, is coupled with the lack of attention paid to the problem of unemployment. While no indicator refers to unemployment as an obstacle to competitiveness, some indicators even seem to be irrespective of the possible impact of some policies on unemployment, such as the indicator that rewards states that encourage businesses to use the Internet for selling their goods and services to consumers. State's ability to redistribute resources through taxation is highly penalized. In fact, state's intervention through fiscal measures, such as subsidies and tax breaks, is considered as distortive of competition, and the index rewards states that lower both non-labor tax rate (profit tax and other taxes) and taxes and mandatory contributions on labor paid by businesses.

As to the legal dimension, according to the GCI, the state should protect property rights, including financial assets, and intellectual property. It should also protect business activities, based on reliable police services, which are able both to enforce law and order,

[7] For the sources and descriptions for all the indicators composing the Global Competitiveness Index see Schwab (2016), pp. 63-75.

and to reduce the costs that crime and terrorism impose on businesses. At the same time, the state should not be burdensome for companies and create an efficient legal framework that makes it easy for private businesses to challenge government actions and/or regulations. As far as workers' rights are concerned, although the GCI provides an indicator aiming at measuring the level of protection of workers' rights, which include internationally recognized core labor standards, however it does not take into account any element of firing regulations. Indeed, the pillar on labor market functioning actually brings out the neoliberal matrix of the GCI. Workers are taken into account in terms of costs incurred by businesses for "advance notice requirements, severance payments, and penalties due when terminating a redundant worker". States should provide regulation that allows "flexible hiring and firing of workers", as well as wages set by individual companies rather than a centralized bargaining process. States should also favor not restrictive regulations related to the hiring of foreign workers.

Consistently with the prescriptions of neoliberal globalization, the ideal state should strongly favor the free flow of capital and goods by reducing customs duty on imports of merchandise goods, and strongly limiting non-tariff barriers (such as health and product standards, technical and labeling requirements) in order to improve the ability of imported goods to compete in the domestic market. At the same time, the openness of the service sector for five major services sectors (financial services, telecommunications, retail distribution, transportation, professional services) and three modes of supply (cross-border supply of services, supply of services through commercial presence, and temporary presence of natural persons) should be strongly implemented.

The free flow of capital and goods is coupled with people's willingness and ability to move for professional reasons. The latter pertains the social dimension of the state, as it regards state's vision of people as citizens vs. consumers or entrepreneurs. Irrespective of people's familiar and social relations, the mobility of people to other parts of the country for professional reasons is evaluated as a positive element for improving state's competitiveness. Furthermore, consistent with the neoliberal precepts on entrepreneurship and individual freedom, states are encouraged to increase people's appetite for entrepreneurial risk, as well as companies embracing risky or disruptive business ideas. The old-fashioned social function of the state related to traditional social rights, such as health and education, is almost neglected by the GCI, which considers country competitiveness as improved when the state takes care of reducing the costs on businesses of health-related absence by workers, as well as improving students' skills needed by businesses.

Table 1 – A Selection of the GCI indicators

Title	*Indicator description*	*Sources*
Property rights	In your country, to what extent are property rights, including financial assets, protected? [1 = not at all; 7 = to a great extent]	World Economic Forum, Executive Opinion Survey
Efficiency of legal framework in challenging regulations	In your country, how easy is it for private businesses to challenge government actions and/or regulations through the legal system? [1 = extremely difficult; 7 = extremely easy]	World Economic Forum, Executive Opinion Survey
Government budget balance	Average of general government budget balance over 10 years, calculated as the general government revenue minus total expenditure, as a percentage of GDP.	International Monetary Fund (IMF), World Economic Outlook
Business cost of health-related absence	In your country, to what extent does health-related absence cost on businesses (consider both communicable and non-communicable diseases)? [1 = to a great extent; 7 = not at all]	World Economic Forum, Executive Opinion Survey
Distortive effect on competition of taxes and subsidies	In your country, to what extent do fiscal measures (subsidies, tax breaks, etc.) distort competition? [1 = distort competition to a great extent; 7 = do not distort competition at all]	World Economic Forum, Executive Opinion Survey
Redundancy costs	Cost (in weekly wages) of advance notice requirements, severance payments, and penalties due when terminating a redundant worker.	World Bank/International Finance Corporation; Doing Business Database
Hiring and firing practices	In your country, to what extent do regulations allow flexible hiring and firing of workers? [1 = not at all; 7 = to a great extent]	World Economic Forum, Executive Opinion Survey.
Flexibility of wage determination	In your country, how are wages generally set? [1 = by a centralized bargaining process; 7 = by each individual company]	World Economic Forum, Executive Opinion Survey.
Attitudes toward entrepreneurial risk	In your country, to what extent do people have an appetite for entrepreneurial risk? [1 = not at all; 7 = to a great extent]	World Economic Forum, Executive Opinion Survey

Source: Author's reconstruction from Schwab (2016)

5. Conclusions

The proliferation of global indicators aimed at measuring states' performance can be traced back to the eighties of the last century. The expanding role of calculation and standardization as major strategies to manage uncertainty, especially in the new global market where international investors were seeking comparable and impartial information to reduce risk to their investments; then the demand, derived from the commodification of social life, of measurement procedures to keep track of production, distribution, exchange, and consumption. Furthermore, the development and rapid diffusion of new information and communication technologies, that have made data easily recordable and available (Giannone 2015). These and other reasons can be ascribed to that proliferation. The eighties also represented a turning point in the conception of the state, with emerging neoliberal ideas pushing for a restructuring of its role and functions. The fact that the Global Competitiveness Report was born in 1979 can hardly be considered a coincidence. Indeed, the neoliberal revolution was aimed at a radical transformation of the state, based on depoliticized and allegedly objectives instruments able to legitimize that change. In particular, one of the main issues was to install in states the problem of competitiveness, by redefining it in terms of transnational firms' capacity to compete, grow, and be profitable in the global marketplace. As suggested by the Foucauldian analyses of neoliberalism – and particularly by their original interpretation of German *Ordoliberalismus* – (Foucault 2008; Dardot and Laval 2013), competitiveness, just like free markets, is not a natural condition, but it must be created through the proactive and decisive role of the state. Hence, from being internal to reflections on how to manage a firm, competitiveness has moved to reflections "on how to govern the state – that is, a problem of national competitiveness" (Fougner 2008, 309).

The way competitiveness is defined and measured by global indicators can help economic and political leaders to determine the normal against which public discourse and policies can be considered as legitimate and positive. As previously analyzed, although made up of several other indicators, the GCI embodies a specific vision of the competition state, which is consistent with the neoliberal ideology supported by the global economic and political elites. Therefore, it is no surprise to find the same conception of competitiveness in many European Union's policies and documents. Thus, during the last economic crisis, European institutions such as the Commission and the European Central Bank (ECB) have repeatedly criticized countries in economic difficulties by accusing them of lack of competitiveness. To illustrate this point further, we provide two examples.

The first one relates to the confidential letter that, on 5 August 2011, the European Central Bank sent to the Italian government, asking for structural reforms in exchange for the Bank commitment to buy governments bonds on the open market.[8] Consistently

[8] With a scoop, the letter was then published by the national newspaper *Corriere della sera* on 29 September 2011. For a detailed analysis of the content of the letter cfr. Author 2015. A confidential letter was sent to the Spanish government too. The full texts of the two letters are available at: http://www.corriere.it/economia/11_settembre_29/trichet_draghi_inglese_304a5f1e-ea59-11e0-ae06-4da866778017.shtml; and

with the neoliberal dogma, the ECB asked for "key challenges […] to increase competition, particularly in services to improve the quality of public services and to design regulatory and fiscal systems better suited to support firms' competitiveness and efficiency of the labour market". Further reforms include the "full liberalisation of local public services [...] through large scale privatizations, [...] a thorough review of the rules regulating the hiring and dismissal of employees", a "further reform [of] the collective wage bargaining system allowing firm-level agreements to tailor wages and working conditions to firms' specific needs and increasing their relevance with respect to other layers of negotiations". As to public administration, the Italian government should "improve administrative efficiency and business friendliness", also through the introduction of systematic "use of performance indicators [...] (especially in the health, education and judiciary systems)".

The second example is from "The Economic Adjustment Programme for Greece", written in 2010 by the Directorate-General for Economic and Financial Affairs of the European Commission, which contains similar expressions. In fact, according to the Commission, the main objective for Greece is "to overcome its competitiveness problem" (European Commission 2010, 20). Hence, the medium-term reform programme objective is "to improve competitiveness", through "reforms [that] are, in particular, needed to modernize the public sector, to render product and labour markets more efficient and flexible, and create a more open and accessible business environment for domestic and foreign investors, including a reduction of the state's direct participation in domestic industries" (10). Drawing on business leaders' point of view, the Commission noted that "the industrialists stressed that the hurdles to external competitiveness were […] in relation to an unfriendly business environment, excessive red-tape and insufficiencies in the public institutions" (21). As to public administration, it "is overstaffed, characterized by complex, burdensome and lengthy administrative procedures, [and] does not provide legal certainty to businesses" (23). Other issues include "public policies, from education to R&D and innovation policies, [which] fail to provide an adequate support for the drivers of productivity growth" (20). These examples provides further information on the EU's conception of competitiveness, as well as the role that the European institutions ascribe to the state in fostering it. This vision is not just a part of the European policies, but is envisioned by the fundamental treaties of the EU, such as the treaty of Maastricht and the treaty of Lisbon, as well as the so-called "Fiscal Compact" treaty (Giannone 2015a, Streeck 2014).

http://www.ecb.europa.eu/pub/pdf/other/2011-08-05-letter-from-trichet-and-fernandez-ordonez-to-zapateroen.pdf.

Although, traditionally, indicators have been associated with scientific and technical assessment and their issues mainly discussed from a methodological point of view, an emerging literature on global benchmarks has emphasized the capacity of global indicators to cloak normative agendas in languages of neutral and technocratic assessment (Broom and Quirk 2015). Furthermore, other studies have demonstrated that the production and use of indicators has the potential to alter the forms, the exercise, and perhaps even the distributions of power in certain spheres of global governance (Davis et al. 2012). The WEF, alongside other institutions, such as the World Bank and the IMF, act as producers of knowledge on competitiveness. The indicators they produce represent an assertion of power to create allegedly depoliticized knowledge which can be used by policy makers to justify and legitimize their decisions. Specifically, global indicators help to remove the political character of decision-making by transforming "le gouvernement par les lois" into "la gouvernance par les nombres" (Supiot 2015, 462).

The knowledge power of indicators is coupled with a governmental power, as they are able to constitute states as flexible and manipulable subjects and act on their actions at a distance. States are conceived as competitors and entrepreneurs in the service of business and private companies. Although states' conduct remains formally free, each state is aware that a positive rating by global indicators could favor foreign investment, international aid, money loans, good diplomatic and trade relations, as well as the granting of financial assistance, and the purchase of government bonds in the financial markets. Hence, not only the states cannot avoid the judgement by international evaluators, but sometimes they actually pay to be rated, as in the case of the sovereign debt, with the states paying credit rating agencies, because the absence of their "seal of approval" may be interpreted negatively by financial markets (Lehmann 2004).

The aim of the present study was to provide an initial (and mainly theoretical) framework of the manifold aspects of global indicators in international politics. In particular, the study focused on the transformation of the state as a crucial case for explaining both the power of indicators and their connection with neoliberalism. It is clear that the power of global indicators is not always easily quantifiable. Further studies are needed to verify their presence in relevant policy documents, as well as their use by national and international political actors. Future research should also take into account the existence of potential conflicts between alternative indicators in at least two senses. The first is to identify indicators related to the same topic (for instance competitiveness), that define and measure it in different ways, and analyze the socio-political context that makes one preferable to the other. The second sense relates to the existence of indicators that embody alternative values (for instance competitiveness vs. cooperation): in this case, research should investigate the political and ideological reasons that make some values hegemonic compared to others.

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