



# **DOES IMAGE MATTER? A PRODUCTIVITY PERSPECTIVE**

Simon Anholt

Productivity

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Asian Productivity Organization



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Does Image Matter? A Productivity Perspective

Simon Anholt wrote this publication.

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# PREFACE

The P-Insights, short for “Productivity Insights,” is an extension of the Productivity Talk (P-Talk) series, which is a flagship program under the APO Secretariat’s digital information initiative. Born out of both necessity and creativity under the prolonged COVID-19 pandemic, the interactive, livestreamed P-Talks bring practitioners, experts, policymakers, and ordinary citizens from all walks of life with a passion for productivity to share their experience, views, and practical tips on productivity improvement.

With speakers from every corner of the world, the P-Talks effectively convey productivity information to APO member countries and beyond. However, it was recognized that many of the P-Talk speakers had much more to offer beyond the 60-minute presentations and Q&A sessions that are the hallmarks of the series. To take full advantage of their broad knowledge and expertise, some were invited to elaborate on their P-Talks, resulting in this publication. It is hoped that the P-Insights will give readers a deeper understanding of the practices and applications of productivity as they are evolving during the pandemic and being adapted to meet different needs in the anticipated new normal.





# INTRODUCTION

Each generation of humanity has faced its own challenges, and ours is no exception. Most are as old as humanity itself: poverty; intolerance; inequality; war; and disease. But what's unusual about our age is how communications and transport have made those problems more global, pervasive, frequent, and intractable. All of these challenges, not just the pandemic, are now beyond the reach of any single country to resolve.

We need to work together as a species if we're going to survive these challenges. That's difficult because we're still organized as we have been for centuries: a group of competing, inward-looking, self-serving tribes called nations. We need to collaborate, but are still set up to compete; we are in fact obsessed with competition.

Competition brings benefits, of course. It's a fundamental attribute of human nature, and over the centuries it has been responsible for much of the progress we've enjoyed. Competition becomes a problem when it's the only god we worship, when we lack the wisdom to mix it with collaboration. Industry started doing this in the 1970s, but a "co-opetition revolution" for nations is decades overdue.

We've had enough of successful and unsuccessful countries, and we've seen what a desperately divisive and unfair contest that is. What we need now is good countries. What I call a good country is one whose leaders combine their traditional responsibility toward their own people and their own territory with responsibility toward all humanity and the whole planet. Today, we need politicians with minds that telescope, not minds that microscope.

The last major innovation in the culture of governance was the idea that governments should aim to provide their citizens with happiness, rather than just prosperity. The idea first emerged in Bhutan in the 1970s but its global moment came 40 years later, as people began to acknowledge that the Anglo-

Saxon model of aggressive capitalism and debt-fuelled growth was a fatally flawed blueprint for human society.

This revelation that material wealth is meaningless unless it produces happiness was a crucial one, but it was only ever a step on the road of human progress. If we merely replace one selfish goal (“I want to be rich”) with another (“I want to be happy”), humanity can hardly be said to have advanced very far. Moreover, chasing happiness rather than wealth is unlikely to help us solve the global challenges that threaten our survival, such as climate change and pandemics.

Humanity is already reaching for the next step. You can tell what we find important by seeing what we measure. Recently, we have seen the emergence of the Human Development Index, the Social Progress Index, and the Better Life Index (aiming for a more complete measurement of living standards than GDP); the World Happiness Index and Happy Planet Index (measuring subjective feelings of happiness combined with objective measures of well-being); and many similar exercises. Clearly, the idea that there’s more to life than money is a central focus of current thinking, but aside from my own Good Country Index (which estimates how much each country contributes to all humanity and the planet), these studies all treat nation-states as separate, disconnected entities, whose quality of life or development is a matter merely for their own citizens. Considering that all nations ultimately depend on the same finite resources, inhabit the same planet, face the same challenges, and are massively connected by networks of trade, transport, communications, finance, business, culture, and politics, this is odd.

Indeed, it might seem as if things are moving in the wrong direction. As conflicts and resource scarcity become more protracted and intractable, producing ever-greater waves of migration, against a background of generalized anxiety about extremism, climate change, conflict, pandemics, and economic instability, it’s not surprising that nationalism, tribalism, and fundamentalism are everywhere on the rise.

Opportunistic politicians are doing what they always do in times of trouble: winning votes by echoing the fear and anger of populations and peddling the old, old lie that all the trouble in the world is caused by foreigners, outsiders, and unbelievers and that if only we can keep them out or destroy them, everything will return to the state of bliss that we enjoyed before they appeared.

Populism, nativism, and localism contain the seeds of their own destruction, however. Aside from the fact that living in harmony is more pleasant than living in fear and antagonism, populists usually make poor administrators and on the whole don't last long in office. Today, we are so much more connected, especially younger generations; mass migration has been around so long that "unmixing" most populations is unthinkable; international institutions are too mature; globalization is too deeply rooted in our daily lives; we are too dependent on global systems of trade, finance, infrastructure, and communications; ever more people are addicted to foreign travel and foreign products; and climate change is too pressing for us to disband or diminish our collective efforts.

I could be wrong: globalization prevents the past from being such a useful guide to the future as it has been previously. So I can't predict whether human progress will, after this brief stutter, continue to move forward, or whether we're facing a real reversal. What I do feel confident about predicting is the nature and strength of the countermovement. My prediction is that "good" will start to replace "happy" as the new currency of constructive international thinking; and, for some of us at any rate, nationalism and localism will at last begin to look as old-fashioned, as offensive, as stupid, and ultimately as taboo as sexism and racism.

# FROM PERCEPTIONS TO PROPAGANDA

In 1998, I wrote an essay in a marketing journal. In the paper, I explored the idea that all countries have images, and in our age of advanced globalization those images have become increasingly important. A country with a powerful positive image (like, say, Switzerland) finds it pretty easy to attract tourists, foreign investment, students and researchers, international events, consumers for its products and services, and the attention and respect of other governments and the media. All this adds up to yet more progress and prosperity for countries like Switzerland. On the other hand, a country that fewer people know about (Suriname, for example) or which has primarily negative associations at this point in its history (like Syria) finds it difficult and expensive. To put it simply, countries in good standing trade at a premium; countries in poor standing trade at a discount.

However outdated, inaccurate, and unfair the popular images of countries may be, I wrote, they still have a huge impact because they influence the choices people make about what to buy, where to visit or work or study, where to invest, whom to believe, and whom to trust. In an interconnected and interdependent world, the casual and often uninformed beliefs of billions of ordinary people driving their everyday behavior truly determine the fate of nations. National image is arguably just as important a factor as productivity or innovation. The latter two factors will influence a nation's ability to design and make products for export, but national image will influence the perceived desirability of those products in export markets around the world.

National standing matters, and it matters deeply. Yet it's largely based on superficial, childish stereotypes that don't begin to do justice to the real richness and complexity of those places, which was why I coined the term "nation brand," making a comparison with the images of companies and products. It felt to me as if the processes of globalization were turning the cultural, historical, and human wealth of nations into little more than products on the shelf of some gigantic global supermarket.

# THE NBI AND THE MARSS MODEL

To support the advice I was giving to governments on this crucial topic of national standing, I launched the Anholt-GMI Nation Brands Index (NBI) in 2005, and for the first edition I polled 20,000 people in 20 countries on their views of 11 other countries.

The questionnaire I had devised for the NBI was a long, detailed one, measuring people's perceptions of each country's government, its people, its built and natural landscape, its traditional and contemporary culture, its investment and immigration attractiveness, and its products and services. We asked people how much they would value having a friend from each country, or employing one of its citizens; whether knowing that a product came from that country would make the product seem more or less valuable; whether its government seemed to care about international issues such as climate change and poverty or was more focused on domestic concerns; whether it was the sort of country they would like themselves or their dependents to live or work or study in; whether or not they expected a warm welcome if they visited the country as tourists or migrants; and whether they saw its population as honest, hard-working, reliable, or otherwise.

After the NBI had been running for seven years, I decided to take some time off and try to answer the fundamental questions that had been perplexing me more and more over the previous 10 or 12 years. The first thing was to try and establish, once and for all, what were the true drivers of a positive national image, since the question of achieving more prosperity, especially for developing countries, had been the starting point of the whole exercise. The NBI, by that point, had accumulated more than a billion data points, and I'd only scratched the surface of what I could learn from it. To use that big data to identify what made the difference between a country with a strong image and one with a weak image was, at least in principle, pretty straightforward and well worth doing.

So what I ended up calling the Morality, Aesthetics, Relevance, Sophistication, and Strength (MARSS) Model was based on analysis of the 17 surveys of international perceptions of a total of 64 countries which I had carried out between 2005, when the NBI was launched, and 2011, when the most recent edition had been published. My analysis of the cumulative NBI database showed that the five most important drivers of overall national standing could be characterized as morality, aesthetics, relevance, sophistication, and strength.

Morality is concerned with whether people approve of the country and its behavior in the international domain. Is the country perceived to exert a positive, principled influence on humanity and the planet?

Aesthetics is a measure of whether the country, i.e., its people, its cities and landscapes, and even its products and cultural productions, are regarded as pleasing to the eye. Those of us who are sighted find it difficult to dislike or disapprove of attractive places, people, and products and have a strong tendency to associate beauty with virtue.

Relevance is a critical factor. A country may be considered attractive or unattractive, weak or strong, modern or old-fashioned, but all of these factors are more or less inconsequential unless the country has the power to impact one's life in some direct way.

Sophistication is a measure of how advanced a country is perceived to be: whether it is regarded as primitive, unsophisticated, and backward, or modern and highly developed, with advanced technology.

Strength is concerned with our perception that a country can wield direct influence over us or others, independently of the other three attributes. This corresponds to what Joseph Nye refers to as "hard power."

I then worked out how closely these clusters of perceived values correlated with the strength of each country's overall reputation as measured in the NBI. It turned out that relevance and aesthetics were the least important contributors. Strength followed by sophistication were the next most important, but morality made the biggest contribution of all, by a wide margin, and correlated most strongly with each country's overall NBI score.

The message from the analysis was clear. The countries that people prefer aren't necessarily the biggest, strongest, richest, or most beautiful, although these are important considerations. The most likely reason why people would admire a country is because they believe it contributes something of value to the world we live in and that it is motivated by positive values and principles toward the rest of humanity and the planet.

In other words, people admire good countries. Does that conclusion have a familiar ring to it? If so, it's because we learned long ago that consumers also admire good companies. This is corporate social responsibility all over again, but played out this time at the level of the nation-state, and governments, just like corporate boards, ignore it at their peril.

Yet why shouldn't it be so? The same consumers who, for example, won't buy running shoes from a certain company because they don't like what they've heard about the way it treats workers in its overseas factories might equally refuse to visit a certain country because they don't approve of its government's record on human rights. It's the same people, exercising the same set of values in every choice they make as consumers, students, investors, visitors, employers, and opinion-formers.

This discovery was a turning point, as it validated what I'd been saying to governments for years: if you want to do well, you have to do good. And because doing good at a global scale is necessarily a matter of working with others, the most competitive form of national behavior is collaboration.

Here, finally, was a way out of the conflict between the genuine desire of many governments to act in a responsible, principled way in the international community, and their duty to serve the interests of their own populations. It neatly closed the loop between the two. Desiring a better national image, far from being an unworthy, superficial distraction for governments, was the missing piece of the jigsaw. It was the motivation they needed, finally, to do what they had to do in order to heal the planet and save humanity.

This is important, since the main problem we face in the 21st century, a problem that underpins and in many senses eclipses all the others, is that up till now we've been far more successful at globalizing our problems than globalizing our solutions. This can only change when countries learn to harmonize their

domestic and international responsibilities more effectively; when they discover that you can cooperate and collaborate without losing competitive advantage; when they start to do so in new, innovative ways that nobody has dreamed of before. It will change when they find out that thinking internationally isn't about altruism or self-sacrifice. If it's done well, it produces better thinking, and that means better policies, with better outcomes both at home and abroad.

In the past, people in positions of power and authority only had to live up to a single, simple mandate: they had to look after the interests of their own people and their own slice of territory. And while they were doing that, if they ended up harming other people or other territories, that was just fine, because it showed a truly uncompromising commitment to their duty of leadership.

Today, this isn't just unwise, it's suicidal. My view is that people in positions of power and responsibility must accept that they now have a dual mandate: they are responsible not only for their own people but for every man, woman, child, and animal on the planet and not only for their own slice of territory but for every square inch of the earth's surface and the atmosphere above it. If they don't like the sound of this, they shouldn't be in a position of power or responsibility at all, not for their country, their city, their town, or even their own family. This is the new rule for life on earth.

To achieve this, the culture of governance worldwide needs to change, from fundamentally competitive to fundamentally collaborative. For centuries, the basic rule has been competition, with a little collaboration and cooperation sprinkled over it when absolutely unavoidable or very clearly in everybody's immediate interest. Now and forever, the basic rule needs to be collaboration, with competition sprinkled over it when clearly and universally beneficial or at least harmless to do so.



# THE GOOD COUNTRY INDEX

I launched the first edition of the Good Country Index two years later with the help of my colleague Dr. Robert Govers. The fifth edition is due to be released in the last quarter of 2021.

By compiling 35 datasets of national behavior collected by several UN agencies and other international bodies, the Good Country Index attempts for the first time to measure how much each country actually contributes to the global commons, meaning to mankind and the planet. It gives each country a balance sheet, so you can instantly see whether any country is a net creditor to the rest of the world, whether it actually deserves the space that it occupies on the planet's surface, or whether it's a debtor, a free-rider on the rest of us.



The Good Country Index doesn't measure what countries do at home, not because I think that these things don't matter, but because there are plenty of surveys that already do that. What the index does aim to do is to start a global discussion about how countries can balance their duty to their own citizens with their responsibility to the wider world, because this is essential for the future of humanity and the health of our planet.

Countries receive scores on each indicator as a fractional rank relative to all countries for which data are available (after most data are corrected for GDP, i.e., the economic size of the country). The reason why each country's score in most indicators is divided by its GDP is so that smaller and poorer countries aren't unduly penalized in the ranking for their limited ability to "make a difference" in the world. This is in consideration of the fact that 24 out of the 35 indicators are positive indicators and hence large countries would automatically perform better in the index if we did not adjust for size.

The actual simple ranks per category are based on the mean fractional ranks on the five indicators per category (subject to a maximum of two missing values per category). The overall rank is based on the average of the category ranks.

The datasets we use are all measuring different things: money; people; weight (of food or narcotics or pollutants); episodes; weapons; and much else. In order to make such widely different datasets compatible, we converted them all into rankings and worked with those rankings.

Although more and more reliable data about countries are collected every year, they're still patchy. So we have to be pretty clever about using the good, robust, available data as "tokens" of the qualities we're looking for. Most of the indicators we use are very direct measurements of world-friendly or world-unfriendly behavior (such as signing of international treaties, pollution, acts of terrorism, wars, etc.) and some are rather indirect (such as Nobel prizes, exports of scientific journals, etc.), but they add up to a pretty good picture of whether each country is basically a net creditor to the rest of humanity in each of the seven categories, or whether it's a free-rider on the global system and ought to be recognized as such.

Most of the indicators are then expressed relative to GDP so smaller or poorer countries are not unduly penalized. We then group them into seven categories:

- Contributions to Science and Technology
- Contributions to Culture
- Contributions to International Peace and Security
- Contributions to World Order
- Contributions to Planet and Climate
- Contributions to Prosperity and Equality
- Contributions to Health and Well-being

Each country thus has an overall ranking, a ranking in each of the seven categories, and scores on each of the 35 individual datasets.

Countries with missing data on more than two out of five indicators in any category are excluded from the ranking. This means that a total of 149 countries are measured in the latest edition of the Good Country Index.

It's a lot of data, but compared to the real complexity of the behavior of 149 countries, the Good Country Index is like shining a torch in the corner of a huge, dark field. Of course, a data-driven study can't and doesn't claim to do justice to such complexity, but it's worth doing for the simple reason that it stimulates debate in a productive direction.

However, it's important to note that the precise position of a country in a table does not matter that much. What matters much more is each country's balance sheet and the gross positions in the table. Countries in the top 20 are doing a lot for the common good relative to the size of their economies. Those in the bottom 20 are hindering the common good, or at least are free-riders on other countries. Countries in the middle are doing something in between.

In future editions of the Good Country Index, we will continue to include better data whenever we find them, which means that direct comparisons between one edition and another won't be straightforward, but I feel that this is a worthwhile price to pay for a constantly improving study.

# WHO'S ON TOP?

The most cursory glance at the rankings of the Good Country Index reveals a pattern that has become all too familiar in the many indexes that are published each year: even though the Good Country Index is categorically different from all the others, in that it measures the external impacts of countries rather than some aspect of their domestic performance or behavior, the “usual suspects” of highly developed, democratic, largely Western nations still dominate the upper reaches of the overall ranking. East Asian countries appear lower down the list, headed by Singapore at 13th place in the most recent edition, Japan 26th, and the Republic of Korea 28th. Malaysia is the next highest-ranking country in the region at 52nd place.

There are two possible explanations for the preponderance of Western countries at the top of the index: one is that the index is deliberately or accidentally biased in their favor; the other is that they really do contribute more to the world outside their own borders.

In all honesty I would rather it were the former, because that could more easily be corrected. The fact that Kenya managed to reach the top 30 in the first edition gave me more pleasure than any other result. In some ways it would suit my theme of global cooperation and collaboration far better if a few Eastern, Southern, and/or developing countries had put some rich Western countries to shame for their greater contributions to humanity or the planet. But unfortunately it just doesn't seem to be the case, at least not using any of the data that are robust, reliable, relevant, and available.

Most of the data are also produced by big international agencies, mainly in the UN system, which means that in many cases they are actually collected by the statistical offices of the countries themselves. This leaves relatively little room for bias, and in any case, the UN represents most countries on earth.

As an experiment, my colleagues and I even tried deliberately to “rig” the rankings in a number of different ways, by excluding certain datasets (we couldn’t add any new ones because the 35 were the only suitable ones we could find after four years of research) and changing some of the calculation methods, just to see how different we could make the results. We tried dividing the data by population and by GNI, but it didn’t substantially change the ranking. The final decision to divide the results by GDP was made purely to avoid penalizing poorer countries for their smaller economies.

Based on the available data, the fact we have to come to terms with is that Western countries do appear to contribute more to the international community at this point in history, even once we’ve factored out the size of their economies.

In the case of EU member states and their closest non-EU partners such as Switzerland, Iceland, and Norway (which dominate the top end of the scale), I believe that this is because they have a long habit of international collaboration and cooperation which other countries simply don’t have. To a limited extent, they’ve been attempting to practice what the good country concept preaches for the last 40 years.

For the rest, maybe it’s just down to the fact that the whole idea of the “international community” and pulling your weight on global challenges is something that the West, for all its faults, has led from the start and continues to do. The West, with its dominance in technology and business, has driven globalization, has profited most from globalization, has suffered in many ways from globalization, and on the whole has made the greatest efforts to correct its risks and imbalances. Or at least it has done so in the case of financial, technological, and organizational solutions. When it comes to simple humanity, such as accepting refugees, the West continues to play a highly inconsistent role and is frequently put to shame by non-Western countries.

Countries in the South and East, on the whole, have tended to be more inwardly or regionally focused. Many of them have big domestic problems still to address; some are not only happy to be free-riders on the planet, they also feel it’s their right. There may be some rough justice in this, but the kind of justice that punishes everybody, including the righteous, is primitive justice indeed.

Perhaps others feel somehow excluded from the “international community” despite the plethora of international institutions that all countries can belong to these days, and perhaps lack the necessary self-confidence to participate actively in global issues. Things are gradually changing. For example, some wealthy Middle Eastern countries contribute to poverty reduction in Africa and Asia (although their tendency to focus on aid to Muslim recipients limits the impact of their generosity).

But somehow we have to face these realities, however uncomfortable they are, and work out the consequences. It’s too easy just to dismiss the data as biased, as so many do. We can’t make progress on these critical issues as long as we remain in denial about the fact that not enough countries do enough to make the world work better.

That includes Western countries too. Just because they rank higher in the Good Country Index doesn’t mean they are doing anything like enough for the world, and most of them do enormous amounts of harm to humanity and the planet as well as good. The fact that, for example, Belgium ranks 116th in the Peace and Security category, or the UK ranks 71st, mainly because of their huge weapons exports, is inexcusable hypocrisy, no matter that Belgium ranks 16th overall in the index and the UK 8th despite this, and one can make similar criticisms of most Western countries.

Rightly or wrongly, the West cannot shoulder the burden of global challenges on its own. It seems right that it should contribute in proportion to the damage it has done and continues to do, and in proportion to its greater resources, but humanity won’t begin to progress until we’ve reached a stage where these distinctions are forgotten, and all countries see it as their responsibility to contribute equally to making a better, fairer, more stable future for all of us.

# WHAT DOES THE GOOD COUNTRY INDEX TELL US?

The Good Country Index correlates to an exceptionally high degree (more than 80%) with the Anholt-Ipsos NBI, my annual study of national images mentioned earlier. Correlation isn't causality, of course, but the result is encouraging as it presents governments with a simple incentive to work harder on climate change and other transnational challenges. If they do, it might well improve the image of their country, and with an improved image comes growth and prosperity.

I'm certainly not recommending national self-sacrifice. The kind of behavior that produces a better national image is enlightened self-interest, and in my work I've found that the policies, projects, and behaviors that gradually earn countries and cities a better image don't need to be expensive or politically risky. Working more internationally and more collaboratively, if it's done well, isn't about compromises. It actually results in better domestic policy as well as higher revenues, and not in some distant future but in real time.

So it turns out that if a country wants to do well, it must do good. This simple formula is the central argument of my new book, *The Good Country Equation*. As I remarked earlier, this is corporate social responsibility all over again, but this time at the level of the nation, the city, and the region. It's time the leaders of countries recognized that this is how the world works today and began to act accordingly.