

**Gutes Regieren**

**Nachhaltigkeit**

**Demokratie**

# Nachhaltiges Regieren in der OECD und EU

Sustainable Governance  
Indicators 2018



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Sustainable Governance  
Indicators 2018





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## Vorwort

# Demokratie- und Regierungsqualität nehmen ab

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Globalisierung, alternde Gesellschaften, Digitalisierung und Klimawandel – angesichts enormer Herausforderungen müssten die OECD- und EU-Staaten eigentlich mit großem Reformeifer ans Werk gehen. Doch die neue Ausgabe der Sustainable Governance Indicators (SGI) zeichnet ein eher ernüchterndes Bild. Die SGI 2018 zeigen, dass sich über die letzten Jahre hinweg in vielen OECD- und EU-Staaten die Rahmenbedingungen für langfristorientiertes Regieren verschlechtert haben. Abnehmende Demokratiestandards und eine zunehmende parteipolitische Polarisierung erschweren die Umsetzung nachhaltiger Reformen.

Während noch zu Beginn des Jahrtausends die meisten Beobachter davon ausgingen, dass das Modell einer pluralistischen, liberalen Demokratie international auf dem Siegeszug der Geschichte sei, ist dieses Leitbild heute zunehmend unter Druck geraten. Dies gilt nicht nur für viele Entwicklungs- und Schwellenländer, wie bereits die letzte Ausgabe unseres Bertelsmann Transformation Index (BTI) gezeigt hat. Tendenzen einer Erosion demokratischer und rechtsstaatlicher Standards – etwa im Bereich der Pressefreiheit – treten mittlerweile leider auch in vielen hochentwickelten Industrienationen zutage. Von den 41 OECD- und EU-Staaten zeigen 26 Länder Verschlechterungen mit Blick auf ihre Demokratiequalität gegenüber der SGI-Ausgabe von 2014, 19 davon deutlich. Darunter sind Länder wie Ungarn, Polen, die Türkei oder Mexiko – aber auch die USA.

Die Idee einer pluralistischen, liberalen Demokratie hat als normatives Leitbild für die Arbeit der Bertelsmann Stiftung konstitutive Bedeu-

tung. Tatsächlich haben die Ergebnisse der SGI in den vergangenen Jahren immer wieder unterstrichen, dass Länder mit einer hohen Demokratie- und Governancequalität am ehesten in der Lage sind, nachhaltige Politiklösungen für drängende Zukunftsprobleme zu finden. Umso bedenklicher ist daher der in der aktuellen Ausgabe zu beobachtende Trend, dass neben einer Verschlechterung demokratischer Standards auch wichtige Kriterien „guten Regierens“ von vielen Ländern vernachlässigt werden. Die Problemlösungskapazitäten der OECD- und EU-Staaten, die wir mit unserem Governance Index messen, sind im Durchschnitt in den vergangenen Jahren gesunken.

Die Hauptgründe dafür liegen in der fast überall zunehmenden parteipolitischen Polarisierung und dem Erstarken populistischer Kräfte. In einem polarisierten politischen Umfeld wird es schwieriger, einen breiten gesellschaftlichen Konsens über politische Lösungen herzustellen. Populistische Parteien versuchen das Ringen um geeignete politische Lösungen durch emotional aufgeladene Kampagnen zu sabotieren. Parteien befinden sich deswegen in einer Art „Dauerwahlkampf“, der parteiübergreifende Kompromisse zu Sachfragen erschwert. Entsprechend hat die zunehmende Polarisierung in vielen Ländern dazu geführt, dass sich die Kommunikationsfähigkeit der Regierungen sowie die Umsetzungseffizienz von geplanten politischen Vorhaben verschlechtert haben. Eine weitere Barriere ist zudem, dass viele Regierungen in der Planungsphase von Reformen weniger gesellschaftliche Akteure einbeziehen. Manche Regierungen – wie in Ungarn, Polen oder der Türkei – umgehen bewusst recht-

lich vorgesehene Konsultationsverfahren oder schließen regierungskritische Akteure aus dem Konsultationsprozess aus.

Aus diesem Grund ist davon auszugehen, dass sich die beobachteten Trends zukünftig negativ auf die durchschnittliche wirtschaftliche, soziale und ökologische Nachhaltigkeit in den OECD- und EU-Staaten auswirken werden. Die aktuelle Wirtschafts- und Währungskrise der Türkei kann bereits als eine unmittelbare Folge der schlechten Demokratie- und Governancequalität unter Präsident Erdogan interpretiert werden. Und auch das deutliche Abrutschen der USA in allen drei SGI-Teilindices – Politikperformanz, Demokratiequalität und Governance – zeigt, dass nachhaltige Politiklösungen unter der erratischen Präsidentschaft Donald Trumps nicht zu erwarten sind.

Insgesamt sind weiterhin die nordischen Staaten, die Schweiz und Deutschland am erfolgreichsten bei der Realisierung nachhaltiger Politikergebnisse. Dies sind auch nach wie vor diejenigen Länder mit der größten Demokratiequalität – doch auch hier wächst die parteipolitische Polarisierung. Das Regieren wird dadurch künftig nicht leichter. Tatsächlich gibt es in der aktuellen SGI-Ausgabe nur relativ wenige wirklich positive Entwicklungen, die man herausstellen kann. Frankreichs Entwicklung unter Präsident Macron ist jedoch so ein positives Beispiel: Obwohl das politische System Frankreichs ebenfalls stark polarisiert ist, hat sich die Qualität des Regierens seit Amtsantritt Macrons klar verbessert. Es kann eine Inspirationsquelle für andere Regierungen sein,

dass eine verbesserte Umsetzungsfähigkeit, eine klare und widerspruchsfreie politische Kommunikation sowie die frühzeitige Einbindung gesellschaftlicher Gruppen durchaus auch in einem stark polarisierten politischen System Hand in Hand gehen können. Kanada erhält für einen ähnlichen Politikansatz unter der Regierung Justin Trudeau ebenfalls gute Noten.

Regierungen müssen – gerade unter den Bedingungen erstarkender populistischer Kräfte – bemüht sein, gesellschaftliche Konfliktlinien und die Distanz zwischen Regierenden und Regierten zu verringern. Dies gelingt jedoch nur, wenn man nicht die gleichen einfachen Rezepte populistischer Parteien ins Feld führt und wesentliche Kriterien guten Regierens vernachlässigt. Zu diesen Kriterien gehört eine kohärente, glaubhafte Kommunikation klarer Ziele mit den dafür vorgesehenen Umsetzungswegen ebenso wie die breite Konsultation gesellschaftlicher Akteure.

Jenseits dieser hier nur exemplarisch herausgestellten Elemente „guten Regierens“ bietet die neue Ausgabe der Sustainable Governance Indicators für Politik, Wissenschaft und Medien einen riesigen Datenfundus, den es nun auszuschöpfen gilt.

**SGI** Sustainable  
Governance  
Indicators

| BertelsmannStiftung



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## SGI 2018 – Das Wichtigste in Kürze

# Sinkende Demokratiequalität, steigende Polarisierung und Defizite in der politischen Steuerung – eine schwere Hypothek für viele OECD- und EU-Staaten

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Die aktuelle Ausgabe der Sustainable Governance Indicators zeigt einige äußerst bedenkliche Trends innerhalb der OECD und EU, die für viele Länder angesichts der bestehenden großen politischen Herausforderungen zu einer schweren Hypothek für die Zukunft werden können.

### Leitbild der liberalen Demokratie auch in westlichen Industrienationen zunehmend unter Druck

Die hochentwickelten Industrienationen der OECD und EU sind nicht vor einer Erosion der Demokratiequalität gefeit. Im Gegenteil: Viele der westlichen Industrienationen reihen sich in den Trend einer weltweit abnehmenden Demokratiequalität ein. Von den 41 OECD- und EU-Staaten zeigen nicht weniger als 26 Länder tendenzielle Verschlechterungen gegenüber der SGI-Ausgabe von vor vier Jahren, 19 davon relativ deutlich. Dem gegenüber stehen nur 14 Länder mit Verbesserungen ihrer demokratischen und rechtsstaatlichen Standards. Lediglich neun davon konnten sich vergleichsweise deutlich verbessern. Besonders negative Entwicklungen offenbaren sich in Ländern wie Ungarn, Polen, Mexiko und der Türkei. Und auch ein Land wie die USA, für das die Werte der Demokratie und Freiheit eigentlich zum unverbrüchlichen Kern des eigenen Nationsverständnisses gehören, hat zuletzt recht deutlich an Demokratiequalität eingebüßt. Ein Präsident, der etwa die Medien als „Feinde“ bezeichnet und nicht deren unab-

hängige Kontrollfunktion anerkennt und wertschätzt, ist beschämend und eine Gefahr für Demokratie und Freiheit.

Diese Entwicklungen verweisen darauf, dass selbst innerhalb der OECD und EU das Leitbild der liberalen Demokratie unter Druck gerät – in manchen Ländern sogar so stark, dass zentrale demokratische und rechtsstaatliche Standards – wie etwa die Freiheit der Medien – bereits schwer beschädigt oder ausgehöhlt sind. Mit Blick auf Länder wie Ungarn oder die Türkei kann man daher nicht mehr von konsolidierten Demokratien sprechen. Auch Polen, das in Sachen Demokratieentwicklung lange eine Vorbildfunktion unter den mittel- und osteuropäischen Ländern hatte, hat unter der rechtskonservativen PiS-Regierung massiv an Demokratiequalität verloren. Das Land ist um 29 Plätze abgerutscht.

Während die Länder am unteren Ende des Demokratierankings (Polen, Rumänien, Mexiko, Ungarn, Türkei) weiter deutlich an Boden verloren haben, bleiben die Werte der im Vergleich führenden Staaten (Schweden, Finnland, Norwegen, Dänemark, Deutschland, Schweiz)

jedoch relativ stabil. Es wäre daher falsch, ein pauschales Negativurteil für alle Länder in der OECD und EU auszustellen. Doch die genannten Negativtrends in einer beträchtlichen Anzahl von Staaten lassen sich nicht leugnen.

### Gestiegene politische Polarisierung erschwert das Regieren

Diese besorgniserregenden Entwicklungen einer abnehmenden Demokratiequalität sind auch in einem gewissen Zusammenhang mit der zunehmenden parteipolitischen Polarisierung in den OECD- und EU-Ländern zu beurteilen. In der Mehrzahl der untersuchten Staaten hat die ideologische Polarisierung über die letzten drei Wahlen betrachtet deutlich zugenommen. Dies gilt auch für Deutschland. Die Distanz zwischen „Links“ und „Rechts“ ist gestiegen. Populistische Parteien verstärken dabei in der Regel den Effekt der Polarisierung.

Die gestiegene Polarisierung ist insofern problematisch, als dadurch der Prozess des Regierens erschwert werden kann, wodurch wiederum die Reformfähigkeit sinkt. In stark polarisierten Systemen wird es beispielsweise schwerer, einen breiten gesellschaftlichen Konsens über politische Lösungen herzustellen. Gerade populistische Parteien zielen oftmals darauf, das Ringen um geeignete politische Lösungen durch eine systematisch emotional aufgeladene Kampagnenführung zu sabotieren. Parteien befinden sich in der Folge in einer Art „Dauerwahlkampf“, der parteiübergreifende Kompromisse zu Sachfragen erschwert. Die Tatsache, dass sich in einigen wesentlichen Indikatoren des SGI-Governance-Index deutliche Verschlechterungen über die Zeit feststellen lassen, ist nicht zuletzt vor diesem Hintergrund zu interpretieren.

### Geringere gesellschaftliche Konsultation durch Regierungen, verschlechterte politische Kommunikation, sinkende Qualität der Medienberichterstattung

So ist es beispielsweise sehr problematisch, dass viele Regierungen weniger als früher auf

eine breite gesellschaftliche Konsultation in der Planungsphase von politischen Vorhaben setzen. Letzteres wäre jedoch wichtig, um die Wissensbasis für die Politikformulierung zu verbreitern und einen möglichst großen gesellschaftlichen Konsens für politische Vorhaben zu generieren. Insgesamt haben sich 18 Länder bei diesem Indikator verschlechtert und nur zehn verbessert. In manchen Fällen – wie in Ungarn, Polen oder der Türkei – verstärken Regierungen durch ihre eingeschränkte und einseitige gesellschaftliche Konsultation sogar gezielt die gesellschaftlichen Konfliktlinien. Dass dadurch kaum langfristig tragfähige und ausgewogene Politikziele umgesetzt werden, liegt auf der Hand.

In dieses Bild passt auch, dass sich die Kommunikationsfähigkeit der Regierungen in der OECD und EU über die letzten Jahre tendenziell verschlechtert hat. Vielen Regierungen gelingt es weniger gut als früher, eine kohärente Kommunikation zu verfolgen, die im Einklang mit den übergeordneten Regierungsplänen steht. 16 Staaten weisen teils klare Verschlechterungen und nur neun Länder Verbesserungen auf. Auch hier zeigen sich die negativen Effekte einer stärkeren politischen Polarisierung. Besonders drastisch fällt dabei in der aktuellen SGI-Erhebung die Verschlechterung der USA unter der Trump-Administration ins Auge. Doch auch Länder wie Deutschland sind in Sachen kohärenter, strategischer Außenkommunikation der Regierung angesichts einer zunehmenden politischen Polarisierung vergleichsweise schlecht aufgestellt.

Dass sich in vielen Ländern auch die Umsetzungseffizienz mit Blick auf geplante politische Vorhaben verschlechtert hat, ist ein weiterer problematischer Befund. Und auch hier liegen die Gründe für die erschwerte Umsetzungsfähigkeit in vielen Fällen in der starken parteipolitischen und gesellschaftlichen Polarisierung. Insgesamt haben sich 18 Länder gegenüber der SGI-Ausgabe von 2014 verschlechtert und nur neun verbessert.

Insbesondere angesichts der Tatsache, dass sich viele Regierungen weniger inklusiv in der Einbeziehung gesellschaftlicher Akteure gezeigt



haben und große Probleme haben, ihre politischen Vorhaben unter den Bedingungen eines Dauerwahlkampfes kohärent an die Bevölkerung zu kommunizieren, ist es auch eher unwahrscheinlich, dass die parteipolitische Polarisierung sich auf absehbare Zeit wieder deutlich verringert.

Problematisch ist in diesem Gesamtkontext zudem, dass sich auch im Bereich der Beteiligungs- und Kontrollkompetenzen, der zweiten Komponente des SGI-Governance-Index, ein Negativtrend zeigt. Neben einer – in allen Staaten zu beobachtenden – abnehmenden Anzahl von Qualitätsmedien im Printbereich sind hierfür auch Verschlechterungen in der Qualität der Medienberichterstattung insgesamt ausschlaggebend. Dass es mit Blick auf den letztgenannten Aspekt in einigen Ländern einen unmittelbaren Zusammenhang mit bestimmten Negativtrends im Bereich Demokratiequalität gibt, verwundert kaum: Dort, wo Regierungen in die Pressefreiheit eingreifen, verringert sich auch die Qualität der Berichterstattung, und die Kontrollfunktion der Medien wird untergraben.

#### In einigen Ländern: Vertrauen in Regierung wächst – trotz Abbau demokratischer Standards

Interessant und sehr bedenklich ist zudem, dass in Ländern mit abnehmender Demokratie- und Regierungsqualität nicht automatisch auch das Vertrauen der Bürger in die Regierung abnimmt. Im Gegenteil: In Ländern wie Polen, Ungarn oder der Türkei lässt sich im Zeitverlauf sogar eine Zunahme des Vertrauens in die jeweilige Regierung beobachten. Allerdings steht dem Anteil der Menschen, die Vertrauen in eine zunehmend undemokratisch agierende Regierung äußern, ein anderer Teil der Gesellschaft gegenüber, der hierzu in starker Opposition steht. Dies verweist einerseits auf eine erhebliche gesellschaftlich-ideologische Spaltung innerhalb der Länder und macht gleichzeitig deutlich, dass bei einem beträchtlichen Teil der Gesellschaft offenbar fundamentale demokratische Grundwerte nicht ausreichend im politischen Bewusstsein verankert sind.

#### Schlechte Voraussetzungen für die Lösung langfristiger politischer Probleme

Insgesamt sind die oben zusammengefassten Trends keine gute Voraussetzung für die Bewältigung der zahlreichen komplexen Herausforderungen, vor denen die OECD- und EU-Staaten stehen. Die Umsetzung langfristiger Politiklösungen ist in vielen Staaten sogar schwieriger als leichter geworden. Die Politikergebnisse der SGI 2018 (Policy Performance Index) zeigen, dass dringende Baustellen von vielen Regierungen bislang nur unzureichend bearbeitet wurden. Folgende Punkte fallen besonders ins Auge:

- Zwar hat die wirtschaftliche Erholung der letzten Jahre zu einer Stabilisierung bzw. leichten Verbesserung der Gesamtpolitikperformanz beigetragen, doch hat der Aufschwung nicht zu einer Verbesserung der sozialen Nachhaltigkeit geführt. Mehr noch: Während die Staaten bis zur SGI 2016 Ausgabe bei der Gewährleistung sozialer Teilhabe erfolgreicher waren als bei der Sicherstellung wirtschaftlicher Leistungsfähigkeit, zeigt sich seitdem ein umgekehrtes Bild.
- Insbesondere der Bereich Forschung und Entwicklung ist in vielen Ländern der OECD und EU noch stark verbesserungswürdig. Verstärkte Investitionen in diesem Bereich sind aber besonders wichtig, gerade um im globalen Wettbewerb bestehen zu können und angesichts des fortschreitenden technologischen Wandels nicht den Anschluss zu verlieren.
- Die Mehrzahl der untersuchten Staaten ist von einer starken gesellschaftlichen Alterung betroffen. Obwohl diese Probleme seit Jahren wissenschaftlich klar erforscht und der Politik bewusst sind, fehlen oftmals langfristig tragfähige Lösungen insbesondere im Bereich der Rentenpolitik. Dies gilt auch für Deutschland.
- Insbesondere in den südlichen Krisenstaaten Europas ist die Schuldenkrise angesichts weiterhin extrem hoher Staatsschuldenstände bei weitem noch nicht gelöst.
- Auch die globalen Wachstumsrisiken sind vor dem Hintergrund des Handelskonflikts mit den USA beträchtlich.

- Großer Nachholbedarf besteht zudem bei der Umsetzung der globalen Entwicklungsziele (SDGs): Nicht zuletzt im Hinblick auf die ökologischen Nachhaltigkeitsziele sind kaum durchgreifende Fortschritte erkennbar. Ein Land wie die USA ist sogar auf einen kompletten Gegenkurs eingeschwenkt – ein desaströses Signal an alle anderen Länder.

### Demokratiequalität und „good governance“ sind keinesfalls „nur“ Selbstzweck

Eine hohe Demokratiequalität und ein funktionierender Rechtsstaat sind für sich genommen bereits erstrebenswerte normative Ziele und ein Zweck an sich, der keiner instrumentellen Rechtfertigung bedarf. Nicht umsonst sind Demokratie und Menschenrechte Kernbestandteile des fundamentalen Wertekanons der EU und der OECD. Ein klares Bekenntnis zu diesen Werten ist (eigentlich) Grundvoraussetzung für eine Mitgliedschaft in diesen Organisationen. Betrachtet man die Qualität der Demokratie sowie die Governanceleistungen der untersuchten Staaten auf der einen Seite und die Politikergebnisse auf der anderen Seite, kann zudem festgestellt werden, dass es zwischen diesen Dimensionen durchaus auch einen deutlichen positiven funktionalen Zusammenhang gibt. Länder mit einer höheren Governance- und Demokratiequalität erzielen tendenziell auch nachhaltigere Politikergebnisse. An der Spitze liegen in beiden Bereichen die nordischen Staaten. Gutes Regieren und hohe Demokratiequalität sind – jenseits ihres intrinsischen Werts – also auch wichtige Erfolgsfaktoren für nachhaltige Politikergebnisse.

Insgesamt ist davon auszugehen, dass die beobachteten Phänomene der verringerten Demokratiequalität sowie der nachlassenden politischen Steuerungsfähigkeit zukünftig eher zu einer Verschlechterung als zu einer Verbesserung der durchschnittlichen Politikergebnisse in den OECD- und EU-Ländern führen werden. Dies gilt insbesondere für die USA, Polen und die Türkei, die in beiden Dimensionen zu den großen Verlierern zählen. Dass mit den USA ausgerechnet die größte Volkswirtschaft der Welt bereits in allen drei SGI-Teilindizes – Demokratie,

Governance und Politikperformanz – um neun Plätze im Vergleich zur Erhebung von 2014 abgerutscht ist, spricht Bände und lässt nicht viel Gutes für die Zukunft erahnen. Es gibt aber durchaus auch vereinzelte positive Entwicklungen, die als Inspiration für andere Staaten gelten können. Frankreich etwa hat sich in Sachen Governancequalität unter dem neuen Präsidenten Emmanuel Macron ausgesprochen positiv entwickelt. Der neue Politikstil Macrons zeigt, dass eine verbesserte Umsetzungsfähigkeit, eine klare und widerspruchsfreie politische Kommunikation sowie die frühzeitige Einbindung und Konsultation gesellschaftlicher Gruppen durchaus auch in einem stark polarisierten politischen System Hand in Hand gehen können.

#### Demokratiequalität SGI 2018

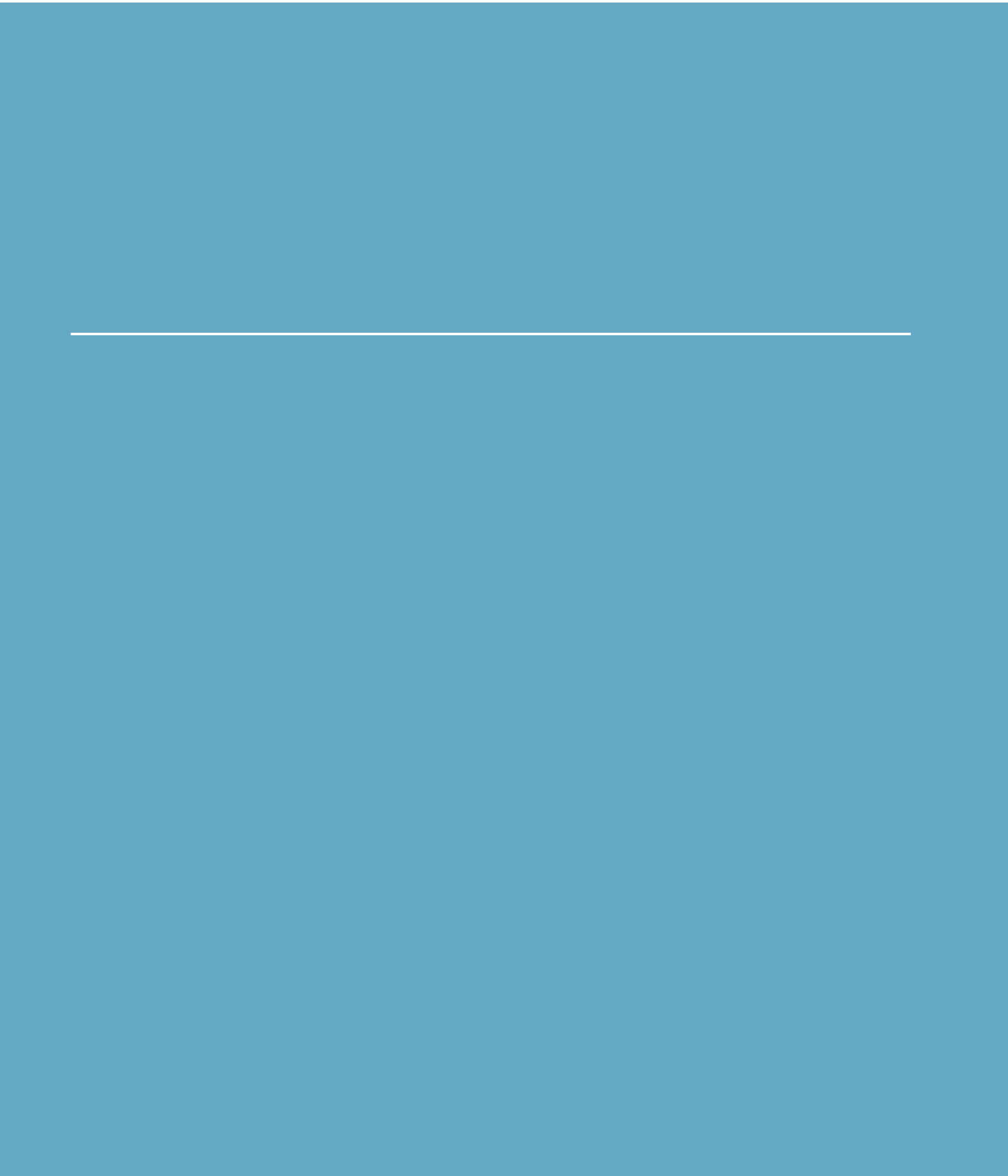
1	Schweden	9,19
2	Finnland	9,15
3	Norwegen	8,93
4	Dänemark	8,85
5	Deutschland	8,70
6	Schweiz	8,68
7	Neuseeland	8,43
7	Estland	8,43
9	Irland	8,27
10	Litauen	8,12

#### Governance SGI 2018

1	Schweden	8,39
2	Dänemark	8,36
3	Norwegen	8,28
4	Finnland	8,25
5	Neuseeland	7,51
6	Luxemburg	7,42
7	Kanada	7,30
8	Deutschland	7,11
9	Großbritannien	7,10
10	Australien	7,05

#### Politikperformanz SGI 2018

1	Schweden	8,13
2	Norwegen	7,76
3	Dänemark	7,70
4	Schweiz	7,68
5	Finnland	7,55
6	Deutschland	7,46
7	Luxemburg	7,28
8	Estland	7,05
9	Großbritannien	6,95
10	Litauen	6,76
10	Niederlande	6,76



*Ergebnisse der Sustainable Governance Indicators 2018*

Demokratiequalität  
Governance  
Politikperformanz

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## SGI 2018 Ergebnisse: Demokratiequalität

# Allgemeiner Abwärtstrend bei demokratischen und rechtsstaatlichen Standards

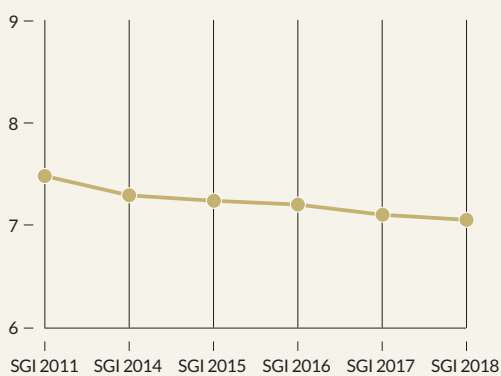
Die hochentwickelten Industrienationen der OECD und EU sind nicht vor einer Erosion der Demokratiequalität gefeit.

Insgesamt geht aus den aggregierten Ergebnissen der SGI 2018 eine deutliche Abnahme der Demokratiequalität in den OECD- und EU-Staaten hervor. Von den 41 im Sample enthaltenen Ländern haben sich zwar 14 Staaten im Vergleich zu den Ergebnissen der SGI 2014 verbessert, davon neun relativ deutlich. Im Gegensatz dazu kann man jedoch bei 26 Ländern eine Verschlechterung der Demokratiequalität beobachten, die bei 19 Ländern relativ stark ausgeprägt ist. Schaut man sich die Ergebnisse in der zeitlichen Entwicklung an, erkennt man sogar einen seit 2011 andauernden Abwärtstrend (von +7,48 auf +7,05 bei einem Sample von 31 Ländern für 2011). Besonders besorgniserregend sind diese Entwicklungen im Vergleich zu den Ergebnissen

der SGI 2014 in Ländern wie Polen (-3,08), der Türkei (-1,78), Ungarn (-1,53), Mexiko (-1,24) und den USA (-0,95). Es lässt sich vorwegnehmen, dass der allgemeine Trend bei einer Reihe von Indikatoren von eben diesen Ländern getrieben wird. Auf der anderen Seite gibt es aber auch Staaten, die deutliche Verbesserungen in Bezug auf ihre Demokratiequalität aufweisen. Insbesondere Südkorea (+0,59) hat hier eine positive Entwicklung zu verzeichnen.

Die Abnahme der Demokratiequalität gefährdet die langfristige Tragfähigkeit politischer Systeme. Demokratische Partizipations- und Kontrollmöglichkeiten, rechtsstaatliche Verfahren und die Wahrung der Bürgerrechte sind unabdingbare Voraussetzungen für die Akzeptanz eines politischen Systems. Eine pluralistische Willens- und Meinungsbildung, die zur gleichmäßigen Berücksichtigung der Interessen aller gesellschaftlichen Gruppen im Entscheidungsprozess führt, kann bei einer zu starken Abnahme der Demokratiequalität möglicherweise nicht mehr (ausreichend) gewährleistet werden. Führt man sich vor Augen, dass es sich bei den im SGI-Sample enthaltenen Ländern um die ältesten Demokratien handelt, ist die negative Entwicklung in puncto Demokratiequalität noch besorgniserregender – insbesondere in Anbetracht der Tatsache, dass sich alle Mitglieder der OECD beziehungsweise der EU mit Beitritt dazu verpflichten, eine demokratische und rechtsstaatliche Ordnung sicherzustellen.

GRAFIK 1: Demokratiequalität (SGI-Durchschnitt) im Zeitverlauf



Quelle: SGI.

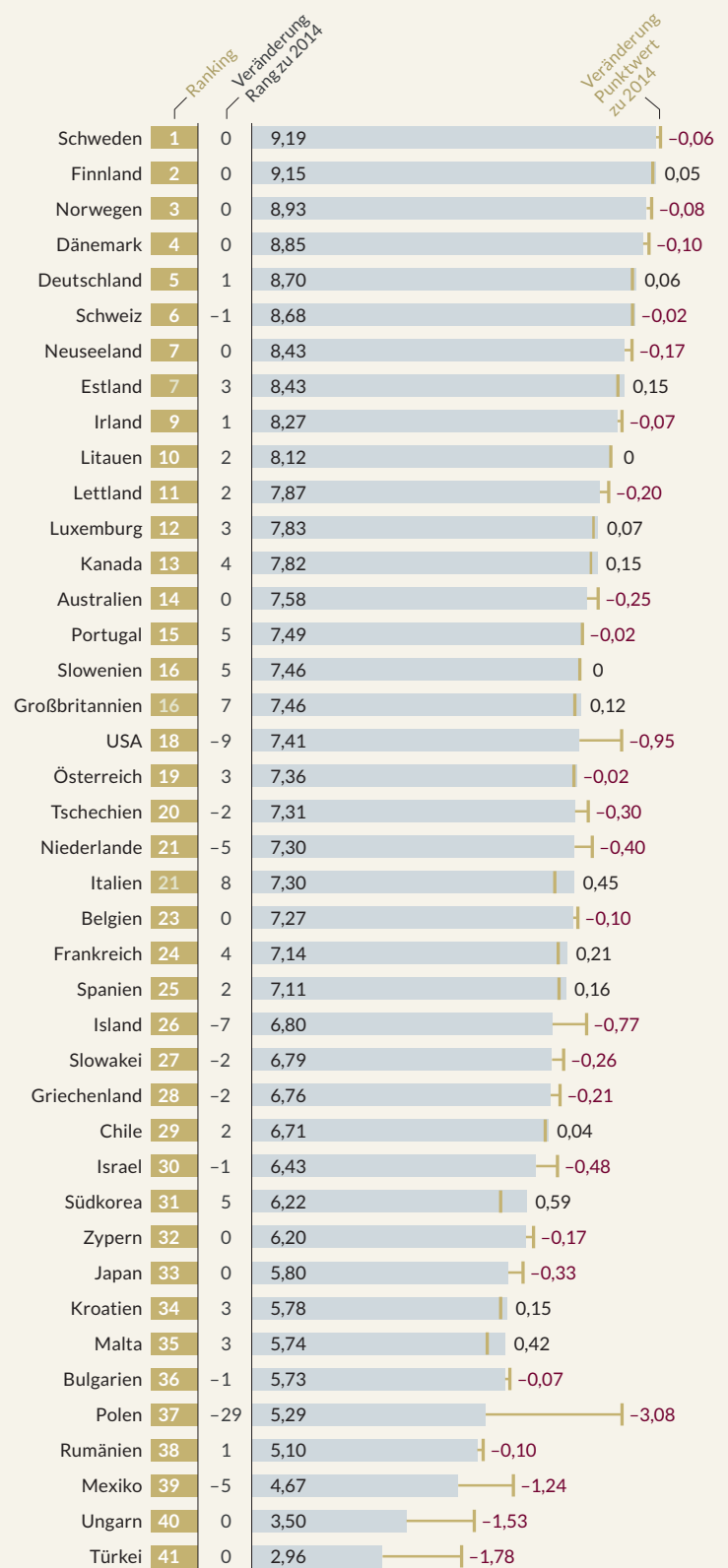
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Obwohl der negative Gesamttrend in Sachen Demokratiequalität stark von bestimmten Ländern getrieben wird, ist dennoch auch eine tendenzielle Verschlechterung bei vielen Indikatoren insgesamt zu erkennen; in diesen Fällen weisen mehr Länder Negativ- als Positiventwicklungen auf, während die restlichen Länder auf ihrem bisherigen Niveau verharren. Hervorheben kann man hier insbesondere folgende Indikatoren: Medienzugang für Kandidaten und für Parteien im Wahlprozess, Parteienfinanzierung, Medienfreiheit, Medienpluralismus, Zugang der Bürger zu Informationen, Bürgerrechte, politische Freiheiten, Nicht-Diskriminierung sowie die Ernennung oberster Richter. Gleichzeitig lässt sich feststellen, dass sich die abnehmende Demokratiequalität über alle vier untersuchten Kriterien (Wahlprozess, Informationszugang, Bürgerrechte und politische Freiheiten sowie Rechtsstaatlichkeit) hinweg erstreckt. Damit ist die gesamte Bandbreite der demokratisch-rechtsstaatlichen Strukturen von dieser negativen Entwicklung betroffen, die nachhaltiges Regieren deutlich erschwert.

Trotz gravierender Veränderungen in manchen Ländern ist aber ebenfalls festzuhalten, dass sich in vielen Staaten die Demokratiequalität über Jahre hinweg konstant hält und keinen großen Schwankungen unterworfen ist. Dies hängt damit zusammen, dass demokratische und rechtsstaatliche Prozesse auf verfassungsrechtlichen Rahmenbedingungen beruhen, die sich in der Regel nicht leicht ändern lassen. Im Gegensatz dazu sind Entwicklungen in einzelnen Politikfeldern weitaus volatil, wie die Ergebnisse für die Dimension der Politikperformance zeigen (dazu unten S. 40). Gibt es im Bereich der Demokratiequalität drastische Verschlechterungen, sind diese oft das Ergebnis gravierender innenpolitischer Veränderungen, wie sich am deutlichsten am Beispiel Polens zeigen lässt. Die Länderexperten für Polen erklären, dass „die Demokratiequalität sehr unter den von der PiS-Regierung eingeführten Reformen gelitten hat.“<sup>1</sup> Die Ergebnisse der SGI 2018 für die einzelnen Indikatoren spiegeln diese Einschätzung deutlich wider. Die PiS-Partei hat Ende 2015 die Regierungsführung übernommen; im Zuge dessen sind seit 2016 insbesondere die Punktwerte in den Bereichen des

GRAFIK 2: Gesamtranking – Demokratiequalität SGI 2018



Quelle: SGI.

BertelsmannStiftung

1 Matthes, Markowski und Bönker (2018), verfügbar unter [www.sgi-network.org](http://www.sgi-network.org)

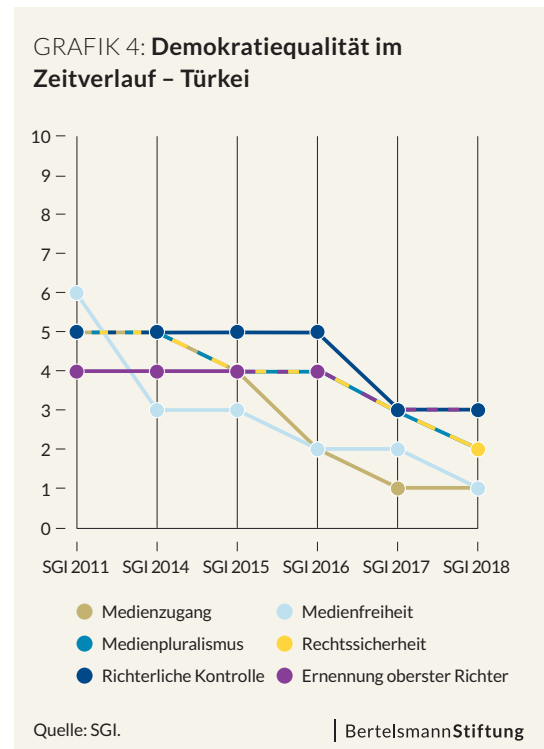
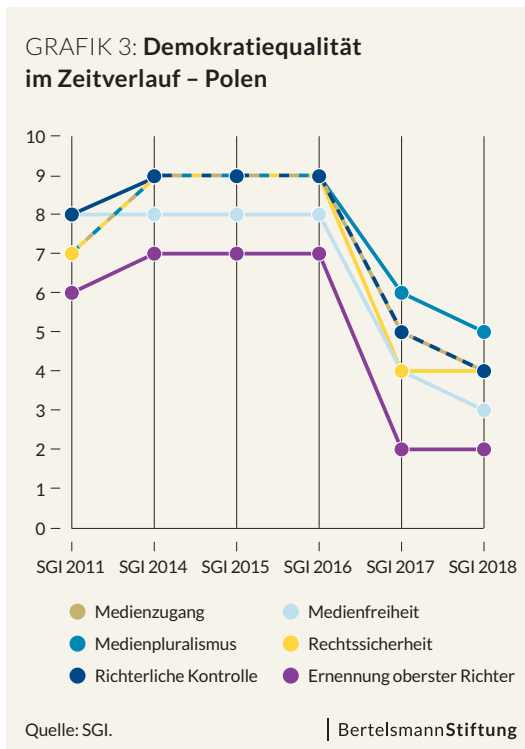
Informationszugangs, der Medienfreiheit und des Medienpluralismus sowie der Rechtsstaatlichkeit stark zurückgegangen (Grafik 3).

Besonders besorgniserregend ist zudem, dass trotz der offenkundigen Verletzungen demokratisch-rechtsstaatlicher Standards durch die neue polnische Regierung das Vertrauen der Bürger in ihre Regierung nicht gesunken ist. Laut UN World Happiness Report 2018 haben genau 50 Prozent der Befragten in der Erhebung für das Jahr 2017 angegeben, dass sie der nationalen Regierung vertrauen. Der zeitliche Verlauf zeigt, dass der Anteil ebendieser Menschen seit 2007 sogar von 19 Prozent auf 50 Prozent angestiegen ist und sich damit mehr als verdoppelt hat.<sup>2</sup>

In der Türkei ist die Lage ähnlich, wenn auch das demokratisch-rechtsstaatliche Niveau nochmals erheblich niedriger ist als in Polen. Auch hier zeigt sich über die vergangenen Jahre hinweg eine drastische Verschlechterung der demokratisch-rechtsstaatlichen Ordnung durch massive Eingriffe der Regierung unter Präsident Erdoğan. Doch auch hier haben für das Jahr 2017 59 Prozent der Befragten angegeben, ihrer Regierung zu vertrauen. Der Anteil der Bevölkerung mit

Vertrauen in die nationale Regierung ist im zeitlichen Verlauf relativ stabil geblieben und lag in den vergangenen Jahren zwischen 53 und 59 Prozent. Der Negativtrend in Sachen Demokratiequalität geht somit auch hier nicht mit einer Abnahme des Vertrauens eines großen Anteils der Bevölkerung in die Regierung einher. Entsprechend dürften sich die gesellschaftlichen Konfliktlinien zwischen denjenigen Menschen, die ihrer Regierung vertrauen und die problematischen demokratischen Entwicklungen womöglich sogar gutheißen, und denjenigen Menschen, die hierzu in starker Opposition stehen, verschärft haben.

Ähnlich sieht es zudem in Ungarn aus. Auch hier kam es unter der Regierung Orbáns zu einer massiven Aushöhlung des Rechtsstaats. Ungarn liegt in Sachen Demokratiequalität inzwischen auf dem vorletzten Platz – nur die Türkei schneidet noch schlechter ab. Doch auch hier sind die Werte für das Vertrauen der Menschen in ihre Regierung in der Tendenz gestiegen – wenn auch auf niedrigerem Niveau (von 25 Prozent im Jahr 2007 auf 38 Prozent im Jahr 2017). Dies ist ein besorgniserregender Befund, der möglicherweise auf eine mangelhafte Verankerung demokratischer Grundwerte



<sup>2</sup> John F. Helliwell, Richard Layard und Jeffrey D. Sachs (Hrsg.) (2018): World Happiness Report 2018, New York, Chapter 2: Online Data, <http://worldhappiness.report/ed/2018/>

im gesellschaftlichen Bewusstsein verweist. Gemeinsam haben diese Länder (insbesondere Ungarn und die Türkei), dass demokratische Partizipations- und Kontrollmöglichkeiten, rechtsstaatliche Verfahren und die Wahrung der Bürgerrechte als zentrale Grundvoraussetzungen für nachhaltiges Regieren nicht mehr ausreichend sichergestellt werden.

Starke innenpolitische Veränderungen können aber auch zur Verbesserung der Demokratiequalität beitragen, wie am Beispiel Südkoreas zu beobachten ist. Im Ländergutachten ist als Begründung für die positive Entwicklung der Regierungswechsel im Mai 2017 angeführt: Die neue, aus der demokratischen Oppositionspartei hervorgegangene Regierung unter Moon Jae-in habe es sich zur Aufgabe gemacht, „die Demokratiequalität wiederherzustellen und den Transformationsprozess hin zu einer ausgereiften Demokratie wiederzubeleben.“<sup>3</sup>

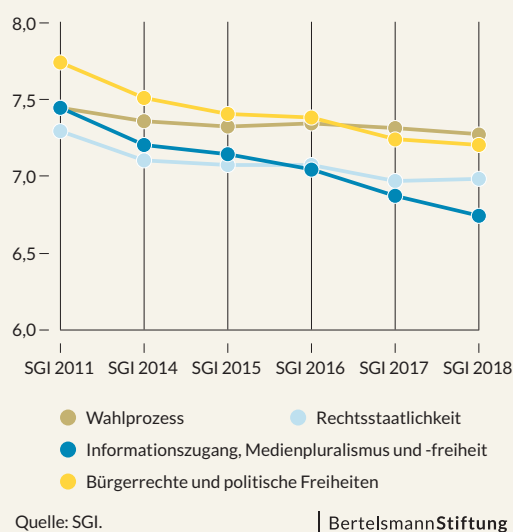
Im Folgenden werden nun die Trends zur Entwicklung der Demokratiequalität in den unterschiedlichen Teilbereichen des SGI-Demokratieindex näher dargestellt. Wie Grafik 5 recht deutlich zeigt, ist eine Abnahme der Demokratiequalität für alle vier untersuchten Kriterien „Wahlprozess“, „Informationszugang, Medienpluralismus und -freiheit“, „Bürgerrechte und politische Freiheiten“, „Rechtsstaatlichkeit“ und „Medienfreiheit“.

rechte und politische Freiheiten“ und „Rechtsstaatlichkeit“ zu verzeichnen. Zwischen den einzelnen Kriterien und ihren jeweiligen Indikatoren gibt es allerdings starke Unterschiede.

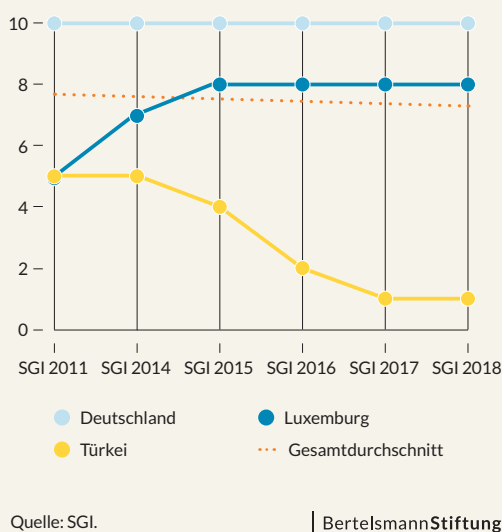
### Wahlprozess – Erschwerter Medienzugang in vielen OECD- und EU-Ländern

Innerhalb des Kriteriums „Wahlprozess“ fällt beispielsweise der Indikator „Medienzugang“ auf. Dieser erfasst, inwiefern Wahlkandidaten und Parteien einen fairen Zugang zu den Medien und anderen Kommunikationskanälen haben. Im Vergleich zu den Ergebnissen der SGI 2011 und 2014 weisen 14 der 41 untersuchten OECD- und EU-Länder einen verschlechterten Medienzugang auf. Im Gegensatz dazu haben sich neun Länder verbessert, und 18 Länder haben ihr Niveau gehalten. Im Gesamtdurchschnitt aller Länder ist der Medienzugang im zeitlichen Verlauf leicht zurückgegangen – von 7,65 auf einen Punktwert von 7,27. Schaut man sich die Ergebnisse genauer an, werden deutliche Unterschiede zwischen den einzelnen Ländern erkennbar. Während sich einige Länder, zum Beispiel Luxemburg, im Laufe der Jahre überdurchschnittlich gut entwickeln, nimmt bei anderen Staaten, beispielsweise der Türkei, der Medienzugang immer weiter ab. Wiederum andere Länder werden über den ge-

GRAFIK 5: Kriterien der Demokratiequalität im Zeitverlauf



GRAFIK 6: Medienzugang im Zeitverlauf



3 Kalinowski, Rhyu und Croissant (2018), verfügbar unter [www.sgi-network.org](http://www.sgi-network.org)

samten Untersuchungszeitraum hinweg mit dem höchsten Punktwert bewertet; unter diesen Ländern ist auch Deutschland zu verorten (Grafik 6). Die positive Entwicklung in Luxemburg begründen die Ländergutachter folgendermaßen:

„[...] Die Zeitungen [haben] in den letzten Jahren einen ausgewogeneren Kurs eingeschlagen und ihre politische Voreingenommenheit gegenüber kleineren Parteien und Organisationen verringert. [...] Berichte und Kommentare in Printmedien sind weniger parteiisch geworden als früher und die Medien distanzieren sich mehr von Parteieinflüssen als in den Jahren zuvor.“<sup>4</sup>

Eine besonders negative Entwicklung haben Polen (-5), Ungarn (-4) und die Türkei (-4) zu verzeichnen. Mit Werten zwischen 1 (Türkei) und 4 (Polen) liegen diese Länder weit unter dem Gesamtdurchschnitt des SGI-Ländersamples. Auch in der Tschechischen Republik, Island und Mexiko hat sich der Medienzugang deutlich – um jeweils zwei Punkte – verschlechtert. Die Länderexperten für Polen sehen einen engen Zusammenhang zwischen der Regierungsübernahme der PiS-Partei und dem verschlechterten Medienzugang:

„Rechtlich gesehen haben Parteien und Kandidaten gleichberechtigten Zugang zu öffentlichen und privaten Medien. [...] Die Versuche der PiS-Regierung, die Medien zu kontrollieren, hat die parteiische Ausrichtung der Medienberichterstattung verstärkt und zu einem ungleichmäßigen Medienzugang der verschiedenen Parteien geführt.“<sup>5</sup>

Besonders auffällig ist, dass Polen in den Ergebnissen der SGI 2018 bei ausgesprochen vielen Indikatoren schlecht abschneidet. Im Bereich der Demokratiequalität hat das Land insgesamt den stärksten Einbruch zu verzeichnen: Im Vergleich zu 2014 hat sich Polen um drastische 29 Plätze verschlechtert und bildet mit einem Punktwert von 5,29 inzwischen eines der Schlusslichter im OECD- und EU-weiten Ranking.

Im Fall der Türkei hat sich laut Ländergutachten der ohnehin schon beschränkte Medienzugang nach dem Putschversuch im Jahr 2016 weiter verschlechtert:

„Nach dem Putschversuch vom 15. Juli hat die staatliche Kontrolle über die ‚mainstream‘-Medien sowie über die regierungskritischen Medien weiter zugenommen, zumal gegen Letztere massiv und systematisch Klagen erhoben wurden. Die Sichtbarkeit der Opposition in den Nachrichtenmedien verschlechterte sich mehr und mehr. HDP-Parlamentarier waren am stärksten betroffen; ihnen wurde vorgeworfen, den Terrorismus zu unterstützen, und ihre Immunität wurde in den Monaten nach dem 15. Juli aufgehoben.“<sup>6</sup>

Ähnlich wie Ungarn schneidet die Türkei im Gesamtvergleich aller OECD- und EU-Staaten im Bereich Demokratiequalität äußerst schlecht ab und belegt mit einem Wert von +2,96 im Ranking den letzten Platz. Seit 2011/2014 hat die Qualität der demokratisch-rechtsstaatlichen Grundordnung in der Türkei immer weiter abgenommen. Insbesondere bei der Informationsfreiheit und der Rechtsstaatlichkeit zeigen die Ergebnisse gravierende Einschnitte.

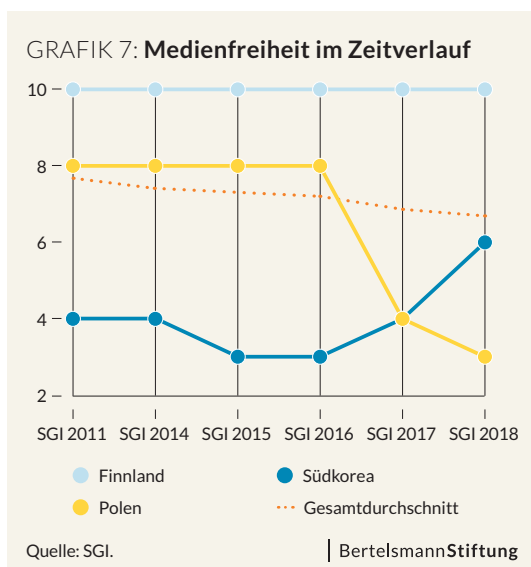
### Informationszugang, Medienpluralismus und Medienfreiheit – Informationsfreiheit in Gefahr?

Im Bereich „Informationszugang, Medienpluralismus und Medienfreiheit“ lassen sich für alle drei Indikatoren starke Veränderungen beobachten. Allerdings ist im Hinblick auf den Gesamtdurchschnitt der Einbruch im Bereich „Medienfreiheit“ besonders auffällig. Der Indikator soll Aufschluss darüber geben, inwiefern die Medien von der Regierung unabhängig sind, d. h., inwiefern die Medien keinem Einfluss der Regierung und anderer mit ihr verbundener Akteure unterliegen. Während sich die Medienfreiheit in den OECD- und EU-Ländern im Durchschnitt um einen Punkt von 7,68 auf 6,68 verschlechtert hat, gibt es einzelne Länder, in denen das Niveau gleichbleibend sehr gut ist (Grafik 7). Laut Länderexperten weist beispielsweise Finnland einen konstant hohen Standard in Bezug auf Medienfreiheit auf: „Der Medienkonsum ist in Finnland recht hoch und garantiert einen starken Markt sowie einen gesunden Wettbewerb, der einen qualitativ hochwertigen Journalismus fördert. Darüber hinaus verwaltet der Rat für Massen-

4 Schneider, Lorig und Bandelow (2018), verfügbar unter [www.sgi-network.org](http://www.sgi-network.org)

5 Matthes, Markowski und Bönker (2018), verfügbar unter [www.sgi-network.org](http://www.sgi-network.org)

6 Togan, Schulz und Karadag (2018), verfügbar unter [www.sgi-network.org](http://www.sgi-network.org)



medien in Finnland erfolgreich ein System der Selbstregulierung der Medien. Da Finnland eine der am wenigsten korrupten Gesellschaften der Welt ist, greift die Regierung im Allgemeinen nicht in die Pressefreiheit ein.“<sup>7</sup>

Ausgehend vom SGI-Ländersample haben sich 23 Länder im Vergleich zu den Ergebnissen der Erhebungsrounden von 2011 und 2014 verschlechtert, 9 Staaten haben sich verbessert und 10 Länder zeigen keine Veränderung. Die Tschechische Republik, Ungarn, Japan, Mexiko, Polen, die Slowakei, die Türkei sowie die USA haben sich deutlich – um mindestens drei Punkte – verschlechtert. Die Medienfreiheit in der Türkei ist sogar um fünf Punkte zurückgegangen und liegt in den SGI 2018 nur noch bei einem Punkt – eine sehr besorgniserregende Entwicklung. Auch hier wird im Ländergutachten die Reaktion der Regierung auf den Putschversuch als Hauptbegründung für die rasante Abnahme der Medienfreiheit angeführt:

„Obwohl die Türkei über eine mehr oder weniger diversifizierte Medienstruktur verfügt, übt die Regierung direkten und indirekten Druck auf die Medieneigentümer aus, um eine für die Regierungspartei günstige Berichterstattung zu erreichen. [...] Für viele Beobachter ist vor allem die beispiellose Ausweitung der Gründe für die Verhaftung von Journalisten, die massive Abhörkampagne und die Missachtung der Quellenvertraulichkeit

besorgniserregend. [...] Insbesondere nach dem Putschversuch kam es zu zahlreichen Verhaftungen, Anhörungen, Strafverfolgungen, Zensurfällen und Entlassungen. Es gab eine Reihe von physischen Angriffen auf Medien und Journalisten. Die Schließung von Medienhäusern, die Ernennung von Treuhändern zur Kontrolle von Mediengruppen und die aktive Nutzung der Steuerbehörde, der Abteilung für Finanzkriminalität und der Gerichte gegen kritische Medien wurden intensiviert. Einschüchternde Äußerungen von Politikern und Klagen gegen regierungskritische Journalisten sowie die Eigentümerstruktur des Mediensektors haben zu einer weit verbreiteten Selbstzensur von Medieninhabern und Journalisten geführt.“<sup>8</sup>

Auch Polen hat sich um fünf Punkte verschlechtert und liegt mit einem Punktwert von 3 in der aktuellsten Erhebungsrounde auf dem drittletzten Platz im Gesamtvergleich. Dies ist eine desaströse Entwicklung angesichts der Tatsache, dass Polen über Jahre hinweg ein Vorbild auch in Sachen Demokratiequalität unter den mittel- und osteuropäischen Staaten war. Aus dem Ländergutachten für Polen geht hervor, dass die PiS-Regierung starken Einfluss auf die öffentlich-rechtlichen Medien nimmt:

„Die polnische Regierung respektiert die Unabhängigkeit der Medien nicht mehr. Der Rat der Nationalen Medien, ein im Juni 2016 gegründetes Gremium, das die Vorstände des öffentlich-rechtlichen Rundfunks und der Polnischen Presseagentur (PAP) ernannt, wird von der PiS dominiert und nimmt Anweisungen direkt von Jarosław Kaczyński entgegen. Der Nationale Rundfunkrat (KRRiT), ein Verfassungsorgan für elektronische Medien, ist ausschließlich mit PiS-Personal besetzt. Fälle von politisch motivierten Ernennungen und Entlassungen bei TVP, Polens öffentlich-rechtlichem Fernsehsender, und dem öffentlich-rechtlichen Polskie Radio sind zahlreich. Schätzungen zufolge haben im Jahr 2016 mindestens 225 Journalisten ihren Arbeitsplatz verloren oder sind aus politischen Gründen zurückgetreten.“<sup>9</sup>

Im Gegensatz dazu hat sich Südkorea mit einer Steigerung um drei Punkte deutlich verbessert. Die Länderexperten geben folgende Gründe für diese positive Entwicklung an:

7 Anckar, Oberst und Jahn (2018), verfügbar unter [www.sgi-network.org](http://www.sgi-network.org)

8 Togan, Schulz und Karadag (2018), verfügbar unter [www.sgi-network.org](http://www.sgi-network.org)

9 Matthes, Markowski und Bönker (2018), verfügbar unter [www.sgi-network.org](http://www.sgi-network.org)



„Im ‚Reporters Without Borders 2017 Press Freedom Index‘ belegte Südkorea den 63. Platz und verbesserte sich um 7 Plätze im Vergleich zu 2016. Im August 2017 haben die Gewerkschaftsmitglieder der öffentlich-rechtlichen Rundfunkanstalten KBS und MBC einen Streik begonnen und den Rücktritt der unter der alten Regierung ernannten Vorsitzenden gefordert. Der Protest eskalierte, nachdem festgestellt worden war, dass das Unternehmen eine schwarze Liste von Journalisten auf der Grundlage von Nachrichteninhalten erstellt und diese benachteiligt hatte. Gleichzeitig zeigt die Berichterstattung über den Amtsenthebungsskandal und die öffentlichen Proteste, dass die Medien frei berichten können, wenn die öffentliche Unterstützung und das Interesse überwältigend sind. Einige Medienunternehmen wie JTBC spielten auch eine entscheidende Rolle bei der Untersuchung von Korruptionsskandalen im Zusammenhang mit der Park-Regierung. Es wird erwartet, dass sich unter der neuen, liberalen Moon-Regierung die Pressefreiheit weiter verbessert.“<sup>10</sup>

Die Frage, inwiefern die Medien in einem Land eine Eigentümerstruktur aufweisen, durch die Sichtweisen und Meinungen der Gesellschaft bestmöglich repräsentiert werden, ist ein weiterer wichtiger Indikator. Von den 41 untersuchten OECD- und EU-Ländern haben sich 20 beim Indikator „Medienpluralismus“ verschlechtert, davon vier – Ungarn, Neuseeland, Polen und die Türkei – um mindestens drei Punkte. Weitere vier Länder zeigen eine deutliche Verbesserung, und 16 Länder haben ihr Niveau gehalten. Besonders kontraintuitiv ist die Verschlechterung um drei Punkte im Vergleich zu den Ergebnissen der SGI 2011 im Falle Neuseelands. Das entsprechende Ländergutachten führt dafür folgende Gründe an:

„Der neuseeländische Medienmarkt hat sich in den letzten Jahren stark verändert. Private Medienunternehmen werden zunehmend von ihren kapitalkräftigen Eigentümern beeinflusst. Private und öffentliche Unternehmen ersetzen Inhalte von öffentlichem Interesse durch Programme, die hohe Einschaltquoten anstreben. [...] Einschränkungen bei der Medienfinanzierung tragen weiterhin dazu bei, dass es keine starke investigative Berichtskultur gibt. [...]

Neuseelands Medienmarkt wird von ausländischen Unternehmen (hauptsächlich aus Australien) dominiert.“<sup>11</sup>

Im Hinblick auf den „Medienpluralismus“ liegt Deutschland mit einem Wert von neun Punkten auf dem zweiten Platz direkt hinter Finnland. Verglichen mit den Ergebnissen der SGI 2014 ist die Demokratiequalität insgesamt in Deutschland weiterhin auf einem überdurchschnittlich hohen Niveau (8,70) und belegt im OECD- und EU-weiten Ranking den fünften Platz. Im Großen und Ganzen ist die Demokratiequalität in Deutschland relativ beständig. Insgesamt gibt es lediglich bei vier Indikatoren minimale Veränderungen; diese belaufen sich nur auf eine Verbesserung beziehungsweise eine Verschlechterung von jeweils einem Punkt.

Der Indikator „Informationszugang“ misst schließlich, inwiefern Bürger Zugang zu offiziellen Informationen der Regierung haben. Die Ergebnisse des SGI-Ländersamples zeigen, dass es für die Bürger in Zypern (3 Punkte) sowie Malta, Ungarn und der Türkei (je vier Punkte) besonders schwierig ist, an Regierungsinformationen zu gelangen. Im Vergleich zur Ausgabe von 2014 haben sich 13 Länder verschlechtert, sieben Staaten haben sich leicht verbessert, und 21 Länder zeigen keine Veränderungen. Die starke Verschlechterung in Ungarn (gegenüber den SGI 2011 sogar um 4 Punkte) ist laut Experten auf folgende Gründe zurückzuführen:

„Obwohl das geltende Recht einen weitreichenden Zugang zu Regierungsinformationen vorsieht, wird dieser der Öffentlichkeit und den Medien durch die Regierung erschwert. Dies ist insbesondere bei Fragen des öffentlichen Auftragswesens der Fall; hier wird oft als Begründung für den erschwerten Zugang auf Geschäftsgeheimnisse verwiesen. Während der dritten Orbán-Regierung gibt es einen ständigen Kampf zwischen der Regierung und der demokratischen Opposition um den Zugang zu Regierungsdaten und -dokumenten, der oft vor Gericht ausgetragen wird.“<sup>12</sup>

Die Demokratiequalität in Ungarn ist in den letzten Jahren stark gesunken und hat in der aktuellen Erhebung mit einem Punktwert von

<sup>10</sup> Kalinowski, Rhyu und Croissant (2018), verfügbar unter [www.sgi-network.org](http://www.sgi-network.org)

<sup>11</sup> Kaiser, Miller und Croissant (2018), verfügbar unter [www.sgi-network.org](http://www.sgi-network.org)

<sup>12</sup> Ágh, Dieringer und Bönker (2018), verfügbar unter [www.sgi-network.org](http://www.sgi-network.org)

3,50 einen neuen Tiefstand erreicht. Starke Einschränkungen lassen sich dabei insbesondere bei den Kriterien Informations- und Medienfreiheit sowie Rechtsstaatlichkeit beobachten.

Im Falle der Türkei wird im Ländergutachten erneut auf die Reaktion der Regierung auf den Putschversuch und die daraus hervorgehende Verhängung des Ausnahmezustandes als entscheidender Grund für eine deutliche Einschränkung des Zugangs zu Regierungsinformationen verwiesen. Deutschland hat sich dagegen bezüglich des „Informationszugangs“ seit den SGI 2016 um einen Punkt auf einen Wert von acht verbessert:

„In einer Gesamtbewertung im Jahr 2017 kam Andrea Voßhoff [Bundesbeauftragte für den Datenschutz und die Informationsfreiheit] zu dem Schluss, dass die Bürger zunehmend von ihren Rechten Gebrauch machen und dass die Bundesbehörden das Informationsrecht der Bürger nicht mehr als Belästigung, sondern als wesentliches Element einer Zivilgesellschaft betrachten.“<sup>13</sup>

### Geringerer Schutz von Bürgerrechten und politischen Freiheiten erkennbar

Mithilfe des Kriteriums „Bürgerrechte und politische Freiheiten“ soll unter anderem untersucht werden, inwiefern der Staat Bürgerrechte respektiert und wie wirksam die Bürger vor Verletzungen ihrer Rechte durch Gerichte geschützt sind. Von den im SGI-Sample enthaltenen Ländern haben sich 14 deutlich verschlechtert, sechs davon um mindestens zwei Punkte. Während 24 Staaten auf ihrem Niveau verharren, sind lediglich bei drei Ländern Verbesserungen erkennbar. Im Gesamtdurchschnitt haben sich die OECD- und EU-Länder um 0,62 Punkte auf einen Punktwert von 6,90 verschlechtert (Grafik 8). Besonders gut geschützt sind die Bürgerrechte in Norwegen; über alle Erhebungszeiträume hinweg wird das Land mit 10 Punkten bewertet. Die Länderexperten geben folgende Gründe an:

„Staatliche Institutionen respektieren und schützen die Bürgerrechte. Persönliche Freiheiten sind gegen Missbrauch durch staatliche und nicht-staatliche Akteure gut geschützt. [...] Der Zugang

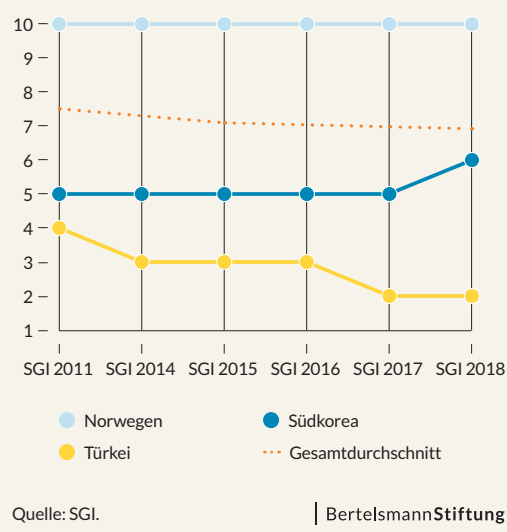
zu den Gerichten ist frei und einfach, und das Justizsystem wird als fair und effizient angesehen. [...] Die Achtung der Bürgerrechte erstreckt sich auch auf die Rechte von Asylbewerbern.“<sup>14</sup>

Obwohl sich seit der SGI-Ausgabe von 2017 eine leichte Verbesserung zeigt, sind die Werte für Südkorea bei der Frage des Schutzes der Bürgerrechte noch immer unterdurchschnittlich. Die Ländergutachter führen in diesem Kontext folgende Gründe an:

„Zu den schwerwiegenden Fragen gehören Einschränkungen der Vereinigungsfreiheit, Einschränkungen der Redefreiheit (insbesondere durch das Gesetz über die nationale Sicherheit), unzureichende Rechte von Arbeitsmigranten, Probleme beim Schutz von Flüchtlingen und von LGBT-Rechten (insbesondere beim Militär) sowie die Inhaftierung von Kriegsdienstverweigerern. Südkorea hält auch an der Todesstrafe fest, obwohl es seit 1997 ein Moratorium für Hinrichtungen gibt. Insbesondere die Bedrohung durch Nordkorea wurde in der Vergangenheit genutzt, um bürgerliche und politische Rechte zu unterdrücken.“<sup>15</sup>

Die Ländergutachter weisen jedoch darauf hin, dass es sich die neue Regierung Moon zur Aufgabe gemacht hat, die Bürgerrechtssituation zu verbessern:

GRAFIK 8: Bürgerrechte im Zeitverlauf



<sup>13</sup> Rüb, Heinemann und Zohlhöfer (2018), verfügbar unter [www.sgi-network.org](http://www.sgi-network.org)

<sup>14</sup> Sverdrup, Ringen und Jahn (2018), verfügbar unter [www.sgi-network.org](http://www.sgi-network.org)

<sup>15</sup> Kalinowski, Rhyu und Croissant (2018), verfügbar unter [www.sgi-network.org](http://www.sgi-network.org)

„Unter den Regierungen von Lee Myung-bak und Park Geun-hye (2008–2016) hat Südkorea rückläufige Entwicklungen im Demokratiebereich erlebt. Südkorea ist nun dabei, die Demokratie wiederherzustellen. Es wird erwartet, dass sich unter dem neuen Präsidenten Moon, einem ehemaligen Menschenrechtsanwalt, die Situation der Bürgerrechte weiter verbessern wird.“<sup>16</sup>

Besonders gravierend ist die Lage in Mexiko und der Türkei; die Werte für beide Länder sind auf zwei Punkte gefallen. Dies entspricht einem unzureichenden Schutz der Bürgerrechte. Die Länderexperten für die Türkei machen hier insbesondere auf die drastischen Reaktionen der Regierung auf den Putschversuch aufmerksam:

„Nach dem Putschversuch vom 15. Juli sind noch schwerwiegendere Verletzungen der Bürgerrechte aufgetreten. Obwohl die Regierung behauptet, die Regeln der Notstandsregierung mit größter Sorgfalt zu befolgen, beruhen diese Praktiken auf rechtskräftigen Exekutivdekretten und unterliegen keiner gerichtlichen Überprüfung. Einige Dekrete enthielten Angelegenheiten, die nicht in den Geltungsbereich des Ausnahmezustands fielen. Die institutionalisierte Vernachlässigung der Bürgerrechte in der Türkei spiegelt sich in Massenverhaftungen von mutmaßlichen Putschisten und Sympathisanten, der Beschlagnahme ihres Eigentums, der Verurteilung von Journalisten und Oppositionspolitikern, erneuter Gewalt im Südosten, weit verbreiteten Einschränkungen der Meinungs-, Vereinigungs- und Versammlungsfreiheit, einem sich verschlechternden Rechtssystem, Gewalt gegen Frauen und beeinträchtigten Beziehungen zu wichtigen internationalen Akteuren wider.“<sup>17</sup>

Mit dem Indikator „Nicht-Diskriminierung“ soll weiterhin festgestellt werden, wie wirksam der Staat seine Bürger vor verschiedenen Formen der Diskriminierung (beispielsweise aufgrund des Geschlechts, des Alters, der ethnischen Herkunft oder der sexuellen Orientierung) schützt. Von den 41 untersuchten OECD- und EU-Ländern haben sich 12 Staaten im Vergleich zu den SGI 2011/2014 deutlich verschlechtert, vier davon um mindestens zwei Punkte. Fünf Länder haben sich verbessert, und 20 Länder haben ihr Niveau gehalten. Irland weist über den gesamten Untersu-

chungszeitraum hinweg ein gleichbleibend hohes Niveau (neun Punkte) auf. Die Ländergutsachter heben dabei insbesondere die spezifischen und effektiven institutionellen Vorkehrungen hervor, die das Land zum Schutz vor Diskriminierungen etabliert hat:

„Die Gleichstellungsbehörde ist ein unabhängiges Gremium, das gemäß dem ‚Employment Equality Act‘ von 1998 eingerichtet wurde, um Diskriminierungen zu überwachen. Ein unabhängiges Gleichstellungsgericht wurde im Rahmen desselben Gesetzes eingerichtet, um ein zugängliches und unparteiisches Forum zur Beseitigung unrechtmäßiger Diskriminierung zu bieten. Diese Gremien waren in den letzten Jahren aktiv und erfolgreich bei der Verfolgung von Fällen im Namen von Betroffenen, die sich diskriminiert fühlten.“<sup>18</sup>

#### Rechtsstaatlichkeit in Ungarn, Polen und der Türkei besonders gefährdet

Mit Blick auf das Kriterium „Rechtsstaatlichkeit“ sind insbesondere bei den Indikatoren „Rechtssicherheit“, „richterliche Kontrolle“ sowie „Ernennung oberster Richter“ einige Veränderungen zu verzeichnen. Im Gesamtdurchschnitt hat das Niveau der Rechtsstaatlichkeit in den 41 OECD- und EU-Staaten abgenommen. Allerdings lässt sich vorwegnehmen, dass dieser Negativtrend insbesondere auf die Verschlechterung einzelner Länder – vor allem Ungarns, Polens und der Türkei – zurückzuführen ist.

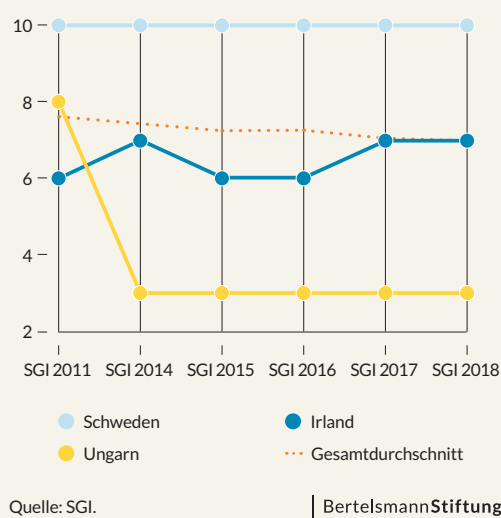
Mit dem Indikator „Rechtssicherheit“ soll überprüft werden, inwiefern Regierung und Verwaltung auf der Grundlage und in Übereinstimmung mit den gesetzlichen Bestimmungen handeln, um Rechtssicherheit zu schaffen. Ausgehend vom SGI-Ländersample lässt sich bei zehn Ländern eine deutliche Verschlechterung im Vergleich zu den Ergebnissen der SGI 2011 und 2014 feststellen, fünf Länder haben sich sichtbar verbessert, und 26 Staaten haben auf ihrem Niveau verharret. Im Gesamtdurchschnitt haben sich die OECD- und EU-Länder um 0,63 Punkte auf einen Punktwert von 6,98 verschlechtert. Einzelne Länder, wie beispielsweise Schweden,

<sup>16</sup> Ebd.

<sup>17</sup> Togan, Schulz und Karadag (2018), verfügbar unter [www.sgi-network.org](http://www.sgi-network.org)

<sup>18</sup> Murphy, Mitchell und Bandelow (2018), verfügbar unter [www.sgi-network.org](http://www.sgi-network.org)

GRAFIK 9: Rechtssicherheit im Zeitverlauf



weisen eine besonders hohe Rechtssicherheit auf (Grafik 9). Die Ländergutachter führen folgende Gründe für die gleichbleibend hohe Bewertung (10 Punkte) seit den SGI 2011 an:

„Der schwedische Rechtsrahmen ist tief verankert und die Rechtsstaatlichkeit gilt als übergeordnete Norm in Schweden. [...] Werte wie Rechtssicherheit, Ordnungsmäßigkeit, Transparenz und Unparteilichkeit [sind] wichtige Normen. Die einzige beunruhigende Beobachtung in diesem Zusammenhang ist die zunehmende Betonung der Effizienz in der öffentlichen Verwaltung, die im Zusammenhang mit der jüngsten Reform der öffentlichen Verwaltung aufgekommen ist. Dieser Fokus gefährdet potenziell die Integrität von Rechtssicherheit und Sicherheit, insbesondere im Hinblick auf Migrationsprozesse. [...] Das Rechtssystem zeichnet sich durch ein hohes Maß an Transparenz aus. Die Institution der Ombudsmänner (eine schwedische Erfindung) bleibt ein wichtiger Kanal für Verwaltungsbeschwerden. Der Ombudsmann für Justiz überwacht die Anwendung der Rechtsstaatlichkeit in Schweden sehr genau.“<sup>19</sup>

In Ungarn und Polen (jeweils –5) sowie der Türkei und den USA (jeweils –3) lässt sich dagegen eine besonders starke Verschlechterung der Rechtssicherheit beobachten. Die Türkei schneidet im Gesamtvergleich der OECD- und

EU-Länder mit einem Wert von zwei Punkten besonders schlecht ab und belegt den letzten Platz im Ranking. Im Ländergutachten wird dieses negative Ergebnis folgendermaßen begründet:

„Der gescheiterte Putschversuch vom 15. Juli hat eine große rechtliche und praktische Unsicherheit verursacht. Die im Ausnahmezustand erlassenen Regierungsverordnungen unterliegen keiner gerichtlichen Überprüfung. Außerdem wurden mindestens 110.000 Beamte vor allem aus dem Militär, der Justiz, dem Gesundheitswesen und den Universitäten entlassen. [...] Zudem hat die Regierung einige öffentliche Angelegenheiten über die Notstandsverordnung und nicht durch ein Gesetz geregelt, wie es die Verfassung vorschreibt. Während des Berichtszeitraums kam es regelmäßig zur unbegründeten Inhaftierung und Freilassung zahlreicher Journalisten und prokurdischer Politiker.“<sup>20</sup>

Ungarn schneidet bei diesem Indikator im Gesamtvergleich ähnlich schlecht ab wie die Türkei und teilt sich mit Mexiko den vorletzten Platz im Ranking. Die Länderexperten für Ungarn geben folgende Gründe für diese Entwicklung an:

„Da die Orbán-Regierung einen voluntaristischen Ansatz verfolgt, hat die Rechtssicherheit stark unter einer chaotischen, sich rasch ändernden Gesetzgebung gelitten. Das übereilte Gesetzgebungsverfahren verstößt regelmäßig gegen das gesetzlich vorgesehene Standardgesetzgebungsverfahren, das einen Prozess der gesellschaftlichen Konsultation vorschreibt, sobald die Regierung einen Gesetzentwurf vorlegt.“<sup>21</sup>

Interessant ist auch die Entwicklung in den USA: Mit neun Punkten lag die Rechtssicherheit hier in den SGI 2011 noch auf einem sehr hohen Niveau, ist jedoch in der jüngsten Erhebungsrunde auf einen Wert von sechs Punkten gesunken; damit liegen die USA im Gesamtvergleich der 41 OECD- und EU-Länder nur noch im unteren Drittel. Die Ländergutachter machen insbesondere die umfassende Nutzung von Exekutivdekretten für diese Entwicklung verantwortlich: So haben Bundesgerichte in den Jahren 2015 und 2016 einige Exekutivverordnungen Obamas im Bereich Einwanderung sowie der

<sup>19</sup> Pierre, Jochem und Jahn (2018), verfügbar unter [www.sgi-network.org](http://www.sgi-network.org)

<sup>20</sup> Togan, Schulz und Karadag (2018), verfügbar unter [www.sgi-network.org](http://www.sgi-network.org)

<sup>21</sup> Ágh, Dieringer und Bönker (2018), verfügbar unter [www.sgi-network.org](http://www.sgi-network.org)

Energiepolitik aufgehoben. Dies zeigt, dass ein einseitiges Vorgehen des Präsidenten unter Umgehung des üblichen Legislativverfahrens durchaus zu einer höheren Rechtsunsicherheit führen kann. Im Jahr 2017 ging Präsident Trump noch stärker als sein Vorgänger durch Exekutivmaßnahmen vor, indem er viele Regelungen aus der Obama-Amtszeit, insbesondere im Umweltbereich, wieder aufhob.

Seit den SGI 2017 hat sich zudem interessanterweise auch Großbritannien von einem sehr hohen Niveau (9 Punkte) auf einen Punktwert von sieben verschlechtert. Die Gründe dafür liegen in den bislang noch nicht absehbaren rechtlichen Folgen eines „Brexit“. Die noch immer unklare Lage über die Bedingungen des Austritts des Vereinigten Königreichs aus der EU führt zu einer hohen rechtlichen Verunsicherung, nicht zuletzt in der Wirtschaft.

Inwiefern unabhängige Gerichte kontrollieren, ob Regierung und Verwaltung gesetzeskonform handeln, soll mit dem Indikator „richterliche Kontrolle“ erfasst werden. Die Ergebnisse zeigen eine Verschlechterung bei acht Staaten im Vergleich zu den Ergebnissen der SGI 2011/2014; auch hier lassen sich Ungarn (-3) und Polen (-5) als auffälligste Negativbeispiele hervorheben. Laut Länderexperten hängt die Abnahme der richterlichen Kontrolle in Polen mit der Regierungsübernahme der PiS-Partei zusammen:

„Auf die verstärkte Kontrolle des Verfassungsgerichts im ersten Amtsjahr der PiS-Regierung folgte 2017 eine Reihe weiterer Reformen, die auf eine Einschränkung der Unabhängigkeit der Gerichte abzielten, massive internationale Proteste auslösten und nur leicht verwässert wurden, nachdem Präsident Duda zwei von vier Gesetzen abgelehnt hatte. [...] Diese rechtlichen Änderungen, von denen einige eindeutig verfassungswidrig waren, gingen einher mit der Entlassung von Richtern und einer von öffentlichen Unternehmen finanzierten Medienkampagne gegen die Justiz.“<sup>22</sup>

Besonders interessant ist die Verbesserung der USA um einen Punkt (auf neun Punkte) im Vergleich zu den SGI 2017, die auf den ersten Blick nicht ganz eingängig erscheinen mag.

Im Ländergutachten wird die Reaktion der Gerichte auf die zunehmende Nutzung von Exekutivdekreten als Begründung angeführt:

„Die richterliche Kontrolle ist weiterhin stark ausgeprägt. Von 2015 bis 2016 haben die Bundesgerichte den expansiven Gebrauch der Exekutivgewalt in mehreren Fällen durch die Obama-Administration sowie potenziell diskriminierende Anforderungen bezüglich der Wählerregistrierung in einer Reihe von Staaten für nichtig erklärt. Im Jahr 2017 haben Bundesgerichte das verfassungsrechtlich bedenkliche Einreiseverbot der Trump-Administration für Menschen aus bestimmten muslimischen Ländern sowie die Entscheidung der Trump-Exekutive, das DACA-Programm zu beenden, blockiert.“<sup>23</sup>

Inwiefern der Prozess der Ernennung von Richtern des Obersten Gerichtshofs oder Verfassungsgerichts die Unabhängigkeit der Justiz garantiert, wird schließlich über den Indikator „Ernennung oberster Richter“ gemessen. Im Gesamtvergleich der OECD- und EU-Länder haben sich elf Länder deutlich verschlechtert, acht Staaten haben sich verbessert, und 21 Länder haben ihr Niveau im Vergleich zu den SGI 2011/2014 gehalten. Polen und Ungarn haben eine Abnahme um jeweils fünf Punkte auf einen Punktwert von 2 zu verzeichnen und zeigen damit wiederholt eine besonders besorgniserregende Entwicklung. Interessant sind zudem Ergebnisse im zeitlichen Verlauf für Japan, das ebenfalls lediglich mit zwei Punkten in dieser Hinsicht bewertet wird. Die Länderexperten begründen den schlechten Punktwert mit der mangelnden Transparenz bei der Ernennung von Richtern:

„Gemäß der Verfassung werden Richter des Obersten Gerichtshofs vom Kabinett ernannt oder, im Falle des Obersten Richters, vom Kabinett vorgeschlagen und vom Kaiser ernannt. Allerdings mangelt es dem Prozess in der Praxis an Transparenz. Richter des Obersten Gerichtshofs unterliegen nach ihrer Ernennung einer öffentlichen Abstimmung im Unterhaus sowie einer zweiten Überprüfung nach 10 Jahren, falls sie in der Zwischenzeit nicht in den Ruhestand gegangen sind. Diese Abstimmungen sind jedoch von zweifelhaftem Wert, da Wähler nur wenig Informationen für die Entscheidungsfin-

<sup>22</sup> Matthes, Markowski und Bönker (2018), verfügbar unter [www.sgi-network.org](http://www.sgi-network.org)

<sup>23</sup> Quirk, Lammert und Thunert (2018), verfügbar unter [www.sgi-network.org](http://www.sgi-network.org)



derung zur Verfügung haben. In der Nachkriegsgeschichte wurde noch nie ein Richter durch öffentliche Abstimmung abgesetzt. Als Reaktion auf die Forderung nach mehr Transparenz hat der Oberste Gerichtshof auf seiner Website mehr Informationen über die Richter und ihre Entscheidungen veröffentlicht.“<sup>24</sup>

Es ist lohnenswert, auch einen Blick auf den Indikator „Korruptionsprävention“ zu werfen. Obwohl der Punktwert im Gesamtdurchschnitt ganz leicht angestiegen ist (von 6,48 in den SGI 2011 auf 6,51 in den SGI 2018), weist insbesondere die Türkei (-3) eine deutliche Verschlechterung auf. Die Ländergutachter führen als Begründung die zunehmend autoritären Tendenzen in der Verwaltung, die Schwächung der parlamentarischen Aufsicht sowie eine verringerte Funktionsfähigkeit der Verwaltungs- und Finanzkontroll-einrichtungen an. Auch die USA haben sich um zwei Punkte auf einen Punktwert von sieben verschlechtert. Hier ist besonders interessant, dass das Land bis zu den SGI 2017 gleichbleibend mit neun Punkten bewertet wurde und demnach bis zum Regierungswechsel über sehr gute Mechanismen zur Korruptionsprävention verfügte. Die Länderexperten begründen die abrupte Abwärtsentwicklung folgendermaßen:

„Das erste Jahr der Trump-Präsidentschaft hat eine beispiellose Missachtung etablierter Praktiken zur Vermeidung von Interessenkonflikten gezeigt. [...] Trump hat sich besonders offensichtlich geweigert, seine umfangreichen Geschäftsanteile im In- und Ausland (insbesondere Hotels, Casinos und Resorts) zu verkaufen und den Erlös in einen Blind Trust zu stecken, um den Einfluss seiner finanziellen Interessen auf seine Entscheidungen als Präsident zu vermeiden. [...] Die Regierung hat bei der Besetzung von Positionen, wie solchen in Regulierungsbehörden, keine Rücksicht auf Interessenkonflikte genommen. Die Regierung weigerte sich auch, dem Amt für Regierungsethik [Office of Government Ethics] Informationen über mögliche Interessenkonflikte zu geben, was den Rücktritt des unparteiischen Direktors des Amtes aus Protest zur Folge hatte. Mehrere Trump-Beamte waren in Skandale verwickelt, die den Missbrauch öffentlicher Mittel (wie z. B. den Einsatz von Militärflugzeugen für Urlaubsreisen) beinhalten.“<sup>25</sup>

Deutschland hat sich dagegen im Bereich der „Korruptionsprävention“ seit den SGI 2011 und 2014 um einen Punkt auf einen Wert von acht verbessert. Dennoch sehen die Ländergutachter weiterhin gewisse Schwächen, insbesondere was die Deklaration der Nebeneinkünfte von Abgeordneten betrifft:

„Trotz mehrerer Korruptionsskandale im letzten Jahrzehnt schneidet Deutschland besser ab als die meisten anderen betrachteten Staaten. [...] Bis vor kurzem waren die Bestimmungen über die vorgeschriebenen Einkommenserklärungen der Abgeordneten vergleichsweise locker. [...] Seit der laufenden Legislaturperiode müssen die Mitglieder des Deutschen Bundestages jedoch in einer zehnstufigen Einkommensliste zusätzliche Angaben über ihre Nebeneinkünfte machen. Es erscheint [jedoch] wahrscheinlich, dass die Abgeordneten zur Vermeidung öffentlicher Aufmerksamkeit ihre Nebeneinkünfte aufteilen. So bleibt das derzeitige System ein unzureichendes Transparenzregime, das nicht in der Lage ist, Korruption oder Interessenkonflikte zu verhindern.“<sup>26</sup>

<sup>24</sup> Pascha, Köllner und Croissant (2018), verfügbar unter [www.sgi-network.org](http://www.sgi-network.org)

<sup>25</sup> Quirk, Lammert und Thunert (2018), verfügbar unter [www.sgi-network.org](http://www.sgi-network.org)

<sup>26</sup> Rüb, Heinemann und Zohlhöfer (2017), verfügbar unter [www.sgi-network.org](http://www.sgi-network.org)

## SGI 2018 Ergebnisse: Governance

# Große Unterschiede bei der strategischen Steuerungs- und Problemlösungsfähigkeit der OECD- und EU-Länder

Eine zunehmende politische Polarisierung erschwert in vielen OECD- und EU-Staaten langfristorientiertes Regieren.

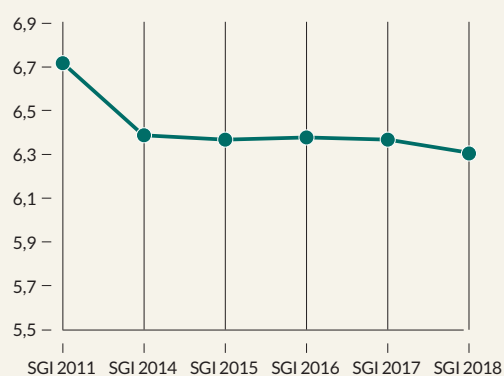
Im Bereich Governance zeigt sich in den aggregierten Gesamtergebnissen der SGI 2018 ein gemischtes Bild. Nach dem Höhepunkt der Wirtschafts- und Finanzkrise hat die Fähigkeit der OECD- und EU-Länder, Reformen wirkungsvoll anzustoßen und umzusetzen, insgesamt leicht nachgelassen. Im Aggregat unseres Governance-Index verzeichnen wir einen leichten Abwärtstrend im Zeitraum zwischen 2014 und 2018. Von den 41 untersuchten Ländern konnten sich 18 Länder im Vergleich zu den Ergebnissen der SGI 2014 verbessern (davon neun relativ deutlich), während sich in 21 Län-

dern Verschlechterungen offenbaren (davon 14 relativ stark). Damit ist der Gesamttrend im Bereich Governance leicht negativ, bezogen auf die letzten fünf Jahre (Grafik 10). Erweitert man den Blick auf den Zeitvergleich bis zur Ausgabe der SGI 2011, so sieht man einen noch etwas stärkeren negativen Verlauf. Allerdings ist bei der Interpretation der Durchschnittswerte zu beachten, dass in der Ausgabe von 2011 nur 31 Länder betrachtet wurden – im Gegensatz zum aktuellen Ländersample von 41 Ländern, das seit der Ausgabe von 2014 konstant ist.

Hinter diesem allgemeinen leichten Abwärtstrend auf aggregierter Ebene verbergen sich allerdings teils sehr unterschiedliche Entwicklungen größeren Ausmaßes in den einzelnen Industrieländern. Auch unterscheiden sich die Ergebnisse innerhalb der einzelnen Dimensionen von Reformfähigkeit und der zeitlichen Abfolge der jeweiligen Entwicklungen recht deutlich.

Mit Blick auf die aggregierten Gesamtergebnisse zur exekutiven Steuerungsfähigkeit („Executive Capacity“) – der ersten Dimension des SGI-Governance Index – kommt es lediglich am aktuellen Rand zu einer leichten Abwärtsentwicklung im Gesamtdurchschnitt aller 41 OECD-Länder. Im Zeitraum 2014–2017 ergeben sich dagegen kaum nennenswerte Veränderungen. Allerdings gibt es einige

GRAFIK 10: Governance (SGI-Durchschnitt) im Zeitverlauf



Quelle: SGI.

| BertelsmannStiftung

bedeutende Einzelindikatoren, die einen deutlichen Negativtrend aufweisen (siehe dazu unten).

Die leichte Abwärtsentwicklung am aktuellen Rand wird dabei maßgeblich getrieben durch einen fortgesetzten Langfrist-Negativtrend in der Türkei, Rumänien, Polen und Mexiko und die aktuellen negativ bewerteten Entwicklungen in den USA.

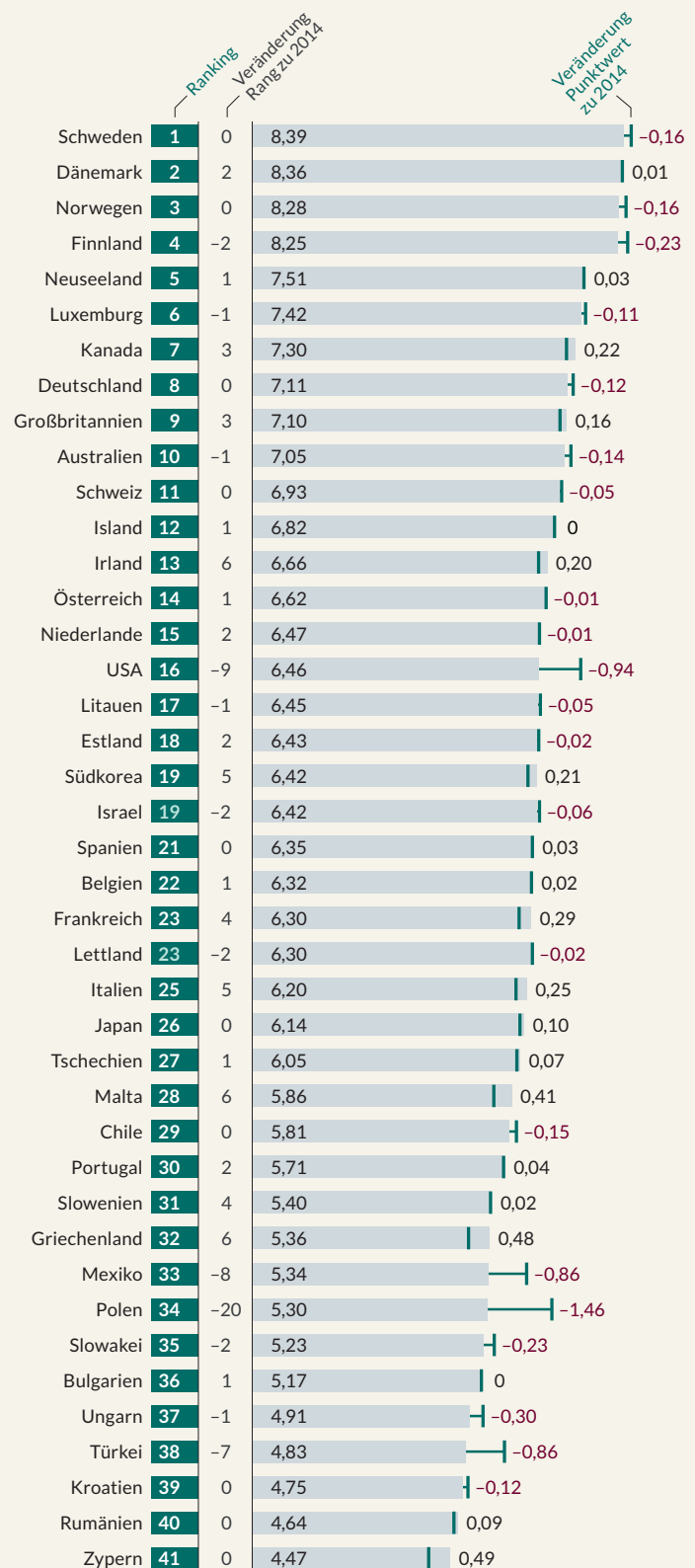
Positive Entwicklungen in der politischen Steuerungsfähigkeit insgesamt (auf vergleichsweise hohem Niveau) – auch gegenüber der Zeit vor der Wirtschafts- und Finanzkrise – zeigen sich dagegen vor allem in Frankreich und Irland.

Im Gegensatz zur exekutiven Steuerungsfähigkeit der Regierung lässt sich bei den Beteiligungs- und Kontrollmöglichkeiten verschiedener gesellschaftlicher Akteure gegenüber der Regierung („Executive Accountability“) – der zweiten Dimension des SGI-Governance-Index – ein längerfristiger Negativtrend im Gesamtdurchschnitt ab 2014 erkennen. Eine Mehrheit von 24 Ländern verzeichnet in der Einschätzung unserer Länderexperten hier Verschlechterungen. Nur ein Land kann in diesem Bereich wirklich substantielle Verbesserungen erreichen: Griechenland.

Insgesamt sind die negativen Entwicklungen im Bereich Governance in der Breite nicht ganz so deutlich ausgeprägt wie im Bereich Demokratiequalität (Grafik 11). Umso interessanter erscheinen daher diejenigen Fälle, in denen sich sowohl die Qualität der rechtsstaatlich-demokratischen Rahmenbedingungen als auch die Qualität des Regierens teils erheblich verschlechtert haben. Hierzu zählen nicht zuletzt Länder wie Ungarn, Polen, die Türkei und Mexiko, aber auch die USA. Die Vermutung liegt nahe, dass beide Bereiche eng zusammenhängen; diese Vermutung erhärtet sich, wenn man insbesondere einzelne Schlüsselindikatoren in ihrer jeweiligen Entwicklung betrachtet.

Unter den Kriterien und Indikatoren im Bereich Governance, die einen recht starken Negativtrend aufweisen, stehen „Policy Communication“, „Societal Consultation“ und „Government Efficiency“ innerhalb der Dimension „Execu-

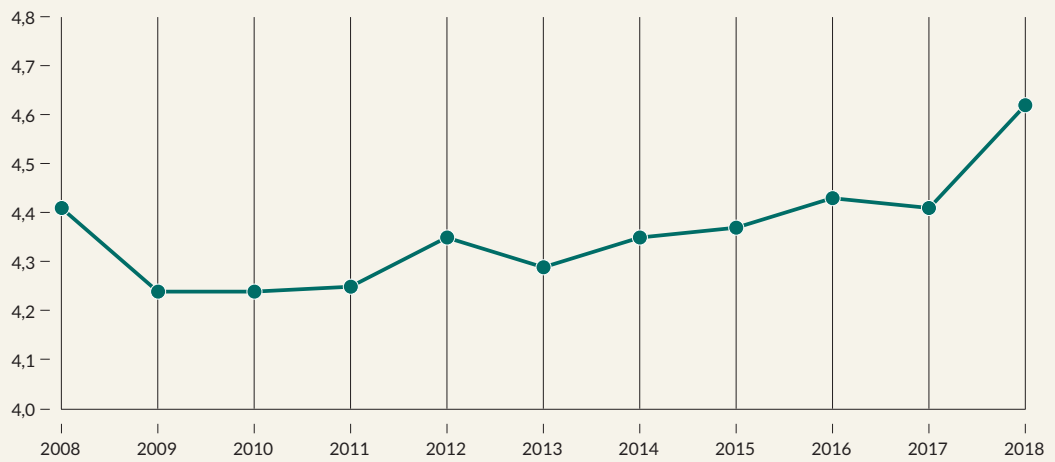
GRAFIK 11: Gesamtranking – Governance SGI 2018



Quelle: SGI.

BertelsmannStiftung

GRAFIK 12: Durchschnittliche Parteienpolarisierung im Zeitverlauf (2008–2018)



Quelle: Berechnungen durch Prof. Dr. Uwe Wagschal, Universität Freiburg.

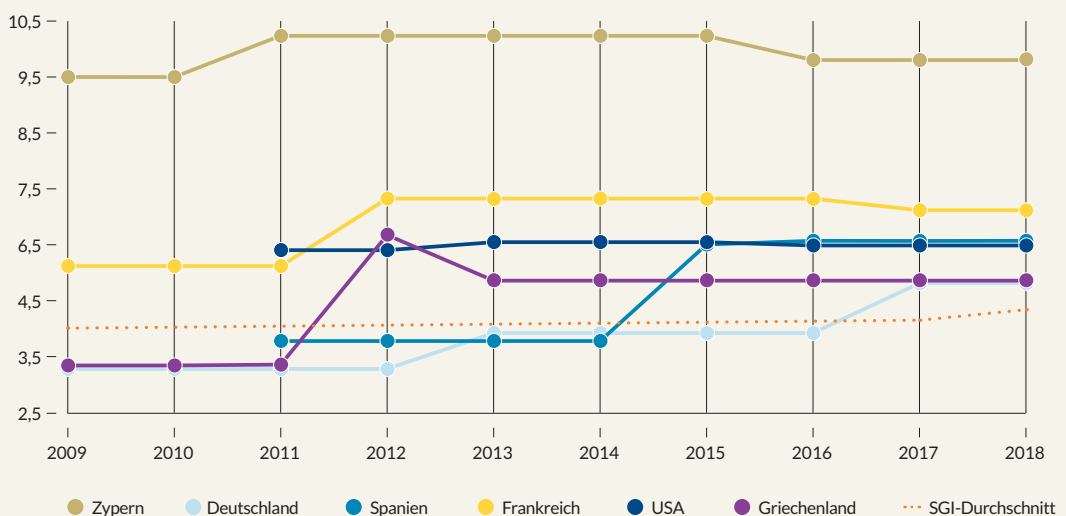
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„Executive Capacity“ hervor, während in der Dimension „Executive Accountability“ ein besonders negativer Verlauf beim Kriterium „Media“ auffällt. Diese generellen Trends sind – in Kombination mit dem Befund einer abnehmenden Demokratiequalität in vielen Ländern – sehr bedenklich. Insofern lohnt sich ein genauerer Blick auf diese Kriterien.

Die im Folgenden skizzierten Verschlechterungen im Bereich exekutiver Steuerungsfähigkeit

sowie der Beteiligungs- und Kontrollkompetenz sind zudem im Kontext anderer Variablen zu betrachten und zu beurteilen, wie etwa dem Grad der parteipolitischen Polarisierung. Mit parteipolitischer Polarisierung ist in erster Linie die im Parteiensystem abgebildete ideologische Distanz auf einer Rechts-Links-Skala gemeint. Es ist ein wichtiger Befund, dass sich die Polarisierung des Parteiensystems in den meisten der betrachteten Staaten teils deutlich über die letzten drei Wahlen

GRAFIK 13: Parteienpolarisierung im Zeitverlauf für ausgewählte Länder (2009–2018)



Quelle: Berechnungen durch Prof. Dr. Uwe Wagschal, Universität Freiburg.

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hinweg erhöht hat (Grafik 12). Stark polarisierte Parteiensysteme zeichnen sich in der Regel auch immer dadurch aus, dass populistische Parteien vorhanden sind. Populistische Parteien verstärken somit den Effekt der Polarisierung.

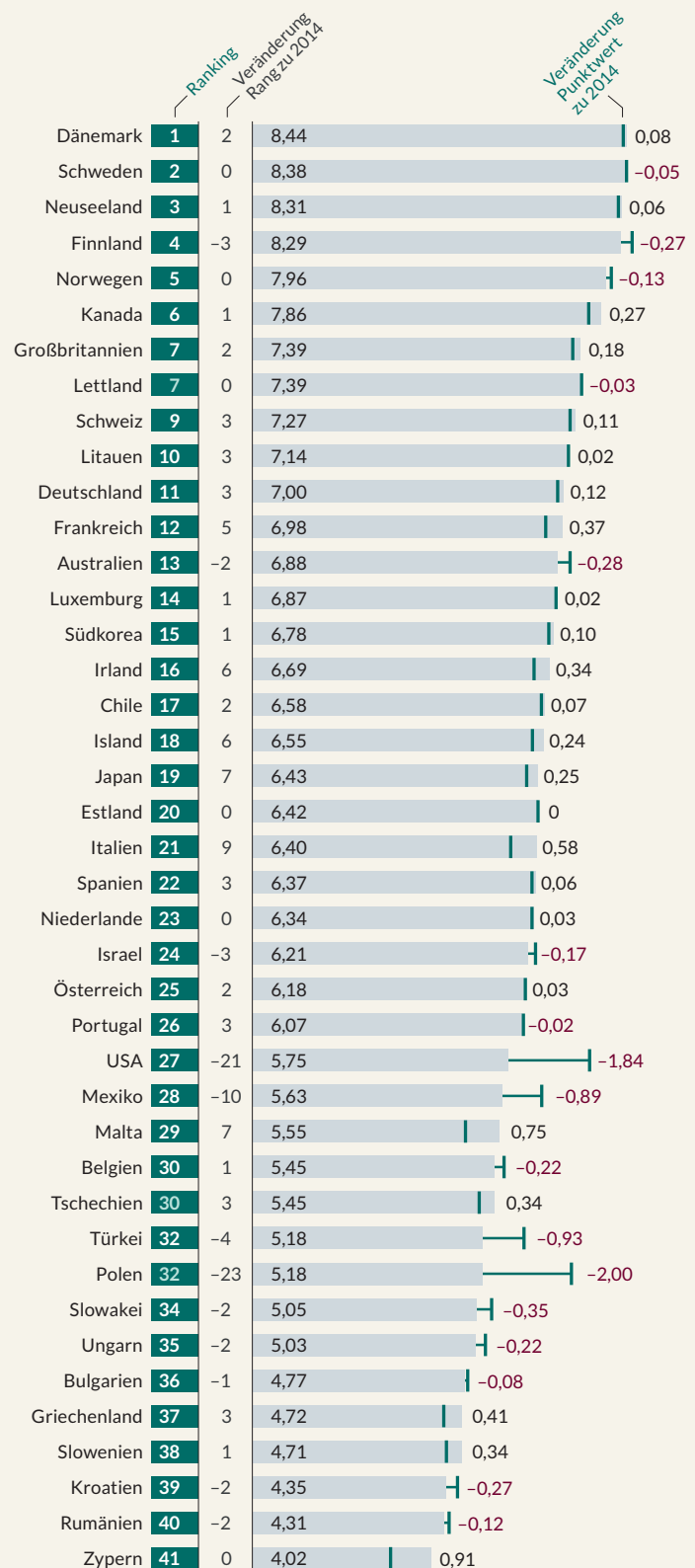
Bei Zypern fällt die politische Polarisierung am höchsten aus. Dort stehen sich zwei relativ gleich starke Parteien gegenüber, die einerseits als kommunistisch und andererseits als stark rechtskonservativ einzuordnen sind. Auch Frankreich, Griechenland und Spanien verzeichneten zuletzt einen Anstieg der Polarisierung ihrer jeweiligen Parteiensysteme, sodass die programmatische Distanz der Parteien im internationalen Vergleich mittlerweile überdurchschnittlich stark ist. Während Deutschland lange Zeit über ein vergleichsweise gering polarisiertes Parteiensystem verfügte, hat sich dies mit dem Einzug der rechtspopulistischen Partei Alternative für Deutschland in den Bundestag deutlich verändert (Grafik 13).

Eine starke parteipolitische Polarisierung kann das Regieren erheblich erschweren, da es die Möglichkeiten, parteiübergreifende Kompromisse zu finden, stark einschränken kann. Populistische Parteien zielen darauf, das Ringen um geeignete politische Lösungen durch eine systematisch emotional aufgeladene Kampagnenführung zu sabotieren. Parteien befinden sich in der Folge in einer Art „Dauerwahlkampf“, der parteiübergreifende Kompromisse zu Sachfragen erschwert. Diese Effekte lassen sich auch bei einer genaueren Betrachtung der einzelnen Teilbereiche des SGI-Governance-Index feststellen.

### Exekutive Steuerungsfähigkeit (Executive Capacity) – Leichte Abwärtsentwicklung erkennbar

Werfen wir zunächst einen näheren Blick auf die Entwicklungen im Bereich exekutive Steuerungsfähigkeit (Executive Capacity). Die dramatischsten Verluste zeigen sich in den USA und in Polen. Beide Länder verlieren über 20 Rangplätze gegenüber der Erhebung von vor vier Jahren. An der Spitze des Vergleichs liegen dagegen Dänemark, Schweden, Neuseeland, Finnland,

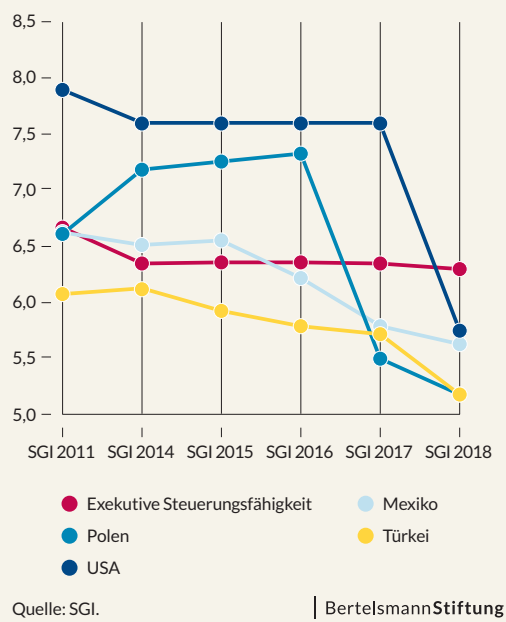
GRAFIK 14: Ranking – Exekutive Steuerungsfähigkeit SGI 2018



Quelle: SGI.

BertelsmannStiftung

GRAFIK 15: Exekutive Steuerungsfähigkeit im Zeitverlauf



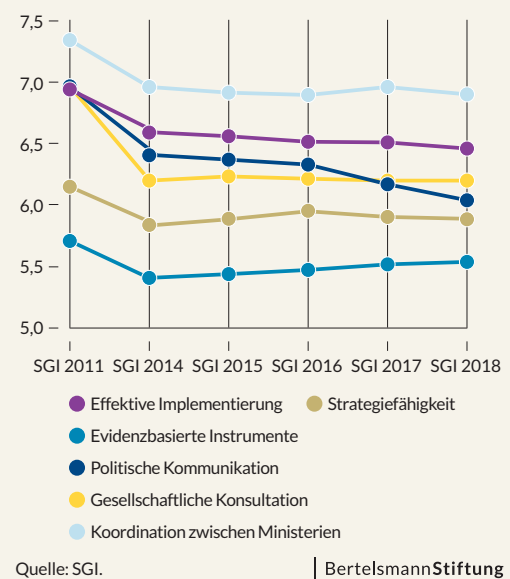
Norwegen und Kanada. Während Kanada einen Aufwärtstrend vorweisen kann, hat sich Finnland im gleichen Maße verschlechtert. Alle sechs Länder der Spitzengruppe zeichnen sich jedoch nach wie vor durch ein überdurchschnittliches Niveau hinsichtlich der Steuerungsfähigkeiten ihrer jeweiligen Exekutiven aus. In diesen Ländern greifen wirksame institutionelle Mechanismen und Strukturen für eine langfristorientierte politische Steuerung und Umsetzung. Deutschland konnte sich über die letzten vier Jahre in der Gesamtbetrachtung leicht verbessern und belegt nun Rang 11; damit rangiert es auf einem ähnlichen Niveau wie das inzwischen stark aufholende Frankreich unter dem neuen Präsidenten Macron (Grafik 14).

Vergleicht man die Entwicklung der exekutiven Steuerungsfähigkeit seit den SGI 2011, erkennt man in Grafik 15 nicht nur die leichte negative Gesamttendenz, sondern vor allem den drastischen Niveauverlust der USA. Dieser lässt sich klar mit der Regierungsübernahme Donald Trumps erklären, doch auch unter der Obama-Administration kam es bereits zwischen 2011 und 2014 zu leichten Verschlechterungen. Anders als im Falle Mexikos und der Türkei, die einen kontinuierlichen Negativtrend

seit den SGI-2011-Ergebnissen verzeichnen, ist Polen erst seit Amtsantritt der rechtskonservativen PiS-Regierung stark abgerutscht, nachdem zuvor unter den Regierungen Donald Tusk und Ewa Kopacz eine Verbesserung der Steuerungsfähigkeit der Exekutive erreicht werden konnte. Bis zur Amtsübernahme durch die PiS-Regierung war Polen durchaus ein Vorbild und Erfolgsmodell unter den Visegrad-Staaten in Sachen Regierungsqualität. Dies hat sich leider grundlegend gewandelt. Inzwischen rangiert Polen auf einem ähnlich schlechten Niveau wie Ungarn und die Slowakei.

Bei der bisherigen Betrachtung der exekutiven Steuerungsfähigkeit handelte es sich um den jeweiligen aggregierten Durchschnittswert pro Land. Deutlich aufschlussreicher als die Betrachtung aggregierter Indexwerte ist jedoch ein Blick auf die einzelnen Indikatorkategorien sowie ausgewählte einzelne Indikatoren. Bereits das folgende Liniendiagramm (Grafik 16) macht deutlich, dass sich in den unterschiedlichen Teilbereichen exekutiver Steuerungsfähigkeit durchaus unterschiedliche Trends zeigen. Besonders negative Entwicklungen im Zeitverlauf erkennt man bei den Kategorien „Politische Kommunikation“ („Policy Communication“) sowie „Gesellschaftliche Konsultation“

GRAFIK 16: Dimensionen der politischen Steuerungsfähigkeit im Zeitverlauf





(„Societal Consultation“) und „Politikdurchsetzung („Policy Implementation“), während lediglich bei der Kategorie „evidenzbasierte Instrumente“ („Evidence-based Instruments“) eine leichte Verbesserung auf niedrigem Gesamtniveau zu beobachten ist. Was bedeuten diese Trends im Detail und vor dem Hintergrund der bereits konstatierten Negativtrends im Bereich Demokratiequalität sowie der gestiegenen parteipolitischen Polarisierung innerhalb der OECD- und EU-Länder?

Mit dem Kriterium „Societal Consultation“ wird erfasst, inwiefern Regierungen proaktiv und in einer umfassenden Weise gesellschaftliche Akteure (Interessengruppen, zivilgesellschaftliche Gruppen) in den politischen Planungsprozess einbinden, um die Wissensbasis für die Politikformulierung zu verbreitern und gleichzeitig eine möglichst große gesellschaftliche Unterstützung für politische Vorhaben zu generieren. Von den 41 OECD- und EU-Ländern im SGI-Sample schneiden in den SGI-2018-Ergebnissen 18 Länder teils deutlich schlechter ab als noch in den Ausgaben von 2011 und 2014, während sich nur zehn Länder in diesem Zeitraum verbessern konnten. Die übrigen 13 Länder haben ihr Niveau gehalten. Besonders auffallend sind die entsprechenden Negativtrends in Ungarn, Mexiko, Polen und in den USA. Diese Länder haben sich um mindestens drei Punkte verschlechtert und schneiden mit Werten zwischen zwei (Ungarn) und fünf Punkten (USA) auch im Niveau deutlich schlechter ab als der Durchschnitt aller Länder bei diesem wichtigen Indikator (6,2). Auch Spanien, Griechenland und die Türkei zeigen im Langzeittrend eine klare Verschlechterung um zwei Punkte und rangieren im unteren Drittel des Ländersamples. Die Ländergutachter für die Türkei führen in ihrem aktuellen Länderbericht folgende Begründung für den entsprechenden Negativtrend in ihrem Land an:

„Die politische Polarisierung während des Berichtszeitraums erhöhte die Einschränkungen und Vorurteile der Regierung hinsichtlich des Zugangs der Öffentlichkeit zu politischen Entscheidungsprozessen und verstärkte ihre Präferenz, sich nur mit regierungsfreundlichen Akteuren zu beraten. Im Allgemeinen halten die

Behörden die Forderung [nach gesellschaftlicher Konsultation] für ‚verlangsamend‘ für die Politikgestaltung [...]. Obwohl der rechtliche Rahmen dies erfordert, wurde die gesellschaftliche Konsultation weitgehend vernachlässigt oder unwirksam gemacht.“<sup>27</sup>

Im Falle Polens und Ungarns kritisieren die Ländergutachter ebenfalls eine sehr einseitige Konsultation gesellschaftlicher Akteure durch die jeweiligen Regierungen beziehungsweise eine bewusste Umgehung der üblichen Verfahren. Für Polen konstatieren sie:

„Generell hat die klare Mehrheit der Regierung im Parlament die Notwendigkeit reduziert, gesellschaftliche Akteure einzubinden, und die Regierung nimmt viele von ihnen als Feinde wahr. Die öffentliche Konsultation wurde durch die Einführung von Gesetzesinitiativen durch Parlamentarier umgangen, da solche Gesetze keine regelmäßigen Konsultationsmechanismen erfordern und daher Experten und die Öffentlichkeit ausschließen. Darüber hinaus hat die schnelle Verabschiedung wichtiger Gesetze die Zeit für sinnvolle Konsultationen verkürzt.“<sup>28</sup>

Derartige Trends sind sehr problematisch, denn sie verweisen auf tiefe gesellschaftliche Konfliktlinien, die von den jeweiligen Regierungen nicht inklusiv adressiert, sondern auf eine polarisierende Weise instrumentalisiert werden. Dies führt im schlimmsten Fall zur Durchsetzung unausgewogener und letztlich wenig nachhaltiger Politikziele.

Ein weiterer negativer Trend zeichnet sich bei der Frage der Kommunikationsfähigkeit von Regierungen („Policy Communication“) ab. Im Durchschnitt aller Länder ist die Kommunikationsfähigkeit der Regierungen über die letzten Jahre hinweg gesunken. Vergleicht man allein die Werte der SGI-2014-Ausgabe mit den entsprechenden Werten der SGI-2018-Ausgabe, so erkennt man Verschlechterungen bei 16 Ländern, während sich lediglich neun Länder im gleichen Zeitraum verbessern konnten. Auch hier lässt sich häufig ein Zusammenhang mit einem Anstieg der politischen Polarisierung erkennen. Besonders drastisch sind die Verschlechterungen im Falle der USA: Unter Trump hat die Fähigkeit der Regierung, kohärent und widerspruchsfrei zu

<sup>27</sup> Genckaya, Togan, Schulz und Karadag 2018, verfügbar unter [www.sgi-network.org](http://www.sgi-network.org)

<sup>28</sup> Matthes, Markowski und Bönker 2018, verfügbar unter [www.sgi-network.org](http://www.sgi-network.org)

kommunizieren, von neun auf vier Punkte abgenommen – der stärkste Abwärtstrend unter allen untersuchten Ländern. Doch auch im Vereinigten Königreich, dessen Regierungen in der Vergangenheit in der Regel über eine klare und kohärente Kommunikationsstrategie verfügten, hat sich im Zuge der politisch aufgeheizten Diskussionen über den Brexit eine klare Verschlechterung der Regierungskommunikation manifestiert:

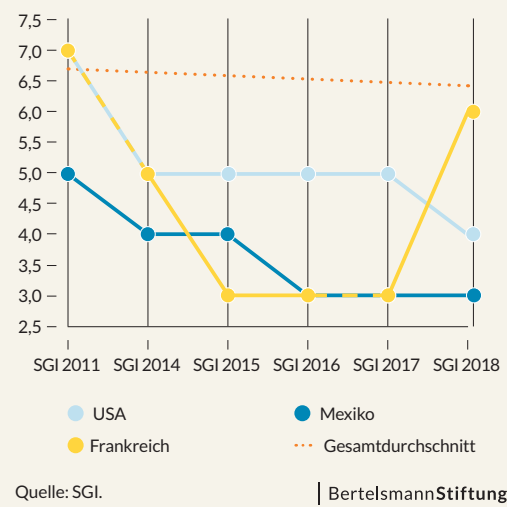
„Die Kommunikation der britischen Regierung über die spaltende Frage der EU-Mitgliedschaft des Vereinigten Königreichs war bei weitem nicht klar, und dieser Mangel an Kohärenz ist immer noch offensichtlich, da die Regierung darum kämpft, ihre Haltung der Öffentlichkeit zu erklären. Bisher konnte Theresa May keine klare Botschaft für ihre Regierung entwickeln. Die Spaltung, die die Brexit-Kampagne kennzeichnete, hat sich nahtlos in Kabinettskämpfen und innerkonservativen parlamentarischen Auseinandersetzungen fortgesetzt.“<sup>29</sup>

Während nicht zuletzt die Beispiele der USA und Großbritanniens zeigen, wie eine inkohärente Kommunikation nach außen auch negativ auf die interne Handlungsfähigkeit der Regierung ausstrahlen kann, bildet Frankreich hierzu ein positives Gegenbeispiel. Im Vergleich zur Amtszeit von François Hollande hat sich die Kommunikation der Regierung unter Präsident Macron stark verbessert – von drei Punkten (dem Tiefstand im Jahr 2015) auf inzwischen neun Punkte. Dass dies vor dem Hintergrund einer im internationalen Vergleich hohen parteipolitischen und gesellschaftlichen Polarisierung in Frankreich gelingen konnte, ist daher umso erwähnenswerter:

„Macron hat eine neue Strategie definiert: genaue Angaben zu seinem Programm während der Präsidentschaftskampagne; Verpflichtung zur vollständigen und raschen Umsetzung dieser politischen Maßnahmen; strikte Kontrolle der Kommunikationspolitik unter der strengen Kontrolle der Mitarbeiter des Élysée. Dies verleiht der Regierungskommunikation ein deutlich höheres Maß an Kohärenz.“<sup>30</sup>

Frankreich bleibt jedoch eine Ausnahme. Tatsächlich überwiegen im Laufe der vergangenen Jahre eher negative Entwicklungen im Bereich

GRAFIK 17: Umsetzungseffizienz im Zeitverlauf



der Regierungskommunikation. Länder wie Mexiko, Polen, die Türkei, die Slowakei, Kroatien oder Rumänien reihen sich ebenfalls in die Liste der Negativbeispiele ein. Doch auch Länder wie Österreich oder Deutschland schneiden bei der Frage der Regierungskommunikation in den letzten Jahren traditionell schwach ab. Zu stark waren oft die nach außen getragenen parteipolitischen Divergenzen zwischen einzelnen Ministerien und/oder der Regierungszentrale. Im Falle Deutschlands weisen die Ländergutachter zudem auf die verstärkte parteipolitische Polarisierung als Hinderungsgrund für eine kohärentere Kommunikation hin:

„Da die traditionellen politischen Parteien mit dem Erfolg einer neuen rechtspopulistischen Partei, der Alternative für Deutschland (AfD), konfrontiert sind, haben sich die Konflikte zwischen den Regierungsparteien verschärft und sind zu einer Belastung für die strategische und kohärente Regierungskommunikation geworden.“<sup>31</sup>

Die Tatsache, dass viele Regierungen Verschlechterungen bei beiden Indikatoren, sowohl bei „Societal Consultation“ als auch bei „Policy Communication“, aufweisen, kann auf eine wachsende Distanz zwischen Regierenden und Regierten hinweisen. Zumindest riskieren Regierungen, die weder eine breite Einbeziehung gesellschaftlicher Gruppen in den Politikplanungsprozess noch eine kohärente Kommuni-

<sup>29</sup> Busch, Begg und Bandelow 2018, verfügbar unter [www.sgi-network.org](http://www.sgi-network.org)

<sup>30</sup> Mény, Uterwedde und Zohlnhöfer 2018, verfügbar unter [www.sgi-network.org](http://www.sgi-network.org)

kation sicherstellen, dass sich Teile der Wählerschaft abwenden oder gesellschaftliche Konfliktlinien verstärkt werden.

Beim Kriterium „Policy Implementation“ ist ebenfalls ein leicht negativer Gesamttrend erkennbar (Grafik 17). Insbesondere der Indikator „Government Efficiency“ ist hierfür ausschlaggebend. In 18 Ländern ist es seit der SGI-2014-Ausgabe für die Regierungen offenbar schwerer geworden, ihre jeweiligen Regierungsprogramme umzusetzen, während sich nur neun Länder in dieser Hinsicht verbessern konnten.

In vielen Fällen liegen die Gründe für die erschwerte Umsetzungsfähigkeit erneut im hohen Polarisierungsgrad innerhalb der Gesellschaft und des Parteiensystems. In den USA hat sich dies sehr deutlich in den letzten Jahren der Obama-Administration gezeigt:

„Im Vergleich zu parlamentarischen Systemen, die eine nahezu automatische gesetzgeberische Genehmigung von Regierungsvorlagen erwarten lassen, wird davon ausgegangen, dass die Umsetzung der Politik im System der Gewaltenteilung in den USA von Koalitionsbildung, Verhandlungen und einem relativ breiten Konsens abhängt. Im gegenwärtigen, stark polarisierten Zustand der politischen Parteien hängt die Handlungsfähigkeit stark davon ab, ob die parteipolitische Kontrolle über die Präsidentschaft und den Kongress einheitlich (wobei dieselbe Partei die Präsidentschaft, das Parlament und den Senat kontrolliert) oder geteilt ist.“

Von 2011 bis 2016 hatte die US-Regierung mit einem demokratischen Präsidenten, einer republikanischen Kongressmehrheit und einer aggressiven rechtsgerichteten republikanischen Fraktion („Tea Party“) große Schwierigkeiten, politische Ziele zu erreichen. Die beiden Kongresse dieser Zeit waren die am wenigsten produktiven, das bedeutet, die wenigsten Gesetze aller Kongresse in der modernen Zeit wurden umgesetzt (seit den 1920er Jahren vor der Depression).<sup>32</sup>

Interessant ist jedoch, dass selbst unter den institutionellen Rahmenbedingungen einer

Kongressmehrheit der Republikaner die neue Trump-Administration nicht erfolgreich in der legislativen Umsetzung politischer Ziele war:

„Bis zur Verabschiedung der Trump'schen Steuersenkung im Dezember 2017 im Kongress war es das einzige Mal in der modernen Geschichte, dass es einem neuen Präsidenten nicht gelungen war, auch nur ein einziges Gesetz zu verabschieden. Die Ziele von Trump im Bereich der Einwanderung wurden mit administrativen Mitteln und ohne Gesetzgebung verfolgt. Trump gelang es, die Abschiebungen von Einwanderern ohne Papiere, vor allem aus Mexiko, stark zu steigern. Aufgrund gerichtlicher Entscheidungen gelang es ihm nicht, ein Einreiseverbot für Muslime oder Personen aus ausgewählten muslimischen Ländern durchzusetzen. Die Regulierungsbehörden zogen eine große Anzahl von Vorschriften aus der Obama-Ära zurück; aber ob diese Entscheidungen der richterlichen Überprüfung standhalten werden, ist ungewiss. Am Ende des ersten Jahres wurden nur sehr wenige von Trumps politischen Programmen in einer Weise angenommen, die dauerhaft zu sein versprach.“<sup>33</sup>

Entsprechend haben sich die USA in den letzten Jahren bei der Frage der Umsetzungsfähigkeit der Regierung am stärksten unter allen OECD-Ländern verschlechtert – von sieben auf vier Punkte. Die größte Volkswirtschaft der Welt ist insofern ein besonders negatives Beispiel für den Verlust exekutiver Steuerungsfähigkeit durch eine extreme gesellschaftliche Polarisierung und eine aktuelle Regierung, die nichts dafür tut, gesellschaftliche Gräben zu überwinden.

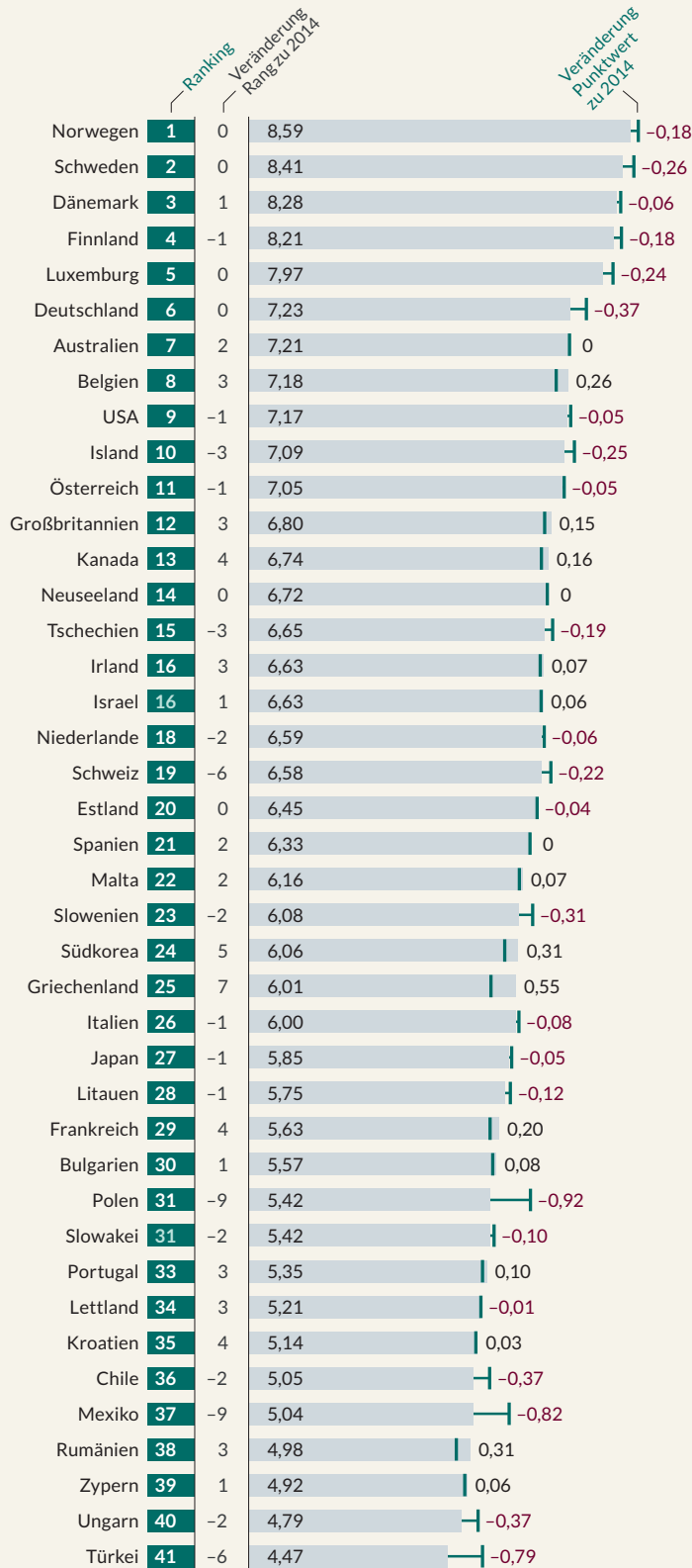
Frankreich ist in der aktuellen SGI-Ausgabe erneut ein positives Gegenbeispiel. Die Umsetzungsfähigkeit der Regierung hat sich mit dem neuen Präsidenten Macron stark verbessert – von drei Punkten während der Präsidentschaft Hollandes auf nun immerhin sechs Punkte. Im SGI-Länderbericht wird diese Verbesserung folgendermaßen begründet:

„Die wichtigste Verbesserung ist die Fähigkeit der Regierung Macron, das Engagement für politische Entscheidungen und eine intensive Konzertierung mit Stakeholdern vor der Ent-

31 Rüb, Heinemann und Zohlhöfer 2018, verfügbar unter [www.sgi-network.org](http://www.sgi-network.org)

32 Quirk, Lammert und Thunert 2018, verfügbar unter [www.sgi-network.org](http://www.sgi-network.org)

33 Ebd.

**GRAFIK 18: Ranking – Beteiligungs- und Kontrollkompetenz SGI 2018**


Quelle: SGI.

| BertelsmannStiftung

scheidung zu verbinden. Bisher war diese Vorgehensweise recht erfolgreich. Es ist jedoch noch zu früh, um die Wirksamkeit dieser Strategie und ihre Erfolgchancen auf mittel- und langfristige Sicht zu bewerten.“<sup>34</sup>

An dieser Stelle wird deutlich, dass eine verbesserte Umsetzungsfähigkeit, eine klare und widerspruchsfreie politische Kommunikation sowie die frühzeitige Einbindung und Konsultation gesellschaftlicher Gruppen Hand in Hand gehen. Auch wenn es noch zu früh sein mag, den langfristigen Erfolg dieser Strategie Macrons abzuschätzen, so sind die ersten Ergebnisse doch recht vielversprechend. Dies ist insofern interessant und könnte auch für andere Regierungen ein ratsamer Ansatz sein, als auch Frankreich durch eine relativ starke gesellschaftliche Polarisierung gekennzeichnet ist. Insgesamt am besten in allen drei hier betrachteten Kriterien – Societal Consultation, Policy Communication und Implementation – schneidet Kanada ab, das sich unter der neuen Regierung Justin Trudeaus nochmals leicht verbessern konnte.

Unter den verschiedenen SGI-Indikatoren zur exekutiven Steuerungsfähigkeit gibt es nur wenige Kriterien, die sich im Durchschnitt seit 2014 positiv entwickelt haben. Zu diesen Ausnahmen zählt der Bereich „evidenzbasierte Instrumente“. Hier wird bewertet, inwieweit Regierungen in der Lage sind, systematisch eine Gesetzesfolgenabschätzung – zusätzlich auch mit Blick auf die Nachhaltigkeit bestimmter ergriffener politischer Maßnahmen – vorzunehmen. Die leicht positive Entwicklung kommt vor allem dadurch zustande, dass überwiegend traditionelle „Nachzüglerländer“ in diesem Bereich wie Bulgarien, Zypern, Italien, Portugal und Spanien hier zuletzt etwas Boden gutmachen konnten.

Im Vergleich mit den anderen Dimensionen politischer Steuerungsfähigkeit wird der Bereich „evidenzbasierte Instrumente“ jedoch nach wie vor als derjenige mit dem größten Verbesserungspotenzial eingestuft. Besorgniserregend ist zudem, dass es in zwei ehemaligen Vorreiterländern in diesem Bereich trotz des allgemeinen leichten Aufwärtstrends

zu teils erheblichen Verschlechterungen gekommen ist.

Die USA gehörten traditionell zur engsten Spitzengruppe (2017: Rang 3) im Bereich „evidenzbasierte Instrumente“. Seit der letzten Erhebung aber haben sich die USA bei der Frage des Umfangs und der Qualität der Gesetzesfolgenabschätzung (Verschlechterung um 5 bzw. 2 Punkte) sowie der systematischen Überprüfung der Nachhaltigkeit politischer Maßnahmen (Verschlechterung um 2 Punkte) derart dramatisch verschlechtert, dass sie mittlerweile auf den 19. Platz abgerutscht sind. Im SGI-Länderbericht werden diese substantziellen Verschlechterungen folgendermaßen begründet:

„Allerdings hat die Trump-Administration das Interesse an der Folgenabschätzung oder anderer Fachexpertise weitgehend aufgegeben. Die Dienststellen hatten ein starkes Präsidialmandat, um die Vorschriften zu reduzieren und die Entscheidungen der Obama-Regierung rückgängig zu machen. Sie haben dies innerhalb der ersten Monate der Trump-Präsidentschaft in großer Zahl auf der Grundlage einer Minimalanalyse getan. Der Präsident erteilte auch eine Anweisung, die besagt, dass für jede neue Verordnung, die eine Dienststelle erlässt, zwei bestehende Vorschriften aufzuheben sind – ein mechanisches Konzept, das keinen analytischen Einfluss erlaubt.“<sup>35</sup>

Auch in Polen, welches vor zwei Jahren noch auf dem 7. Platz rangierte, setzte sich zuletzt die dramatische Abnahme der Bedeutung evidenzbasierter Politikstrategien unter der PiS-Alleinregierung weiter fort (aktuell Rang 39). Ähnlich wie in den USA bleiben zwar die formalen Institutionen und Regeln der Gesetzesfolgenabschätzung weitgehend intakt. In der Praxis werden diese jedoch mehr und mehr ausgehöhlt:

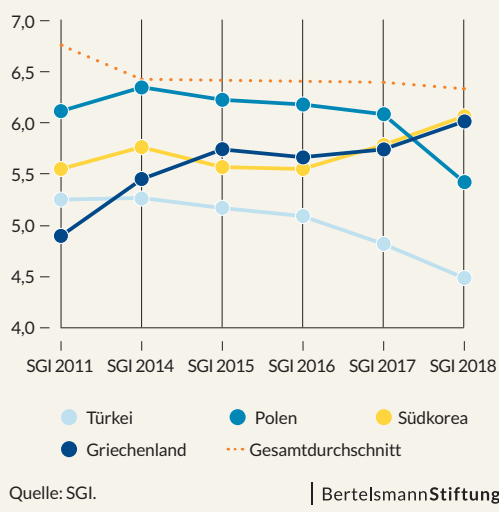
„Von 2001 bis 2015 hat Polen ein relativ umfassendes System der Gesetzesfolgenabschätzung (GFA) eingeführt. Die PiS-Regierung hat dieses System formal weitgehend unverändert gelassen, die GFA aber nicht ernst genommen. Sie hat die GFA umgangen, indem sie sich stark auf beschleunigte Gesetzgebungsverfahren oder Gesetzesinitiativen von Abgeordneten stützte, und die Qualität der GFA war gering.“<sup>36</sup>

### Beteiligungs- und Kontrollkompetenz (Executive Accountability) – Längerfristiger Negativtrend in OECD- und EU-Ländern

Die oben beschriebenen Negativtrends im Bereich Demokratiequalität und die Verschlechterungen bei wesentlichen Indikatoren aus dem Bereich exekutiver Steuerungsfähigkeit sind für sich genommen bereits ein problematischer Befund. Mit diesem Befund korrespondiert jedoch zudem die Tatsache, dass sich gerade auch im Bereich der Beteiligungs- und Kontrollkompetenz, der zweiten Dimension unseres Governance Index, eine längerfristige Negativentwicklung ausmachen lässt. Im Gesamttranking zur Beteiligungs- und Kontrollkompetenz durch Bürger, Parlamente, Parteien, Medien und intermediäre Organisationen liegen die nordischen Staaten an der Spitze – gefolgt von Luxemburg und Deutschland (Grafik 18). Doch selbst für diese nach wie vor sehr gut platzierten Staaten lässt sich über die letzten vier Jahre hinweg ein negativer Trend beobachten.

Noch immer ist aber das Niveau der Beteiligungs- und Kontrollkompetenz von Akteuren außerhalb der Regierung in den in dieser Hinsicht führenden Ländern hoch. Ganz anders sieht dies leider im Falle Polens, Mexikos, Ungarns sowie der Türkei aus. Die Türkei und Ungarn sind abgeschlagen die beiden Schluss-

GRAFIK 19: Beteiligungs- und Kontrollkompetenz im Zeitverlauf



<sup>35</sup> Quirk, Lammert und Thunert 2018, verfügbar unter [www.sgi-network.org](http://www.sgi-network.org)

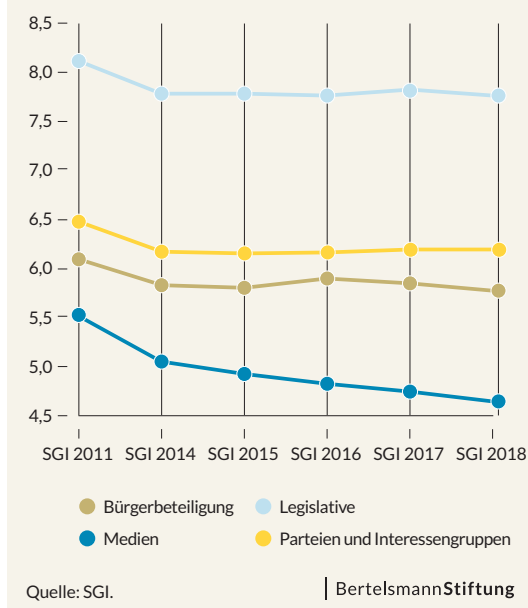
<sup>36</sup> Matthes, Markowski und Bönker 2018, verfügbar unter [www.sgi-network.org](http://www.sgi-network.org)



lichter und haben über die letzten Jahre hinweg massive Verschlechterungen der Beteiligungs- und Kontrollkompetenzen verzeichnen müssen. Polen liegt zwar im Niveau derzeit noch deutlich besser als diese beiden Länder – doch auch hier zeigt sich ein Negativtrend, der sich insbesondere nach der Amtsübernahme durch die PiS-Regierung verschärft hat. Dies ist ein sehr problematischer Befund, der auf die zunehmenden Eingriffe der Regierungen dieser Länder in rechtsstaatlich-demokratische Kontrollstrukturen verweist. Positiver dagegen haben sich zuletzt wieder Griechenland und Südkorea entwickelt. Jedoch bilden diese beiden Länder eine Ausnahme gegenüber dem mehrheitlich negativen Gesamttrend (Grafik 19).

Worauf ist die auf aggregierter Ebene zu beobachtende negative Entwicklung in erster Linie zurückzuführen? Ein Blick in die einzelnen Teilkategorien der Dimension „Executive Accountability“ gibt hierüber Aufschluss (Grafik 20). Maßgeblich getrieben wird der Negativtrend abnehmender Beteiligungs- und Kontrollmöglichkeiten durch die abnehmende Fähigkeit der Medien (media), qualitativ hochwertige und umfassende Informationen zum Regierungshandeln zur Verfügung zu stellen.

GRAFIK 20: Dimensionen der Beteiligungs- und Kontrollkompetenz im Zeitverlauf



Lediglich in einem Land konnten hier zuletzt leichte Verbesserungen erzielt werden (Südkorea), während sich bei allen anderen Ländern stagnierende oder zurückgehende Werte bei der Bewertung des Indikators „Media Reporting“ zeigen. Der Fall Südkoreas zeigt, wie wichtig die Kontrollfunktion der Medien sein kann. Trotz weiterhin erheblicher Defizite hinsichtlich der Qualität des koreanischen Mediensystems weisen die SGI-Ländergutachter auf die Bedeutung der Medien im Kontext des Korruptionsskandals um die ehemalige Präsidentin Park hin:

„Während der jüngsten politischen Skandale um Choi Soon-sil und Park Geun-hye haben die Medien jedoch eine wichtige Rolle bei der Aufdeckung und Berichterstattung über die Skandale gespielt. Mehrere neue Medien wie JTBC und Chosun Broadcasting Company untersuchten den Fall und halfen, den Korruptionsfall aufzudecken. Die öffentliche Kerzenlichtbewegung, die zu Parks Anklage führte, konnte ohne den Bericht der Medien über den Machtmissbrauch der Regierung nicht erreicht werden.“<sup>37</sup>

Besonders eklatant sind die Rückschritte in der Qualität der Medienberichterstattung dagegen in denjenigen Ländern, in denen Regierungen gezielt in die Pressefreiheit eingreifen. Dies betrifft vor allem Ungarn und die Türkei, die mit jeweils drei Punkten die beiden letztplatzierten Länder bei diesem Indikator sind. Im Länderbericht zu Ungarn heißt es dazu:

„Die ungarische Medienlandschaft hat in den letzten Jahren zwei verschiedene Prozesse durchlaufen: Entpolitisierung und Skandalisierung. Die Entpolitisierung ist das Ergebnis einer neuen Art von Selbstzensur, die durch die Angriffe der Regierung und ihrer Vertreter auf die Presse und zivilgesellschaftliche Organisationen verursacht wurde. Skandalisierung ist das Ergebnis von Polarisierung. Die starke Polarisierung des politischen Lebens in Ungarn hat es ermöglicht, die eingehende Analyse durch die Beschäftigung mit Skandalen zu ersetzen, seien sie nun real oder vermeintlich. Es gibt relativ wenig detaillierte Analysen der Regierungsentscheidungen und der Leistung der Regierung in den von der Regierung kontrollierten öffentli-

37 Kalinowski, Rhyu und Croissant 2018, verfügbar unter [www.sgi-network.org](http://www.sgi-network.org)

38 Ágh, Dieringer und Bönker 2018, verfügbar unter [www.sgi-network.org](http://www.sgi-network.org)



chen Medien oder in den privaten Medienkanälen, die Fidesz nahestehen.“<sup>38</sup>

Zu einem ganz ähnlichen Bild gelangen die Ländergutachter im Falle der Türkei:

„Trotz der pluralistischen Medienlandschaft in der Türkei scheinen die türkischen Medien (Fernseher, Zeitungen etc.) zunehmend zwischen Befürwortern und Gegnern der AKP-Regierung gespalten zu sein. Die Situation der freien Medien hat sich nach dem gescheiterten Putschversuch vom 15. Juli 2016 stark verschlechtert, da zahlreiche Journalisten ohne Anklage hinter Gitter gebracht wurden, was eine einschüchternde Wirkung auf andere hatte. Folglich ist es für die Bürger schwierig, objektive oder substanzielle Informationen über die Regierungspolitik und die Entscheidungsfindung der Regierung zu finden. Eine auf Industriekonglomeraten basierende Medienbesitzstruktur (das sogenannte mediterrane oder polarisierte pluralistische Medienmodell), die klare Unterscheidung zwischen regierungsfreundlichen und regierungsfeindlichen Medien und der zunehmend polarisierte öffentliche Diskurs erschweren es Journalisten, die Öffentlichkeit umfassend zu informieren. Nachrichtenberichterstattung und Debatten in den Medien finden hauptsächlich einseitig in regierungsfreundlichen Medien statt, oder es gibt eine Selbstzensur in den Mainstream-neutralen Medien. Dies gilt sogar für die wichtigsten Nachrichtenagenturen wie Anadolu, ANKA, Doğan und Cihan. Oberflächliche Berichterstattung, Selbstzensur und Entlassung kritischer Journalisten sind in den großen Medien weit verbreitet. Medienbesitz, direkte und indirekte staatliche Eingriffe in private Medien und Journalismus verdecken die objektiven Analysen der Regierungspolitik. So bieten nur wenige Zeitungen, Radio- oder Fernsehsender eine eingehende Analyse der Regierungspolitik oder ihrer Auswirkungen auf die Menschenrechte, die kurdischen Themen, die wirtschaftlichen Bedingungen usw.“<sup>39</sup>

Bis zu einem gewissen Grad gelten die bedenklichen Trends der Einflussnahme der Regierung auf das Mediensystem auch für Polen, wo sich – insbesondere im öffentlich-rechtlichen Bereich – über die letzten Jahre hinweg

ebenfalls ein bedenklicher Trend abnehmender Qualität bei der Medienberichterstattung zeigt. Insgesamt ist die Lage aber noch nicht derart dramatisch wie in der Türkei oder in Ungarn:

„Regierungsentscheidungen werden von den wichtigsten Fernseh- und Radiosendern des Landes weitgehend abgedeckt. Aufgrund des Mediengesetzes wird das öffentliche TVP oft als TV-PiS bezeichnet. Jacek Kurski, Parteideologe, wurde zum Fernsehdirektor ernannt und stellte mehrere parteitreue Journalisten als Moderatoren für die Nachrichtensendungen und andere relevante Positionen ein. In den privaten Medien hat sich die Qualität der Berichterstattung, insbesondere bei den beiden großen TV-Gesellschaften POLSAT und TVN, trotz einer Tendenz zum Infotainment erhöht. Die Rzeczpospolita, die zweitgrößte Tageszeitung Polens, hat von einem Eigentümer- und Redaktionswechsel profitiert und ist politisch weniger parteiisch geworden. Dennoch gibt es nur wenige Printmedien und TV- und Radiosender, die sich dem politischen Druck widersetzen, und die Medien sind in pro oder contra Regierung aufgeteilt. Das Vertrauen der Öffentlichkeit in die Objektivität der Medien war schon immer gering, befindet sich aber jetzt auf einem sehr niedrigen Niveau. Die wichtigste TV-Nachrichtensendung Wiadomosci in TVP hat 17 Prozent der Zuschauer verloren.“<sup>40</sup>

Besonders stark schlägt in nahezu allen untersuchten Ländern zudem die abnehmende Zahl verfügbarer Qualitätszeitungen zu Buche. Dies ist dem Prozess einer verstärkten Digitalisierung im Medienbereich geschuldet. Derzeit ist nicht erkennbar, dass die rückläufige Verbreitung und Anzahl von Qualitätszeitungen durch neue Online-Angebote vollständig kompensiert wird, denn die oben geschilderten Ergebnisse des Indikators „Media Reporting“, der auch die Qualität von Online-Angeboten berücksichtigt, sprechen eine andere Sprache.

Neben der abnehmenden Fähigkeit der Medien, qualitativ hochwertige und umfassende Informationen zum Regierungshandeln zur Verfügung zu stellen, zeigen sich besonders in Polen, Mexiko und der Türkei mittlerweile auch stark abnehmende Beteiligungs- und Kontrollmöglichkeiten gesellschaftlicher Akteure insgesamt.

<sup>39</sup> Genckaya, Togan, Schulz und Karadag 2018, verfügbar unter [www.sgi-network.org](http://www.sgi-network.org)

<sup>40</sup> Matthes, Markowski und Bönker 2018, verfügbar unter [www.sgi-network.org](http://www.sgi-network.org)

In Polen zeigen sich diese Verschlechterungen zusätzlich noch bei der Frage, inwieweit es dem Parlament wirkungsvoll gelingt, die Regierung zu kontrollieren, zum Beispiel hinsichtlich einer ausreichenden Personal- und Ressourcenausstattung des Parlaments und der Möglichkeit der Parlamentarier, Dokumente und Informationen aus der Regierung anzufordern oder Experten zu hören. Im Länderbericht zu Polen heißt es dazu:

„Die Mitglieder des Sejm, des polnischen Parlaments, verfügen über ständiges Unterstützungspersonal und können auf die Bibliothek des Sejm und die Expertise des Forschungsbüros des Sejm (BAS) zurückgreifen. Doch die Qualität der Expertise der BAS ist seit den Parlamentswahlen 2015 zurückgegangen. Außerdem hat die PiS-Mehrheit die Überwachung der Regierung erschwert, indem sie ihre Pläne für neue Gesetze nicht veröffentlicht hat, indem sie die normalen Verfahren umgangen hat, indem sie einzelne Abgeordnete Gesetzesentwürfe vorlegen ließ und Gesetze sehr schnell verabschiedete [...]. Auf dem Papier haben die Parlamentsausschüsse vollen Zugang zu Regierungsdokumenten. Die Mitglieder des Parlaments können in der Sitzung des Sejm-Plenums oder in einer Ausschusssitzung Informationen von Regierungsbeamten in schriftlicher oder mündlicher Form verlangen. Seit den Parlamentswahlen im Jahr 2015 ist es für Oppositionelle des Sejm jedoch schwieriger geworden, Regierungsunterlagen überhaupt bzw. rechtzeitig zu erhalten [...]. Parlamentarische Ausschüsse haben das Recht, Experten einzuladen, die Stellungnahmen zu bestimmten Themen abgeben oder an normalen Ausschussverfahren teilnehmen. Wenn jedoch, wie es unter der PiS-Regierung oft der Fall war, von einzelnen Abgeordneten Gesetzesvorlagen eingebracht werden, muss die Einberufung von Experten von einer Mehrheit der Abgeordneten unterstützt werden. Die PiS-Mehrheit im Sejm hat diese Verfahrensregel genutzt, um die Einladung von Experten der parlamentarischen Opposition einzuschränken. Angesichts des Manövers der PiS im Sejm haben einige Experten von der Teilnahme an einer ihrer Meinung nach politischen Manipulation abgesehen.“<sup>41</sup>

Auch in der Türkei ist neben der defizitären medialen Kontrollfunktion die Kontrollfunktion

der Parteien und Interessenverbände sowie des Parlaments sehr stark eingeschränkt. Mit Blick auf die Möglichkeiten parlamentarischer Ausschüsse, Minister einzubestellen und zu befragen, heißt es im Länderbericht zur Türkei:

„Im Berichtszeitraum sind die Auswirkungen des Ausnahmezustands, Korruptionsskandale, Rücktritte von Bürgermeistern und wirtschaftliche Instabilität sowie regionale Angelegenheiten rund um die Türkei wie der Krieg in Syrien, massive Wanderungsbewegungen aus Ländern in die Türkei und kurdische Konflikte innerhalb und außerhalb der Türkei [...] sichtbar. Keiner der obersten Führungskräfte hat die Verantwortung übernommen oder gar eine unabhängige parlamentarische Untersuchung zugelassen. Stattdessen zeigte die Regierung ein hohes Maß an fehlender Rechenschaftspflicht gegenüber dem Parlament.“<sup>42</sup>

In Mexiko zeigen sich die Verschlechterungen neben dem Bereich der defizitären medialen Kontrollfunktion in erster Linie bei den Indikatoren „politische Bildung“ und „innerparteiliche Demokratie“. Zum Indikator „politische Bildung“ führt der Länderbericht zu Mexiko Folgendes an:

„Den meisten Bürgern sind wichtige Entscheidungen der Regierung nicht bekannt. So war beispielsweise nur einem Drittel der Mexikaner bekannt, dass die Bundesregierung im Jahr 2017 beschlossen hat, die Ausgaben zu kürzen, was zu einem großen Teil auf mangelndes Interesse an der Politik zurückzuführen ist. Nach den jüngsten Daten des National Survey on Political Culture (ENCUP 2012) haben 65 Prozent der Mexikaner wenig bis gar kein Interesse an Politik, und 77 Prozent betrachten die Regierung als ein Instrument der Manipulation, von dem nur Politiker und wohlhabende Menschen profitieren.“<sup>43</sup>

Ogleich in den USA die exekutive Steuerungsfähigkeit im vergangenen Erhebungszeitraum dramatisch abgenommen hat, bleiben die Beteiligungs- und Kontrollmöglichkeiten der gesellschaftlichen Gruppen im Gegensatz zu Ländern wie Mexiko, der Türkei oder Polen unverändert stark. Auch während der Präsidentschaft

41 Ebd.

42 Genckaya, Togan, Schulz und Karadag 2018, verfügbar unter [www.sgi-network.org](http://www.sgi-network.org)

43 Harbers, Razu, Faust und Thunert 2018, verfügbar unter [www.sgi-network.org](http://www.sgi-network.org)

Donald Trumps hat sich an diesem positiven Befund zumindest bislang nur wenig geändert. Die USA gehören weiterhin zur Spitzengruppe (Rang 5), was die strukturellen Kontrollkompetenzen der Legislative anbelangt. Die Ressourcenausstattung des Kongresses bleibt nach wie vor einzigartig im internationalen Vergleich. Allerdings weisen die Ländergutachter auf einige bedenkliche Trends in jüngster Zeit hin: „Wichtig ist, dass der Kongress das Personal in den letzten Jahren deutlich reduziert hat. Dies spiegelt eine zunehmende Abhängigkeit von ideologisch orientierten Think Tanks für Politikberatung und eine Zentralisierung der Kontrolle in der Parteiführung wider. Der Einfluss der einzelnen Mitglieder und Ausschüsse in der Politik wurde verringert. Dennoch ist der Personalbestand des Kongresses in der Welt unübertroffen.“<sup>44</sup>

Die wirkungsvolle Kontrolle des Regierungshandelns durch unabhängige Gerichte hat in den USA zuletzt sogar zugenommen:

„Die Normenkontrolle durch Gerichte bleibt kraftvoll. In den Jahren 2015–2016 haben die Bundesgerichte mehrere ausufernde Nutzungen der Exekutivmacht durch die Obama-Administration sowie potenziell diskriminierende Wählerregistrierungsanforderungen in einer Reihe von Bundesstaaten zurückgewiesen. Im Jahr 2017 haben Bundesgerichte das verfassungsrechtlich bedenkliche Reiseverbot der Trump-Administration für Besucher aus bestimmten muslimischen Ländern sowie die Entscheidung der Trump-Exekutive, das DACA-Programm zu beenden, blockiert.“<sup>45</sup>

<sup>44</sup> Quirk, Lammert und Thunert 2018, verfügbar unter [www.sgi-network.org](http://www.sgi-network.org)

<sup>45</sup> Ebd.

## SGI 2018 Ergebnisse: Politikperformanz

# Weiterhin erheblicher Reformbedarf

Trotz wirtschaftlicher Erholung erzielen die OECD- und EU-Staaten kaum Fortschritte bei der sozialen oder ökologischen Nachhaltigkeit.

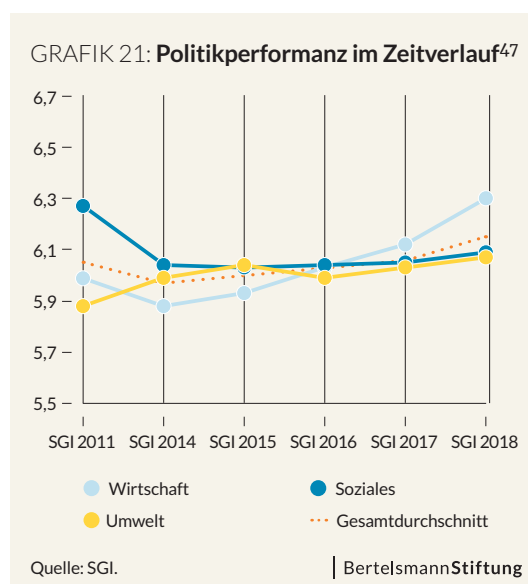
Wie erfolgreich sind die einzelnen Länder bei der Realisierung nachhaltiger Politikergebnisse? Antworten darauf gibt der Policy Performance Index, der die Performanz der 41 untersuchten Staaten entlang der drei zentralen Dimensionen des Nachhaltigkeitskonzepts – Ökonomie, Soziales und Umwelt – misst. Der Policy Performance Index bildet somit den aktuellen Reformbedarf jedes Landes in zentralen Politikfeldern ab.

Insgesamt betrachtet zeigt sich über alle Länder und Dimensionen hinweg, dass der bis 2014 andauernde Abwärtstrend in Folge der globalen Finanz- und Wirtschaftskrise gestoppt werden konnte und seitdem ein leichter Aufwärtstrend – allerdings ausgehend von einem niedrigen Niveau – zu beobachten ist (Grafik 21). Die leichte Verbesserung ist insbesondere auf die

wirtschaftliche Erholung der vergangenen Jahre zurückzuführen, weniger auf Fortschritte bei der sozialen oder ökologischen Nachhaltigkeit. Betrachtet man nämlich die einzelnen Dimensionen, zeigen sich in der Entwicklung deutliche Unterschiede, insbesondere mit Blick auf die Bereiche „Ökonomie“ und „Soziales“.

Generell sind die Herausforderungen für die 41 OECD- und EU-Staaten in den vergangenen Jahren nicht kleiner, sondern sogar eher noch größer geworden. Bei der Umsetzung der globalen Entwicklungsziele (SDGs) hinken viele der hochentwickelten Industrienationen stark hinterher – nur wenige der hier betrachteten Staaten eignen sich als globales Vorbild für nachhaltige Politik.<sup>46</sup> Zu den Kernherausforderungen, denen sich alle Staaten stellen müssen, zählen der Klimawandel, demografische Veränderungen in Gestalt von gesellschaftlicher Alterung und Migrationsprozessen, die Digitalisierung mit ihren noch nicht voll abschätzbaren Konsequenzen für Arbeit und soziale Sicherungssysteme sowie – auf globaler Ebene – die Bedrohung eines freien Welthandels durch zunehmenden Protektionismus. Wie sieht es vor diesem Hintergrund mit der politischen Performanz der hier betrachteten Länder in den einzelnen SGI-Politikbereichen aus?

Während die Staaten bis 2016 bei der Gewährleistung sozialer Teilhabe deutlich erfolgreicher waren als bei der Sicherstellung wirtschaftlicher Nachhaltigkeit, zeigt sich seitdem ein umgekehrtes Bild. Ursache für diese Entwicklung ist erstens, dass die sozialpolitische Performanz im Laufe der Wirtschafts- und Finanzkrise deutlich stärker abgenommen hat als die



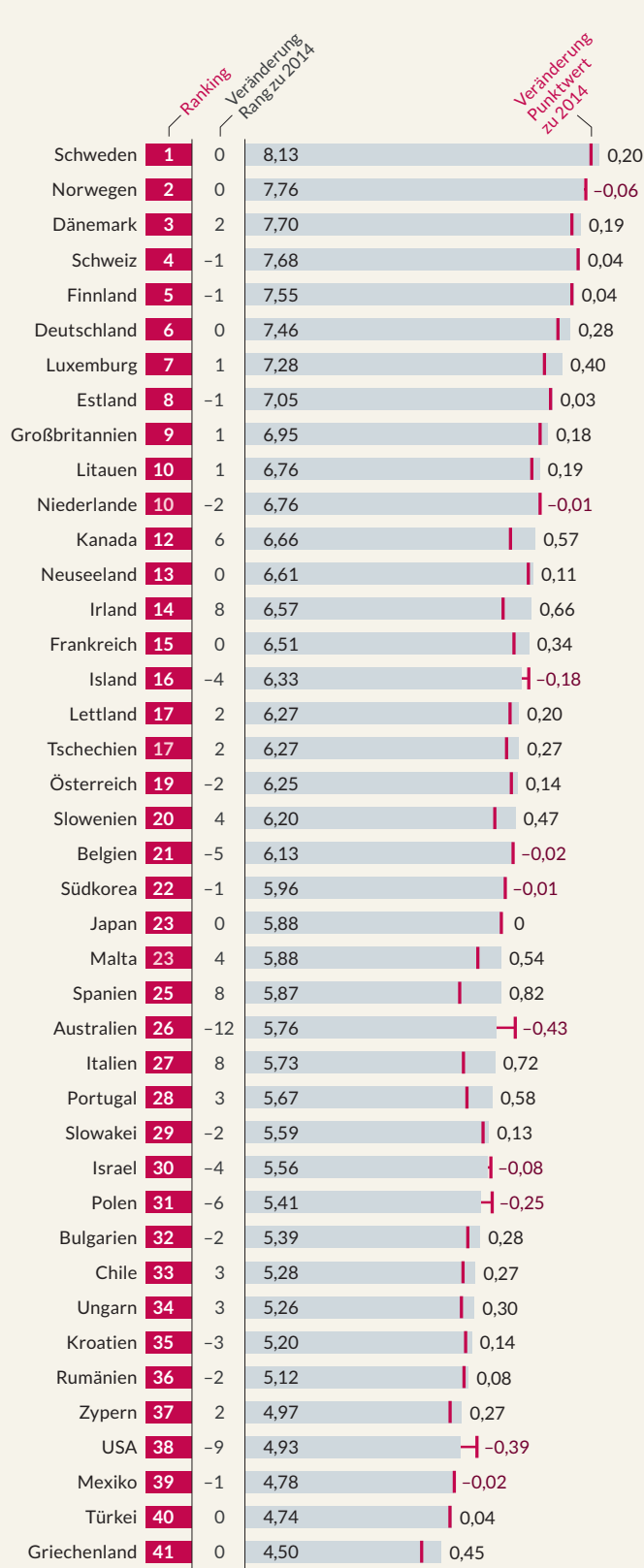
<sup>46</sup> Vgl. dazu Sachs, Jeffrey, Schmidt-Traub, Guido, Kroll, Christian, Lafortune, Guillaume, und Fuller, Grayson (2018): SDG Index and Dashboards Report 2018. New York: Bertelsmann Stiftung und Sustainable Development Solutions Network (SDSN).

ökonomische Performanz. Zweitens hat sich die ökonomische Performanz im Zuge der weltwirtschaftlichen Erholung zwischen 2014 und 2018 recht deutlich von 5,88 auf 6,30 Punkte verbessert, während die sozialpolitische Performanz im gleichen Zeitraum nur minimal von 6,04 auf 6,09 Punkte gestiegen ist. Es kann somit festgestellt werden, dass der wirtschaftliche Aufschwung der vergangenen Jahre nicht in gleichem Maße zu einer Verbesserung der sozialen Situation in den betrachteten Staaten geführt hat.

Im Hinblick auf die ökologische Nachhaltigkeit sind seit der SGI-Ausgabe 2011 nur wenig Fortschritte zu beobachten. So ist der entsprechende Punktwert von 5,88 im Jahr 2011 auf 6,07 im Jahr 2018 angewachsen. Dies zeigt, dass die EU- bzw. OECD-Länder in Sachen Umweltpolitik noch viel tun müssen. Zu diesem Ergebnis kommt auch der aktuelle Bericht der Bertelsmann Stiftung und des Sustainable Development Solutions Network (SDSN) zu den Sustainable Development Goals (SDGs). Dort heißt es beispielsweise mit Blick auf die Klimapolitik, „dass mit Ausnahme Indiens die intendierten nationalen Beiträge und die aktuelle Klimapolitik der G20-Länder unzureichend und in einigen Fällen kritisch unzureichend sind, um das Ziel ‚deutlich unter 2 °C‘ des Pariser Klimaabkommens zu erreichen. Einige Länder haben sich unzureichende Ziele gesetzt, die sie ohne die Umsetzung neuer Politiken erreichen können. Andere haben Politiken umgesetzt, die es nicht einmal erlauben, unzureichende Ziele zu erreichen.“<sup>48</sup>

Die oben beschriebenen Entwicklungen gelten jedoch nicht für alle Länder gleichermaßen. Insgesamt 30 Staaten konnten ihren aggregierten Gesamtpunktwert seit 2014 verbessern. Die größten Zuwächse verzeichnen – neben Irland (+0,66) und Kanada (+0,57) – die krisengeschüttelten Länder im Süden Europas, allerdings ausgehend von einem (sehr) niedrigen Niveau: Spanien (+0,82), Italien (+0,72), Portugal (+0,58) und Malta (+0,54). Trotz dieses Erfolges ist der Reformbedarf in den genannten südeuropäischen Ländern auch weiterhin hoch, alle vier Staaten befinden sich nach wie vor in der unteren Hälfte im Performanz-Ranking. Besonders dramatisch stellt sich zudem die Situation in Griechenland dar. Zwar konnte

GRAFIK 22: Ranking – Politikperformanz SGI 2018



Quelle: SGI.

| BertelsmannStiftung

47 Bei der Interpretation der Werte ist zu beachten, dass seit 2014 nunmehr 41 Staaten im Ländersample enthalten sind, 2011 waren es 31 Staaten.

48 Sachs, J., Schmidt-Traub, G., Kroll, C., Lafortune, G., Fuller, G. (2018), a. a. O.

das Land seinen Punktwert seit 2014 ebenfalls merklich steigern (+0,45), doch belegt Griechenland auch weiterhin den letzten Platz im Ländervergleich (Grafik 22).

Während die positive Entwicklung Kanadas insbesondere auf eine Steigerung im Bereich ökologischer Nachhaltigkeit zurückzuführen ist (+1,40), basiert die Verbesserung der Gesamtperformanz in den anderen fünf Ländern auf deutlichen Fortschritten im Bereich der wirtschaftlichen Leistungsfähigkeit. In den südeuropäischen Staaten ist zudem eine merkliche Verbesserung in der sozialen Dimension zu beobachten, wenngleich diese entsprechend dem oben beschriebenen Trend merklich geringer ausfällt als im Bereich der ökonomischen Performanz.

In zehn Staaten ist der Performanzwert seit 2014 gesunken, wobei der Rückgang in sieben dieser Länder nur minimal ist. Eine merkliche Verschlechterung ist hingegen in Australien (-0,43), den USA (-0,39) und Polen (-0,25) zu beobachten, die folglich im Gesamtperformanzranking um einige Plätze nach unten gerutscht sind. Dabei fällt auf, dass Australien Verluste in allen drei Dimensionen – Wirtschaft, Soziales, Umwelt – verzeichnet, während der Rückgang in den USA und Polen allein auf eine Verschlechterung der sozialen und ökologischen Indikatoren zurückzuführen ist.

Die besten Politikergebnisse zeigt Schweden, das, trotz einer leichten Verschlechterung im Bereich Soziales, im Performanz-Ranking mit 8,13 Punkten unangefochten und mit deutlichem Abstand an der Spitze des Feldes liegt. Zur Spitzengruppe zählen darüber hinaus die übrigen skandinavischen Länder Norwegen (Rang 2), Dänemark (Rang 3) und Finnland (Rang 5) sowie die Schweiz (Rang 4) und Deutschland (Rang 6). Der größte Reformbedarf besteht erwartungsgemäß auch weiterhin in den südosteuropäischen Ländern sowie in Mexiko, der Türkei und in Griechenland.

Neu in der Gruppe der Länder mit dem größten Reformbedarf befinden sich die USA, die aufgrund deutlicher Verschlechterungen in den Dimensionen „Soziales“ und „Umwelt“ seit der SGI-Ausgabe von 2014 um neun Plätze auf Rang

38 abgerutscht sind. Dieses schlechte Abschneiden ist insbesondere auf die negative Entwicklung der Vereinigten Staaten im vergangenen Jahr zurückzuführen. So hat die Politikperformanz der USA im Vergleich zu 2017 in allen drei Dimensionen am stärksten unter allen betrachteten Staaten abgenommen, der deutlichste Rückgang ist dabei im Hinblick auf die ökologische Nachhaltigkeit zu beobachten (-1,27). Dies hat zur Folge, dass die USA das einzige Land im Sample sind, in dem der Gesamtperformanzwert im vergangenen Jahr deutlich abgenommen hat (-0,59).

„Aus der Perspektive einer nachhaltigen Regierungsführung müssen die USA eine Reihe von Problemen bewältigen: ein gefährlich großes langfristiges Haushaltsdefizit, zunehmende wirtschaftliche Ungleichheit, der Verlust gut bezahlter Arbeitsplätze in der Mittelschicht und der Arbeiterklasse, Kostenprobleme und Versorgungsengpässe auf einigen Gesundheitsversicherungsmärkten, das Fehlen einer wirksamen Politik zur Verringerung der Treibhausgasemissionen, zunehmende Rassenkonflikte, eine Explosion der Drogenabhängigkeit (die Opioidkrise) und mehrere große außenpolitische Probleme, die sich auf Nordkoreas Atomwaffenprogramm, den Krieg in Syrien und den russischen Expansionismus konzentrieren. Jedoch haben die Trump-Regierung und der republikanisch geführte Kongress wenige Pläne, wenn überhaupt, die glaubwürdig diese Probleme angehen.“<sup>49</sup>

### **Wirtschaftliche Nachhaltigkeit: Aufschwung mit Risiken**

In der Kategorie „Wirtschaftliche Nachhaltigkeit“ fällt auf, dass alle sechs Kriterien dieser Dimension seit der 2014er Ausgabe der SGI eine kontinuierliche und mehr oder weniger deutliche Verbesserung aufweisen (Grafik 23). Nach dem wirtschaftlichen Einbruch im Zuge der Finanz- und Wirtschaftskrise hat das Wirtschaftswachstum weltweit seit 2014 wieder merklich angezogen und liegt aktuell bei rund 4 Prozent (OECD: 2,5 Prozent). Dabei ist der Anstieg des Wachstums insbesondere auf geld- und fiskalpolitische Impulse zurückzuführen; etwa drei Viertel der OECD-Staaten verfolgen gegenwärtig einen expansiven fiskalpolitischen Kurs. Zudem wird

49 Quirk, Lammert und Thunert (2018), verfügbar unter [www.sgi-network.org](http://www.sgi-network.org)

50 OECD (Hrsg.) (2018), OECD-Wirtschaftsausblick, Ausgabe 2018/1: Vorläufige Ausgabe, Paris. [http://dx.doi.org/10.1787/eco\\_outlook-v2018-1-de](http://dx.doi.org/10.1787/eco_outlook-v2018-1-de)



das Wachstum von einer Belebung der Investitionen und des Welthandels getragen, wobei beide Effekte schwächer sind als in früheren Expansionsphasen. Das starke Wachstum geht erfreulicherweise in vielen Ländern mit einer kräftigen Belebung der Arbeitsmärkte einher. So ist davon auszugehen, dass die Arbeitslosigkeit im OECD-Durchschnitt auf das niedrigste Niveau seit 1980 sinken dürfte.<sup>50</sup>

Die positive Entwicklung der Arbeitsmarktindikatoren täuscht jedoch darüber hinweg, dass die Arbeitsmarktsituation nach wie vor sehr heterogen ist. Während Länder wie die Tschechische Republik, Island und Japan eine Arbeitslosenquote von knapp unter 3 Prozent vorweisen, liegt diese in den krisengeschüttelten Staaten Südeuropas weiter auf sehr hohem Niveau. Nach wie vor dramatisch ist die Situation in Griechenland: Zwar konnte die Arbeitslosenquote von 28 Prozent im Juli 2013 auf 21 Prozent im Juli 2017 reduziert werden, doch ist diese noch immer fast dreimal so hoch wie noch 2008 (7,9 Prozent).

„Da die Wirtschaft stagniert und in- und ausländische Investoren nach wie vor zögern, in das unberechenbare institutionelle Umfeld

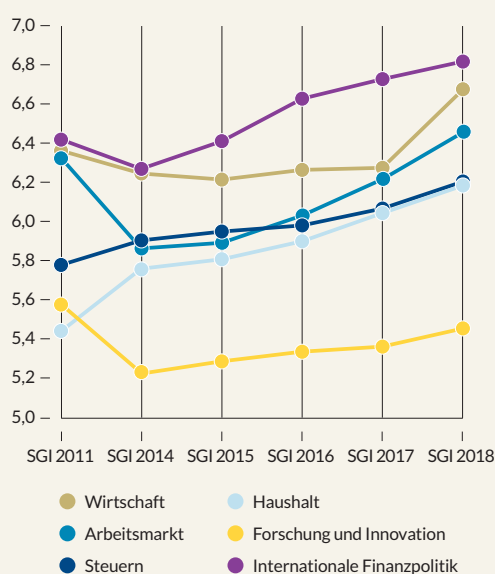
Griechenlands zu investieren, sind die Fortschritte bei der Bekämpfung der Arbeitslosigkeit auf folgende Gründe zurückzuführen: niedrigere Löhne, Zunahme flexibler Beschäftigungsformen, Wachstum des Tourismussektors und Zunahme der Abwanderung (sowohl von Fachkräften als auch von Migranten). Etwa 75 Prozent der Arbeitslosen sind seit mehr als einem Jahr arbeitslos. Dies ist ein Phänomen mit nachteiligen Auswirkungen auf das Wirtschaftswachstum. Die Jugend ist von der Wirtschaftskrise besonders stark betroffen. Dennoch gibt es einige Fortschritte, da die Arbeitslosigkeit unter den 15- bis 24-Jährigen (ohne Schüler, Studenten und Soldaten) von 59 Prozent im Juli 2013 auf 43 Prozent im Juli 2017 gesunken ist. Dies ist dennoch nach wie vor eine der höchsten Jugendarbeitslosenquoten unter den OECD-Ländern.

Der Hauptgrund, warum sich die Arbeitssituation nicht wesentlich verbessert hat, ist die Zurückhaltung der Regierung, Maßnahmen zu ergreifen, die die Schaffung von Arbeitsplätzen in der Privatwirtschaft erleichtern würden. Die Regierung gibt weiterhin widersprüchliche Botschaften an die Investoren weiter. Während des gesamten Jahres 2017 sind Premierminister Tsipras und seine Finanzminister ins Ausland gereist, auch in die USA, um ausländische Investoren anzuziehen, während andere Minister und die Regierungspartei Syriza sich noch immer großen industriellen oder anderen privaten Investitionen widersetzen, die Arbeitsplätze schaffen könnten.“<sup>52</sup>

Die positive Entwicklung der Weltkonjunktur darf nicht darüber hinwegtäuschen, dass diese mit erheblichen Abwärtsrisiken behaftet ist. So hat der zunehmende Handelsprotektionismus bereits das Vertrauen von Anlegern und Investoren geschmälert; eine weitere Eskalation würde sich negativ auf die Investitionstätigkeit, die Arbeitsmarktsituation und den Lebensstandard auswirken. Zudem haben geopolitische Unsicherheiten zu einem erheblichen Anstieg der Ölpreise beigetragen, was bei weiterem Fortdauern zu einem erhöhten Inflationsdruck und einer Verlangsamung des Anstiegs der Reallöhne führen würde.<sup>53</sup>

Drittens besteht auch weiterhin die Gefahr steigender Zinsen, die insbesondere hoch ver-

GRAFIK 23: **Wirtschaftliche Nachhaltigkeit im Zeitverlauf**<sup>51</sup>



Quelle: SGI.

BertelsmannStiftung

51 Bei der Interpretation der Werte ist zu beachten, dass seit 2014 nunmehr 41 Staaten im Ländersample enthalten sind, 2011 waren es 31 Staaten.

52 Sotiropoulos, Huliaras und Karadag (2018), verfügbar unter [www.sgi-network.org](http://www.sgi-network.org)

53 OECD (Hrsg.) (2018), OECD-Wirtschaftsausblick, a. a. O.

schuldete Länder vor große finanzielle Probleme stellen könnten. Dies trifft insbesondere auf die südeuropäischen Länder Griechenland, Italien und Portugal zu, die nicht nur eine hohe Staatsverschuldung aufweisen (Griechenland: 182 Prozent, Italien: 131 Prozent, Portugal: 125 Prozent), sondern zudem einen großen Teil ihrer Wirtschaftsleistung (rund 3,6 Prozent) für Zinszahlungen ausgeben müssen. Besonders kritisch ist die Situation in Japan. Der Schuldenstand von 236 Prozent des BIP ist mit Abstand der höchste unter den betrachteten Staaten. Zwar konnte die Nettoneuverschuldung in Japan in den vergangenen Jahren deutlich gesenkt werden, doch ist sie mit 3,74 Prozent des BIP im Jahr 2017 auch weiterhin die höchste im Ländersample.

„Die Regierung Abe hat wiederholt ihre Absicht bekräftigt, den Primärhaushalt bis 2020 auszugleichen. Vor der vorgezogenen Wahl im Oktober 2017 kündigte Abe jedoch an, dass nur die Hälfte der Einnahmen aus der für 2019 geplanten Erhöhung der Verbrauchssteuer für die Schuldenskonsolidierung verwendet würde, so dass das Ziel für 2020 für den Primärhaushalt nun außer Reichweite ist. Aufgrund der Schwächen in der Kategorie Public Finance hat Scope, eine große europäische Ratingagentur, Japan im September 2017 auf A+ herabgestuft.“<sup>54</sup>

Deutlicher Handlungsbedarf für die OECD- und EU-Länder besteht trotz einer ebenfalls leicht positiven Entwicklung nach wie vor insbesondere beim Kriterium „Forschung und Innovation“. So liegt der entsprechende Punktwert im SGI 2018 nicht nur deutlich unter den Werten der anderen Kategorien im Wirtschaftsbereich, sondern als einziger auch niedriger als 2011. Ursächlich dafür ist unter anderem, dass sich die staatliche Investitionstätigkeit in diesem Bereich in den letzten 20 Jahren kaum verändert hat. So geben die Regierungen der 41 untersuchten Länder seitdem durchschnittlich rund 0,5 Prozent des BIP für Forschung und Entwicklung aus. Dass hier keine Steigerung zu beobachten ist, ist insofern bedenklich, als Innovationen von großer Bedeutung für die ökonomische Zukunftsfähigkeit eines Landes sind. Am meisten geben mit rund einem Prozent Österreich und Südkorea aus, während in Rumänien, der Türkei, Lettland, Zypern, Chile und Bulgarien we-

niger als 0,25 Prozent des BIP in Forschung und Entwicklung investiert werden. Im Bereich der nicht-staatlichen Investitionen liegt der durchschnittliche Wert mit 1,26 Prozent des BIP zwar wesentlich höher, doch zeigen sich auch hier deutliche Unterschiede zwischen den Ländern. So schwankt der Wert der privaten Innovationsförderung zwischen 3,72 Prozent in Israel und 0,16 Prozent in Mexiko.

Insgesamt 34 Länder konnten ihre wirtschaftliche Leistungsfähigkeit seit der SGI-Ausgabe 2014 verbessern. Die größten Fortschritte konnte seitdem Irland verzeichnen (Grafik 24), das bei vier der sechs Kriterien – Wirtschaft, Arbeitsmarkt, Haushalt und globales Finanzsystem – die größten Zuwächse verbuchen kann. Beeindruckend ist dabei insbesondere die Entwicklung der Arbeitsmarktindikatoren.

„Irlands rasantes Wirtschaftswachstum seit 2014 spiegelt sich in deutlichen Verbesserungen auf dem Arbeitsmarkt wider. Von einem Höchststand von 15 Prozent im Jahr 2012 sank die Arbeitslosenquote auf 6,2 Prozent im Jahr 2017 und wird voraussichtlich weiter auf 5,4 Prozent im Jahr 2018 sinken. Die Beschäftigung hat mit 2.072.000 Erwerbstätigen die Zwei-Millionen-Marke überschritten, und die Arbeitslosenzahl ist entsprechend auf 136.000 gesunken. In Bezug auf die Langzeitarbeitslosigkeit ist mit einem Rückgang um 19 Prozent im Jahr 2017 eine Verbesserung zu verzeichnen, während die Kurzarbeitslosigkeit im gleichen Zeitraum um 11 Prozent abnahm. Die Zusammensetzung des Arbeitsmarkts hat sich deutlich von relativ gering qualifizierten Bauarbeiten hin zu höher qualifizierten Dienstleistungen und fortgeschrittenen Fertigungsaufträgen verschoben. Einige aktive Arbeitsmarktstrategien, wie z. B. die zunehmende Abhängigkeit der Arbeitslosenunterstützung vom Nachweis einer aktiven Arbeitssuche, haben zu dieser positiven Entwicklung beigetragen.“<sup>55</sup>

Auch in Deutschland entwickelt sich der Arbeitsmarkt weiterhin sehr positiv. So konnte die Bundesrepublik den entsprechenden Punktwert im Vergleich zum SGI 2017 noch einmal deutlich um 0,6 Punkte auf 8,1 steigern und springt damit von Rang 6 auf Rang 2 im Bereich Arbeitsmarkt.

<sup>54</sup> Pascha, Köllner und Croissant (2018), verfügbar unter [www.sgi-network.org](http://www.sgi-network.org)

<sup>55</sup> Murphy, Mitchell und Bandelow (2018), verfügbar unter [www.sgi-network.org](http://www.sgi-network.org)

„Der Erfolg Deutschlands beim Abbau der strukturellen Arbeitslosigkeit seit Mitte der 2000er Jahre ist beeindruckend. Laut Sachverständigenrat waren im November 2017 in Deutschland mehr als 44,3 Millionen Menschen beschäftigt, 0,6 Millionen mehr als im Vorjahr. Die Arbeitslosenquoten liegen auf dem niedrigsten Stand seit 20 Jahren (4,0 % laut OECD) und sind weiter rückläufig. Die Jugendarbeitslosigkeit in Deutschland ist die drittniedrigste in der OECD (7,0 %), was vor allem auf ein hochwirksames Berufsbildungssystem zurückzuführen ist. Die Arbeitslosenquote soll 2018 wieder sinken. Der deutsche Arbeitsmarkt zeigt mit 1,1 Millionen offenen Stellen im dritten Quartal 2017 zunehmend Knappheitssymptome.“<sup>56</sup>

Diese positive Entwicklung hat jedoch eine Kehrseite. So hat sich in den vergangenen Jahren ein dualer Arbeitsmarkt mit klassischen Normalarbeitsverhältnissen auf der einen Seite und einem großen Anteil atypischer Beschäftigung (Niedriglohnsektor, geringfügige Beschäftigung, Zeit- und Leiharbeit) auf der anderen Seite gebildet. So lag der Anteil der Beschäftigten, die weniger als zwei Drittel des Medianeinkommens verdienen, im Jahr 2014 bei 22,48 Prozent und damit deutlich höher als im Durchschnitt der betrachteten Länder (16,06 Prozent; Rang 32). Um hier gegenzusteuern, hat die Bundesregierung im Januar 2015 einen gesetzlichen Mindestlohn eingeführt. Eine zentrale Herausforderung in Deutschland für die kommenden Jahre ist zudem die Arbeitsmarktintegration von Flüchtlingen.

„Der Abbau von Hindernissen für den Zugang zum Arbeitsmarkt, insbesondere zum regulären Arbeitsmarkt, sowie die Förderung von Aus- und Weiterbildung werden für die erfolgreiche Integration von Flüchtlingen entscheidend sein. Befürchtungen, dass die Flüchtlingswelle von 2015 die Gesamtarbeitslosenquote in die Höhe treiben würde, haben sich bisher nicht erfüllt, da die Arbeitslosigkeit während des gesamten Jahres 2017 weiter zurückgegangen ist.“<sup>57</sup>

Auch bei der Arbeitsmarktintegration von Migranten allgemein besteht in der Bundesrepublik weiterhin deutlicher Handlungsbedarf. So lag die Arbeitslosigkeit der ausländischen Bevölkerung im Jahr 2017 auf fast doppelt so hohem

Niveau wie die der einheimischen Bevölkerung (1,94-mal so hoch, Rang 33 im Ländervergleich). Dieses ungünstige Verhältnis ist dabei nicht allein auf die Flüchtlingskrise zurückzuführen. Bereits 2014, also ein Jahr vor Beginn des massiven Flüchtlingszustroms, war das Verhältnis mit 1,76 nur wenig günstiger und bereits deutlich höher als im Länderdurchschnitt (1,47).

Die größten Zuwächse im Wirtschaftsbereich konnten im Vergleich mit der 2014er Ausgabe der SGI – neben Irland – Spanien und Portugal verbuchen. Als Folge der wirtschaftlichen Erholung hat sich in diesen Ländern die Lage an den Arbeitsmärkten merklich verbessert. So konnte sowohl die Arbeitslosenquote der Gesamtbevölkerung (in Spanien von 24,6 Prozent auf 17,3 Prozent, in Portugal von 14,5 auf 9,2 Prozent) als auch die Langzeitarbeitslosigkeit deutlich gesenkt werden. Auch im Hinblick auf den Abbau der Jugendarbeitslosenquote wurden deutliche Fortschritte verbucht. So ist diese in Portugal seit 2014 um rund 11 Prozentpunkte sowie in Spanien um etwa 15 Prozentpunkte reduziert worden, wobei Spanien trotz dieses Erfolges mit einer Jugendarbeitslosigkeit von aktuell 38,6 Prozent noch die zweithöchste Quote nach Griechenland vorweist. Auch die (Langzeit-)Arbeitslosigkeit ist nur in Griechenland noch höher als in Spanien.

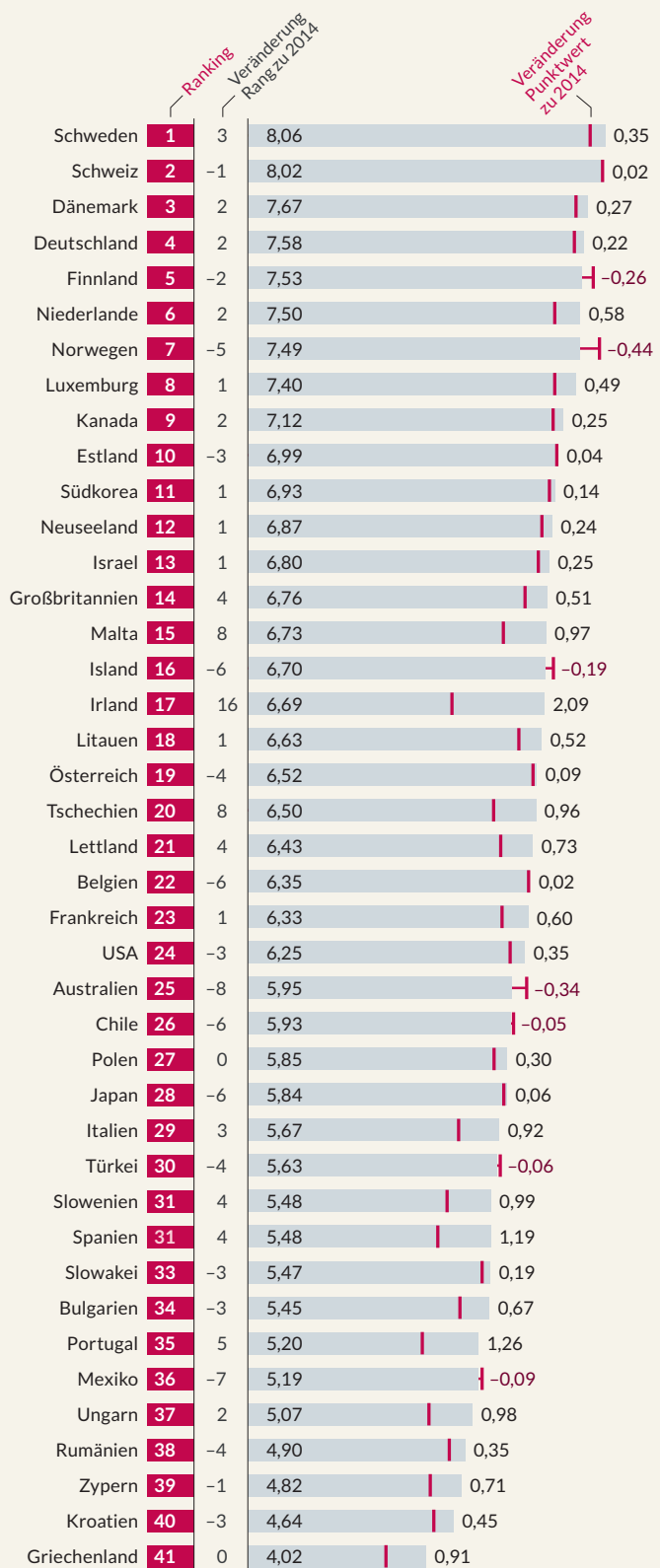
Portugal ist zudem das Land, das neben Irland seit 2014 die größten Fortschritte bei der staatlichen Haushaltspolitik verzeichnen kann. Im Länderbericht heißt es dazu:

„Die wichtigste wirtschaftliche Entwicklung im Berichtszeitraum war eindeutig, dass Portugal seit Mai 2017 nicht mehr auf der schwarzen Liste des EU-Defizitverfahrens stand. Das Haushaltsdefizit für 2016 lag bei zwei Prozent des BIP, der niedrigste Stand seit der Einführung der Demokratie Mitte der 70er Jahre. Darüber hinaus lag dieses Defizit unter der eigenen Jahresprognose der Regierung sowie den Prognosen der EU und der Ratingagenturen. Dies entspricht einer Verringerung des Defizits um mehr als die Hälfte gegenüber 2015, als es bei 4,4 Prozent des BIP lag. Unterstützt wurde diese Entwicklung durch einige einmalige Maßnahmen, unter anderem durch den Verkauf von Rüstungsgütern. Es sei jedoch darauf hingewiesen, dass die Staatsver-

<sup>56</sup> Rüb, Heinemann und Zohlhöfer (2018), verfügbar unter [www.sgi-network.org](http://www.sgi-network.org)

<sup>57</sup> Ebd.

GRAFIK 24: Ranking – Wirtschaftliche Nachhaltigkeit SGI 2018



Quelle: SGI.

| BertelsmannStiftung

schuldung nach wie vor sehr hoch ist und im Jahr 2016 sogar leicht auf 130,1 Prozent des BIP anstieg, gegenüber entsprechenden 128,8 Prozent im Jahr 2015. Dieses Niveau wird in der EU nur von Griechenland und Italien überschritten.<sup>58</sup> Trotz dieser positiven Entwicklung liegen sowohl Spanien als auch Portugal im Wirtschaftsranking noch immer im unteren Drittel und verzeichnen somit auch weiterhin einen dringenden Reformbedarf.

In sieben Ländern hat sich die wirtschaftliche Nachhaltigkeit im Vergleich zu den SGI 2014 verschlechtert, am stärksten in Norwegen. Zwar zählt das Land noch immer zu den Top-Performern, „allerdings verlangsamten sich die Wachstumsraten, und die Arbeitslosigkeit steigt in der westlichen Region des Landes, die am stärksten von der geringeren Aktivität im Erdölsektor betroffen ist. Obwohl das Land seinen Erdölreichtum verantwortungsvoll bewirtschaftet hat, ist die Wirtschaft stark erdölabhängig und auf einem hohen Kostenniveau verankert, obwohl die Kosten deutlich gesunken sind. Einige Beobachter befürchten, dass die mangelnde Wettbewerbsfähigkeit der Wirtschaft auf dem Festland eine künftige Herausforderung für die Aufrechterhaltung des hohen Lebensstandards des Landes und für die Erwartung eines weiterhin hohen Niveaus des öffentlichen Dienstes darstellen könnte. Die Kehrseite einer erdöldominierten Wirtschaft, so sehen es Kritiker, ist eine Wirtschaft, der es an Unternehmertum mangelt, die in Bezug auf konventionelle Industrien schwach und zudem langfristig nicht so stark ist, wie es die aktuellen günstigen Indikatoren vermuten lassen. Die Erdölabhängigkeit macht die Wirtschaft auch anfällig für Veränderungen der Erdölpreise auf den Weltmärkten. Diese Probleme sind inzwischen in der Wirtschaft und in der Wirtschaftspolitik stark sichtbar geworden.“<sup>59</sup>

### Soziale Nachhaltigkeit: Kaum Fortschritte erkennbar

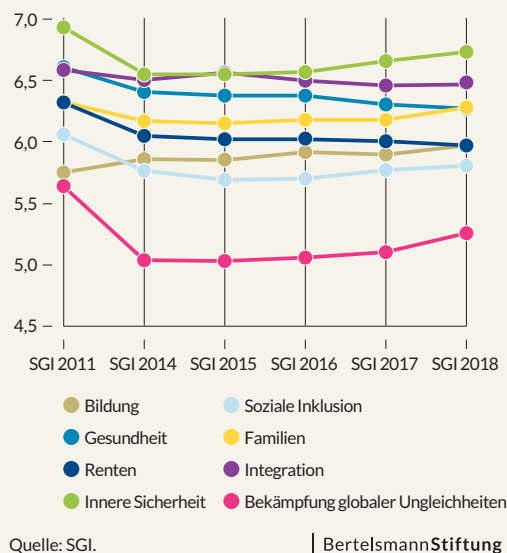
Im Gegensatz zur ökonomischen Nachhaltigkeit, die sich im Länderdurchschnitt seit der SGI-Ausgabe von 2014 deutlich verbessert hat, sind im Hinblick auf die soziale Leistungsfähig-

58 Bruneau, Jalali und Colino (2018), verfügbar unter [www.sgi-network.org](http://www.sgi-network.org)

59 Sverdrup, Ringen und Jahn (2018), verfügbar unter [www.sgi-network.org](http://www.sgi-network.org)

60 Bei der Interpretation der Werte ist zu beachten, dass seit 2014 nunmehr 41 Staaten im Ländersample enthalten sind, 2011 waren es 31 Staaten.

GRAFIK 25: Soziale Nachhaltigkeit im Zeitverlauf<sup>60</sup>



keit kaum Fortschritte erkennbar (Grafik 25). Dies hat zur Folge, dass die wirtschaftliche Performanz der betrachteten Staaten erstmals seit den SGI 2016 besser ist als die soziale (siehe Grafik 21). So liegen die Punktwerte bei sieben der acht sozialpolitischen Kriterien in der SGI 2018-Ausgabe noch immer unterhalb der entsprechenden Werte aus dem Jahr 2011 (Grafik 25). Allein im Bildungsbereich kann im Vergleich zu 2011 eine leichte Verbesserung beobachtet werden. Im Gegensatz dazu hat sich die Leistungsfähigkeit der Alterssicherungs- und Gesundheitssysteme seit 2011 geringfügig, aber stetig verschlechtert. Dies gilt allerdings nicht für alle Länder gleichermaßen; vielmehr kann knapp die Hälfte der Länder Fortschritte in den genannten Systemen vorweisen. Den größten Sprung im Gesundheitsbereich konnte die Türkei verzeichnen, allerdings ausgehend von einem sehr niedrigen Niveau (+ 1,23 Punkte). Im Länderbericht heißt es dazu:

„Bis 2014 hat die Türkei einen nahezu universalen Krankenversicherungsschutz erreicht, der die finanzielle Sicherheit erhöht und den Zugang zur Gesundheitsversorgung landesweit verbessert. Der Umfang des Impfprogramms sowie der Früherkennungs- und Unterstützungsprogramme für Neugeborene wurde erweitert,

gemeindebasierte psychiatrische Dienste wurden geschaffen, und in vielen Städten wurden Krebsvorsorgezentren eingerichtet, die kostenlose Dienste anbieten. Die zentrale Herausforderung im Gesundheitswesen besteht darin, die Kosten unter Kontrolle zu halten, da die Nachfrage nach Gesundheitsversorgung steigt, die Bevölkerung altert und neue Technologien eingeführt werden. Der Anteil der gesamten Gesundheitsausgaben am BIP ist seit 2003 stetig gestiegen und lag im Jahr 2015 bei 5,4 Prozent. Im Jahr 2015 wurden 78 Prozent dieser Ausgaben aus öffentlichen Quellen finanziert, verglichen mit einem Anteil von 62 Prozent im Jahr 2000.“<sup>61</sup>

Besonders ungünstig stellt sich die Entwicklung des US-amerikanischen Gesundheitssystems dar – in keinem anderen Land hat sich der entsprechende Performanzwert in den letzten beiden Jahren deutlicher verschlechtert.

„Im Jahr 2010 verabschiedete der Kongress das Patientenschutz- und Betreuungsgesetz (ACA). Die Hauptziele des Gesetzes waren die Senkung der Kosten im Gesundheitswesen und die Ausweitung der Gesundheitsversorgung auf mehr Menschen. Die Konzeption des ACA war im Wesentlichen darauf ausgerichtet, Lücken im Flickenteppich der Finanzierungsvereinbarungen zu schließen, die im bestehenden Gesundheitssystem verankert waren. Im Jahr 2017 versuchte die Trump-Regierung, ein Aufhebungsgesetz zu erlassen, konnte aber innerhalb der Partei keine ausreichende Einigung in Bezug auf bestimmte Maßnahmen erzielen. Obwohl das ACA allmählich sehr populär geworden ist, wird die Möglichkeit weiterer Aufhebungsbemühungen die Stabilisierung der Krankenversicherungsmärkte behindern. Trumps Steuerreform wird große Steuervergünstigungen im Gesundheitswesen beseitigen, vor allem für Menschen mit niedrigem Einkommen. Dies führt zu einer höheren Anzahl nicht versicherter Personen.“<sup>62</sup>

Im Hinblick auf die Alterssicherungssysteme ist festzustellen, dass sich das Tempo der Rentenreformen in den OECD-Ländern seit 2015 verlangsamt hat. Ein Grund für diese Entwicklung liegt darin, dass die Verbesserung der öffentlichen Finanzen den Druck zur Reform der Rentensysteme verringert hat. Einige Länder haben

<sup>61</sup> Togan, Schulz und Karadag (2018), verfügbar unter [www.sgi-network.org](http://www.sgi-network.org)

<sup>62</sup> Quirk, Lammert und Thunert (2018), verfügbar unter [www.sgi-network.org](http://www.sgi-network.org)



jedoch das Rentenalter, die Leistungen, die Beiträge oder die steuerlichen Anreize geändert. Die Sorge um die finanzielle Tragfähigkeit der Rentensysteme und die Angemessenheit des Renteneinkommens bleibt angesichts der projizierten Beschleunigung der Alterung der Bevölkerung, der höheren Ungleichheit im Erwerbsalter und des sich wandelnden Charakters der Arbeit bestehen. Frühere Reformen im Hinblick auf die finanzielle Tragfähigkeit werden die Rentenleistungen in vielen Ländern senken.<sup>63</sup>

Unter den SGI-Ländern hat insbesondere Lettland eine negative Entwicklung zu verzeichnen. So ist der entsprechende Punktwert beim Kriterium „Rente“ im Vergleich mit der 2014er Ausgabe der SGI um 1,61 Punkte auf 3,8 gesunken. Kein anderes Land weist einen schlechteren Wert auf. Die Konsequenzen der fehlenden Nachhaltigkeit zeigen sich vor allem in einer steigenden Altersarmut. So hat sich in Lettland die Quote älterer Menschen, die in Armut leben, in den letzten vier Jahren von 10,1 Prozent auf 25 Prozent mehr als verdoppelt. Lediglich in Mexiko, Australien und Südkorea lebt ein noch größerer Anteil älterer Menschen in Armut.

Auch Deutschland steht vor der großen Herausforderung, sein Rentensystem zukunftsfest zu machen. So belegt die Bundesrepublik im Bereich „Rente“ mit 5,7 Punkten (Länderdurchschnitt 5,97) nur Rang 25 im Ländervergleich. Positiv festzuhalten ist, dass Deutschland seit der Jahrtausendwende Spitzenreiter bei der Steigerung der Erwerbstätigenquoten älterer Arbeitskräfte ist (+30 Prozentpunkte in der Altersgruppe der 55- bis 64-Jährigen seit 2000). Jedoch wird die rasche Bevölkerungsalterung mehr und mehr zu einer Herausforderung für die finanzielle Tragfähigkeit des öffentlichen Rentensystems werden.<sup>64</sup> So lag der Altenquotient (Verhältnis der Personen im Rentenalter zur Anzahl der Personen im erwerbsfähigen Alter) 2016 bei 32,4 und war damit der fünfthöchste im Ländersample. Dieses Abhängigkeitsverhältnis wird in den kommenden Jahren mit der Pensionierung der Babyboomer weiter steigen. Die enge Verknüpfung zwischen Löhnen und Rentenleistungen dürfte dazu führen, dass sich die in den vergangenen Jahrzehnten gestiegene Lohnungleichheit in Zukunft auch in einer größeren Rentenungleichheit nieder-

schlagen wird. Bestimmte Gruppen wie allein-erziehende Eltern mit Unterbrechungen in ihrer Erwerbsbiografie und Geringverdiener mit niedrigem Bildungsstand werden vermehrt dem Risiko der Altersarmut ausgesetzt sein. Besonders groß ist das Risiko für Frauen in Deutschland, die derzeit unter dem größten geschlechtsspezifischen Rentengefälle im OECD-Raum leiden. Die Nettoersatzquoten künftiger Rentner werden voraussichtlich unter dem OECD-Durchschnitt verharren. Dies gilt insbesondere für Geringverdiener, die die Hälfte des durchschnittlichen Arbeitsentgelts erhalten; deren Nettoersatzquote beträgt 55 Prozent gegenüber 73 Prozent im OECD-Durchschnitt. Für Durchschnittsverdiener liegt sie bei 51 Prozent im Vergleich zu 63 Prozent.<sup>65</sup>

In insgesamt 27 Staaten konnte die soziale Nachhaltigkeit im Vergleich zu den SGI 2014 verbessert werden; die größten Fortschritte, allerdings ausgehend von einem niedrigen Niveau, verzeichnen seitdem die Krisenländer Südeuropas – Italien, Malta, Spanien und Griechenland – sowie die Türkei (Grafik 26).

Trotz dieser positiven Tendenz ist die soziale Nachhaltigkeit in diesen Ländern weiterhin stark verbesserungsbedürftig. Dies gilt insbesondere für die soziale Inklusion junger Menschen. So ist die Jugendarbeitslosigkeit in Griechenland (43,6 Prozent), Spanien (38,6 Prozent) und Italien (34,7 Prozent) trotz eines leichten Rückgangs noch immer dramatisch hoch. Italien verzeichnet zudem mit 27,9 Prozent den zweitgrößten Anteil junger Menschen, die weder in Bildung oder Ausbildung noch in Beschäftigung sind (NEET-Rate). Im Länderbericht heißt es:

„Die Auswirkungen der Krise auf die Einkommen eines erheblichen Prozentsatzes der Haushalte und die steigende Arbeitslosigkeit – insbesondere bei jungen Menschen – haben erhebliche negative Folgen für die soziale Eingliederung gehabt. Die Kluft zwischen den stärker geschützten und den weniger geschützten Bevölkerungsgruppen hat sich vergrößert. Die traditionellen Instrumente des Sozialschutzes (z. B. die Sicherung von Arbeitslosengeldern für Arbeitnehmer mit unbefristeten Arbeitsverträgen) decken

63 OECD (Ed.) (2017), Pensions at a Glance 2017: OECD and G20 Indicators, Paris. [http://dx.doi.org/10.1787/pension\\_glance-2017-en](http://dx.doi.org/10.1787/pension_glance-2017-en)

64 OECD (Hrsg.) (2017): Renten auf einen Blick 2017 – Wie steht Deutschland im Vergleich da? <http://www.oecd.org/germany/PAG2017-DEU-DE.pdf>



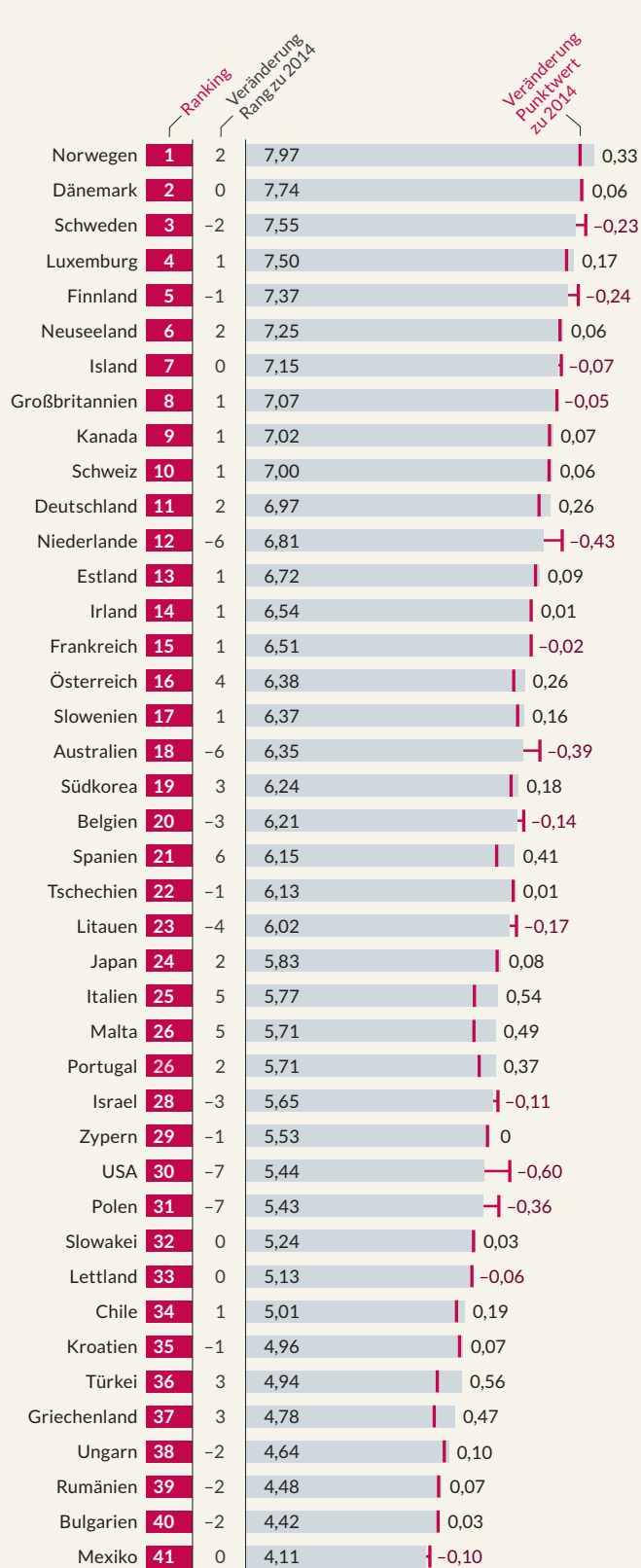
einen großen Teil der neu verarmten Bevölkerung nicht ab, während neue Politiken nur langsam umgesetzt werden. Italienische Familiennetzwerke sind nach wie vor das wichtigste, wenn auch informelle Instrument der Sozialfürsorge. Die Regierung muss sich darüber hinaus mit dem großen Anteil junger Menschen befassen, die nicht in Bildung, Beschäftigung oder Ausbildung sind, insbesondere in Süditalien. Andernfalls wird eine Generation junger Menschen an den Rand gedrängt, die nicht an der wirtschaftlichen Entwicklung teilhaben können. Die hohe Jugendarbeitslosigkeit bedroht auch das Rentensystem und die zukünftigen Steuereinnahmen. Die Regierung wird eine spezielle Sozialpolitik entwickeln müssen.“<sup>66</sup>

In Malta ist der Aufwärtstrend im Bereich sozialer Nachhaltigkeit insbesondere auf eine verbesserte Familienpolitik zurückzuführen. Kein anderes Land hat seit 2014 größere Fortschritte in dieser Hinsicht vorzuweisen. So konnte der Anteil an unter dreijährigen Kindern, die in staatlichen Einrichtungen betreut werden, von 18,2 Prozent im Jahr 2014 auf 31,3 Prozent 2016 ausgeweitet werden. Im gleichen Zeitraum wurde die Kinderarmut von 14,8 auf 10,9 Prozent reduziert. Die Länderexperten führen hierzu aus:

„In den letzten Jahren wurden neue Arbeitsplatzpolitiken entwickelt, um sicherzustellen, dass berufstätige Frauen ihre Arbeit behalten oder wieder aufnehmen können, einschließlich Mutterschaftsurlaub, Elternurlaub, Vaterschaftsurlaub, Karrierepausen und im Jahr 2011 die Einführung finanzieller Anreize für Mütter, die zur Arbeit zurückkehren, kostenlose Kinderbetreuungscentren, Frühstücks- und Hortclubs. Diese Maßnahmen ermöglichen es mehr Frauen, in den Arbeitsmarkt einzutreten und dort zu bleiben, wobei Malta den höchsten Anstieg der Frauenerwerbsquote in der EU seit 2008 verzeichnet.“<sup>67</sup>

In 14 Staaten liegt die soziale Nachhaltigkeit im Jahr 2018 auf einem (leicht) geringeren Niveau als in der SGI-Studie von 2014. Am größten ist dieser Rückgang mit 0,6 Punkten in den USA. Dort ist nicht nur die deutlichste Verschlechterung der Bedingungen im Gesundheitssystem zu beobachten (-1,0 Punkte). Vielmehr haben sich auch die Integrationsbedingungen in keinem

GRAFIK 26: Ranking – Soziale Nachhaltigkeit SGI 2018



Quelle: SGI.

BertelsmannStiftung

65 Ebd.

66 Cotta, Maruhn und Colino (2018), verfügbar unter [www.sgi-network.org](http://www.sgi-network.org)

67 Pirota, Calleja und Colino (2018), verfügbar unter [www.sgi-network.org](http://www.sgi-network.org)

anderen Land verglichen mit 2014 derart verschlechtert (-1,22 Punkte).

„Die Ereignisse der Jahre 2016 und 2017 haben die Unsicherheiten für große Gruppen von Einwanderern stark erhöht. Im Jahr 2016 blockierten die Bundesgerichte eine Obama-Verwaltungsanordnung, die es mehreren Millionen aktuellen Einwanderern ohne Papiere ermöglicht hätte, auf unbestimmte Zeit im Land zu bleiben. Zu den wichtigsten Einwanderungsmaßnahmen der Trump-Regierung im Jahr 2017 zählen unter anderem das Verbot für Staatsangehörige aus acht überwiegend muslimischen Ländern, in die USA einzureisen, sowie eine Reduzierung der Aufnahme von Flüchtlingen auf das niedrigste Niveau seit der Einführung des Umsiedlungsprogramms im Jahr 1980. Zudem wurde der vorübergehende Schutzstatus für Staatsangehörige aus Haiti, Nicaragua und dem Sudan beendet und signalisiert, dass auch Honduraner und möglicherweise Salvadorianer ihre Arbeitserlaubnis und ihren Schutz vor Abschiebung im Jahr 2018 verlieren könnten. Sowohl als Präsidentschaftskandidat als auch als Präsident hat Donald Trump den intensiven, kategorischen Widerstand gegen die Einwanderung zu einem Kernstück seiner politischen Agenda gemacht. Es ist schwer zu sagen, wie sich diese aktive Feindseligkeit gegenüber der Einwanderung auf Präsidialebene beispielsweise auf die Bildungs- und Arbeitsmöglichkeiten und die Unterstützung legaler Einwanderer auswirken wird. Auf jeden Fall haben Muslime, Latinos und andere Einwanderergemeinschaften eine massive Zunahme der Unsicherheit im Hinblick auf ihren Status und ihre Akzeptanz erfahren.“<sup>68</sup>

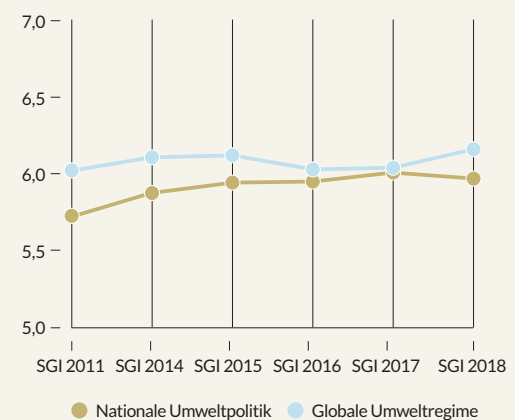
Auch in Polen, das neben den USA, den Niederlanden und Australien zu den größten Verlierern in der sozialen Dimension zählt, hat es in den vergangenen Jahren Rückschritte in der Integrationspolitik gegeben.

„Als Europa im Sommer 2015 mit einem größeren Zustrom von Migranten als üblich konfrontiert war, gehörte Polen zu den Ländern, die sich gegen die Integration von Flüchtlingen und anderen Migranten, insbesondere aus Ländern mit überwiegend muslimischer Bevölke-

rung, aussprachen. Auch die damalige PO-Regierung unter der Leitung von Ewa Kopacz war sehr zurückhaltend gegenüber dem EU-weiten Abkommen über die Neuansiedlung von Flüchtlingen und stimmte erst auf Druck anderer Mitgliedstaaten zu. Als die PiS wieder an die Macht kam, lehnte sie jeden Kompromiss in dieser Frage ab. Während eine Reform ab 2012 unter der Regierung von Donald Tusk ein neues Gesetz über Migration und Integration sowie eine Reform des polnischen Staatsbürgerschaftsrechts brachte, die den Erwerb der polnischen Staatsbürgerschaft und die Beantragung einer Arbeits- und Aufenthaltserlaubnis in einem einzigen Verfahren erleichterte, ist der innerstaatliche institutionelle Rahmen für den Umgang mit Einwanderern wieder härter geworden. Im Januar 2017 führte die Regierung ein neues Ausländergesetz ein, das das Gesetz von 2012 änderte. Jetzt soll über Asylanträge innerhalb von 28 Tagen entschieden werden, aber bis dahin werden die Asylbewerber in bewachten Unterkünften festgehalten. In vielen öffentlichen Reden und bei anderen Anlässen haben Vertreter der PiS muslimische Einwanderer als potenzielle Terroristen, Gesundheitsrisiken und eine Bedrohung für die polnische Kultur und Gesellschaft angeprangert.“<sup>69</sup>

Eine weitere Ursache für die Verschlechterung der sozialen Lage in Polen ist auf ungünstige Entwicklungen im System der Altersvorsorge zurückzuführen: „Am 16. November 2016 wurde

GRAFIK 27: Ökologische Nachhaltigkeit im Zeitverlauf



Quelle: SGI.

BertelsmannStiftung

<sup>68</sup> Quirk, Lammert und Thunert (2018), verfügbar unter [www.sgi-network.org](http://www.sgi-network.org)

<sup>69</sup> Matthes, Markowski und Bönker (2018), verfügbar unter [www.sgi-network.org](http://www.sgi-network.org)

im Parlament ein Gesetz verabschiedet, das Frauen im Alter von 60 Jahren und Männern im Alter von 65 Jahren den Ruhestand ermöglicht und seit November 2017 in Kraft ist. Es wird jährlich 15 Milliarden PLN kosten. Die Herabsetzung des Rentenalters hat die Nachhaltigkeit des polnischen Rentensystems verringert und dürfte die Armut unter den Frauen erhöhen.“<sup>70</sup>

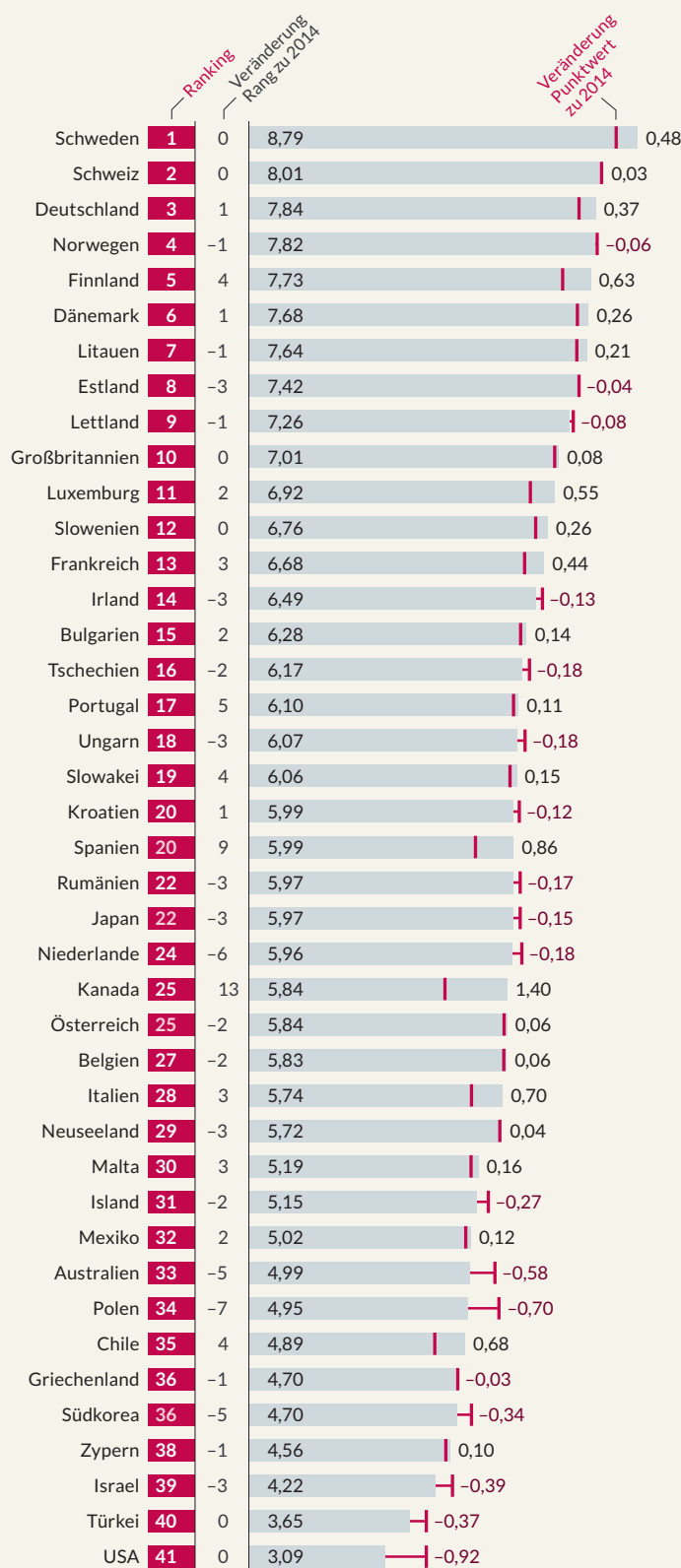
### Ökologische Nachhaltigkeit: Weiterhin hoher Handlungsbedarf

Im Hinblick auf die ökologische Nachhaltigkeit sind seit der SGI-Ausgabe 2011 über alle Länder nur wenig Fortschritte zu beobachten. Dabei haben sich die SGI-Punktwerte in den Umweltkategorien „nationale Umweltpolitik“ und „globale Umweltregime“ bis 2017 zunehmend angenähert, gehen seitdem jedoch wieder leicht auseinander. Dies ist darauf zurückzuführen, dass beim Kriterium „nationale Umweltpolitik“ erstmals seit der Erhebung von 2011 eine geringe Verschlechterung zu beobachten ist, während sich die Situation im Hinblick auf globale Umweltregime leicht verbessert hat (Grafik 27).

Diese Durchschnittsbetrachtung täuscht jedoch darüber hinweg, dass sich die betrachteten Staaten im Vergleich zur 2014er Ausgabe der SGI unterschiedlich entwickelt haben. So konnten insgesamt 23 Länder ihren Punktwert im Bereich Ökologie seitdem steigern, fünf davon deutlich, d. h. um mehr als 0,5 Punkte: Finnland, Luxemburg, Spanien, Italien und Chile. Auch Spitzenreiter Schweden hat sich noch einmal deutlich verbessert und seine Führung in der Dimension „Umwelt“ ausgebaut (Grafik 28). Im Länderbericht heißt es dazu:

„Schweden hat weiterhin eine sehr starke Bilanz hinsichtlich der Unterstützung internationaler Umweltschutzregime, einschließlich der Pariser Klimakonferenz im November und Dezember 2015. In der Tat ist das Land über die Anforderungen internationaler Abkommen (Kyoto-Protokoll, Pariser Vereinbarung) hinausgegangen, um anderen Ländern ein gutes Beispiel zu geben.“<sup>71</sup>

GRAFIK 28: Ranking – Ökologische Nachhaltigkeit SGI 2018



Quelle: SGI.

BertelsmannStiftung

70 Ebd.

71 Pierre, Jochem und Jahn (2018), verfügbar unter [www.sgi-network.org](http://www.sgi-network.org)

Die mit Abstand beste Entwicklung durchlief Kanada, mit einem Plus von 1,4 Punkten. Dabei verzeichnet Kanada bei beiden Kriterien, der nationalen Umweltpolitik und dem globalen Umweltregime, den höchsten Punktanstieg. Trotz dieses Erfolges liegt das Land mit 5,84 Punkten nur auf Rang 25 im Länderranking und damit rund drei Punkte hinter Spitzenreiter Schweden (8,79 Punkte):

„Im Jahr 2016 hat Kanada das Pariser Übereinkommen über den Klimawandel ratifiziert. Das Land hat sich verpflichtet, die Emissionen bis 2030 um 30 Prozent unter das Niveau von 2005 zu senken, und dies als nationales Ziel festgelegt. Der pan-kanadische Rahmen für sauberes Wachstum und Klimawandel stellt die gemeinsame Anstrengung dar, um sicherzustellen, dass das Ziel durch CO<sub>2</sub>-Preise, Investitionen in Energieeffizienz und Strategien für erneuerbare Energien erreicht wird. Die Politik der erneuerbaren Energien liegt weitgehend in der Verantwortung der Provinzen, und einige haben bereits erhebliche Anstrengungen im Kampf gegen den Klimawandel unternommen. Der Bericht des Kommissars für Umwelt und nachhaltige Entwicklung 2017 kommt jedoch zu dem Schluss, dass die Ministerien und Behörden der Bundesregierung ‚noch lange nicht bereit sind, sich an die Auswirkungen des Klimawandels anzupassen‘. Darüber hinaus genehmigte die Bundesregierung im November 2016 zwei von drei großen Ölpipelines, darunter die umstrittene ‚Kinder Morgan Trans Mountain Pipeline‘. Die Kinder-Morgan-Pipeline würde die Kapazität der bestehenden Pipeline verdreifachen, die Treibhausgasemissionen erhöhen und den Tankerverkehr vor der Küste von British Columbia versiebenfachen. In den kommenden Jahren wird es für Kanada eine Herausforderung sein, seine Verpflichtungen gegenüber der Umwelt zu erfüllen.“<sup>72</sup>

Während Kanada in den vergangenen Jahren eine positive Entwicklung genommen hat, ist diese im Nachbarland USA genau entgegengesetzt verlaufen. So hat sich der ohnehin schon geringe Punktwert der Vereinigten Staaten im Bereich „Ökologie“ insbesondere im Vergleich zu den SGI 2017 noch einmal sehr stark verringert, um einen Punkt beim Kriterium

„nationale Umweltpolitik“ sowie um 1,54 Punkte im Hinblick auf internationale Umweltregime. Während Spitzenreiter Schweden bei diesem Kriterium 9,23 von 10 möglichen Punkten erzielt, kommen die USA gerade einmal auf einen Punktwert von 2,13. Damit liegen die USA bei beiden Kriterien und damit auch in der Gesamtdimension Umwelt mit Abstand auf dem letzten Platz. Die Gutachter führen dazu Folgendes aus:

„Die Trump-Administration war eine schnell eskalierende Katastrophe für die Umweltpolitik. Trump hat sich eine extreme Version der Verneinung des Klimawandels zu eigen gemacht und erklärt, dass die USA sich aus dem Pariser Klimaabkommen zurückziehen werden. Obwohl einige der liberaleren Bundesstaaten versuchen werden, die CO<sub>2</sub>-Emissionen weiter zu reduzieren, sind während der Präsidentschaft von Trump keine nationalen Maßnahmen zu erwarten. Tatsächlich hat Trump versprochen, den Kohlebergbau wieder aufleben zu lassen, eine wirtschaftliche Absurdität. Inzwischen hat Trump industriennahe, hartnäckige Gegner der Umweltregulierung in Spitzenpositionen im Umweltbereich berufen. Die Environmental Protection Agency (EPA) hat die Aufhebung zahlreicher Umweltvorschriften aus der Obama-Ära angeordnet und hat das eigene wissenschaftliche und fachkundige Personal um mehr als 200 Personen dezimiert.“<sup>73</sup>

Neben den Vereinigten Staaten weisen 17 weitere Länder in den SGI 2018 einen schlechteren Punktwert im Bereich Umwelt auf als noch 2014. Die größten Verluste unter diesen Ländern verzeichnen Polen (-0,7 Punkte) und Australien (-0,58 Punkte).

72 Kessler, Sharpe und Thunert (2018), verfügbar unter [www.sgi-network.org](http://www.sgi-network.org)

73 Quirk, Lammert und Thunert (2018), verfügbar unter [www.sgi-network.org](http://www.sgi-network.org)



## Fazit

# Sinkende Demokratiequalität, steigende Polarisierung und Defizite in der politischen Steuerung – eine schwere Hypothek für viele OECD- und EU-Staaten

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Die aktuelle Ausgabe der SGI zeigt einige äußerst bedenkliche Trends innerhalb der OECD und EU, die angesichts der bestehenden großen politischen Herausforderungen für viele Länder zu einer schweren Hypothek für die Zukunft werden können.

### Das Leitbild der liberalen Demokratie gerät zunehmend unter Druck

Insgesamt hat die Demokratiequalität in der OECD und EU in der Gesamtbetrachtung über die letzten Jahre hinweg abgenommen. Zwar sind dafür hauptsächlich die besonders negativen Entwicklungen in Ländern wie Ungarn, Polen, Mexiko und der Türkei ausschlaggebend, doch zeigen sich auch in vielen anderen Staaten tendenzielle Verschlechterungen. Dies gilt nicht zuletzt für die USA. Die Tatsache, dass sich im Vergleich zur SGI-Ausgabe von 2014 nicht weniger als 26 von 41 Ländern verschlechtert haben, während lediglich 14 Staaten Verbesserungen in ihrer Demokratiequalität verzeichnen können, ist für sich betrachtet bereits ein besorgniserregender Befund. Er weist darauf, dass selbst innerhalb der OECD und EU das Leitbild der liberalen Demokratie unter Druck gerät – in manchen Ländern sogar so stark, dass zentrale demokratische und rechtsstaatliche Standards – wie etwa die Freiheit der Medien – bereits schwer beschädigt oder ausgehöhlt sind. Mit Blick auf Länder wie Ungarn oder die Türkei kann man daher nicht mehr von konsolidierten Demokratien sprechen. Dies ist erschreckend, denn die Mitgliedschaft in OECD und EU setzt eigentlich die

uneingeschränkte Wahrung der Demokratie und den Schutz der Grundrechte voraus.

### Gestiegene politische Polarisierung erschwert das Regieren

Die besorgniserregenden Entwicklungen einer abnehmenden Demokratiequalität sind auch in einem gewissen Zusammenhang mit der zunehmenden parteipolitischen Polarisierung in den OECD- und EU-Ländern zu beurteilen. In der Mehrzahl der untersuchten Staaten hat die ideologische Polarisierung über die letzten drei Wahlen betrachtet klar zugenommen. Dies gilt auch für Deutschland. Die Distanz zwischen „Links“ und „Rechts“ ist gestiegen. Populistische Parteien verstärken dabei in der Regel den Effekt der Polarisierung.

Die gestiegene Polarisierung ist insofern problematisch, als dadurch der Prozess des Regierens erschwert werden kann, wodurch wiederum die Reformfähigkeit sinkt. In polarisierten Systemen wird es beispielsweise schwerer, einen breiten gesellschaftlichen Konsens über politische Lösungen herzustellen. Gerade populistische Parteien zielen oftmals darauf, das Ringen um geeignete politische Lösungen durch eine syste-



matisch emotional aufgeladene Kampagnenführung zu sabotieren. Parteien befinden sich in der Folge oftmals in einer Art „Dauerwahlkampf“, der parteiübergreifende Kompromisse zu Sachfragen erschwert. Die Tatsache, dass sich in einigen wesentlichen Indikatoren des SGI-Governance-Index deutliche Verschlechterungen über die Zeit feststellen lassen, ist nicht zuletzt vor diesem Hintergrund zu interpretieren.

### Geringere gesellschaftliche Konsultation durch Regierungen, verschlechterte politische Kommunikation, sinkende Qualität der Medienberichterstattung

So ist es beispielsweise sehr problematisch, dass viele Regierungen weniger als früher auf eine breite gesellschaftliche Konsultation in der Planungsphase von politischen Vorhaben setzen. Letzteres wäre jedoch eigentlich wichtig, um die Wissensbasis für die Politikformulierung zu verbreitern und einen möglichst großen gesellschaftlichen Konsens für politische Vorhaben zu generieren. In manchen Fällen – wie etwa in Ungarn, Polen oder der Türkei – verstärken Regierungen durch ihre eingeschränkte und einseitige gesellschaftliche Konsultation sogar gezielt die gesellschaftlichen Konfliktlinien. Dass dadurch kaum langfristig tragfähige und ausgewogene Politikziele umgesetzt werden, liegt auf der Hand.

In dieses Bild passt auch, dass sich die Kommunikationsfähigkeit der Regierungen in der OECD und EU über die letzten Jahre tendenziell verschlechtert hat. Vielen Regierungen gelingt es weniger gut als früher, eine kohärente Kommunikation zu verfolgen, die im Einklang mit den übergeordneten Regierungsplänen steht. Auch hier zeigen sich oftmals die negativen Effekte einer stärkeren politischen Polarisierung. Besonders drastisch fällt dabei in der aktuellen SGI-Erhebung die Verschlechterung der USA unter der Trump-Administration ins Auge. Doch auch Länder wie Deutschland sind in Sachen kohärenter, strategischer Außenkommunikation der Regierung vergleichsweise schlecht aufgestellt. Die jüngsten, in aller Öffentlichkeit

ausgetragenen heftigen Auseinandersetzungen zwischen der Kanzlerin (CDU) und ihrem Innenminister (CSU) um die Richtung der künftigen Migrations- und Flüchtlingspolitik sind hierfür ein Beleg. Auch dieser Streit ist vor dem Hintergrund der inzwischen verschobenen parteipolitischen Koordinaten Deutschlands zu beurteilen.

Dass sich in vielen Ländern auch die Umsetzungseffizienz mit Blick auf geplante politische Vorhaben verschlechtert hat, ist ein weiterer problematischer Befund. Und auch hier liegen die Gründe für die erschwerte Umsetzungsfähigkeit in vielen Fällen in der starken parteipolitischen und gesellschaftlichen Polarisierung. Insgesamt haben sich 18 Länder gegenüber der SGI-Ausgabe von 2014 verschlechtert und nur neun verbessert.

Insbesondere angesichts der Tatsache, dass sich viele Regierungen weniger inklusiv in der Einbeziehung gesellschaftlicher Akteure gezeigt haben und große Probleme haben, ihre politischen Vorhaben unter den Bedingungen eines Dauerwahlkampfes kohärent an die Bevölkerung zu kommunizieren, ist es auch eher unwahrscheinlich, dass die parteipolitische Polarisierung sich auf absehbare Zeit wieder deutlich verringert. Angesichts einer tendenziell abnehmenden Qualität exekutiver Steuerungsfähigkeit dürfte sie sogar eher noch steigen.

Problematisch ist in diesem Gesamtkontext zudem, dass sich auch im Bereich der Beteiligungs- und Kontrollkompetenzen, der zweiten Komponente des SGI-Governance-Index, ein Negativtrend zeigt. Neben einer – in allen Staaten zu beobachtenden – abnehmenden Anzahl von Qualitätsmedien im Printbereich sind hierfür auch Verschlechterungen in der Qualität der Medienberichterstattung insgesamt ausschlaggebend. Dass es mit Blick auf den letztgenannten Aspekt in einigen Ländern einen unmittelbaren Zusammenhang mit bestimmten Negativtrends im Bereich Demokratiequalität gibt, verwundert kaum: Dort, wo Regierungen in die Pressefreiheit eingreifen, verringert sich auch die Qualität der Berichterstattung, und die Kontrollfunktion der Medien wird untergraben.

### In einigen Ländern: Vertrauen in Regierung wächst – trotz Abbau demokratischer Standards

Interessant und sehr bedenklich ist zudem, dass in Ländern mit abnehmender Demokratie- und Regierungsqualität nicht automatisch auch das Vertrauen der Bürger in die Regierung abnimmt. Im Gegenteil: In Ländern wie Polen, Ungarn oder der Türkei lässt sich im Zeitverlauf sogar eine Zunahme des Vertrauens in die jeweilige Regierung beobachten. Allerdings steht dem Anteil der Menschen, die Vertrauen in eine zunehmend undemokratisch agierende Regierung äußern, ein anderer Teil der Gesellschaft gegenüber, der hierzu in starker Opposition steht. Dies verweist einerseits auf eine erhebliche gesellschaftlich-ideologische Spaltung innerhalb der Länder und macht gleichzeitig deutlich, dass bei einem beträchtlichen Teil der Gesellschaft offenbar fundamentale demokratische Grundwerte nicht ausreichend im politischen Bewusstsein verankert sind.

### Schlechte Voraussetzungen für die Lösung langfristiger politischer Probleme

Insgesamt sind die oben zusammengefassten Trends einer zunehmenden politischen Polarisierung, einer abnehmenden Demokratiequalität sowie der Verschlechterungen bei wesentlichen Kriterien guter Regierungsführung keine gute Voraussetzung für die Bewältigung der zahlreichen komplexen Herausforderungen, vor denen die OECD- und EU-Staaten stehen. Zu nennen sind hier beispielsweise:

- der fortschreitende demografische Wandel und dessen Auswirkungen auf die sozialen Sicherungssysteme,
- die zunehmende Digitalisierung und deren Auswirkungen auf die Arbeitswelt von morgen,
- der fortschreitende Klimawandel,
- sozialpolitische Herausforderungen, wie die zunehmende soziale Ungleichheit in vielen Ländern oder die weiterhin dramatische Situation vieler junger Menschen in Südeuropa, sowie

- Globalisierungsängste und zunehmender Protektionismus.

Die Politikergebnisse der SGI 2018 zeigen, dass diese dringenden Baustellen von vielen Regierungen bislang nur unzureichend bearbeitet wurden und langfristorientierte, nachhaltige Politiklösungen oftmals fehlen. Die Formulierung und Umsetzung solcher langfristorientierten Politiklösungen ist – wie oben erläutert – in vielen Staaten sogar schwieriger statt einfacher geworden.

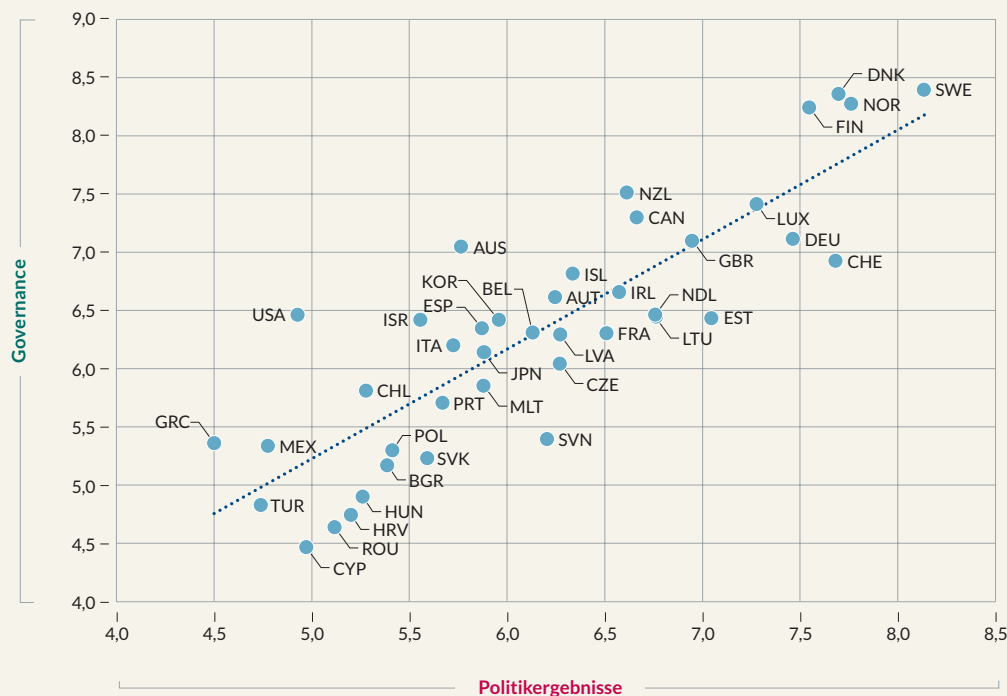
### Soziale Nachhaltigkeit erstmals seit SGI 2016 geringer als wirtschaftliche Performanz, schwache Investitionen in Zukunftsfähigkeit, Nachholbedarf bei SDG-Umsetzung

Zwar hat die wirtschaftliche Erholung der letzten Jahre zu einer Stabilisierung beziehungsweise leichten Verbesserung der Gesamtperformanz beigetragen, doch hat der Aufschwung nicht zu einer Verbesserung der sozialen Nachhaltigkeit geführt, die nach wie vor auf niedrigem Niveau verharrt. Mehr noch: Während die Staaten bis 2016 bei der Gewährleistung sozialer Teilhabe deutlich erfolgreicher waren als bei der Sicherstellung wirtschaftlicher Leistungsfähigkeit, zeigt sich seitdem ein umgekehrtes Bild.

Zu den großen Problemfeldern gehören auch die insgesamt schwachen Investitionen in Zukunftsfähigkeit. So ist insbesondere der Bereich Forschung und Entwicklung in vielen Ländern der OECD und EU noch stark verbesserungswürdig. Investitionen in diesen Bereich sind besonders wichtig, um im globalen Wettbewerb bestehen zu können und nicht den Anschluss angesichts des fortschreitenden technologischen Wandels zu verlieren.

Ungelöste Probleme bestehen zudem in vielen OECD- und EU-Staaten bei der Bewältigung des demografischen Wandels. Die Mehrzahl der untersuchten Staaten ist von einer starken gesellschaftlichen Alterung betroffen. Obwohl diese Probleme seit Jahren wissenschaftlich klar erforscht sind und der Politik bewusst sind, fehlen oftmals langfristig tragfähige Lösungen. Dies betrifft beispielsweise auch Deutschland,

GRAFIK 29: Zusammenhang Governance und Politikergebnisse



Quelle: SGI.

| BertelsmannStiftung

das um eine umfassende Reform des Alterssicherungssystems nicht herumkommt, wenn das Problem zunehmender Altersarmut vermieden werden soll.

Auch die Schuldenkrise in den südlichen Krisenstaaten Europas ist angesichts weiterhin extrem hoher Staatsschuldenstände in den jeweiligen Ländern bei weitem noch nicht gelöst. Und auch die globalen Wachstumsrisiken sind angesichts des sich zuspitzenden Handelskonflikts mit den USA beträchtlich.

Großer Nachholbedarf besteht schließlich bei der Umsetzung der globalen Entwicklungsziele (SDGs): So sind nicht zuletzt im Hinblick auf die ökologische Nachhaltigkeit kaum durchgreifende Fortschritte erkennbar. Nur wenige Länder sind in Sachen SDG-Umsetzung Vorbilder im globalen Vergleich. Einzelne Länder, wie insbesondere die USA, sind sogar auf einen kompletten Gegenkurs eingeschwenkt – ein desaströses Signal an alle anderen Länder.

### Demokratiequalität und „good governance“ sind keinesfalls „nur“ Selbstzweck

Eine hohe Demokratiequalität und ein funktionierender Rechtsstaat sind für sich genommen bereits erstrebenswerte normative Ziele und ein Zweck an sich, der keiner instrumentellen Rechtfertigung bedarf. Nicht umsonst sind Demokratie und Menschenrechte Kernbestandteile des fundamentalen Wertekanons der EU und der OECD. Ein klares Bekenntnis zu diesen Werten ist (eigentlich) Grundvoraussetzung für eine Mitgliedschaft in diesen Organisationen.

Betrachtet man die Qualität der Demokratie sowie die Governanceleistungen der untersuchten Staaten auf der einen Seite und die Politikergebnisse der untersuchten Länder auf der anderen Seite, kann zudem festgestellt werden, dass es zwischen beiden Dimensionen einen deutlichen positiven funktionalen Zusammenhang gibt. So zeigt Grafik 29, dass Länder mit einer höheren Gover-

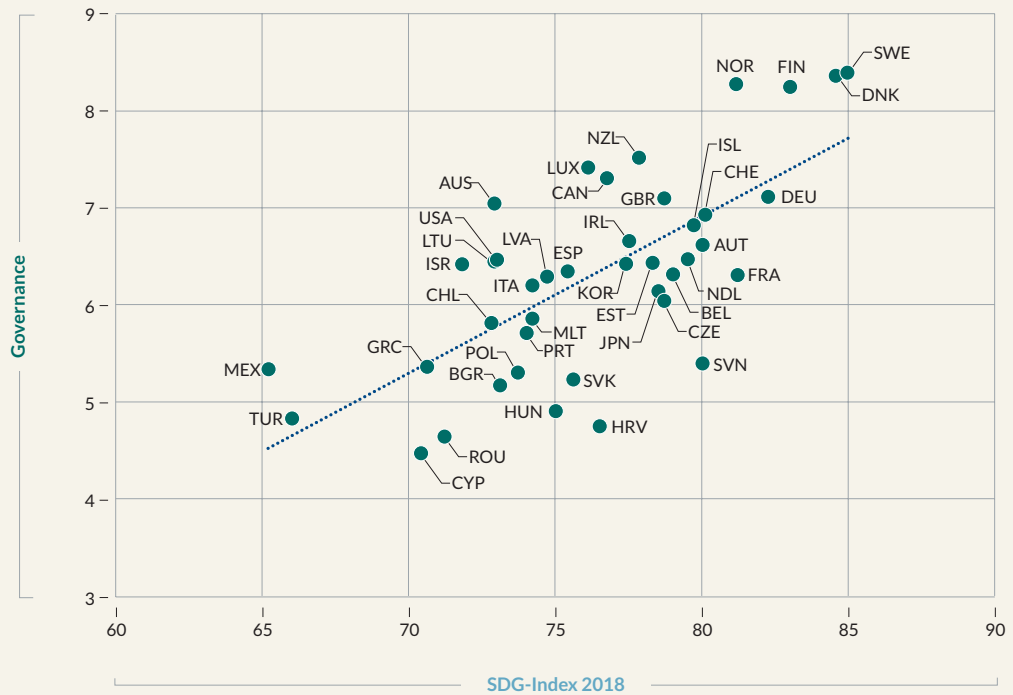
nancequalität tendenziell auch nachhaltigere Politikergebnisse erzielen. An der Spitze liegen in beiden Bereichen die nordischen Staaten. Dies sind auch diejenigen Länder, die bei der Umsetzung der SDGs bislang am erfolgreichsten sind (Grafik 30).

Nimmt man die Trendlinie in Grafik 29 als Benchmark, so weisen die Länder oberhalb (unterhalb) der Linie eine im Vergleich zu ihrer politischen Governance unterdurchschnittliche (überdurchschnittliche) Performanz auf. So liegt beispielsweise die Qualität der Governance in den USA auf einem nahezu identischen Niveau wie in Estland, das jedoch bei der Frage nachhaltiger Politikergebnisse mit 7,05 Punkten wesentlich besser abschneidet als die Vereinigten Staaten, die nur 4,93 Punkte erzielen. Zu den „Underperformern“ zählen neben den USA insbesondere Australien, Griechenland, Israel und Neuseeland. Deutlich überdurchschnittliche Politikergebnisse weisen hingegen Slowenien und die Schweiz auf.

Auffällig ist, dass auch alle osteuropäischen Länder den Benchmark übertreffen und bessere Politikergebnisse erzielen, als es die exekutive Steuerungsfähigkeit erwarten lassen würde. Auch Deutschland zählt zu den Ländern, die gemessen an ihrer Steuerungsfähigkeit zuletzt bessere Politikergebnisse produziert haben.

Ein ähnliches Bild zeigt sich in Grafik 31, die den Zusammenhang zwischen Demokratiequalität und Politikperformanz widerspiegelt. Zwar ist der Zusammenhang nicht ganz so stark ausgeprägt wie im Hinblick auf Governancequalität und Politikergebnisse, doch zeigt sich auch hier, dass Länder mit einer höheren Demokratiequalität tendenziell auch bessere Politikergebnisse erzielen. So weisen beispielsweise die skandinavischen Staaten Top-Werte sowohl bei der Demokratiequalität als auch bei den Politikergebnissen auf. Zu den Underperformern zählen auch hier die USA und Griechenland, die deutlich schlechtere Politikresultate vor-

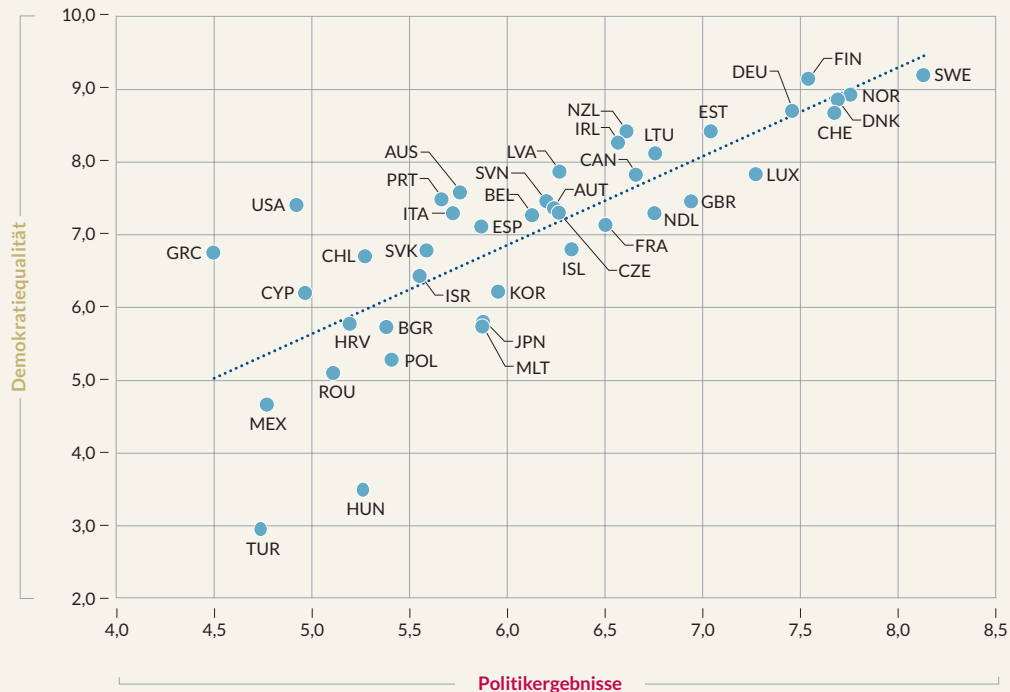
GRAFIK 30: Zusammenhang Governance und SDG-Index 2018



Quelle: SGI.

| BertelsmannStiftung

GRAFIK 31: Zusammenhang Demokratiequalität und Politikergebnisse



Quelle: SGI.

| BertelsmannStiftung

weisen, als es die Demokratiequalität vermuten lassen würde. Auf der anderen Seite wären für die Türkei und Ungarn aufgrund des extrem schlechten Zustands der Demokratie noch ungünstigere Politikergebnisse zu erwarten gewesen. Deutschland erreicht ziemlich genau den Benchmark.

### Ausblick

Nimmt man die oben beschriebenen Zusammenhänge als gegeben, so ist davon auszugehen, dass die beobachteten Phänomene der verringerten Demokratiequalität sowie der nachlassenden politischen Steuerungsfähigkeit zukünftig eher zu einer Verschlechterung als zu einer Verbesserung der durchschnittlichen Politikergebnisse in den OECD- und EU-Ländern führen werden. Dies gilt insbesondere für die USA, Polen und die Türkei, die in beiden Dimensionen zu den großen Verlierern zählen. Dass mit den USA ausgerechnet die größte

Volkswirtschaft der Welt bereits in allen drei SGI-Teilindizes – Demokratie, Governance und Politikperformanz – um neun Plätze im Vergleich zur Erhebung von 2014 abgerutscht ist, spricht Bände und lässt nicht viel Gutes für die Zukunft erahnen.

Es gibt aber durchaus auch vereinzelte positive Entwicklungen, die als Inspiration für andere Staaten gelten können. Frankreich etwa hat sich in Sachen Governancequalität unter dem neuen Präsidenten Emmanuel Macron ausgesprochen positiv entwickelt. Der neue Politikstil Macrons zeigt, dass eine verbesserte Umsetzungsfähigkeit, eine klare und widerspruchsfreie politische Kommunikation sowie die frühzeitige Einbindung und Konsultation gesellschaftlicher Gruppen durchaus auch in einem stark polarisierten politischen System Hand in Hand gehen können.





*Nachhaltiges Regieren messen*

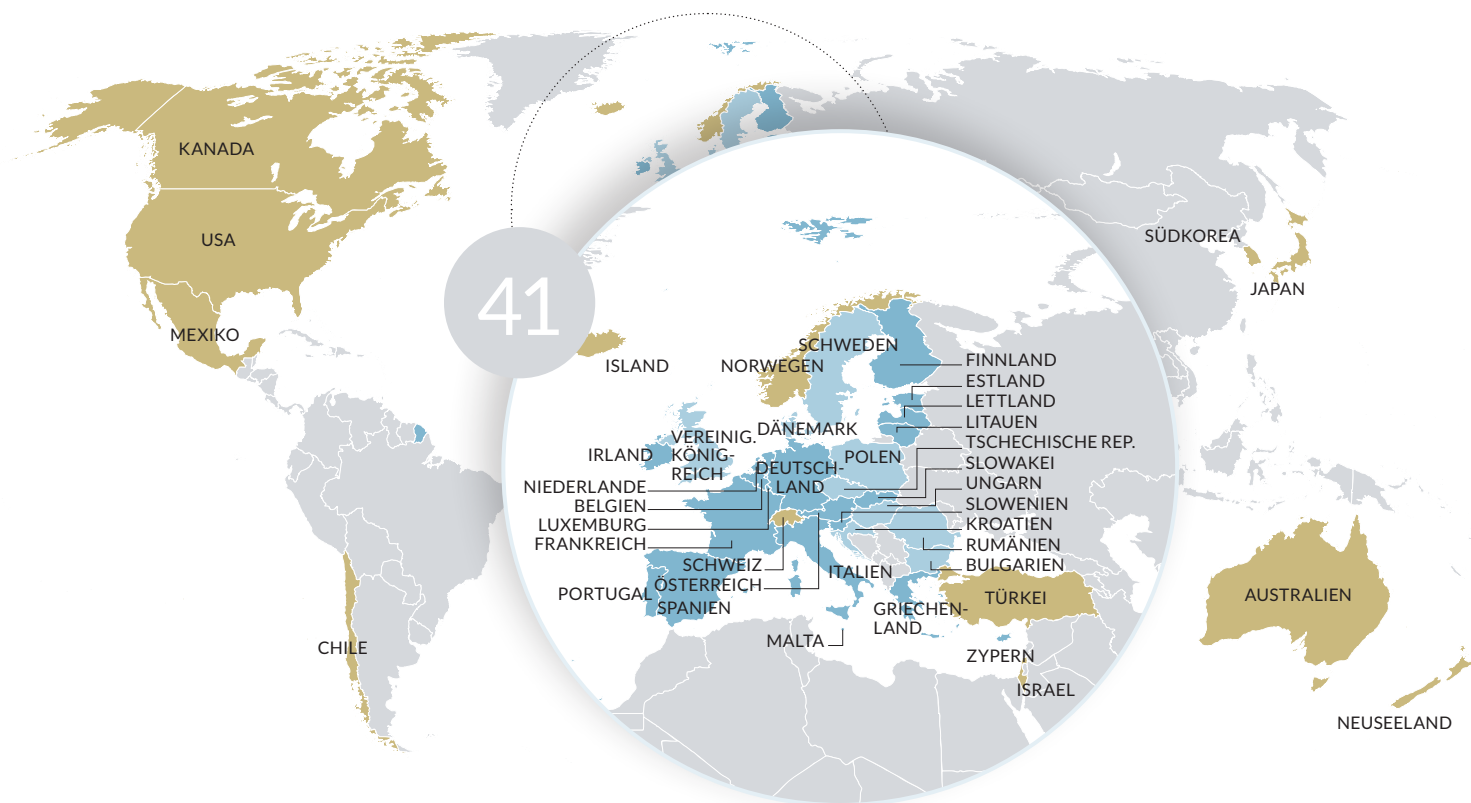
Dimensionen  
Methodik  
Indikatoren

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## Sustainable Governance Indicators

## Nachhaltiges Regieren messen

Die Sustainable Governance Indicators adressieren eine der zentralen gesellschafts-politischen Fragestellungen, die die hochentwickelten Staaten der OECD und EU zu Beginn des 21. Jahrhunderts lösen müssen: Wie lassen sich nachhaltige Politikergebnisse und eine größere Langfristorientierung in der Politik erzielen?



Übergreifende Herausforderungen wie ökonomische Globalisierungsprozesse, soziale Ungleichheit, Ressourcenknappheit oder das massive Problem der fortschreitenden gesellschaftlichen Alterung erfordern permanente Anpassungs- und Lernleistungen der Regierungen. Idealerweise sollten Regierungen langfristorientiert handeln; das heißt, sie sollten bemüht sein, ungerechte Lastenverschiebungen zuungunsten künftiger Generationen zu

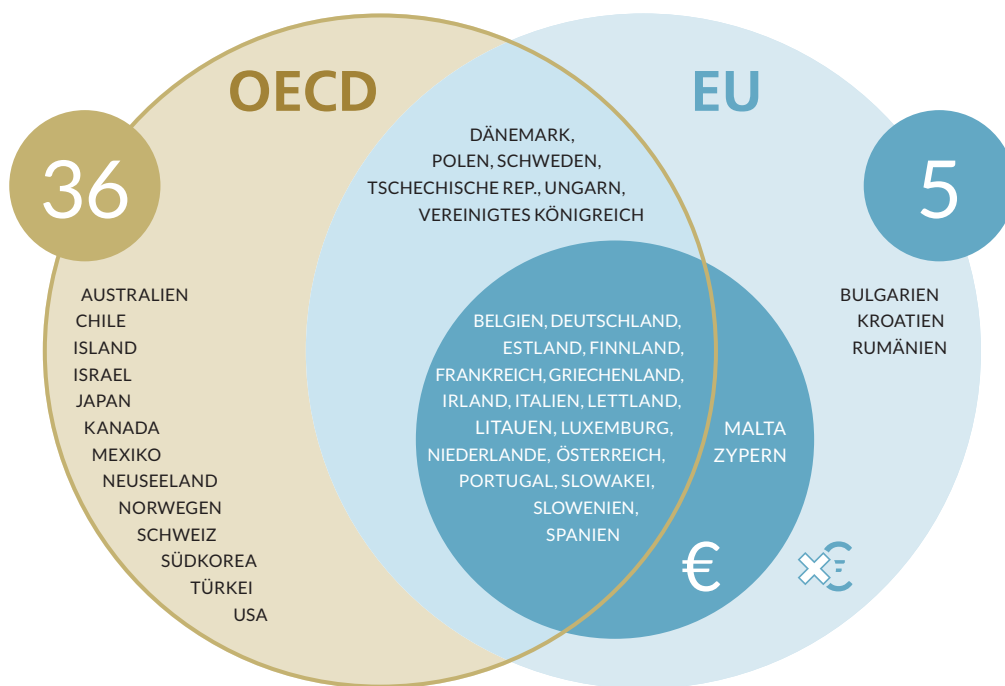
vermeiden und solche Politikergebnisse zu realisieren, die eine Wahrung bzw. Verbesserung der Lebensqualität gegenwärtiger und künftiger Generationen implizieren. In diesem Sinne gilt es, eine langfristige Trag- und Leistungsfähigkeit der ökonomischen, sozialen und ökologischen Systeme zu gewährleisten. Dies ist jedoch heute selten der Fall. Regierungen verhalten sich vielmehr oftmals sehr kurzfristig. Wachsende Schuldenberge, gesellschaftlich ungleich

## INFO

[www.sgi-network.org](http://www.sgi-network.org)

Sämtliche Ergebnisse und Länderberichte sind auf unserer interaktiven Webseite entweder zur direkten Analyse oder als Downloads verfügbar.

> Website, Seite 78



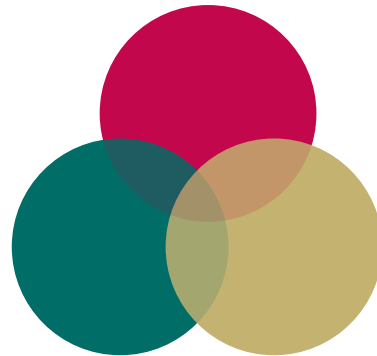
verteilte Teilhabechancen in Bereichen wie Beschäftigung, Bildung oder Gesundheit oder ein ineffizienter Umgang mit natürlichen Ressourcen haben erhebliche negative Folgewirkungen für gegenwärtige und künftige Generationen und gefährden so die Zukunftsfähigkeit der OECD- und EU-Staaten insgesamt. Vor dem Hintergrund dieser Problemstellung wollen die Sustainable Governance Indicators einen Beitrag zu dem übergeordneten Ziel

leisten, dass Regierungen in der OECD und EU künftig langfristiger handeln (können) und auf diese Weise nachhaltigere Politikergebnisse für ihre jeweiligen Gesellschaften erzielen.

## Sustainable Governance Indicators

# Die drei Untersuchungsdimensionen

Um Beispiele nachhaltigen Regierens zu identifizieren, gliedert sich das SGI-Indikatorenset in drei Säulen: den Policy Performance Index, den Quality of Democracy Index und den Governance Index.



*Detaillierter Leistungsvergleich aller 41 Staaten der OECD und EU auf der Grundlage eines maßgeschneiderten Indikatorensets*

Das SGI-Projekt ist ein Monitoring-Instrument, das durch evidenzbasierte Analysen wesentliches Orientierungs- und Anwendungswissen zur Verfügung stellt: für politische Entscheidungsträger in den Regierungszentralen und demokratischen Institutionen der OECD- und EU-Staaten, für zivilgesellschaftliche Kräfte sowie für Praktiker in internationalen Organisationen, Wissenschaftler und interessierte Bürger. Der grundsätzliche Ansatz des SGI-Projekts besteht darin, alle 41 Staaten der OECD und EU einem detaillierten Leistungsvergleich auf der Grundlage eines maßgeschneiderten Indikatorensets zu unterziehen. Auf diese Weise lassen

sich Erfolgsbeispiele für nachhaltiges Regieren und entsprechende Politik- und Governance-Innovationen für Deutschland identifizieren. Durch den Stärken- und Schwächenvergleich sollen (internationale) Lernprozesse angestoßen und Entscheidungsträger und Öffentlichkeit für notwendige Reformen sensibilisiert werden.

Um gute Beispiele nachhaltigen Regierens zu identifizieren, basiert das Instrument auf drei Säulen: dem Policy Performance Index, dem Quality of Democracy Index und dem Governance Index.

INFO

### Das SGI-Expertennetzwerk

Mit ihrem neuartigen Ansatz ermöglichen die SGI umfassende Aussagen zur Zukunftsfähigkeit der Mitgliedsstaaten der OECD und der EU. Die SGI sind keineswegs allein ein System aus quantitativen Daten. Vielmehr fließen auch qualitative Experteneinschätzungen ein, die über einen detaillierten Fragebogen in einem mehrstufigen Erhebungs- und Validierungsprozess erhoben werden. Insgesamt ist ein Netzwerk von über 100 renommierten Wissenschaftlern rund um den Globus an der Datenerhebung und -analyse beteiligt. Die Einbeziehung qualitativer Indikatoren ist ein großer Vorteil der SGI gegenüber vielen anderen Indizes, denn dadurch sind kontextsensitive Aussagen möglich, die rein quantitative Indikatoren nicht abbilden können.

> Methodik, Seite 74



## Nachhaltige Politikergebnisse

# Politikperformanz

Der Policy Performance Index bildet den Reformbedarf jedes Landes in zentralen Politikfeldern ab. Die grundlegende Fragestellung lautet hier: Wie erfolgreich sind die einzelnen Länder bei der Realisierung nachhaltiger Politikergebnisse? Dabei greift der Index wesentliche Gedanken auf, die in der aktuellen internationalen Diskussion zur Messung von Nachhaltigkeit, gesellschaftlichem Fortschritt und Lebensqualität zentralen Stellenwert besitzen.

*Indikatorenset für Trag- und Leistungsfähigkeit der ökonomischen, politisch-sozialen und ökologischen Systeme sowie für gesellschaftliche Teilhabe.*

In dem Index finden sich daher keineswegs nur rein ökonomische Maßzahlen, die Aufschluss über wirtschaftliches Wachstum und materiellen Wohlstand einer Gesellschaft geben; vielmehr bilden die in den Index einfließenden Daten den Erfolg der OECD- und EU-Staaten auch in zahlreichen weiteren politischen Handlungsfeldern ab, die für die beiden Ziele „langfristige Trag- und Leistungsfähigkeit der ökonomischen, politisch-sozialen und ökologischen Systeme“ sowie „hohes Maß an gesellschaftlicher Teilhabe“ nicht unberücksichtigt bleiben dürfen.

Der Policy Performance Index misst die Performanz der 41 untersuchten Staaten entlang der drei zentralen Dimensionen des Nachhaltigkeitskonzepts: Den Kerndimensionen Ökonomie, Soziales und Umwelt sind dabei 16 Politikfelder zugeordnet, die mithilfe zahlreicher quantitativer und qualitativer Daten erfasst werden. Dabei gehen die SGI 2018 über die in den ersten SGI-Erhebungen angewandte Methodik hinaus, indem auch erfasst wird, welchen Beitrag die einzelnen Länder zur Förderung nachhaltiger Entwicklung auf internationaler Ebene leisten. Nicht zuletzt im Kontext der neuen UN-Entwicklungsziele, der so genannten Sustainable Development Goals (SDGs), kommt den hochentwickeltesten Staaten in der OECD und EU eine besondere Verantwortung für die Stärkung globaler öffentlicher Güter zu.

### Indexdimension 1

#### Ökonomische Nachhaltigkeit: Perspektiven für inklusives Wachstum

Eine wettbewerbsfreundliche und marktwirtschaftlich inspirierte Wirtschaftspolitik bildet nach wie vor den Motor des Wachstums und sichert die Anpassungsfähigkeit einer Gesellschaft. Sie muss aber durch sozial- und ordnungspolitisch motivierte, redistributive Berichtigungen in der Steuer- und Arbeitsmarktpolitik abgesichert sowie durch eine auf Teilhabegerechtigkeit zielende Sozialpolitik flankiert werden. Nachhaltiges Regieren ist daher ohne eine erfolgreiche, zukunftsorientierte Bearbeitung wirtschaftlicher Problemfelder nicht möglich. Die entscheidende Frage im Sinne von Nachhaltigkeit ist dabei, wie die Verwirklichungschancen möglichst vieler Menschen heute gewährleistet werden können, ohne Lasten in ungerechter Weise auf künftige Generationen abzuwälzen. Übermäßige Verschuldung kann so zum Beispiel zu einer schweren Hypothek für kommende Generationen werden und deren Verwirklichungschancen im Verhältnis zu den Chancen der aktuellen Generation erheblich einschränken.

Mit Blick auf die einzelnen Politikbereiche, die in der Indexdimension „Ökonomische Nachhaltigkeit“ zusammengefasst sind, analysieren die SGI daher folgende Aspekte:



## Politikperformanz



### Fragen zu ökonomischer Nachhaltigkeit (Indexdimension 1)

- Trägt die Wirtschaftspolitik eines Landes durch kohärente ordnungspolitische Rahmenbedingungen zu einer Steigerung internationaler Wettbewerbsfähigkeit bei?
- Wie erfolgreich sind die Strategien zur Bekämpfung von Arbeitslosigkeit und zur Steigerung der Inklusivität des Arbeitsmarkts?
- Inwiefern fördert die Steuerpolitik eines Landes sozialen Ausgleich, Wettbewerbsfähigkeit und eine langfristig ausreichende Einnahmesituation des Staates?
- Inwiefern orientiert sich die Haushaltspolitik an Prinzipien fiskalischer Nachhaltigkeit?
- Inwiefern trägt die Forschungs- und Entwicklungspolitik eines Landes zur Steigerung der Innovationsfähigkeit bei?
- Und schließlich: Leistet ein Land einen aktiven Beitrag zur wirksamen Regulierung und Stabilisierung internationaler Finanzmärkte?

## Indexdimension 2

### Soziale Nachhaltigkeit – Teilhabe für gegenwärtige und künftige Generationen sichern

*Im Zentrum stehen die Teilhabegerechtigkeit und Verwirklichungschancen für alle Mitglieder einer Gesellschaft.*

Nachhaltigkeit in diesem Bereich umschließt die Erhaltung und Steigerung individueller Verwirklichungschancen zur Gewährleistung eines hohen Maßes an sozialer Teilhabe. Eine wesentliche Voraussetzung dafür ist jedoch eine Chancen eröffnende Gesellschaft. Die politischen, sozialen und ökonomischen Systeme müssen so gestaltet werden, dass der einzelne Mensch über optimale Verwirklichungschancen verfügen kann. Soziale Teilhabe umfasst daher nicht nur die bloße Absicherung gegenüber den klassischen und sozialen Lebensrisiken wie Krankheit, Unfall, Alter, Pflege, Invalidität und Arbeitslosigkeit. Sozialpolitik beinhaltet vielmehr auch eine integrative Komponente, indem sie Gesellschaftsmitglieder zur aktiven Mitwirkung an öffentlichen Angelegenheiten befähigt. Verwirklichungschancen müssen dabei für alle Mitglieder einer Gesellschaft gleichermaßen zur Verfügung stehen: Niemand darf systematisch von der Teilhabe an existenzieller

Sicherheit, Gesundheit, Bildung, Erwerbsarbeit, politischer Partizipation, sozialen Beziehungen, kulturellen Leben sowie guten Umweltbedingungen ausgeschlossen werden. Dabei muss im Sinne der Nachhaltigkeit stets auch eine langfristige Tragfähigkeit sozialer Sicherungssysteme das Ziel sein. Es geht bei der Bewertung der Performanz der OECD- und EU-Staaten in diesem Bereich also nicht einfach allein um eine Bewertung, inwiefern gerechte Zugangschancen in verschiedenen sozialen Teilbereichen bestehen, sondern zum Beispiel auch um eine nachhaltige Finanzierbarkeit und eine entsprechende Reformierbarkeit bestehender Systeme. Im Sinne des Nachhaltigkeitsgedankens dürfen die Sicherung und der Ausbau von sozialen Teilhabechancen heutiger Generationen schließlich nicht zulasten der Teilhabechancen künftiger Generationen gehen.

In der Indexdimension „Soziale Nachhaltigkeit“ der SGI gehen wir folgenden Fragen in den einzelnen Politikfeldern nach:

#### Fragen zur sozialen Nachhaltigkeit (Indexdimension 2)

- Inwiefern fördert die Bildungspolitik eines Landes ein qualitativ hochwertiges, inklusives und effizientes Bildungs- und Ausbildungssystem?
- Inwiefern tragen sozialpolitische Maßnahmen zu einer Steigerung sozialer Inklusion bzw. einer wirksamen Bekämpfung von gesellschaftlicher Exklusion und Polarisierung bei?
- Wie erfolgreich ist die Gesundheitspolitik eines Landes mit Blick auf die Sicherung der Qualität, Fairness und Kosteneffizienz des jeweiligen Gesundheitssystems?
- Inwiefern erleichtern familienpolitische Maßnahmen die Vereinbarkeit von Beruf und Familie?
- Wie erfolgreich ist die Rentenpolitik eines Landes mit Blick auf die Vermeidung von Altersarmut, intergenerationaler Gerechtigkeit und fiskalischer Nachhaltigkeit?
- Inwiefern tragen politische Maßnahmen eines Landes zur wirksamen gesellschaftlichen Integration von Migrant\*innen bei?
- Wie erfolgreich ist ein Land bei der Herstellung sicherer Lebensbedingungen für seine Bürger durch die Bekämpfung von Kriminalität und anderer Sicherheitsrisiken?
- Und mit Blick auf die internationale Handlungsebene: Inwiefern setzt sich ein Land für die Bekämpfung sozialer Ungleichheit im globalen Maßstab, etwa durch die Förderung fairer Welthandelsstrukturen und gerechter Teilhabechancen in Entwicklungsländern, ein?

### Indexdimension 3

#### Ökologische Nachhaltigkeit

Diese Indexdimension ist unter dem Gesichtspunkt der Nachhaltigkeit von besonderer Bedeutung, denn Lebensqualität setzt gute Umweltbedingungen voraus. Ökosysteme können die Gesundheit und persönliche Lebensqualität positiv (etwa durch Zugang zu sauberem Wasser, Luft, Erholungsgebieten) oder negativ (etwa durch Wasser- und / oder Luftverschmutzung oder Lärm) beeinflussen. Das Ausmaß der Teilhabe an funktionierenden Ökosystemen entscheidet darüber, wo Menschen leben wollen, über Migrationsbewegungen und existenzielle Sicherheit. Das Ökosystem (mit seinen ökosystemaren Leistungen) ist aber auch vom menschlichen Gesellschaftssystem abhängig, insbesondere von der Beachtung der ökologischen Nachhaltigkeitsprinzipien. Ressourcenintensive Lebens- und Wirtschaftsweisen destabilisieren das Ökosystem nachhaltig. Wachsende Ansprüche einer wachsenden Weltbevölkerung bergen das größte Destabilisierungsrisiko. Diesen Ansprüchen sind unverrückbare planetarische Grenzen gesetzt. Ökologische Nachhaltigkeit heißt daher, dass regenerative Ressourcen nur in dem Maße genutzt werden, wie sie wieder nachwachsen können. Nicht-regenerierbare Ressourcen dürfen nur in dem Maße verbraucht werden, wie funktionsgleiche, regenerierbare Substitute entwickelt werden. Schadstoffe wie Klimagase dürfen nur insoweit emittiert werden, als die natürlichen Systeme diese absorbieren können. Ziel nachhaltiger Umweltpolitik muss also sein, die natürlichen Grundlagen der menschlichen Existenz zu sichern und kommenden Generationen ein intaktes Ökosystem zu hinterlassen.

Entsprechend bewerten die SGI in dieser Nachhaltigkeitsdimension folgende Kernfragen für jeden der 41 OECD- und EU-Staaten:

Zudem fließt eine große Bandbreite an quantitativen Indikatoren in die Untersuchung ein, um die unterschiedlichen umweltpolitischen Dimensionen systematisch abzubilden (z.B. Treibhausgasemissionen, erneuerbare Energien, Feinstaubbelastung, Abfallrecycling u. a.). Der Stärken- und Schwächenvergleich entlang der drei Dimensionen des Policy Performance Index zeigt somit einerseits an, in welchem Umfang und in welchen Bereichen die einzelnen Länder bereits gute Politikergebnisse erzielen, andererseits aber auch, in welchen Bereichen die Notwendigkeit für weitere Reformen besonders hoch ist.

Kerngedanke ist bei diesem Modell, dass eine langfristige Trag- und Leistungsfähigkeit ökologischer, sozialer und ökonomischer Systeme letztlich nur durch Maßnahmen erreicht werden kann, die die genannten Teildimensionen gleichzeitig berücksichtigen. Hierbei ist zu bedenken, dass zwischen den drei Zieldimensionen vielfältige Wechselwirkungen und durchaus auch Zielkonflikte bestehen:

Die drei Säulen sind also keineswegs getrennt voneinander zu betrachten. Durch welche Strukturen, Akteure und Prozesse derartige Zielkonflikte verhandelt und gegebenenfalls austariert werden können, ist daher eine zentrale Problemstellung nachhaltiger Politikgestaltung (siehe dazu die Aspekte Demokratiequalität und Governance unten).

#### Fragen zur ökologischen Nachhaltigkeit (Indexdimension 3)

- Wie erfolgreich ist die Umweltpolitik eines Landes hinsichtlich des Schutzes natürlicher Ressourcen und der Förderung lebenswerter Umweltbedingungen?
- Inwiefern setzt sich ein Land auf internationaler Ebene für verbindliche Regime zum Schutz der Umwelt ein?

## Demokratisch-rechtsstaatliche Rahmenbedingungen im Vergleich

# Demokratiequalität

Wie steht es um die Qualität der demokratisch-rechtsstaatlichen Grundordnung der OECD- und EU-Staaten? Diese Kernfrage ist für die Perspektive nachhaltigen Regierens ebenfalls von zentraler Bedeutung, denn die Stabilität und Leistungsfähigkeit eines politischen Systems hängen wesentlich von Rechtsstaatlichkeit und den Mitgestaltungsmöglichkeiten der Bürger ab. Ein hohes Maß an Teilhabegerechtigkeit erfordert voll ausgeprägte politische Teilhabemöglichkeiten.

*Qualität von demokratisch-rechtsstaatlichen Standards ist entscheidend für langfristige Stabilität eines politischen Systems.*

Durch die Gewährleistung einer hohen Demokratiequalität wird eine pluralistische Willens- und Meinungsbildung überhaupt erst ermöglicht (Input-Legitimität), durch die Interessen und Bedürfnisse der betroffenen Menschen und gesellschaftlichen Gruppen in den politischen Aushandlungs- und Entscheidungsprozess transportiert und in konkrete politische Outputs umgewandelt. Demokratie und Rechtsstaatlichkeit sind insofern Grundvoraussetzungen dafür, dass keine gesellschaftliche Gruppe oder einzelne Individuen bei der politischen Willens- und Meinungsbildung vernachlässigt oder gar systematisch ausgeschlossen werden. Letzteres wäre bei der Austarierung von Zielkonflikten, die bei dem Bemühen um nachhaltige Politikergebnisse zwangsläufig entstehen, fatal und würde dem Prinzip gleicher Verwirklichungschancen widersprechen. Die Sicherstellung demokratischer Partizipations- und Kontrollmöglichkeiten, rechtsstaatlicher Verfahren und die Wahrung der Bürgerrechte sind insofern elementare Voraussetzungen für die Legitimität eines politischen Systems. Die Zustimmung und das Vertrauen der Bürger in ein politisches System hängen stark von diesen Bedingungen ab. Demokratische Partizipation und Kontrolle sind zudem essenziell für konkrete Lern- und Anpassungsprozesse und die Fähigkeit zum Wandel. Eine möglichst hohe

Qualität demokratisch-rechtsstaatlicher Strukturen wird daher in den SGI unter dem Gesichtspunkt der Nachhaltigkeit im Sinne einer langfristigen Systemstabilität als notwendiges Ziel betrachtet. Das SGI-Instrument misst diese fundamentalen Rahmenbedingungen mit einem hochauflösenden Demokratieindex.

### Qualität der Demokratie

Die Untersuchungsdimension „Qualität der Demokratie“ der SGI, bezieht sich dabei auf die institutionelle und organisatorische Verwirklichung grundlegender demokratischer Standards. Der normative Referenzrahmen ist die ideale repräsentative Demokratie.

Die in den SGI Verwendung findenden Kriterien, an denen sich die Regierungssysteme in der OECD und in der EU messen lassen müssen, sind an den wichtigsten, im demokratiethoretischen Diskurs identifizierten Dimensionen orientiert und beinhalten zentrale Indikatoren der Demokratiemessung. Insgesamt verwenden wir 15 qualitative Indikatoren zur Messung der folgenden grundlegenden Demokratie Kriterien.

## Demokratiequalität



↗ **Civil Rights** ↖

**To what extent does the state respect and protect civil rights and how effectively are citizens protected by courts against infringements of their rights?**

<p>10 All state institutions respect and effectively protect civil rights.</p> <p>9 Citizens are effectively protected by courts against infringements of their rights. Infringements present an extreme exception.</p> <hr/> <p>8 The state respects and protects rights, with few infringements.</p> <p>7 Courts provide protection.</p> <p>6</p> <hr/> <p>5 Despite formal protection, frequent infringements of civil rights occur and court protection often proves ineffective.</p> <p>4</p> <p>3</p> <hr/> <p>2 State institutions respect civil rights only formally, and civil rights are frequently violated. Court protection is not effective.</p> <p>1</p>	<p>Civil rights contain and limit the exercise of state power by the rule of law. Independent courts guarantee legal protection of life, freedom and property as well as protection against illegitimate arrest, exile, terror, torture or unjustifiable intervention into personal life, both on behalf of the state and on behalf of private and individual actors. Equal access to the law and equal treatment by the law are both basic civil rights and also necessities to enforce civil rights.</p>
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Auszug SGI-Codebook: [www.sgi-network.org](http://www.sgi-network.org)

### Kriterien für die „Qualität der Demokratie“

- Wahlprozess, wobei unter anderem die Regeln zur Zulassung von Parteien und zur Wählerregistrierung oder auch der Aspekt der Parteienfinanzierung untersucht werden; neu im Vergleich zur letzten SGI-Ausgabe ist zudem die Bewertung direkt-demokratischer Strukturen und Partizipationsmöglichkeiten;
- Zugang der Öffentlichkeit zu Informationen, wie er etwa am Ausmaß der Pressefreiheit und dem Medienpluralismus erkennbar wird;
- Bürgerrechte und politische Freiheiten;
- Rechtsstaatlichkeit, wobei hier unter anderem die generelle Rechtssicherheit, die richterliche Überprüfbarkeit von Gesetzen oder die Verhinderung von Korruption betrachtet werden.

## Reformfähigkeit im internationalen Vergleich

# Governance

In einer sich schnell wandelnden Umwelt und angesichts immer komplexer werdender Problemkonstellationen kommt es für politische Systeme mehr denn je darauf an, sowohl kurzfristig entschlossen reagieren zu können als auch die langfristigen Folgewirkungen politischen Handelns richtig abzuschätzen. Daher muss in einer Perspektive nachhaltigen Regierens – neben einer Analyse von Politikergebnissen und grundlegenden demokratisch-rechtsstaatlichen Rahmenbedingungen – auch die Fähigkeit der politisch verantwortlichen Akteure zu erfolgreicher politischer Steuerung genauer in den Blick genommen werden. Wie gut ist in den jeweiligen OECD- und EU-Staaten also die strategische Steuerungs- und Problemlösungsfähigkeit ausgeprägt?

*Der Governance Index kombiniert die Leistungsfähigkeit der Regierung mit den Beteiligungs- und Kontrollkompetenzen gesellschaftlicher Akteure.*

Diese Frage beantwortet der Governance Index der SGI mithilfe eines breiten und innovativen Sets an Indikatoren. Mit diesen Indikatoren lässt sich differenziert beurteilen, inwiefern die Regierungen der OECD- und EU-Staaten im Zusammenspiel mit anderen Institutionen und gesellschaftlichen Gruppen im Rahmen des demokratischen Entscheidungsprozesses überhaupt in der Lage sind, drängende Herausforderungen zu identifizieren, passgenaue politische Lösungen dafür zu entwickeln und diese dann auch effektiv und effizient umzusetzen.

Im Sinne eines breiten Verständnisses von Governance konzentrieren sich die SGI dabei zum einen auf die Leistungsfähigkeit der Regierung („executive capacity“) im engeren Sinne, zum anderen auf die Beteiligungs- und Kontrollkompetenzen von Akteuren und Institutionen außerhalb der eigentlichen Exekutive („executive accountability“).

### Indexdimension 1

#### Exekutive Steuerungsfähigkeit (executive capacity)

Die Dimension „Exekutive Steuerungsfähigkeit“ bezieht sich auf den Kernbereich des Regierens und

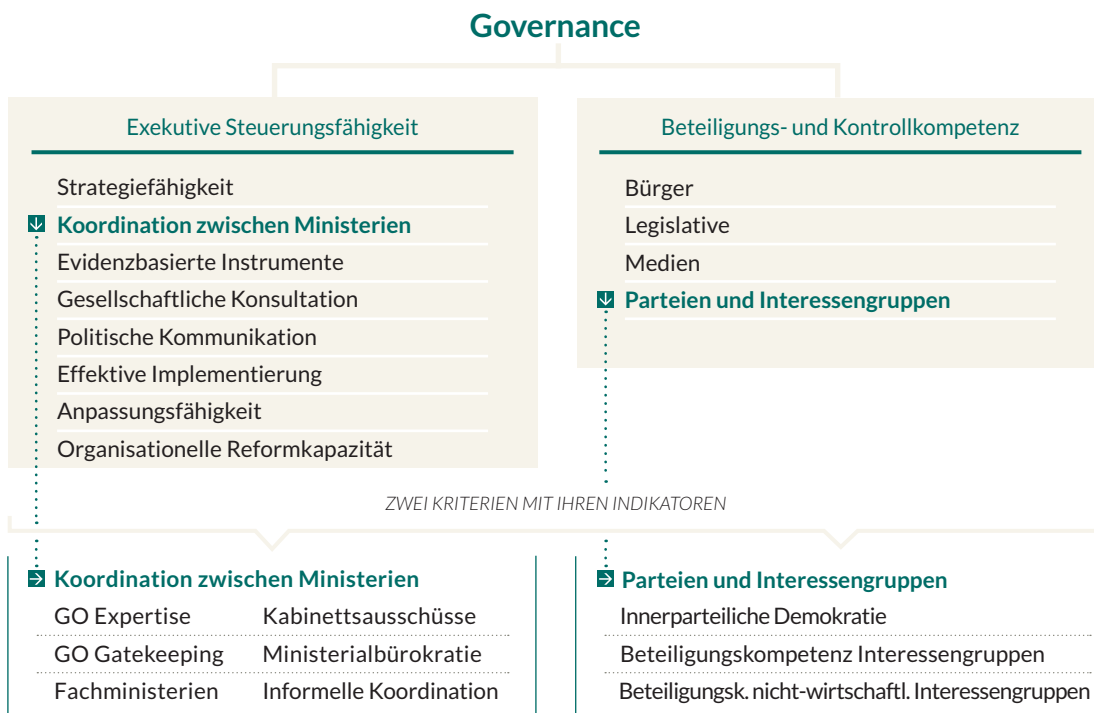
nimmt das klassische Konzept der Steuerungsfähigkeit des politisch-administrativen Systems in den Blick: Strategische Planung, Koordination, Wissensmanagement, Konsultation und Kommunikation, aber auch Implementierung und Lernfähigkeit. Die zentralen Akteure sind in dieser Indexdimension die Regierungen der OECD- und EU-Staaten und die ihnen zur Verfügung stehenden jeweiligen organisatorischen und institutionellen Ressourcen (Regierungszentralen, Ministerien, Agenturen etc.).

### Indexdimension 2

#### Beteiligungs- und Kontrollkompetenz gesellschaftlicher Akteure (executive accountability)

Die zweite Dimension des Governance Index – „Beteiligungs- und Kontrollkompetenz“ – bezieht sich dagegen auf die Interaktionsformen zwischen Regierung und weiteren am Prozess des Regierens beteiligten Akteuren. Denn es ist klar, dass Regierungen ihre Reformbemühungen nicht im Alleingang formulieren und umsetzen können, wenn ein nachhaltiger, langfristiger Erfolg der Politikmaßnahmen gesichert werden soll. In diesem Zusammenhang schließt die SGI-Perspektive zukunftsfähigen Regierens grundsätzlich auch





die Betrachtung der Beteiligungs- und Kontrollkompetenzen weiterer Akteure ein, die in politischen Systemen wesentliche Funktionen ausüben, wie etwa Bündelung und Vermittlung von Interessen und politische Kontrolle.

Dabei geht es einerseits um die Rechenschaftslegung der Regierung gegenüber Bürgern, Parlamenten, Medien, Parteien und Interessengruppen. Andererseits geht es jedoch auch um wesentliche Verständigungsleistungen zur Verbreiterung der Wissensbasis für strategische, effektive Steuerung durch eine gezielte Einbeziehung und Aktivierung gesellschaftlicher Akteure in Politikformulierung und -implementierung.

In diesem Zusammenhang wird anhand einzelner Indikatoren beispielsweise abgefragt, inwiefern Regierungen frühzeitig relevante Interessengruppen bei legislativen Planungsprozessen konsultieren und wie es um die Beteiligungskompetenz von Verbänden, Bürgern oder Parlamenten bestellt ist (Politikwissen, Ressourcenausstattung etc.). Kurz: Es geht hier um wesentliche Kontroll- und Partizipationsprozesse, die zu einer Verbesserung der Qualität politischer Entscheidungen beitragen können. Entsprechend gliedert sich der Governance Index insgesamt in die im Folgenden dargestellten Komponenten. Wie im Falle des

„Sustainable Policy Performance Index“ und des „Quality of Democracy Index“ zeigt die Grafik nur einen Überblick über die wichtigsten Kategorien des Governance Index. Insgesamt fließen in alle drei Teilindizes 67 qualitative und 69 quantitative Indikatoren ein.

Vor dem Hintergrund der vorangegangenen Ausführungen wird das doppelte Erkenntnisinteresse der SGI mit Blick auf die Frage der Zukunftsfähigkeit der OECD- und EU-Staaten deutlich: Die SGI messen in ihrem umfassenden Verständnis nachhaltigen Regierens sowohl den Reformbedarf mit Blick auf nachhaltige Politikergebnisse und Demokratiequalität als auch die Reformfähigkeit in der OECD und in der EU im Sinne der Steuerungsfähigkeit durch Regierungen und gesellschaftliche Gruppen. In zweierlei Hinsicht gehen die SGI mit diesem Ansatz weiter als andere internationale Rankings: Zum einen betrachten die SGI den Reformbedarf der OECD- und EU-Staaten keineswegs nur unter ökonomischen Gesichtspunkten, sondern schließen bewusst Themen wie Bildung, Umwelt, soziale Angelegenheiten und Sicherheit ein. Zum anderen berücksichtigen andere Indizes den Aspekt der Reformfähigkeit bislang kaum. Kein anderes Ranking leistet eine in ihrer Tiefenschärfe vergleichbare Analyse.

## *Kombination quantitativer Daten und qualitativer Expertenurteile*

# Hohe Datenqualität durch mehrstufiges Erhebungsverfahren

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Die SGI beruhen auf einer fundierten Erhebungs- und Aggregationsmethode. Um die einzelnen Komponenten des Index angemessen zu operationalisieren, basieren die SGI bewusst auf einer Kombination qualitativer und quantitativer Daten. Auf diese Weise lassen sich die Stärken beider Datenarten gezielt nutzen und gleichzeitig Schwächen vermeiden, die sich aus einem Rückgriff auf eine rein quantitative oder eine rein qualitative Erhebung ergäben. Die „Objektivität“ quantitativer Daten aus öffentlichen Statistiken wird im Rahmen der SGI mit der hohen Kontextsensitivität qualitativer Experteneinschätzungen gekoppelt, so dass sich ein differenziertes Bild über Politikergebnisse, Demokratiequalität und politische Steuerungsleistungen zeichnen lässt.

*SGI Methodik besticht durch Transparenz und hohe Kontextsensitivität.*

Die quantitativen Daten, die in die SGI einfließen, stammen aus offiziellen Statistiken, insbesondere von Seiten der OECD und der EU. Während das SGI-Projektteam diese quantitativen Daten zentral sammelt, werden die qualitativen Daten durch ein weltweites Netzwerk von insgesamt mehr als 100 renommierten Wissenschaftlern über einen detaillierten Fragebogen in einem mehrstufigen Erhebungs- und Validierungsprozess erhoben. Jedes Land wird von (mindestens) zwei Länderexperten (Politikwissenschaftler und Ökonomen) und einem Regionalkoordinator anhand der Kriterien des SGI-Fragebogens beurteilt. Diese drei Experten verfassen in einem gestaffelten Prozess gegenseitiger Kontrolle ein gemeinsames Ländergutachten. Dieses Verfahren ähnelt in seinem Ablauf dem Gutachterprozess, den die Bertelsmann Stiftung erfolgreich auch im Rahmen des Schwes-terprojekts ‚Transformation Index‘ anwendet.

Das detaillierte SGI-Codebook (auch abrufbar unter [www.sgi-network.org](http://www.sgi-network.org)) stellt für jede

der insgesamt 67 qualitativen Fragen klare Erläuterungen zur Verfügung, so dass die jeweiligen SGI-Länderexperten von einem gemeinsamen Frageverständnis ausgehen. Zudem erlaubt der SGI-Fragebogen eine passgenaue Bewertung auf einer Skala von 1 (schlechtester Wert) bis 10 (bester Wert). Dieser beinhaltet zu jeder Frage jedoch nicht nur eine numerische Bewertung, sondern auch das Verfassen eines Textes, in dem die numerische Bewertung qualitativ begründet und anschaulich belegt wird. Im Rahmen des vollständig onlinebasierten Erhebungsprozesses können alle Experten zudem stets auf sämtliche quantitative Indikatoren für alle 41 Länder als Referenzgrößen zurückgreifen, so dass die jeweiligen Expertenbewertungen immer in einem dichten empirischen Datenkontext erfolgen.

Um die Vergleichbarkeit quantitativer und qualitativer Daten zu gewährleisten, werden schließlich alle in den Index eingehenden quantitativen Daten durch eine lineare Trans-

## Mehrstufiger Erhebungsprozess 41 Staaten der OECD und EU für ein Höchstmaß an Reliabilität und Validität



formation auf einer Skala von 1 bis 10 standardisiert. Alle qualitativen und quantitativen Daten fließen schließlich einem einfachen additiven Gewichtungsschema folgend zusammen und werden zu den drei Teilindizes (Policy Performance, Quality of Democracy und Governance) aggregiert.

Durch die Kombination quantitativer Indikatoren mit qualitativen Experteneinschätzungen stehen am Ende des SGI-Erhebungsprozesses neben detaillierten Rankingergebnissen auch ausführliche Länderberichte zu den untersuchten 41 OECD- und EU-Staaten, die über die Website [www.sgi-network.org](http://www.sgi-network.org) frei zugänglich sind. Die SGI-Website erlaubt es, die Ergebnisse

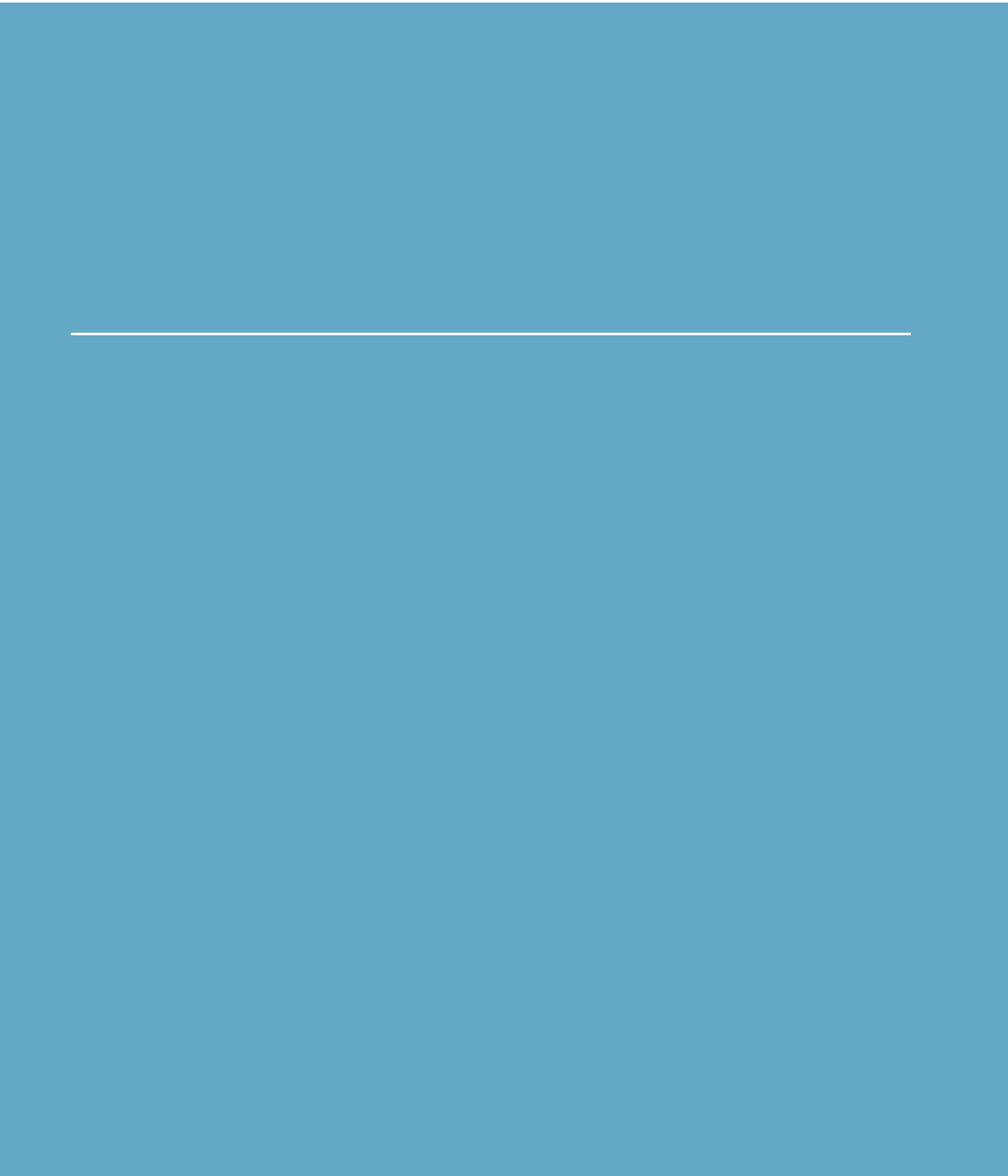
der Erhebung auf jeder Aggregationsstufe – von der höchsten Aggregationsebene in Gestalt der Indizes bis hinunter zur Ebene einzelner Indikatoren – detailliert abzurufen. Die ausführlichen Ländergutachten stehen als separate Downloads zur Verfügung.

Der Erhebungszeitraum der aktuellen Sustainable Governance Indicators 2018 reichte vom 7. November 2016 bis 8. November 2017. Die qualitativen Experteneinschätzungen beziehen sich daher ausschließlich in der Bewertung von Regierungshandeln auf diese Zeitperiode. Die SGI erscheinen nach 2009, 2011, 2014, 2015, 2016 und 2017 nun zum siebten Mal.

# Alle Indikatoren auf einen Blick

<p><b>Category</b></p> <hr/> <p><b>Criterion</b></p> <ul style="list-style-type: none"> <li>· Indicator</li> <li>· Indicator</li> <li>· Indicator</li> </ul>	<p><b>Economic Policies</b></p> <hr/> <p><b>Economy</b></p> <ul style="list-style-type: none"> <li>· Economic Policy</li> <li>· GDP per Capita</li> <li>· Inflation</li> <li>· Gross Fixed Capital Formation</li> <li>· Real Interest Rates</li> <li>· Potential Output, Growth Rate</li> </ul> <p><b>Labor Market</b></p> <ul style="list-style-type: none"> <li>· Labor Market Policy</li> <li>· Unemployment</li> <li>· Long-term Unemployment</li> <li>· Youth Unemployment</li> <li>· Low-skilled Unemployment</li> <li>· Employment Rate</li> <li>· Low Pay Incidence</li> </ul> <p><b>Taxes</b></p> <ul style="list-style-type: none"> <li>· Tax Policy</li> <li>· Tax System Complexity</li> <li>· Structural Balance</li> <li>· Marginal Tax Burden for Businesses</li> <li>· Redistribution Effect</li> </ul> <p><b>Budgets</b></p> <ul style="list-style-type: none"> <li>· Budgetary Policy</li> <li>· Debt to GDP</li> <li>· Primary Balance</li> <li>· Debt Interest Ratio</li> <li>· Budget Consolidation</li> </ul> <p><b>Research and Innovation</b></p> <ul style="list-style-type: none"> <li>· Research and Innovation Policy</li> <li>· Public R&amp;D Spending</li> <li>· Non-public R&amp;D Spending</li> <li>· Total Researchers</li> <li>· Intellectual Property Licenses</li> <li>· PCT Patent Applications</li> </ul> <p><b>Global Financial System</b></p> <ul style="list-style-type: none"> <li>· Stabilizing global financial markets</li> <li>· Tier 1 Capital Ratio</li> </ul>	<p><b>Social Policies</b></p> <hr/> <p><b>Education</b></p> <ul style="list-style-type: none"> <li>· Education Policy</li> <li>· Upper Secondary Attainment</li> <li>· Tertiary Attainment</li> <li>· PISA Results</li> <li>· PISA, Socioeconomic Background</li> <li>· Pre-primary Expenditure</li> </ul> <p><b>Social Inclusion</b></p> <ul style="list-style-type: none"> <li>· Social Inclusion Policy</li> <li>· Poverty Rate</li> <li>· NEET Rates</li> <li>· Gini Coefficient</li> <li>· Gender Equality in Parliaments</li> <li>· Life Satisfaction</li> </ul> <p><b>Health</b></p> <ul style="list-style-type: none"> <li>· Health Policy</li> <li>· Spending on Health Programs</li> <li>· Life Expectancy</li> <li>· Infant Mortality</li> <li>· Perceived Health Status</li> </ul> <p><b>Families</b></p> <ul style="list-style-type: none"> <li>· Family Policy</li> <li>· Child Care Density, Age 0-2</li> <li>· Child Care Density, Age 3-5</li> <li>· Fertility Rate</li> <li>· Child Poverty</li> </ul> <p><b>Pensions</b></p> <ul style="list-style-type: none"> <li>· Pension Policy</li> <li>· Older Employment</li> <li>· Old Age Dependency Ratio</li> <li>· Senior Citizen Poverty</li> </ul> <p><b>Integration</b></p> <ul style="list-style-type: none"> <li>· Integration Policy</li> <li>· FB-N Upper Secondary Attainment</li> <li>· FB-N Tertiary Attainment</li> <li>· FB-N Unemployment</li> <li>· FB-N Employment</li> <li>· (FB-N = Foreign-Born to Native)</li> </ul> <p><b>Safe Living</b></p> <ul style="list-style-type: none"> <li>· Safe Living Conditions</li> <li>· Homicides</li> <li>· Assaults and Muggings</li> <li>· Confidence in Police</li> </ul> <p><b>Global Inequalities</b></p> <ul style="list-style-type: none"> <li>· Global Social Policy</li> <li>· ODA Rate</li> </ul>	<p><b>Environmental Policies</b></p> <hr/> <p><b>Environment</b></p> <ul style="list-style-type: none"> <li>· Environmental Policy</li> <li>· Energy Productivity</li> <li>· Greenhouse Gas Emissions</li> <li>· Particulate Matter</li> <li>· Water Usage</li> <li>· Waste Generation</li> <li>· Material Recycling</li> <li>· Biodiversity Protection</li> <li>· Renewable Energy</li> </ul> <p><b>Global Environmental Protection</b></p> <ul style="list-style-type: none"> <li>· Global Environmental Policy</li> <li>· Multilateral Environmental Agreements</li> <li>· Kyoto Participation and Achievements</li> </ul>
<p><b>Category</b></p> <hr/> <p><b>Criterion</b></p> <ul style="list-style-type: none"> <li>· Indicator</li> <li>· Indicator</li> <li>· Indicator</li> </ul>	<p><b>Quality of Democracy</b></p> <hr/> <p><b>Electoral Processes</b></p> <ul style="list-style-type: none"> <li>· Candidacy Procedures</li> <li>· Media Access</li> <li>· Voting and Registration Rights</li> <li>· Party Financing</li> <li>· Popular Decision-Making</li> </ul> <p><b>Access to Information</b></p> <ul style="list-style-type: none"> <li>· Media Freedom</li> <li>· Media Pluralism</li> <li>· Access to Government Information</li> </ul> <p><b>Civil Rights and Political Liberties</b></p> <ul style="list-style-type: none"> <li>· Civil Rights</li> <li>· Political Liberties</li> <li>· Non-discrimination</li> </ul> <p><b>Rule of Law</b></p> <ul style="list-style-type: none"> <li>· Legal Certainty</li> <li>· Judicial Review</li> <li>· Appointment of Justices</li> <li>· Corruption Prevention</li> </ul>	<p><b>Executive Capacity</b></p> <hr/> <p><b>Strategic Capacity</b></p> <ul style="list-style-type: none"> <li>· Strategic Planning</li> <li>· Scholarly Advice</li> </ul> <p><b>Interministerial Coordination</b></p> <ul style="list-style-type: none"> <li>· GO Expertise</li> <li>· GO Gatekeeping</li> <li>· Line Ministries</li> <li>· Cabinet Committees</li> <li>· Ministerial Bureaucracy</li> <li>· Informal Coordination</li> </ul> <p><b>Evidence-based Instruments</b></p> <ul style="list-style-type: none"> <li>· RIA Application</li> <li>· Quality of RIA Process</li> <li>· Sustainability Check</li> </ul> <p><b>Societal Consultation</b></p> <ul style="list-style-type: none"> <li>· Negotiating Public Support</li> </ul> <p><b>Policy Communication</b></p> <ul style="list-style-type: none"> <li>· Coherent Communication</li> </ul> <p><b>Implementation</b></p> <ul style="list-style-type: none"> <li>· Government Efficiency</li> <li>· Ministerial Compliance</li> <li>· Monitoring Ministries</li> <li>· Monitoring Agencies/ Bureaucracies</li> <li>· Task Funding</li> <li>· Constitutional Discretion</li> <li>· National Standards</li> </ul> <p><b>Adaptability</b></p> <ul style="list-style-type: none"> <li>· Domestic Adaptability</li> <li>· International Coordination</li> </ul> <p><b>Organizational Reform</b></p> <ul style="list-style-type: none"> <li>· Self-monitoring</li> <li>· Institutional Reform</li> </ul>	<p><b>Executive Accountability</b></p> <hr/> <p><b>Citizens' Participatory Competence</b></p> <ul style="list-style-type: none"> <li>· Policy Knowledge</li> <li>· Voicing Opinion to Officials</li> <li>· Voter Turnout</li> </ul> <p><b>Legislative Actors' Resources</b></p> <ul style="list-style-type: none"> <li>· Parliamentary Resources</li> <li>· Obtaining Documents</li> <li>· Summoning Ministers</li> <li>· Summoning Experts</li> <li>· Task Area Congruence</li> <li>· Audit Office</li> <li>· Ombuds Office</li> </ul> <p><b>Media</b></p> <ul style="list-style-type: none"> <li>· Media Reporting</li> <li>· Newspaper Circulation</li> <li>· Quality Newspapers</li> </ul> <p><b>Parties and Interest Associations</b></p> <ul style="list-style-type: none"> <li>· Intra-party Democracy</li> <li>· Association Competence (Business)</li> <li>· Association Competence (Others)</li> </ul>







*Die SGI-Webseite*

Alle Ergebnisse und  
Daten auf einen Blick

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## Die SGI-Webseite

# Alle Ergebnisse und Daten auf einen Blick



Die SGI-Webseite bietet einen interaktiven Zugriff auf sämtliche Ergebnisse für 41 Länder. Von der obersten Indexstufe bis hinunter auf die Ebene der einzelnen Indikatoren lassen sich die Daten entlang verschiedener Vergleichsdimensionen analysieren.

The screenshot displays the SGI website's main navigation and content areas. At the top left, the SGI logo is accompanied by the text 'Sustainable Governance Indicators'. To its right are three colored circles representing the main categories: Policy Performance (red), Democracy (yellow), and Governance (blue). Further right are links for 'Countries', 'Time Series', and 'Downloads'. In the top right corner, there are links for 'About the SGI Survey Structure', 'SGI 2018 Overview', 'Join us on Facebook', and 'Share this page', along with the 'BertelsmannStiftung' logo.

The main content area is divided into several sections:

- SGI 2018 Survey:** A dropdown menu is set to 'Policy Performance'. A 'Take the tour' button is visible.
- Policy Performance:** A sub-menu is open, showing 'Economic Policies', 'Social Policies', and 'Environmental Policies'.
- Democracy:** A sub-menu is open, showing 'Quality of Democracy'.
- Governance:** A sub-menu is open, showing 'Executive Capacity' and 'Executive Accountability'. Below this, a video player is shown with the title 'Are non-governmental actors involved in policy-making?' and a list of examined actors: 'Citizens' Participatory Competence', 'Legislative Actors' Resources', 'Media', and 'Parties and Interest Associations'.
- SGI News:** A news article titled 'Swedish General Elections: Forging New Alliances under Duress' is featured, dated 7.9.2018. It includes a play button for a video.
- SGI Studies:** A study titled 'UN SDGs: Sustainable Development Goals: Are the rich countries ready?' is featured, dated 7.9.2018. It includes a play button for a video.

Three blue circles with numbers 1, 2, and 3 are overlaid on the interface to highlight specific features: circle 1 points to the 'SGI 2018 Survey' dropdown, circle 2 points to the 'Policy Performance' sub-menu, and circle 3 points to the 'SGI News' section.

**1 Einfaches Navigieren**

Direkter Zugriff auf alle Länderdaten, Downloads und Vergleichsdimensionen.

**2 3 Säulen, 6 Dimensionen**

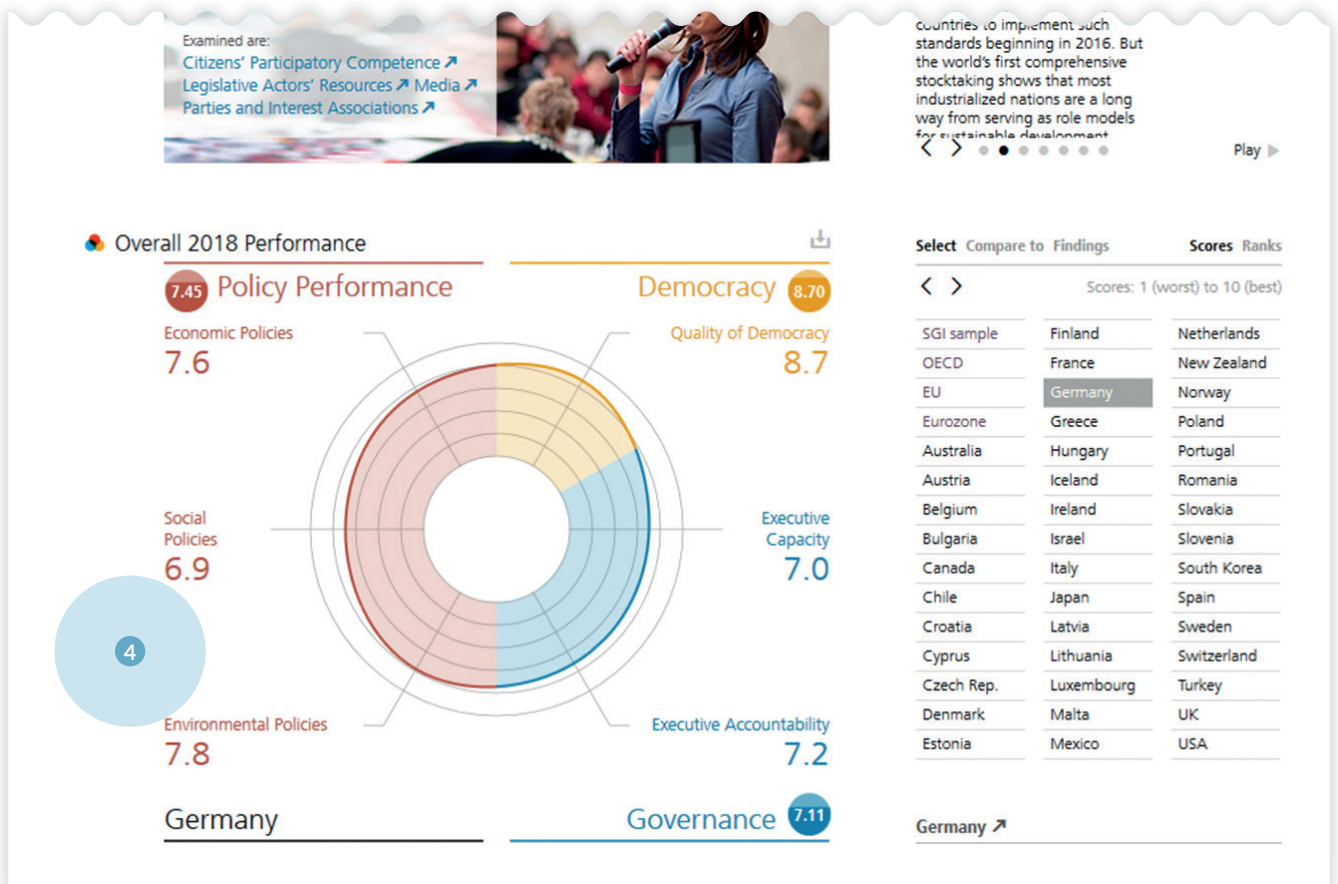
Zugriff von der obersten Indexebene bis hinunter auf jeden einzelnen Indikator.


**3 News und Studies**

Laufende aktualisierte Berichterstattung und Sonderstudien auf Grundlage der Daten zu allen 41 Ländern.

**4 Interaktive Diagramme**

Vielfältige Visualisierungsoptionen für systematischen Stärken- und Schwächenvergleich.





**Sustainable Governance Indicators**

● Policy Performance  
● Democracy  
● Governance

[Countries](#)  
[Time Series](#)  
[Downloads](#)

[About the SGI](#)  
[Survey Structure](#)

**SGI News**  
Ahead of G7 Summit: Will Trudeau sidestep the many potential pitfalls?

**SGI Studies**  
SGI 2014: Sustainable Governance in the OECD and EU - How Does Germany Compare? (DE)

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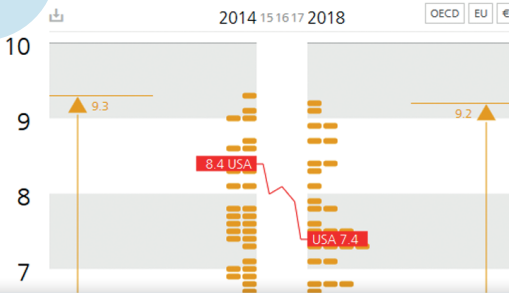
## Time Series < >

5

Economic Policies  
 Social Policies  
 Environmental Policies

Quality of Democracy  
 Executive Capacity  
 Executive Accountability

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### Quality of Democracy

**Basics** ^

Quality of Democracy scores for the SGI 2014 and the SGI 2018 are shown. Linking lines chart countries' development over time.

**Results** v


**Significant Changes** ^

- 2 countries show a significant score improvement from 2014 to 2018.
- 2 showing improvement  $\geq 0.5$ 
  - ▲ South Korea 0.6
  - ▲ Italy 0.5
- 7 countries show a significant score decline from 2014 to 2018.
- 5 showing decline  $\geq 1.0$ 
  - ▼ Poland -3.1
  - ▼ Turkey -1.7
  - ▼ Hungary -1.5
  - ▼ Mexico -1.2
  - ▼ USA -1
- 2 showing decline  $\geq 0.5$ 
  - ▼ Iceland -0.8
  - ▼ Israel -0.5

**Comparison Selection** ^

- Quality of Democracy
- Electoral Processes
- Candidacy Procedures
- Media Access
- Voting and Registration Rights
- Party Financing
- Popular Decision-Making
- Access to Information
- Media Freedom
- Media Pluralism
- Access to Government Information
- Civil Rights and Political Liberties
- Civil Rights
- Political Liberties
- Non-discrimination

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**Sustainable Governance Indicators**

● Policy Performance  
● Democracy  
● Governance

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[Survey Structure](#)

**SGI News**  
Romania: Cleaning Up Needs Stamina

**SGI Studies**  
Social Justice: Social Justice in the OECD – How Do the Member States Compare?

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## Canada < >

6

Key Findings  
 Executive Summary  
 Key Challenges

Economic Policies  
 Social Policies  
 Environmental Policies

Quality of Democracy  
 Executive Capacity  
 Executive Accountability

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### 6.9 Economic Policies #7

**Key Findings**


Despite failures to increase productivity over time, Canada's market-oriented policy regime receives high rankings in international comparison (rank 7).

Labor-market regulation is light, though labor-market support policies have had little clear effect on employment rates, particularly among aboriginals. Mobility is high and the labor market is flexible overall.

Despite income-tax progressivity, inequality has risen in recent decades. Corporate tax rates have fallen. Budget deficits and public debt are moderate, though rising health care costs prompt future fiscal concerns. Academic research is vigorous, but has not translated effectively into business activity.

Graph View
List View
Experts

Canada vs. < >



### 7.6 Economy #2

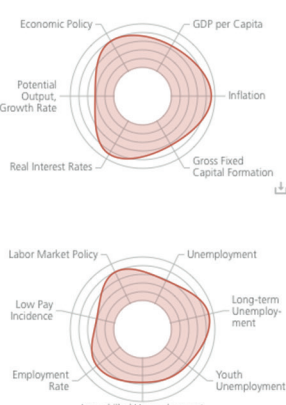
**Economic Policy** 8

**How successful has economic policy been in providing a reliable economic framework and in fostering international competitiveness?**

- 10 Economic policy fully succeeds in providing a coherent set-up of different institutional spheres and regimes, thus stabilizing the economic environment. It largely contributes to the objectives of fostering a country's competitive capabilities and attractiveness as an economic location.
- 9
- 8 ● Economic policy largely provides a reliable economic environment and supports the objectives of fostering a country's competitive capabilities and attractiveness as an economic location.
- 7
- 6

**Labor Market Policy** 8

- 5 Economic policy somewhat contributes to providing a reliable economic environment and helps to a certain degree in fostering a country's competitive capabilities and attractiveness as an economic location.
- 4
- 3
- 2 Economic policy mainly acts in discretionary ways essentially destabilizing the economic environment. There is little coordination in the set-up of economic policy institutions. Economic policy generally fails in fostering a country's competitive capabilities and attractiveness as an economic location.
- 1



**5** Zeitreihenanalyse

Direkte Vergleichsmöglichkeiten zwischen SGI 2014, 2015, 2016, 2017 und 2018.

**6** Länderanalyse

Vielfältige Möglichkeiten zur detaillierten Länderanalyse.

**7** Politikfelder im Vergleich

Neben der Länderanalyse sind auch Politikfeldvergleiche zwischen allen untersuchten Staaten möglich.

**8** Variable Gewichtung

Erstmalig ist die Gewichtung einzelner Bereiche individuell einstellbar.

The screenshot displays the SGI website's 'Economic Policies' section. At the top, there are navigation links for 'Policy Performance', 'Democracy', and 'Governance', along with 'Countries', 'Time Series', and 'Downloads'. A 'My Ranking' tool is overlaid on the right, featuring sliders for 'Economy', 'Labor Markets', 'Taxes', 'Budgets', 'Research and Innovation', and 'Global Financial System'. Below the tool is a 'Key Findings' gauge chart. The main content area shows a table titled 'Do economic policies address sustainability challenges?' with columns for 'Rank', 'Country', 'Economy', 'Labor Markets', 'Taxes', 'Budgets', 'R&I', and 'GFS'. The table lists 35 countries with their respective scores and rankings.

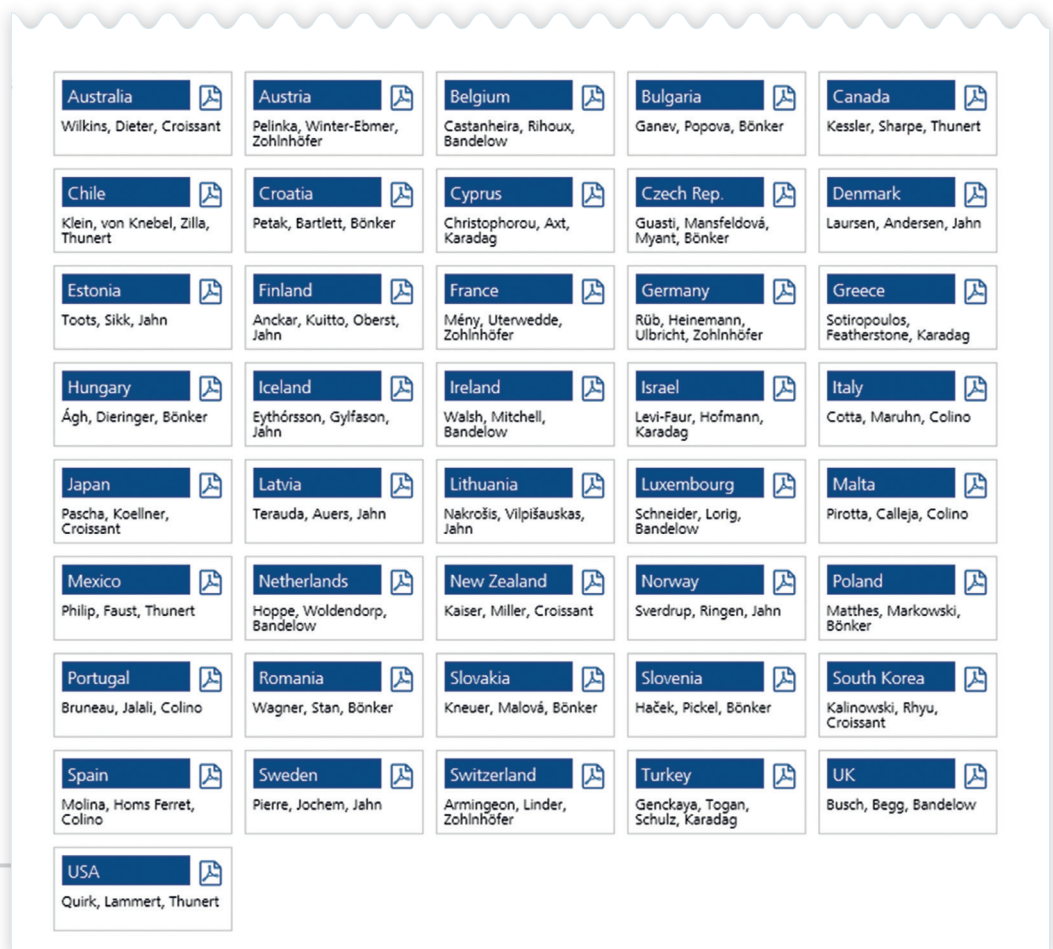
Rank	Country	Economy	Labor Markets	Taxes	Budgets	R&I	GFS
+1	Finland	NOR	NOR	FIN	NOR	FIN	FIN
+1	Sweden	CAN	CHE	CHE	EST	SWE	CAN
-1	Switzerland	DNK	DEU	NOR	SWE	ISR	EST
+1	Germany	SWE	AUS	SWE	CHE	CHE	DEU
+4	Norway	CHE	ISL	DNK	CHL	KOR	CHE
-1	Denmark	EST	NLD	NLD	TUR	USA	SWE
7	Canada	FIN	JPN	LTU	BGR	DEU	DNK
7	Estonia	DEU	DNK	LUX	FIN	ISL	BEL
-2	Netherlands	LUX	AUT	NZL	KOR	JPN	NOR
-2	South Korea	NLD	CAN	ISL	LVA	DNK	LUX
+11	Israel	LVA	MLT	LVA	NZL	NLD	FRA
-4	Luxembourg	AUT	KOR	DEU	DNK	GBR	TUR
+13	Belgium	KOR	LUX	EST	DEU	FRA	USA
14	Austria	USA	SWE	IRL	LUX	CAN	MEX
-2	Iceland	CHL	FIN	MLT	MEX	EST	AUT
+4	UK	ISR	BEL	SVK	LTU	AUT	ISR
-17	Australia	POL	NZL	CAN	ISL	BEL	GBR
-2	New Zealand	BEL	GBR	AUS	AUT	LUX	AUS
+3	USA	LTU	CHL	BEL	AUS	NZL	JPN
+3	Japan	MLT	ISR	BGR	CAN	NOR	NLD
+21	France	GBR	MEX	CYP	BEL	AUS	SVK
-3	Lithuania	ISL	TUR	KOR	SVK	LTU	CHL
-4	Chile	AUS	USA	CZE	ISR	IRL	POL
-1	Turkey	NZL	CZE	GBR	NLD	SVN	KOR
+1	Poland	BGR	FRA	AUT	CZE	CZE	LTU
-5	Latvia	MEX	LVA	CHL	HRV	POL	NZL
+1	Mexico	SVK	POL	POL	POL	PRT	ESP
+1	Czech Rep.	CZE	EST	ISR	ITA	HUN	HRV
-1	Malta	FRA	SVN	SVN	HUN	ITA	CZE
-2	Slovakia	JPN	HRV	GBR	SVK	LVA	LVA
-2	Bulgaria	ROU	ROU	FRA	MLT	ESP	MLT
31	Bulgaria	IRL	LTU	ITA	ROU	MLT	ITA
+1	Ireland	TUR	ITA	ROU	FRA	TUR	ISL
-1	Romania	ITA	HUN	ESP	SVN	CYP	ROU
34	Slovenia	ESP	PRT	JPN	GRC	CHL	BGR
+3	Spain	PRT	SVK	HUN	ESP	HRV	PRT
-1	Costa Rica	HRV	MLT	MEX	EST	CYP	ISL



## Länder- und Indikatorenbeispiele

# Einblick in die qualitativen Analysen unserer Länderexperten

Die SGI-Website bietet zahlreiche Möglichkeiten, in die qualitativen Analysen unserer Länderexperten einzutauchen und Länder miteinander zu vergleichen. So können Sie sehen, welche Daten und Texte hinter den Rankings stehen. Zu jedem Indikator und Land haben wir auf der Website die Texte unserer Ländergutachter hinterlegt. Auf den folgenden Seiten stellen wir Ihnen anhand verschiedener Dimensionen, Indikatoren und Länder beispielhaft einen Auszug aus den Texten dar. Insgesamt stehen 41 Länderberichte zum Download frei zur Verfügung.

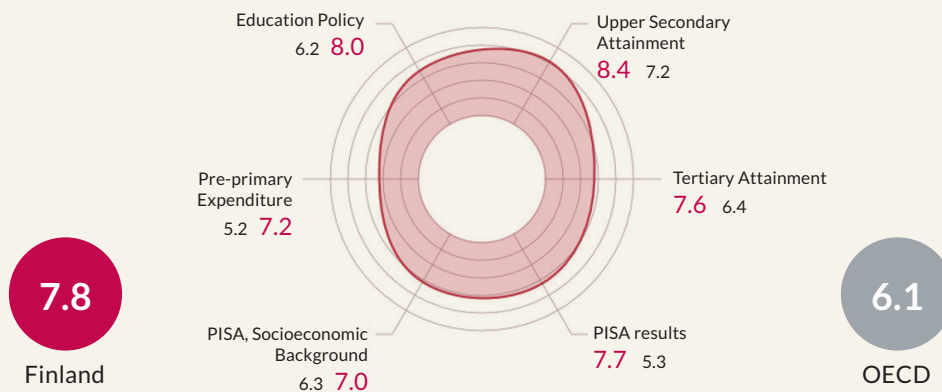


41 Länderberichte auf [www.sgi-network.org](http://www.sgi-network.org)



## Policy Performance

FIGURE: Does education policy deliver high-quality, equitable education and training?



www.sgi-network.org

### FINLAND – Policy Performance, Social Policies Rank 4

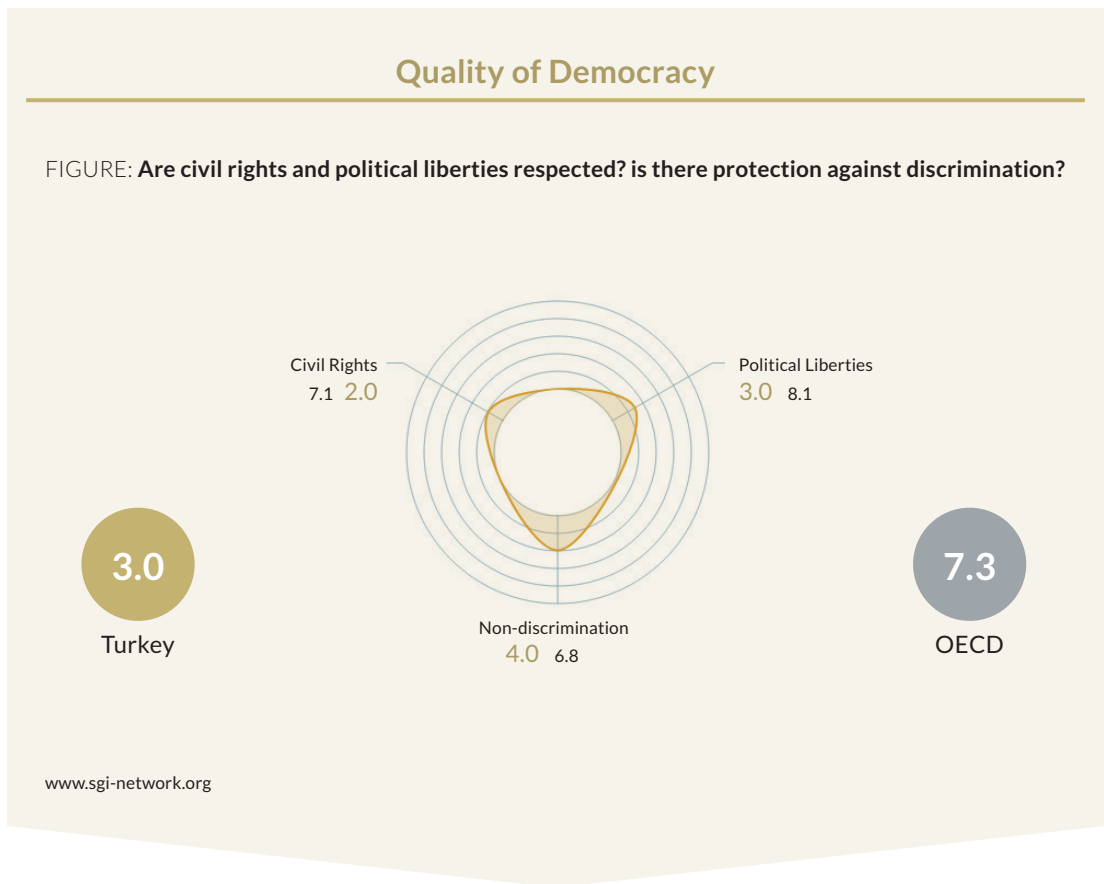
#### Indikator: Education Policy

The Education and Research Development Plan, revised every four years by the government, directs the implementation of education- and research-policy goals as stated in the government program. Since 2011, the plan has focused on the alleviation of poverty, inequality and exclusion. While Finland's expenditure on educational institutions as a percentage of GDP was above the OECD average some years ago, heavy cuts by the government in the education sector have now weakened the financial conditions for designing and pursuing education policy. In 2016, new curricula for compulsory basic education was introduced, designed to increase equality in compulsory education, enhance pupil participation in goal-setting and evaluation, and integrate more technology in teaching. While the curricula reflect more thoroughly the growing needs of a knowledge society, it has been criticized for the short period of transition

involved with implementing it and the lack of resources and training for teachers. Additionally, partial restrictions on the right to day care for children whose parents are not participating in the labor market undermine equal access to early education, especially in socially vulnerable families.

#### Auszug aus den Länderberichten von:

- Prof. Dr. Dag Anckar
- Dr. Kati Kuitto, Christoph Oberst
- Prof. Dr. Detlef Jahn (Regionalkoordinator)



#### TURKEY - Democracy Rank 41

##### Indikator: Civil Rights and Political Liberties

In the aftermath of 15 July coup attempt, even more serious violations of civil rights have occurred. Although the government claims it conducts the rules of emergency government with utmost care, these practices are based on the decrees having the force of law and are not subject to judicial review thereof. In addition to mass arrests of alleged coup plotters and sympathizers, confiscations of their properties and sentences against journalists and opposition politicians, renewed violence in the South-east, widespread restrictions on freedom of expression, association and assembly, deteriorated judiciary, violence against women and impaired relations with the international key actors demonstrate the institutionalized neglect of civil rights in Turkey.

Political influence and pressure on the judiciary as well as allegations of conspiring with Gülen-

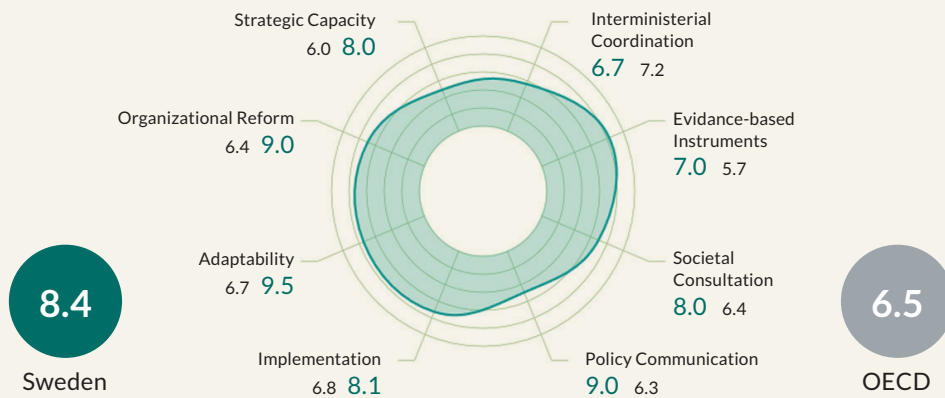
ist organizations weaken the independence of the judiciary as the sole guarantee for civil and political rights and liberties. The Justice Minister's right of veto, as ex officio President of the High Council of Judges and Prosecutors (HSYK), continued to be a source of major concern.

##### Auszug aus den Länderberichten von:

- Prof. Dr. Ömer Faruk Genckaya
- Prof. Dr. Subidey Togan
- Dr. Ludwig Schulz
- Dr. Roy Karadag (Regionalkoordinator)

## Governance

FIGURE: Does the government have strong steering capabilities?



www.sgi-network.org

### SWEDEN – Governance Rank 2

#### Indikator: Strategic Capacity/Strategic Planning

The strategic capacity of government has been enhanced over the past few years. Much of that capacity is found in the Department of Finance where most of the long-term planning takes place. The main role of the Prime Minister's Office is not so much long-term planning but more coordination within government.

A case in the point is the so-called "future commission" which presented its final report in early 2013. In the final report, the commission assesses the economic and social changes that are likely to shape the Swedish society in the longer term. Exactly how the commission's findings will flow into the policy process is yet to be seen. The commission is not an institutionalized feature of the normal policy process, but was a group of experts the government appointed to look into the long-term issues.

The creation of the commission does signal the government is thinking in the longer term, and there have since been other commissions appointed to take a similar long view on various issues on the policy agenda.

#### Auszug aus den Länderberichten von:

- Prof. Dr. Jon Pierre
- Prof. Dr. Sven Jochem
- Prof. Dr. Detlef Jahn (Regionalkoordinator)



*Sustainable Governance Indicators*

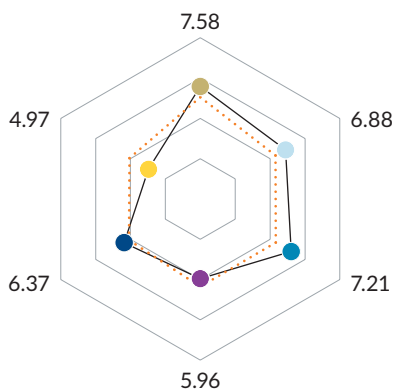
Länderprofile  
SGI 2018

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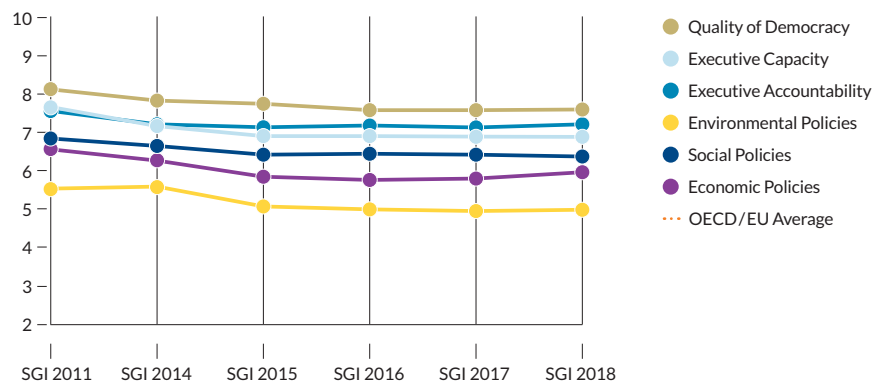
## Country profile SGI 2018

# Australia

Overall 2018 Performance



Development over time



Source: Sustainable Governance Indicators.

BertelsmannStiftung

### Executive Summary

Despite its comfortable victory in the September 2013 federal election, the center-right government of Prime Minister Tony Abbott soon found itself deeply unpopular with the electorate, particularly after the May 2014 budget was defeated in parliament. Discontent with Prime Minister Tony Abbott's leadership within the Liberal Party led to his replacement by Malcolm Turnbull in September 2015. However, Turnbull's popularity quickly evaporated and he secured only a narrow victory in the July 2016 federal election. Indeed, Turnbull's gamble on a "double-dissolution" election (whereby all 76 senate seats were contested, rather than 40) backfired and the senate has proven more intransigent since the election.

Since the end of the mining boom in 2012, Australia's economic circumstances have fundamentally altered and living standards have remained stagnant. Difficult fiscal-policy decisions will be necessary over the coming years, but there appears to be little hope of the gov-

ernment securing the passage of major reforms through the senate, as the balance of power in the senate is held by several minor parties and independents. That said, after an initial period of policy paralysis, in the current review period, the Turnbull government has begun to have some success in passing legislation to achieve reform. To a significant extent, this reflects the government adopting a more moderate or balanced agenda, which has been more acceptable to independents and minor parties.

Under Turnbull's leadership, the government has recognized the need to develop new growth industries. The prime minister has particularly emphasized the need for Australia to be "innovative and agile," although he has not laid out a plan for fostering innovation and agility. One factor supporting the economy is the relative weakness of the Australian dollar, which improves the competitive position for tourism and education services in particular.

Policy performance has improved very slightly over the review period. Slight progress



has been made in balancing the government budget, and policies to improve the funding and quality of health and education were implemented as part of the 2017 budget. Economic and social outcomes continue to be relatively good in absolute terms, and sustainable policy performance compares reasonably favorably with many other developed countries. In particular, the fiscal position continues to be considerably stronger than in many other OECD countries. That said, GDP growth has remained tepid, the labor market has remained relatively weak, and real wages and household incomes remain stagnant.

There is considerable scope for improvement in governance. The coalition government has cut public-sector employment, reduced funding for several government agencies, and partially reneged on the health and education funding agreements reached with the state and territorial governments prior to the 2013 election. This situation improved only slightly during the review period. Persistent problems therefore remain, such as vertical fiscal imbalances between the federal, state and territory governments; the absence of legally protected human rights; the politicization of the public sector; and the degree of concentration in media ownership.

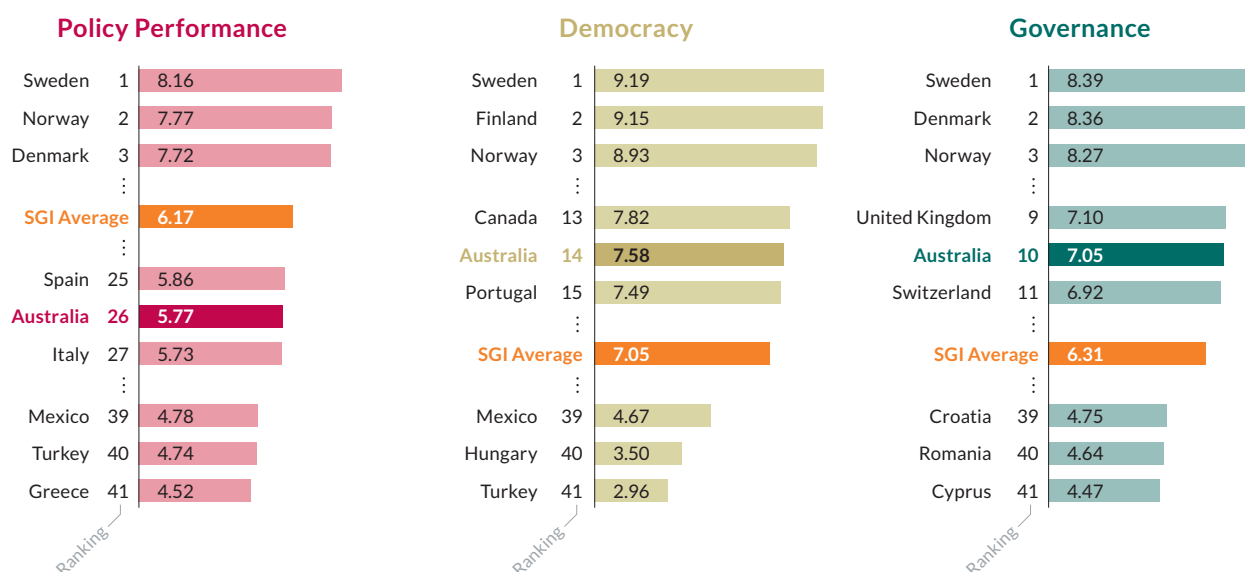
Prime Minister Turnbull has demonstrated an appreciation of the problems currently faced by the country, along with a willingness to negoti-

ate and compromise with other parties to achieve policy reforms. Unfortunately, he has so far been unable to translate this into substantive change.

### Key Challenges

Australia faces a number of major strategic challenges over the coming years. The most pressing are the lack of investment in physical infrastructure, and the continued dependence of the economy on primary product exports and an inflated real estate sector. In addition, the tax system requires reform. While it is unclear how Australia could reduce its dependence on primary product exports and unwind the bubble in real estate prices without a crash, the tax system could be fixed more easily. The OECD has suggested raising the tax on goods and services tax, and introducing a land tax. The land tax would distribute the benefits from substantial foreign investment in real estate more evenly. Fiscal policy is heavily exposed to external risk and, in the medium term, Australia should establish a stabilization fund, as other resource-rich economies like Norway, have done.

Meanwhile, significant public investment is required to bring Australia's physical infrastructure to a level comparable to other advanced economies. The price for Australia's low level of



Source: Sustainable Governance Indicators.

| BertelsmannStiftung

public debt has been underinvestment in roads, ports and railroads. Yet, the “structural fiscal deficit” impedes large spending programs on infrastructure. The coalition government has attempted to address some of the shortfalls in infrastructure investment, but has primarily focused on roads. It is unclear to what extent real increases in investment will materialize. Furthermore, the government has scaled back Labor’s National Broadband Network infrastructure project, essentially replacing the “fiber to the home” model with an inferior, cheaper hybrid fiber–copper network model.

In international relations, Australia is facing a rapidly deteriorating situation. Its biggest customer, China, is intervening in Australia’s domestic policymaking and becoming a much more aggressive player in the Indo–Pacific region. The Australian government is aware of the challenges, but may have to choose between political preferences and commercial interests. The choice will not be simple given the vulnerabilities of the Australian economy.

Other strategic challenges are more perennial. Closely related to the structural deficit has been managing the implications of an aging population. Existing policies have better prepared Australia for this demographic shift compared to most other developed countries. However, the inefficiencies inherent in the federal system of government have proven more problematic. Notable problems include the division between federal and state responsibilities, and a vertical fiscal imbalance. The need to secure agreement with the states on most major issues of shared concern has proven difficult for recent federal governments, particularly in the policy areas of water, health, education and transport infrastructure. The autonomy of states and their accountability should be strengthened, while the conditionality of grants from the federal budget should be reduced.

The federal Labor government was at least as proactive in addressing this issue as any past government but found progress difficult. “Cooperative federalism” was supposed to overcome entrenched, parochial interests, but has proven inadequate in facilitating reform on contentious issues. Policies designed, for example, to increase the efficiency of water use or ensure a fairer allocation of water rights have eluded

successive governments, and the issue of water security remains a prominent and immediate issue. Australia’s failure to address the water issue reflects structural problems in the federal system.

The tax system also remains complex and inefficient. The 2010 Henry Tax Review produced 138 recommendations for improvements. However, the previous Labor government only adopted a few recommendations. Similarly, the Liberal–National coalition government has shown little inclination to radically reform the system. Other long–standing deficiencies that should be priorities for reform include diversification of media ownership; improving regulatory impact assessments by expanding their scope and application; increasing public consultation and transparency, and conducting consultation prior to policy decisions; and introducing a bill of human rights.

In the past, Australia has addressed environmental challenges haphazardly. Considering Australia’s climate, there is much room for the development of sustainable policies on energy and the environment. Transport could be made greener, for instance, by financing improvements to inadequate public transport systems through an increase in excise duties on fuel.

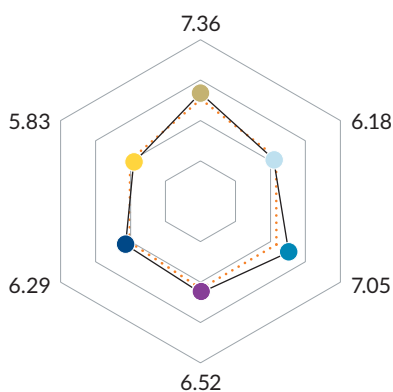
Finally, the situation of indigenous Australians continues to be the most serious social failure of the Australian political system. Over recent decades, numerous policy initiatives have attempted to address the appalling outcomes experienced by indigenous people, but there is little evidence that substantive progress has been made. Remedying this must remain a priority over the coming years.

- Roger Wilkins
- Heribert Dieter
- Aurel Croissant

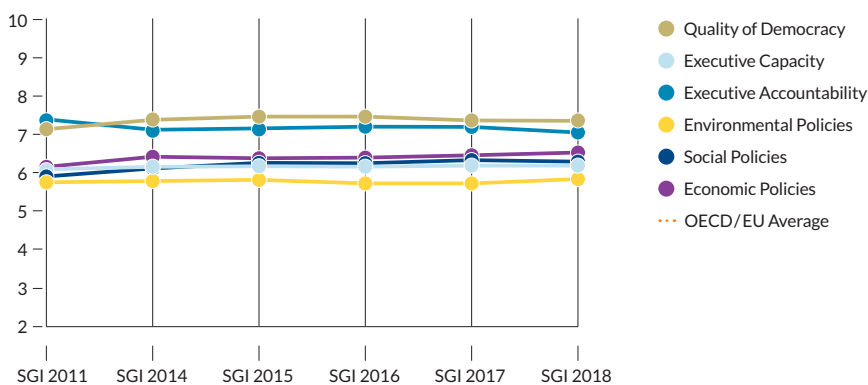
## Country profile SGI 2018

## Austria

Overall 2018 Performance



Development over time



Source: Sustainable Governance Indicators.

| BertelsmannStiftung

## Executive Summary

Incorporating a broad swath of interests into the policymaking process has traditionally been a strong point of the Austrian political system. However, this has started to change for two reasons, one more general and one more specific. As a result of Austria's de iure integration into the European Union (and especially into the European Single Market) and Austria's de facto integration into an ever more globalized economic system, the ability of Austrian governments to integrate and control social and economic trends is declining. Furthermore, the formation of a new coalition government, which includes a party that is widely seen as a prototype of right-wing populism (the FPÖ), introduces an additional factor. It remains to be seen to what extent the conservative Austrian People's Party (ÖVP) will succeed in controlling the government's right-wing populist elements and the wider risk populism poses to the Austrian political system.

Membership rates in political parties are now lower than ever. At the same time, electoral volatility has increased as voting behavior grows increasingly less predictable, with the success of several new parties demonstrating the system's adaptability. There has been widespread debate in recent years over instruments of direct democracy, such as popular initiatives, which could enhance the role of citizens in the policymaking process. However, greater direct democracy would make politics less predictable. The new government has included the introduction of such instruments in its agenda, but without clearly defining the instruments.

As a consequence of globalization and migration, social-partnership networks have lost some significance. Labor unions are playing less of a role in the economy, while globalization has meant the loss of traditional industries. As the Austrian economy is less and less an island led and controlled by Austrian institutions – from the government to the

neocorporatist social partnership – the situation is indubitably changing. The new government also aims to reduce the role and importance of the so-called social partners in the Austrian political landscape. A growing number of young people, in particular those without higher education, are finding it increasingly difficult to access the labor market, while migrants often feel isolated and unable to improve their position within society.

Austria also features contradictory tensions with regard to interest accommodation and societal participation. Austrian political parties have proved reluctant to criticize the xenophobic attitudes articulated by some influential print-media publications – and some parties (especially the FPÖ) are instrumentalizing xenophobic attitudes. Fears of losing votes have trumped concerns regarding participation, which has left Austria without an effective integration policy.

Austrian society and its political system are changing. Long considered to have one of the most stable party systems in Europe, Austria is increasingly subject to political polarization and voter volatility. Policymakers have yet to respond credibly to these developments, which underscores that the risks posed by growing instability are not being taken seriously.

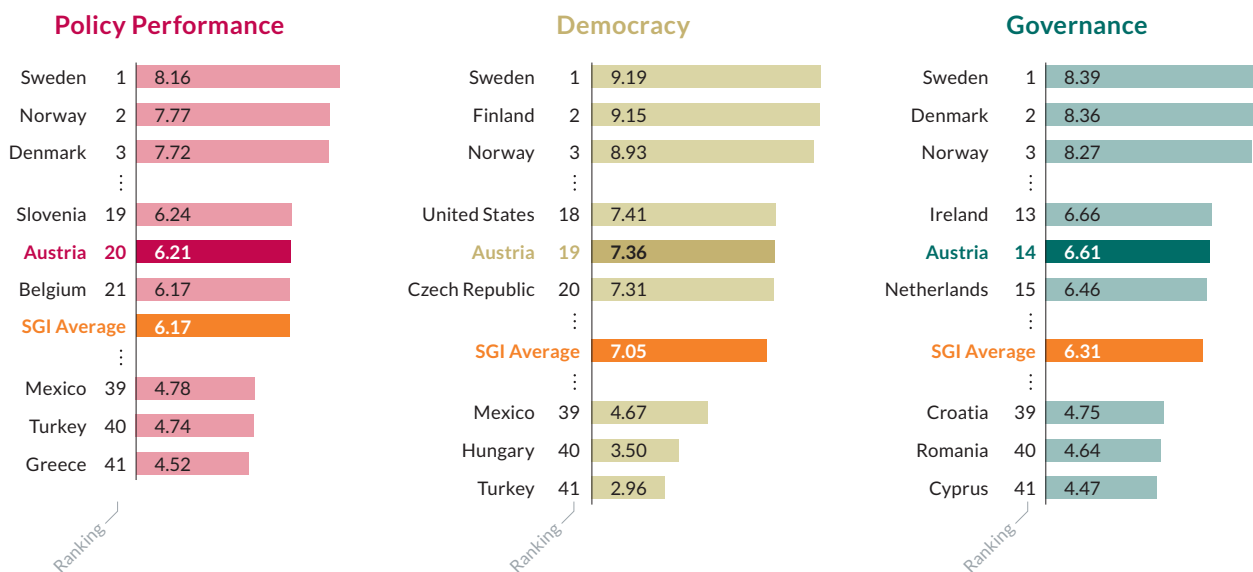
### Key Challenges

If the Austrian government’s overall performance is to improve, the government must examine and debate specific institutional and policy features more thoroughly.

From an institutional perspective, strengthening the authority of the central executive could significantly improve government efficiency. Within Austria’s parliamentary system, this would involve the Federal Chancellery, not the Office of the Federal President. It could also imply strengthening the party of the chancellor – a move not in the interest of any coalition partner. In either case, it would certainly require shifting power from the state (Länder) governments to the federal government.

The fragmentation of the party system since the 1980s seems to have stopped. In 2017, all three major parties won votes (ÖVP, FPÖ and SPÖ), especially the ÖVP. It remains to be seen whether such a re-alignment of the party system is an exception or marks an end to the established trend.

A specific strategic option to improve the response to new challenges would be to follow the Swiss model: legally establish a permanent coalition of all major parties with significant improvements for direct voter participation. A permanent coalition would guarantee government



Source: Sustainable Governance Indicators.

stability, while greater direct participation would provide the possibility to correct decisions made by a cartel-like government structure.

For its part, the parliament's efficiency could be improved by giving the opposition the right to better monitor government activities. With the exception of the vote of confidence (which is inherently a right of the majority), all oversight competencies can and should become minority rights. The 2014 reform, which made it possible for a minority to establish an investigative committee, was a significant improvement.

Current imbalances between the federal and state levels of government could be improved through a better separation of powers. There are two options: either allow the states to raise their own taxes or increase centralization. Allowing the states to raise their own taxes could result in decreased spending, but may also encourage unfavorable tax competition between very small jurisdictions. Meanwhile, given the small size of Austria, centralization of certain authorities (e.g., education or public health care) now seems mandatory.

A more coherent migration policy – an increasingly urgent subject given the recent mass immigration into Austria – would allow the government to better manage the challenges and benefits associated with migration, many of which are not fully acknowledged. Migration policies that define who to attract and how to facilitate their integration into Austrian society are a must. From a democratic perspective, the negative consequences of intra-European economic migration on less educated populations and more vulnerable sections of the Austrian workforce must be addressed, if those people are not to be left to populist seduction.

In terms of education, Austria's school system could benefit from coherent reform of its two-track system which determines an individual's educational and vocational trajectory at an early age. Moreover, a new university-system structure is needed to secure adequate funding for universities and students. Access to the tertiary sector for students from the middle and lower social strata should be improved, and measures such as admission examinations and student fees evaluated with regard to effects on the social composition of students.

Environmental policies must be updated and better enforced, with a particular focus on a significant reduction of CO<sub>2</sub> emitted by vehicle traffic and industry. The challenges arising from Austria's geographic position as a transit country can only be addressed by improving cargo-rail infrastructure, which implies the need for coherent modal shift policies and substantial investment in rail infrastructure. This would be best combined with policies facilitating research and production of more green technologies. Finally, public resources should be more equitably allocated between older and younger generations, especially with respect to retirement policies and the health care sector.

The European dimension of these reforms is evident in all policy areas. A migration policy is only feasible if coordinated within the European Union, while any reform of the educational system must draw on lessons provided by other, significantly more successful European education systems. Austria has to deal with the consequences of integration into the European Union, including weakened national sovereignty. It could accept integration into the European Union with all its consequences and try to advance its own national interest within the European political framework. Alternatively, it could follow the example of the so-called Visegrád countries and torpedo the common European interest. The second option not only implies slowing down European integration efforts, but excluding the country from the current construction of a "core European Union," with all the detrimental effects of such an exclusion on the Austrian economy (and society) at large.

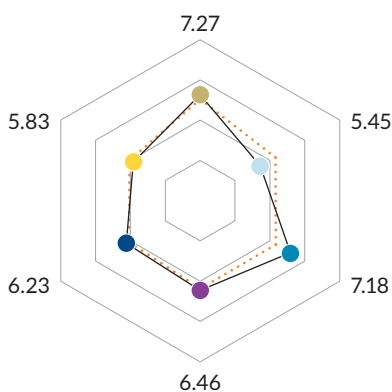
Full report available at [www.sgi-network.org](http://www.sgi-network.org)

- Anton Pelinka
- Rudolf Winter-Ebmer
- Reimut Zohlhörer

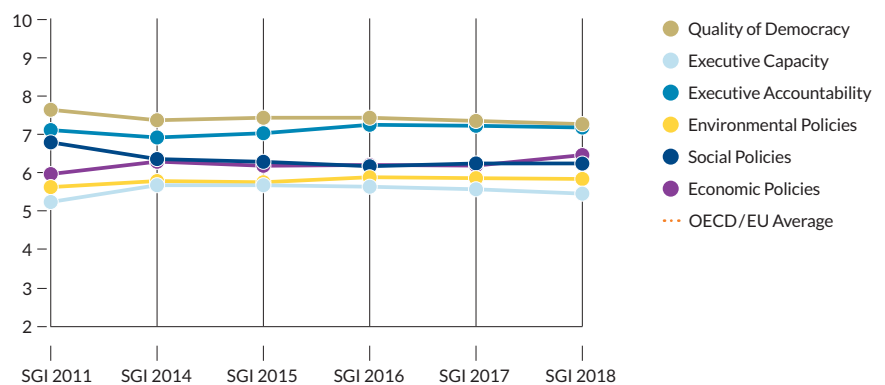
## Country profile SGI 2018

## Belgium

Overall 2018 Performance



Development over time



Source: Sustainable Governance Indicators.

| BertelsmannStiftung

## Executive Summary

Belgium, located at the heart of northwestern Europe, is a small, densely populated country of 11.4 million inhabitants. Its economy is generally healthy despite strong and enduring regional disparities. In comparative terms, Belgium has been one of the euro zone's most stable performers in recent years. At the time of writing, the country's 2017 gross domestic product (GDP) was projected to reach € 436 billion (at current prices, equivalent to \$ 492 billion). In real terms, this represents a 8.5% increase over 2008. As contrast, France and the Netherlands each registered cumulative GDP growth rates of 6.7% over the same period, while Germany's economy grew by 10.9%.

Belgium has an extremely open economy, with imports and exports totaling 170% of GDP. This renders the country very vulnerable to international trade fluctuations. This openness has also led to employment losses as a result of the country's tendency toward inflation rates higher than those of its neighbors. In part due to

a vigorous tightening of unemployment-benefit conditions imposed by the government, official unemployment rates have remained consistently below the euro area average. However, employment rates have also fallen consistently below targets, and have shown little growth.

The country boasts a well-educated population, attracts substantial foreign direct investment, maintains high-quality hospitals and R&D facilities, and hosts the seats of multiple supranational institutions (prominently including the European Union) as well as the European headquarters of numerous multinational companies. Global macroeconomic conditions affecting the country are generally favorable and should keep improving given accelerating growth across the EU. With its comprehensive road, rail, water and information-technology networks, as well as its world-class harbors, Belgium provides direct access between Europe and the rest of the world. Its openness in terms of trade and high reliance on exports forces Belgian companies to maintain competitiveness or lose their market position.



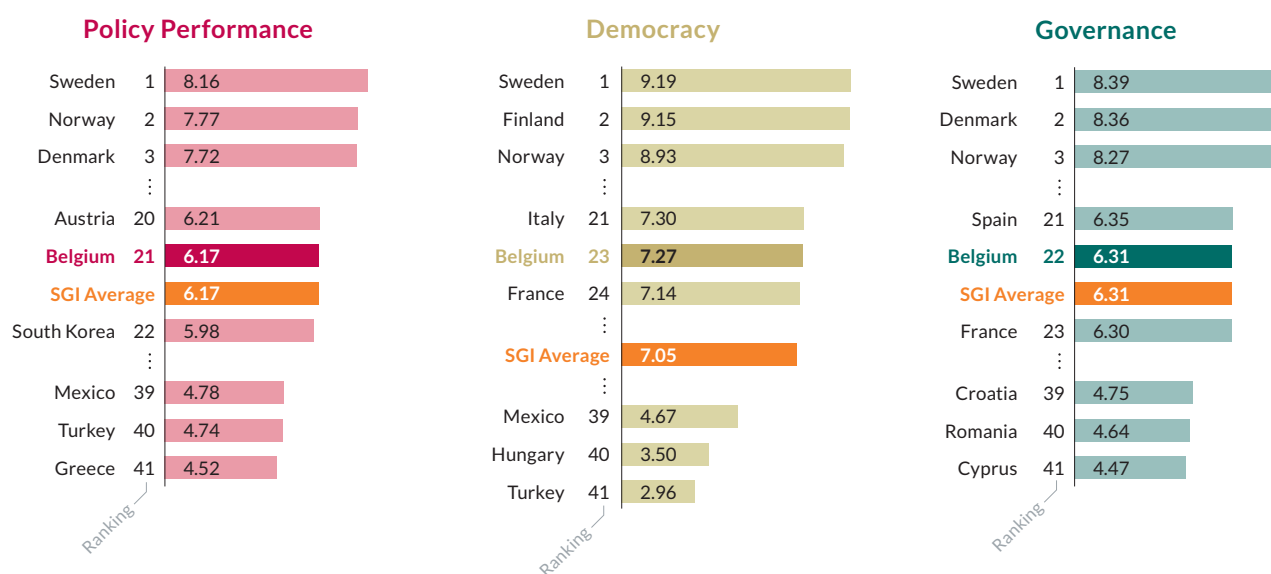
Yet despite its economic strength, Belgium has recently found it difficult to maintain its international standing. This is in part due to a succession of external shocks. Like all euro area nations, the country suffered from the global financial and economic crisis and was forced to bail out some of its banks. In combination with these economic shocks, a series of terror attacks on the country had a non-negligible impact on the economy. This reinforced the country's pre-existing public-debt problem and required significant budgetary adjustment, with the result that public investments in infrastructure and in education have declined below a healthy level, with the consequences already visible. From a structural perspective, Belgium is also home to one of the most significant separatist movements in Europe, a fact that has produced public institutions that are both complex and fragile, undermining efficiency.

Summarizing these strengths and weaknesses, the International Institute for Management Development (IMD) ranks Belgium as the 23rd most competitive economy in the world (a five-position improvement over 2014, but one place below its level a year ago), and the World Economic Forum (WEF) ranks the country 20th out of 137 (17th in 2014) in terms of global competitiveness.

The Charles Michel government, which took power in October 2014, committed to avoiding

institutional infighting, resolving to focus instead on structural and socioeconomic reforms. It has had some success in this regard. Belgium's main policy challenge is that of successfully balancing economic growth with social inclusion, both among economically weak native Belgians and within its foreign-origin population. It must accomplish this while capping government outlays, particularly with regard to social expenditures, and reinforcing the long-term sustainability of its public finances. Future public pension liabilities, which represented close to 180% of GDP in 2002 (Flawinne et al. 2013), are a critical concern here. This general financial challenge has become increasingly complex in the wake of the refugee crisis and in the context of the slow-growth environment that plagued much of Europe through early 2017.

However, a restoration of economic growth was evident last year thanks to a positive global environment, increasingly restrictive immigration policies (with some decisions testing both moral limits and the limits of the Geneva conventions, though stopping short of outright abuses). Moreover, a series of political scandals involving abuses of office by mid-level public officials (not ministers nor party leaders) triggered a fall of the subnational Walloon government, which was followed by majorities that were de facto more homogeneous across the various



Source: Sustainable Governance Indicators.

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levels of government, potentially improving government efficiency.

As noted, the federal government did manage to achieve some of its objectives. However, distinct failures were also evident, such as its botched attempt to tax capital gains, which it had to reverse after only a single year. A more significant corporate-tax reform seems on track. Planned pension reforms are progressing as well, albeit slowly. Other “structural” reforms aimed at improving labor-market competitiveness have had some limited impact. However, there has been little effort to engage in structural reform of the goods and services markets, and progress with regard to limiting corruption and abuse of office has been slow. Among its other ambitious goals, the government has set its sights on improving government efficiency, restoring the sustainability of social security and strengthening the judiciary. To date, limited progress has been made in any of these areas.

The long-term challenges for the current and for future governments will be fourfold: They must increase investment and jobs in ways that benefit all Belgian regions and socioeconomic groups; they must maintain fair intra- and intergenerational transfers; they must promote knowledge creation and innovation in the private sector without impairing access to the public goods and services necessary for social cohesion; and they must better integrate the second- and third-generation immigrants who are now Belgian citizens, both socioeconomically and culturally. These challenges will require better concertation and more fluid collaboration between the political authorities at the national (federal) and subnational levels.

### Key Challenges

Belgium’s key challenges are several. It must 1) improve its competitiveness and reinforce the sustainability of its economy (in numerous areas including public accounts, the environment, education and so on); it must 2) rationalize and stabilize its institutional arrangements; and it must 3) better integrate those on society’s margins, particularly second- and third-generation Muslim minorities.

During the Great Recession, Belgium managed to limit the damage inflicted on the country’s small- and medium-sized enterprise sector. On the whole, the country experienced only a slight recession. By 2010, real GDP had fully recovered and today sits 8.5% percentage points above its 2008 level. Clearly, Belgium’s economic situation better resembles that of Germany than that of Greece. However, it has suffered from a progressive erosion of competitiveness that the government has struggled to address effectively. It has one of the most open economies in the world, with small policy missteps thus having sizable consequences. Belgium’s (and, more generally, Europe’s) share of global exports has shown a consistent decline, as has its share of technological exports more specifically. The country has lost considerable ground in the car-manufacturing and high-tech-steel sectors, as well as in other industries. It thus needs to identify new areas capable of fostering high levels of GDP growth and aggressively transfer productive efforts toward these sectors.

To improve its economic standing, the country needs to free up resources in such a way as to enable it to resume infrastructure investment and tackle its environmental and mobility issues. In the longer run, it will have to improve its education system further and reinforce the economy’s general innovative capacity, both by improving workers’ skills and through product-market reforms stimulating the entry and expansion of new innovative firms. To date, the government has largely focused on a so-called tax shift intended to increase incentives for firm-level investment and job creation. Together with a tightening of unemployment-benefit conditions, this has slightly reduced the cost of labor. However, results have been limited – perhaps due to sluggish growth and investment levels worldwide. However, many pundits have criticized these reform efforts as being too timid.

With respect to institutional arrangements, Belgium has suffered from decades of political instability caused by persistent cultural and political tension between the Flemish and the Walloon regions. Flanders remains wealthier, with unemployment rates about half the level seen in Wallonia. Wallonia’s economy once relied on coal mining and heavy industry. Today, the region continues to struggle with

the process of shifting away from dependence on these industries. Moreover, the Spanish separatist tensions pitting Catalans against Castilians may prove to rekindle similar frustrations in Belgium. Maintaining a relationship of mutual respect between the country's different communities will be critical in order to avoid falling back into political paralysis and sluggish socioeconomic reforms.

The current government has said it would relinquish any additional institutional reforms, seeking to minimize political complications. Nonetheless, tax reforms implemented on the national level will have significant distributional consequences on the regions (in particular, for Wallonia). As a result, the deficit in Wallonia may balloon in the coming years. This will prevent the region from pursuing expensive reforms or making necessary public investments. There is thus a risk of political deadlock as the next round of elections approaches (2018 for municipal and 2019 for regional, federal and European elections).

Finally, Belgium will have to deal with increasing inequality and social tensions. The country's health care system is today one of the planet's best and most accessible. But the objective of reducing the costs of social security will reduce its generosity. Similarly, the pension system has allowed for broad early-retirement benefits, with this practice becoming the norm at very high cost for the Belgian economy. Reforms on this front have been necessary for decades. Current efforts have certainly moved in the right direction, but have simultaneously stoked social tensions. Racial divisions have also widened since the terror attacks in Belgium and the rest of Europe. Anti-terror and anti-crime policies are an obvious necessity, but must be accompanied by significantly improved integration policies. Some of these efforts must start at the primary-school level or even before. However, education policies have been delegated to the subnational authorities, producing very unequal outcomes. For example, Flanders fares well in international rankings, whereas the French-speaking community fares very badly (in part due to a larger proportion of socioeconomically deprived groups within this population).

Unemployment and poverty rates remain stubbornly high in Brussels, a city that attracts

a large share of the country's immigrants.

However, education-sector underinvestment means that space within the city's schools has been increasingly insufficient to provide adequate schooling to the city's growing student population. It is unclear whether recent increases in investment will reverse this problem. Given the comparatively broad dissemination of radical Islamist propaganda in the country, disenfranchisement must be addressed. Integration is bound to remain a major issue in Belgium over the next decade.

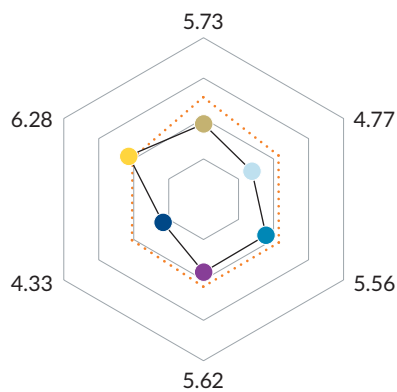
Full report available at  
[www.sgi-network.org](http://www.sgi-network.org)

- Micael Castanheira
- Benoît Rihoux
- Nils C. Bandelow

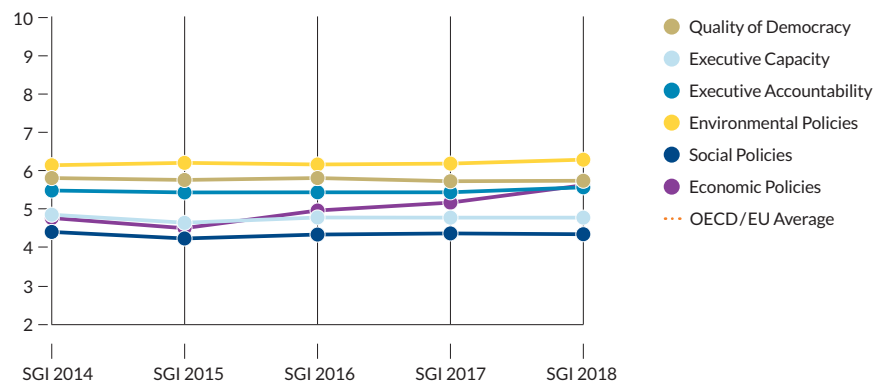
## Country profile SGI 2018

## Bulgaria

Overall 2018 Performance



Development over time



Source: Sustainable Governance Indicators.

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## Executive Summary

The election of the opposition candidate for president, Rumen Radev, in November 2016 led to the resignation of the center-right Borissov government and early parliamentary elections in March 2017. However, Boyko Borissov's Citizens for European Development of Bulgaria (GERB) managed to win the parliamentary elections, while the Bulgarian Socialist Party (BSP) came second – more than five percentage points behind GERB. In April 2017, Borissov formed his third government, this time in coalition with the United Patriots – a formation of three extreme nationalist and xenophobic parties. The United Patriots' electoral success is largely attributable to the hostile public reaction to the relatively small number of refugees residing in Bulgaria and failure of integration policies.

During the second and third Borissov governments, economic performance improved due to the restoration of fiscal control, increased labor market flexibility, improved export per-

formance and the impact of increased economic growth in Europe. As a result, labor force participation and employment rates increased noticeably reaching record levels for the last 25 years. These positive developments notwithstanding, Bulgaria still faces serious challenges in terms of improving skills levels, innovation capacity and productivity. The country continues to lag severely in both public and private research and innovation funding. Other serious problems include the relatively low-skilled labor force, and the economic exclusion of people with low educational attainment and some minority groups. Three main challenges in this area remain, namely reform of the education sector to produce a more adequate skills base; negative demographic trends which, given the existing health care and pension systems, continue to squeeze the labor market; and the need to further increase labor-market flexibility.

Recent years saw minor changes in electoral law and some attempts to reform the judiciary. In 2016, voting became obligatory, although the

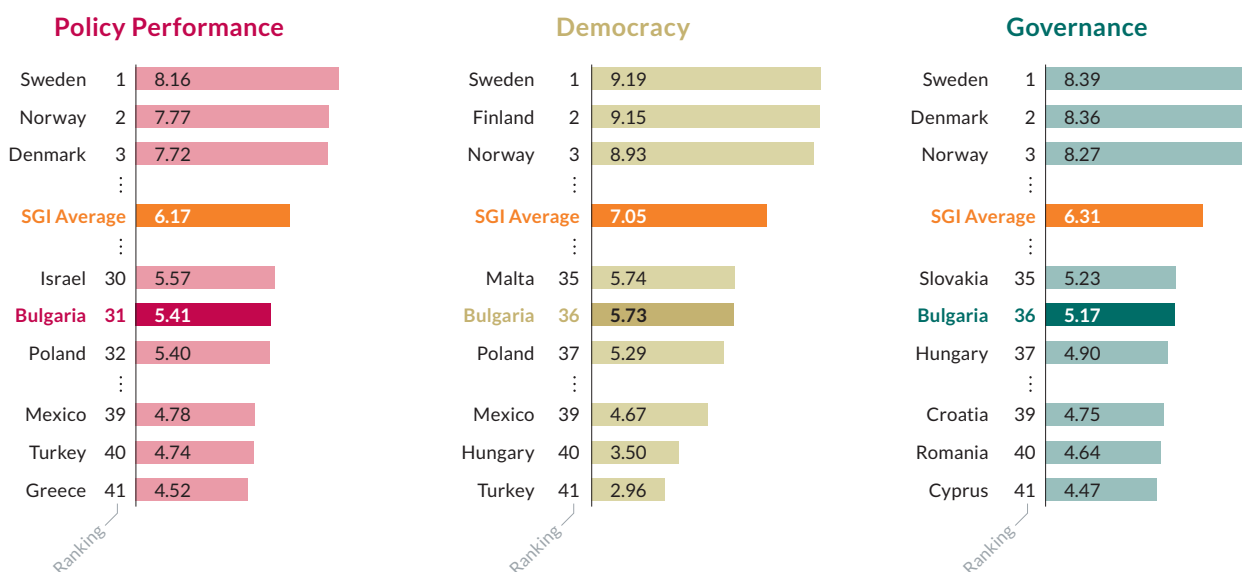
initial sanction for non-compliance was largely symbolic and later declared unconstitutional by the Constitutional Court. Constitutional amendments to the structure of the Supreme Judicial Council were adopted and the election of a new council in 2017 promises improvements to the judicial system, especially with respect to judges' career development and independence. Implementation of anti-corruption reforms has been slow and yielded little in the way of palpable change, with a newly introduced reform package awaiting parliamentary ratification in late 2017. Traditional media remains nontransparent in terms of ownership, and serves narrow business and political interests. Overall, media independence and performance continues to deteriorate. Under the Borissov governments, the scope for popular decision-making was expanded significantly, with national referendums taking place on several occasions. The November 2016 referendum almost passed the approval threshold for becoming obligatory for parliament.

The executive's institutional capacity to coordinate and plan strategically is limited. While EU membership has increased strategic planning, interministerial coordination is weak and there is no mechanism for regularly monitoring institutional arrangements. The second and third Borissov governments paid little attention to addressing these issues. Even though both Borissov

governments were coalitions, which could have provided explicit coalition agreements precisely detailing policy coordination and responsibilities, Borissov and his key coalition partners chose to proceed in an informal manner without explicit agreements. This remains the case with the 2017 government coalition between GERB and the extreme United Patriots. Despite the lack of a clear coalition agreement, the United Patriots, at least as part of the government, have behaved more moderately than initially expected.

The RIA framework was enhanced in 2016, even though initial evaluations of its first few months of implementation indicate only limited progress in strengthening impact assessments. Slow starts notwithstanding, the existence and operation of the independent Fiscal Council and the RIA framework promise better-informed legislation. The necessity for Bulgaria to formulate priorities and take a leadership position with respect to the EU agenda due to Bulgaria's upcoming Presidency of the Council of the European Union in the first half of 2018 may boost strategic planning and coordination capacity within government.

Internationally, Bulgaria continues to behave reactively on issues ranging from international financial stability to climate change, international democratic assistance and migration. Even though migration is an important



Source: Sustainable Governance Indicators.

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issue in domestic Bulgarian politics, the country remains incapable of formulating a concise and well-defined position. While it never obstructs measures aimed at developing the framework for international cooperation, it is also never among the drivers of international cooperation.

### Key Challenges

Bulgaria's party system over the last decade has been dominated by two parties of the center-left and center-right, with various configurations of smaller parties representing an increasingly fragmented political space around them. Government majorities have been secured through the formation of coalitions. However, these coalitions have tended to be unstable, leading to three consecutive early elections in 2013, 2014 and 2017.

The potential for political instability represents a major challenge facing the country, since instability inevitably affects both the government's ability to adopt a long-term perspective and the economy's ability to sustain economic growth. The negative effects of the fluidity of the party system and the frequent changes in government have been partly mitigated by the fact that the country has had the same prime minister and the same party leading the ruling coalitions for most of the last decade. Increased governance experience of the prime minister and main government party may lead to improvements in the capacity of the government to develop strategies, and coordinate and assess policies.

In the past, Bulgaria managed to generate rapid economic growth primarily by attracting foreign capital and adding previously unoccupied low-skilled labor to the workforce. Today, these mechanisms for generating economic growth are no longer available and Bulgaria needs to strengthen its internal growth drivers. While economic growth over the 2015–2017 period has been relatively strong, and economic activity and employment have reached record levels since the beginning of the current transition, the potential of key economic drivers – such as raising skills levels, innovation capacity, productivity and policy effectiveness – remains a serious challenge.

Judicial reform will be key to Bulgaria's ability to meet these challenges, particularly reform

of the prosecution service. Presently, there are illicit mechanisms within an unaccountable judiciary that allow individuals to acquire privilege, and political and economic influence. These mechanisms contribute to the capture of the prosecution service by special interests with a political agenda. Consequently, legitimate businesses and entrepreneurs do not compete on a level playing field. While the new Supreme Judicial Council, in office since September 2017, has been evaluated as containing many more reputable and professional people than before, the council still selected a representative of the old status quo as chair of the Supreme Administrative Court, despite needing to establish and protect judicial independence and professionalism through its rules and appointments.

A second important reform area is education. The exclusion of various – especially minority – groups from adequate education and labor-market participation, and low basic literacy rates need to be addressed. The promotion of a skilled and flexible labor force remains a major challenge. The Ministry of Education has presented reform proposals that point in a desirable direction, but they need to be implemented and supplemented by further reforms.

A third challenging area is the health care and pension systems. Negative demographic trends impose a substantial financial and political challenge on both social systems, making them financially unsustainable, easy victims for political opportunism and a heavy burden on the economy. These weaknesses need to be addressed to improve their financial and social sustainability.

Fourth, despite visible improvements over the last decade, infrastructure must continue to be enhanced, especially at the regional level.

Politically, Bulgaria's most significant challenge is the fragmentation of the political party system observed over the last two parliaments. In particular, the resurgence of nationalist and xenophobic parties increases the likelihood that parties and social groups opposing reform will prevent the formation of government majorities willing and able to address Bulgaria's key challenges.

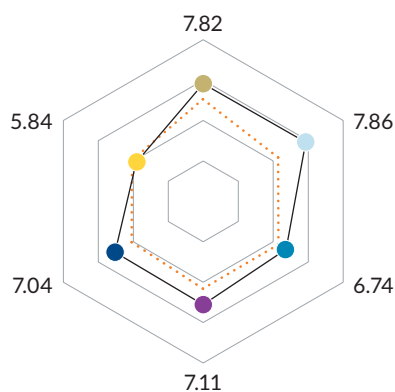
→ Georgy Ganev, Maria Popova, Frank Bönker



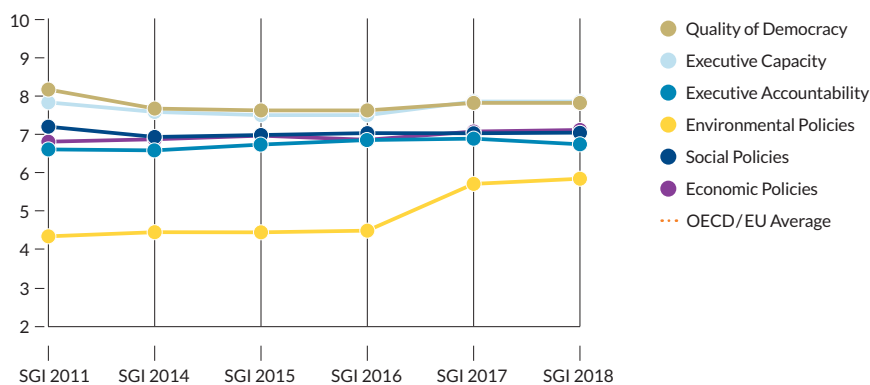
## Country profile SGI 2018

## Canada

Overall 2018 Performance



Development over time



Source: Sustainable Governance Indicators.

| BertelsmannStiftung

## Executive Summary

Canada has been performing well economically, unemployment rates are at their lowest since 2008 and the government's fiscal situation is strengthening. Two years into their mandate, the Liberals under Prime Minister Justin Trudeau continue to implement an ambitious policy agenda involving additional tax dollars for innovation and infrastructure, pension reform and tax reductions for the middle classes, and support for oil projects balanced against action on climate change. With respect to SGI criteria, Canada continues to receive high scores on economy, taxes and budgets. The government continued to focus on fiscal stimulus, which seems to be having the desired effect. Stephen Poloz, governor of the Bank of Canada, recently credited the newly introduced Canada Child Benefit program with the country's strong economic performance, which in turn has helped to keep budget deficits below projected levels.

The Comprehensive Economic and Trade Agreement between the European Union and Canada came into effect in 2017, and Canada has been renegotiating the terms of NAFTA since August 2017. The government has also revised national security laws to reign in the powers of security agencies and create an oversight committee to improve accountability. Balancing the needs of the country's oil and gas sector against concerns for the environment, Prime Minister Trudeau worked with the provinces to establish a pan-Canadian framework for carbon pricing, energy efficiency and renewable energy strategies, while at the same time approving two highly contentious crude oil pipelines and expressing support for Keystone XL. The Liberals have also delivered on their promise to strengthen evidence-based policymaking. The government has consulted with experts, making ample use of advisory boards for policymaking, and created new departmental positions designed to incorporate evidence into the policymaking process.



Some glaring gaps between what the Liberals pledged and what they have accomplished since taking power in 2015 remain, however. The largely rookie government started out with a host of new initiatives and bold reforms, but quickly learned that structural reforms often run into organizational and administrative obstacles, do not happen overnight, and in any event tend to develop a life of their own. In early 2017, after months of public consultations, the Liberals abandoned one of their central election promises, namely changing the first-past-the-post electoral system. Shortly after, they had to back down on parliamentary reform. Most recently, their planned overhaul of corporate taxation has encountered fierce opposition from small businesses and professionals, and may yet be abandoned.

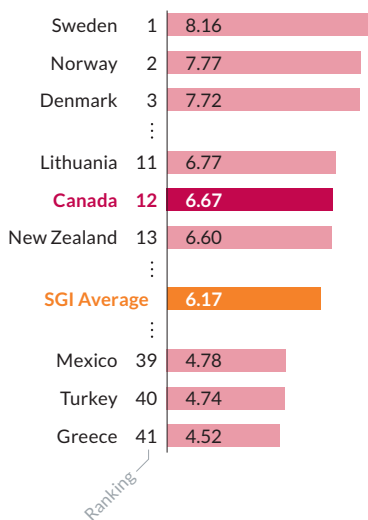
Although the Trudeau government tried to distance itself from the previous Conservative government in terms of transparency and accountability, little headway has been made. Access to information requests have piled up and processing continues to be slow. A first attempt at revamping access to information laws met with harsh criticism. Although the legislation would give the information commissioner the power to order the release of records, the reforms do not apply to the Prime Minister’s Office or other ministerial offices. The government also limited the powers of the Parliamentary

Budget Officer to preform audits requested by members of parliament, a mechanism frequently used by opposition members of parliament to hold the government to account on policy decisions. This restriction has put the public’s ability to properly scrutinize policy proposals in jeopardy. The SGI indicators on accountability reflect this and will further decline in years to come if the Liberals remain on this path.

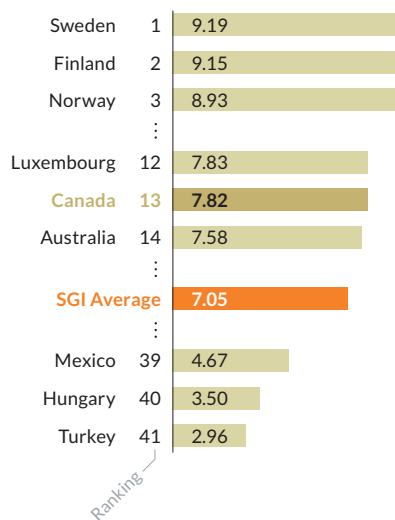
On the positive side, since its election, the government has renewed efforts to mend relationships between First Nations and indigenous groups. Canada finally adopted the United Nations Declaration on the Rights of Indigenous People. Following a recommendation of the Royal Commission on Aboriginal Peoples report (1996), the ministry responsible for indigenous affairs was split into one department focused on facilitating a nation-to-nation relationship, and a second dedicated to providing quality public services to indigenous people across the country. These changes have been widely praised, but in view of the continued challenges experienced by Canada’s indigenous groups, indigenous leaders and scholars have called for more meaningful change rather than symbolic gestures.

Halfway through their term, there is no doubt that the Liberals have made progress in several critical areas of sustainable governance. The vast majority of this progress came during

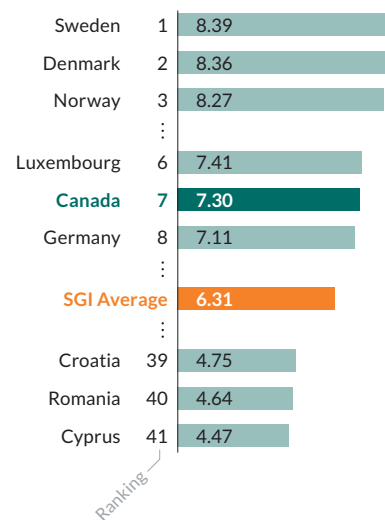
**Policy Performance**



**Democracy**



**Governance**



Source: Sustainable Governance Indicators.

2016, their first year in office, when there were notable gains in policy performance and executive capacity. Meanwhile, 2017 saw very little movement in the SGI indicators, as many of the Liberals' planned structural reforms have stalled or been abandoned. Instead, the government seems to be shifting gear toward policies that deliver more immediate results.

### Key Challenges

In its latest (October 2017) economic outlook, the IMF estimated that Canada's GDP will grow 3 percentage points in 2017, the highest of the G7 countries. Projections for 2018 are somewhat lower. Yet, at 2.1%, the IMF's 2018 growth forecast for Canada is topped only by its forecast for the United States. Justin Trudeau and his cabinet can thus expect a solid economy for the second half of their term in office. Whether the situation south of the border is detrimental or beneficial to Canada has yet to be determined. On the one hand, trade with the United States will be negatively impacted if NAFTA renegotiations fail. On the other hand, a number of initiatives proposed by the Trudeau government, which are designed to attract investment and simplify the hiring of high-skilled foreign labor, will likely benefit from the Trump administration's protectionist stance. The country's ability to absorb people from diverse cultures will help mitigate the growing gap in the prime working-age population, although it is important to note that recent immigrants do not fare as well in Canada's job market as Canadian-born workers.

Many items on the government's policy agenda are still pending and some may face serious obstacles. Two of the government's signature projects, the Canada Infrastructure Bank and the Invest Canada Hub, are not yet up and running. The Canada Infrastructure Bank, which aims to attract private investment for public infrastructure, has been criticized for a lack of transparency and concerns were raised that it has the potential to increase overall costs to taxpayers while privatizing the most high-return, low-risk infrastructure assets. There have been very few details released on the Invest in Canada Hub, but some worry it may not be able to attract substantial investment under excessive regulatory provisions.

NAFTA talks are currently at an impasse and delays are expected due to what senior officials have called "significant conceptual gaps." President Trump threatened to scrap NAFTA in the event that a deal is not reached. With the United States as Canada's largest trading partner, a lot is at stake.

Bill C-59 is the Liberals' response to the controversial Bill C-51 passed by the Conservatives. However, civil rights organizations have voiced their concerns about the excessive powers of security agencies and information sharing that will remain. It is unclear if the government is planning to revise the bill, but if the issues are not addressed the legislation is likely to be challenged as unconstitutional.

One of the aspects that set Trudeau apart from his predecessor in the election campaign was Trudeau's pledge to lead a more open, transparent and accountable government. However, despite significant changes in the day-to-day transparency of the Prime Minister's Office and departmental mandates, the issue remains fundamentally unresolved. Planned legislation to reform access to information (Bill C-58) has been heavily criticized as "a step backward" and may undermine the government's credibility regarding key issues. Similarly, after the Liberals formally abandoned electoral reform, advocacy groups called on the Ethics Commissioner of Canada to rule on whether Prime Minister Trudeau's decision violated ethics codes. A formal investigation into the matter would be damaging to the government's image and public trust.

Improving the well-being of First Nations in Canada remains a major challenge for the government. The Liberals reinstated previously frozen funding for First Nations, but it will be years before the effects of this are measurable. Many of the government's promises remain unfulfilled, such as ending the boil water advisories on reserves by providing clean water within five years. Implementing the U.N. declaration will require substantial restructuring of departmental mandates to ensure that policymaking respects indigenous rights, which may not be desirable from the perspective of bureaucrats.

Although the Liberals under Trudeau have moved forward in several areas of sustainable governance, there is still plenty of room for improvement as well as the potential to regress.

Initiatives that address overdue institutional reforms, which were once praised, have resulted in inadequate legislation or have been abandoned. Success will depend on whether economic policy ideas (particularly with respect to infrastructure investment and innovation) have the desired effect and whether the government can revisit institutional change without getting caught up

Full report available at [www.sgi-network.org](http://www.sgi-network.org)

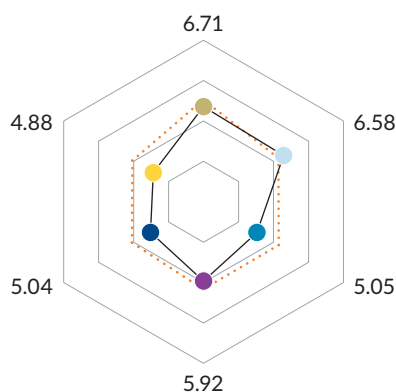
in controversies over minor policy proposals. With two years left before the next election and the economy humming along strongly, the Liberals should have enough time and resources to deliver on their more ambitious projects.

→ Anke Kessler, Andrew Sharpe, Martin Thunert

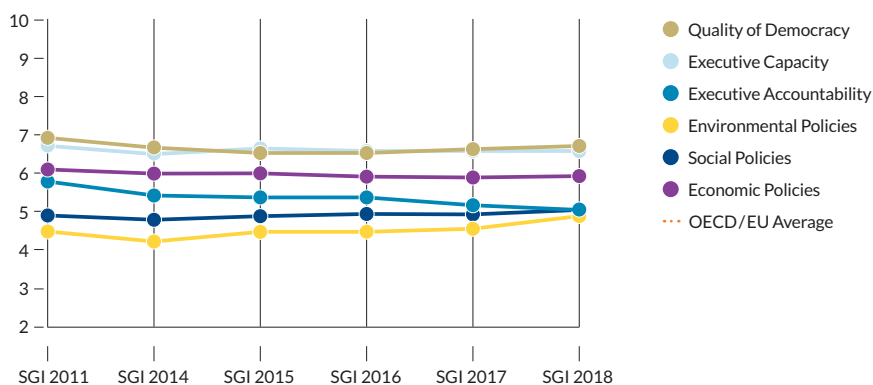
## Country profile SGI 2018

# Chile

Overall 2018 Performance



Development over time



Source: Sustainable Governance Indicators.

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### Executive Summary

In accordance with the decision of the Development Assistance Committee (DAC), Chile left the group of countries eligible for Official Development Assistance (ODA) in October 2017. There is no doubt that this “graduation” reflects the economic and social development the country has undertaken during the past two decades since

the return of democracy. But despite this sound macroeconomic performance, Chile is still facing structural challenges which impede equal participation in economic growth and the active claim of social rights, especially by the more vulnerable population.

Strongly polarized political discourses and positions, which are still marked by an ideological division inherited from the Cold War and

Augusto Pinochet’s military regime, in combination with high constitutional barriers to implementing structural changes have impeded essential pension reforms and efforts to decentralize. In addition, the country has not managed to significantly reduce poverty levels or close the gap on income inequality.

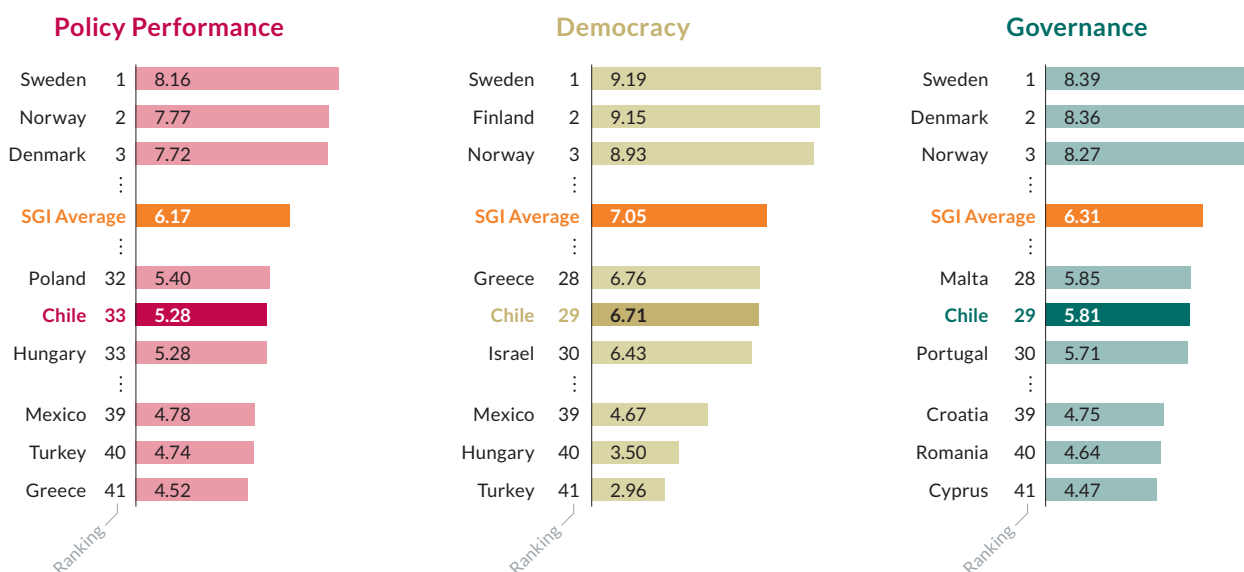
The prevailing legacy of Augusto Pinochet’s military government must be taken into account in any evaluation of the country’s democracy and governance. Turbulence under the Salvador Allende government and subsequent military dictatorship led to a political culture that favors consensus and avoids conflict. Key actors and citizens generally tend to favor the status quo and harmony. Nevertheless, social tensions are rising in the OECD’s most neoliberal country. Official and unofficial strikes as well as protests lead to violence and police repression with relative frequency. Student protests of recent years appear to have replaced by protests against the pension system, and the indigenous conflict in the country’s south has worsened.

Strongly agitated by several far-reaching corruption scandals that involved both right-wing and left-wing politicians and parties, Chile’s traditional political camp pattern seems to have changed significantly for the first time since the return to democracy in 1990. Some serious cases of corruption involved representa-

tives of important state institutions, including the national tax authority, the police and the military, which have been evaluated in public opinion polls during the past twenty years as among the most trusted institutions. Political institutions have a bad reputation because it is widely known that many of the current influential political and economic actors are interrelated due to direct family bonds or business relations. Also, public officials tend to abuse their position by sharing high-level political and administrative posts only within this very limited oligarchic circle. The government has responded to recent corruption scandals by introducing more restrictive regulations on party and campaign-finance. Nevertheless, political disaffection is growing. Participation in the October 2016 communal elections dropped to a historical low of 35 %, a clear indication of widespread discontent among the Chilean population, irrespective of their political background.

All these aspects explain the growing discontent with national politicians and politics in general, especially among the younger population and in middle-income households – a development that notably influenced the 2017 presidential elections.

Chile is a particularly heterogeneous country, yet economic and political power remains highly centralized in the capital Santiago.



Source: Sustainable Governance Indicators.

Consequently, regional and local interests are often not sufficiently reflected in national policymaking. Also, unresolved ethnic conflicts often trigger a response by the state that, at times, fails to respect the civil and political rights of ethnic minorities (e.g., the Mapuche). In addition, certain forms of political discrimination inherited from the military dictatorship remain. For example, convicts with a prison sentence exceeding three years are barred from voting. Furthermore, convicts with less severe sentences and individuals in custody are de facto excluded from suffrage as institutional structures do not provide the necessary internal procedures to guarantee their constitutional right to participate in elections.

The downside of Chile's relatively stable political system has been low citizen participation in politics. The country lacks mechanisms of direct democracy and citizen participation that could promote citizens' interests as well as public (vertical) accountability. Even the media is unable to fulfill its role as the fourth estate. Chile's oligopolistic media system shows strong biases in the expression and depiction of various political, social and economic positions. This constrains pluralistic public debate, especially on highly ideological topics such as economic inequality and the country's military past. Nevertheless, both the audit office and congressional control over the government work quite well (horizontal accountability).

Although Chile's economy and gross income per capita have consistently grown over the last decade, the country remains extremely dependent on copper exports. Consequently, Chile is highly vulnerable to instability in this commodity's international price. Also, poverty rates and wealth inequality did not show significant changes during the period under review. According to the Gini index, Chile's degree of income inequality is among the most extreme in Latin America.

In general terms, the government under President Michelle Bachelet has continued to pursue its reform ambitions. However, several reform needs have not been thoroughly addressed and implemented reforms have often had to be significantly scaled back in order to win congressional approval. Nevertheless, the reforms that have been successfully introduced (espe-

cially in the field of taxes, education and the binominal election system) might prove to serve as cornerstones for the country's positive development in the long run.

### Key Challenges

Although Chile, an OECD member, has undergone a considerable and successful modernization process in recent years, it continues to face serious challenges in closing the gap with more developed countries – as well as the gap between the rich and privileged and poor and marginalized sectors within the country. The Bachelet government has only partially succeeded in implementing its ambitious political, economic and social reform agenda. A lack of consensus and financial resources (due to the downswing of the commodity prices which largely determine the country's macroeconomic performance) holds back wider reform aspirations on tax, labor, pension, education and health care policies, as well as constitutional reforms.

Long-term challenges:

Political and strategic planning is undermined by a lack of state capacities and instruments to ensure policymaking has a medium- to long-term perspective, especially in the case of social, economic and ethnic issues. A lack of political and economic decentralization also hampers efficiency. Chile is one of the most centralized OECD countries despite its economic, geographic and ethnic diversity. Neither poverty rates nor socioeconomic disparities have been significantly reduced. Chile remains one of the most unequal countries in the region and OECD. This has consequences for the whole social system, but the effects are particularly palpable in education, health care and pension policies. The lower-middle class is highly indebted and faces strong social pressure to consume. Many middle-income families struggle to maintain their living standards; if one wage earner loses a job or falls ill, families almost immediately have to significantly lower their living standard. The enormous gap between the quality of the poorly funded public education system (where per student expenditure tends to be less than half the OECD average) and its expensive private counterpart renders the elimination of structural

poverty and socioeconomic disparities much more difficult. Additionally, the private education system is largely controlled by economic and political elites, both in government and the opposition. In this context, the effect of education reform, especially the end of state-subsidies for private and profit-oriented educational institutions within the primary and secondary education, will be shown in the medium term.

Short- and middle-term challenges:

In the general election of November 2017 (beyond the review period), former president Sebastián Piñera received the highest number of votes in the first round (36.6 %) and won the runoff for the presidency (54.6 %). During the new congressional period 2018–2022, Chile Vamos, the coalition of four center-right parties that he leads, will hold 46 % of the mandates in the lower chamber and 44 % of the mandates in the upper chamber. Due to the impact of gender quotas, the share of women has significantly increased in both chambers: 22.5 % of deputies and 26 % of senators.

In his electoral campaign and particularly during the runoff, Piñera pursued a moderate course that even considered the extension of free education, a demand closely associated with the political left. At the same time, he was able to mobilize votes against his opponent Alejandro Guillier, arguing that a Guillier-led government would lead Chile down a dangerous path similar to that observed in Venezuela (“Chilezuela”).

Since he will lack an absolute majority in congress and widespread social demands call for a stronger and more centralized state role, some convergence to the center will be needed to get support for political initiatives. A series of economic and labor reforms are expected in order to put Chile on the path to growth. Chile Vamos’ proposal includes lowering corporate tax rates.

In addition to other ongoing reforms, the newly elected parliament will have to make decisions regarding the proper institutional mechanism for the constitutional reform process initiated by the outgoing Bachelet government, since the constitution does not foresee any criteria for reform or replacement. Procedural options which are being discussed include a bicameral parliamentary commission (Comisión Bicameral), a mixed constituent convention consisting

of citizens and members of the parliament (Convención Constituyente mixta), an elected constituent assembly (Asamblea Constituyente) or a plebiscite to let citizens choose between one of the previously mentioned options.

Full report available at  
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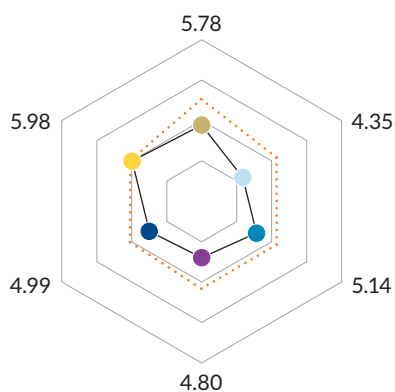
- Fabian Klein
- Edgar von Knebel
- Claudia Zilla
- Martin Thunert



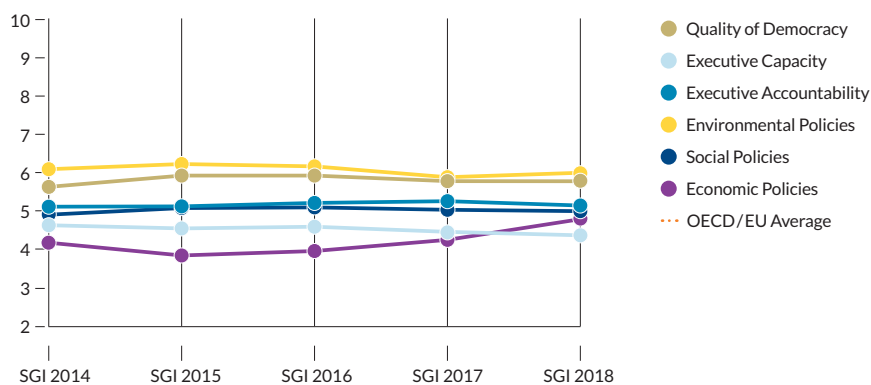
# Country profile SGI 2018

## Croatia

Overall 2018 Performance



Development over time



Source: Sustainable Governance Indicators.

BertelsmannStiftung

### Executive Summary

Having won the parliamentary election in September 2016, the center-right HDZ (Croatian Democratic Union) held power throughout the observed period, with Andrej Plenković as Croatia’s new prime minister. HDZ first formed a center-right coalition government with the centrist party MOST (Bridge), which mustered a very solid majority in the Sabor (Croatian parliament). The two parties fell out with each other in May 2017, when a crisis hit Agrokor, Croatia’s biggest company, and when MOST insisted that Finance Minister Zdravko Marić be removed from office (as he had been employed in Agrokor before joining the government). A new coalition was thus formed in June 2017, when representatives of the center-left HNS (Croatian Peoples Party) entered the Plenković government, securing it a paper-thin parliamentary majority. This led to a split in HNS; some of its members of parliament, like former foreign minister Vesna Pusić, left the party and founded a new, liberal party Glas.

Despite initial fears, the economic fallout of the Agrokor crisis has remained limited. The Croatian economy kept growing by about 3% of real GDP in 2017. The strong growth contributed to a further decline in the unemployment rate and helped to bring down the fiscal deficit. However, the Agrokor crisis had a negative effect on the government’s willingness and ability to adopt much-needed policy and institutional reforms. After a comprehensive tax reform in late 2016, which had been prepared by Minister of Finance Marić already under the previous government, the government largely failed to carry out other reforms. The pending reform of school curricula has regained momentum only since autumn 2017. As it stands, pilot projects for the implementation of the reform in 3%–5% of schools will not begin before fall 2018. The only step taken so far has been to make computer science, which has so far been an elective subject, a compulsory course in the 5th and 6th grade of elementary schools. Little progress was also



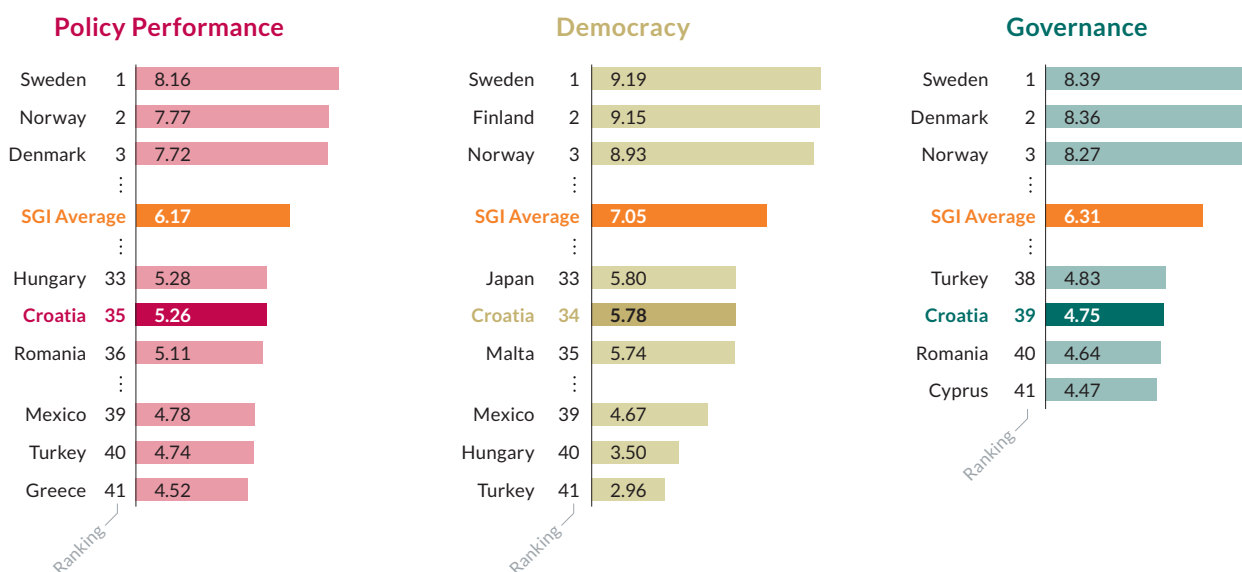
made with the reforms of public administration initiated under the previous governments.

In political terms, the Agrokor crisis has once again demonstrated the co-mingling of economic and political interests in Croatia. Despite various announcements, the two Plenković governments have done little to improve the quality of democracy. They have left the large differences in the number of voters per constituency, a fundamental lack of the electoral system in Croatia, untouched, have failed to adopt the promised new media strategy and have continued to exert substantial influence on the media. Attempts at a further reform of the judiciary by Ante Šprlje, the MOST nominated minister of justice in the first Plenković government, were abandoned after his dismissal and the change in the governing coalition in May 2017. In the period of review, a number of acquittals of prominent accused have demonstrated the Croatian court's lack of effectiveness and independence. While the main anti-corruption office, the USKOK (Ured za Suzbijanje Korupcije i Organiziranog Kriminala, Croatian State Prosecutor's Office for the Suppression of Organized Crime and Corruption), and the parliament's commission for the conflict of interests have been quite active in opening and investigating cases, the courts have often failed to sanction corruption, be it because of outside pressure or simply a lack of competence.

### Key Challenges

For a number of years, Croatia has failed to find a proper way of coping with the fundamental challenges that have a crucial effect on the country's socioeconomic development. Due to the lack of adequate answers that had characterized almost all of Croatia's successive governments since the beginning of the EU accession negotiations in 2005, the country is significantly lagging behind most of the Central and Eastern European EU member states. This has created a strong feeling of hopelessness, manifesting in the markedly high emigration rates attaining alarming proportions in some parts of the country (e.g., in Slavonia).

The first set of policy challenges the Plenković government will have to face includes sustaining the fiscal discipline and the initial successes in the reduction of budget deficit and public debt. However, targeted public expenditure reduction policies, very important for any lasting sustainability of the fiscal achievements, are not even in sight. Indeed, the government decided to substantially increase the funds allocated for some public expenditure items such as disbursements for Homeland War veterans. The next question within fiscal issues is related to new fiscal sources that could contribute substantially to the sustainability of the public



Source: Sustainable Governance Indicators.

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finance. This particularly refers to increasing the efficiency of drawing assistance from EU funds– something that places Croatia far behind the comparable countries – and to a much more successful sale of the government property. The latter one is of particular importance, given the fact that the government gave up the introduction of the property tax.

The second set of policy challenges has to do with Croatia's unfavorable business environment. High administrative expenses and quasi taxation, the huge number and the slowing issuing of permits required for running business, inefficient judicial system with lengthy legal proceedings and a huge backlog of unsolved cases and the still inadequate condition of land register are important reasons for the rather low competitiveness of Croatian enterprises. The steps undertaken in this area in late 2016 and in 2017 were more than insufficient; most of the announced steps were never implemented or implemented only partially.

The third set of challenges concerns the labor market and pension policy. Although the unemployment rate continued to drop, numerous structural weaknesses have remained. The key challenges here concern the development of the measures required for a mid-term increase of the activity rate of Croatia's working-age population, which is still among the lowest in the EU. An additional problem here is the fact that the country's working-age population has been decreasing because of a negative population growth and a very high population drain due to economic emigration. Also, the system still offers the possibility of early retirement, the percentage of disability pensions is very high and so is the share of privileged pensions (more than 20 %), with the war veterans' pensions accounting for most of the latter ones.

The fourth set of challenges concerns some fundamental public services. In the health care system, the continued huge losses of this money-losing system are periodically covered by special transfers from the state budget funds earmarked for covering the health care system losses. Croatia therefore faces major challenges in increasing the efficiency of this system, which is to include the consolidation of the health care public procurement system, mergers of hospitals and finding a more efficient hospital-manage-

ment model. The continuation of education reform is also long overdue. The implementation of the fundamental reform of the school curricula that has been prepared since 2014 and was further delayed, should become a reform priority.

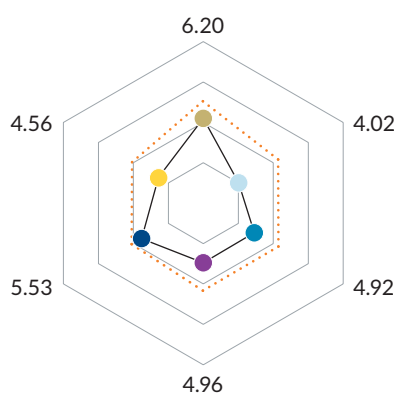
In order to address these policy challenges, public governance needs to be improved. The reliance on academic expertise, interministerial coordination as well as the quality of regulatory impact assessment should be increased and the often-announced reform of public administration should eventually be implemented. As it stands, Croatian public administration is both highly centralized and fragmented at the same time, often with a blurred division of competences between the central authority and local authorities.

- Zdravko Petak
- William Bartlett
- Frank Bönker

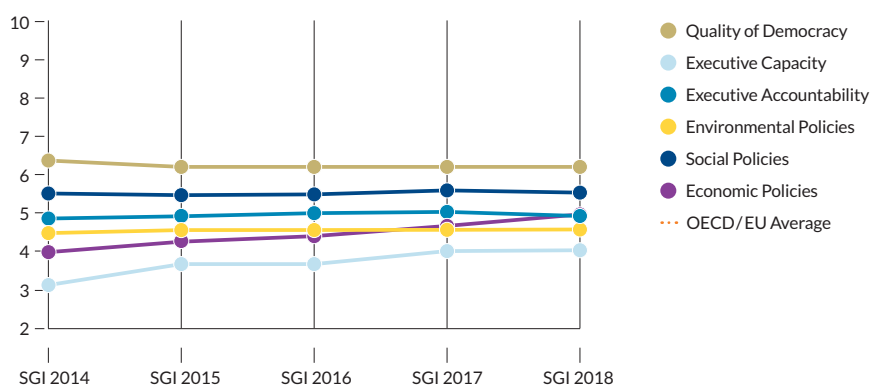
## Country profile SGI 2018

## Cyprus

Overall 2018 Performance



Development over time



Source: Sustainable Governance Indicators.

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## Executive Summary

Following Cyprus's successful exit from its bailout agreement with international lenders, post-program surveillance by creditors continued into 2017. Strong fiscal policy performance was sustained and even improved upon. Favorable conditions increased the vital flow of tourists and, thereby, income; the latter also assisted by growth in the construction sector. The danger of economic collapse that emerged in 2011 appears to have receded, nevertheless risks for the economy remain. The government must resolve deficiencies in the economy as well as implementation reforms to the system and its structures. The broadly recognized need for greater strategic planning and policy-implementation capacities has not received the necessary level of attention. Current reform efforts insufficiently focus on ending the unmeritocratic hiring system that continues to undermine state capacities.

A memorandum of understanding (MoU) with creditors led the government to design pol-

icy proposals for long overdue reforms. In addition to the obligation to pay back its debt, the MoU committed the government to develop sustainable policies and structures. Financial indicators showed sustained and better than forecast performance in 2017. Nonetheless, the pace of systemic and structural reforms continued to be slower than planned. In addition, some policy decisions appeared to be guided primarily by political expediency, contradicting previous policy positions and fiscal principles.

Democratic processes and institutions continued to function satisfactorily, though several indicators (e.g., rule of law and access to information) revealed weaknesses that impede Cyprus's democracy. The administrative system remains slow to respond and inefficient, in part a consequence of measures pushed under the MoU. Democratic practices involving citizen participation and consultation as well as the promotion of fundamental rights, such as equality, received little or no political consideration. Clientelistic relationships persist in Cyprian pol-

itics. As a result of legislation passed in 2015, for the first time, transparency in political party funding was effected, albeit with limitations. No final evaluation of this legislation is yet possible. Anti-corruption rhetoric coexisted with enforcement, yielding new corruption prosecutions, but interference from government and political parties continued. Despite the launch of an administrative court in 2016, the dispensing of justice remains unacceptably slow.

Progress has been made in implementing some new legal frameworks, including on banking system oversight. Fiscal performance and workforce unemployment were again better than forecasted. Unemployment in September 2017 was down to 10.3% (2015: 15.9%). The government abolished the immovable property tax and opened a discussion on whether and how to re-establish salaries, pensions, benefits and family-support measures to previous levels. A guaranteed minimum income and targeted measures have already mitigated the negative effects cuts have had on the living conditions of pensioners and other groups.

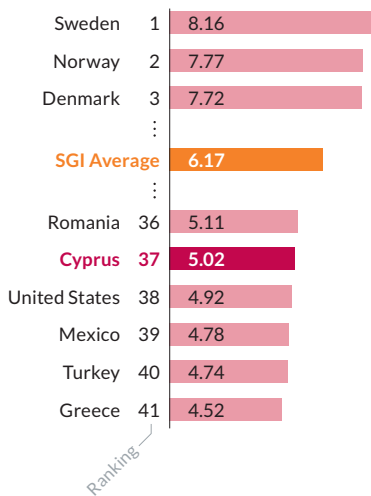
The overall share of persons at risk of poverty and social exclusion declined slightly in 2016. The rate increased for pensioners and declined slightly for immigrants (both EU and non-EU), the two most vulnerable groups, followed by single women over 65. Despite

improvements, measures and policies for the social inclusion of migrants and asylum seekers remain below international standards. The same holds true for environmental policies, where EU observes note a general failure to implement the law. Thus far the government has insisted on favoring land development at the expense of environmental conservation, placing Cyprus below EU standards on many environmental measures.

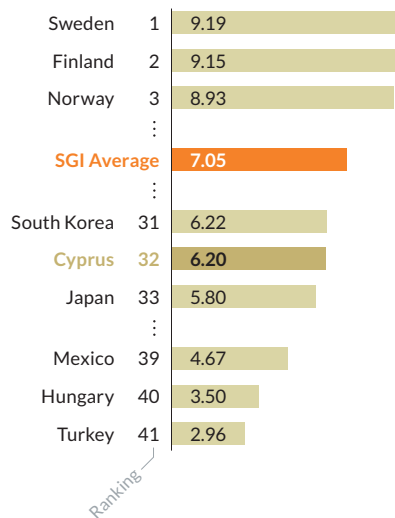
In 2017, disagreements and confrontations persisted. Proposals by the executive for reforms were rejected by the parliament, causing further delays to the implementation of essential reform policies. The banking system, and economy more generally, continue to suffer, burdened by foreclosures and non-performing loans. The future of quasi-governmental institutions pending privatization remains unclear.

Favoritism in political appointments and politically motivated interference with institutional functions remain challenges. At the same time, public sector reforms aimed at developing strategic-planning capacity, fiscal responsibility and stronger regulation appeared to have slowed or stalled. These deficits combine with a reluctance to comply with adopted rules and the absence of a coordinating body necessary for control. When action is taken, lack of policy skill and an effective administrative culture are obstacles to sustainable results.

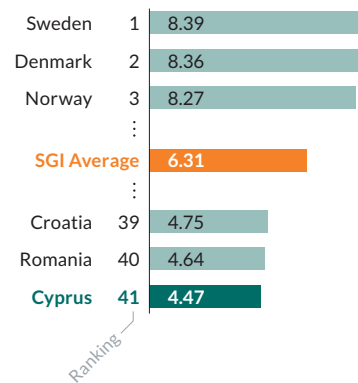
**Policy Performance**



**Democracy**



**Governance**



Source: Sustainable Governance Indicators.

## Key Challenges

The main challenges Cyprus faces today remain the same as those identified in the bailout agreement. What is needed now though is increased resolve for change and willingness to comply with new policies. Policy actions aimed at preventing another crisis must go beyond solving the economic crisis. Given the negative repercussions of policy measures already taken, additional remedies will require close monitoring and repeated reassessment. Anticipating and, in some cases, addressing possible repercussions will be necessary. The government must recognize that the current crisis extends beyond the economy. Improvements in performance on some indicators must not weaken the resolve to engage resolutely in structural and procedural reforms. Successfully implementing these reforms also requires avoiding a return to the government's past administrative culture; what are needed now are sound goals and operational efficiency. Deepening respect for and enhancing fundamental democratic practices warrants administrative consolidation.

Within the financial sector, the government must solve longstanding challenges to reestablish trust in the economy and increase the country's international competitiveness. The effective settlement of non-performing loans would have positive effects on banks and the market. Clarifying policies on the privatization of quasi-governmental institutions also remains a necessity, to avoid their market value declining, which would harm stakeholders.

In the interest of sustainability, social and environmental policies must be radically reformed and considered holistically. The persistently excessive emphasis on business and financial interests should instead shift to favoring broader social benefits. The development of reliable infrastructure – expanding public transportation and reducing the excessive use of private cars – would benefit the economy, environment and society. The economy must be restructured to reduce its reliance on deeply business-cycle-dependent sectors; today's tourism and construction successes should not distract from this need for change. The country's economic success should be shifted to productive sectors, including research and innovation. Building planning capacity in the short

term and managing hydrocarbon issues as a medium-term target may be part of this restructuring of the economy.

As stressed by the European Commission in 2017, the tax system requires revision so that taxation increases equality. Solving challenges in tax collection and tax avoidance remain imperative. While the system should treat all persons equitably, the fair reallocation of resources should be the system's goal; adequate funding of family, pension, health care and other welfare policies would enhance social equity. A medium-term target should aim at gradually returning to a functioning welfare state, rather than simply reducing the risk of poverty.

A sustainable recovery is only viable through efficient policies promoting greater transparency and enhancing law enforcement's ability to confine the margins of discretion that make corruption possible. Efficient oversight of corporate governance through clear monitoring mechanisms is still needed. A proper evaluation of the implementation of the law on party and elections funding would further assist efforts to increase transparency. Transparency is urgently needed on most policies, including on media ownership and the criteria and procedures governing appointments to public bodies.

The attainment of these diverse goals will require the government to accelerate the development of strategic-planning capacities and more effective policy implementation. For swift progress, governing bodies with clear mandates for coordination and coherent action are urgently required. Reforms of state structures and procedures at the central and local government levels can only advance units with sufficient strategic capacity. A governing body with sufficient powers and resources to evaluate laws and policy proposals remains a critical objective.

Overcoming favoritism to place capable managers in key positions remains a major challenge. Plans to develop strategic-planning capacities, and ultimately broad-based sustainability, will only be successful when a meritocratic administrative culture prevails.

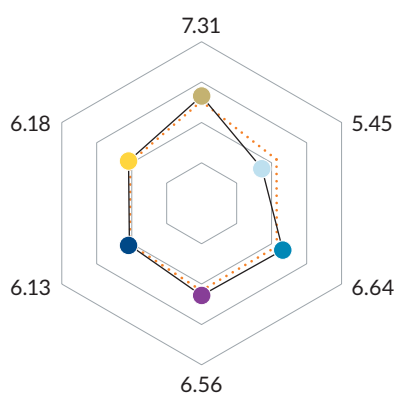
→ Christophoros Christophorou, Heinz-Jürgen Axt, Roy Karadag

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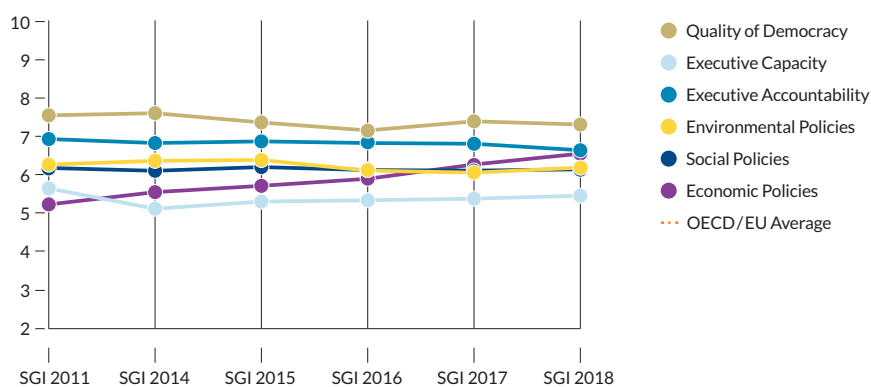
## Country profile SGI 2018

## Czech Republic

Overall 2018 Performance



Development over time



Source: Sustainable Governance Indicators.

| BertelsmannStiftung

## Executive Summary

From January 2014 to the parliamentary elections in October 2017, the Czech Republic was governed by a coalition government led by Prime Minister Bohuslav Sobotka of the Czech Social Democratic Party (ČSSD). Junior coalition partners included the Movement of Dissatisfied Citizens (ANO), led by billionaire Andrej Babiš, and the Christian Democrats (KDU-ČSL). Babiš served as deputy prime minister and minister of finance. Tensions in the coalition grew as ANO began to outperform ČSSD in opinion polls and won the 2016 regional elections. Following a fraud investigation by the European Anti-Fraud Office and the Czech police and the publication of evidence he used his media businesses against political rivals, Babiš was dismissed in May 2017. The public perception of Babiš's dismissal was generally ambivalent. Public support for the prime minister's ČSSD continued to slump, leading to Sobotka's resignation as party chair. Elections in October 2017 left the political left

seriously weakened – with only 7% of the votes for ČSSD compared with 20% in 2013 – and Babiš's ANO emerged as the biggest party with 30% of the votes.

Despite the tensions in the governing coalition, the Sobotka government was able to fulfill a number of popular campaign promises. These achievements include the lowering of the fiscal deficit, raising of public sector salaries (particularly in health and education), increases in pensions and in the minimum wage, more police personnel and accelerated drawing of EU funds. However, the government failed to successfully implement an education reform. While it succeeded in expanding public R&D funding, it has only taken initial steps toward realizing a newly announced strategy on economic development. Despite accelerating economic growth in 2017, weaknesses will remain for the long term. Much of public investment is funded by EU structural funds; their extension beyond the end of the current funding period in 2020 is increasingly questionable. The increasing volume of



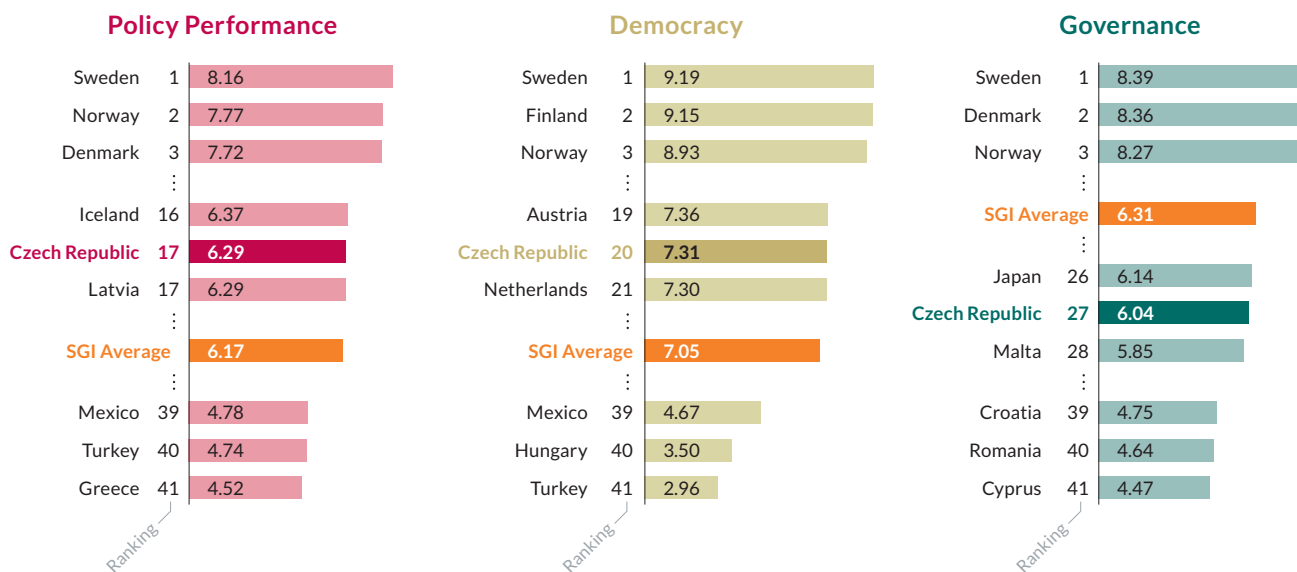
R&D funding, mostly redirected into applied research, fails to generate competitive and innovative output, while underfunded primary research is undergoing an increasing brain drain. A shortage of skilled labor hampers the transition to a more innovative economy, but Czech society remains opposed to integrating migrants. Though the number of refugees remained small, mainstream politicians, including President Zeman, Deputy Prime Minister Babiš, Minister of Interior Chovanec, and the radical right leader Okamura, aroused fears of a threat to national security, values, and identity posed by migrants (including Muslims) and a unified Europe. Amplified by the media, this discourse undermined any discussion about the country's international responsibility. Notwithstanding, the Czech Republic continued to comply with the Dublin III framework and resumed accepting refugees.

The 2017 parliamentary elections were the first held under the new party and campaign finance rules. To run for office, Babiš was required to divest his property and media, which he transferred into two blind funds, albeit controlled by long-term Agrofert employees, his wife and adult children. These measures aimed at strengthening media independence and pluralism as well as reducing corruption. Their effectiveness will be tested by what occurs after Babiš's victory in the elections.

Since the shift from indirect to direct presidential elections in January 2013, the institutional structures of governing in the Czech Republic have undergone no major changes. The Sobotka government sought to improve its strategic capacity by bringing in more expert advice and increasing public consultation. There remains very little interministerial cooperation, especially across party lines. The Czech parliament has the means to exercise substantial control over the government. It has a separate audit office that monitors public bodies and the implementation of its recommendations. An ombuds office investigates complaints against public institutions but has no powers beyond publishing its findings. The internal structures of the main political parties allow for both the election of leaders and members of principal bodies, but the internal debate is limited and divisions became evident in 2017. The appearance of new political forces – such as Okamura's Freedom and Direct Democracy and the Czech Pirate Party, which both took 11% of the vote in 2017 – make it even less clear what real power ordinary members may have.

**Key Challenges**

The parliamentary elections in October 2017 have made the formation of a new and stable govern-



Source: Sustainable Governance Indicators.



ment difficult. While Babiš's ANO secured by far the highest share of votes, it has lacked coalition partners as most other parties committed in their campaigns to not build a coalition with ANO. The large fragmentation of the Czech parliament – where the second strongest party, the right-wing Civic Democratic Party (ODS) obtained a mere 11 % of seats – has further complicated the forging of a new coalition. Given the Czech president's substantial role in the appointment of governments, the uncertain outcome of the presidential elections in January 2018 has further added to the challenges.

Babiš's vision of populist technocratic efficiency – limiting parliamentary deliberation, abolishing the Senate and strategic demobilization – will not provide a basis for solving the country's economic and social problems. A government led by Babiš would risk progress on anti-corruption and strengthening media freedom and pluralism.

The long-term sustainability of economic growth remains problematic. With inward FDI declining, an increasingly important source of growth has been EU structural funds. Multinationals have continued to locate lower value-added activities in the Czech Republic, but there is already a significant shift underway of activities that rely on less-skilled labor to even lower wage countries. Without innovation and structural change, this pattern of growth will not bring income levels up to those in wealthier EU member states and leaves the Czech Republic vulnerable to economic downturns.

Diversification and support for startups in ICT and higher added-value sectors could improve the chances for future growth (wage growth as well as overall economic growth). A secure economic future also depends on raising the quality of R&D output and sustainable financial support from both domestic firms and foreign investors. Despite increasing financial support for R&D, technological advances still depend overwhelmingly on what foreign companies choose to bring into the country. The volume of funding for applied research is not reflected in the innovative output.

The country's educational system requires further reform and investment, including financial incentives to attract and retain top graduates and strengthen teacher training and reten-

tion. There is also a need for increased support in the development of a highly skilled labor force, including on enabling a harmonious balance between work and family life and creating a more welcoming atmosphere for immigrants. This latter aim has become more difficult as reactions to the refugee crisis have strengthened those groups, represented across the political spectrum, opposed to the idea of a multicultural society.

Government spending as a share of GDP is below levels seen in other, richer EU member countries. A major difference in the Czech Republic is the low level of direct taxation, particularly personal income tax. This limits the financial support for policy areas such as education, R&D and environmental protection after 2020, when EU structural funding will end.

The Czech Republic's aging population will pose a challenge for the pension and health systems in the future. Attempts by previous governments to increase charges and the reliance on private providers have failed to win public trust. An open discussion is needed to reach some degree of consensus on how to finance higher pension spending, raise the pension age and cover higher health care spending.

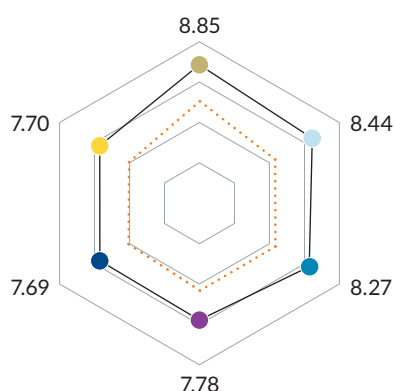
In respect to European integration, the country risks remaining marginalized on the periphery, alongside its increasingly illiberal peers Hungary and Poland. Populist calls for “defending the national interests against Brussels” (including calls for “Czexit”) are counterproductive domestically and internationally. Internally, they present a distorted vision of the future relationship between the Czech Republic and European Union. Internationally, the Czech Republic does not present itself as a reliable partner to the EU, which jeopardizes foreign investment on which the country depends.

- Petra Guasti
- Zdenka Mansfeldová
- Martin Myant
- Frank Bönker

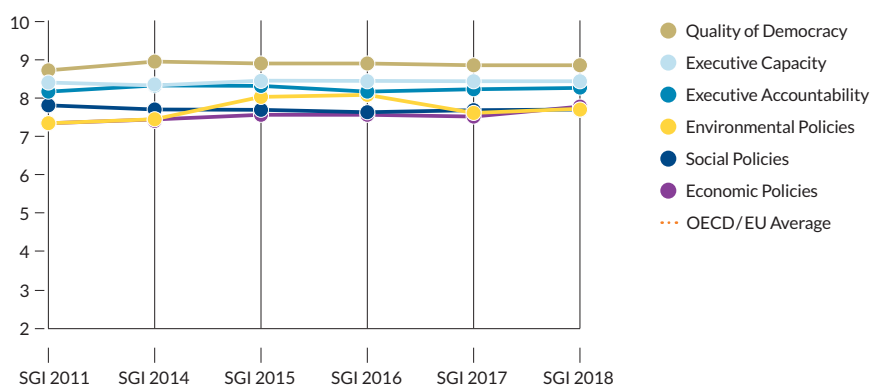
## Country profile SGI 2018

## Denmark

Overall 2018 Performance



Development over time



Source: Sustainable Governance Indicators.

| BertelsmannStiftung

## Executive Summary

Democracy functions well, and governance is credible and transparent in Denmark. Public trust in government and public administration is high. Comparatively, Denmark is extraordinary for having achieved a relatively strong economic performance (e.g., as measured by per capita income), but also a relatively equal distribution of income and low poverty rates. The Danish welfare state is extensive both in terms of service provision and the social safety net. Though this translates into a high tax burden. Overall, Denmark has shown that it is possible to combine an extensive welfare state with a well-functioning economy.

The economy has now fully recovered from the Great Recession. Current levels of activity and unemployment are close to their structural levels, and public debate is increasingly focusing on possible bottlenecks in the labor market. Key macroeconomic indicators are favorable and perform comparatively well. Key economic pol-

icy debates focus on increasing labor supply, integrating immigrants and the provision of welfare services (e.g., education, and social and health care).

In an attempt to strengthen the incentive structure, and boost labor supply and employment, both the previous and present governments have had strong reform agendas. These agendas have aimed to overhaul the structure and design of the social safety net (e.g., pensions, early retirement, social assistance and disability pensions), labor market policies and the tax system. Higher labor supply and employment is an objective in itself, but also improves public finances through both lower government spending and higher tax revenue. This reform strategy obtained broad support in comparison to alternative strategies involving tax increases or spending cuts. The reforms will ensure the fiscal sustainability of current welfare arrangements. Denmark is among the frontrunners in terms of addressing the challenges to fiscal sustainability arising from an aging population.

All of the previously mentioned reforms were based on work by parliamentary commissions, an important policy instrument in a country with a strong consensus tradition that has mostly been governed by minority governments. Even so, the reform of the country’s unemployment insurance scheme has been controversial and has again been reformed following proposals from a commission.

The country’s significant strengths notwithstanding, several issues are high on the political agenda. First, Denmark ranks among the top OECD countries with regard to educational expenditure, but scores lower on various indicators of educational performance. Recently, this led to educational reforms that increased curricular demands and improved teacher training. Second, the public sector (mainly municipalities) has experienced increased strain in relation to service provision. Many citizens have found that standards lag behind their expectations, but tight finances have made it difficult to improve services.

Third, immigration and the integration of immigrants remains controversial. The general trend, with broad parliamentary support, has been toward increasingly strict immigration rules and further tightening is currently being considered. Moreover, the new Liberal government reformed social assistance for immigrants, introducing differentiated levels of social assistance depending on the period of residence (applying for migrants coming from outside

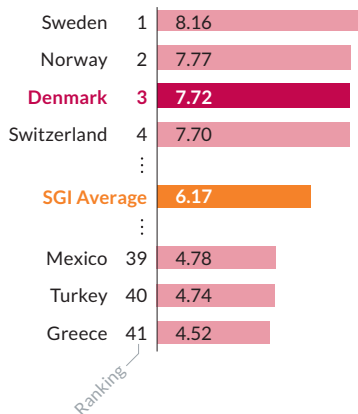
European Union), to restrict access to welfare payments.

Finally, Denmark’s engagement in international politics remains a controversial issue. This debate applies to foreign policy in general, and military operations in Afghanistan and Iraq in particular. As these earlier military operations were being phased out, Denmark joined the international coalition against the so-called Islamic State (IS) in Iraq and Syria. The country’s position vis-à-vis the European Union also remains a contested issue. It is an implicit political arrangement that all essential EU decisions are put to a referendum. A December 2015 referendum confirmed the Danish opt-out position on justice and home affairs. A special agreement on Danish cooperation with Europol was reached in April 2017.

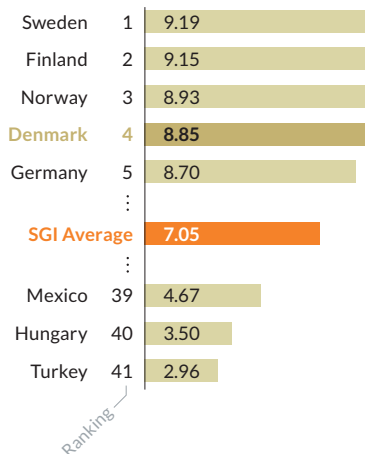
### Key Challenges

Having a small and open economy, Denmark has a long tradition of meeting the challenges posed by international integration and globalization, and has shown a capacity to enact needed reforms to reconcile an extensive welfare state with a well-functioning economy. Comparatively, Denmark is favorably positioned with regard to adaptability and the enactment of political reforms to address challenges, despite sometimes delaying and deferring such reforms. A tradition of open dialog, cooperation

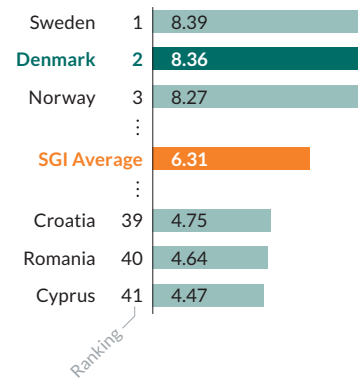
### Policy Performance



### Democracy



### Governance



Source: Sustainable Governance Indicators.

and broad-based reform goals contribute to the country's adaptability. Trust between different actors and societal groups, often referred to as "social capital," has also been an important factor. However, to remain among the leading industrialized nations, Denmark must continue to monitor its policies and institutions. Additional changes and reforms will be necessary.

The following briefly lists areas of crucial importance to Denmark and outlines where policy initiatives are needed:

First, the government must address possible bottlenecks in the labor market, and address the challenges presented by technological changes (e.g., automatization) and globalization. This has revitalized the debate on whether the education system is sufficiently equipped to supply the type and quality of education needed by the private sector.

Second, due to low productivity growth in the private sector, the economy's growth potential is an issue. In addition, given the relative size of the public sector, improving government efficiency and productivity will be an important task.

Third, although comparatively inequality is low and social cohesion is high, Danish society is trending toward more disparity and inequality. A particular challenge involves the integration of immigrants and other marginalized groups into the labor market, which is often difficult due to insufficient job qualifications.

Fourth, while the long-term financial viability of the welfare state despite an aging population has largely been ensured by a recent series of reforms, fiscal challenges remain due to increasing demands on welfare services in general and health care in particular. In the design of welfare policies, it is important to balance concerns for equality and social insurance with incentives for education and work. The hallmark of Danish society has been its balance between low inequality and an extensive public sector, and a well-functioning economy with high-income levels. Reconciling these objectives remains an ongoing challenge.

Fifth, Denmark, with its small yet open society, has a long tradition of being an active participant and partner in international political cooperation. At the same time, there is a strong desire within society to establish "arm's length distance" over certain issues, both to underline

Denmark's independence and prevent the country's marginalization in international forums. As a result, the Danish debate on the European Union has always been somewhat fragmented and not always comprehensible to foreign observers. A case in point are the four Danish opt-outs included in the Maastricht Treaty. European Monetary Union membership remains a very delicate subject since the referendum in 2000. Denmark is not a member, but pursues a tight, fixed exchange rate policy to the euro. This peg has been very credible, as reflected in a very small (and in some periods negative) interest rate spread. Denmark is, in this sense, a shadow member of the euro zone, although it is not directly represented in the supranational executive bodies. The recent referendum on justice and home affairs cooperation confirmed Denmark's "sideline" participation in EU cooperation.

Overall, both the previous and current governments have set ambitious strategic targets. Various policy plans signal a political awareness of the country's structural problems. Dealing with these challenges is a work in progress.

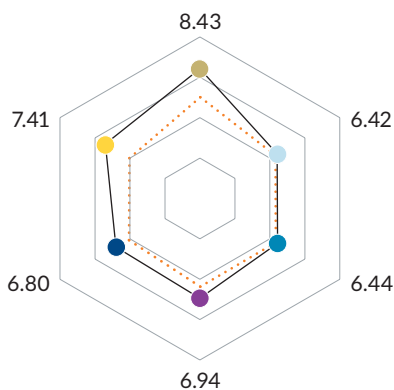
- Finn Laursen
- Torben M. Andersen
- Detlef Jahn

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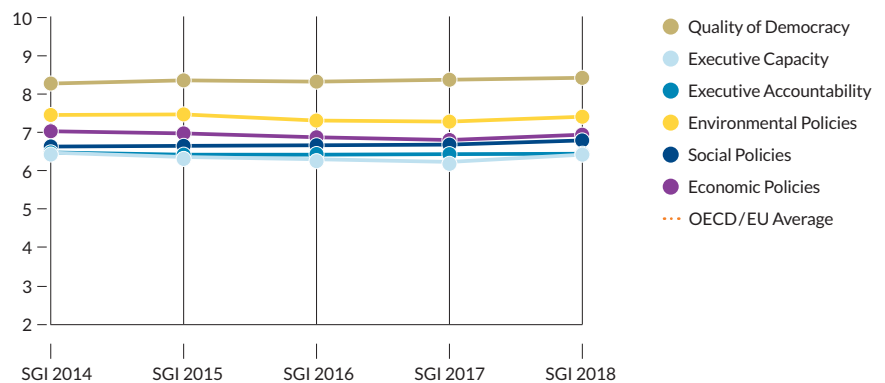
## Country profile SGI 2018

## Estonia

Overall 2018 Performance



Development over time



Source: Sustainable Governance Indicators.

| BertelsmannStiftung

## Executive Summary

In many respects, Estonia has proven successful in building a sustainable democracy. Among the 41 countries in the SGI, Estonia ranks 8th in policy performance and democracy and 18th in governance. As a result of a change in the government coalition in November 2016, the period currently under study (November 2016 – November 2017) includes major adjustments in several policy areas impacting social inclusion. After 12 years of government coalitions dominated by the neoliberal Reform Party, a center-left government led by the Center Party has been installed. This new government has prioritized policies aiming to secure the financial sustainability of the welfare system and increase social inclusion.

The economy has recovered from the recession, a fact evidenced by the high employment level (matched by low unemployment) and an annual economic growth rate of about 4%. Ongoing reforms aim to extend employment by facilitating the labor market participation of dis-

abled persons and workers with low or outdated skills. However, increasing labor shortages and high taxes on labor continue to thwart productivity and, more generally, economic growth. Debates around reducing employers' tax burdens are, for the first time, being embedded into larger political debates on social insurance system reform.

Estonia's welfare system is based on the Bismarckian principle of social insurance funds, which faces mounting debt due to population aging. The government proposes to transfer more tax revenues to social insurance in order to cover health expenditures for pensioners and employees with atypical contracts. Reducing the long waiting lists for specialized medical care is another priority of planned reforms.

One major accomplishment of government has been an income tax reform. Proportionality has been preserved, but a regressive tax exemption will be introduced in 2018. This will have a far-reaching impact on the labor market and welfare of households as the additional income

gained by low earners will decrease income inequality, which has been comparatively high. Further antipoverty measures implemented in 2017 include an increase in child benefits for large families and an additional allowance for single-person elderly households.

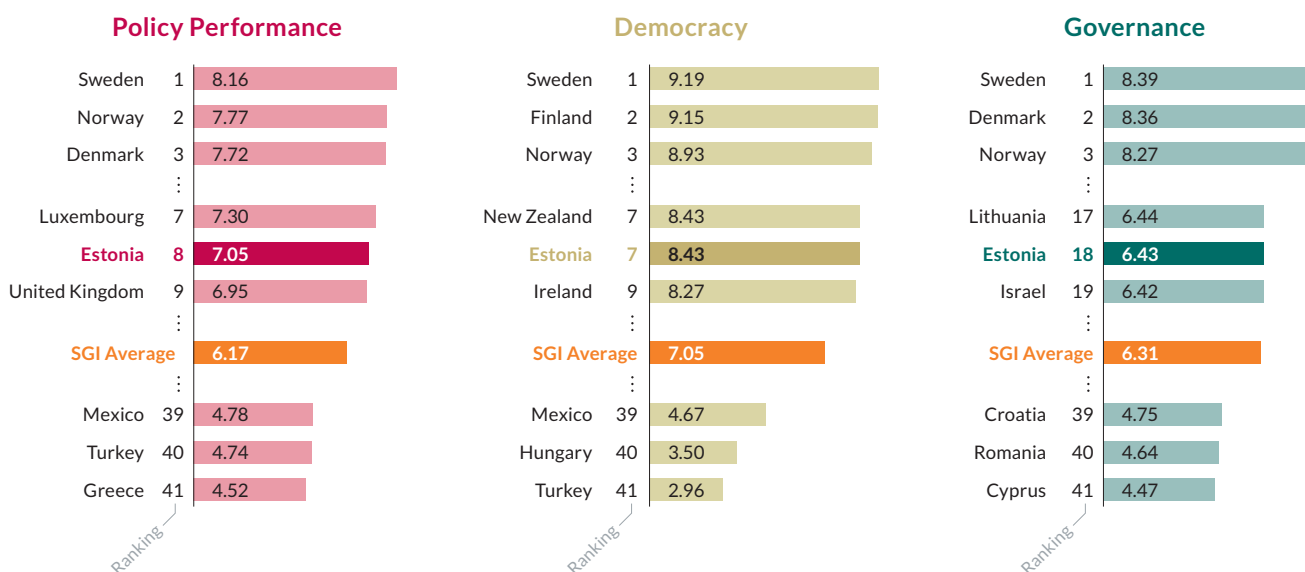
In governance, there has been little progress in terms of policy innovation, quality management and pursuing holistic approaches. Nonetheless, the negative trends of previous years, including a preoccupation with fine tuning and incrementalism, lack of transparency, and poor public communication have been halted. Even more importantly, a prolonged reform of local government has finally accomplished the prescribed municipal mergers, with the first local elections in the new municipalities held in October 2017. In these elections, voting rights were extended to 16- and 17-year-olds. However, the turnout (just 53 %) was among the lowest in Estonia’s history, a reflection of the challenging municipality mergers.

Democracy is well established and secure in Estonia. The party financing system is continuously improving, largely thanks to persistent media attention and public interest. Corruption among high-level public officials, however, remains somewhat of a challenge and must be redressed through additional regulation as well as public awareness campaigns. Also, social

progress on gender equality and LGBT rights has remained limited.

### Key Challenges

Estonia is recognized internationally as maintaining a balanced budget and low government debt. The tax system is straightforward and transparent and the overall tax burden positions around the OECD average. The sitting government has offered several proposals to diversify revenues and increase the vertical equity of the tax system. While the 2017 income tax reform aligns to these targets, recently introduced regressive tax exemptions also impact higher income groups and may alter employment patterns and labor contracts. Consequently, the budgetary and social outcomes of this tax reform must be vigilantly monitored and, where necessary, misuses and negative spillovers addressed. Likewise, the government plan to detach public pensions from previous earnings requires meticulous consideration to ensure that employees’ incentives remain optimal. The recent sharp increase in the excise tax demonstrated that, in a small open economy, tax hikes can reduce, rather than increase, revenues. Thus, a systemic and comprehensive approach to tax system reform remains crucial.



Source: Sustainable Governance Indicators.



Beyond recalibrating the tax system, Estonia must move from policy deliberations to tangible action with regard to building a knowledge-based economy. Current innovation policy focuses on leading enterprises, remaining largely detached from the rest of the economy. Policymakers must expand research, development, and innovation (RDI) measures to include small- and medium-sized enterprises and traditional sectors of the economy (e.g., oil shale), enabling RDI to contribute to structural reforms. Furthermore, RDI within universities must be adequately financed and better linked to the country's economic and social priorities.

The institutional framework for governance is well established and stable. Consequently, policymakers may focus on developing executive capacity by firmly following democratic principles of checks and balances and public accountability. However, the executive branch tends to overproduce strategies (a failure of coordination) and analyses, with the latter too often not considered in decision-making. To overcome this fragmentation and excessive reporting, the government should consider four strategies. First, it should merge the numerous small-scale strategies into the national 30-year strategy (i.e., Sustainable Estonia 21). Second, improved coordination between ministries as well as between the Prime Minister's Office (PMO) and line ministries is required. Third, citizens' and advocacy groups should be given a much broader role in policy evaluation, including in the appraisal of regulatory impact assessment results. Fourth, instead of commissioning exhaustive explanatory analytical reports, the government should promote open data and encourage secondary analysis. Although Estonia is regarded as a forerunner in e-governance, the pace of innovation has slowed; reforms are often chaotic or fail completely (e.g., the Social Protection Information System). To improve this situation, a ministry with a clear and broad responsibility for advancing e-governance is required.

Contemporary governance requires appropriate capacities both locally and internationally. Estonia has made impressive gains in the latter (evidenced by the Estonian EU Presidency in the second half of 2017) but not in the former. The process of municipal mergers, finalized in the fall of 2017, must be complemented by a

clarification of the tasks of local government as well as guarantees of adequate funding and fostering of citizen involvement in local governance. The improvement of citizens' quality of life must be prioritized over economizing.

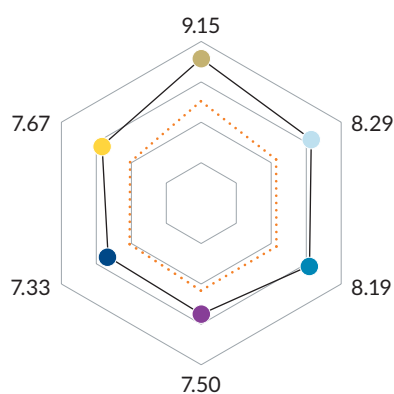
- Anu Toots
- Allan Sikk
- Detlef Jahn



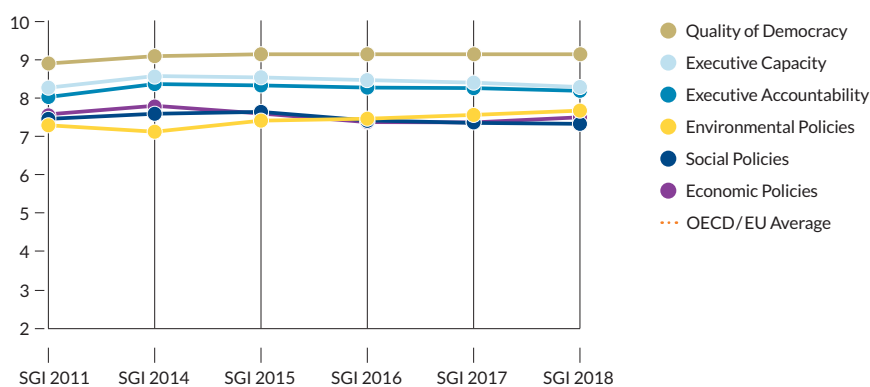
## Country profile SGI 2018

## Finland

Overall 2018 Performance



Development over time



Source: Sustainable Governance Indicators.

| BertelsmannStiftung

## Executive Summary

Finland's mature system of governance allows stakeholders to identify problems, formulate solutions and advance social well-being, earning the Nordic country top marks in international rankings. Freedom House has repeatedly awarded Finland the highest ranking worldwide on political liberties and civil rights. Since 2008, the country has also on several occasions topped Reporters Without Borders' World Press Freedom Index; in the 2017 ranking, Finland places 3rd, after Norway and Sweden. After a 2008 scandal concerning party and electoral campaign financing, Finland dropped from the top position in global anti-corruption rankings. In 2017, the country ranks 3rd on Transparency International's Corruption Perceptions Index. Legislation requiring the disclosure of donations to candidates and parties has been introduced. Modest electoral system reforms introduced in 2012 have improved the proportionality of the system. Additionally, a participatory mechanism intro-

duced in 2012 now enables citizens to propose legislative reforms online.

While Finland's economy in past years has numbered among the most stable in Europe, its recent standing has been less favorable. The economy has been in a recession for several years, public debt is increasing and the labor market continues to shrink. Recent developments suggest a turnaround for the better. Optimistic forecasts notwithstanding, unemployment, particularly among youth, is alarmingly high.

Public attitudes toward immigrants have hardened in recent years. The main political parties have hesitated to challenge this shift in part because of growing support in recent years for the populist and anti-immigration Finns Party (formerly referred to in English as the True Finns party). However, public support for the party has radically diminished under the current government. Attitudes toward the Swedish-speaking minority have also hardened, despite Finland's official bilingualism and constitutional protections. The present vivid and largely uncontrolled

inflow of refugees and asylum-seekers into Europe has helped to generate a deeper understanding of the need to adopt a more generous and responsible immigration policy.

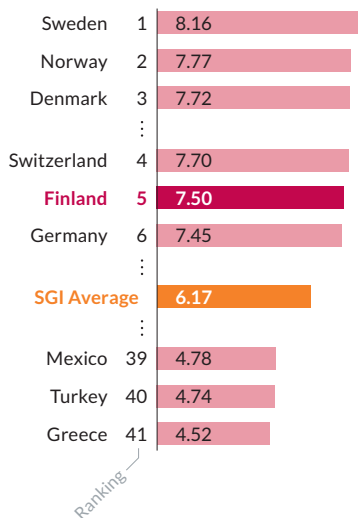
Prime Minister Jyrki Katainen’s government (2011 to 2014) featured a broad coalition of six parties. Following the withdrawal of two parties from the governing coalition and cabinet reshuffles in 2014, a new government under Prime Minister Alexander Stubb took charge until parliamentary elections in spring 2015. Following these elections, a three-party (Centre Party, National Coalition Party and Finns Party) government under Prime Minister Juha Sipilä was installed in late May 2015, commanding 124 of the 200 seats in parliament. In summer 2017, a split within the Finns Party became evident; a more moderate group of MPs formed Blue Reform, commanding five ministerial chairs while representing only about two percent of the electorate.

Developments under Sipilä have been far less than encouraging. As tensions across government departments have persisted, the leadership has appeared rudderless. Most notably, the government and labor market organizations have been battling over the direction of economic policy. A recent reform designed to introduce business practices into higher education has largely failed. Meanwhile, the central government’s attempts to restructure local govern-

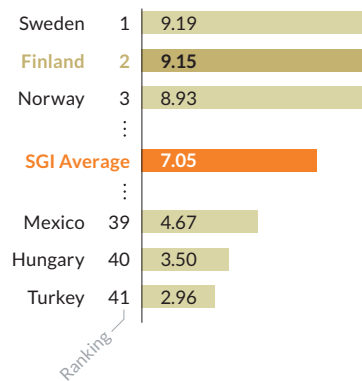
ment, in part by amalgamating local government services, has met with resistance within local administrations and among the public, ultimately leading to a compromise solution with no clear prospect of success. Also, beleaguered by disputes over environmental principles and ongoing problems with mining sites, Finland’s environmental management and policy framework is less effective than expected.

Beyond reforms targeting a reorganization of regional government, health care, and social services, no other large-scale institutional reforms enhancing governance and decision-making have been undertaken during the assessment period. A earnings-related pension reform addressing the financial sustainability of statutory pension provision came into force in January 2017. The government has retained much of its system of program management and strengthened its strategic-planning procedures. The lack of additional large-scale reforms does not necessarily evince a failing of government but may rather underscore the quality and comprehensiveness of the existing system. The economic and governance challenges facing Finland today are surmountable, though many of these challenges are rooted in problems beyond the government’s control. The effects of European and global economic and political crises present challenges to the economy and have under-

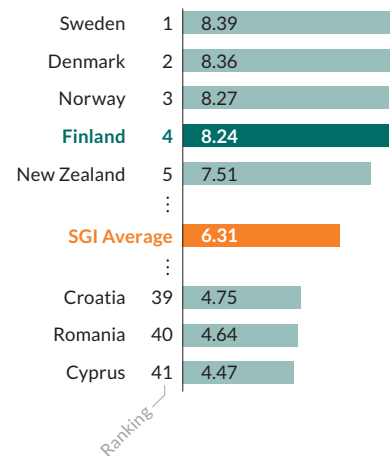
**Policy Performance**



**Democracy**



**Governance**



Source: Sustainable Governance Indicators.

mined public sympathy for EU values and the EU's political agenda. Still, recent security developments, most notably numerous obtrusive displays of Russian military and political power, have generated a palpable rise in pro-EU and pro-NATO attitudes among the public.

### Key Challenges

Although Finland's political system has long represented a model polity, current trends regarding democracy are less encouraging. Overall, public faith and trust in Finland's democratic institutions have weakened, evidenced by relatively low electoral turnouts and declining membership in political parties. Survey data indicates that public trust in central political institutions such as parliament and government can certainly be improved. These lower levels of participation and institutional trust result in part from the instability of recent governments. This instability has been due to the necessity of coalition governments (made up of several political parties) to achieve a working parliamentary majority. The broad and unstable nature of such governments undermines government accountability and transparency as well as limits the public's ability to fully understand and engage with the processes of policymaking. Expectations that the three-party composition of the present Sipilä government would result in a more efficient and transparent governance style have not been met. Instead, tension and a lack of direction characterize everyday politics within the cabinet; even more so in the wake of the summer 2017 split within one of the government parties (i.e., the populist Finns Party). Innovative measures and political engineering will be required to reverse the erosion of democratic participation. Revitalizing representative democracy in Finland will require the input of new participatory institutions (e.g., binding referendums). Some progress has been made in this respect. A relatively new mechanism, the so-called citizens' initiative, obliges parliament to debate any petition that receives at least 50,000 signatures. As of the time of writing, several initiatives have undergone or are awaiting parliamentary consideration. Notwithstanding, while this mechanism marks a step in the right direction, the citizens'

initiatives are non-binding; parliament retains the right to reject any initiative.

National security, internal as well as external, and foreign policy present substantial challenges for Finland. Given Russia's political and military intervention in Ukraine as well as the deteriorating relationship between Russia and EU member states, concerns about Finland's proximity to Russia have increased pressure on the government to form alliances with international partners. Political and public attitudes toward EU and NATO membership, which were increasingly critical before the recent security crises, are now more favorable. Current constitutional arrangements divide responsibility for foreign affairs (excluding those related to the EU) between the president and government. The indistinct basis for this duality as well as the active foreign policy leadership assumed by President Sauli Niinistö creates uncertainty about doctrine and policy both abroad and domestically.

The long-term increase in the longevity and the stagnating fertility rates of Finland's population create a strong demand for migrant workers. This economic demand, however, conflicts with negative public attitudes toward immigration, represented and exacerbated in particular by the Finns Party. As evident in recent polls, however, the fractured party is now losing ground and will likely face defeat in upcoming elections. Nonetheless, the party's previous capacity to rapidly garner support has left the major parties hesitant to pursue policy initiatives that would significantly increase immigration. Still, at the time of writing, the massive inflow of refugees and asylum-seekers to Europe and, to a lesser extent, to Finland, appears to have had a moderating effect on public opinion.

The government's executive capacity remains strong. The programmatic framework works reasonably well and forms the basis for strategic planning and implementation. Strategic governance is also promoted by effective interministerial coordination, the government office's ability to independently monitor and evaluate policies, and the evident oversight capacities of cabinet committees and working groups. Interest associations and civil society groups are widely consulted when legislation is drafted. Notwithstanding, the executive capacity of local governments is undermined by inadequate funding. Reforms

intended to amalgamate and restructure local government administrations have had mixed success. Importantly, plans to restructure administrative boundaries have not sufficiently taken into account the impact this will have on the constitutionally protected rights of Finland’s Swedish-speaking population. Generally, there appears to be a lack of appreciation for the contextual nature of the public-policy challenges that now confront Finland. There is no one-

size-fits-all policy solution; rather, any successful solution must draw upon combinations of policies rooted in a division of responsibilities between local and central governments.

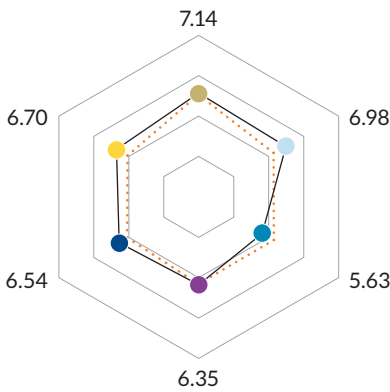
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→ Dag Anckar, Kati Kuitto, Christoph Oberst, Detlef Jahn

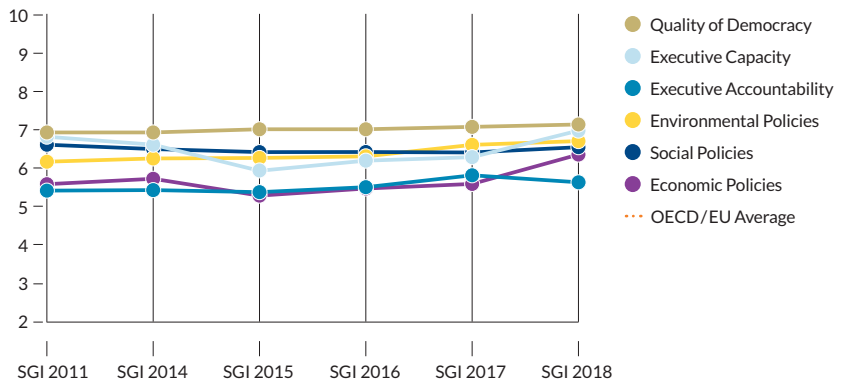
## Country profile SGI 2018

# France

Overall 2018 Performance



Development over time



Source: Sustainable Governance Indicators.

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### Executive Summary

France enjoys solid institutions of governance – the most stable, consensual and efficient period over the past 200 years, marked only occasionally by dubious constitutional experiments. Yet, the country has struggled to effectively address the challenges associated with Europeanization and globalization. The institu-

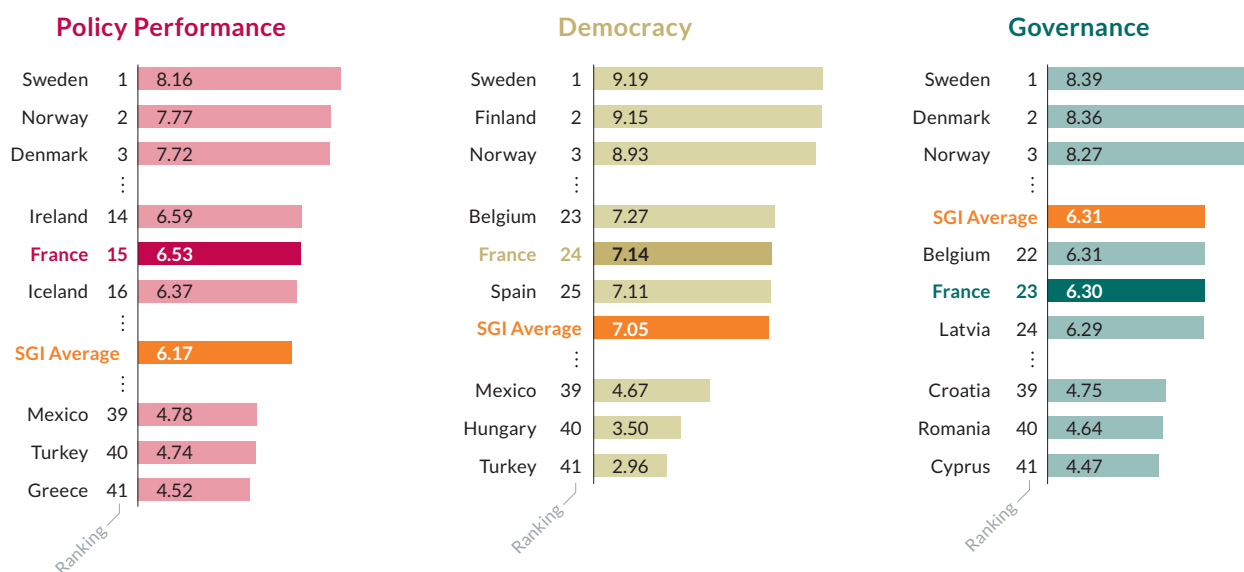
tional system has been weakened by the rise of populist parties: primarily the National Front but also the radical left led by Mélenchon, which advocates a strange mixture of statist economic proposals and libertarian political choices. Both populist manifestations express a deep distrust between segments of the population and the political class. In the wake of President Trump’s election in the United States and of the

Brexit referendum in the United Kingdom, there were fears that Marine Le Pen might be the winner of a polarized presidential election in France, which has raised serious doubts about the country's capacity for systemic reforms.

Coming to power in 2012, President Hollande initially attempted to reverse his predecessor's reforms, but further economic collapse soon led to a U-turn, and the adoption of supply-side reforms and more budgetary discipline. Deep division within the Socialist Party and the government combined with the president's confused communication style and lack of clear commitment to policies discredited the government. As a result, the potential political benefits of these limited but important reforms (i.e., labor market reforms, business tax cuts, liberalization measures and budgetary consolidation) have been marred. Overall, the policy changes were steps in the right direction, but insufficient to meet future challenges. The characteristic gap between real (if limited) change and immobile concepts, and between liberal reforms and the traditional statist interventionist discourse persisted under President Hollande. As a result, the Socialist Party was deeply divided between social-democrat reformists and leftist radicals.

The division was so deep and the popularity of President Hollande so low that Hollande renounced his candidacy for the 2017 presiden-

tial election, leaving the Socialist Party divided and directionless. The open primaries organized in January 2017 left the floor to the most radical elements of the party, contributing to the elimination of the reformist candidate (the former prime minister, Valls) and to the selection of a leftist candidate (Benoît Hamon). Hamon's leadership proved to be deprived of charisma and unable to reunify the Socialist Party. On the right side of the political spectrum, the landslide victory of François Fillon, who presented a strongly conservative program, and the very high turnout at the open primary organized by the Républicains and the centrists in November 2016 (4.4 million voters) seemed to indicate the certainty of Fillon's victory. However, paying for a political scandal related to the hiring of his wife and children with public money, Fillon only came third in the first round of the presidential election and was eliminated, leaving the floor to two different outsiders and challengers to the traditional parties of government. On the one hand, Marine Le Pen, the anti-immigration, anti-globalization, anti-EU, populist candidate; on the other, the improbable winner of the first round, Emmanuel Macron, who was both challenging the traditional political left/right cleavage, and suggesting a new cleavage between progressive, liberal pro-Europeans and autarkic, reactionary nationalists. It was difficult



Source: Sustainable Governance Indicators.

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to conceive of more antagonistic proposals for France's future political and policy choices.

The final choice was clear but at the same time pointed to the fragmentation of public opinion (populist votes, abstention). However, the strength of the new president lies in his reform program, which he presented to voters during the electoral campaign. Once elected and with a strong parliamentary majority, the new president has a mandate for reforming the country. Since he has taken office, the new president has shown his clear commitment to his pro-EU, liberal-reform agenda. He benefits from a strong parliamentary majority and a deeply divided, crisis-shaken opposition (the traditional socialist and conservative parties are fragmented, the National Front is in deep disarray and split, and the radical left led by Mélenchon is isolated). The division within and the weakness of the unions have undermined resistance to Macron's labor-market reforms, and his pro-European and pro-business policies proceed undisturbed for the time being.

This successful start is supported by the improvement of the European and global economic outlook as well as by the first effects of some reforms adopted during the Hollande presidency. Contrary to what could be feared at the end of 2016 when the future of the country looked rather bleak (unemployment, debt, terrorism, populist challenges), a new optimism supports the new majority. Many problems have still to be faced but there is the political will and the capacity to tackle them.

### Key Challenges

France is at a crossroads. The collapse of the traditional party system following the 2017 presidential election and the political earthquake triggered by Macron's election open radically new perspectives. The challenges now are not so much "what to do?" but rather "will the president and his majority be capable of fulfilling the promises they have made?"

Macron has insisted that the European Union should be more efficient, integrated and protective, but that France should first do its "homework." He knows that only a strong and successful French reform agenda will give him

the credibility to convince his EU partners of his vision. Macron enjoys a strong majority in the National Assembly and the institutions of the Fifth Republic offer effective instruments for achieving deep reform. The problems lie elsewhere: how to convince a reluctant and volatile public that the new government will make the right policy choices? Given the absence of a strong political opposition, social protest will be the main obstacle that the new government will likely face over the coming years.

France has to tackle four major challenges.

The first one is political. The entire party system has to be reconstructed after the 2017 political earthquake. While this destructive phase has permitted Macron to sweep away the old political forces to the advantage of his new movement, it has also contributed to the weakening of the traditional mediatory institutions which will have to be rebuilt. This is also true for the president's movement, *La République en Marche*, which will have to transform itself into a party capable of fulfilling a mediatory role. The time horizon is short. The renewal of political forces has to be achieved before the next presidential election in 2022.

The second challenge is financial, budgetary and economic. The diagnosis is well-known: public deficits and debt must be drastically reduced, fiscal pressure lowered, and unemployment addressed with drastic policy changes. The task is daunting. However, two factors might help. The first one is linked to the overall economic improvement in the European Union and worldwide. This will help the government to respect EU rules on budget deficits, which in recent years France has repeatedly broken, and hopefully stabilize public debt. It will also absorb some of the unavoidable economic and social costs of reform. The other factor is Macron's commitment to an ambitious reform agenda. For the time being, the government has proceeded with speed and energy, leaving little space for opposition. The key issue will be the government's capacity to pursue its policy choices in the years to come. The disconnection between the (short-term) political agenda and the (medium- to long-term) economic agenda is a crucial component of the equation. Indeed, there are not many more savings to be expected if structural reforms are not adopted and imple-



mented. Education, professional training and industrial reconstruction are some of the many sectors that need to be restructured in order to achieve more substantial benefits.

The third challenge is related to the overall structure of the bureaucracy and public sector. Both are comparatively inflated and inefficient. The approach to tackling unemployment by increasing public sector employment (in particular at the local level) has failed, and has considerably lowered the effectiveness and efficiency of public service provision. Similarly, the introduction of a more competitive framework for some public sectors (such as transportation) has repeatedly been postponed. Trimming redundant or inefficient administrations, revising policies that benefit vested interests, and simplifying the complex multi-layered territorial system (“millefeuille”) will be necessary reforms. However, such reforms will likely produce protest and discontent in the short-term, while only proving beneficial much later.

A fourth major challenge concerns the intertwined issues of security, immigration and integration. The traditional French model, based on an open policy toward immigrants acquiring French nationality and on the principle of equality of all citizens regardless of ethnic origins or religion, has lost its integrative power over the last 30 years. The former key instruments of the integration process (education, work, religion, political parties and trade unions) are no longer effective, while the recent terrorist attacks have further weakened integration processes. This challenge requires multifaceted policy solutions in areas including security, urban development, and education and job training, with a primary focus on employment opportunities for the most marginalized citizens. What is at stake is the country’s political and social cohesion, and common national values and rules. Unfortunately, the present situation is characterized by an identity crisis, an ethnic divide, the exclusion of migrants and political frustrations which have, in part, benefited extremist political candidates and parties.

France needs courageous policies that include clear (even if unpopular) choices, frankness when explaining the challenges, more social dialog, and a more streamlined and

coordinated style of governance. The good news is that the newly elected president is fully and explicitly committed to this reform agenda.

Full report available at [www.sgi-network.org](http://www.sgi-network.org)

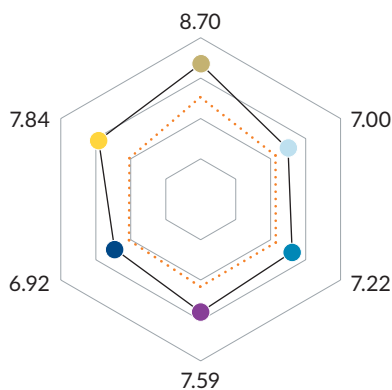
- Yves Mény
- Henrik Uterwedde
- Reimut Zohlhörer



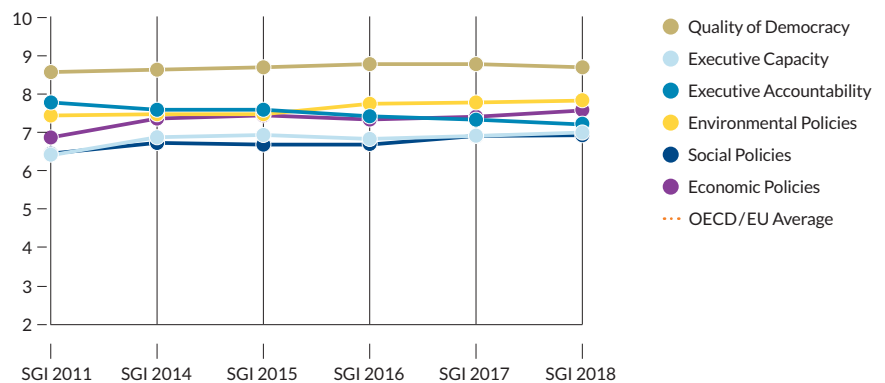
## Country profile SGI 2018

# Germany

Overall 2018 Performance



Development over time



Source: Sustainable Governance Indicators.

BertelsmannStiftung

### Executive Summary

This year's report points toward the somewhat ambiguous performance of German policymaking. On the one hand, the economy, labor market, welfare system and public finances are doing extremely well, and excel by international comparison. Even with respect to the topic of refugee immigration and integration, the situation seems to have been brought under control, at least according to some positive feedback from international organizations on the integration measures that Germany has initiated. On the other hand, there is a growing sense of complacency on the part of German politicians and voters. Because of the excellent current governance and social security conditions the immediate pressure for reform has receded over recent years. For the time being, lower reform ambitions and the larger generosity to satisfy short-term political demands have not produced measurable economic or financial damage. However, it is crucial for the long-run perspective that the incoming gov-

ernment adopts a more long-term approach to overall policymaking.

An important event within the review period was the federal election in September 2017. The election changed the German party system. Not only did six parties enter parliament but also the main parties lost significantly, namely the bourgeois Christian Democratic Union (CDU) and its Bavarian sister Christian Social Union, (CSU), and the Social Democratic Party (SPD). The CDU/CSU dropped from 41.5% in the 2013 elections to 32.9%, while the SPD declined from 25.7% to 20.5%. Consequently, both the CDU/CSU and SPD lost their dominant position within the German party system. The 2017 election was the SPD's worst result and the CDU/CSU's second worst result in the post-war period. All other parties gained votes, albeit for some the gains were marginal. The Greens won 8.9%, a gain of 0.55 percentage points, while the Left Party won 9.2%, a gain of 0.6 percentage points. The Free Democrats (FDP) re-entered parliament with 10.7%, a gain of 5.9 percentage points. In ad-

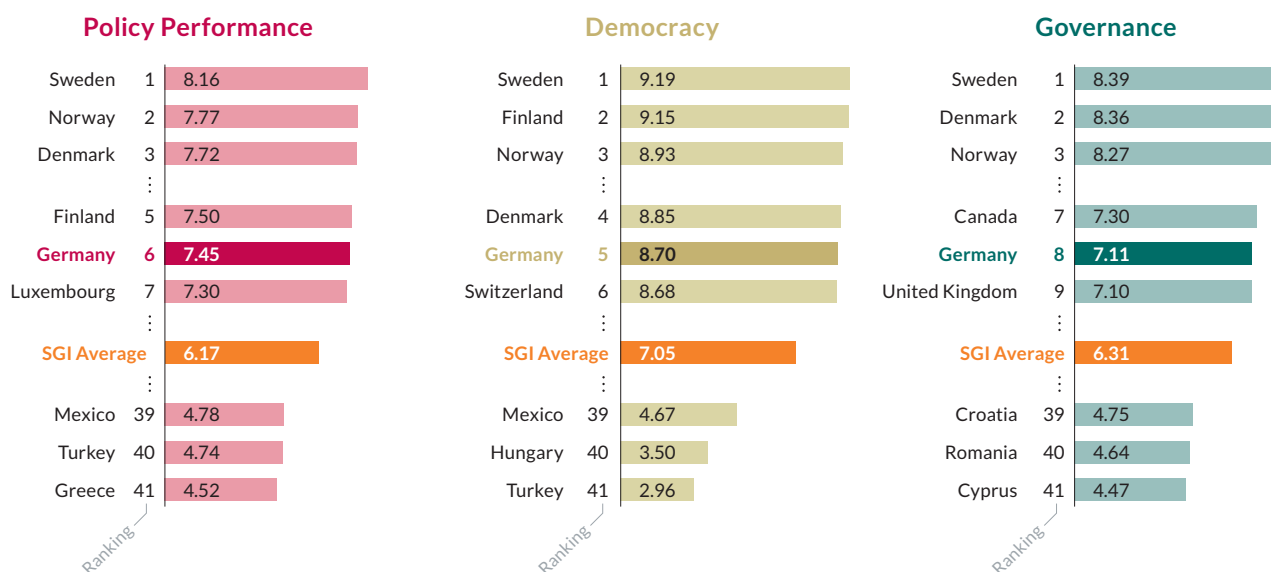
dition, the Alternative for Germany (AfD) won 12.6 % of the vote, considerably higher than the 5 % threshold, and entered the federal parliament for the first time. The Bundestag now hosts a strong right-populist party that includes some right-extremist positions. In the eastern part of Germany, the two main parties lost more votes compared to the western part, and the smaller parties on the left and right of the party spectrum won more votes pointing to a continuing political division within the country.

At the time of writing, the composition of the new government remains uncertain. Whichever parties form the new government, the election results indicate a somewhat shrinking consensus on fundamental policies in Germany. Though this is not yet as dramatic as in other European countries in terms of populists' voting shares.

Regarding policy performance, the 2017 situation was characterized by a very favorable picture in terms of key indicators ranging from high economic growth (above 2 %), falling unemployment rates and a surprisingly high public budget surplus. With this tailwind, Germany could also keep or even increase its engagement for the provision of national or global public goods in the field of R&D, education or development aid. On social and distributive issues, the situation remains controversial with the usual left-right disputes on the extent and tendencies

of social exclusion. However, the current employment boom has further reduced long-term unemployment and reduced the level of irregular employment. On the challenge of refugee integration, observers from international organizations still diagnose problems, such as insufficient coordination of relevant stakeholders. Though they also acknowledge that Germany has reacted quickly and created an environment that is conducive for the successful labor market integration of refugees. Highly salient incidents like Islamic terrorism, xenophobic attacks by right-wing radicals or the G20 Hamburg summit riots by left-wing extremists have undermined popular perceptions concerning public safety even though the objective crime data does not indicate a dramatic increase in criminal incidents.

Germany continues to do very well in terms of the quality of democracy. Of course, German democracy is affected by international trends like the continuing decline in market share for high-quality print media, which safeguard public access to information. But these trends are much less pronounced in Germany compared to other countries. The public broadcasting system continues to reach a decent proportion of the population, and provide largely high-quality and independent coverage of political developments. Though this has recently been questioned in some instances. The rule of law and the independence



Source: Sustainable Governance Indicators.

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of the judiciary is strongly backed both by political actors' and voters' respect for these institutions.

The indicators for governance capacities continue to show a less convincing positioning compared to the two other SGI pillars. Overall, the governmental system's steering capabilities are constrained by a lack of strategic planning, which is exemplified by the relatively weak role of strategic policy units. Moreover, coordination processes in multiparty governments are often dominated by informal institutions like the coalition committees where "party politicization" undermines strategic planning and often leads to a lack of consistent communication. Expert evaluations and impact analyses play an important role, and are regularly executed with good methodological standards and impartiality. However, there is considerable scope for improvement to develop strategic policy conclusions from deeper insights.

Summing up, this year's report confirms Germany's current successful governance performance. However, it raises concerns that political myopia and the lack of strategic foresight might undermine the German growth story over the next decade.

### Key Challenges

Key challenges for the next government are manifold. To begin with, the short-term challenge will be to create a new and stable coalition government, able to generate a coherent governmental program that guides politics and policies over the next years.

For this next German government, it is of crucial importance that it does not lose sight of the medium- and long-term tasks that Germany faces. It may appear paradoxical, but this risk has risen with the country's highly successful economic and financial performance over recent years. Exceptional circumstances like the record low levels of government interest rates in combination with strong economic growth and the employment boom have considerably softened short-term budget constraints. The consequences of which were clearly visible in the last election campaign and will also impact the ongoing negotiations for a new coalition government. Politicians of all parties assume that they can extrapolate the current highly favorable eco-

nomical and financial situation by increasing government and social security spending, while lowering taxes and introducing a wave of new regulations. This policy approach is hardly viable over the longer run, among other things, because of the effects of an aging population on economic growth, and increased pressure on health care and pension spending. Therefore, a responsible and realistic policy approach with a long-term perspective must develop appropriate answers regarding the following policy fields.

**Pension policy:** The system continues to benefit from a favorable relationship between the active population (still comprising the baby boomer generation) and pensioners. In the coming years, with the retirement of the baby boomers and as a consequence of increasing life expectancy, the dependency ratio will quickly rise. Political parties have remained largely silent on the issue of how to react and keep the system (and contribution rates) stable. The only consensus seems to relate to benefit increases for parents, workers with particularly long-working histories and measures for fighting poverty in retirement. Expert recommendations for a further increase in the statutory pension age have regularly been rejected by Germany's main political parties.

**Health and old-age care system:** The social security systems for health and old-age care are characterized by even larger pressures on spending. Demographic change, and increasing societal expectations regarding the quality of services and medical progress have meant that demand for higher spending is almost unlimited. Over recent years, governments could impress voters by regularly increasing benefit levels as the employment boom provided the necessary finances. In the coming years and decades, with the shrinking active population, the imbalance between spending demand and available finances will increase dramatically. Current political programs are completely silent on how to contain this pressure.

**Tax policy:** With respect to the tax policy debate, German politics seems to be characterized by a neglect of constraining factors related to increasing international competition. With the far-reaching Trump tax reform, a new wave of global corporate tax competition may have commenced. In Europe, the United Kingdom

(to compensate for the consequences of Brexit) and France (as Macron wants to push French competitiveness) plan to make their systems more competitive. Without a reaction, Germany will find itself with the highest business tax burden of any major industrial country.

**European reforms:** Another major challenge for Germany relates to the European reform debate. Europe is urgently waiting for the next German government to develop a constructive strategy for how to reform Europe and the euro zone in order to increase resilience to crises and promote citizen trust in the union. Germany has to find the right balance between defending its self-interests (e.g., preventing a strategy of fiscal exploitation with massive transfers from northern to southern and eastern Europe) and constructive solidarity.

**Refugee policies:** Another major challenge involves refugee and immigration policy. After a dramatic 2015, refugee numbers have decreased considerably. However, this policy field still poses highly complicated questions concerning how to foster integration and steer immigration. The refugee issue has split society. The rise of several right-wing protest movements and the success of an anti-migration party, the AfD, indicates that part of the population is deeply distrustful of Germany's political, economic and media elites. While the right-wing anti-immigration positions still constitute only a minority, they are particularly present in the eastern part of the country, pointing to a divide that persists more than 25 years after unification. The next government must build on the last grand coalition's effort to promote a successful integration policy and develop – together with Germany's EU partners – workable strategies to keep migration flows at manageable levels (i.e., levels that do not overstretch popular support or undermine financial sustainability).

**Climate policy:** The radical exit from nuclear power in combination with Germany's ambition to be a front-runner in climate policies poses complicated policy trade-offs. One of the contentious issues is the timeframe for closing down coal-fired power plants.

Germany is economically and financially in a very good situation. The country recovered more quickly than many other countries from the global financial crisis. Economic growth rates

have been exceptionally high in recent years and the short-run outlook for 2018 remains bullish. However, far-reaching policy mistakes that endanger the long-run sustainability of economies are typically made in good times.

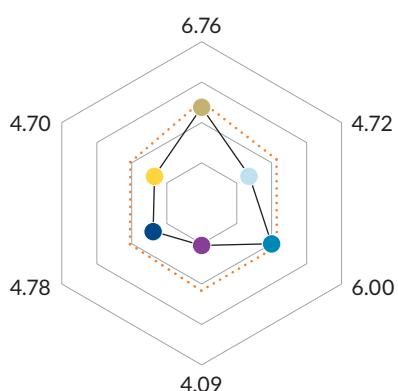
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- Friedbert W. Rüb
- Friedrich Heinemann
- Reimut Zohlhörer

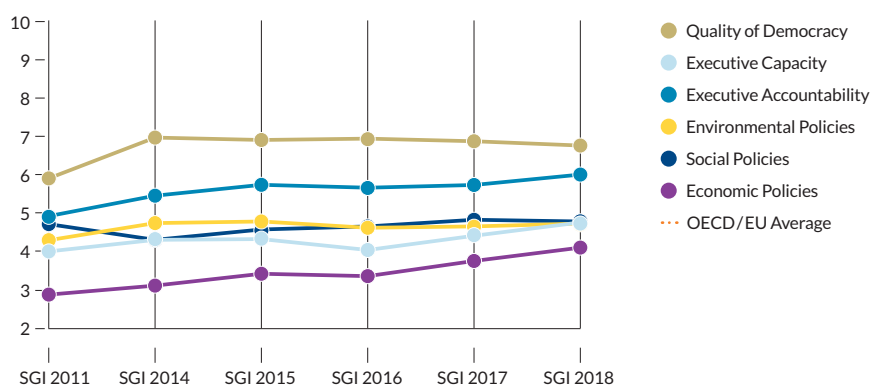
## Country profile SGI 2018

## Greece

Overall 2018 Performance



Development over time



Source: Sustainable Governance Indicators.

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## Executive Summary

During the period under review, Greece's political and economic environment grew less volatile, while domestic and foreign observers recorded signs of timid economic growth. In relation to 2015 – 2016, the government appeared far more willing to introduce and, to a lesser extent, implement reforms, and welcome foreign investment.

These developments were encouraged by a positive international milieu. Business confidence in Europe, as measured by Eurostat, is at its highest point for over a decade.

However, Greece continues to be the only European country that has yet to reach the stage of economic recovery. Nevertheless, there are some reasons for optimism. In spring 2017, the government concluded a €1.2 billion deal with a consortium led by the German company Fraport, which involved 14 of the country's regional airports. This is the biggest privatization venture so far under Greece's international bailouts. Following the conclusion of the deal, in July

2017, Greece successfully sold €3 billion in five-year bonds at a relatively low interest-rate of 4.6%. The bond issue was so oversubscribed that the country could have borrowed €6.5 billion, more than twice the desired amount.

Negotiations between the coalition government, consisting of the radical-left party (Syriza) and the far-right party Independent Greeks (ANEL), on the one hand, and the country's lenders, on the other hand, continued. The second review of the adjustment program was completed – with considerable delay – in June 2017 paving the way for the disbursement of the third tranche of financial assistance (€8.5 billion) that was used to cover Greece's current financing needs and arrears clearing.

The country's economy is expected to grow in 2017 by 1.7% after stagnation in 2016 (-0.2%). Capital controls, imposed on the banks in July 2015 when the government announced a referendum, were not lifted in the period under review and are still in place. The Greek banking system still faces risks, as non-performing loans are a

major constraint. Yet, between 2016 and 2017, the government continued to privatize the transport sector and sell-off state-owned property. At the same time, it continued to delay the implementation of agreements it had signed with private investors concerning the exploitation of gold mines in northern Greece and urban development of the east coast of Athens.

The OECD projects GDP growth to rise to 2.3% in 2018 and then moderate to 2% in 2019. So, Greece’s economy is projected to grow again, and the recovery is expected to strengthen as investment rebounds and private consumption rises. The labor market is also recovering though high unemployment remains a problem.

The Syriza-ANEL government allocated funding for social assistance and began the implementation of a new social safety net, the Social Income of Solidarity. However, the government raised taxes and social security contributions to an unprecedented degree, which will hit the middle strata and professionals particularly hard, while it made little progress in fighting tax evasion. Economists argue that these measures have negatively influenced investment and job creation.

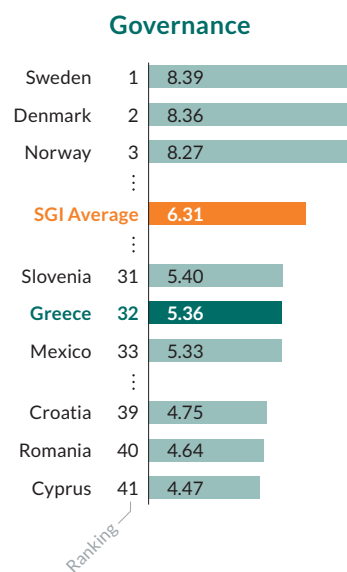
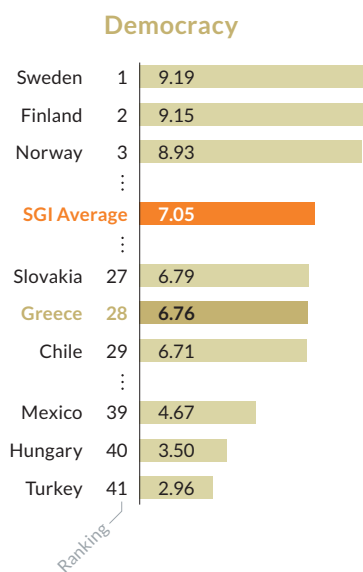
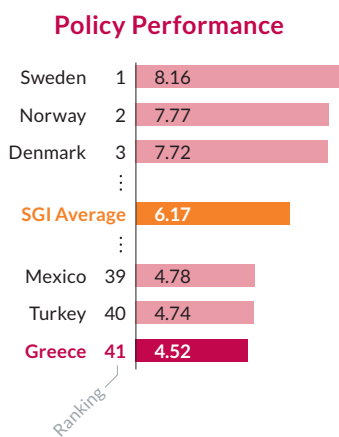
Finally, in the period under review, the government did not give up on its drive to control the media and influence the judicial system. Meanwhile, the weak state administration hampered

further reform efforts. Such efforts, however, are necessary if Greece wants to change its model of production, currently based on domestic consumption and the provision of services to tourists.

### Key Challenges

Late in the summer of 2017, after long delays, Greece was able to conclude the Second Review of the Third Economic Adjustment Program. Over the next 12 months, Greece must first complete the Third Review of the same program. The government must implement a number of reforms that will enable Greece to exit the seven-year long close monitoring of the economy. Notably, in August 2018, when the current Third Economic Adjustment Program officially ends, Greece is expected to seek further financing by drawing funds on international markets. However, the IMF, having approved in principle a largely symbolic cash injection for the country, has repeated its long-standing warning that Greece’s debt remains unsustainable.

Thus, the prospects of the Greek economy remain uncertain, as loans on international markets incur higher interest rates than the rates granted to Greece by its lenders. Meanwhile, the growth of the Greek economy is meager, while large foreign private investments are not



Source: Sustainable Governance Indicators.



forthcoming, as the Syriza-ANEL coalition, being ideologically hostile to foreign capital, has given mixed signals to foreign entrepreneurs. Domestic investment was discouraged as the government suddenly and dramatically raised taxes and social security contributions. Thus, a better balance between taxation and business incentives must be attained.

In view of the above, the most important challenge for Greece will be to avoid a new sudden economic crisis, resulting from further government indecisiveness, a banking crisis or a sudden call for a snap elections (a decision which rests exclusively in the hands of the prime minister).

There are many open questions waiting to be addressed before the next general election (which, barring a sudden decision by the prime minister, are expected to take place in mid-2019). Open questions include restoring stability in education, public order and the administration of justice. In other words, sectors in which the Syriza-ANEL coalition government has experimented with rolling back reforms which had been affected before the government was formed (i.e., before January 2015). Since 2015, frequent education reforms have been announced, the government has been unable to impose law and order in the center of several major cities (e.g., Athens and Thessaloniki), and the administration of the judicial system has further declined (very slow and disputable functioning of courts).

However, the two major challenges that lie ahead are the health of the banking system and the future of pensions. Non-performing loans continue to be a major impediment for the financing of the economy and their shrinking will become a major issue in the forthcoming months with a political cost that the current or the next government will need to bear. The Bank of Greece plans to start stress tests for the country's four systemic banks in late February 2018. Under the Third Bailout, pension payments, which had been cut by 40 % since the start of the crisis, will be cut by a further 18 % from 2019. This will be a necessary measure but also a major political challenge for any government.

Unfortunately, while nominally interested in alleviating the suffering of victims of the economic crisis, the Syriza-ANEL government has resorted to traditional, pre-crisis patronage practices. The government has recruited party

supporters to the public sector usually on temporary contracts, as it has been unable to finance large-scale hiring. It has also offered the poorer strata one-off social welfare transfers. In the traditional patronage manner, cash transfers were selectively channeled to favored interest groups, such as employees of state-owned enterprises and pensioners. It was only in early 2017 that the government at last established a social safety net for the poor. This unbalanced mix of patronage politics and social policy transfers needs to be re-assessed.

Over the next 12 months, policy challenges and debates will center on issues of economic growth, policy stability and redistribution.

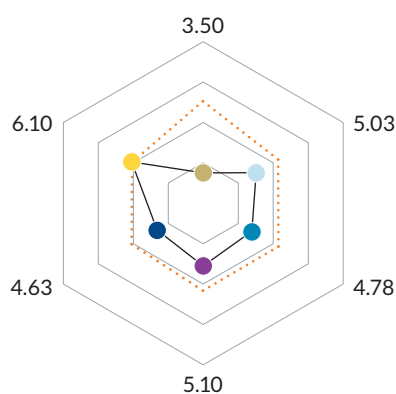
- Dimitri A. Sotiropoulos
- Asteris Huliaras
- Roy Karadag



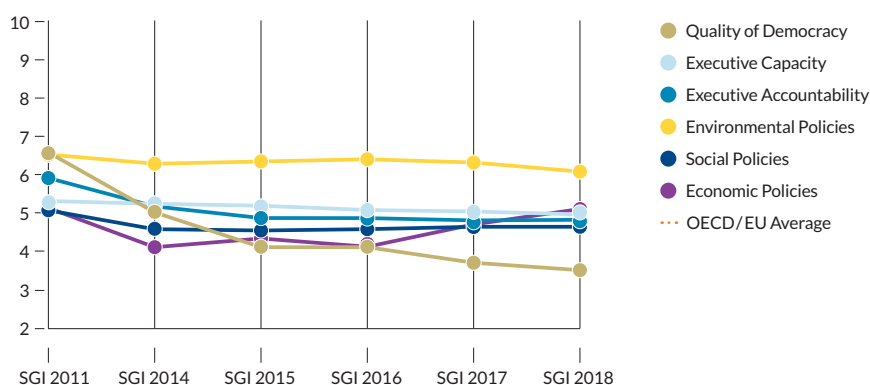
## Country profile SGI 2018

## Hungary

Overall 2018 Performance



Development over time



Source: Sustainable Governance Indicators.

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## Executive Summary

Hungary has been governed by Viktor Orbán and his Fidesz party since 2010. In the April 2014 parliamentary elections, the government succeeded in maintaining its two-thirds majority – despite receiving 600,000 fewer votes than in 2010 – which allowed Orbán to be elected prime minister for the third time. Following a number of lost by-elections, the government lost its two-thirds majority in February 2015. In the period under review, the third Orbán government continued its dismantling of checks and balances and its “refeudalization” of the economy and society. With the April 2018 parliamentary elections approaching, the government’s agenda has increasingly been shaped by electoral considerations.

Throughout the period under review, the Orbán government has continued to hollow out the institutions of democracy. It has demonstrated little trust in the soft power of its huge propaganda industry and has stepped up efforts

to weaken the opposition while undermining the remaining checks and balances. It has limited the opposition’s access to the public by restricting opposition parties’ use of billboards, which had played an important role in the 2010 and 2014 election campaigns. It has further tightened its control over the media, as the last four remaining regional dailies were bought by oligarchs close to Fidesz in July 2017; it has massively campaigned against independent, foreign-funded NGOs and introduced a new law that makes their work more difficult; and it has sought to close the Central European University (CEU), which is not only the country’s most prestigious institute of higher education but is also a stronghold of independent thinking. The assault on NGOs and the CEU has been part of a massive campaign, marked by anti-Semitism, against the Hungarian-American millionaire-philanthropist George Soros. As a centerpiece of Fidesz’s election campaign, these efforts have been closely linked to Fidesz’s ongoing anti-refugee and EU rhetoric.

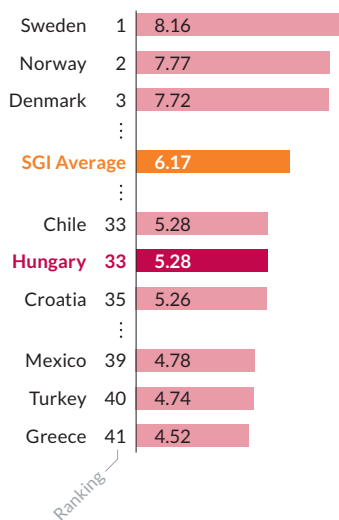
Hungary’s political system, economy and society have been linked by pervasive corruption and a special variant of crony capitalism. Hungarian society has increasingly taken on the features of a proto-feudal system in which the supporters of the regime benefit from corruption and nepotism. Economic policy has been characterized by an increasing “re-nationalization” of the economy and a “re-feudalization” of public procurement. In the war among the oligarchs, Lajos Simicska and Zoltán Speder have lost to Lőrinc Mészáros, István Garancsi and István Tiborcz (Orbán’s son-in-law). The Orbán government’s decisions are largely meant to provide investments and business opportunities for this network. As a result, the recovery of the Hungarian economy since 2013 has been strongly based on the influx of resources from European funds and on investment in stones rather than brains. Given the fact that the education and R&I systems have been subject to chronic under-financing, political control and dubious organizational reform and that the shortage of qualified labor is growing, Hungary’s medium-term economic perspectives look bleak.

In the period under review, the Orbán government adopted a number of institutional reforms. To underline its reform commitment, it created a new Competitiveness Council and announced the creation of a cabinet committee

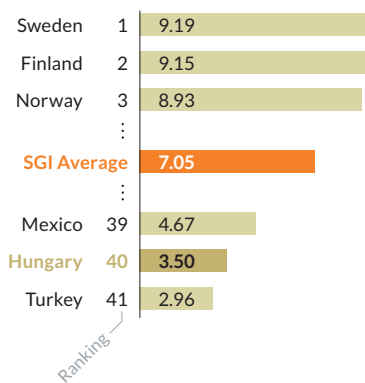
on family affairs. In October 2017, in a campaign-driven move, it also appointed two new ministers, János Sűli for the Paks-2 new nuclear station and Lajos Kósa for the Modern Cities Program, thereby continuing the government’s proclivity to create top-level positions for its allies. While Orbán back in 2010 emphasized the need for small government, the third Orbán government in fall of 2017 consisted of 178 ministers, state secretaries and deputy state secretaries, twice the number of the Bajnai government in 2010. At the same time, policymaking has continued to suffer from over-centralization, hasty decisions and the renunciation of public consultation and external advice.

Due to the fact that the Hungarian institutions meant to counterbalance the power of the government – such as the Constitutional Court, the media and the president of Hungary – have failed to fulfill their mandates, the EU is the last remaining veto player. Indeed, as the EU has repeatedly made a point of highlighting corruption, administrative shortcomings and illegal practices in the Hungarian government, Brussels is unsurprisingly increasingly attacked as an enemy in the eyes of the Orbán government. On October 23, 2017, an important national holiday, Orbán held a campaign speech in which he began by drawing a parallel between the former “homo sovieticus” and the “homo brusselicus”

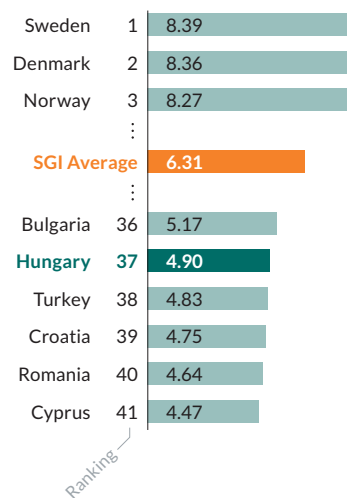
**Policy Performance**



**Democracy**



**Governance**



Source: Sustainable Governance Indicators.

as a historical burden of Hungary and closed by stating that “true Hungarians” would vote for Fidesz. In its confrontation with the EU, Fidesz has focused primarily on two ongoing infringement processes in political matters and the European Court of Justice’s refusal of Hungary’s attempt to sue the EU on the issue of refugee allocation to demonstrate its commitment to an alleged fight for freedom. These campaigns, together with several other anti-EU measures have deepened the conflict between the Hungarian government and the European Commission and the broad majority of EU members states. Even within the European Peoples Party, the patience with Orbán has worn thin.

### Key Challenges

Although the parliamentary elections of April 2018 fell outside the period under review, it is worth noting that Viktor Orbán’s victory in the election marked an unexpected landslide. With 134 seats in the 199-seat parliament, Fidesz has regained the two-thirds majority it had lost in February 2015, thereby demoralizing the opposition even further. The strong position of the fourth Orbán government means that democracy in Hungary will continue to erode, pervasive corruption will undermine both democracy and economic growth, societal polarization will continue, the rift between liberal Budapest and the more traditional countryside will grow, qualified young people will continue to emigrate in high numbers and that the conflicts within the EU, not only over the issue of migration, will increase.

On the surface, Fidesz’ strong showing is largely based on the party’s tough position on refugees. When trying to explain the electoral success of Viktor Orbán and his party, however, one has to dig deeper and address broader fears in Hungarian society. In the World Happiness Report 2017, Hungary ranked only 75th out of 155 countries. This habitus is not new. Pessimism and a great extent of “dystopia,” a negative future image, have always been a formatting power of Hungarian political culture. Many citizens have been exhausted by the ups and downs of the last decades; others fear that any changes might put the recent increases in wages and wealth at risk; some have lost their

general orientation in a quickly changing world. Add Fidesz’s media dominance and the lack of a convincing opposition candidate, and these fears have made it relatively easy for Fidesz to play the claviature of xenophobia.

Still, a Globsec survey in late 2017 found that the overwhelming majority of Hungarians supports liberal democracy (79 %) and favor staying in the EU (71 %). The democratic opposition tried to capitalize on this sentiment by formulating the issue at stake in the parliamentary elections as “Europe vs. Orbán,” though without success. The key challenge of the future is to bring this support to the forefront and to diminish the influence of right-wing populism in the country. In this process, the government will not be of help, but rather the target.

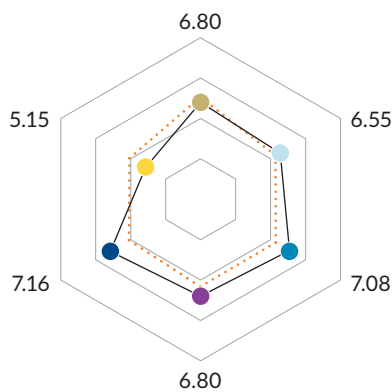
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- Attila Ágh
- Jürgen Dieringer
- Frank Bönker

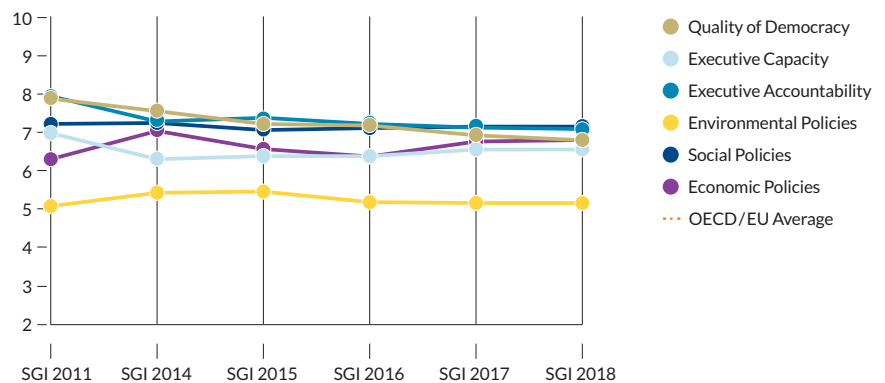
## Country profile SGI 2018

## Iceland

Overall 2018 Performance



Development over time



Source: Sustainable Governance Indicators.

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## Executive Summary

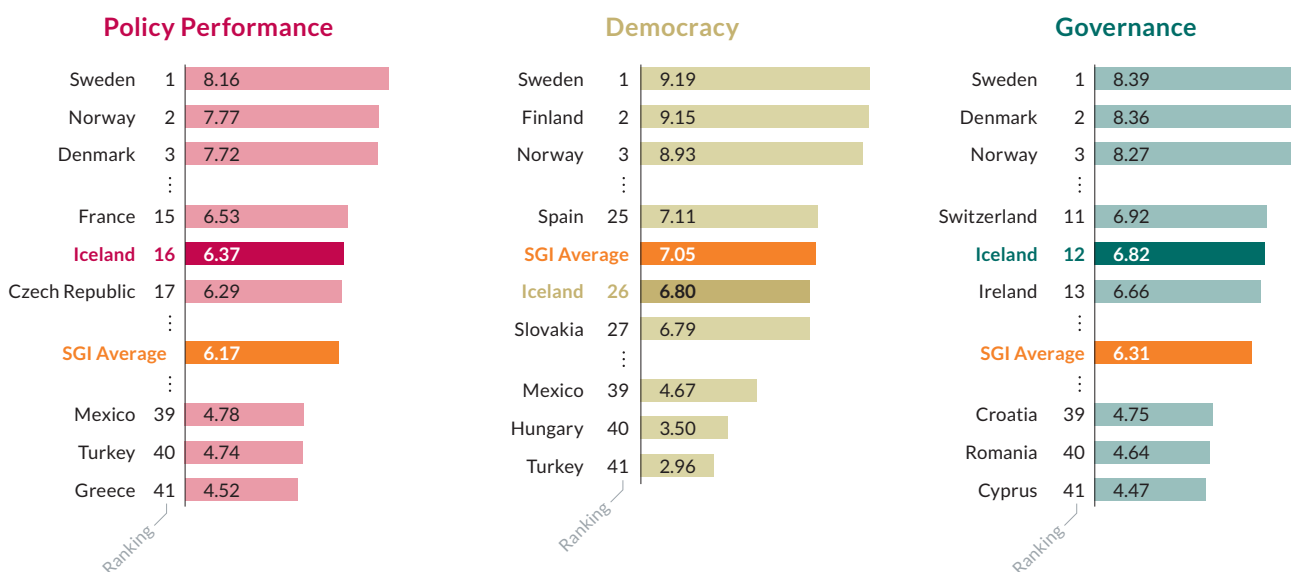
In January 2017, ten weeks after the October 2016 parliamentary elections, a three-party coalition government was formed. The most successful party in the elections, the Independence Party (21 seats), led a coalition with Regeneration (seven seats) and Bright Future (four seats). This meant that the government coalition held only 32 out of 63 parliamentary seats, a bare minimum for a parliamentary majority. Since Regeneration was more or less a liberal break-out from the Independence Party and Bright Future defined themselves as a centrist liberal party, this coalition government can be regarded as a right-wing government. This coalition was formed following a long government crisis with several false starts and failed attempts to build a new coalition government. After only eight months in power, this coalition collapsed when Bright Future announced that they were ending their coalition with the Independence Party. In a two-sentence statement, posted on the of-

ficial Facebook page of Bright Future, the party explained: “The leadership of Bright Future has decided to end cooperation with the government of (Prime Minister) Bjarni Benediktsson. The reason for the split is a serious breach of trust within the government.” Here, they were referring to news, which had broken earlier that evening, that the prime minister’s father had provided a recommendation letter of “restored honor” for a man convicted of having raped his stepdaughter almost daily for 12 years. Benediktsson, despite having been informed about this by the minister of justice in July 2017, kept this matter to himself until a parliamentary committee compelled the ministry to release this information to the press. A new election was announced on 28 October 2017 since no new coalition cabinet was on the cards. Parliament was dissolved and the second parliamentary election in one year took place. The election campaign had hardly started when the former prime minister, Sigmundur D. Gunnlaugsson, who had resigned in spring 2016 in the wake of the Panama

Papers scandal, broke away from the Progressive Party. In October 2017, he established a new political party, the Center Party (Miðflokkurinn). Various Progressive Party members left and joined the new party. This was the first time in Iceland's history that both traditional parties, the Independence Party and the Progressive Party, were split at election time.

A significant infringement of media freedom took place in October 2017, two weeks before the elections, when the Reykjavík Sheriff's Department issued a gag order on the newspaper Stundin. The order prohibited Stundin from covering leaked documents that outlined dubious financial transactions involving the prime minister, Bjarni Benediktsson, the chairman of the Independence Party, during the 2008 financial crash. The gag order and the questions raised by the coverage of Stundin reignited a debate about the corrosive effects of money in Icelandic politics, unequal justice and the value of a free press. OSCE expressed concern about the gag order which bars Stundin and its partners at investigative journalism outfit Reykjavík Media from further reporting on the leaked documents, including emails, from the windup committee of Glitnir bank. Recent judicial verdicts in cases concerning freedoms of expression seem to make it unlikely that the gag order will be upheld by the Reykjavík District Court in early 2018 or by the Supreme Court. Yet, time will tell.

In the 28 October 2017 parliamentary election, the government coalition lost dramatically, losing 12 of its 32 seats and winding up with only 20 out of 63 parliamentary seats. The Independence Party lost five seats, Regeneration lost three seats and Bright Future was wiped out winning only 1.2 % of votes. The Centre Party and Flokkur Fólksins (the People's Party) won seats in parliament for the first time. The Centre Party won 11 % of the vote and seven seats, and the People's Party won 7 % of the vote and four seats. The Social Democrats recovered somewhat from their heavy loss in 2016, going from 5.7 % of the vote to 12.1 % and from three seats to seven. The Progressive Party managed to keep their loss of support down to less than 1 percentage point and kept their eight seats from 2016, even if many party members, and one sitting member of parliament and former minister followed Gunnlaugsson to the new Centre Party. The Left-Green Movement went from 15.9 % to 16.9 % and remained the second largest party. Finally, the Pirate Party suffered a significant loss, falling from 14.5 % in 2016 to 9.2 % of the vote, losing four of their 10 seats. So, the political landscape changed significantly between 2016 and 2017. For the first time, eight parties won seats in parliament. The largest party in parliament, the Independence Party with 25 % of the votes and 16 seats, has never been so small – the party's sec-



Source: Sustainable Governance Indicators.

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ond worst election result ever, second only to the 2009 election held immediately after the financial crash. There was neither a clear left or right swing in the elections. The right, the Independence Party and Regeneration, went from a total of 28 seats to 20 and the two left-wing parties went from 13 to 18 seats. Centrist parties gained ground, so the coalition question is almost as unclear as in 2016. However, the outgoing opposition parties, the Left-Green Movement, Progressive Party, Social Democrats and Pirate Party, obtained the smallest possible majority of 32 seats. At the time of writing, in early November 2017, they have started formal negotiations on building a government coalition, led by the chairman of the Left-Green Movement, *Katrín Jakobsdóttir*.

Another significant development during 2017 was the successful and almost complete removal of the capital controls imposed under IMF supervision as an emergency measure following the financial crash of 2008. Having first been delayed and then implemented in stages, the relaxation of controls was not accompanied by a depreciation of the *króna* or by a sudden outflow of capital. Even so, Iceland remains vulnerable to future swings in capital flows and the exchange rate of the *króna*, the world's smallest free-floating sovereign currency.

### Key Challenges

Iceland's next government, which is yet to be formed following the elections in October 2017, will face several key challenges.

Labor market prospects are unclear. Many agreements from 2015 to 2016 will expire between 2017 and 2019, including 39 in the second half of 2017, 84 in 2018 and 142 in 2019. The majority will expire between December 2018 and March 2019. The outcome of these labor market agreements will be important for future agreements. The SALEK agreement between employers' associations and trade unions aimed to introduce a Nordic-style framework for negotiating wages and settle recent labor market disputes, the latter of which had led to widespread strikes and threats of inflation. But state employees and teachers have never signed the agreement. Consequently, roughly 70 % of the

labor market has agreed to join the SALEK agreement. The likelihood that the remaining 30 % will agree to join is low.

A further challenge will involve strengthening the health care system, which has been under severe financial strain since the 2008 financial crash. Before the 2016 election and again in 2017, every political party promised to pay more attention to restoring health care provision to its earlier standing.

Another major challenge concerns the dramatic rise in tourism in Iceland in the post-collapse period, especially following the volcanic eruption of *Eyjafjallajökull* in 2010. Between 2010 and 2016, the total number of tourists visiting Iceland rose by 370 % from 0.5 million to 1.8 million. This has had a dramatic impact on the national economy as tourism has become the most important earner of foreign exchange, surpassing the fisheries and aluminum industries' combined foreign exchange earnings. Iceland needs more and better infrastructure, including roads and airports, and public services, such as police and health care, to accommodate the huge increase in tourism. Furthermore, an analysis is needed of the expected environmental effects of this increase. There are indications that the influx of tourists will continue in part because oil prices and air fares will likely remain low over the next few years.

Yet another challenge concerns the future of the banking system, which failed so spectacularly in 2008. Governments since the financial crash have not outlined a strategy for the future ownership and organization of Iceland's banking system, including the division between domestic and foreign, and between public and private ownership. Furthermore, there are no discernible plans for introducing foreign competition into Iceland's protected retail banking system, a unique phenomenon in Europe. The problem is not confined to the banks because oligopolistic market structures are a hallmark of Iceland's economy. With several major industries dominated by three or four local firms (e.g., oil, insurance and construction), Iceland needs more foreign competition.

Last but not least, the unresolved question of the new constitution hangs over Iceland like the sword of Democles. In a democratic state, parliament cannot under any circumstances



permit itself to disregard the unequivocal results of a constitutional referendum. After the constitutional referendum called by parliament in 2012, in which voters gave their strong support to a constitutional bill drafted by the nationally elected Constitutional Council, parliament has failed to move toward ratification, undermining Iceland's democracy. The reason for this political failure is, first and foremost, the unwillingness of the Independence Party to accept the new constitution's declaration that "Iceland's natural resources which are not in private owner-

ship are the common and perpetual property of the nation," a provision supported by 83% of the voters in the 2012 referendum. The result of the parliamentary elections in October 2017 did not offer a clear path forward. What happens next depends on what kind of coalition emerges and how long it will last.

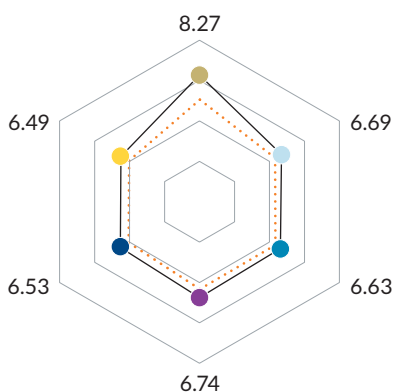
Full report available at [www.sgi-network.org](http://www.sgi-network.org)

→ Gretar Þór Eyþórsson, Thorvaldur Gylfason, Detlef Jahn

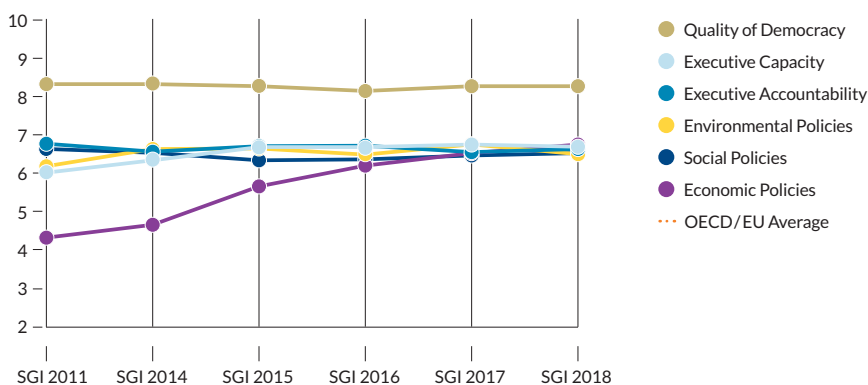
## Country profile SGI 2018

# Ireland

Overall 2018 Performance



Development over time



Source: Sustainable Governance Indicators.

| BertelsmannStiftung

### Executive Summary

The year 2017 was marked by a major change in the political leadership of Ireland. In June 2017, both the Taoiseach (prime minister), Enda Kenny, and the Minister for Finance, Michael Noonan, resigned. Kenny was replaced by Leo

Varadakar and Noonan's successor became Paschal Donohoe. Despite this change in leadership, the Confidence and Supply agreement between the Fine Gael party and the main opposition party, Fianna Fáil, negotiated after the 2016 General Election, remained in place. This empowered Donohoe, who assumed the dual roles

of Minister for Finance and Minister for Public Expenditure and Reform, to introduce the 2018 Budget on 10 October 2017.

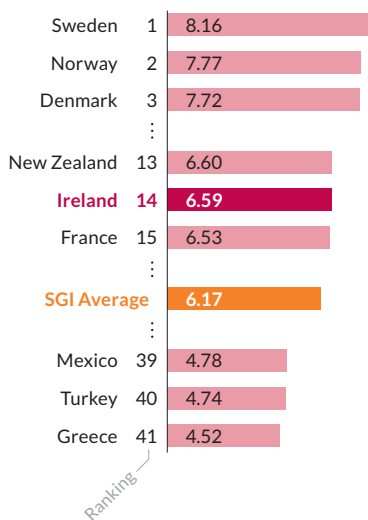
In 2017, the Irish economy once again recorded very strong economic performance. The major indicators – GDP, consumption expenditure, investment expenditure, exports and employment – were strongly positive. GDP grew by over 5% in 2017, similar to the 5.1% growth rate of 2016. Employment greatly benefited from this strong expansionary economic phase with unemployment falling from 7.9% in 2016 to 6.2% in 2017. Unemployment, which stood at 15% in 2012, has fallen and is expected to fall further to 5.4% in 2018. The main drivers of this impressive economic performance are consumption and investment expenditure. These factors are a stark contrast to the 2015 “leprechaun” growth statistics, which were artificially inflated by alterations to statistical reporting procedures as well as the on-shoring effects of multinational corporations transferring intangible assets to Ireland and the increase in aircraft leasing by companies in the International Financial Services Center. Uncharacteristically, this recent economic growth has taken place within an inflation free environment. Over the last three years, the Harmonized Index of Consumer Prices (HICP) moved from zero inflation (2015) to negative inflation (-0.2%) in 2016 and to just 0.3%

in 2017. In 2017, Ireland had the lowest inflation in the EU. Part of the catalyst for the recently very positive non-inflationary environment has been the weakness of pound sterling (GBP) caused by the challenges associated with Brexit. The appreciation in the euro relative to pound sterling has enabled goods price inflation to remain persistently negative in Ireland, helping counterbalance higher prices for services.

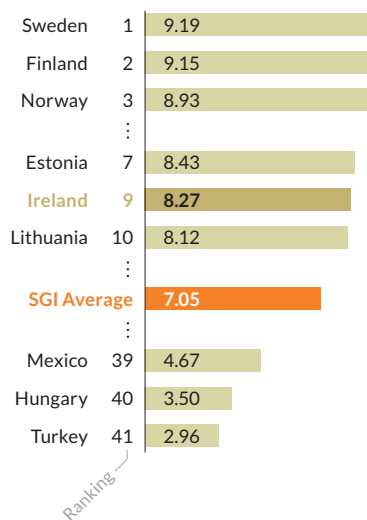
Consistent with the underlying growth of the economy there has been considerable improvement in Ireland’s overall debt position and, consequently, the country’s international credit ratings. During the Irish economic crisis, government debt reached a high 120% of GDP in 2012. In 2016, it had fallen to 75% of GDP against a euro zone average of 89.2%. This improvement continued in 2017 with the debt-to-GDP ratio falling to 66%.

In the case of Ireland, it may be more accurate to use a more relevant denominator for debt, namely the Modified Gross National Income (GNI\*). GNI\* more accurately reflects the income standards of Irish residents than GDP. It differs from standard GNI in that it excludes, inter alia, the depreciation of foreign-owned, but Irish resident capital assets (chiefly intellectual property and aircraft leasing assets) and the undistributed profits of firms that have re-domiciled in Ireland. The debt/GNI\* ratio was 160% in 2012. It fell to 102% in 2016, indicating that

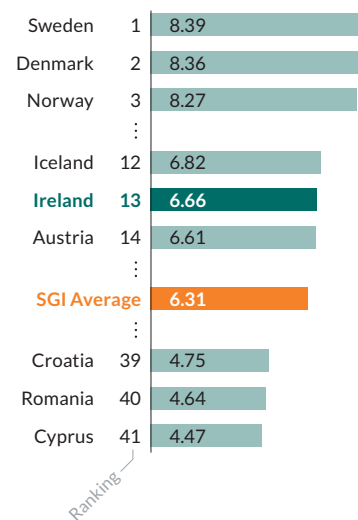
**Policy Performance**



**Democracy**



**Governance**



Source: Sustainable Governance Indicators.

there has been a considerable improvement in the Irish debt burden. Nevertheless, the burden of debt faced by domestic residents remains high when the activities of the multinationals are removed from the national income statistics.

Overall, Ireland's improved economic performance is attributable to sound policy decisions and favorable external conditions, including strong growth in the U.S. economy, a return to growth in the euro zone, the persistence of historically low interest rates, and a strong inflow of foreign direct investment.

### Key Challenges

Against the background of impressive macro-economic performance, the Republic of Ireland continues to face the Scylla of Britain's withdrawal from the EU and the Charybdis of potential reforms to the corporate tax code in both the United States and EU.

Ireland is the only EU country to share a land border with the UK. The dangers posed by a hard Brexit are twofold. At the political level, a hard Brexit would lead to the re-imposition of a land border that had de facto disappeared under the EU in recent decades. The reintroduction of this land border could significantly undermine a peace process still in progress. Economically, the implications of a hard Brexit are equally serious as the UK accounts for a significant share of Ireland's external trade. The bare trade statistics (14% of Irish exports go to the UK) appear to suggest that Ireland's dependence on the UK has been greatly reduced in recent years. However, this decline is largely the result of strong growth in high tech and pharmaceutical exports from Ireland to countries other than the UK. The UK still accounts for over 40% of Ireland's agricultural exports, with more than 50% of beef and pork, and 84% of poultry exports destined for the UK.

The eventual scale of this economic challenge will depend on how multinational corporations currently based in Ireland respond to the reduction in the U.S. corporate tax rate. Though multinational corporations (MNCs) employ only 200,000 out of a total workforce of 2 million in Ireland, their activities have a significant influence on the overall performance of the economy. These MNCs have sizable interlinkages with

the services sector, particularly with law and accounting firms. The construction industry has also benefited from the increased demand for new factories, offices and housing. Ireland's low 12.5% corporate tax rate has been a key factor in attracting MNCs to Ireland. However, the recent reduction in the U.S. corporate tax rate from 35% to 21% appears to reduce the incentive for multinational companies to base in Ireland. It may therefore reduce the flow of new U.S. multinational investment into Ireland, though there are many other factors such as geographic proximity to other EU countries, the multiplicity of double taxation arrangements between Ireland and other countries, the availability of a young English speaking labor force, and Ireland's membership in the euro zone that will continue to encourage MNCs to come to Ireland.

At the EU level, Ireland must react to increasing pressure for greater transparency regarding the tax agreements between MNCs and its national tax authorities. On 30 August 2016, the EU's Competition Commission found that Apple had unfairly benefited from selective treatment by Ireland's tax revenue commissioners in 1991 and 2007. This case has been appealed by both Apple and the Irish government. If both Apple and the Irish government lose their appeals, the Irish government will face the embarrassment of having to accept \$13 billion of unpaid taxes from Apple. Should this scenario arise and the Irish government accepts these unpaid taxes, it will face a flurry of actions from other EU countries who will contend that the revenues from these taxes should be transferred to them.

These diverse challenges must now be addressed by a minority government. On 6 May 2016, Taoiseach Enda Kenny formed the first minority government since 1997. This Fine Gael-led minority government replaced the Fine Gael-Labour Party coalition government that had taken office in March 2011. Public debate around the 2011 general election had focused on the four crises that had enveloped the economy between 2008 and 2011, namely the property market crash, banking collapse, fiscal downturn, and financial crisis. In the 2011 general election, a dissatisfied electorate had voted against Fianna Fáil and its coalition partners, and in favor of Fine Gael and the Labour Party. Together Fine Gael and the Labour Party won 113 out of 166 (68%)

parliamentary seats, the largest majority of any Irish government.

During the 2016 general election, the Fine Gael-Labour Party coalition, having campaigned under the slogan “let’s keep the recovery going,” lost a combined 57 seats. Fine Gael lost 27 seats, while the Labour Party lost 30 seats. Fianna Fáil, the bête noire of the electorate in the 2011 general election, regained 25 seats and Sinn Féin, an Irish republican party, increased its number of seats to 23. The election also marked the further rise in the number of independents (23 seats) and marginal parties, including the Anti-Austerity Alliance–People Before Profit (6 seats), the Social Democrats (3 seats), and the Greens

(2 seats). The 2016 general election was characterized by a high level of party system fragmentation with historically low levels of support for the three largest parties. The combined proportion of votes won by Fine Gael, Fianna Fáil and the Labour Party dropped to 56 % from a long-term average of 84 %. The current minority government operates on a knife edge; there is the possibility that another general election will be called over the coming year.

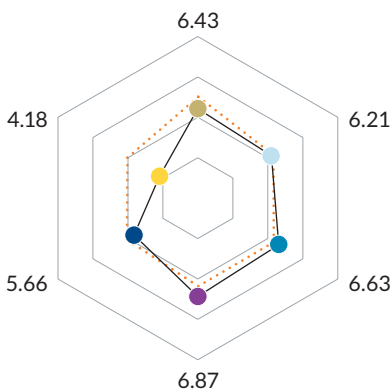
Full report available at [www.sgi-network.org](http://www.sgi-network.org)

→ Antoin E. Murphy, Paul L. Mitchell, Nils C. Bandelow

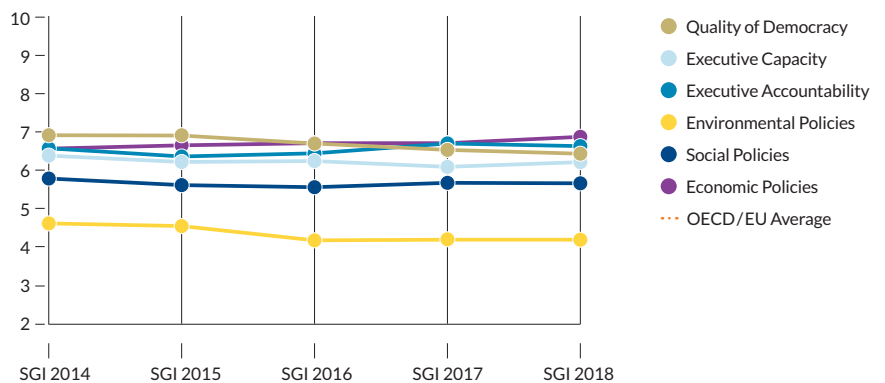
## Country profile SGI 2018

# Israel

Overall 2018 Performance



Development over time



Source: Sustainable Governance Indicators.

| BertelsmannStiftung

### Executive Summary

The quality of Israeli democracy appeared to decline over the course of the review period. Given recent

developments, 45 % of Israeli citizens – with this group skewed toward left-wing Jewish voters and Arab Israelis – believe that Israel’s democratic system is in serious danger. Many

decisions made by the current government have been seen as undermining the democratic rules of the game. Among the Knesset's most controversial recent legislative measures have been a law requiring NGOs to disclose foreign funding sources and the Settlement Regularization Law, which addresses land privately owned by Palestinians.

Additionally, several top Israeli political officials, including Prime Minister Benjamin Netanyahu, have been involved in corruption cases. Despite Israel's improvement in Transparency International's 2016 Corruption Perceptions Index, a majority of the general public believes that Israel is a corrupt country. According to the 2017 Israeli Democracy Index, Israeli citizens show a considerable degree of distrust in Israel's leadership and institutions. The level of trust in the government, the Knesset and political parties was very low, with 30 % of Israeli citizens trusting the government, 26 % trusting the Knesset and only 15 % trusting political parties.

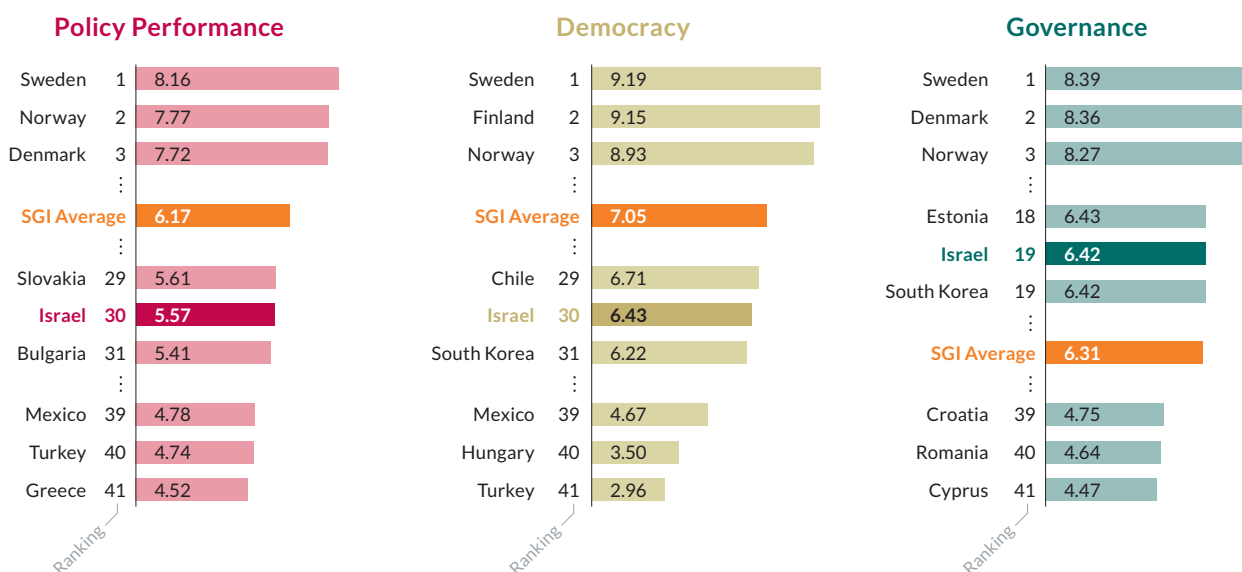
Economic policies in recent years have not changed dramatically. Israel has continued to show strength in key economic indicators such as GDP growth, the employment rate and the inflation rate, although the rising cost of living, high poverty rates and inequality remain key issues for many Israeli citizens.

With regard to social policies, the number of employed people increased in 2017; however,

the number of poor people and poor working families remains high. A more detailed observation indicates that the number of poor families declined, while the overall number of poor people increased. Poverty rates remain high especially among the elderly, Ultra-orthodox and Arab citizens. The government has made some efforts to address this issue, for example, by increasing the minimum wage in the Minimum Wage law, following an agreement between the Histadrut Labor Federation and business leaders.

In the area of environmental policy, Israel has demonstrated significant progress, for instance by ratifying the Paris climate agreement and making investments in emissions reductions. However, environmental organizations have accused the government of inactivity in investigating several recent ecological disasters, including a massive influx of acidic water that polluted Ashalim Creek in 2017.

With regard to executive capacity, the Israeli government has continued make efforts to reduce the regulatory burden. However, despite a 2014 decision to implement a new regulatory impact assessment (RIA) model, RIA reports are rarely published – indeed, in 2017, only seven reports were published. The policy-implementation rate has improved to more than 70 %, after several years of low implementation rates.



Source: Sustainable Governance Indicators.

| BertelsmannStiftung

### Key Challenges

Overall, Israel performs well in some spheres, but poorly in others. In the period under review, public trust in Israel's democratic institutions has weakened. Although the declining level of trust in political institutions is not unique to Israel, the current government's recent attempts to weaken the gatekeepers of Israeli democracy, especially the media, the Supreme Court and the police, are seen as a real democratic danger. In this context, virtually every action and entity in the public sphere is viewed through a political lens. In light of these developments, the current Israeli government should act more responsibly and with greater respect for fundamental democratic practices, strengthening the gatekeepers of Israeli democracy rather than undermining their activities and status.

The second main challenge is related to the high level of poverty in Israel. For several years, Israel has had the highest poverty rates in the OECD. According to the National Insurance Institute, approximately 1.8 million Israelis were living in poverty in 2016. Disadvantaged groups such as Israeli Arabs, elderly persons and Haredi (ultra-Orthodox) populations experience higher-than-average poverty rates. In line with OECD poverty-reduction recommendations, Israel should increase education funding for Haredi and Israeli Arab schools and increase the basic pension rate without creating work disincentives.

A third, serious challenge is the rising cost of living, including rising housing-market prices. Finance Minister Moshe Kahlon promised to combat cost increases during the 2015 election campaign, and as minister he has tried to make a mark through reductions in home prices, food costs and bank fees. However, while some of these plans have moved in a positive direction, others can be regarded primarily as electioneering tactics. Long-term, genuinely strategic plans should instead be made. Lowering home prices is also important to the financial system, as credit for construction and residences comprises more than half of all non-financial-sector private sector loans.

Fourth, the Israeli government should strengthen its weakened Civil Service, and work to improve staffers' capacities. As of December 2017, Israel had had no permanent Civil Service

commissioner for six months, though this figure is the most senior official in the government administration, and plays a crucial role in managing the 80,000 government employees. Other top officials have also left the Civil Service in recent years. Separately, the government approved a new jobs law, allowing ministry directors-general to appoint their deputies without tender. The Israeli government should be actively encouraged to strengthen the Civil Service's human resources, rather than undermining administrative professionalization.

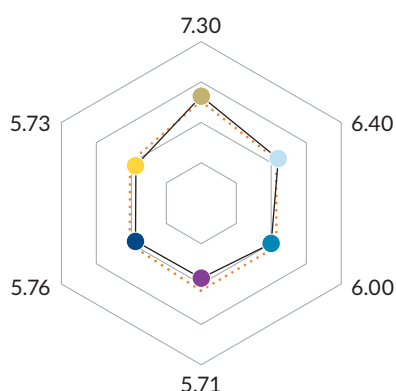
- David Levi-Faur
- Sabine Hofmann
- Roy Karadag



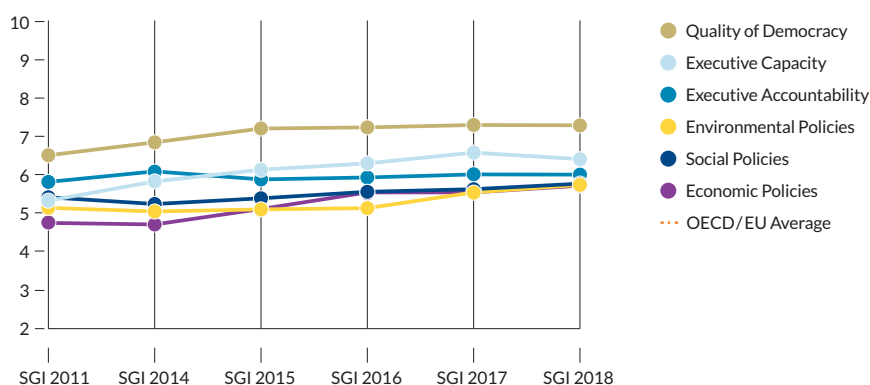
## Country profile SGI 2018

## Italy

Overall 2018 Performance



Development over time



Source: Sustainable Governance Indicators.

| BertelsmannStiftung

## Executive Summary

In recent years, Italy has experienced one of its most serious economic crises, which has negatively affected industry, employment and government budgets. National and international confidence in the economy have been seriously damaged and are yet to fully recover. Increased immigration with refugees arriving from Africa, and a major earthquake in 2016 have added new challenges. Recent governments have faced a difficult dilemma of pursuing fiscal stabilization or promoting economic recovery. The Monti government's strong austerity measures, which included deep public expenditure cuts and a substantial reform of the pension system, were followed by the Renzi government's more expansionary policies. Yet, the current Gentiloni cabinet has tried to achieve a delicate balance between fiscal sustainability (and respect for EU rules) and promoting economic development. Gentiloni has adopted a more cooperative style with the

European Commission on budgetary policies, in contrast to Renzi's more aggressive approach.

A few months before the upcoming national elections (to be held in the spring of 2018), the political landscape is characterized by three political poles: the center-left Democratic Party (Partito Democratico), the anti-establishment Five Star Movement (Movimento Cinque Stelle), and a fragmented center-right coalition in which Berlusconi (Forza Italia) and Salvini (Lega) are competing for the leadership. As the new electoral system is largely proportional, the probability of any of these three political poles winning a majority in both chambers of parliament is low. Forming a coalition able to command a majority in the next parliament will be far from easy. At present, the Five Star Movement has said it would reject any coalition with the other parties. Meanwhile, internal dissensions within and between the center-right and center-left will make the formation of a grand coalition difficult. Political uncertainty is once again on the rise.

The strong personalization of leadership that prevailed under the Renzi government produced mixed effects. On the one hand, it enabled the government to embrace an ambitious reform agenda, which included constitutional, labor market, tax and public administration reforms. On the other hand, it placed the prime minister at the center of every political battle. The defeat of the Renzi government in the constitutional reform referendum persuaded the new prime minister, Gentiloni, to adopt a more collegial style.

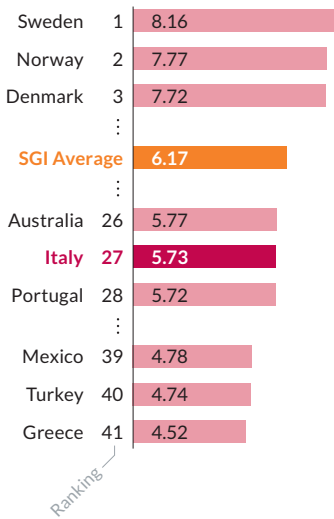
The Gentiloni government has fundamentally maintained the economic priorities of the previous government, namely promoting economic growth and addressing high unemployment. This has meant continuing a mildly expansionary approach to fiscal policy, although the current government has also paid close attention to fiscal sustainability. This approach is justifiable in the short term in view of the difficult economic conditions. Yet, the high level of public debt, which leaves the economy vulnerable to external financial shocks, will require a more aggressive policy of fiscal consolidation in the near future. A bolder approach to the spending review process should be adopted with the twin purpose of cutting waste and enhancing the efficiency of state bureaucracy.

The government has also had to deal with a serious regional banking crisis. With the European Commission’s agreement, the government invested heavily in stabilizing the regional banking sector. This response has made a positive contribution to the economic climate and ensured the availability of loans within the economy. The government should continue to promote the rationalization of the banking system to make it more efficient and robust.

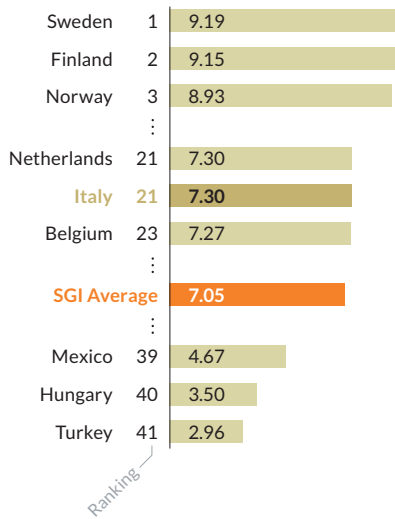
The reform of public administration initiated under the Renzi government has been continued by the current government. However, not enough progress has been made. The quality and efficiency of public administration is still far from satisfactory. Civil service recruitment at all levels needs quicker and more selective. At the same time, a rigorous performance evaluation process must be fully implemented for senior civil servants. The efficiency and speed of judicial procedures must also be significantly improved and the evaluation of the quality of judicial work must be stricter.

Corruption continues to be a key factor undermining the quality of public administration. It distorts public service provision and economic activity and inhibits modernization. The government has made important progress in addressing this problem but must continue its efforts.

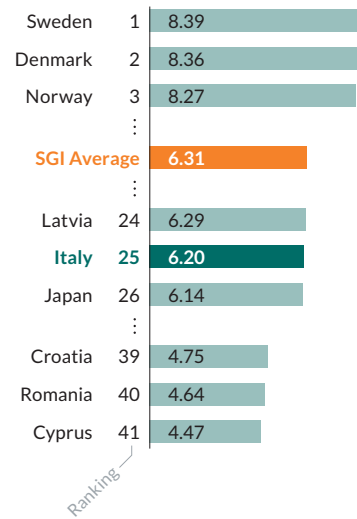
**Policy Performance**



**Democracy**



**Governance**



Source: Sustainable Governance Indicators.

The relationship between central government and local authorities has not found a satisfactory equilibrium. A clearer division of responsibilities is required, while sufficient funds must be made available to local authorities to fulfill their functions and mechanisms of accountability must be improved.

Since the end of 2014, the economy has slowly begun to recover, but remains below pre-crisis levels. Further economic modernization and liberalization is required, while recent labor, social and industrial reforms are only just beginning to affect economic growth.

The recent economic and financial crises have exposed failings in family and social policies. Italy has an aging population and very low birthrate, which current policies are failing to address. Fiscal support for families with children is still too low. Similarly, measures to improve gender equality in the work place, and reconcile work and family life are weak. Poverty also needs to be a much more important priority.

A significant proportion of the political elite and public now believe that Italy must adopt a more active role within the European Union. To achieve this, an assertive leadership is necessary, but the government must also gain greater credibility in the European Union by fully respecting commitments made by previous governments. It must also avoid courting public skepticism regarding supranational integration. The respective development of these tendencies will be key to shaping Italy's role in the European Union.

### Key Challenges

Italy suffered severely from a long period of economic and financial crises. However, Italy's recent economic recovery can build on strong family bonds, high household savings rates, the resilience of small businesses, several strong manufacturing sectors and the quality of some public institutions, including the Presidency of the Republic and the central bank (Banca d'Italia). At the same, the economic and financial crises have exposed serious weaknesses across the public and private sectors, which must be addressed to ensure economic sustainability.

State institutions need significant reform. After the failure of the 2016 referendum on the excessively broad constitutional reform and the strong personalization around the former prime minister, Matteo Renzi, the need to improve crucial mechanisms of governance remains. The recently approved electoral reform will further fragment parliament. To counterbalance this effect, the next government coalition (following the 2018 elections) should concentrate on defining a well-selected and clearly agreed government program. The government should also carefully define mechanisms for resolving internal conflicts. The parliament should improve its procedural rules to discourage the further fragmentation of parliamentary groups and make decision-making more efficient.

Special attention should be given to improving the organization of the Prime Minister's Office (PMO). The PMO should become a more effective tool for steering and coordinating the decision-making process of the cabinet. The continuing accumulation of heterogeneous functions in this office should be discouraged, as it exacerbates the lack of coordination between ministries. The lack of coordination has meant that ordinary policies are inefficiently implemented and poorly resourced, and extraordinary policies are well endowed and often free from normal rules. Non-strategic functions should be transferred from the PMO to other government bodies, so that the PMO can focus on important policy-making issues. More opportunities for independent experts and open consultations to improve the quality of policymaking should be encouraged. Greater emphasis should be given to strategic and innovative policymaking approaches, rather than the traditional, conservative approaches.

The relationship between central and local governments has yet to find a satisfactory equilibrium. Central government has largely failed to control local and regional government spending. Yet, central government has simultaneously reduced the range of independent revenue sources available to local governments. This has increased local government dependency, while encouraging irresponsible behavior. The legislative role of regions, in the past excessively extended, must be more focused on regional issues. A more sustainable balance between local government autonomy and responsibility must be found.

Further democratization and fresh leadership, complemented by tighter regulation of party organizations, is required to rebuild public trust in the established political parties. New legal rules should be adopted to promote internal democracy within political parties. In addition, a transition in political culture away from excessive personalization and competitive rhetoric toward pragmatism and internationalism is needed.

Public administration requires a fundamental restructuring, clearly defined central and local government powers, and substantial reform of recruitment procedures, particularly for senior civil servants. Careful performance evaluation processes for all levels of public administration and greater accountability for senior civil servants should be a priority. The judiciary should be actively encouraged to accept reforms that increase its professional quality and ability to ensure timely justice. A less politicized judiciary should be enforced.

Economic policymaking needs to promote a more dynamic and growth-oriented economy. This will require further economic liberalization, and the curtailment of monopolistic and oligopolistic power. In addition, business regulation should be simplified to enable traditional and emergent businesses to co-exist. Meanwhile, fiscal expansion, designed to ease pressure on production and employment, must be balanced against fiscal sustainability. Small businesses need more support in accessing credit, and should be encouraged to grow and diversify. Government, business associations and trade unions should share the responsibility for achieving these goals, which will require an economic culture of cooperation and pragmatism.

As immigrants form an increasingly large proportion of the workforce, the management of immigration, and the effective integration and protection of immigrants' rights must receive greater attention. Proposed legislation addressing the issue of access to citizenship for immigrants should define a realistic path toward citizenship for immigrants to facilitate integration.

Better cooperation between public authorities and private organizations is necessary for the improved management of natural resources and cultural heritage. Natural resources and cultural heritage are important to improving people's

quality of life, economic growth, the tourism industry, a sustainable agricultural sector and foreign investment.

The education system should be a higher priority, despite the austerity agenda. More flexibility and openness in the education system is necessary for the system to respond to changing societal needs. After years of severe budget cuts, universities and research centers need to be given the resources to recruit young people and qualified foreigners. A higher skilled workforce complemented by a knowledge-based, innovative economy would increase economic competitiveness.

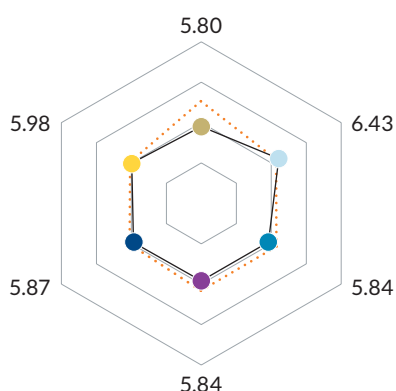
Italy should participate more actively in EU and international spaces. While already leading some EU operations, Italy should look to build closer and more cooperative relationships with neighboring countries, identifying common agendas rather than focusing on narrow national interests. This would allow Italy to more effectively exploit its geopolitical potential.

- Maurizio Cotta
- Roman Maruhn
- César Colino

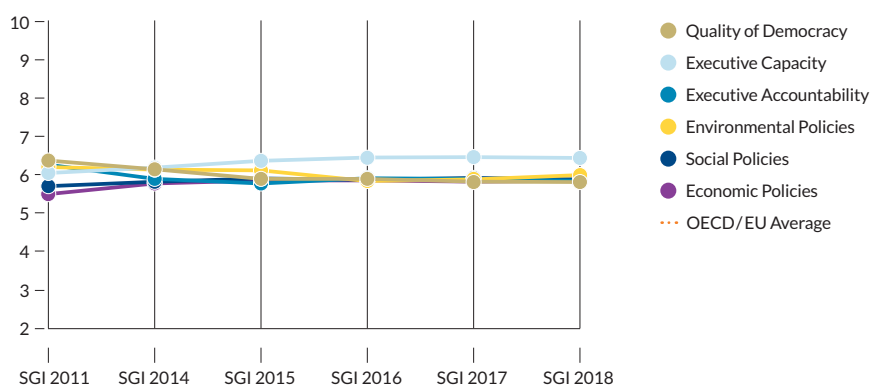
## Country profile SGI 2018

## Japan

Overall 2018 Performance



Development over time



Source: Sustainable Governance Indicators.

| BertelsmannStiftung

## Executive Summary

After years of short-lived cabinets, the 2012 general election led to a stable coalition between the Liberal Democratic Party (LDP) and the Komeito that has lasted since, creating a space for decisive political action in Japan rarely seen in recent decades. The Lower House snap election in October 2017 confirmed the governing coalition, which following the election held two-thirds majorities in both chambers. Despite the election results, however, Prime Minister Shinzo Abe remains unpopular among many voters. While this is in part because of his goal to change the constitution, other factors include the delays in implementing his socioeconomic reform agenda and his administration's inability either to achieve a robust economic upturn or effectively address the issues of precarious employment and unequal income distribution. These still-unsolved problems continue to lead to old-age poverty and unstable jobs for large numbers of people, especially among the young generation.

During its first years in power, the Abe cabinet focused on a major economic-stimulus program ("Abenomics" and its "Three Arrows") that included an aggressive course of monetary easing and additional deficit spending. While the short-term effects of this unprecedented policy gamble were positive, consumption and investment levels have remained anemic, leading to a weak but prolonged recovery. This has led to a positive inflation rate, but without producing a definitive upswing. Long-term prospects for improvement still depend on serious structural reforms, the so-called third arrow of Abenomics; however, these reforms have yet to emerge, despite some progress related to better conditions for working women, for example.

Since 2015, a second policy round consisting of three new "arrows" – this time referring to a strong economy, better child care and improved social security – has further deflected attention from institutional reforms. Apart from social-policy measures reacting to the emergence of serious distributional concerns, the focus on a

“strong economy,” which has involved an emphasis on productivity, small enterprises, regional economies and selected industries, has tended to evoke conventional concepts of industrial policy, which are of dubious value in today’s global economic environment. Moreover, the stimulus power of the unconventional monetary easing seems to have reached its limits, and is no longer able to trigger the desired sustained upturn of expectations and economic activity.

Time is running out in Japan to initiate a strong economic upturn. In parallel, the potential for destabilizing junctures is growing, with trust in institutions remaining very low, and the population among the most pessimistic in the OECD world.

With regard to international policy, U.S. President Trump’s decision not to ratify the Trans-Pacific Partnership (TPP) and the escalation in U.S.-North Korean tensions have created a difficult situation for Japan. Tensions with China and South Korea have been reduced to some extent, and Japan seems more willing to accept Chinese leadership on some regional issues, for instance in matters related to the Asian Infrastructure Investment Bank.

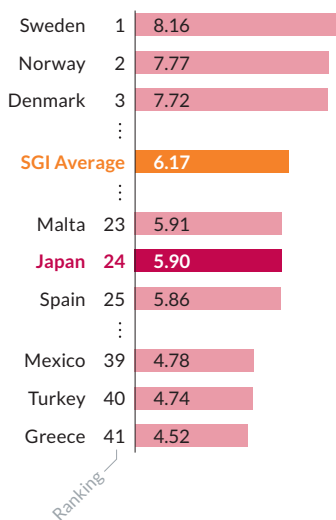
Constitutional reform, the government’s second major stated policy priority, has been met with considerable resistance. Nevertheless, the government successfully introduced new

security legislation in 2015 despite considerable opposition, providing the basis for a more proactive security strategy. With the necessary supermajorities in parliament in place, Abe seems determined to push ahead with his plans to achieve a revision by 2020, despite the widespread unpopularity of this move.

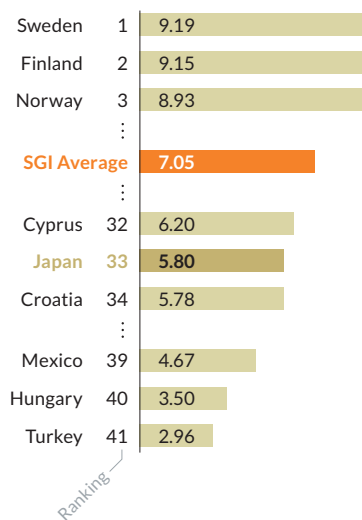
With respect to the quality of democracy, the courts and the major media remain of only limited effectiveness in terms of providing checks on the government. However, high-level courts have become somewhat more restless. Additionally, social-media criticism has grown and civil society organizations have become more active following the catastrophes of 3/11 and the controversy over the introduction of the security laws, but to date this has had only very limited impact on public policy. The recent passage of the state secrets law and attempts to sideline progressive voices within the established media are worrying, and concerns about press freedom and civil liberties have been mounting. Japan is now at the bottom of G-7 in terms of press-freedom ratings. The parliamentary opposition effectively lacks the ability to launch initiatives vis-à-vis the government. The governing coalition’s supermajorities in parliament severely impede the opposition’s capacity to exercise effective oversight.

The LDP-led government has quite successfully sought to steer from the center, for in-

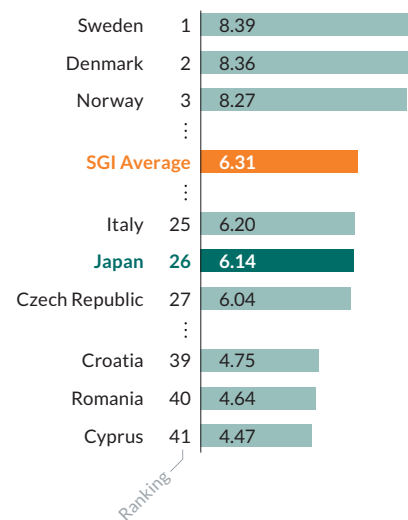
**Policy Performance**



**Democracy**



**Governance**



Source: Sustainable Governance Indicators.



stance by strengthening the Cabinet Office and its secretariat, and centralizing discussion fora for cross-cutting strategic issues. However, tensions between the core executive and line ministries (and their constituencies) remain, and have contributed to delayed reforms in several policy areas.

### Key Challenges

Japan provides a high standard of living and safe living conditions for more than 120 million people. Despite major problems such as a rapidly aging population and an inadequate integration of women into its workforce, it has remained one of the leading economies in the world, and its rate of per capita economic growth is in line with that in the United States or the European Union. Notably, however, disposable incomes have risen little in recent years, and real consumption per capita has been flat. In a country that was once hailed as the epitome of equitable growth, a new precariat has emerged, with 40 % of the labor force working in nonregular positions.

If stability is to be achieved, the Abenomics program's short-term expansionary measures must be followed by serious structural reforms. Vital policy objectives include the significant reduction of protectionist agricultural provisions, the creation of a more liberal labor-market regime, the provision of effective support for well-educated women, the establishment of a more liberal immigration policy with corresponding integration policies, the development of a convincing energy policy in line with the 2015 Paris Agreement, and the introduction of better-targeted social-policy reforms.

Some progress has been made, for instance in the area of free-trade promotion, but more has to be achieved, and swiftly. For example, labor-policy reform bills were delayed during the review period because of the snap elections in 2017, while even the draft measures appeared to place insufficient priority on distributional outcomes.

The resistance to restarting nuclear reactors among the public, regional governments and even the court system should lead the government to rethink its strategy and seek a more acceptable energy policy that conforms with the 2015 Paris Agreement goals.

The window in which genuine progress can be made is closing, as macroeconomic stimulus has its limits. The administration has pushed the central bank further toward activist policy, promised to increase government expenditures, and earmarked expected consumption-tax increases for further public spending instead of debt reduction, all moves that increase the danger that the public finances will be pushed into unsustainability.

In the field of foreign and security policy, it will be very tricky for the LDP to balance its assertive reformulation of security laws and possible further moves toward constitutional change with these policies' potential negative effects on (regional) foreign relations. The limited popular support for this policy direction will only further exacerbate these hurdles. While Japan has enjoyed a good start with the current U.S. president, and while the dangers of even more protectionism globally seem somewhat reduced, this does not diminish concerns about other challenges such as the specter of a nuclear arms race in the region and increasing tensions with a resurgent China.

The ruling coalition's comfortable super-majorities in both chambers of parliament provide the government with both opportunity and challenges. They seem to give the government the necessary leverage to push through reforms, but also strengthen the position of parliamentary vested interests that oppose a disruption of the comfortable status quo.

It will be risky for the government to pursue its two major priorities, economic and constitutional reform, at the same time, since the recent past indicates that the coalition's remaining political capital may not suffice to accomplish both. Without a return to a strong economy, constitutional change will not create a more self-assured Japanese state. Thus, socioeconomic reform should take precedence. In this regard, the government will need to strengthen alliances with interest groups that support the reform movement. This may include Japan's globally-oriented business sector, which has little interest in seeing its home market further weakened.

Courts, the media (including social media) and civil society movements should seek to improve their capacities to monitor and oversee the government. The government should not view media criticism as an obstacle to the fulfillment

of its ambitions, but as a corrective in an open and democratic society that works to improve the fit between government plans and popular aspirations and concerns.

As of this date, the parliament does not provide effective governmental checks and balances. Parliamentarians need to make better use of their resources to develop alternative legislative initiatives.

Full report available at [www.sgi-network.org](http://www.sgi-network.org)

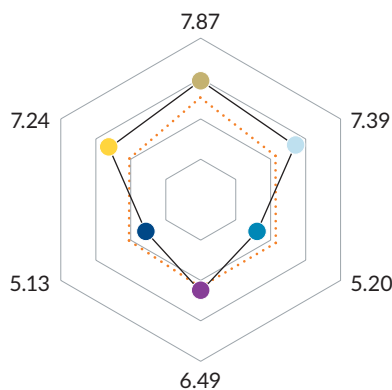
The difficult search for country-level solutions should be combined with policy experiments at other levels. The post-2014 introduction of new special economic zones is a welcome step, but this strategy should be both bolder and broader.

→ Werner Pascha, Patrick Köllner, Aurel Croissant

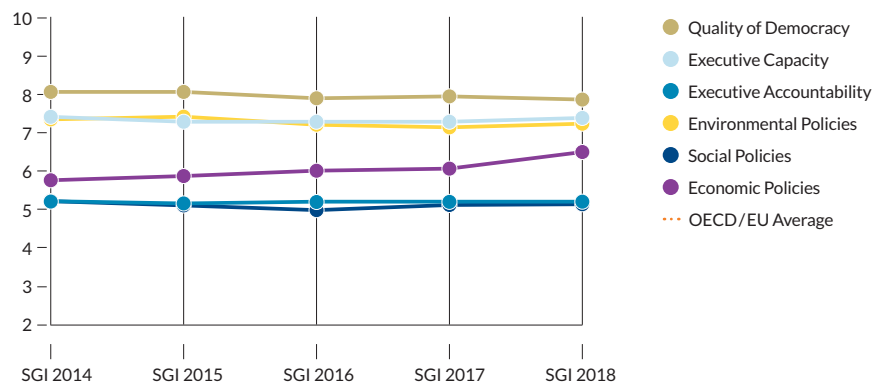
## Country profile SGI 2018

# Latvia

Overall 2018 Performance



Development over time



Source: Sustainable Governance Indicators.

| BertelsmannStiftung

### Executive Summary

Latvia's economy has rebounded; GDP growth in 2017 once again placed it among the fastest growing economies in Europe. This has created fiscal space to shift focus to policy challenges neglected in the past, including social inequalities and income disparities as well as poor health and education outcomes. A recent reform package has shifted the tax system toward a progressive income tax,

reducing the tax burden on low-wage earners. Ambitious education reforms have been announced, but their successful implementation remains far from guaranteed given the vocal opposition from teachers and local government authorities. A much needed supplementary allocation to the health care budget has been passed for 2018. Overdue reforms of the health care system remain fraught with controversy as current drafts appear to prioritize tax collection over access to health care.

The increasingly unpredictable international climate poses a continuing threat to domestic security. Latvia will meet its NATO defense spending goal of 2 % of GDP in 2018. Contradictory pro-EU and pro-Russian narratives have been exacerbated by a lack of independent local media and tensions within Latvia's bilingual population. The slow post-factum unveiling of Russian interference in European and United States elections raises questions of how Latvia will mitigate potential interference in its own elections in 2018.

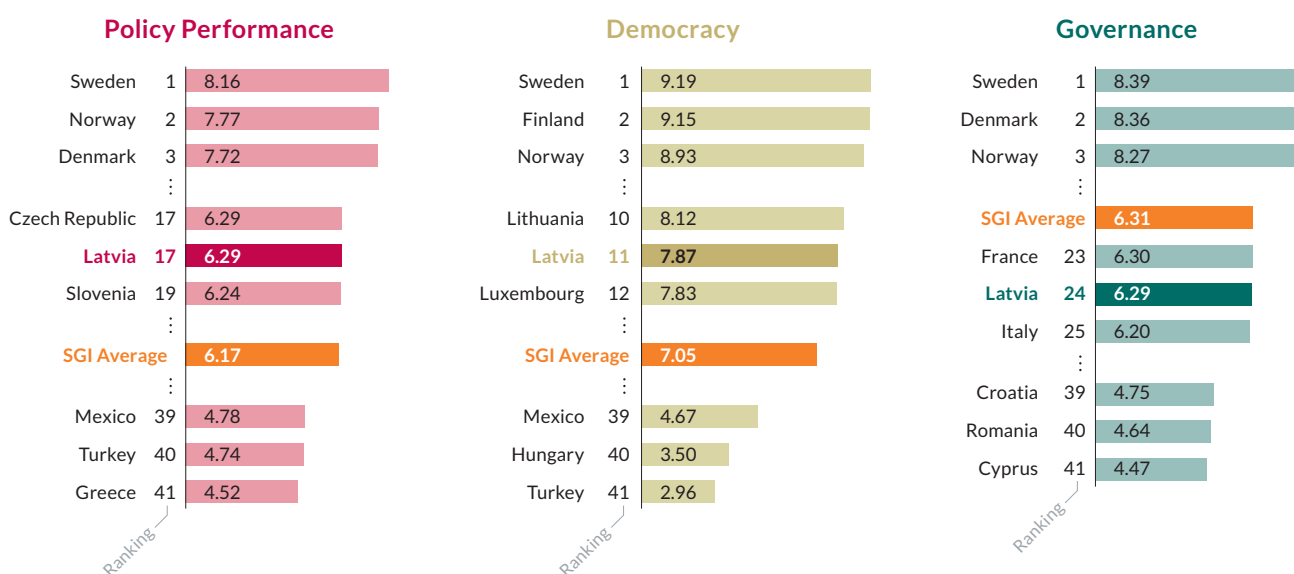
Latvia joined the OECD in 2016. Reforms advocated by the OECD are being implemented, including on improving the management of state-owned enterprises, ensuring political non-interference, and separating the state's management and regulatory functions. While frameworks for the management of state-owned enterprises and for insolvency procedures have been improved, implementation remains a challenge. The Foreign Investors Council has identified issues undermining the foreign investment climate, including a lack of legal certainty in court decisions and tax policy and demographic challenges to Latvia's long-term immigration policy.

The government has significant strategic capacities. The Cross-Sectoral Coordination Centre (PKC) offers regular, quality assessments that feed into the day-to-day decision-making processes of government. However, the PKC has

failed to establish its authority among the numerous voices in government decision-making, with the result that PKC analyses are often overlooked in favor of political expediency. Latvia's governance system is increasingly open to evidence-based policymaking and external advice. While underfunded, the participation of academic experts and NGOs in policy development is increasingly the norm.

The parliament (Saeima) faces serious challenges in exercising executive oversight. In 2017, parliament established a parliamentary research unit. Its initial mandate, however, is quite narrow; it will provide several research products per year, defined and agreed upon via a collaborative process conducted during the preceding year. The limited scope of this mandate will prevent the research unit from having an impact on day-to-day legislative decision-making.

Though Latvia has a stable democratic framework that protects civil rights, political liberties, and democratic institutions, most citizens do not trust the government and are reluctant to participate politically. Only 15 % of respondents to a recent public opinion poll agreed that they could influence decision-making, while a negligible percentage stated that they engage directly in party politics. The government faces challenges in building trust, limiting the performance of the democratic system. Several reforms are necessary to improve governance, including protecting the



Source: Sustainable Governance Indicators.

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independence of public broadcasting and rebuilding a solid anti-corruption institution.

### Key Challenges

The government has proven to be capable of focused and determined policy development. The growing economy presents opportunities to realign tax burdens and focus on long-term drivers of economic performance and growth, such as education and innovation. It also permits a focus on long-neglected policy challenges, such as reducing social inequalities. Encouraging steps have been taken. The government must now follow through on measures shifting the tax burden away from low-wage earners, improving health care access and quality, and reforming education. The needs in these challenges are enormous, but must be balanced with fiscal prudence.

If social inequality remains unaddressed, public trust will continue to slip, risking a further rise in emigration. The mismatch of skills in the Latvian labor market has created high unemployment coupled with a qualified labor shortage. Negative demographic trends will exacerbate this situation in the future. The government should focus on policies that mitigate labor shortages, such as remigration incentives and immigration policies specifically targeted to fill particular highly skilled labor needs.

The government should continue to address barriers to economic development, such as the slow court system, inadequate insolvency procedures and corruption. Policies adopted in preparation for OECD membership should be followed through to successful implementation. With the 2017 change in leadership at the Corruption Prevention and Combating Bureau (KNAB), there is now the opportunity for a long overdue repositioning and overhaul of the institution.

Given international tensions stemming from Russia's activities, Latvia must fulfil its NATO defense commitments as well as mitigate the economic effects of the sanctions imposed on Russia by the European Union. The approved budget allocation to meet Latvia's NATO defense spending commitments starting in 2018 is a welcome development. However, resilience in the face of a hybrid war requires other types of spending. Strengthening the independence,

quality and reach of public broadcasting will be key to addressing the contradictory pro-EU, pro-Russian media narratives that are circulating. The government should take advantage of the fiscal space generated by a growing economy to consolidate the financial independence of public broadcasting by providing resources that are not subject to annual budget shifts. With adequate funding, these reforms could free public broadcasting from relying on advertising revenue. Recent election interference by Russia in the United States and Europe raises the specter of similar interference in Latvia, where information warfare is common. The government must equip itself to mitigate the threat that this presents for the 2018 national elections.

The establishment of a parliamentary research unit in 2017 is a welcome step toward improving the parliament's capacity for executive oversight. Unfortunately, the initial mandate for the research unit will have limited impact on day-to-day legislative decision-making. The research unit should be given a broader mandate, one that enables it to bring evidence-based analysis into the work of parliamentary committees.

Government decision-making processes are well managed, transparent and allow for stakeholder input. The practice of fast-tracking policy proposals undermines this process; further efforts should be made to reduce the use of fast-tracking. The Cross-Sectoral Coordination Centre (PKC) is well placed to support strategic planning in the new medium-term budget framework and to keep the government focused on long-term goals. However, the PKC must focus on building its informal authority within the decision-making process so that its analyses can counteract the pull toward political expediency.

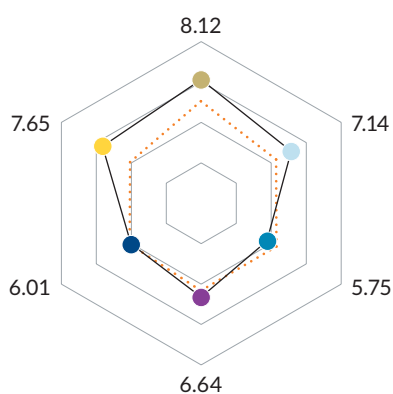
The government should continue to create space for constructive civic engagement by building on innovative public engagement platforms already launched and channeling financial support to NGOs that engage in the policy process. While the government has offered significant support to some social partners, most NGOs remain dependent on rapidly declining foreign funding as local funding has not filled the shortfall.

→ Vita Anda Terauda, Daunis Auers, Detlef Jahn

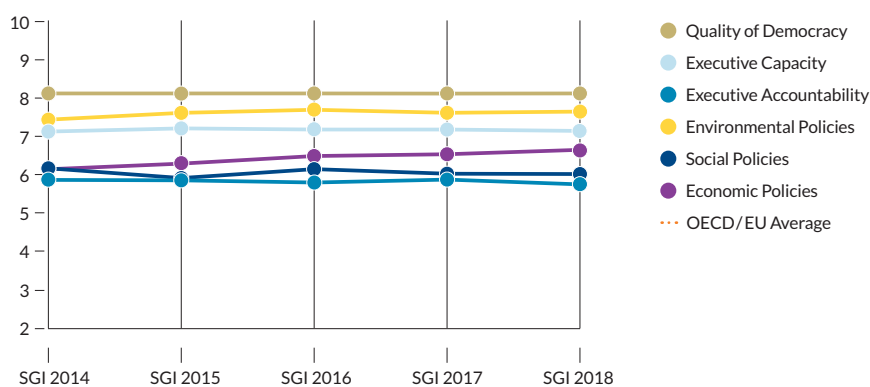
## Country profile SGI 2018

## Lithuania

Overall 2018 Performance



Development over time



Source: Sustainable Governance Indicators.

| BertelsmannStiftung

## Executive Summary

Formal democracy is well developed in Lithuania. Participation rights, electoral competition and the rule of law are generally respected by the Lithuanian authorities. However, substantive democracy suffers from several weaknesses. Despite some recent improvements, party financing is not sufficiently monitored or audited, and campaign-financing legislation is not subject to adequate enforcement. In addition, discrimination continues to be evident, sometimes significantly so. Most importantly, corruption is not sufficiently contained in Lithuania. Anti-corruption legislation is well developed, but the public sector continues to offer opportunities for abuses of power and the enforcement of anti-corruption laws remains insufficient.

Lithuanian policymakers have sought to establish and maintain social, economic and environmental conditions that promote citizens' well-being. However, the country's policy performance remains mixed, with social-policy

results lagging behind those of economic and environmental policies. Some observers attribute this to EU transition and integration processes, which have primarily focused on political, economic and administrative issues. The country's formal governance arrangements are well designed. However, these arrangements do not always function to their full potential. There are significant gaps in policy implementation and the use of impact-assessment processes for important policy decisions, while societal consultation remains underdeveloped. Across most sustainable governance criteria, little has changed during the review period.

The establishment of a new coalition government was the most significant development during the review period. The Lithuanian Farmers and Greens Union won 56 out of 141 seats, and became the largest parliamentary party, although many of its faction members are not party members. The union is jointly led by Ramūnas Karbauskis, an industrial farmer and large landowner, and Saulius Skvernelis, a for-

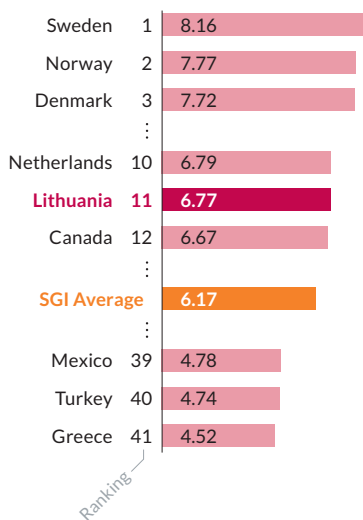
mer police chief and interior minister in the 2012 to 2016 government. In December 2016, the Lithuanian Farmers and Greens Union, and the Social Democratic Party of Lithuania formed a coalition government with a parliamentary majority of 73 out of 141 parliamentary seats. However, in autumn 2017, the coalition became a minority government following the break-up of the Social Democratic Party of Lithuania.

During the election campaign the Lithuanian Farmers and Greens pledged to form a technocratic government. Consequently, only one out of 14 initial government ministers was a member of the union, while two ministers were members of the Social Democratic Party of Lithuania and 11 ministers were officially independent. Saulius Skvernelis led the Lithuanian Farmers and Greens Union during the election campaign, but without formally joining the party. Skvernelis subsequently became the new prime minister. Despite this arrangement, a few elected politicians from the Lithuanian Farmers and Greens Union have announced government policy pledges, which include introducing a state monopoly on alcohol sales, establishing a state-owned bank and transferring social-security contributions from second-pillar private pension funds to the state social security fund. However, the new government program, approved in December 2016, failed to substantiate

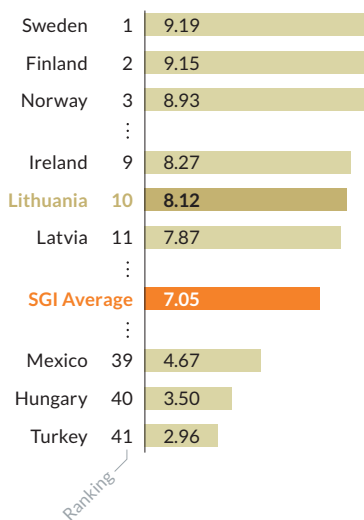
several of these pledges. In its first year, the main policy decisions adopted by the new government included reform of the state-owned forestry companies, largely motivated and legitimized by the need to implement OECD recommendations required to join the organization, and the revised Labor Code. Considerable attention was also allocated to measures to reduce the availability of alcohol. However, many other reforms that were included in the government program (e.g., higher education, public administration, tax and pension reforms) are still in the preparatory stages of development, while reform of the forestry companies is likely to experience substantial resistance during the process of implementation. It should be noted that other state-owned enterprises like Lithuanian Railways, which have long been suspected of non-transparent practices, have also been reformed. The introduction of these reforms can be attributed to the skilled leadership of Rokas Masiulis, minister of transport and formerly minister of energy in the previous government, the prime minister and the president, and the ability of government to undertake reforms without the need for parliamentary approval.

In terms of economic development, the economy continued to perform positively through 2015 and 2016. After the shock of the 2008 financial and economic crises, the economy

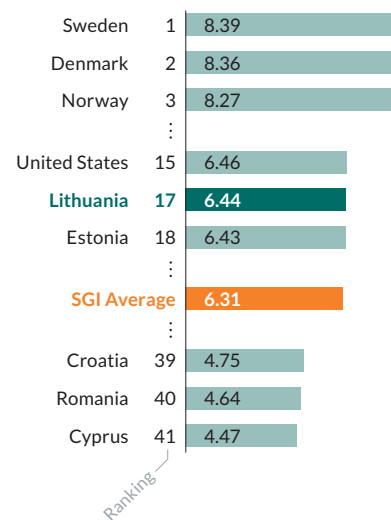
**Policy Performance**



**Democracy**



**Governance**



Source: Sustainable Governance Indicators.



returned to growth in 2010 following fiscal consolidation, a recovery in the global economy and increasing domestic demand. Lithuania has since numbered among the fastest-growing economies in the European Union with real GDP growth around 3%, despite the negative effects of sanctions imposed by Russia on exports from the European Union. Though the economic growth rate dropped to 1.7% in 2015 due to a drop in exports to Russia, economic activity picked up in 2016 reaching 2.3% growth and is projected to increase to 3.8% in 2017. However, inflation has become a major public concern.

In 2016, labor market outcomes improved due to economic growth and a declining working-age population. Unemployment decreased from 10.7% in 2014 to 8.1% in 2016 and is projected to decline further. The two main issues affecting the labor market are the mismatch between the supply of and demand for skilled labor, and the decreasing pool of labor due to emigration and declining numbers of graduates entering the labor market. However, despite these changes, unemployment rates remain high among low-skilled workers and the number of people at risk of social exclusion remains high. The share of the population at risk of poverty or social exclusion declined from 30.8% in 2013 to 27.3% in 2014, but increased to 29.3% in 2015. Moreover, the country continues to compare relatively poorly in terms of life expectancy at birth. A low birthrate, emigration to richer EU member states and relatively low immigration continue to present significant demographic challenges. These demographic challenges are likely to negatively affect economic growth and the pension system, and increase pressure to restructure the education, health care and public administration systems. In 2016, the parliament approved a new “social model,” which provides for the liberalization of labor market relations and the development of a more sustainable state social-insurance system. Implementation of the new social model began in mid-2017 after the new government revised the initial proposal to better balance labor market flexibility and employee protections.

Under the 2012 to 2016 and current governments, there was significant continuity in the country’s governance arrangements, although meetings of the State Progress Council and the Sunset Commission were discontinued in 2016.

Overall, executive capacity and accountability have remained largely similar. Lithuania continued its preparations for joining the OECD, which has been the main motivating factor behind reforms to state-owned enterprises and regulatory policies. Another related positive development is the depoliticization of executive civil service appointments and the professionalization of management in state-owned enterprises. However, power and authority remain centralized. Citizens and other external stakeholders rarely engage in the processes of government. Despite numerous electoral pledges to undertake cost-benefit analyses, most major reforms are not accompanied by substantive impact assessments and stakeholder consultations. In particular, the initiatives of members of parliament continue to be poorly prepared and lack proper impact assessments.

### Key Challenges

Following the recent party leadership election, the Social Democratic Party of Lithuania voted to leave the ruling coalition. However, most members of the party’s parliamentary group decided to stay in the coalition. One minister delegated by the Social Democratic Party resigned from the cabinet, while two other ministers decided to continue their work in the government. Although the Lithuanian Farmers and Greens Union is expected to continue cooperating with eight former Social Democratic Party members of parliament, the current government is balanced on the verge of a minority government. To remain in power, the government will require political backing from other parliamentary groups, which will complicate the implementation of the government program, especially the adoption of structural reforms. However, the adoption of the 2018 budget indicates that the current minority government arrangement is able to gather enough parliamentary support for major political decisions. This might change if some political actors decide to shift their position with a view to the forthcoming presidential elections in 2019, but it is possible that this situation could continue until the next scheduled parliamentary elections in 2020.

To address key policy priorities (e.g., education, innovation, taxation and pension reforms), consensus between the government, president

and parliament is needed. The commitment to increase defense spending to 2% of GDP by 2018 demonstrates that consensus can be achieved in the context of geopolitical tensions. In addition, policy implementation and institutional reform must be given sufficient attention. The successful development of a new liquified natural gas terminal in Klaipėda, an electricity network linking Lithuania, Poland and Sweden, and the adoption of the euro in 2015 demonstrate the country's capacity to complete major political projects. During the spring 2017 parliamentary session, the Skvernelis government was able to push through several important reforms (including the adoption of a new labor code, optimization of the network of state universities, merger of state-owned forestry companies and amendments to the Alcohol Control Law). However, it is not clear if the current government will be able to sustain this reform momentum due to its diminished parliamentary majority following the split within the Social Democratic Party.

Key challenges to long-term economic competitiveness include negative demographic developments, labor-market deficiencies, persistently high emigration rates, rising levels of poverty and social exclusion, inadequate physical infrastructure (particularly in the energy system), relatively high income tax rates, a large shadow economy, low energy efficiency (especially in buildings), low R&D spending, and weak innovation. To address these challenges, the new government should continue reforming the labor market, higher education sector, social-inclusion policy and energy sector. Furthermore, as a small and open economy dependent on exports, Lithuania is particularly sensitive to external shocks. To reduce the economy's exposure to external shocks, the government must improve the national regulatory environment and increase business flexibility to reorient market activities. The performance of the country's schools and higher education institutions should be improved through structural reforms, a greater focus on results and institutional capacity-building. For instance, poorly performing universities should be merged or closed, and the government's limited resources distributed to the best performing universities to invest in R&D and improve the quality of study programs. The restructuring of the health care

sector should also be continued. Given the declining population, the size of the country's public administration needs to be reduced (in terms of the number of public administration institutions and staff employed) and made more efficient.

Although Lithuania's public finances are solid, fiscal challenges are set to become more difficult in the medium term due to the declining population and increasing dependency ratios. The complex causes of structural unemployment, persistent emigration, rising poverty and social exclusion should be urgently addressed. A mix of government interventions is needed to mitigate these social problems, including general improvements to the business environment, effective active labor-market measures, an increase in the flexibility of labor-market regulation, improvements in education and training, cash-based social assistance, and other social services targeted at vulnerable groups. The government's new "social model," which contains proposals to liberalize labor relations and improve the sustainability of the social-insurance system, entered into force in mid-2017.

The European Union's 2014 to 2020 financial-assistance program for Lithuania is expected to total about €13 billion. The key goal of the program is to promote economic competitiveness in Lithuania. However, funding should target economic sectors with high potential growth, while being careful not to distort markets or fund corruption. Better policy implementation in line with strategic priorities set out in, for example, Lithuania 2030 and the Partnership Agreement with the European Commission (i.e., Europe 2020 strategy) would improve the effectiveness and sustainability of policy developments, and quality of governance. In addition, the Lithuanian authorities should improve the result-orientation of EU funds while maintaining a high rate of financial absorption.

Democracy and governance arrangements could be improved by strengthening some legislation (e.g., media-ownership transparency), while enforcing other legislation more strictly (e.g., anti-discrimination rules). Collaboration between central government, local governments and civil society actors could be improved by encouraging citizen participation, making wider use of existing impact assessment processes and stricter adherence to the principle of proportionality.

Corruption in the health care sector, parliament, court system, police and local authorities must be tackled by enforcing anti-corruption regulations more effectively. The professionalism of the civil service must be maintained, while integrating modern policymaking practices (e.g., strategic oversight, evidence-based policymaking and inter-institutional coordina-

tion), improving policy delivery, and ensuring that senior appointments in the civil service and state-owned companies are not politicized.

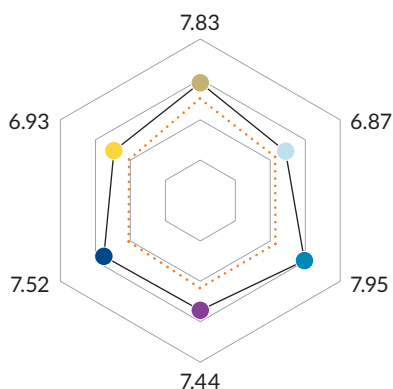
Full report available at [www.sgi-network.org](http://www.sgi-network.org)

→ Vitalis Nakrošis, Ramūnas Vilpišauskas, Detlef Jahn

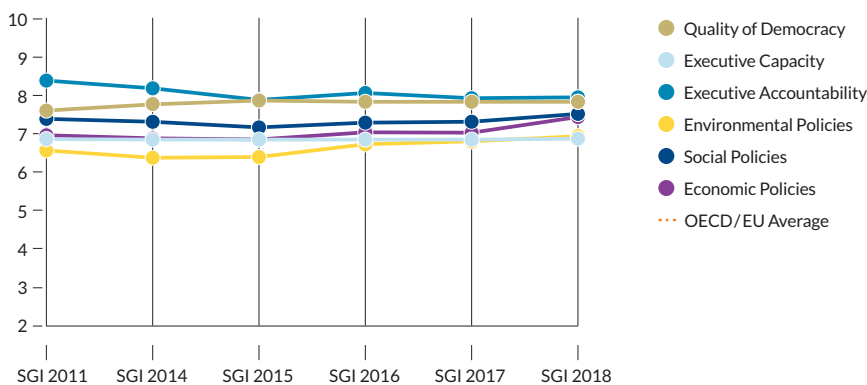
## Country profile SGI 2018

# Luxembourg

Overall 2018 Performance



Development over time



Source: Sustainable Governance Indicators.

| BertelsmannStiftung

### Executive Summary

Luxembourg is a founding member of the United Nations (1945), NATO (1949), the European Coal and Steel Community (1950), the European Economic Community (1957) and OECD (1960). It is also one of the three capitals of the EU, along with Brussels and Strasbourg. It hosts several EU institutions, including the Secretariat of the European Parliament, the European Court of Justice, EUROSTAT, the European Investment

Bank and the European Stability Mechanism as well as several European Commission services. Approximately 12,000 EU officials work in Luxembourg and key EU ministerial meetings are regularly hosted in the Grand Duchy. Luxembourg also hosts the new European Public Prosecutor's Office (EPPO).

Luxembourg's economy is booming and profiting from an expanding EU and global economy. The attraction of new industries and businesses, public investments, and rising

domestic demand are fueling economic growth. Luxembourg City is one of three EU capitals and a key international financial center. The country offers extraordinary business conditions with an attractive tax environment, high private and public investments, strong GDP growth, high living standard, an outstanding social security system, low unemployment, and consistently low central government debt. The country's public administration is highly efficient and the overall economic outlook remains stable.

Luxembourg has experienced strong economic growth and fiscal stability. This has provided public authorities the means to develop and maintain an outstanding welfare system over the last two decades, even as neighboring countries have reduced public welfare provision. Luxembourg's welfare system includes generous insurance coverage, benefit schemes and public services. For example, health care provision has recently been expanded and the level of retirement benefits exceeds Scandinavian standards.

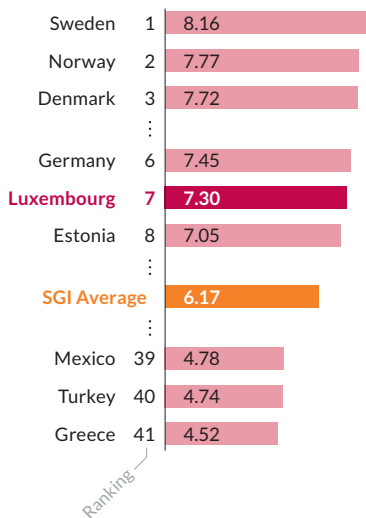
After a 3.4 % GDP increase in 2017, the economy is projected to further strengthen to almost 4.4 % in 2018. Consumer confidence, higher wages (+4 % in 2017), and high domestic consumption and investment contributed to this major growth. Furthermore, in 2017 the unemployment rate decreased to 6 % and tax arrears are compensating for reduced VAT revenue from

e-commerce. The economic growth of recent years has reduced the national debt to below the 2012 level. Luxembourg had the second lowest gross national debt in Europe (behind Estonia) at 20.8 % in 2016, though it is projected to rise to 22.8 % in 2020. In addition, public investments are presumed to increase by about 10 % in 2018.

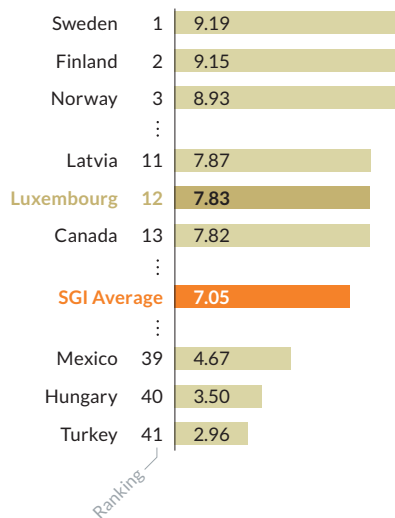
The demographic development of the country differs from most other EU member states due to persistently high migration rates. Since 2012, Luxembourg has had an exceptionally high annual population growth rate by EU standards (2.29 % in 2016). Another key driver of this dynamic population development is the average age of 39.2, again low by EU standards, although higher than in Ireland and Cyprus. Overall, the population is increasing, aging and becoming more heterogeneous. In July 2017, about 27 % of the workforce were Luxembourg nationals, while 42.6 % were so-called cross-border commuters. This situation guarantees Luxembourg high flexibility and short-term fluctuations in the labor market. For the cross-border labor market, commuters from within the Greater Region are crucial. A shortage of highly qualified personnel (e.g., in ICT) has a fundamental impact on the further sustainable development of the financial, service, research and health sectors.

In the last years, Luxembourg was forced to accept that some tax policies were untenable

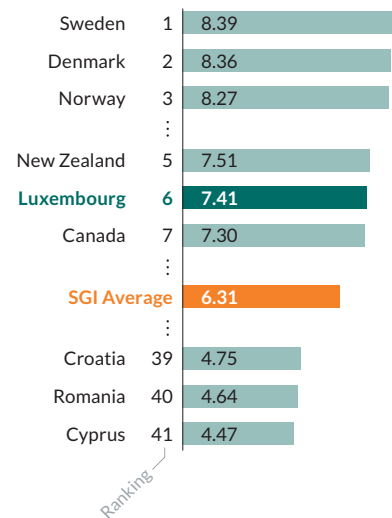
**Policy Performance**



**Democracy**



**Governance**



Source: Sustainable Governance Indicators.

ble and that alternative sources of revenue need to be developed. Recent legislation, which came into force in 2017, requires financial institutions based in Luxembourg to provide information to U.S. authorities; this will likely have a dampening effect on the country's financial sector. Notwithstanding, competitive individual and corporate tax rates and low indirect labor costs will continue to make Luxembourg an attractive base for international companies.

Luxembourg has generous, but cost-intensive social and health care systems, which even exceed the level of coverage provided in Scandinavian countries. The welfare state has gradually expanded. Despite strong economic growth and low public debt, maintaining fiscal sustainability is increasingly important. Due to the economy's small size and openness to global markets, Luxembourg is particularly vulnerable to geopolitical instabilities. To ameliorate these risks, the government has increased public investment in the economy to stimulate domestic markets, attract additional private investment and promote innovation.

The government must identify framework conditions to promote innovations and synergies between public and private research, with more spin-offs and start-ups, including research and knowledge transfer. In this respect, Luxembourg must increase the number of researchers (2,647 in 2015) and undertake necessary expenditures on competitive research and development (R&D), including more public-private partnerships to foster innovation.

### Key Challenges

Economic diversification is the key challenge confronting Luxembourg. Addressing this challenge will necessitate exploiting innovative niche markets, promoting the digitization of the financial sector and adopting a new approach to publicizing Luxembourg as an international economic hub. With respect to the financial sector, the government should focus on developing ICT synergies and exploring new financial technology products and services.

The Luxembourg Leaks and Panama Papers scandals demonstrated the vulnerabilities of focusing economic activity excessively on the fi-

ancial sector. It will take time for recent efforts in tax transparency to restore Luxembourg's tarnished reputation as a tax haven.

In 2016, Luxembourg invested 1.24 % of its GDP in R&D, less than the EU average and less than the government's own target of more than 2.03 % of GDP. The Luxembourg Cluster Initiative, led by the national research agency Luxinnovation, has identified seven economic sectors that will be essential for sustainable economic development. These sectors include health care and biotechnology, ICT, material technology, space technology, logistics, maritime activities, and emerging alternative investment funds (e.g., private-equity funds). There is broad consensus that to further drive economic growth, public investment in R&D must significantly increase and economic competitiveness must be improved.

Public investments and, in turn, the national debt are on the rise. The latter increased from 22 % of GDP in 2015 to 23.5 % in 2017 and is projected to reach an all-time high € 1 billion in deficit in 2018. Despite the country's strong GDP growth, general government debt will significantly increase. Even though the current level of national debt is far below the EU average, further government expenditure must be monitored closely and rising interest rates taken into account.

Luxembourg's welfare system is one of the most substantial and comprehensive systems in the EU. While neighboring countries have reduced welfare provisions in recent years, Luxembourg has expanded its system over the past 30 years. Both the OECD and European Commission have warned that Luxembourg will need to reduce its generous welfare provision if the system is to remain sustainable, particularly its extensive support for early retirement, disability benefits and the health care sector.

Recent population growth has been driven by a modest decrease in the birth rate, a falling death rate and increasing life expectancy. Luxembourg has also experienced a high rate of migration, with around 80% of its population growth resulting from migration. Since October 2017, more than 600,000 people are living in the Grand Duchy. After an all-time high of more than 11,000 new citizens in 2015, migration decreased slightly since 2016.

Forecasts indicate that Luxembourg's population will increase to 1 million by 2060. Strong population growth will stabilize the social security system, especially the public pension system, but will also increase intergenerational and intercultural tensions. Luxembourg's traditional corporatist philosophy has become increasingly universal and the country has been able to avoid enacting severe austerity policies. Nonetheless, minor changes to the pension system and general employment rules need to be adopted.

Population growth is a challenge particularly for the booming centers of Nordstadt, Luxembourg City and Esch/Beval. These cities will have to solve issues related to traffic congestion and the densification of living space, while ensuring a continued high standard of living for residents. The densification of living space is increasing the pressure on the limited number of rental properties and high real-estate prices. Major public investments are expected in the coming years, particularly in the areas of infrastructure, environment and housing.

The country's most pressing environmental-policy challenges include improving water quality, avoiding water pollution through pesticide and fertilizer use and constructing wastewater treatment plants. Eutrophication is a serious problem and many water sources are at risk.

The education system poses another persistent challenge for Luxembourg. Its official trilingual nature presents difficulties to both nationals and foreigners. Moreover, the country's PISA scores are lower than the OECD average. Over the past 15 years, several school reforms have sought to facilitate the integration of migrant children within this trilingual system by reducing the emphasis on language competency in the determination of school grades. Reforming the education system will be a key determinant in ensuring long-term economic competitiveness. As a result, the government is currently implementing secondary school reforms. To speed up business creation processes and facilitate business innovation, formal education and vocational training, combined with lifelong learning, must encourage entrepreneurship (especially in technical fields) by improving key competencies through non-formal and informal learning processes.

There remains room for improvement. The 4G cellular network still fails to cover 20 %

of the country. In addition, untapped potential in digital technology must be mainstreamed in all business sectors and startups need more venture capital.

Overall, Luxembourg enjoys a comparatively stable political system, high trade logistics performance, excellent broadband coverage, a very competitive tax system, reasonable living costs (excluding housing costs), new financial technologies, innovative communication technologies and tremendous job growth. Alongside continuing policy weaknesses (e.g., education), these capacities must be mainstreamed towards technology-driven sustainable development.

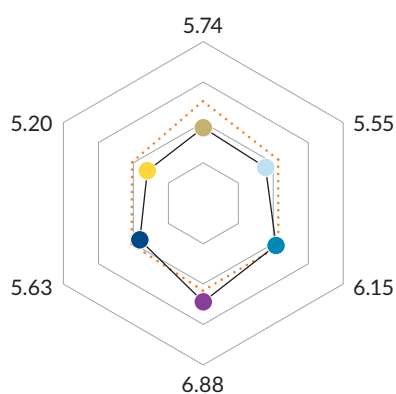
- Klaus Schneider
- Wolfgang Lorig
- Nils C. Bandelow



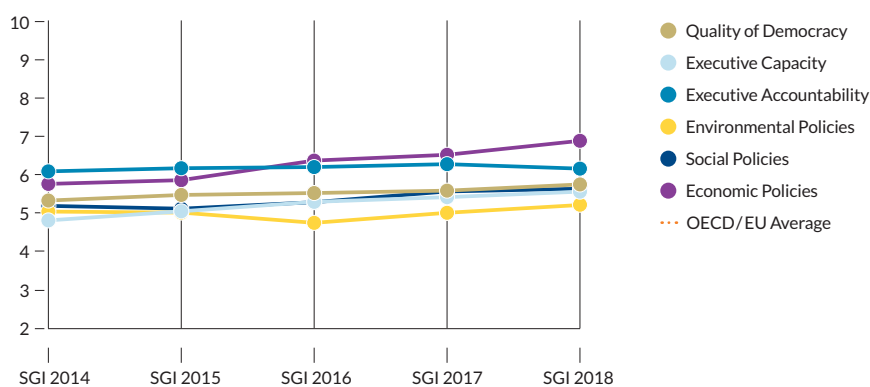
## Country profile SGI 2018

## Malta

Overall 2018 Performance



Development over time



Source: Sustainable Governance Indicators.

| BertelsmannStiftung

## Executive Summary

Malta's 2004 accession to the European Union (EU) acted as a catalyst for social, economic and political transformation. The EU's liberal ethos propelled the 2011 introduction of divorce to one of the last bastions of catholic zealotry. Since 2013, the Maltese government has fueled this liberal current. Malta has considerably relaxed its censorship laws and extended rights to people with diverse gender identities and sexual orientations, including civil marriage. Recent legislation on domestic violence and reproductive rights have given practical expression to women's right. The right to employment for disabled persons has also been codified, with employers penalized with fines for ignoring equality of opportunity laws. Since accession, Malta has extended maternity benefits and provided free child-care centers, enhanced pension rights and increased assistance for the elderly, upgraded health services, and embarked on a € 50 million social housing project.

The government is implementing recommendations on migrant integration by introducing reception centers, allowing migrants to register for work and setting up an integration program.

In terms of good governance, new measures have been introduced to enhance accountability and transparency. Demands under the Freedom of Information Act have multiplied and the ombuds office has been granted new areas of competence. These measures have effectively ensured greater scrutiny of the government. For its part, the National Audit Office has become more proactive. Legislation intended to regulate and improve the transparency of political party funding has been enacted. Ministers and members of parliament accused of breaching existing codes of ethics will become accountable to a Public Standards Office. One of the first acts of the current government was to remove statutes of limitations in cases of alleged corruption by politicians and senior officials. Also, legislation to increase efficiency within the judicial system has been introduced.

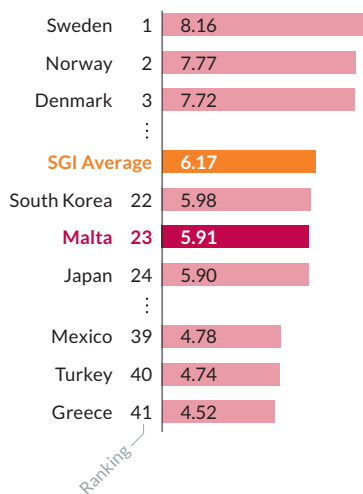
Malta's economy continues to thrive, recording growth rates of up to 6% annually – among the highest in the EU – and obtaining generally positive ratings from credit agencies. The result is an economy that has shifted from a significant public deficit to a first time surplus; the debt-to-GDP ratio has been meaningfully reduced. Malta is experiencing an unprecedented upsurge in tourism, surpassing the two million inbound trips milestone in 2017. Despite implementing a hefty reduction in tariffs, the government also turned around the fortunes of the country's sole energy provider, Enemalta, by attracting foreign investment and prompting greater efficiency within the corporation. Enemalta has transitioned to a gas-fired power station and increased the use of solar energy technologies.

Socioeconomic and political developments have transformed the Maltese landscape. Rising economic wealth is impacting population and class structures as imported labor and refugee flows create a more diverse population. This has driven the expansion both of the middle class and a new underclass with little social capital. The four freedoms (i.e., free movement of goods, capital, services, and labor), open borders, and globalization have facilitated interactions between the domestic and international economy, bringing in big business. In concert, inevitably corollary practices of patronage and

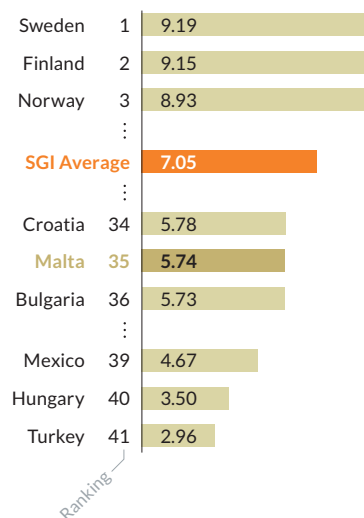
clientelism have also become internationalized. Widespread clientelism and corrupt practices are not a new phenomenon, but access to greater resources make them more lucrative. Construction, the industry that traditionally drives the Maltese economy, has long been a nexus of corrupt practices; the economic boom and soaring population, however, have increased the demand for real estate, exacerbating the problem. The splitting of the Malta Environment and Planning Authority (MEPA) into two authorities has not helped, instead attracting enormous criticism. Angered environmental groups are concerned that this will threaten what remains of Malta's "green lungs." A drive to render key service providers (e.g., in energy and health care) sustainable has facilitated a government program of privatization. While many stakeholders have been consulted, this process of privatization has been criticized for its lack of public consultation, transparency and accountability. The recent sale of several government hospitals to an international private health care provider is undergoing parliamentary scrutiny. Evidence of mismanagement in the tendering process along with decision-makers sidestepping formal procedures is fueling this reexamination.

Illustrations of this political corruption include the current investigation of a minister and the prime minister's chief of staff for receiving

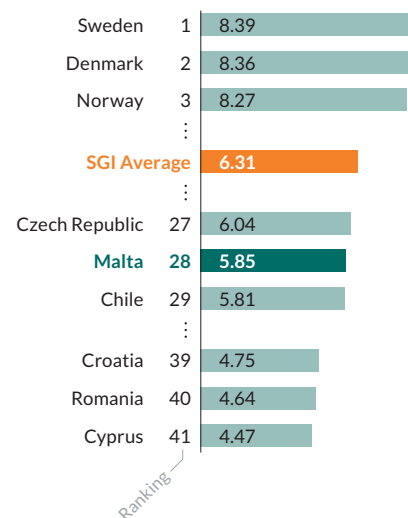
**Policy Performance**



**Democracy**



**Governance**



Source: Sustainable Governance Indicators.

kickbacks from government business (revealed in the Panama Papers) as well as the car bomb murder of Maltese journalist Daphne Caruana Galizia, who had been working on a number of leads involving alleged government corruption. These events led to a European Parliament fact-finding mission in January 2018. Domestically, there is a growing intolerance of corruption; political maturity and economic wellbeing have increased the demand for democratic oversight. EU membership has meant multi-level governance – a power shift weakening the national executive, but strengthening oversight mechanisms and civil society.

In 2017, we also witnessed what may be the beginning of the party system fragmenting. Two MPs left the party of government, were reelected on the opposition party ticket and now sit in parliament under the newly constituted Democratic Party. For the first time in thirty years, three parties sit in parliament. Conflict in the main opposition party between liberal and conservative factions may lead to the fracture of the party and a new configuration of the party system. Despite the party of government maintaining a sizable majority of seats in parliament, the recent disarray in the party system has witnessed a rise in private members' bills and increased the tendency for MPs to ignore the party whip when voting on controversial issues.

Following allegations, strenuously denied, that the prime minister's wife held a secret overseas bank account, the governing party called early national elections in 2017. The prime minister's party was returned to power with the largest majority since independence. The results indicated public confidence in the government's economic and social policies as well as liberal ethos. Notwithstanding, demands from the president, judiciary, ombudsman and opposition for the government to honor its pledge to begin a process of constitutional reform continue unabated. Such a reform would give birth to a second republic and could facilitate the drive for good governance.

### Key Challenges

In 2016, several good governance reforms were introduced; this process, however, was cut short

by the early elections in 2017. The electoral campaign provided an opportunity for all political parties to promote further reforms, including an overhaul of the constitution. Talk on the need for institutional reform is widespread, but there is no consensus on how to go about it. The present electoral system does not include a minimum national threshold for a party to send members to parliament. This has enabled the two major political parties to utilize patronage and clientelism to retain their grip on power. Consequently, there is little faith that they will weaken their own political position by reforming the electoral system. Reform through a civil society compact is regarded as unwieldy. A third option is a council of state composed of key stakeholders representing elites. To date, no process has been decided upon. Nevertheless, a public debate on the necessary changes has been ongoing. A piecemeal process to reform may prove to be the way forward. The public debate may generate consensus and provide principles which can be taken up by the government and opposition and implemented through parliament.

Whatever process is adopted, there is agreement that the point of departure should be the shoring up of the separation of powers. Such a reform could counter the prevalent political model where a single party government retains a majority in parliament. Parliament has been strengthened by the introduction of the ombuds office and yearly increase of parliamentary committees as well as the empowering of the speaker's office to draw up reform plans and oversee parliament's budget. Nonetheless, Malta's part-time MPs continue to demonstrate a lack of expertise on many policy issues. MPs generally prioritize their private careers over parliamentary business, lowering their contribution to government and the public's opinion of them. Especially over the last twenty years, this has given rise to a dangerous blurring of lines between many MPs' private interests and public service. Overall, parliament contributes very little to policymaking in Malta. MPs should be transitioned to full time. Electoral reforms and the introduction of a minimum threshold are sorely needed to facilitate the entry into parliament of political parties representing minority interests. The two-party system has not encouraged a bipartisan approach. Instead, the winner-takes-

all approach has bred a destructive politics of division and mutual distrust. A shift from a two-party to a multi-party system may erode this us-against-them polarization.

The government has adopted some recommendations from the Bonello report it commissioned to address shortcomings in the judiciary. These have increased the efficiency of the judiciary. The recent creation of a judicial appointments committee is the first step toward increasing the independence of the judiciary. However, present reforms do not go far enough. A new process is needed for the selection of the chief justice. The role of the Attorney General has also come under scrutiny. The position's dual role as legal counselor to the government and public prosecutor is no longer suitable and should be wielded separately. Also, the introduction of courses for lawyers pursuing the judicial track is long overdue and the nomination of court experts needs to be formalized.

With regard to the executive and its civil service, the appointment of the Commissioner for Standards in Public Life, an office approved by parliament in 2016, remains urgently needed. Additionally, the ombuds office should be afforded the same powers as the audit office and given the remit to annually review the efficiency of government ministries and departments. When not implemented by the government, the recommendations of the ombuds office should be placed before parliament for further discussion. The long-standing practice of employing political appointees in the public service must be reviewed as it undermines transparency and accountability. The parliamentary appointments committee, recently established to assist in the selection of ambassadors and commission heads, will strengthen consensual politics, but the procedure needs to be further developed. The recommendation that a council of state, composed of key stakeholders, should be involved in the selection of heads of authorities, commissions and boards should be studied. Auditing the work of the executive and its civil service in procedures such as tendering could be further facilitated by an amelioration of the freedom of information act. There is also a need to establish an independent ethics committee to oversee the various ethics codes that regulate public servants. The Permanent Commis-

sion Against Corruption must be better staffed, meet more frequently and ensure that all cases are satisfactorily concluded. The opposition party's delay tactics in nominating members to the commission does not bode well. While accusations of corruption have been a common method of attacking the government of the day since 1921, it is also evident that accusations made by opposition parties are rarely investigated, suggesting that there is no real commitment to fight corruption.

Recent reforms that decoupled the planning and environmental authorities must be reassessed to ensure both authorities fully participate in decisions related to development planning and the protection of Malta's natural habitats.

Measures to address the integration of migrants have been drawn up and must now be implemented. In an island country the size of Malta, integration is a sine qua non for future stability.

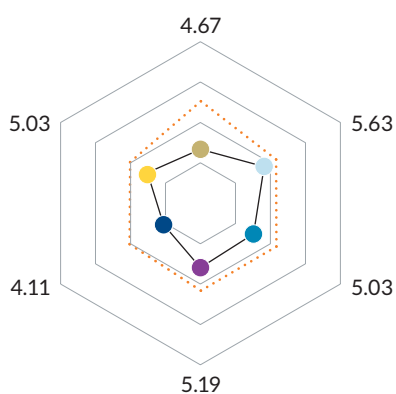
Finally, Malta's police force must be afforded the necessary competences and resources to fulfill their duty to secure the EU's most southern border. Malta's economy is now heavily enmeshed in the international economy and, in consequence, is confronted with levels of international crime unprecedented for the small island country.

- Godfrey A. Pirotta
- Isabelle Calleja
- César Colino

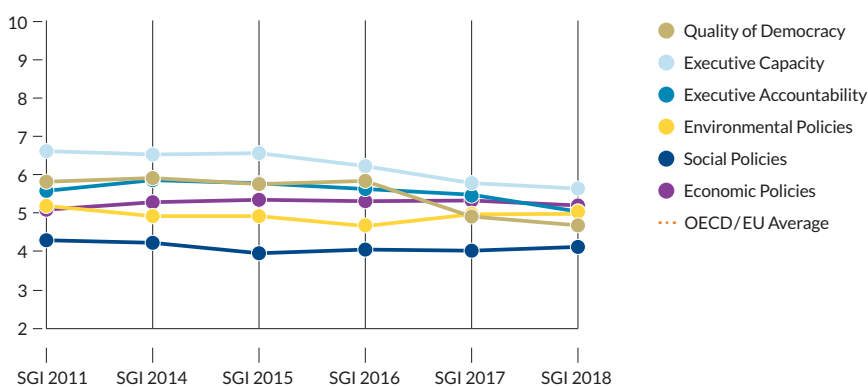
## Country profile SGI 2018

## Mexico

Overall 2018 Performance



Development over time



Source: Sustainable Governance Indicators.

| BertelsmannStiftung

## Executive Summary

Considering Mexico's experience with military and corporatist autocratic rule, the country has made significant progress over the last two decades with regard to electoral competition and its overall regulatory environment, including market-oriented reforms. Economic and political elites, as well as an increasing share of the middle-class, are technically qualified and have knowledge on how best to organize the political, economic and social frameworks of their society. Mexican policymakers at both the national and regional levels are well trained, internationally experienced and often equipped with high-level qualifications from Western universities. Mexico's tertiary education system is increasingly competitive internationally as are several major firms, including an increasing number in the manufacturing sector.

At the same time, Mexico suffers from structural problems that are uncommon among most other OECD countries. These challenges mainly

relate to an extremely unequal distribution of social benefits and services among the population, such as security and social opportunities. The resulting cleavages between geographic regions, rural and urban areas and social classes are among the most pressing barriers to further societal progress. In addition, uneven state capacity, both geographically and across policy sectors, often undermines the effective and coherent implementation of policies.

Against this background, Mexico faced a series of major challenges in 2017. First, the security situation further deteriorated, and the number of intentional homicides increased to the highest level ever recorded. In many instances, government action, which has often taken the form of increased militarization, has not only failed to be effective, but it has also made matters arguably worse. The most direct collateral damage of this violence has been to social capital, press freedom and secure property rights. Overall, Mexico is facing a status of state failure in parts of its territory.

Second, the ambitious reform process, which the administration of President Peña Nieto launched at the beginning of its term, has stalled during its final years in office. While major reforms in key sectors such as education, energy, telecommunications and anti-corruption were approved, the adoption of secondary legislation required for implementation has fallen behind. As approval ratings for President Peña Nieto have dropped to unprecedented lows, it seems unlikely that the current government will be able to get the reform process back on track in the time remaining before the federal elections of 2018. Throughout 2017, a series of high-level corruption scandals, some of them directly involving close presidential allies, contributed to growing social discontent, so that the government's political capital is extremely limited.

Third, Mexico has faced an increasingly adverse political and economic environment internationally. This has included lower oil prices, weak international trade growth and a deteriorating relationship with its Northern neighbor. Trump's administration has continued its antagonistic rhetoric toward Mexico, and the renegotiation of North American Free Trade Agreement (NAFTA) creates uncertainty for the country's economic outlook. As of 2016, 81% of Mexican exports went to the United States. Ending NAFTA

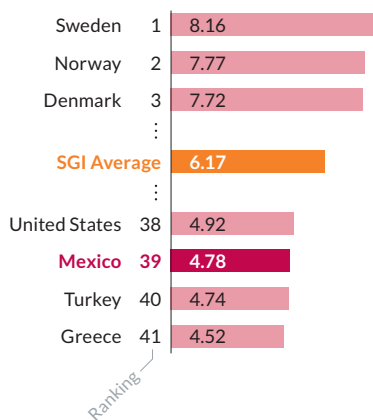
would mean trading under the World Trade Organization's tariffs, which would heavily hit the competitiveness of Mexican products in the U.S. market. Trump's threat of withdrawing from NAFTA has severely depreciated the Mexican peso, partially explaining inflation levels above the central bank's target. At this point, more than ever, it is urgent for Mexico to diversify its exports market and increase the number of policy tools available for the government to buffer the impact of international economic shocks.

Finally, 2017 proved difficult for Mexicans as the country was hit by a number of natural disasters including three major earthquakes and two tropical storms. However, these crises revealed, as in 1985, the potential of Mexican citizens to organize and help each other, even in the absence of effective political leadership. A strong civil society, like the one Mexico has proven to have, is a necessary condition to face and overcome the challenges faced by the country.

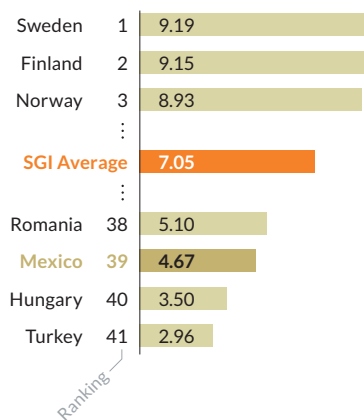
### Key Challenges

Within the last generation, Mexico has made much progress with regard to competitive politics and macroeconomic stability. These major achievements were accompanied by an increase in educational attainment among economic and

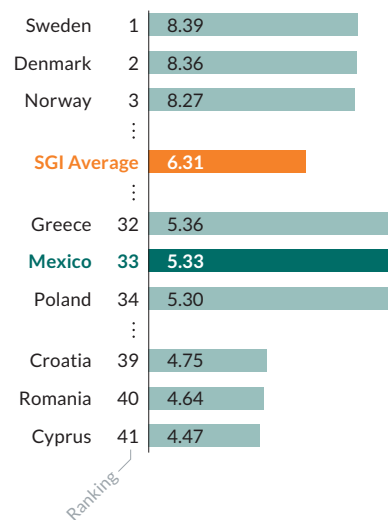
### Policy Performance



### Democracy



### Governance



Source: Sustainable Governance Indicators.



political elites as well as segments of the middle and lower classes. However, the benefits of economic and social modernization have been unevenly distributed: high disparities between regions and social groups remain. In this context, the pace of economic development has been too slow in recent years. In addition, Mexico has experienced a serious deterioration in domestic security due to a failure in the rule of law, including systemic violence and corruption. The current government's success in addressing these challenges has been mixed at best.

Early in its tenure, President Peña Nieto's government had considerable success in collaborating with other parties in Congress to introduce major reforms in the energy, education and telecommunications sectors that had long been on the political agenda. Moreover, the administration declared its commitment to improving transparency and combating corruption. As the term of the Nieto administration draws to a close ahead of the 2018 general elections, the results of this ambitious reform project are fairly sobering. On the one hand, major reform proposals hit significant roadblocks during the implementation phase, and the adoption of required secondary legislation has stalled. On the other hand, the government has poorly handled major societal crises, such as the forced disappearance and likely murder of 43 students and escalating violence. Its feckless response to several high-level corruption scandals has called into question the government's commitment to transparency and accountability. While the beginning of Peña Nieto's term in 2012 had been hailed as "Mexico's moment," widespread disillusionment with political elites and uncertainty about the country's future now predominate.

Domestic as well as international developments are important for Mexico's outlook for 2018 and beyond. Domestically, Mexicans will head to the polls on 1 July 2018 to elect a new president, 500 members of the Chamber of Deputies and 128 senators, together with a large number of subnational officials, including nine governors. While there are still several months to go until the formal start of the campaign, the field of presidential contenders is crowded, with as many as eight candidates and several unlikely alliances between political groups. While the full line-up might suggest robust

choices for citizens, so far enthusiasm has been limited and support for major parties has declined continuously in recent years. Since Mexico does not have a run-off election for the presidency, there is a substantial risk that whoever wins in a splintered field will take power without a strong mandate. Moreover, recent polls show that more than two-thirds of citizens expect negative campaigns and contested results.

Internationally, the ongoing renegotiation of NAFTA will have profound implications not only for the future relationship between Mexico and the United States, but also for Mexico's economic outlook. While there is a debate around the net effects of NAFTA in Mexico, there is an overall consensus on the potential costs of ending the treaty now. These include a decrease in the international competitiveness of Mexican products as preferential tariffs are removed, and a general weakening of the diplomatic relationship between the United States and Mexico. Such a weakening would have direct effects in key areas where bilateral coordination is necessary: migration and security.

In the short-term, a majority of Mexicans expect the relationship between the United States and Mexico to deteriorate further. In the long-term, however, weaker ties to the United States might create opportunities for Mexico to diversify its political and economic orientation toward other Latin American countries, the Asia Pacific and Europe. For realizing such potentials, however, the country must craft a coherent strategy, but also reach a consensus among political and economic elites on how to position the country in an increasingly multipolar world.

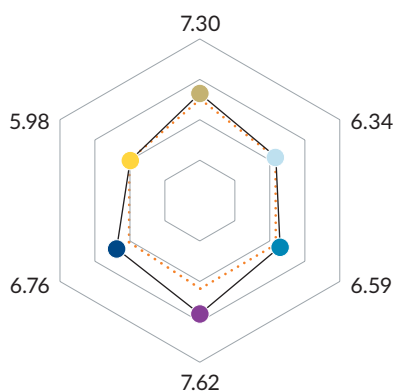
Full report available at  
[www.sgi-network.org](http://www.sgi-network.org)

- Jörg Faust
- Imke Harbers
- Zaira Razu
- Martin Thunert

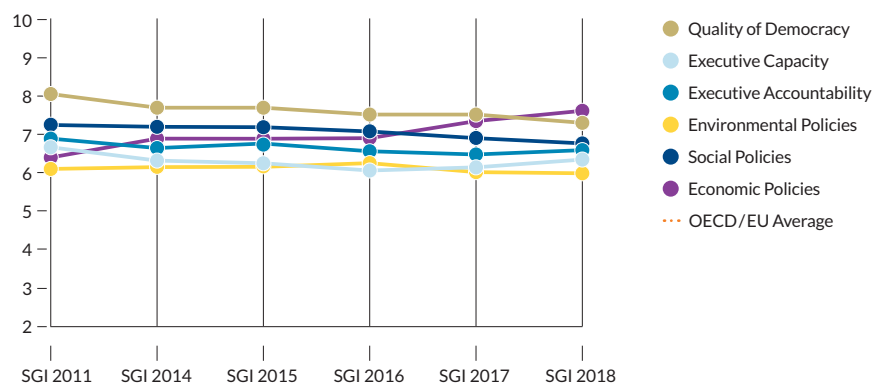
## Country profile SGI 2018

## Netherlands

Overall 2018 Performance



Development over time



Source: Sustainable Governance Indicators.

| BertelsmannStiftung

## Executive Summary

The quality of democracy in the Netherlands remains above average. However, the stability of the democratic system appears to be decreasing. Continuing economic and global political uncertainties have produced an inward-looking and volatile electorate. Since late 2010, governments have no longer been assured of a solid majority in the bicameral States General. Since 2012, the Netherlands has been governed by a minority coalition cabinet (Rutte II) made up of ideological rivals, namely the conservative-liberal People's Party for Freedom and Democracy (VVD), and the Labor Party (PvdA). With its majorities varying on a case-by-case basis, the Rutte II cabinet has nevertheless been able to garner sufficient parliamentary support to pass an agenda of neoliberal legislative reforms softened by social-democratic measures. Providing grounds for more serious concern, the political parties and government bureaucracy have shown an increasing disregard for rule-of-law requirements, legislative

and administrative details, and the management of the judicial infrastructure.

Policy performance is average, but still satisfactory. Economic policies have been successful over the last two years, especially in the budgetary and accounting spheres. Unemployment rates have diminished, although youth unemployment remains of particular concern. In 2015 and 2016, the government announced tax cuts intended to increase consumption spending, with the broader aim of strengthening economic recovery. The Dutch are still doing well in most areas of social sustainability. The crisis in education has been acknowledged. Though policy interventions remain incremental, first steps toward needed system reform have been introduced. Social-inclusion policies have failed to prevent more families from falling into poverty. In the realm of health policy, cost increases have been prevented, but the health care inspectorate does not seem up to the task of monitoring and supervising a hybrid public-private health care system that lacks legitimacy. In the domain

of integration, the refugee influx (although smaller than expected) and continued high unemployment among immigrant young people are reasons for concern. Overall, almost all institutions comprising public safety and security, and judicial branches of the Dutch government face substantial challenges and are under increasing stress. This densely populated country scores low with regard to environmental sustainability. However, after the Paris Agreements, climate change policy is back on the political agenda.

Government apparatus lacks executive capacity and accountability. There are clear and increasing implementation problems, indicating that the “lean” government may find itself overburdened with intractable problems. Monitoring and coordination efforts are substandard with regard to interministerial and agency monitoring. There are increasing problems with the country’s public ICT systems, and large-scale rail and road infrastructure. Regarding water management, a traditionally strong area of Dutch governance, administrative reforms are implemented smoothly. The overhasty devolution of central government functions with concomitant social security budget cuts may threaten the long-term decentralization of welfare policies to local governments. In the area of public safety and security, a contrary trend toward rapid centralization has led to problems in policing and the judiciary

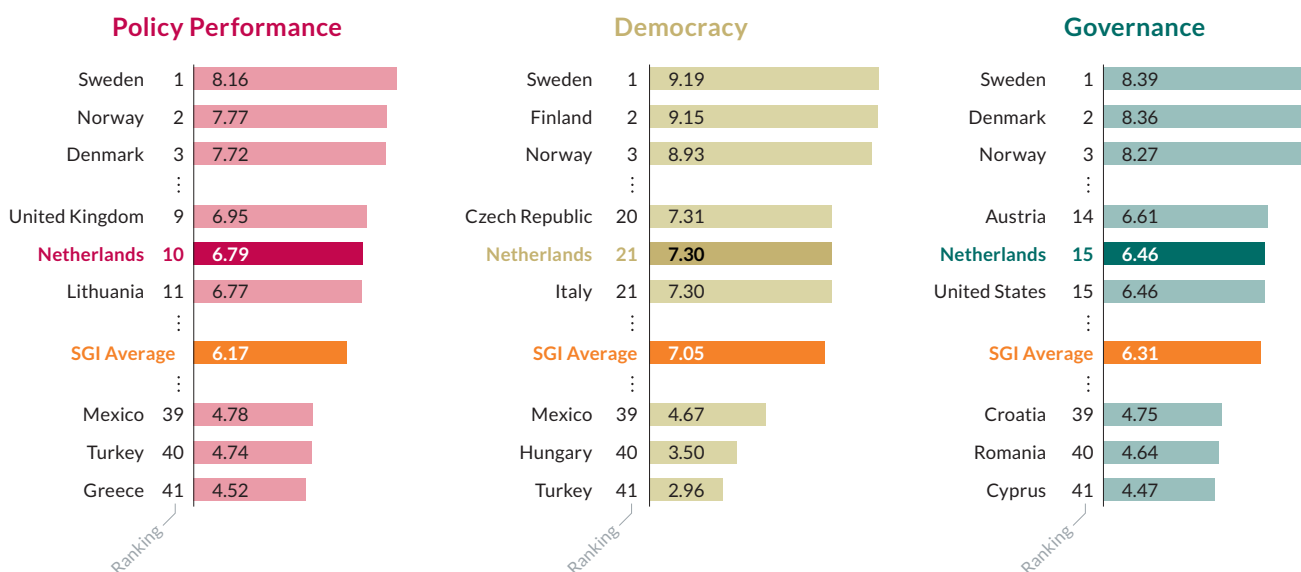
(e.g., in the court system generally, the management of judges and access to the judiciary).

Recently, the influx of refugees and increased threat of terrorism have pushed the country’s political mood toward an inward-looking xenophobia. In the realm of executive accountability, weak intra-party democracy and a lack of citizen policy knowledge are causes for concern. At the local level, there is some evidence that opportunities for more inclusive participatory and deliberative policymaking are increasing.

Overall, Dutch politics and policies remain generally sustainable. However, some challenges have accumulated. For example, the government should seek to untangle policy deadlocks over attempts to address socioeconomic inequalities, integrate citizens more deeply into the policy-making process, set goals and priorities in the areas of environmental and energy policy, restructure policies, solve the looming policing and judicial system crises, and enhance local government and citizen participation in the implementation of policies.

### Key Challenges

Three challenges affecting the sustainability of governance in the Netherlands remain insufficiently addressed: restructuring traditional state functions, the shift to a sustainable economy,



Source: Sustainable Governance Indicators.

and finding a balance between identity politics and globalization. None of these key challenges received due attention during the 2017 election campaign, which was hijacked by a populist-dominated debate about immigration and Islam. This signals the need to seek and develop new modes of citizen representation and participation.

The first challenge involves an urgent restructuring of traditional state functions. The Dutch have eagerly reaped the peace dividend after the fall of communism, in line with traditionally strong pacifist and anti-military public opinion. In view of threats from Russia and Turkey to parts of Eastern Europe, and a less certain U.S. commitment to NATO, the Dutch and other EU states will have to increase their military capacity and spending in a relatively short time. Reforms to the police, judiciary and public prosecution (Ministry of Safety and Justice) have run into implementation obstacles and serious integrity problems that, without adequate political attention, may become chronic. Government tasks in the domain of (public) finances require that the continuity of the tax apparatus is guaranteed, and the country should tackle its reputation as a tax haven for large foreign, especially U.S., corporations.

The second major task is to design and facilitate a shift toward an environmentally sustainable economy. The strong economic recovery that the Netherlands has experienced over recent years has a flipside: the Dutch can no longer fall further behind the rest of the European Union in implementing climate change (mitigation and adaptation) policies. The exhaustion of the Netherlands' natural gas resources in the medium-term means that a new energy policy for renewable energy sources is imperative. Public investment in more sustainable transportation infrastructure can no longer be postponed in view of a looming congestion crisis. Foreseeable technological innovations (digitization, big data, robotification) necessitate reform of the educational system and the labor market. Technological innovations require the development of a strategic approach to digitization, including its effects on essential human rights, regulation and control, and mechanisms for consensus-building concerning contentious (ethical) issues around emergent new technologies. The growing segregation across levels and types of schools needs to be addressed. The relevance

of existing educational qualifications in a rapidly changing labor market is increasingly questionable and education at all levels is inadequately financed. Labor market policies face a difficult balancing act between flexibility, and job security, decent wages and work-family relations. For an aging population, a sustainable economy should include decent (health) care provision and pensions. The third longer-term task is to strike a viable balance between identity politics and globalization. Globalization manifests itself through multi-ethnicity and an increasingly multiracial composition of the population. The public disorder and "Black Pete" debates are initial steps toward a long overdue public deliberation about the integration of refugees and migrants. Considerable popular support for an openly xenophobic, anti-EU and anti-Islamist political party like the People's Party for Freedom and Democracy (PVV) is a sign of widespread public discontent and unease. Established political parties, particularly the Christian Democratic Party (CDA), show no desire to approach the debate openly. However, their leader, Sybrand Buma, agrees with the "angry citizens" who, in his eyes, help protect the "Judeo-Christian" identity of the Netherlands and Europe. The leader of the conservative liberals (VVD), Prime Minister Mark Rutte, in his eagerness to win the support of "angry citizens," differentiated between the existence of "good" and "bad" populism in Dutch politics.

Objectively, for the open Dutch economy, cooperation in Europe is crucial. Economic growth and employment, defense, and regulated migration depend on it. The Dutch economy cannot prosper without a stable euro, a well-functioning banking union, and a strong and fair internal market (i.e., a market offering equal pay for equal work in the same location). Therefore, it is necessary that Dutch politicians publicly insist that the "I want to have my cake and eat it too" attitude held by a large proportion of Dutch citizens vis-à-vis the European Union is unrealistic.

It is increasingly clear that tackling the latter two challenges will require new modes of constructive citizen participation and representation. The gap between government and citizens creates significant discontent and feeds populist calls for more direct democracy. In view of recent negative experiences with national referendums in the Netherlands and elsewhere in Europe,

the highest legal and policy advisory body to the government, the Council of State (Raad van State), claimed that national referendums result in a dysfunctional representative democracy. In its view, participatory democratic practices ought to be limited to the local and municipal level. Critics, on the other hand, accuse politicians of not taking emerging forms of citizen participation seriously. They call for a change of course from “defensive” participation to opening up a “second track,” a more proactive form of participation, based on open dialog, trust and cooperation. To what extent this will be realized, remains an open question.

The country’s new political cleavages – between “particularist” and “universalist” citizens, between adherents of neoliberal and neo-structural economic thought, between freedom for corporations and stricter disciplinary interventions for ordinary citizens, and between top-down expert governance and bottom-up citizen participation – must ultimately be overcome if a viable democratic and sustainable Dutch society is to be created.

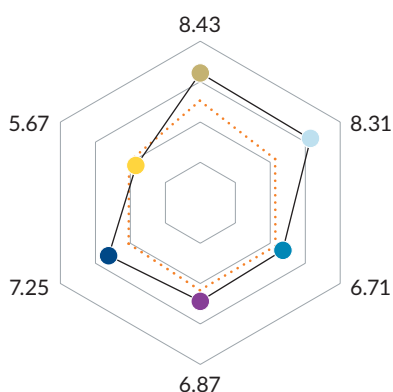
Full report available at [www.sgi-network.org](http://www.sgi-network.org)

→ Robert Hoppe, Jaap Woldendorp, Margarita I. Jeliakova, Nils C. Bandelow

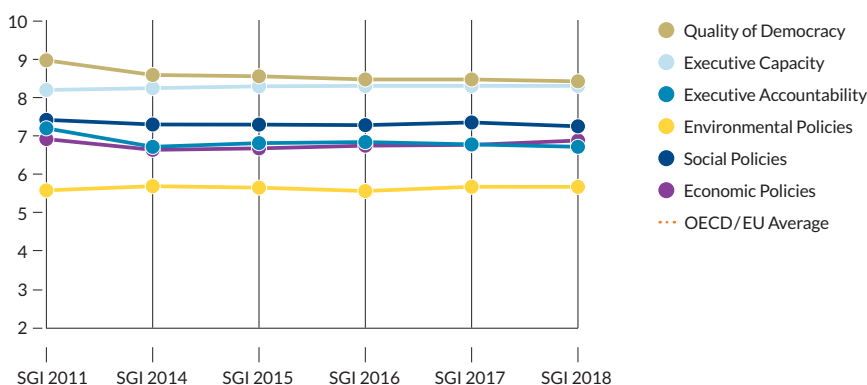
## Country profile SGI 2018

# New Zealand

Overall 2018 Performance



Development over time



Source: Sustainable Governance Indicators.

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### Executive Summary

Throughout much of the period under review, New Zealand’s center-right National Party led government as the largest party in a formally minority

government. Generally able to command a legislative majority, the National Party negotiated confidence and supply agreements with three smaller parties, the Maori Party (two seats), United Future (one seat) and the ACT Party (one seat). In

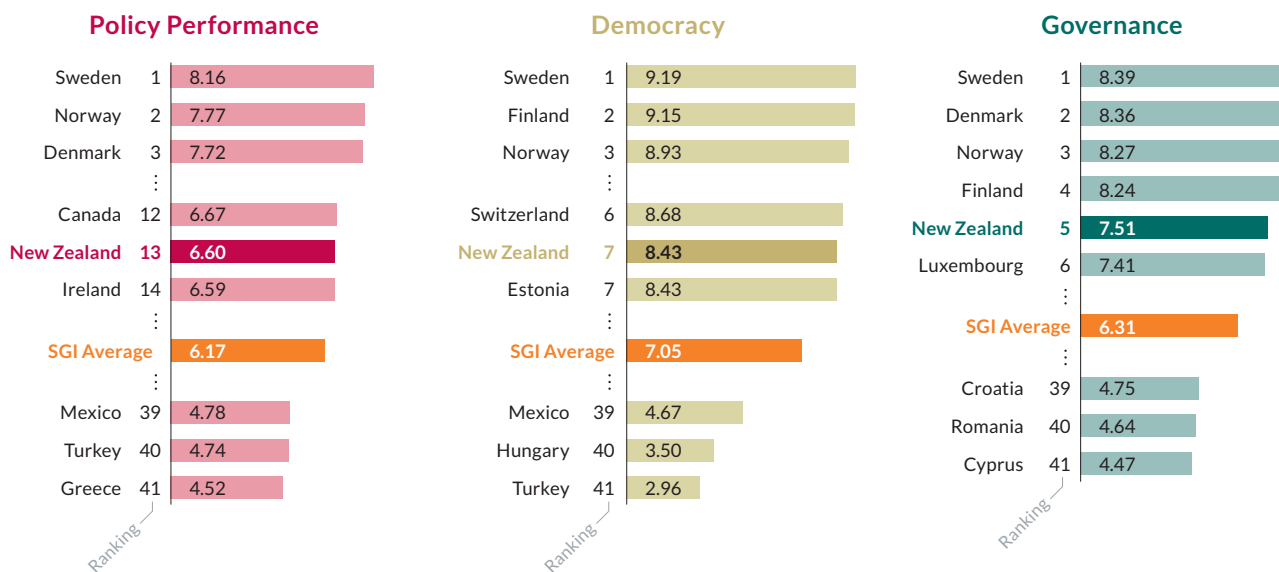
early December 2016, shortly after the end of the review period for the SGI 2017, Prime Minister and National Party leader John Key, who had served as head of government since 2008, announced that he would step down. He was succeeded by Bill English, who had previously served as Deputy Prime Minister and Finance Minister. In February 2017, English announced that there would be a general election on 23 September. Although the National Party won the highest proportion of votes, two of its three support parties failed to win parliamentary seats, leaving the New Zealand First Party leader, Winston Peters, holding the balance of power. Instead of endorsing the more favored National Party, Peters decided to form a coalition government with Labour, while the Green Party offered legislative support from the cross-benches. The new prime minister under this three-party arrangement is the 37-year-old Labour leader, Jacinda Ardern, who is the youngest New Zealand prime minister in modern times.

Throughout the review period, New Zealand performed well with regard to indicators of governance capacity, policy performance and quality of democracy. New Zealand’s democratic system is based on a unicameral parliament, working rule of law, a strong executive branch and effective government. The system is healthy and stable. Despite an ongoing debate about adopting a written constitution, the fundamental structure

and operation of governance reflects a fundamental continuity.

The country’s commitment to economic freedom is reflected in its leading position in the World Bank’s 2018 Doing Business report. According to the report, New Zealand provides the world’s best protection for investors. In addition, it is one of the safest countries in the Asia-Pacific region and offers a “low-risk environment for business investment.” Political reforms implemented over recent decades have created a policy framework that demonstrates impressive economic resilience. Openness to global trade and investment are firmly institutionalized. The government has entered into several free trade agreements. For instance, in June 2017 New Zealand launched FTA negotiations with the Pacific Alliance (Chile, Colombia, Mexico and Peru), has been an initiator of the 11-member Trans-Pacific Partnership Agreement, and is exploring the possibility of a free trade agreement with the European Union.

New Zealand’s economy rebounded quickly from the global recession. The impact of several severe earthquakes on economic growth has been limited; indeed, the subsequent rebuilding programs have contributed significantly to economic growth in the South Island. On the other hand, the recent influx of immigrants and the repatriation of many New Zealanders from Australia



Source: Sustainable Governance Indicators.



is placing severe strain on the housing market, especially in Auckland.

According to IMF figures, net general-government debt remained well under control at 8.8% of GDP in 2015. The equivalent rate in the United Kingdom was 80.3% and in the United States it was 79.9% for the same year. During the review period, economic growth has been relatively strong, and inflation has remained under control. Economic recovery from the global economic crisis has been driven by exports and the rebuilding of Christchurch. However, although the New Zealand economy came through the world financial crisis comparatively well, the government was forced to prioritize budgetary policy at the cost of other reform projects. As a result and despite strong performance in terms of macroeconomic indicators, fiscal austerity policies have widened the socioeconomic gap between the rich and poor.

In the lead-up to the 2017 election, the rise in levels of child poverty became a particularly salient issue, with close to one in three children being defined as living in poverty. In response, the government introduced a number of initiatives to combat the problem.

Long-term policy challenges have not changed during the review period. First, New Zealand's economic well-being strongly depends on developing a larger, more highly skilled and better paid workforce. This will require new initiatives and further investment in education and training, as well as a stronger commitment to research and development. Recent trends in immigration and employment have been positive, particularly employment rates in Auckland, the largest metropolitan area. Currently, the construction boom has created a demand for skilled labor that has yet to be met. Whereas New Zealand has demonstrated relative success with integrating immigrants, greater investment is needed to advance improved education outcomes and skills training among the Maori and Pasifika populations. New Zealand also needs to develop stronger links with its neighbors in the Pacific region.

Despite the government's decision to withdraw from its Kyoto obligations, New Zealand's own vulnerability to the consequences of climate change were recognized in its endorsement of the objectives of the United Nations Climate Change Conference in Paris in October 2016.

The new government has expressed a strong commitment to addressing the causes and effects of climate change.

### Key Challenges

New Zealand is well positioned to tackle current and future challenges. Over recent decades, it has radically reformed its economy as well as its electoral and public management systems. Compared to other OECD countries, New Zealand has emerged from the global financial crisis in a relatively strong position. Nevertheless, four problem areas persist: innovation, tax policy, regional development and government structures, and the government's agenda-setting capacities.

First, innovation. Although governments, including the recent National minority government, have increased investment in tertiary education (particularly in science, technology, engineering and mathematics), and research and development, there remains a need to intensify these efforts, as comparative data for OECD countries has made clear. Similarly, New Zealand does not invest enough in ongoing job-based education and training. The country has followed the tradition of Anglo-American liberal market economies (LMEs), which invest more extensively in transferable skills than in job-based training, which is the focus of some continental European coordinated market economies (CMEs). Given that the New Zealand economy is extremely small, other approaches, including those used in Scandinavian countries, may well be better suited to local conditions. Although unemployment rates are relatively low, at just under 5%, a particular area of concern is the high rate of youth unemployment in Maori and Pasifika communities.

The economy's innovation potential is inextricably linked to immigration policy, where attracting highly skilled workers is of utmost importance. The new government led by Labour Prime Minister Jacinda Adern needs to remain committed to attracting skilled immigrants and ignore pressure from its populist anti-immigration coalition partner New Zealand First. Although New Zealand First is a small parliamentary party, as the key to maintaining the balance of power, it was strategically placed to negotiate with both major parties, Labour and National. By forming

a coalition with the former, it has been given far more power than vote (7.2%) or seat share (nine of 120 in parliament) would indicate. The recent surge in support for anti-immigrant parties in the United States and Europe has placed immigration policy firmly on the New Zealand political agenda.

Second, tax policy. Prioritizing a balanced budget, the new government has shelved plans for the new round of tax cuts promised by the former National-led government. The new government needs to tackle the politically sensitive issue of extending National's "bright line" tax – a mild form of capital-gains tax – from two to five years with a view to reducing the impact of property speculation on the housing market. Since this has been a key Labour election proposal for some time, the new government is likely to initiate legislation in this area. The new government has also promised to prevent non-resident foreign investors from speculating on housing. Unsurprisingly, the country has one of the highest rates of home ownership in the world at 63.2% in 2016. However, these policies violate horizontal equity and divert capital away from more productive uses. A more robust capital-gains tax on all but the family home would cool the property market, especially in Auckland (population 1.4 million). There is growing consensus among parties and economists that this anomaly in the tax structure needs to be tackled.

Third, regional development and governance structures. The economy is characterized by a large and increasing urban-rural divide, particularly regional economic growth, labor productivity and population growth. The government needs to create a focused regional policy both in metropolitan and rural areas. Regional economic policies should be accompanied by governance structures that geographically fit the problem area. The establishment of a unitary Auckland authority with an elected all-Auckland council has been a good starting point, but this should not be the end of local government reform. A similar centralized structure for the Wellington area was rejected by a poll of the city's residents in 2015. Auckland's local government covers more than one-third of the total population of the country. This implies a heavily asymmetric local government structure vis-à-vis central government. The 2010 and 2011 earthquakes in the Christchurch and the Canterbury region, followed by a 2016 earthquake that hit the South Island

provincial town of Kaikoura, has understandably dominated the government's regional-development agenda, with most of its activities receiving praise. The potential for restructuring the regions on a more general scale should be evaluated.

Fourth, government as agenda-setter. New Zealand's political system is still characterized by majoritarian design. There are no institutional veto players whose policy positions the government must consider (such as provincial or state governments, second chambers, constitutional courts or local governments with constitutionally guaranteed powers). However, the change to a mixed-member proportional electoral system has led to a multiparty system, the emergence of several minor political parties with de facto veto powers, and the formation of minority and coalition governments of different formats. After more than a decade, this governing arrangement has proven relatively positive, although parts of the electorate, especially older and more conservative voters, still need to be persuaded of the benefits of proportional representation. The outcome of the 2017 election, with the most popular party being rebuffed by the small New Zealand First Party, has prompted many older and more conservative voters to question the legitimacy of the new center-left government.

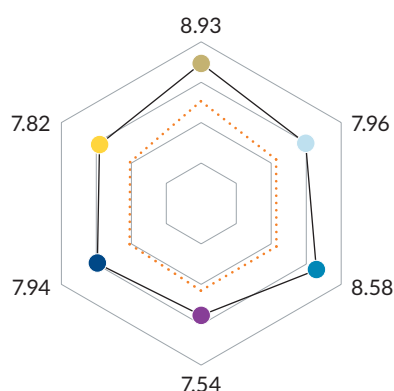
Recent governments have been able to proactively pursue their respective policy-reform agendas with noticeable success. However, while successive governments have been able to implement the vast majority of their policies, the process has been very time-consuming and occasionally produced contradictory policy initiatives. In 2013, former prime minister John Key proposed increasing parliamentary terms from three to four years to promote policy coherence and consensus. The proposal had failed in two previous government-initiated referendums (1967 and 1990). Judging from comments made by other party leaders, this proposal appeared to have wide-ranging support. At the same time, there is no evidence that public opposition has weakened. Short of gaining a 75% majority among members of the unicameral parliament, a four-year term seems an unlikely proposition.

→ André Kaiser, Raymond Miller, Aurel Croissant

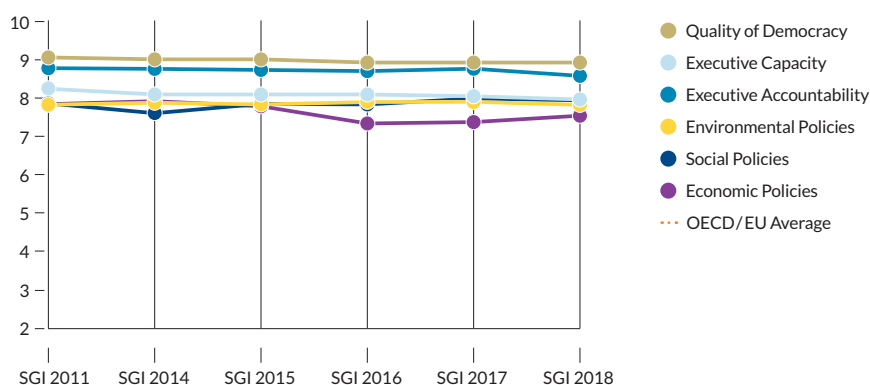
## Country profile SGI 2018

## Norway

Overall 2018 Performance



Development over time



Source: Sustainable Governance Indicators.

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## Executive Summary

As a typical consensus-driven democracy, Norway performs well in most international comparisons of governance, quality of life, and economic and social conditions. Continuity is the most conspicuous quality of the country's governance, which is typically steady and based on the implementation of cautious, incremental legislative measures rather than spectacular, one-off reforms. Norway has been able to avoid the worst of the global financial crisis and subsequent economic turmoil, which severely affected most of Europe, and has pursued a healthy economic policy.

The country's economy is heavily dependent on oil and gas revenues, and its maritime and technologically advanced petroleum-services industries. Many in Norway are concerned about the risks posed by an excessive dependence on the petroleum sector, and in recent years greater emphasis has been placed on developing and maintaining adaptability. In 2017, the government, together with the managers of the coun-

try's oil fund, Norges Bank Investment Management (NBIS, an arm of the Norwegian central bank), decided to divest from investments in petroleum-related industries.

Since 2014, the drop in oil prices has had a significant impact on the economy, exposing its vulnerability. Unemployment is rising due to reduced investment and increased economic uncertainty. Governance is responding to changing economic circumstances, and there is a greater awareness of the need to diversify the economy and reduce its dependence on petroleum. It remains to be seen how successful these efforts will be. For now, the country's economic base remains strong but weakened and the country's currency has depreciated. Public finances have tightened, but there is still a conspicuous continuity in economic policy, which includes relatively high levels of public spending, taxes and welfare services. There has been no shift toward austerity in economic policy.

Norwegian policymaking has long followed a strongly state-centered approach, resulting in a

peculiar system of state capitalism. The state is by far the largest owner of capital in the country, holding about 40% of equity traded on the Oslo stock exchange. The state is virtually the sole funder of research, education and culture, among other areas. Nevertheless, the country has remained open to globalization and free trade, with some minor exceptions, and has been keen to ensure that the benefits of international trade are fairly distributed.

Citizens are subject to a relatively heavy tax burden. A large share of tax revenue is spent on welfare transfers to individuals, which contribute to low levels of inequality in Norway. The government spends significant resources on infrastructure and the provision of public goods, with an arguably excessive emphasis on remote regions. Policymaking is generally effective but often inert when it comes to implementation. The labor force is one of the most educated in the world. However, the country's share of science degrees is low by international standards, which limits the impact that public investment in education can have on economic competitiveness and innovation. International education rankings such as PISA show an improvement in Norwegian students' performance. The level of investment in research, development and innovation remains quite low. An aging population and increased migration, combined with a more challenging financial outlook, have increased pressure on the government to engage in welfare reforms and reduce welfare spending.

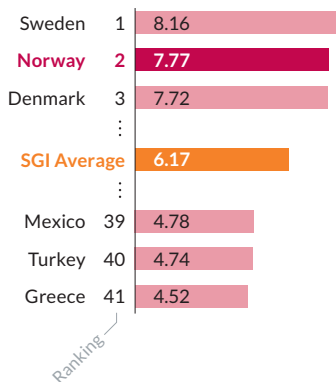
### Key Challenges

The Norwegian political system functions well, and is characterized by continuity, a sound economy and a generous welfare regime, as well as a relatively high degree of trust and legitimacy, and internal and external security.

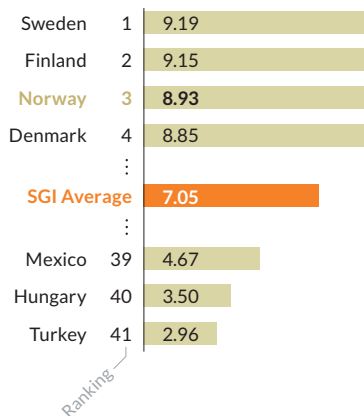
Revenues from the petroleum industry have further strengthened the sustainability of the system. An effective public administration and well-developed, cooperative relations between the government and various interest organizations (particularly organizations representing employers and employees) have helped mitigate conflict and enhance the ability of stakeholders to implement joint reforms and adaptations. Nonetheless, the process of implementation has been subject to inertia. Though Norway's engagement in international frameworks has improved the country's reform capacity.

The most critical challenges involve reducing the country's dependence on the petroleum sector, managing the effects of a potentially long period of significantly lower oil and gas prices, and ensuring the sound management of the country's economy and vast oil fund. Ensuring the competitive viability of the economy over the long term will be a key challenge. Norway's economy and policymaking will suffer if global oil prices remain low for long and the risk of stranded assets grows as the effects of climate change intensify.

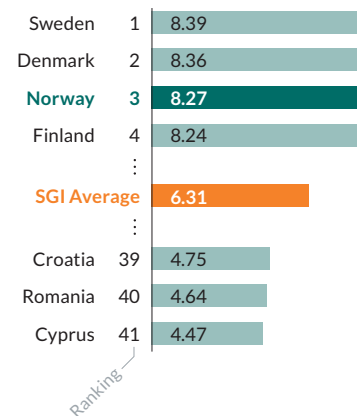
### Policy Performance



### Democracy



### Governance



Source: Sustainable Governance Indicators.

The terrorist attack in 2011 revealed serious shortcomings in an otherwise robust governance system. Specific shortcomings in security and police routines have been addressed, although concerns remain over the ability to confront and resolve systemic implementation and coordination failures. A governance system that allowed inertia and complacency to negatively affect its most basic responsibility (i.e., protecting citizens) in the first instance, has compounded this failure by responding slowly in the aftermath of the attack. This has led to widespread public questioning of the governance system, in particular the system's management, implementation, learning, adaptability and reform capacities.

The recent election demonstrated that voters are increasingly concerned about how to manage immigration and integration. Labor mobility from the European market has brought talent and resources to Norway and has reduced incentives for businesses to outsource production. However, it has also created a slight downward pressure on salaries, and increased tensions between trade unions and business. In addition, Norway, along with many European countries, faces many challenges stemming from a largely heterogeneous population.

Other persistent challenges include:

- National leadership. The state-centered tradition in Norway has many strengths, but is also seen by some as a burden on the country's capacity for encouraging enterprise, innovation and reform. In a world of economic and social competition, there is a need, particularly in a small country, for pluralism and diversity of leadership in order to drive modernization, change and competitiveness. However, Norway has demonstrated considerable adaptability to changing global markets, and its consensus-based culture featuring high levels of trust has been instrumental to fostering effective reforms and changes.
- Economic restructuring. There is renewed awareness of the need to restructure the economy to sustain a high level of wealth, decrease dependency on the petroleum sector, and ensure a more diversified and internationally competitive economy. This transition is now underway and new initiatives are being introduced to further stimulate devel-

opments in the maritime, seafood and green-tech sectors, among others. The high labor costs in the oil service sector are being reduced and a weaker currency has helped strengthen economic competitiveness.

- Education. The Norwegian government must direct more attention toward the quality of education. The government must do more to strengthen student incentives, monitor and improve teaching quality, and promote a culture of excellence. As Norwegian society becomes more heterogeneous, securing high-quality education, promoting effective integration and ensuring equal access to the job market for immigrants have become increasingly important.
- Research policy. Investments in research and development (R&D), both public and private, must be increased. Investments in academic and basic research should also be increased, promoting more joint activity between public and private actors. This major area of reform is currently widely neglected.
- Infrastructure and regional policy. Norway's stress on regional redistribution is excessive. Yet, infrastructural investments in national networks, and around the major cities of Oslo and Bergen have been insufficient. The railway system, including commuting services, is inadequate. The policy of agricultural subsidies is costly and should at a minimum be reconsidered.
- Security and defense. Norway is a founding member of NATO, and its security depends to a large extent on a well-functioning transatlantic alliance and good cooperation with European partners. Norway has committed to increasing its defense spending to meet NATO targets, although Norway has not yet met its targets. In the new geopolitical security climate, it is necessary for Norway to increase its spending on security. However, this will be demanding and likely come at the expense of further welfare spending.

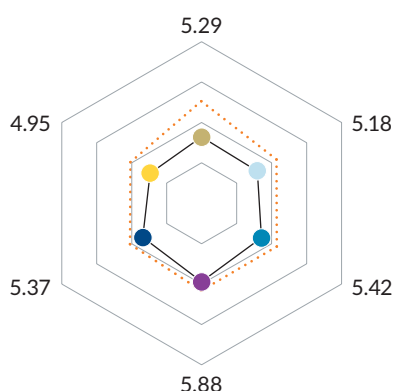
→ Ulf Sverdrup  
→ Stein Ringen  
→ Detlef Jahn

Full report available at  
[www.sgi-network.org](http://www.sgi-network.org)

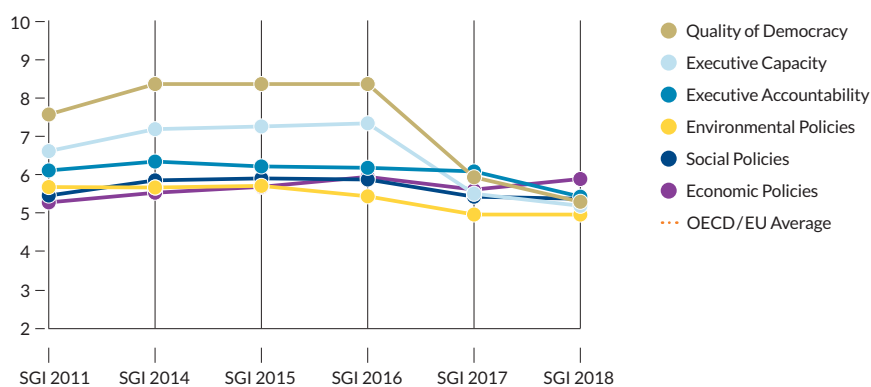
# Country profile SGI 2018

## Poland

Overall 2018 Performance



Development over time



Source: Sustainable Governance Indicators.

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### Executive Summary

The national parliamentary election held in Poland in October 2015 altered the country’s political landscape and marked a shift in power away from the party previously in government, the centrist Civic Platform (PO), to the now ruling populist-nationalist Law and Justice party (PiS). The PiS won a majority of seats in the Sejm and was able to form the first one-party government in Poland’s post-socialist history. The PiS government was initially led by Prime Minister Beata Szydło (PiS) and, behind the scenes, by long-standing PiS party leader Jarosław Kaczyński. Capitalizing on its clear parliamentary majority and strong internal party discipline, the government initiated an ongoing process of radical institutional and policy change. Dubbed “the good change” by PiS, it has prompted a lot of domestic and international critique.

The quality of democracy has greatly suffered from the changes initiated by the PiS government. Following the Hungarian example,

the first activities of the new government targeted the Constitutional Tribunal, public media and civil service. During its second year in office, the government turned to reducing the political independence of the Supreme Court, the National Council of the Judiciary and ordinary courts. Political liberties have suffered from new restrictions on assembly rights, increasing harassment by the police and growing government control of NGO funding. At the end of 2017, the PiS government started to amend electoral law. The quality of democracy has also been affected by the government’s strong discourse against Muslims, the LGBT community and “gender-ideology,” as well as increasing corruption and cronyism in state-owned enterprises, and political polarization. The PiS government’s obsession with retelling Polish history, and desire to impose its national-conservative values on society have impacted public discourses and laws regarding the arts, culture, history textbooks and museums, such as the Museum of the Second World War.

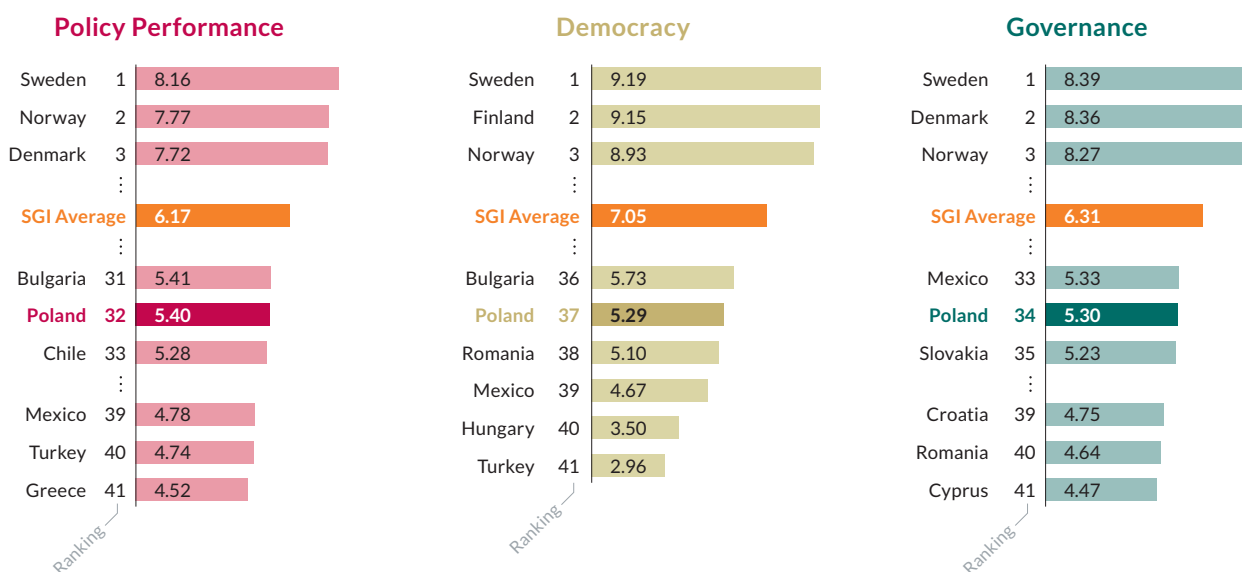


Favored by its absolute majority in parliament, the internal discipline of PiS and the contested authority of PiS leader Jarosław Kaczyński, the PiS government has been quite effective in implementing its policy objectives. It has succeeded in quickly realizing its major campaign pledges, such as increasing the minimum wage and the family allowance, providing tax relief for small businesses, lowering the retirement age, and reversing recent reforms to the education system (which will increase the age at which children start school). The PiS government has bypassed the legal requirements for regulatory impact assessments and public consultation by strongly relying on legislative initiatives proposed by individual members of parliament rather than the government. Precisely because so many bills have sailed so quickly through parliament, the quality of legislation has often proven to be very poor, often requiring immediate amendments. As in the PiS government's first year in office, massive street protests led the government to make some concessions, for example, to the petrol tax, the redrawing of regional districts and the renewed attempt to tighten abortion law. In winter 2016 – 2017, the Sejm crisis and the occupation of its building by opposition members of parliament delayed the passing of the budget. In July 2017, President Duda's unexpected veto of two of the three laws

on the reform of the judiciary revealed rifts within the PiS and limits to the government's power.

The PiS government's assault on democracy and the rule of law and the resulting political polarization have had little visible effect on the economy. In 2017, the Polish economy continued to grow, the unemployment rate fell to a historic low, and the fiscal and public deficits decreased. Along with the government's popular social measures, the strong showing of the Polish economy has kept the government's popularity high. In October 2017, Prime Minister Beata Szydło was supported by 48 % of Poles, while 38 % were unhappy with Szydło's administration, while support for the two opposition parties in parliament, PO and Nowoczesna, fell to 16 % and 6 % respectively.

The PiS government's political course has done more damage to Poland's international reputation. The government's attempts to control the judiciary prompted massive protests internationally. In the European Union, there have been calls to launch a formal proceeding against Poland for breaching European common values and rule of law, and to cut transfers to Poland and restrict Poland's voting rights in the European Council. In November 2017, the European Parliament eventually called on the European Commission to trigger an Article 7 procedure



Source: Sustainable Governance Indicators.

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against Poland for violating the common values of the EU. The conflict between Poland, and EU institutions and most EU member states became also visible in March 2017 when Poland, as the only member state, refused to re-elect Donald Tusk, a former Polish prime minister, as president of the European Council. In response to Poland's growing isolation in the European Union, Poland has turned to the Visegrad countries, and now aims to realize its interests through closer collaboration with Hungary, Slovakia and the Czech Republic.

### Key Challenges

In the second half of 2017, debates and rumors about a government reshuffle grew. Ultimately, the changes turned out to be more sweeping than expected. The replacement of Beata Szydło as prime minister by Minister of Finance Mateusz Morawiecki in December 2017 was followed by the replacement of a number of controversial ministers in January 2018, including Defense Minister Antoni Macierewicz, Foreign Minister Witold Waszczykowski, Health Minister Konstanty Radziwiłł and Environment Minister Jan Szyszko.

These changes were widely interpreted as an attempt to placate the public and the European Union. A major figure of the PiS's radical right, Macierewicz was well-known for his conspiracy theories about the Smolensk plane crash and the general betrayal of Poland by the center-left. Meanwhile, Waszczykowski had irritated his EU colleagues with his slur against cyclists and vegetarians; Radziwiłł had alienated doctors and medical staff, and had failed to deal with the massive unrest and strikes in the health sector in 2017; Szyszko had attracted widespread criticism over his moves to allow logging in the Białowieża primeval forest. It remains to be seen though whether or not these changes in personnel will be followed by changes in "substance," not only "style." In the case of judicial reform, arguably the most controversial field, the PiS governments have so far refrained from making any substantial concessions, and the fact that Minister of Justice Zbigniew Ziobro kept his office does not point to any changes here.

The government reshuffle can also be seen as a further strengthening of President Duda, who clashed several times with Macierewicz, for example, over the appointment of generals, and has started to build a reputation as a moderating force. Originally perceived as a mere puppet of Kaczyński, Duda surprised many observers by vetoing key elements of the government's reform of the judiciary. While his own proposals included only cosmetic changes and were not in line with the constitution, the vetoes helped him become perceived as an actor in his own right and a man of the center. This raises the question of how far Duda's emancipation will go and to what extent he might succeed in reducing the political polarization in Poland.

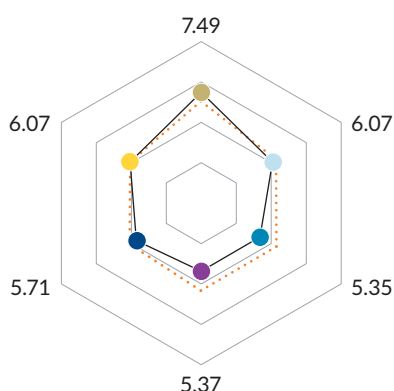
Furthermore, the government reshuffle has made the cabinet less ideological and more technocratic. This might help the government to address the policy challenges ahead. The structural reforms on the agenda, such as the reform of the health system and the energy sector, are complicated issues and the economic and fiscal costs of the government's generous social measures will be gradually felt. From the point of view of the PiS, however, the more technocratic orientation of the new cabinet also creates the risk that its hardcore members might no longer feel represented by the government.

- Claudia-Yvette Matthes
- Radosław Markowski
- Frank Bönker

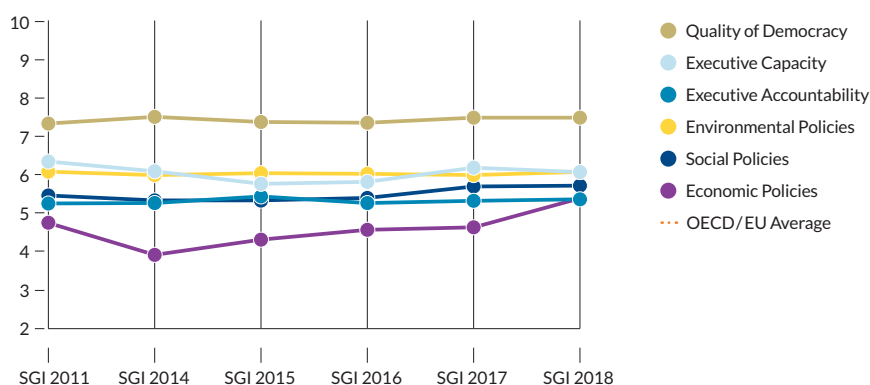
## Country profile SGI 2018

## Portugal

Overall 2018 Performance



Development over time



Source: Sustainable Governance Indicators.

| BertelsmannStiftung

## Executive Summary

The period under analysis here provides seemingly contradictory evidence with regard to governance in Portugal.

On one reading, we could say that Portugal performed spectacularly during the review period. The budget deficit was reduced to 2 % of GDP, the lowest level since democratization. The European Commission closed the country's excessive deficit procedure, which had been open since 2009. Conditions of austerity have been gradually, if not yet wholly, alleviated. Portugal has increasingly become a poster child for the success of post-bailout policies within the EU. The economy has been growing, boosted by exports and tourism. Unemployment rates have fallen to single digits. The country has become increasingly attractive to the tech sector, a fact expressed by its ability to play host to the 2016 and 2017 Web Summits. All this is symbolically reflected in the country's growing international popularity, as seen in the host of foreign companies and in-

dividuals – including many celebrities – that moved to Portugal during this period.

On the political side, António Costa's minority government has proved stable, while also showing itself able to bring the parties to its left – the Left Bloc (Bloco de Esquerda, BE), the Communist Party (Partido Comunista Português, PCP) and the Green Party (Partido Ecológico os Verdes – PEV) – into a governing alliance that had hitherto seemed impossible. This has led to increasing international interest in the Portuguese political solution – the “geringonça” (or “contraption”), as this government has been dubbed. Moreover, the period was marked by a largely collaborative dynamic between the government and the very popular president of the republic, Marcelo Rebelo de Sousa, despite the latter's membership in the center-right Social Democrat Party (Partido Social Democrata, PSD).

The above elements would suggest an overwhelmingly positive assessment regarding Portugal's governance. However, this period was

also marked by events that underline the country’s historic governance weaknesses. In particular, the country was rocked by devastating and deadly forest fires; one fire in June caused some 65 deaths, and a second set in October led to a further 45 deaths. These fires, along with the faulty civil-protection response that allowed so many deaths – many of which, it transpired, could have been avoided – reflected a host of deficiencies that have been present in Portuguese governance for decades, including weak strategic planning, a lack of coordination, weak supervision and implementation of public policies, frequent changes in the law, and the lack of a stable policy framework. In June and October, these deficiencies came home to roost. These same governance weaknesses helped facilitate the theft of military equipment from the Tan-cos military base in late June (although this situation was resolved in October thanks to an anonymous tip that led to the retrieval of virtually all the lost material).

Overall, the period highlights the dual nature of development in Portugal. While some sectors are modernizing, others remain neglected until a tragedy occurs, as with the forest fires of June and October 2017.

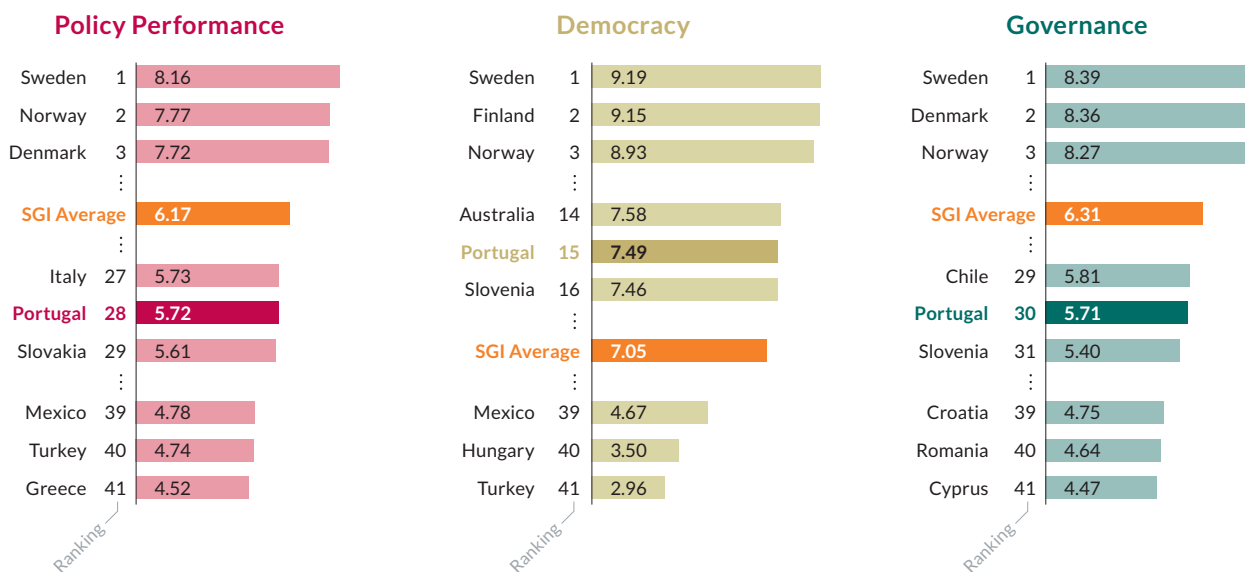
Thus, while some positive changes in Portugal have been evident in this period, notably with regard to economic aspects in general and budg-

etary ones more specifically, these coexist with persistently low scores in governance dimensions pertaining to policy formulation. The regulatory impact assessment framework remains weak, as does the strategic component of decision-making and efforts to monitor institutional governing arrangements; moreover, there has been little systematic effort to improve strategic capacity by making changes to these institutional arrangements. As in the past, this weak capacity is likely to affect the quality and impact of new and existing policies. The Costa government program does include a number of measures regarding governance-quality improvement, and some initial steps have been taken in this area. The question is whether this government will be able to deliver in a domain where so many predecessors have promised more than they achieved in terms of state reform.

### Key Challenges

To begin, we must note that there are four challenges common to many other comparatively new democracies that are not a problem in Portugal.

1. Migrants and refugees: Portugal remains outside the routes taken by the large populations of migrants and refugees currently



Source: Sustainable Governance Indicators.

leaving Africa, the Middle East and South Asia. Even so, the country has accepted more than 1,500 refugees since the end of 2015, the fifth-highest level in the European Union.

2. Portugal does not have the problem with Islamic terrorist radicalization (jihadists) that has been experienced by several other countries in the European Union, including neighboring Spain in August 2017. Its (small) Islamic community is generally well integrated and a participant in the country's strong interfaith dialog. Indeed, President Marcelo's inauguration in March 2016 included an interfaith ceremony held at Lisbon's mosque.
3. Unlike a number of other European countries and the United States, Portugal has not seen the rise of populist, anti-system parties (or major political figures, as in the case of the current U.S. president) either on the right or the left of the political spectrum.
4. Unlike several other comparatively new democracies, there are no pending issues (e.g., the elimination of "prerogatives") currently causing friction in civil-military relations. However, four real challenges do exist.

A first challenge will be to ensure that budgetary consolidation persists into the future. The excessive deficit procedure that was closed in 2017 was the third such for the country since 2002. In each of the preceding two cases, a new excessive deficit procedure was opened within less than two years of the preceding one closing. This risk is compounded by the high level of public debt; at 130.1 % of GDP in 2016, this is the third-highest such ratio within the EU. Barring relief, bringing this debt under control will require an unprecedented sustained effort over many years. An April 2017 forecast by the Portuguese government estimated that debt would decline to 60 % of GDP in 2032, some 14 years earlier than its previous estimation in the 2016 budget. However, this earlier date will continue to require an unprecedented degree of effort to sustain budgetary consolidation over a long time span, and across international and domestic economic and political cycles.

A second and related challenge in the short- and medium-term will be to reconcile this budgetary consolidation with citizens' expectations that the previous years' austerity policies will

be reversed. The Costa government managed to square this circle well over this review period. However, more pressure, not less, is likely to emerge in the future, especially as the economy recovers.

The third challenge is the need to improve governance capacity. As made clear in the ratings in this report, and in all past SGI reports, Portugal scores poorly in a number of areas related to this topic, including the use of evidence-based instruments in policymaking; the degree of strategic planning and input in policymaking; societal consultation; policy implementation; and the degree to which institutional governing arrangements are subject to considered reform. Inevitably, weaknesses in these areas impinge on the quality of policy, both in terms of conception and implementation. This governance capacity pertains not only to decision-making arrangements, but also to broader oversight mechanisms. Indeed, the period under review here quite tragically highlighted the results of failures in the domains of territorial planning, forestation, forest-fire prevention and civil protection. Unfortunately, the country's governance failures have also extended well beyond these domains.

The fourth serious challenge has to do with youth unemployment. As noted in this report, youth unemployment rates have not followed the declining trend of unemployment in general, remaining fairly stable in this period above the EU and euro zone averages, over this period. Labor-market policies will need to engage with this issue in the future in order to avoid wasting the significant educational investment that has been made over the past decade.

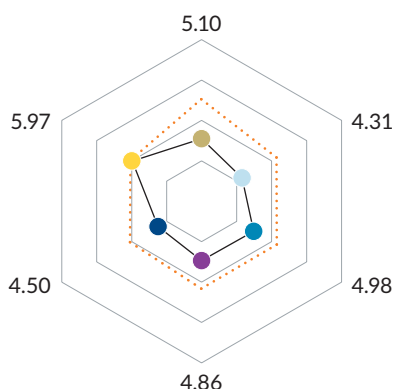
- Thomas C. Bruneau
- Carlos Jalali
- César Colino

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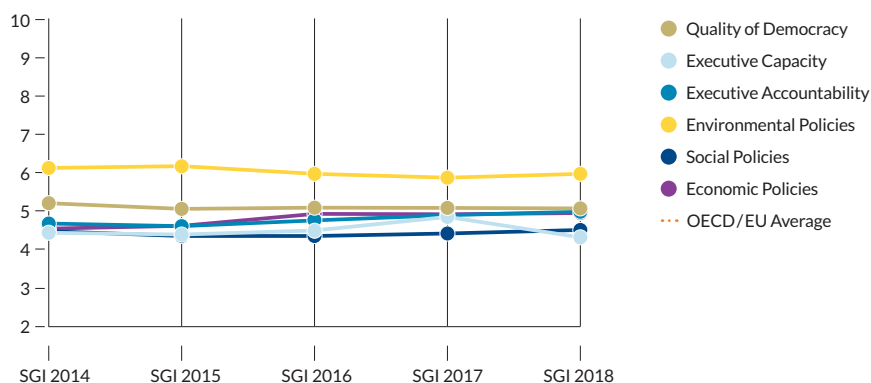
# Country profile SGI 2018

## Romania

Overall 2018 Performance



Development over time



Source: Sustainable Governance Indicators.

| BertelsmannStiftung

### Executive Summary

The socialist PSD emerged as the clear winner of the parliamentary elections in December 2016. The party formed a coalition with the Alliance of Liberal Democrats (ALDE) and replaced the technocratic government led by Prime Minister Dacian Cioloş, that had been established after Victor Ponta, the previous prime minister from the PSD, was forced to resign amidst corruption scandals in October 2015. As PSD leader Liviu Dragnea had been convicted of voting fraud and was therefore barred from becoming prime minister, the relatively unknown PSD politician Sorin Grindeanu was installed as prime minister in early January 2017. In June 2017, Grindeanu was ousted by his own party following a vote of no-confidence. He was succeeded by Mihai Tudose, another PSD politician.

Soon after coming to office, the Grindeanu government launched legislation aimed at decriminalizing and pardoning certain offenses. Broadly understood as an attempt to help politi-

cians and others accused of or convicted for corruption, including PSD leader Dragnea, these initiatives sparked an unexpectedly strong public outcry. Hundreds of thousands of people took to the streets, forcing the government to withdraw the decrees. Since then, there have been strong confrontations between the governing coalition and the president, and between parts of the opposition and civil society on the other. The governing coalition has sought to strengthen its control over the judiciary and discredit and weaken the much-acclaimed National Anti-Corruption Directorate (DNA) – with little effect during the period under review.

The Grindeanu government succeeded in implementing a number of campaign promises, including tax cuts as well substantial increases in the minimum wage, public sector wages and pensions. These procyclical measures fueled the strong growth of the Romanian economy. With real GDP up by more than 6%, Romania became the EU country with the strongest economic growth in 2017. However, the combination



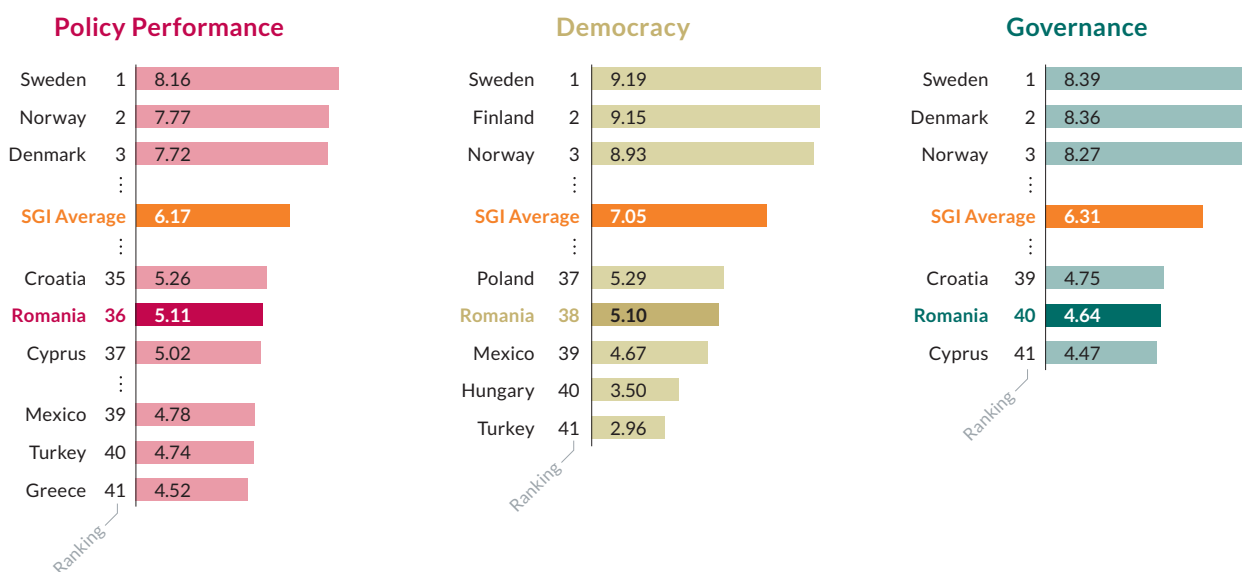
of tax cuts and spending increases also contributed to a growing fiscal deficit. Only by adopting two supplementary budgets and by cutting down on public investment did the Tudose government eventually manage to keep the deficit slightly below 3% of GDP in 2017. Both the Grindeanu and the Tudose governments made little progress with structural reforms. In the case of education and health care, no major reforms were adopted. As for pensions, the shifting of revenues from the mandatory, fully funded second pillar to the public pension pillar has increased uncertainty among future pensioners and capital markets, thus having a negative impact on the pension system's reliability and long-term sustainability. Similarly, the many changes in taxes have diminished the credibility of the tax system. While public R&D funding increased in 2017, the structures governing R&D and the allocation of funds have worsened.

Institutional reforms under the Grindeanu and the Tudose government were largely confined to changes in the portfolios of ministries. The Grindeanu government increased the number of ministries from 21 to 26. It had two ministers dealing with EU funds, none of which was able to help Romania improve its absorption rate. The Tudose government even started with 27 ministers. Neither of the governments addressed long-standing challenges such as the lack of

strategic planning or the low quality of RIAs. The pledge to reform the subnational administration remained merely a pledge. Under both governments, policymaking has been complicated by the influence of PSD leader Dragnea.

### Key Challenges

Until recently, Romania drew considerable acclaim for its judicial reform and fight against corruption. The country's efforts were widely regarded as a model for other countries, for example, the neighboring Bulgaria or Ukraine. Efforts by the PSD/ALDE coalition to rollback judicial reform and anti-corruption efforts – blocked only temporarily by mass protests, parts of the opposition and President Klaus Iohannis – puts these achievements at risk. These developments will likely be accompanied by democratic erosion in other areas. The legislation introduced by two members of parliament from the governing coalition in June 2017 and passed by the Senate in November 2017 that places restrictions on NGOs and is clearly inspired by the “foreign-agent” legislation observed in Russia and Hungary, is a good case in point. The campaigns waged against protesters and the intimidation of critical journalists are further examples. The developments in Romania must thus be seen as part of a broader



Source: Sustainable Governance Indicators.

democratic backsliding in Central and Eastern European (CEE) countries and elsewhere.

Backtracking on both judicial reform and the fight against corruption is likely to have negative effects on the development of the Romanian economy, too. While there are many factors influencing economic performance, progress with judicial reform and anti-corruption mechanisms would certainly help improve the country's reputation and thereby foster economic growth. The combination of more corruption and less legal certainty will negatively impact investor confidence and favor a diversion of effort and resources from productive to rent-seeking activities. It will distort the allocation of public R&D spending and EU funds, and it will aggravate the growing shortage of qualified labor by fueling the emigration of talent. While fiscal expansion might stimulate economic activity in the short-term, its fiscal limits have already become visible and it won't raise medium- and long-term growth prospects.

Romanian citizens' resistance against the PSD/ALDE governments' attempts at decriminalizing corruption and restricting the independence of the judiciary has been impressive. The big question is whether or not this resistance can be sustained. Romania's recent past suggests we should view this with cautious optimism. After all, the country had seen mass protests against corruption in 2015 and the PSD still won the December 2016 parliamentary elections with a landslide. Sustaining the mobilization against the governing coalition until the presidential elections in 2019 and the parliamentary elections in 2020 will be complicated by the biased media landscape and the government's attempts to weaken NGOs. Moreover, the opposition continues to suffer from fragmentation. These problems make it even more important that the EU take a clear position and make use of the leverage it has for containing democratic backsliding in Romania.

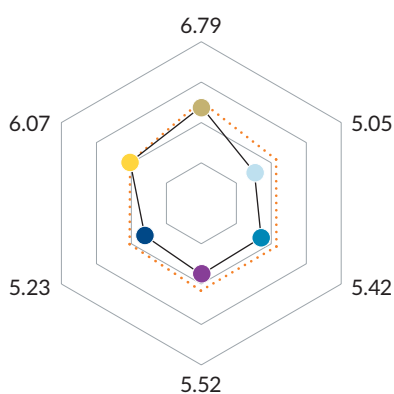
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- Andrea Wagner
- Lavinia Stan
- Frank Bönker

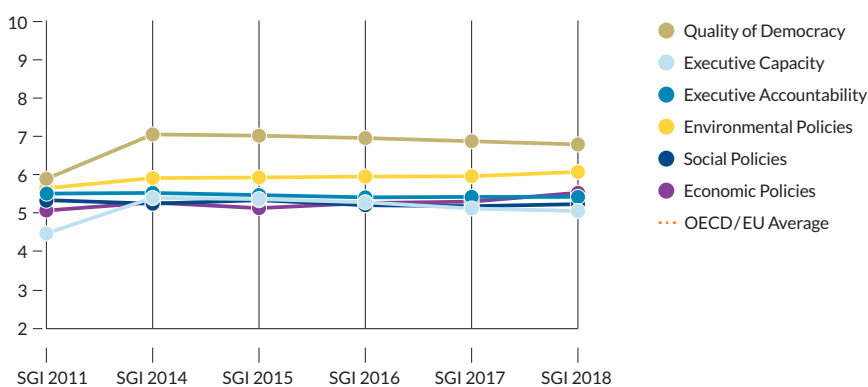
## Country profile SGI 2018

# Slovakia

Overall 2018 Performance



Development over time



Source: Sustainable Governance Indicators.

| BertelsmannStiftung

### Executive Summary

In the parliamentary elections in March 2016, Prime Minister Robert Fico's social-democratic party, Smer-SD, lost its absolute majority of seats. While Smer-SD remained the strongest faction in parliament and Fico was sworn in as prime minister for the third time, the governing coalition only won a marginal majority of 78 out of 150 seats. The coalition also includes "strange bedfellows," namely the nationalist Slovak National Party (SNS) and Most-Híd, a centrist party representing the Hungarian minority. To the surprise of many observers, the coalition turned out to be rather stable in its first year in office. The first coalition crisis only broke out in August 2017. Prompted by the decision of SNS leader Andrej Danko to withdraw from the coalition, the crisis lasted just two weeks. Its main result was the resignation of Minister of Education Peter Plavčan, a SNS nominee involved in a scandal about the misuse of EU funds.

As for the quality of democracy, no significant progress was achieved in the period under review. The country has continued to suffer from opaque media ownership, a strong politicization of courts and public administration, and rampant corruption. As evidenced by the controversial change in the leadership of the public broadcaster RTVS in June 2017, political pressure on the media has further increased. Despite some legal steps in the right direction, widespread discrimination against Roma, women, LGBTI persons, refugees and Muslims has persisted. On a more positive note, reforms introduced by Minister of Justice Lucia Žitňanská have made the judiciary more transparent, and the long-standing stalemate between President Kiska and the parliament over the appointment of Constitutional Court justices has been overcome.

With GDP growing by almost 3.5 % in 2016 and 2017, the Slovak economy remains among the strongest growing EU and OECD countries. The stronger-than-expected economic growth has brought a further decline in the unemploy-

ment rate and helped the government to reduce the general government fiscal deficit to below 1.5 %. By contrast, there was little progress with much-needed health care, education and R&D reforms. In the case of education and R&D, the implementation of reforms was delayed by resignation of Minister of Education Peter Plavčan in summer 2017.

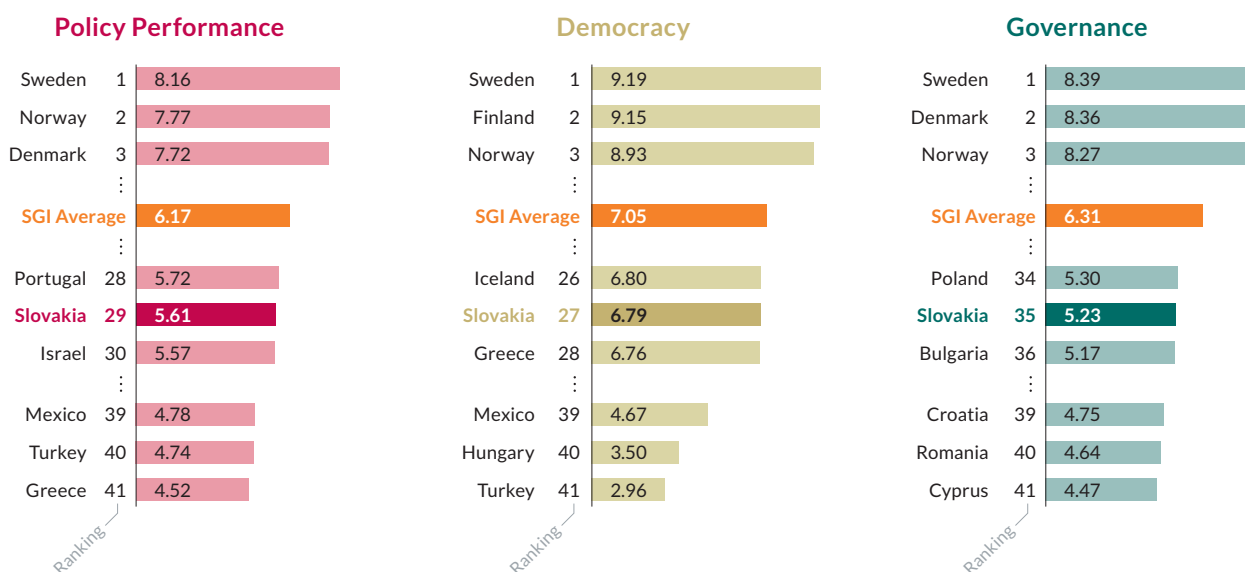
The change from a one-party to a coalition government after the 2016 elections resulted in some differences between the second and third Fico governments. In the latter, ministerial compliance has become more precarious, particularly since SNS-nominated ministers are not party members and lack experience. After the coalition crisis in August 2017, more formal coordination mechanisms were introduced to improve communication and consultation among the coalition partners.

While Prime Minister Fico pursued a rather confrontational approach toward the European Union in the context of the 2015 refugee crisis, his attitude changed during 2017. In the face of a regression of democracy and rule of law, and the eurosceptic positions of Hungary and Poland, Fico sought to pursue a different policy course. Fico emphasized that he is very much interested in regional cooperation within the Visegrad-4 but that Slovakia’s vital interest is with the European Union. He expressed a desire to cooperate

in the reform plans of France and Germany, and to be part of a deeply integrated “core” European Union.

### Key Challenges

Since autumn 2017, the political scene in Slovakia has changed. The regional elections in early November saw a continuation of the trend of declining support for Prime Minister Fico and his once dominant Smer-SD party, which set in with Fico’s surprise defeat in the 2014 presidential elections and continued with Smer-SD’s loss of its absolute majority in the 2016 parliamentary elections. Fico’s Smer-SD lost four of six regional governors and a considerable share of chairs in the regional councils. Fico’s core message of strength and dominance has begun to fail. His one-week silence after the regional elections raised questions and unrest in his party has grown, as evidenced by the resignation of Marek Mad’aric, the vice-chair of Smer-SD, in December 2017. In mid-March 2018, Fico resigned after the murder of the investigative journalist Jan Kuciak, who had uncovered links between people in government, the mafia and his fiancée, which sparked mass protests and a coalition crisis. The resignation of Fico and some other concessions by Smer-SD cleared the way for a con-



Source: Sustainable Governance Indicators.

tinuation of the coalition of Smer-SD, SNS and Most-Híd, now led by former Deputy Prime Minister Peter Pellegrini. Contrary to opposition and public demands, no early elections were called and Smer-SD has gained an opportunity to win back credibility. This will require Smer-SD to take a clearer position on corruption, and to end its interventionist approach to the media and public institutions.

The resignations of Minister of Interior Robert Kaliňák and Prime Minister Fico will not be sufficient to overcome public frustration with the political class. One critical issue will be dealing with the audit of Slovak anti-corruption legislation, which Fico and the OECD had agreed on at the beginning of 2017. What is also required is the continuation of the reform of the judiciary started by Minister of Justice Lucia Žitňanská (who resigned in March 2018), and a de-politicization of specific public bodies – such as the Public Procurement Office, the Prosecutor General and the Supreme Audit Office – and public administration more generally. In the case of the Constitutional Court, the rules for the appointment of justices should be amended with a view to strengthening professional requirements.

While Slovakia's short-term economic and fiscal situation looks favorable, the country faces a number of policy challenges. Long-term economic prospects are limited by the poor state of the infrastructure, a lack of skilled labor and limited R&I activities. All these aspects require an improvement in order to sustain the economic course in the mid- to long-term perspective.

As for the next parliamentary elections, party competition is likely to focus on the political center. Defying widespread fears, right-wing populist and extremist parties scored poorly in the regional elections in November 2017. Marián Kotleba, the extremist governor of the Banská Bystrica region, was ousted by an independent candidate. This suggests that the good results of far-right parties in the national elections in 2016 do not reflect a deeply anchored attitude in the Slovak public, but were primarily a consequence of the aggressively anti-migration and xenophobic discourse nurtured by Fico and his party in the electoral campaign. As the recent formation of two new centrist and programmatic parties – Spolu – Občianska Demokracia (Together – Civic Democracy)

and Progresívne Slovensko (Progressive Slovakia) – indicates, the next elections might bring about substantial changes in the party landscape.

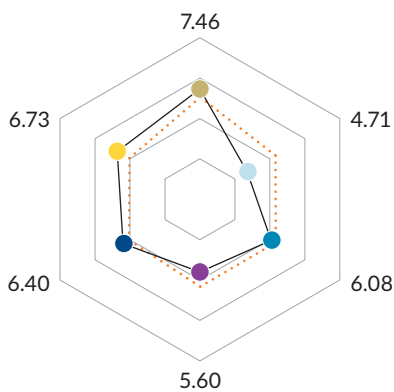
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- Marianne Kneuer
- Darina Malová
- Frank Bönker

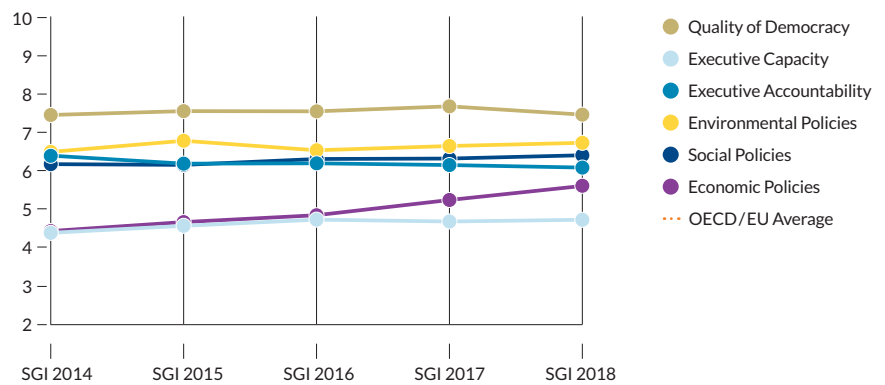
## Country profile SGI 2018

## Slovenia

Overall 2018 Performance



Development over time



Source: Sustainable Governance Indicators.

| BertelsmannStiftung

## Executive Summary

From September 2014 to April 2018, Slovenia was governed by a center-left coalition led by Prime Minister Miro Cerar and his Modern Center Party (SMC). Despite some differences of opinion and infighting, the three-party coalition managed to stay together and bring some much-needed economic stability to a country that had stood at the brink of a financial crisis in 2013/14. The Cerar government benefited from a favorable political position. Divided into two right-wing and two left-wing parties rarely able to reach a consensus on goals and interests, the opposition was not effective in blocking legislation. At times, the government even managed to cooperate effectively with the opposition, which has been relatively rare in recent Slovenian politics. While the Cerar government partially regained the public trust it lost in 2015, when trust in government fell to the lowest levels found among citizens across OECD countries, disenchantment with politics and political institutions has remained

high, and the three parties of the governing coalition continued to score poorly in public opinion polls.

In 2017, the recovery from the economic recession of 2008–2013 continued. The country's robust economic growth helped reduce the fiscal deficit and resulted in a strong decline in unemployment. At the same time, however, the favorable short-term economic situation reduced the pressure to move on with policy reforms. Although Slovenia features the largest long-term sustainability gap of all EU members, the announced comprehensive health care reform has been postponed once more. The government presented in March 2016 its "White Book on Pensions" and achieved some consensus with social partners regarding pension reform, but has not committed itself to any concrete measures yet. The tax reform eventually adopted in summer 2016 has been more modest than initially announced, and minor changes announced by the minister of finance for 2017 were canceled. The promised privatization of Telekom



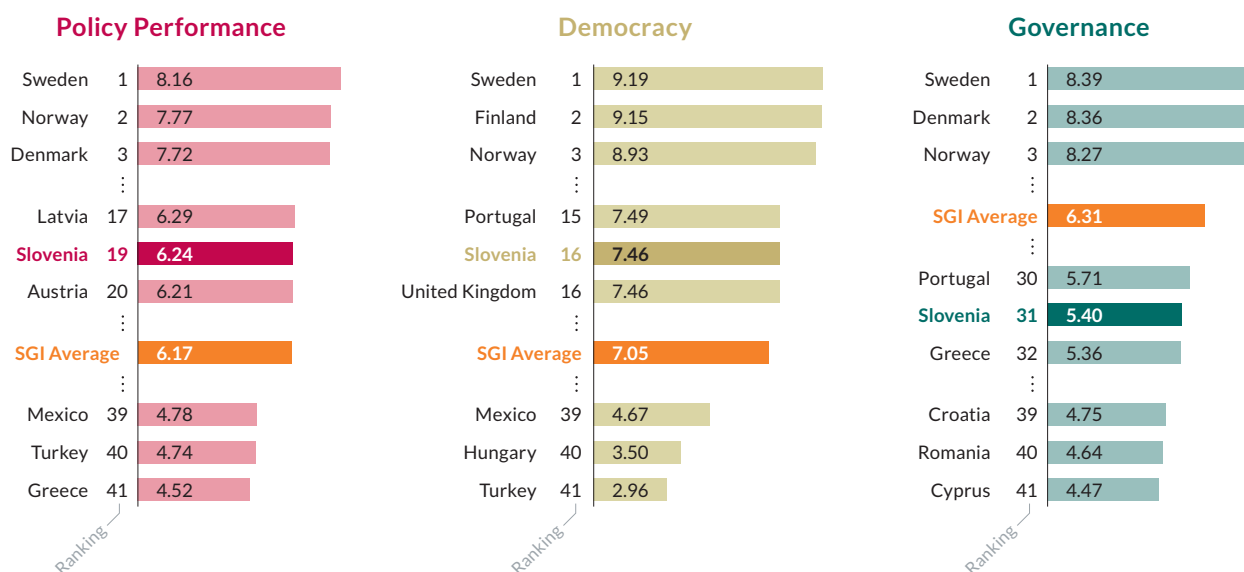
Slovenije, the largest communication company in the country, fell victim to political opposition from within and outside the governing coalition. The same happened with the promised privatization of largest bank NLB, which was further postponed in May 2017.

The quality of democracy has continued to suffer from widespread corruption. While the Cerar government continued to implement the Anti-Corruption Action Plan adopted in January 2015, and the Commission for the Prevention of Corruption managed to upgrade its supervisor web platform and launch its successor Erar in July 2016, doubts about the political elite's commitment to fight corruption were raised by two developments in particular. The first involved the intransparent management of a government project in which a second railway track was constructed between Divača and the port of Koper. The second involved investments by Magna, a Canadian-Austrian company that received large subsidies and unconditional support from the government for a plan to build a new car paint shop close to Maribor but failed manage things transparently and deliver on its promise of bringing several thousand new jobs to the region. The differences in opinions between the government and civil society organizations on the financial construction of the second railway track project resulted in a referendum being called,

once again strengthening the power of direct democracy in Slovenia. Nonetheless, the project was not halted as turnout levels for the referendum were too low to render the vote binding and votes in favor of the government's plan slightly outnumbered votes in opposition to the plan.

Governance in Slovenia is marked by a strong corporatist tradition, which has had a mixed impact on the government's strategic capacity. At the beginning of the Cerar government's term, when the country's economic problems were acute and visible, the unions accepted major reforms, which gave the government a chance to capitalize on the support of social partners. However, as economic stability and growth returned, the unions have become less willing to accept further compromise and have once again become more active in organizing strikes and have rejected new pay-related arrangements in the public sector. Slovenia's strong corporatist tradition accounts in part for the lack of strategic planning in policymaking, as well as the government's limited reliance on independent academic experts, a weak core executive, an increasingly politicized civil service and a largely symbolic use of RIA.

Institutional reforms under the Cerar government have largely been confined to a reshuffling of ministerial portfolios at the beginning of the term and a strengthening of the Government



Source: Sustainable Governance Indicators.

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Office for Development and European Cohesion Policy, the public body in charge of coordinating the use of EU funds. In addition, the Cerar government adopted a strategy for the development of public administration in April 2015 and a separate strategy for the development of local government in September 2016 but failed to implement any serious reforms. As a result, conflicts between municipalities and the national government have continued.

### Key Challenges

After four years of relative political stability, the upcoming parliamentary elections in 2018 are likely to bring about change to the political scene in Slovenia. The three parties of the governing coalition have scored poorly in the polls and, as has been the case in previous elections, new political forces will likely emerge. Marjan Šarec, a comedian turned mayor who came second in the presidential elections in 2017, has already announced that he will establish a new political party. The strong showing in the polls of the center-right SDP led by Janez Janša, a controversial former prime minister at odds with major parts of the political elites, further strengthens the concerns that building a stable new government after the elections might become difficult.

In order to regain the lost public trust in political institutions and political elites in general, the new government should strengthen the judiciary's quality and take a tougher stance on corruption. In addition, the selection and promotion of civil servants on the basis of their political affiliation, which has continued under the Cerar government, should be brought to an end and the career civil service model should be rebuilt. To counter fears about a weakening of media freedom and independence, the strategy for media regulation presented to the public in summer 2016 should be first amended and then implemented rigorously.

While steady economic growth has reduced short-term reform pressures, the need for structural reforms remains strong. Without major pension and health care reforms, aging demographics in Slovenia are likely to result in substantial fiscal pressures in the medium- and

short-term. Adopting substantial health care and pension reforms, particularly in a failing public health sector saddled by corruption, should be a clear policy priority. In order to strengthen the economy, the government should also intervene less – whether formally or informally – in state-owned companies and implement its strategy to privatize remaining state-owned enterprises. The government should also stand firm on its decision to give much more attention to R&I and higher education, two areas which have been neglected for years.

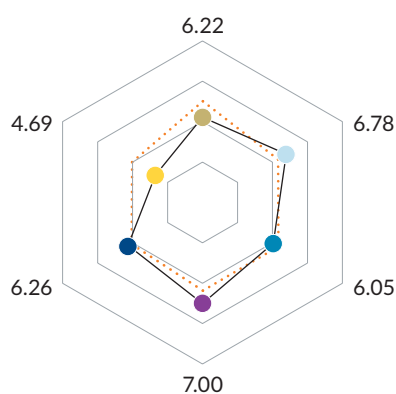
Achieving these goals could be facilitated by a number of changes in the Slovenian policy-making process. The government could make greater use of expert advice, strengthen strategic planning and improve the RIA system. Such changes would make it easier for the government to plan and act on a long-term basis, overcome resistance by special interest groups, which often hinder or even disable governmental activity, and win larger share of public acceptance for much-needed reforms.

- Miro Haček
- Susanne Pickel
- Frank Bönker

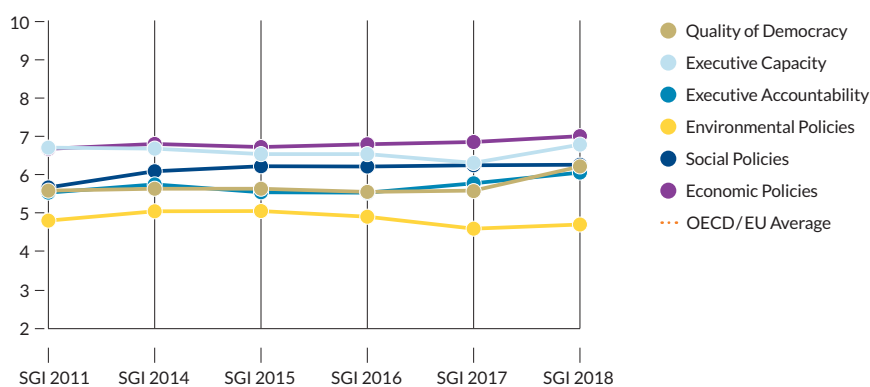
## Country profile SGI 2018

# South Korea

Overall 2018 Performance



Development over time



Source: Sustainable Governance Indicators.

| BertelsmannStiftung

### Executive Summary

The period under review saw dramatic changes in South Korea, with the parliament voting to impeach conservative President Park Geun-hye in December 2016 following a corruption scandal and months of public demonstrations in which millions of Koreans participated. In March 2017, the Korean Constitutional Court unanimously decided to uphold the impeachment, and new presidential elections consequently took place in May 2017. The elections were won by the leader of the opposition Democratic Party, Moon Jae-in, by a wide margin. The corruption scandal revealed major governance problems in South Korea, including collusion between the state and big business and a lack of institutional checks and balances able to prevent presidential abuses of power in a system that concentrates too much power in one office. Particularly striking were the revelations that under conservative Presidents Lee Myung-bak and Park Geun-hye, the political opposition had been systematically

suppressed by a state that impeded the freedom of the press, manipulated public opinion and created blacklists of artists who were seen as critical of the government. It was also revealed that the government had colluded with private businesses to create slush funds. However, the massive protests against President Park that began in October 2016 showed that the Korean public remains ready to defend its democracy and stand up against corruption. On 3 December 2016, an estimated 2 million people across the country took to the streets to demonstrate against President Park. While the protests were to a large degree spontaneous, they were in part driven by the work of vibrant civil-society organizations. News reports, particularly from JTBC TV, also played an important role in uncovering the scandals.

The Moon administration has promised major changes with the aim of making South Korea more democratic and improving social justice. During his first six months in office, Moon announced a large number of policy proposals ("100 policy tasks") that include welfare-,

justice- and education-system reforms. He also promised to decentralize power and put place new limits on the constitutional powers of the president. These changes were to be proposed in a set of constitutional reforms that would be put to a referendum in 2018. As of the time of writing, many of the policy proposals had not yet been implemented. Moreover, many will certainly face difficulties, as President Moon’s Democratic Party lacks a parliamentary majority. Negotiating the remaining overlap between the Park and Moon governments presents a major challenge, as does completion of the new government’s many announced but as-yet-unimplemented policies.

Economically, Korea is doing exceptionally well in cross-OECD comparison. With an annual GDP growth rate of 2.8 % in 2016, Korea was above the OECD average of 1.78 %. Korea remains a major exporter, with many highly competitive multinational corporations producing a great variety of products in the automotive, IT and other industries, although this also leaves the country vulnerable to global market volatility. The overall unemployment rate remains low at 3.8 %, but the labor-market participation rate is below average, and the lack of social mobility is causing an increasing degree of concern, particularly among the younger generations. With regard to international relations, President Moon Jae-in has abandoned the hard-line rhetoric of previous govern-

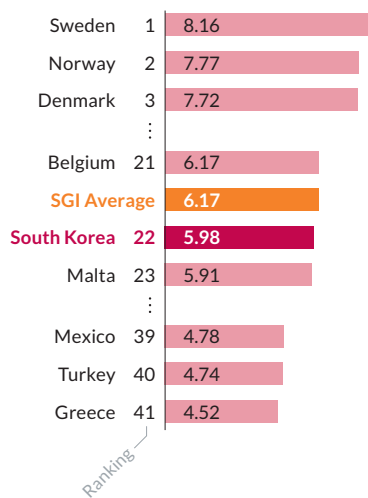
ments and wants to actively engage and negotiate with North Korea. However, this policy path carries its own difficulties given the continuing provocations from the North, as well as the actions of hard-line leaders in the United States and Japan that have used the threat from the North to pursue their own agendas of nationalist consolidation and militarism. Beyond the North Korea question, the character of the country’s future international engagement – for example, with regard to urgent issues of climate change, poverty in the Global South, and a fairer global economic and financial system – has yet to come into sharp focus.

In conclusion, South Korea has begun a new project to restore democracy and revitalize the transformation to a mature democracy that had stalled and even regressed somewhat under the previous two conservative administrations. However, South Korea is moving in the right direction with the momentum gained from the so-called candlelight revolution.

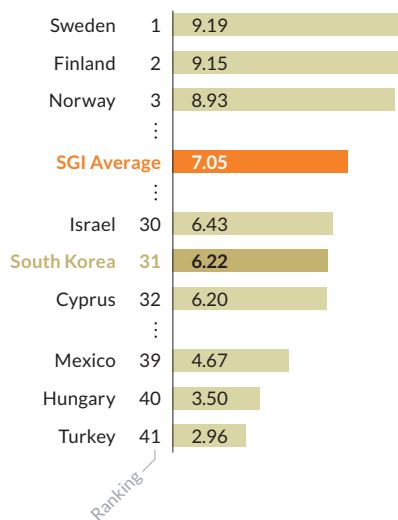
### Key Challenges

At the domestic level, the biggest challenge for the incoming Moon administration will be to deliver on the candidate’s numerous campaign promises, particularly at a point when Moon’s party lacks a parliamentary majority.

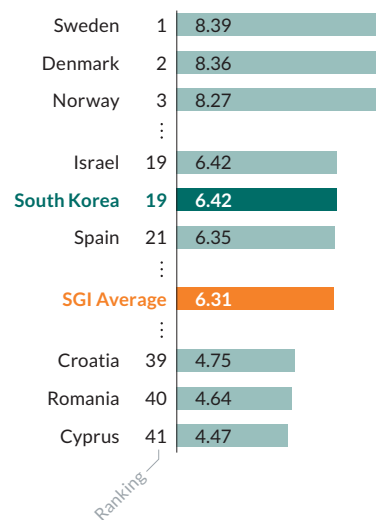
### Policy Performance



### Democracy



### Governance



Source: Sustainable Governance Indicators.

While Moon remains extremely popular, and at the time of writing had proven relatively successful in filling positions and implementing a few of his promises, it will be difficult for his administration to fully satisfy the public expectations built up during the last years of frustration under the Park Geun-hye government. Many of President Moon's proposals are likely to improve social and economic conditions in South Korea. For example, he has promised to reform oligopolistic and paternalistic structures in the corporate sector, strengthen the small and medium-sized enterprise (SME) sector, increase the minimum wage, and transform irregular employment contracts into permanent ones. He has also promised to pay more attention to the environment, a badly needed policy change after previous administrations' focus on growth, support for business and car-oriented infrastructure planning.

From an institutional perspective, Moon has promised to make the country's political system more democratic, more decentralized and less corrupt. In particular, he has proposed to decentralize the power of the president; strengthen the cabinet, parliament and regional governments; and enhance opportunities for citizen participation. He has additionally proposed a constitutional change transforming the one-time five-year presidential term into a four-year term with a second term possible. In combination, such reforms would make South Korea more democratic, while at the same time increasing strategic-planning capacities by reducing the lame-duck period. In general, it is expected that civil- and human-rights conditions will improve substantially under President Moon, who is a former human-rights lawyer.

Economically South Korea is doing well, but the country remains vulnerable to global economic volatility and external political conflicts due to its dependence on exports. The tide of global trade protectionism is additionally becoming a significant challenge to the South Korean economy. Domestically, the biggest economic challenge is to enhance social mobility and improve job conditions for irregular workers and the younger generation. In addition, household debts related to a real-estate bubble and high education costs are also major challenges. The historically low-tax country also faces a major challenge in further expanding the welfare state so as to pre-

pare for inevitably lower growth rates and an increasingly aging society. Moreover, the rise in social inequality in what was previously a relatively equitable society has undermined social cohesion. Several long-term tasks, including restructuring the country's dominant business conglomerates and strengthening SMEs and startups, are becoming increasingly critical. The economy must also move away from its current dependence on the construction sector, and instead place greater focus on innovation. The ongoing restructuring of the shipping and shipbuilding industries, in particular, will be very costly and is expected to lead to substantial unemployment. South Korea is also behind the curve in shifting to a sustainable and low-carbon economy based on renewable energy.

North Korea continues to be a major threat to stability on the Korean peninsula and within the East Asian region as a whole. More than 60 years after the end of Korean War, there is still no peace treaty that would formally end the Korean War. The unpredictable and confrontational behavior of the North Korean regime, particularly with regard to nuclear and missile tests, has led to further deterioration in North-South relations. Maintaining peace and achieving the demilitarization of the Korean peninsula is an urgent and critical task for the South Korean government. The Moon administration has promised to abandon the failed hard-line policies toward the North and combine deterrence and strength with engagement and negotiations. However, the election of U.S. President Donald Trump and the re-election of Prime Minister Shinzō Abe in Japan have made the situation even more difficult, as each of these figures has followed a hard-line strategy. While war on the Korean peninsula remains unlikely for now, the further deterioration of relations with the North and the prospect of an escalating arms race in East Asia are grave dangers that will undermine stability in East Asia in the medium and long term. In addition, amid these mounting tensions, there always remains the possibility that error, accident or sudden unintended escalation could produce unpredictable consequences.

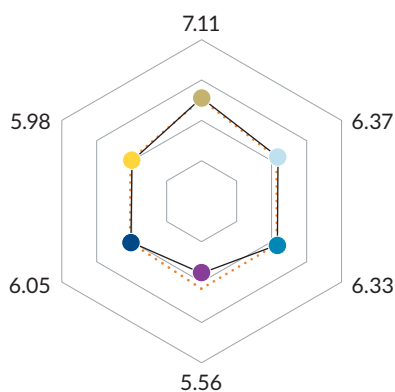
→ Thomas Kalinowski, Sang-young Rhyu,  
Aurel Croissant

Full report available at  
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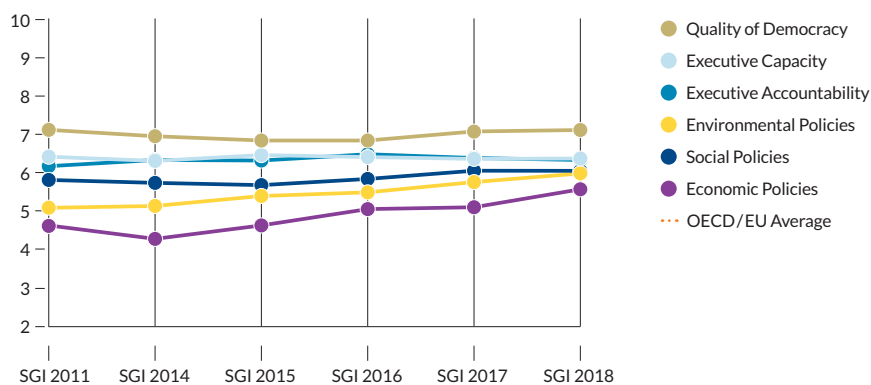
## Country profile SGI 2018

# Spain

Overall 2018 Performance



Development over time



Source: Sustainable Governance Indicators.

BertelsmannStiftung

### Executive Summary

After several years of recession, social unrest has eroded the legitimacy of and public trust in Spain's political system. The shift from a two-party into a multiparty system has been a notable consequence of these developments. In addition to traditional parties such as the Popular Party (PP) and Spanish Socialist Party (PSOE), this multiparty constellation now includes the leftist party Podemos and liberal Ciudadanos. Although the nascent parties offered a fresh pluralistic impetus in parliamentary debates, this came with higher political instability: since the traditional parties lost support, the building of coalition governments at the national level had become unviable. Prime Minister Mariano Rajoy began the process of securing parliamentary support for the 2017 budget in a test of his minority government's power. With a fourth of the year already gone, the Spanish cabinet passed his 2017 tax and spending plans. Spain's lower house approved the long-delayed 2017 national budget after Rajoy

secured the support of smaller parties in exchange for investment pledges and tax benefits. Also in 2017, however, the conflict in Catalonia escalated into the country's biggest political crisis since democracy was restored in 1978. Police violence exerted to prevent the holding of a referendum on the political relationship between Catalonia and the rest of Spain, which had been suspended by Spain's Constitutional Court, has damaged the image of the country internationally.

After secessionist Catalan members of parliament voted to declare an independent republic in October, the Spanish government dissolved the Catalan parliament and announced new elections for December 2017. The Spanish senate granted Rajoy unprecedented powers to impose direct rule on Catalonia under article 155 of the constitution. The interpretation and application of article 155 have been widely discussed. Some consider that the state had to take measures to protect the general interest. Others, among them the Catalan ombudsman, considered the application of article 155 as "abusive."



Most economic domains continued to bear the fruits of previous economic reforms. Economic growth has been strong and balanced in 2017 and is projected to moderate but remain robust in 2018 and 2019. In fact, economic growth will be much higher than in other euro zone countries in 2017. After radical austerity programs, reforms in the banking sector, increasing foreign investment, and labor market reforms, the unit labor cost fell significantly and productivity rose. In 2017, these competitiveness gains continued to support exports, despite the strength of the euro. The European Commission's decision to grant more flexibility in meeting fiscal targets and euro area monetary policy were also helpful as were the decline in oil prices and the record-breaking number of tourists (80 million forecast for 2017).

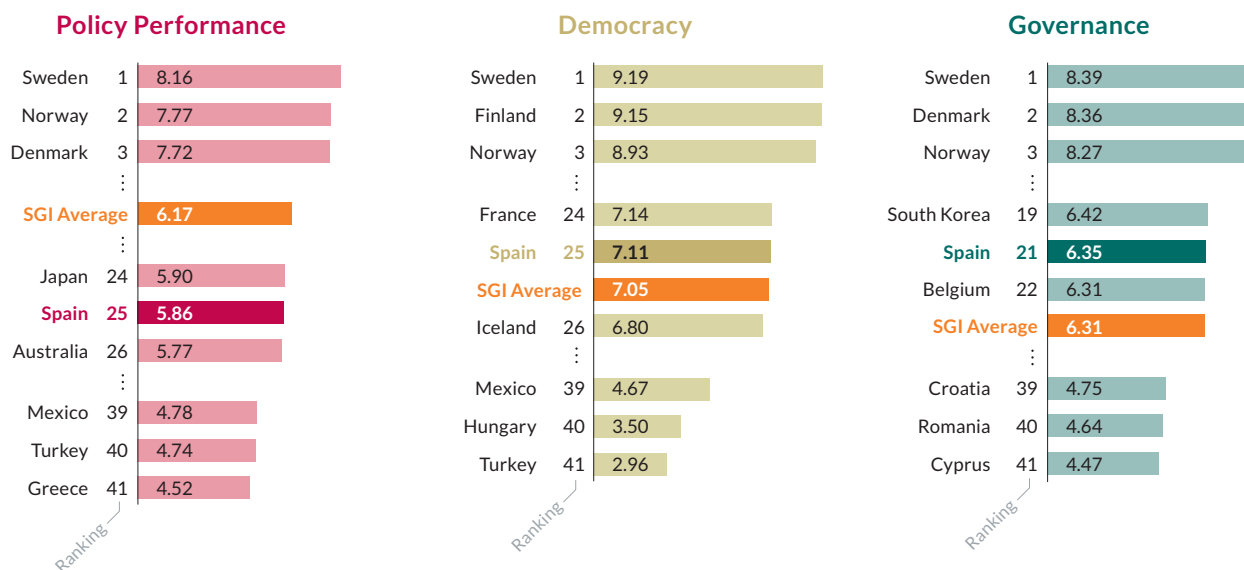
The recovery has also been driven by domestic demand. Nevertheless, the Spanish economy has not yet rebounded to 2008 levels, the incomes of Spaniards remain lower than before the crisis and bank lending remains limited. Although households have reduced their debt by nearly 55 % of GDP since mid-2010, the public deficit remains very high (forcing the continuity of austerity policies). Unemployment rates are lower than in 2016 but remain very high (16.5 % in 2017).

It is premature to assume Spain is now on a truly sustainable economic path, since several

weaknesses persist. Bank lending remains limited and current-account deficits may reemerge, the labor market continues to languish, and inequality is becoming more extreme. Most new jobs created are unstable. Social exclusion remains a perennial problem, with 22 % of Spaniards at risk of poverty. In addition, increasing life expectancies are leading to an unsustainable population pyramid – the most challenging in Europe. In combination with the effects of the crisis, this challenge has reopened the debate on the future of the Spanish social security system.

Spain continues to collect less in taxes relative to wealth than most other European countries, making ambitious education, welfare and environmental policies difficult. Investment in R&D accounts for just 1.2 % of GDP, compared to European Union and OECD averages that are above 2 %. There are some positive trends in policy areas such as health care (a well-considered and innovative system, despite recent budgetary cuts).

The crisis had a profound impact on public trust in democratic institutions and the Catalan conflict is considered by some in the country to be damaging the quality of democracy. Opaque party financing and several corruption scandals (most cases under investigation have their origins in the housing bubble years) materialized as significant challenges for the future. At the national level, the capacity of citizens to participate



Source: Sustainable Governance Indicators.

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through legally binding referendums remains a weakness of the political system. However, at the local level and at the level of Autonomous Communities, new mechanisms of direct democracy are progressively being used. In addition, Spaniards abroad, whose numbers have recently substantially grown, face barriers to political participation domestically. Media pluralism and independence could be improved as well.

### Key Challenges

Spain is no longer viewed as the euro zone member whose troubles are most likely to put the single currency in peril. Instead, it is regarded as a success story thanks to reforms implemented by the Spanish government in recent years. External factors contribute to foster this growth. For this to continue, however, the country's profound domestic challenges must be addressed. On the fiscal front, the persistent gap between public spending and tax receipts will oblige Spain to either implement additional austerity measures or collect more revenue. The latter, more appealing option, can be realized by making the tax system more efficient and reducing the high level of tax evasion. Also, the financing system of the 17 Autonomous Communities must be reformed so that these subnational governments have sufficient resources. Deficit levels remain very high; although Brussels is inclined to help, much more progress is required.

In order to improve the competitiveness of the Spanish economy and foster economic growth, the government must place greater emphasis on innovation and education. Evidence suggests that Spain's current education and R&D systems are hindering the move toward a more knowledge-based economy.

Regarding the country's extraordinarily high unemployment, especially among youth and those who have now been out of the labor market for several years, the government must develop and implement job-creation policies involving more than simple wage cuts. Needed reforms include policies to improve human capital and expand R&D, increase competition in goods and services markets, end labor-market dualities, reduce energy costs, and find an effective and capable means of redistributing income to reduce inequality.

The economic growth observed over the past years has not made a difference in many Spaniards' lives. Management of the crisis undermined every social program and has amplified inequality and increased social exclusion. As a consequence, the government's social policies require strategic attention over the coming years. Maintaining social cohesion has itself become a critical challenge. There is the near-term risk that adjustment costs may become unsustainable as well as a longer-term risk that spending cuts in health care, education, inclusion and family policies may increase social tensions. Widespread support is increasingly found among the Spanish population to carry measures dealing with this increasing inequality.

The aging population represents another major challenge. The average Spaniard today lives 81.6 years, the birth rate is extremely low (1.3) and forecasts suggest that one-third of Spain's population will be 64 years of age or older by 2050 (compared to 17.4% in 2012). Effectively addressing this challenge will depend on future immigration patterns and the integration of foreign workers, but also requires tackling the unsustainable pay-as-you-go pension system. Remarkably, given the large inflow of foreigners followed by a deep economic crisis, Spanish society has thus far not succumb to xenophobia, although this may change with the next generation.

The central government has demonstrated little concern for environmental sustainability, despite the country's risky geographic location with regard to global challenges such as desertification and climate change. Spain, which imports most of its energy, has gone so far as to reduce earlier investments for developing renewable energy sources. In contrast, local governments and the governments of the Autonomous Communities began in recent years to adopt policy measures to reduce pollution and protect the environment.

Regarding political stability, the single-party minority government requires allies for most legislative initiatives. This means PP must strike compromises with other parties in the parliament on a variety of issues, including budgetary matters. Due to ideological (and tactical) considerations, it will be difficult for PP to do so with the parties on the left, in particular, the socialists, PSOE, and Podemos. Ciudadanos will be a

source of support, though alone insufficient to get legislation passed. This means PP must count on other minor parties, including Basque moderate nationalists and Canary Islands regionalists. As a consequence, it is unlikely the government will secure majorities for major reforms and quite possible that elections are called before the current parliamentary term ends in 2020.

The push for independence in Catalonia, one of Spain's wealthiest regions, endangers political stability and threatens constitutional turmoil. Political positions in Madrid and Barcelona remain very distant and negotiation channels have yet to be established. In October 2017, PP, Ciudadanos and PSOE agreed to create a parliamentary com-

mittee to study the current territorial model. The committee's final report may be the impetus for a constitutional reform. However, such a reform would require traversing a perilous constitutional process (article 167). Also, a constitutional reform may help to consolidate the territorial model, but may not be enough to reduce tensions between Catalonia and the "rest" of Spain.

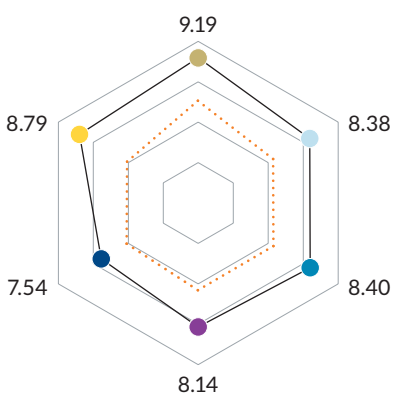
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→ Ignacio Molina, Mario Kölling, Oriol Homs Ferret, César Colino

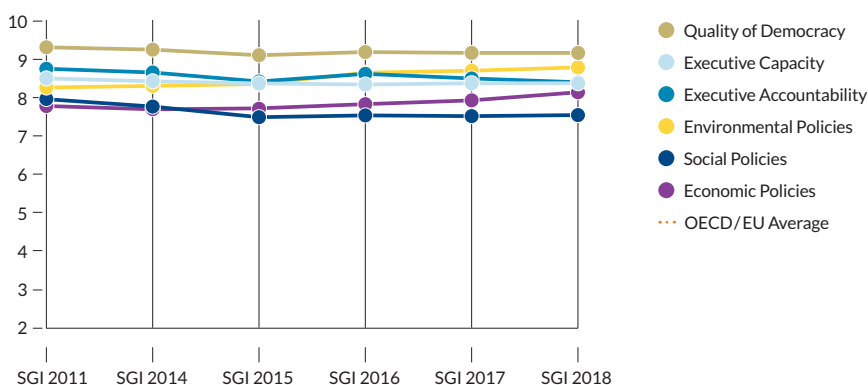
## Country profile SGI 2018

# Sweden

Overall 2018 Performance



Development over time



Source: Sustainable Governance Indicators.

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### Executive Summary

Democratic governance remains robust and deeply institutionalized in Sweden. Some of the societal underpinnings of governance are

changing: party membership continues to decline and electoral allegiance to parties is increasingly volatile. Yet these changes may simply demonstrate that Sweden's system is capable of adaptation and reinvention.

The Swedish political and administrative system is fragmented by design. Agencies are autonomous in relationship to the political center. Local and regional governments likewise enjoy substantive, constitutionally guaranteed autonomy. Reforms over the past several years have focused on strengthening the political center’s oversight powers. Advocates of these reforms argue that such powers are essential to sustain a responsive political leadership. Equally important is the need for accountability, as the agents and structures of political power must be held responsible for the policy measures they advance.

These reforms have also increased the strategic capacity of the political system; though this appears to have come at the price of some inclusiveness of societal interests, discourse and debate. Using information increasingly as a strategic asset, the government, and not least the Government Office (GO), is today more secluded and inaccessible to the media and interest associations. Increasing coordination among government departments, where fragmentation had been a major hinderance, is enhancing the strategic capacity of the government at the same time as it weakens the points of contact with society.

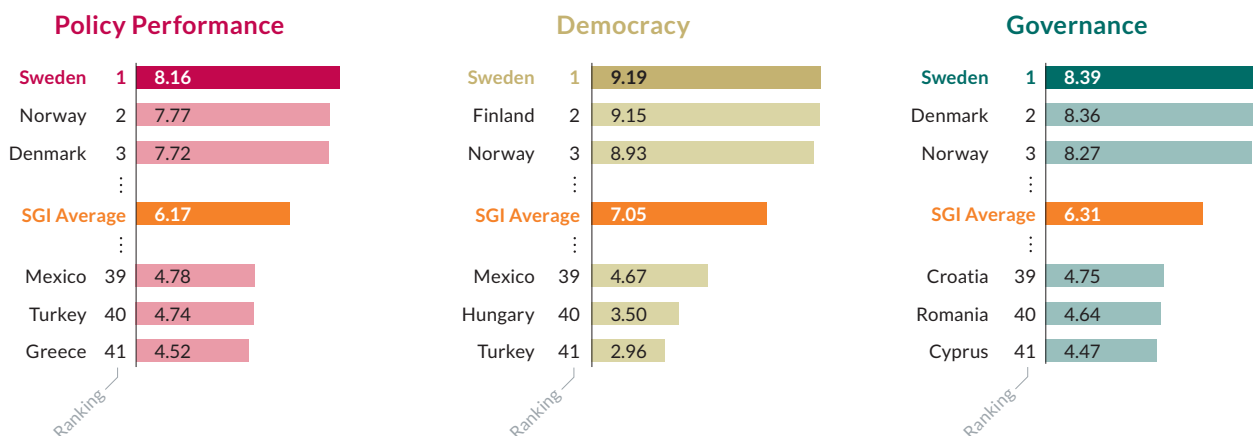
In terms of economic policy, the government has skillfully navigated the Swedish economy past crisis and instability. Not being a member of the euro zone has certainly helped, but the government deserves praise for its management of the economy through the recent series of financial and economic crises, global as well as European.

Perhaps the biggest challenge facing the Swedish government in late 2017 involves accom-

modating and integrating the large number of asylum-seekers that have arrived in Sweden. This policy challenge has upended the dynamics between parties as new alliances have formed while conventional collaborative arrangements are showing signs of strain. This development has exacerbated ambiguities in an already fragile parliament.

Until the change of government in September 2014, the non-socialist “Alliance” government had continued its goal-oriented policy of transforming the welfare state. It had implemented market-based reforms in a wide variety of sectors, so much so that it appears as if bringing the market into public services and the welfare state was an end in itself. The previous government had extensively cut taxes, yielding cutbacks in many welfare programs, which put pressure on those on medical leave to return to work. Some of the implemented measures did not, at first glance, undermine the logic of the Swedish welfare model. Considered individually, the family, labor market, tax and social insurance reforms seem moderate. However, in sum, these reforms represent a significant departure from the traditional Swedish model. The tax policy reforms, in particular, mark a genuine break with the past and are ideologically driven to a greater extent than in many previous governments.

The unique features of Sweden’s political, economic and social systems appear to be fading with time. Stability, broad consensus, and the absence of right-wing populist parties have traditionally been defining features of Sweden’s political environment just as corporatism, centralized wage bargaining, high taxes and a



Source: Sustainable Governance Indicators.

generous welfare state have attracted considerable praise. Noted for its societal homogeneity and high levels of equality, employment and affluence, Sweden is becoming increasingly diverse and faces sustained unemployment, dualities in the labor market, growing inequality, and diminished quality of life and health. In short, Sweden is losing its “unique” status as a role model in the European context.

The Social Democratic and Green coalition government that was formed after the 2014 general elections appears to place less trust in the market than their predecessors. As the red-green coalition government has no clear majority in parliament, it remains to be seen if it is capable of organizing stable majorities and to what extent their more state-centric policy style will help address urgent issues in education, welfare and unemployment. As of late 2017, the government has been rather successful in securing sufficient support for its most significant bills.

The capacity of the parliament to set long-term goals and pass budgets has been severely constrained by the post-2014 distribution of seats. The red-green coalition and non-socialist “Alliance” parties control roughly the same percentage of seats. The right-wing populist Sweden Democrats party holds a pivotal position between these two blocs, yet neither of the two is willing to negotiate with them. This resulted in a major parliamentary stalemate until a December 2014 agreement helped ensure passage of the minority governments’ budget proposals. That agreement, however, collapsed in October 2015. As of 2017, the argument about whether the other political parties should cooperate in some form with the Sweden Democrats appears to have been put on hold pending the 2018 general elections, which may or may not produce a more manageable parliament. Until then, it is easy to see that the combined factors of a political system under duress and the challenge of ensuring a working majority in parliament has not strengthened the strategic capacity of government institutions.

### Key Challenges

Sweden’s long-term strategic ambitions are global competitiveness, a lean but effective and

productive public sector, and carefully managed international influence. Many indicators suggest that Sweden is well on its way to achieving these goals. The key challenges facing the government relate to aiding the economic and social losers. Sweden’s long-term social and economic sustainability hinges on the capacity of the government to address this need. Sweden’s government now faces the challenge of clearly defining its social agenda. Choosing which strategy to implement is not feasible until the government delineates its policy objectives.

With the Social Democrats’ return to political power, a key issue is determining which of the previous non-socialist government’s reforms of the welfare state, education system and labor market should be continued and which should be reversed. Reversing a large number of reforms could introduce a stop-and-go pattern of policymaking that would be detrimental to institutional capacity, stability and predictability, which are important for economic development. On the other hand, simply further administering an inherently non-socialist policy agenda would be difficult to sustain electorally.

In terms of challenges facing the government, four related problems stand out: immigration and accommodating asylum-seekers, unemployment, integration and equality. Over the past several years, Sweden has enjoyed strong economic development, except for the odd year in the midst of the global financial crisis. However, even during high-growth periods, the government has recorded relatively high levels of unemployment. Whether these are the result of shortcomings in the preparing of students for work life or invisible thresholds to entering the labor market, unemployment in general and youth unemployment in particular remains a problem. The previous government put their trust overwhelmingly in the market and incentives; the new government appears to be more “dirigiste” in its approach. It is too early to assess whether this new policy style will be any more successful in addressing these urgent issues.

Integration poses a similar type of challenge. Visible and invisible obstacles prevent immigrants from finding meaningful jobs and societal acceptance in Sweden. A comparison with other countries is insufficient. Unlike other countries,

Sweden has devoted financial resources to solving the problem. Yet its formula has not worked, likely because the government has been unable to overcome societal obstacles. The government has taken the first step in strengthening the internal strategic capacity of the state, but now, in a second step, it needs to address the issue of making societal governance more integrative and effective.

Core values of Swedish governance such as equality and equal treatment are being tested by the acute crisis in accommodating asylum-seekers and refugees from Syria and other war-torn countries. In the past, equality was one of the major features of the Swedish model. However, inequality has increased in Sweden because of wage bargaining deregulation, the trend away from collective wage determination toward individualized patterns and increasing income from capital for high-income earners. Tax reforms under the previous government further accelerated the trend toward inequality. From a comparative point of view, Sweden remains a very egalitarian society. From a historical point of view, however, the rise in inequality has been strikingly fast and threatens to further undermine societal trust and integration. Addressing rising inequality will therefore be a political challenge for the new red-green government.

The government has a rare opportunity to capitalize on high institutional trust, a strong economy, a vibrant civil society and a competent professional staff at all levels of government. The key decision it must make is whether to employ those resources to pursue collective goals or instead promote individual initiatives and deregulation. This is obviously a political decision, although many scholars argue that the correlation between growth and a small public sector is weaker than once assumed. For Sweden, it appears unlikely that strong growth can be sustained with a “race to the bottom” strategy, which would undermine integration, equality and trust. Instead, economic prosperity will more likely be the outcome of concerted action between an effective, capable and productive public sector and a globally competitive and balanced business community.

The major challenge in the longer term, however, will be integration. The very large

number of immigrants represent, in the short term, a significant challenge in terms of accommodation and welfare provision. These challenges will impact local governments even harder in 2018, when state subsidies will be reduced. In the longer term, achieving real integration will be essential to the future wealth and stability of the country.

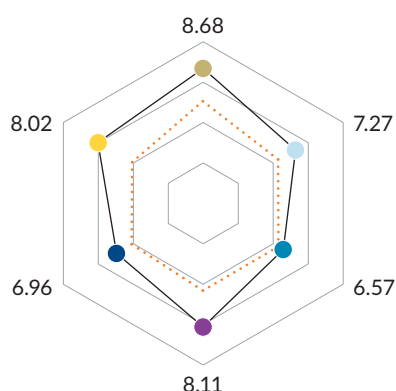
- Jon Pierre
- Sven Jochem
- Detlef Jahn



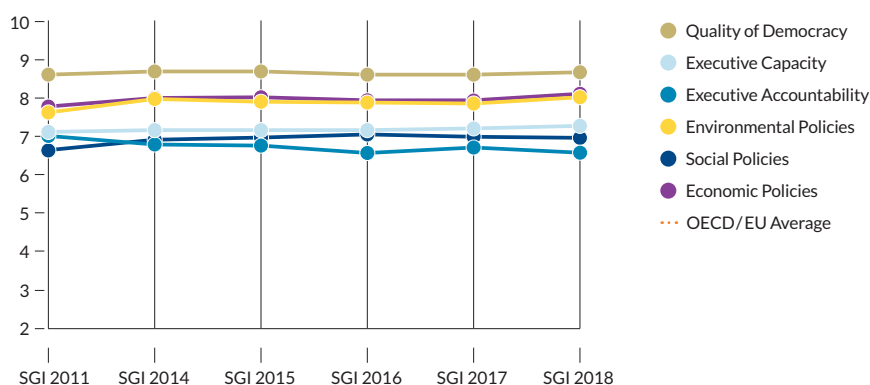
## Country profile SGI 2018

# Switzerland

Overall 2018 Performance



Development over time



Source: Sustainable Governance Indicators.

| BertelsmannStiftung

### Executive Summary

In the current review period, governance in Switzerland has shown considerable continuity with SGI 2017. By implication, the country's strengths and shortcomings have remained unchanged. These strengths include the stability and quality of democracy, the efficient rule of law, an excellent system of public education and research, and a competent system of public transportation. The country has a high level of GDP per capita (one of the highest in the OECD) and accumulated wealth, and the natural environment remains ecologically sound. Social and economic policies are pragmatic, solution-oriented and heterodox. The Swiss government can be commended for maintaining a highly competitive economy, sustainable fiscal position, comparatively sustainable and generous welfare state, and moderate and stagnant income inequality. The flexible labor market has maintained full employment and high employment rates for both men and women. These policies

have resulted in an absence of deep social divisions and marginalization (at least among Swiss citizens). As a result, citizens report a high level of life satisfaction and positive opinion of the national political system compared to neighboring countries.

Notwithstanding these successes, the shortcomings and challenges that existed a year ago persist, with some amplified to an extreme degree (see also "Key Challenges"):

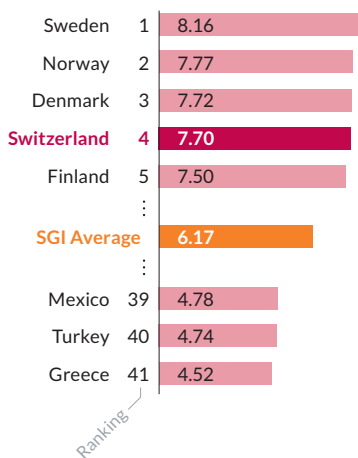
1. Most dramatic in this regard are the developments in relations with the European Union. With 54 % of exports going to the European Union and 72 % of imports coming from the European Union (2016), as well as a strong inflow of highly qualified labor from the European Union, Switzerland is far more dependent on the European Union than the European Union is on Switzerland. The relationship is based on bilateral treaties, many of which are conditional on each other. If one of the major treaties were to be terminated, other important treaties would auto-

matically become null and void. In 2014, the Swiss electorate voted for a constitutional amendment establishing a cap on immigration. Such a cap is not compatible with bilateral treaties between Switzerland and the European Union. While many Swiss citizens and politicians expected the European Union to adapt existing treaties to the new constitutional amendment, the European Union rejected a renegotiation of existing treaties. As a result, implementing the amendment against the will of the European Union would have entailed enormous economic risks. Most Swiss politicians have shown themselves unwilling to take such a risk, instead embarking on a strategy of, in effect, not implementing the amendment. In this context the Swiss People’s Party (already the strongest party in the country) is pursuing three projects which may further strain the relationship with the European Union. First, the party strongly opposes an institutional framework agreement between Switzerland and the European Union. Such an agreement would allow for a smooth revision of existing treaties and court-based adjudication of conflicts between the two trade partners. Second, the party has also submitted a new proposal for a constitutional amendment (the “self-determination initiative”), which will be de-

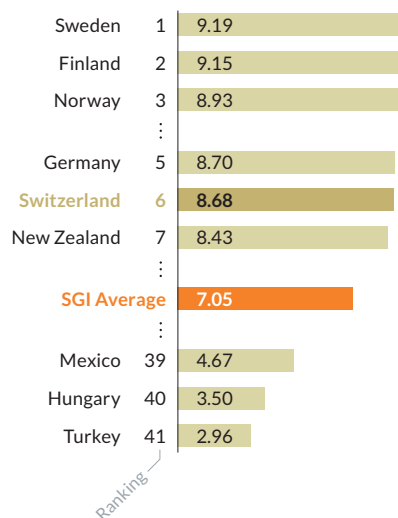
cided upon in a popular vote between 2018 and 2020. If this proposal wins approval, international law and treaties would become subordinate to Swiss law. Third, in September 2017, the party announced that it would collect signatures for a new popular initiative, which is necessary to call a public vote. This initiative aims to force the government to terminate the current bilateral treaty on the free movement of labor between Switzerland and the European Union, which would automatically lead to the termination of other basic bilateral treaties.

2. Closely connected to the issue of Europeanization (and globalization) is the polarization of Swiss politics, and the concomitant weakening of the system of consensus democracy and social partnership. This applies not only to institutional and behavioral indicators of consensus democracy, but also to deep-seated cultural patterns and indispensable elements of the elite socialization of the past, such as the willingness to compromise and interact respectfully with political opponents. The political system of Switzerland is converging toward the continental pattern of non-majoritarian politics.
3. As in previous years, the system of direct democracy succeeds in giving citizens the feeling they have a say in government policies.

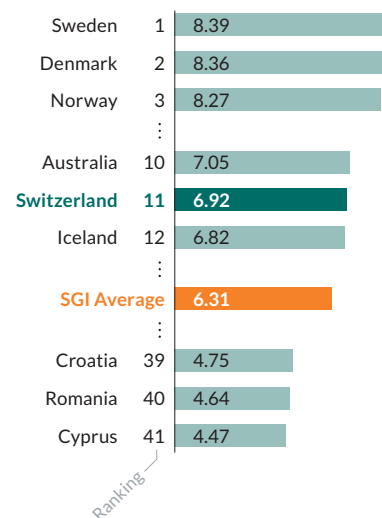
### Policy Performance



### Democracy



### Governance



Source: Sustainable Governance Indicators.

This system is one of the major reasons why Swiss citizens are far more satisfied with the way democracy works in their country than their European neighbors. However, the system of direct democracy also demonstrates serious shortcomings. Among them is the likelihood that voters approve constitutional amendments which cannot be implemented for legal or economic grounds. A recent example is the initiative capping immigration, illustrating the tension between the myth of the people's unconstrained sovereignty and the reality of a semi-sovereign political order where international law and economic interdependence severely limit democratic politics.

4. Although the welfare state is sustainable and generous, the pension system must cope with demographic challenges. While increasing the age of retirement beyond 65 is not feasible given the constraints imposed by direct democracy, there are possibilities for reforming the three-pillar pension system (basic pension, occupational pension and tax-deductible savings for retirement). A major reform was rejected in a popular vote in September 2017. Under considerable time pressure, politicians must work on a new adaptation of the pension system to demographic challenges.
5. Another major political conflict relates to environmental and energy policies. In the aftermath of the catastrophe in Fukushima, the Swiss government opted for an exit from nuclear power. It has been difficult, however, to implement that decision. In its new energy strategy, the government opted for a long-term "soft" exit which allows all nuclear power stations to remain in operation for their lifespan. No new nuclear power stations will be licensed to operate, however. Following a left-green initiative that demanded a quicker and harsher exit from nuclear energy failed in a popular vote in November 2016, the government's strategy was approved in May 2017.
6. In the past, Swiss cantons have offered generous tax deals to foreign firms. This has provoked criticism from the OECD and European Union, leading to a reform proposal. Switzerland wants to keep these foreign companies in the country, since they make a substantial contribution to the pub-

lic revenues of local and canton authorities. To achieve this, the government proposed to lower taxes for domestic firms in line with the effective tax rates enjoyed by foreign companies, thereby obviating the preferential tax treatment of foreign firms. As a consequence, general tax income would decrease. This is against the wishes of the political left, which generally would like to see a higher level of taxation, in particular on capital. In a popular vote in February 2017, the public rejected this reform. There were two major reasons for this rejection. First, a large share of citizens found the proposal too complex and given their uncertainty opted against it. Second, another share of voters found the proposal excessively biased in favor of "the rich" and large enterprises. Currently, the Ministry of Finance is developing a new reform proposal which is less generous toward large enterprises and contains compensation payments (increased child allowances) in order to win support from left-wing voters.

### Key Challenges

Switzerland faced ongoing, interrelated challenges at the close of the current review period. There is a disconnect between Swiss identity and reality: an enormous share of the population is comprised of foreign workers and other migrants. Policymakers are struggling to implement popular referenda by navigating between a "responsive" (implementing the people's preferences) and "responsible" (furthering the people's common good under conditions of constraint choices) reaction. They also have to reform the pension system, establish a tax regime for enterprises that is EU-compatible, and find sustainable solutions for the relationship between the European Union and Switzerland.

First, the country's relationship with the European Union remains provisional and increasingly fragile. In the past, the realities of domestic politics made bilateral agreements the only practical solution as neither a policy of "going it alone" nor EU membership were feasible strategies. However, this bilateral solution is becoming increasingly untenable. While domestic conflicts about the future relationship between the Eu-

ropean Union and Switzerland have not abated, solutions have to be found. The current strategy of muddling-through, currently successful, may become unsustainable in the future.

Second, minimizing internal political conflicts fueled by migration has grown more challenging. The share of foreigners within Switzerland's population is among the highest in the world. Immigration has stimulated economic growth. To sustain the high economic growth rate, it remains essential that the country continue to recruit highly skilled labor. An extraordinarily high proportion of elite positions in the economy and higher education are staffed by foreign workers. Foreigners are also younger than the average Swiss citizen. Consequently, they contribute far more to the Swiss pension system than they receive. Hence, they subsidize the Swiss pension system and contribute significantly to its sustainability. Nonetheless, immigration has prompted considerable concerns among Swiss workers about housing prices, jobs and the use of infrastructure (e.g., roads and public transportation). Swiss workers constitute the base of the right-wing populist Swiss People's Party (SVP). Today, the SVP is among the strongest populist parties in Europe in terms of votes, representation in government and success in referenda. Notably, this political strength cannot be primarily attributed to xenophobia. At least in international comparison, Switzerland and some of the Nordic European democracies show a relatively low level of xenophobia. Even so, the SVP has been extremely successful in mobilizing xenophobic elements within the population.

This points to another challenge. In recent years, a growing number of popular initiatives have been approved by voters but implemented incompletely or not at all. This failure to implement constitutional amendments derived from popular initiatives is not entirely new. Historical examples of provisions left unimplemented include the prohibition on absinth (1908) and ban on gambling houses (1920 – 1921). Notwithstanding, these precedents are few and the exponents of these initiatives were not in the political center. By contrast, the number of successful initiatives has grown in recent years and their advocates (e.g., SVP and related organizations) are politically powerful. Several recent initiatives

remain only partially implemented because full implementation would violate international law, international treaties or economic requirements. This has put the administration in a difficult position: full implementation would violate international or economic norms, but partial implementation gives rise to accusations among right-wing politicians that the “will of the people” is not respected. In order to mitigate the conflict between responsive and responsible government, political elites must effectively communicate that the Swiss nation is – as all Western nations – at best semi-sovereign and that there are strict limitations on what the public can decide upon. However, such a communication strategy would clash with the self-image of the Swiss, who are immensely proud of their (perceived) independence and sovereignty.

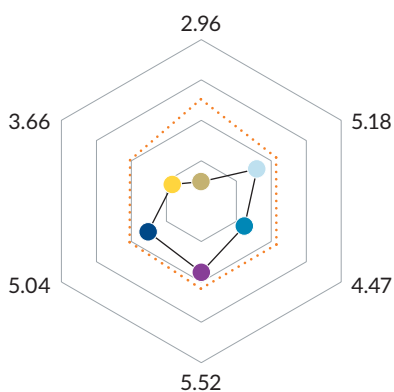
As in most other mature democracies, Switzerland's pension system must cope with the challenges posed by an aging population. To date, the system has been sustainable and provides relatively generous pension payments. Nonetheless, without exceptionally strong productivity growth or a continuing inflow of young foreign labor, in the long run either the retirement age will need to be raised or the level of benefits reduced. After the failed pension reform, the government is under strong pressure to develop a new reform proposal that will gain the support of a majority of voters in a popular vote.

- Klaus Armingeon
- Fritz Sager
- Reimut Zohlnhöfer

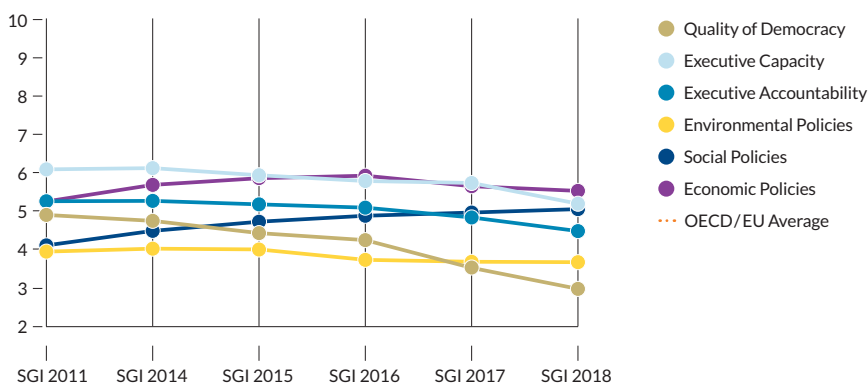
## Country profile SGI 2018

## Turkey

Overall 2018 Performance



Development over time



Source: Sustainable Governance Indicators.

| BertelsmannStiftung

## Executive Summary

The period under review was marked by deep political and social divisions in Turkey. The failed coup attempt of 15 July 2016, and the subsequent state of emergency has changed the course of Turkish politics and increased uncertainty. The government's politically charged allegations, judicial investigations and dismissal of thousands of civil servants, and the immense organizational capacity of the Gülenist movement in the public and private sector brought public trust to rock-bottom levels. Rising popular authoritarianism has undermined the rule of law, legal certainty and judicial independence, exacerbated widespread social discrimination, and reinforced the presidential model and exclusion of the legislature from governmental processes. The chair of TÜSİAD, Turkey's leading business association, stated "Judicial independence and impartiality, freedom of thought and expression, a free and scientific academic environment, free media and internet, well-defined authorities and re-

sponsibilities, and a meritocratic public administration are important parameters of a country's competitive political system, which Turkey currently lacks. Domestic and international challenges require a new economic, political and social grand strategy for Turkey in order to raise the level of sustainable governance."

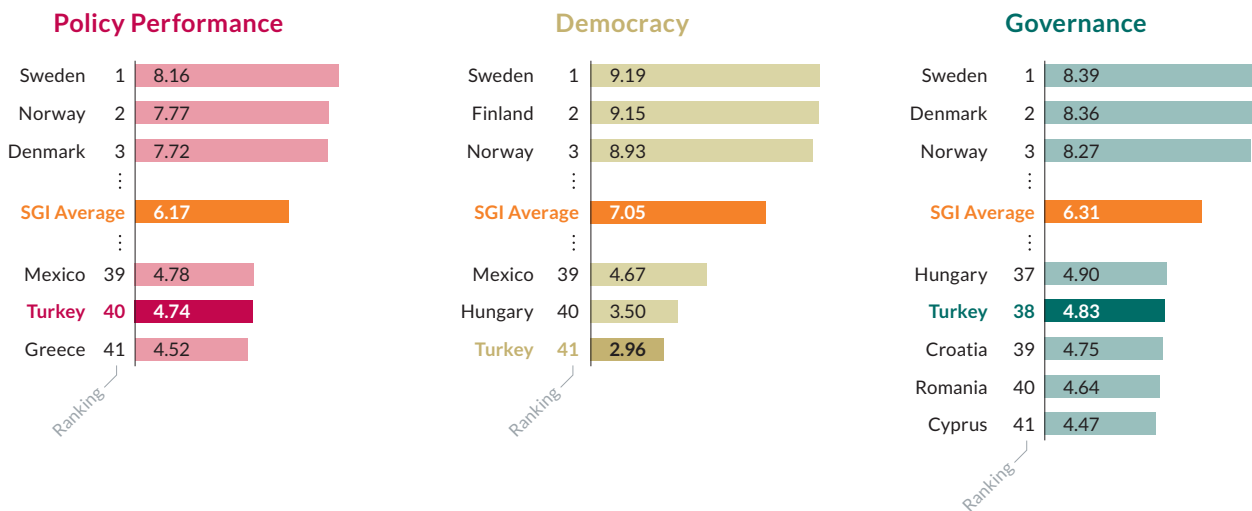
The war in Syria has had a profound impact on Turkish politics and society. The terrorist attacks in Suruc, Ankara and Istanbul, the massive inflow of Syrian refugees, and the emergence of the Islamic State group have fueled tensions across the country and presented the government with major political challenges. The government's extensive military counterinsurgency in predominantly Kurdish provinces in the southeast of Turkey and attacks by terrorist-designated groups – such as the Kurdistan Workers' Party (PKK) and the Kurdistan Freedom Hawks – signified an end to the peace process between the Turkish state and PKK, which had shown significant promise in recent years. The government appears to lack a clear strategy

for ending the conflict in Turkey’s southeast region. This not only hampers economic opportunities in the southeast, but will also undermine democratic governance in the years ahead. Indeed, throughout the review period, the government continued to respond to dissent with repressive tactics, including openly threatening perceived opponents (e.g., activists, academics or journalists). Many journalists critical of the government now operate under financial threats, self-censorship and increased job insecurity.

Although the number of civil society organizations increased during the review period, their influence in decision-making processes remains limited. The massive polarization between pro- and anti-government camps is present across all spheres of political, economic and social life. The negative effects of this divide were evident in the aftermath of the parliamentary elections on 7 June 2015, which failed to deliver a coalition government in line with the constitution. This inability and/or unwillingness to engage in a power-sharing agreement demonstrates a serious crisis of democracy in Turkey. The election marked the first time in modern Turkish history that civilian politicians refused to accept a parliamentary election result and reach a cross-party compromise. The Justice and Development Party (AKP) secured an absolute parliamentary majority during the November 2015 parliamentary election, allowing the AKP to rule alone for the fourth time since 2002.

Electoral fairness, the AKP’s use of state resources and the lack of campaign finance transparency were major issues in both the June and November 2015 parliamentary elections. Throughout both elections, the AKP failed to fully implement the recommendations of the Group of States against Corruption (GRECO) on campaign and party funding. The use of languages other than Turkish was permitted in both elections. Despite strengthening anti-discrimination efforts, Alevis and Roma people still lack access to basic public services. Moreover, anti-Semitism in Turkish politics and society remains widespread. Authorities have begun to address gender discrimination, but violence against women persists, and there has been no improvement in the educational attainment and economic participation gender gaps. The inflow of Syrian refugees is likely to have serious social, economic and political implications for Turks and Syrians living in Turkey. At the time of writing, there are more than three million Syrian refugees in Turkey.

Over the last decade, Turkey has experienced important gains in income and living standards. Though economic competitiveness has decreased, recently. While economic growth has returned after the 2016 economic slowdown, such positive signs are based on the availability of cheap and abundant money, which increases demand (higher consumption and public expenditure) rather than efficiency.



Source: Sustainable Governance Indicators.



Environmental sustainability, energy security, sustainable urban development and progress toward a high-tech, science-based society are not assured. However, increased government spending (e.g., on research and development, education and vocational training, social policy and health care) during the review period marked a step forward, but so far fails to show sustainable results.

### Key Challenges

Turkey's main problems are political and social. Political stability versus political competition and participation, freedom of religion versus freedom from religion, majority-minority cleavages versus an integrated state and society – each issue presents a trade-off with political, social and international repercussions. The polarization of society has been a key strategy used by the Justice and Development Party (AKP) to secure and hold on to power. Legal uncertainty, distrust in the judiciary, the deterioration of fundamental rights and freedoms, and inefficiency in governmental sectors have increased in the aftermath of the averted military coup of 15 July 2016. Suppression of opposition has intensified. The parliament has not been willing to reduce the 10 % electoral threshold for representation in the parliament. Moreover, gerrymandering, single-member district plurality and narrow electoral district boundaries have been used by the AKP to reinforce the party's parliamentary majority. However, the establishment of a new party, İYİ Parti (Good Party), may present a real challenge to the AKP in the next presidential and parliamentary elections, a reaction to Erdoğan and his alliance with the Nationalist Movement Party (MHP).

Civil rights shortcomings persist. The incumbent AKP government should expand minority rights for Kurds, Alevis, Christians and other minorities to increase the visibility of minority groups within society and foster minority groups' identification with the state. This would promote intra-societal peace and a pluralist, integrated society. The government should enhance the powers of local and regional authorities, and introduce stronger mechanisms for democratic participation and political subsidi-

arity. In addition, the 10 % electoral threshold should be reduced to increase smaller parties' participation in national decision-making.

At the same time, the AKP should seriously consider domestic and international concerns about increasing authoritarianism and exclusivist conservatism, and declining pluralism and liberalism within society. The government should contribute to the peaceful inclusion of all social groups, while continuing to tackle extremism and terrorism. The AKP's monopoly on government, and the authoritarian stance of President Recep Tayyip Erdoğan against groups and media critical of the regime is a concern for foreign observers, but even more so for Turkish citizens. Since the Gezi protests, mass protests have continued against the government and its policies. However, protests are typically suppressed by the government, using its state of emergency powers. A more inclusive, reconciliatory rhetoric and better communicated policy intentions are urgently needed. Freedom and security must not be considered zero-sum games. In this respect, international stakeholders, such as the European Union and the Council of Europe, repeatedly exercise their influence over the Turkish government.

Despite the global financial crisis, Turkey's economic performance has been above average. To sustain this positive trend, the government should introduce structural reforms and extend the EU-Turkey Customs Union Decision of 1995, which covers industrial commodities, to include agriculture, services, government procurement and investments. Turkey's relatively high current account deficit remains a major challenge, requiring action such as the adoption of a real exchange rate policy. Turkey and the European Union have shown a willingness to open a new chapter and conclude the present chapter of accession talks. However, U-turns and dramatic shifts in Turkey's foreign policy may not bring the expected outcomes.

During the review period, Turkey's gradual demographic shifts and the country's economic slowdown have increasingly posed a problem. While a young and well-educated population is a boon and offers enormous potential, financial and social provisions for the elderly need to be addressed. The government should continue reforming the pension system to tackle social exclusion and poverty. Furthermore, the coun-

try's record on environmental issues, education and innovation is poor when compared to other OECD countries. Since these areas are key to supporting Turkey's growing population and economy, the government should increase expenditure in these areas. Illegal immigration and the refugee situation are exacerbating social tensions and leading to widespread discrimination.

Turkey has become a major emerging economy and a key regional power. However, it increasingly struggles with the repercussions of internal conflicts in neighboring and regional countries, and the coup attempt of 15 July 2016. In order to regain credibility and influence, Turkey should use diplomatic means to reestablish trust, peace and security in the region, and pursue dialogue with reliable regional actors and Western partners. Turkey's international influence and credibility would further increase if the government became more involved in and implemented more international agreements, especially OSCE, Council of Europe and EU agreements. An active continuation of reform processes in line with the *acquis communautaire* and in close cooperation with the European Commission is necessary for Turkey's EU accession ambitions and democratization in Turkey.

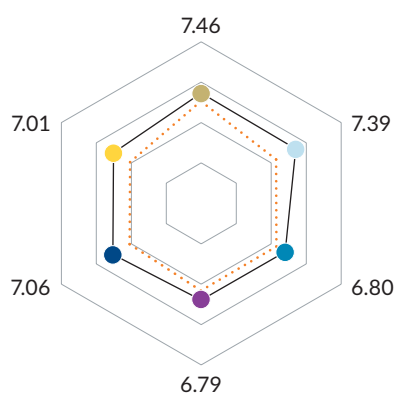
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- Ömer Faruk Genckaya
- Subidey Togan
- Ludwig Schulz
- Roy Karadag

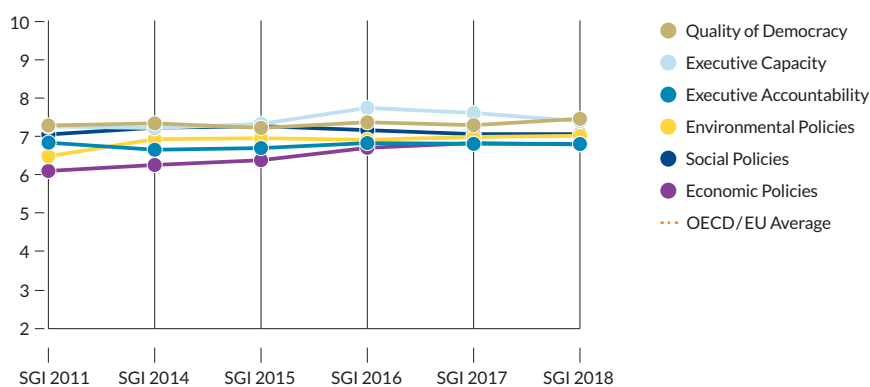
## Country profile SGI 2018

## United Kingdom

Overall 2018 Performance



Development over time



Source: Sustainable Governance Indicators.

| BertelsmannStiftung

## Executive Summary

The political situation in the United Kingdom remains defined by the result of the “Brexit” referendum of June 2016. The most significant influences on governance in the last year were the triggering of Article 50 of the Treaty on European Union in March 2017 to start the process of the United Kingdom leaving the European Union and the outcome of the snap general election called in April 2017, demonstrating the practical irrelevance of the Fixed Term Parliament Act passed by the previous parliament. The loss of the slim absolute majority that the Conservative Party previously held has weakened the prime minister and left her able to govern only by relying on a “confidence and supply” arrangement with the Northern Irish DUP. This is likely to constrain the government in an area central to Brexit, namely the question of the status of Northern Ireland. While these developments exposed profound political divisions – as much within parties as between them – and Brexit will

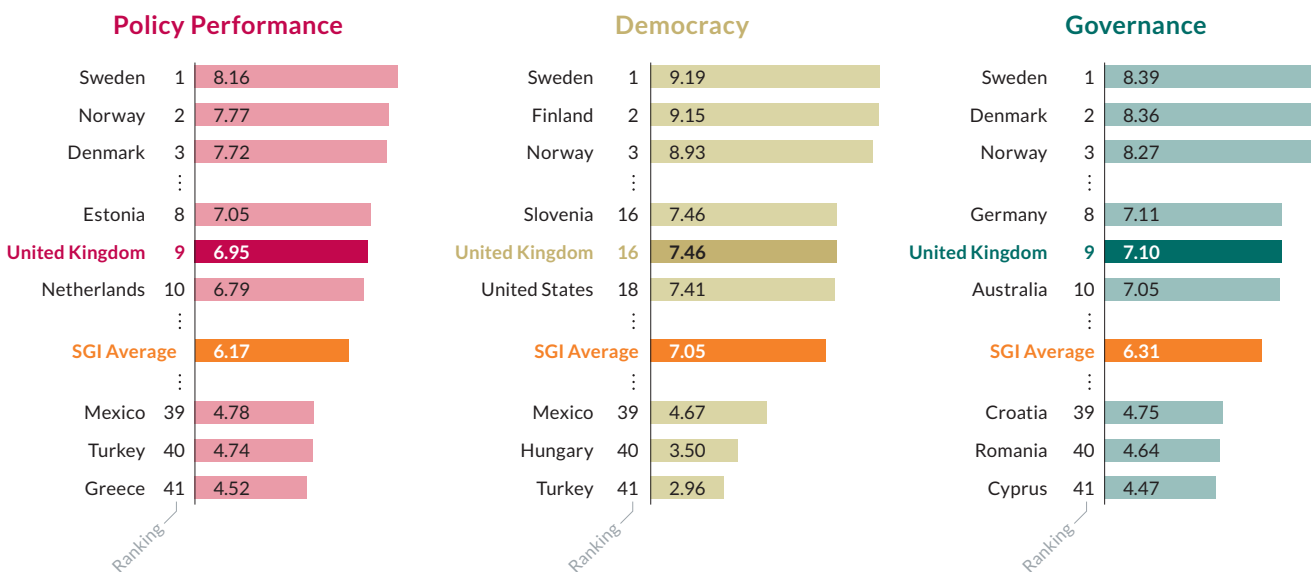
undeniably entail prolonged and difficult governance changes, the speed with which new governing arrangements were concluded compares favorably with other countries faced with similar electoral outcomes. An emerging governance challenge is the inability of the party system to aggregate voters’ preferences on Brexit in a representative way. This risks engendering enduring divisions in British society, with unpredictable consequences for social cohesion. In addition, cross-party cooperation (which might be a suitable reaction in such a situation) continues to be an unattractive option in a system in which the dynamics and the logic of party competition are dominant. Shortcomings in preparations for Brexit have also been exposed, including a reluctance to spell out in a timely manner what the United Kingdom wanted from the negotiations, amid evident political disagreements among senior ministers. The economic situation in the United Kingdom is mixed. Job creation is robust and the headline total of people in work reached a new all-time high, but – although there has

been a further fall in youth unemployment – it is around double the rate of older age groups. However, UK growth (previously at the higher end of the league table of larger economies) now lags behind and there are growing concerns about the economy’s weak productivity growth. There has been an uptick in inflation and, because nominal wages have not kept pace, consumers are likely to be squeezed by reductions in household spending power. Investment remains a weakness and uncertainty about the eventual outcome of Brexit negotiations has led many firms to hold off making significant investments. There are also concerns about the impact of Brexit on the financial and business services sectors which are important both as net exporters and sources of tax revenue. The public finances of the United Kingdom are still shaky, despite many years of supposed austerity and, in a number of areas, public services are over-stretched. In particular, health care, which was (as so often) one of the most salient themes of the June 2017 general election and its integration (or lack of it) with social care is an unresolved governance concern, accentuated by the responsibility of local authorities for the latter at a time when their resources have been cut substantially. The general election also prompted renewed disputes over the funding of higher education. Despite governance reforms at the center of

government aimed at strengthening implementation, political indecision has stalled major infrastructure developments. For example, yet another postponement of a definitive green light for a new London runway was announced, prolonging a process dating back to the 1960s. The United Kingdom has persevered with efforts to improve the openness of government and to communicate more effectively with stakeholders. The sheer administrative burden of Brexit and its dominance of the political agenda has, however, had a debilitating effect on other major policy initiatives resulting in them being stalled or inadequately thought-out. An example was a proposal for redressing inter-generational imbalances in meeting the costs of care for the elderly, initially put forward in the Conservative manifesto, was quickly dropped. No real alternative has since been proposed, despite the urgency of finding solutions.

### Key Challenges

Dealing with the consequences of the Brexit referendum – internally and externally, as well as politically and economically – remains the main challenge for the United Kingdom until the process is complete. More than 18 months into the process, it can safely be stated that in many



Source: Sustainable Governance Indicators.

areas the challenges are not being handled optimally. Unsurprisingly, given the complexity of the tasks the British government has taken on, delays, disagreements and wishful thinking largely characterize the situation. Finding good solutions for as many of these challenges as possible will require political will and skill, hitherto lacking. The main domestic political challenge is to find and sustain a stable political majority for completing Brexit, despite both major parties being split over the course to be taken and seeming unable to find compromises that bridge their antagonisms. Internationally, maintaining good relations with the European Union is vital both for successfully concluding the Brexit negotiations and securing a mutually satisfactory future relationship. However, the tactical behavior of some UK politicians over Brexit so far has threatened the credibility of the United Kingdom as a negotiation partner. In parallel, the United Kingdom faces the challenge of recasting its economic, political and security relationships with other parts of the world. Unrealistic expectations of a rapid conclusion to trade deals will have to be tempered, while renewing relationships with old partners (for example, Commonwealth countries) and enhancing them with others will need attention. An economic challenge will be to achieve a post-Brexit outcome that minimizes the risks to economic growth while making it politically possible to claim to have achieved increased sovereignty. However, the economic policy agenda facing the United Kingdom transcends Brexit. A weak record on productivity and a persistent external deficit are known problems, but greater urgency is needed in resolving them. Consolidation of the public finances has been slow and the longer-term consequences of unwinding the substantial program of quantitative easing undertaken by the Bank of England will have to be taken into account. Constitutionally, there are immediate challenges in settling the continuing difficulties in Northern Ireland, but there is also unfinished business around the devolution of powers from central government to Scotland, Wales and the growing number of mayor-led authorities in England. This is especially important to avoid the sort of constitutional crisis that could arise if the respective political authorities disagree with the terms of Brexit, possibly leading them

to try to block an agreement with the European Union. Difficult though Brexit undoubtedly is, the United Kingdom cannot neglect other important societal challenges. Because of the inexorable effects of an aging population, much more will have to be done to improve health care and to integrate it better with social care, against a backdrop of constrained public funding and staff shortages. Similarly, and even if Brexit does ultimately stem the inflow of economic migrants, the need for an increase in housing is striking, the funding model for higher education has to be revisited, and over-stretched infrastructure calls for substantial new investment. Concerns have surfaced about the readiness of the armed forces to undertake missions and, as so often, terrorist threats remain high. Dealing with these and other domestic priorities will be demanding at a time when Brexit is consuming so much political attention and capital. While much has changed in recent years, arguably for the better, in the conduct of public administration, not least in making government more open, the extent of change in the pipeline will be testing for the government. The challenge for the executive will be to reconcile the heavy demands of Brexit with the need to maintain momentum in other policy domains.

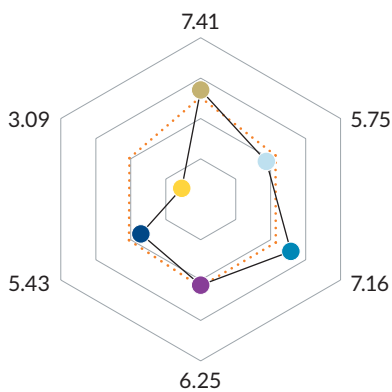
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- Andreas Busch
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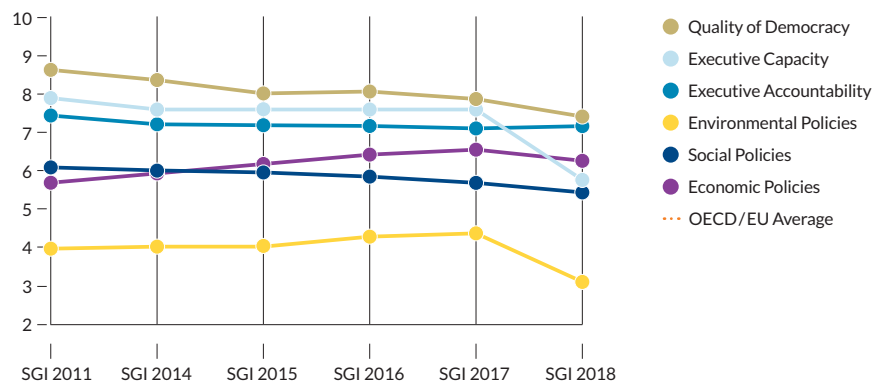
## Country profile SGI 2018

# United States

Overall 2018 Performance



Development over time



Source: Sustainable Governance Indicators.

| BertelsmannStiftung

### Executive Summary

The twelve-month period ending in November 2017 was a challenging time for the United States. The country’s performance on the Sustainable Governance Indicators (SGI) has deteriorated sharply across numerous indicators.

Some of this erosion was the straightforward consequence of the 2016 elections: the election of Donald Trump as president and Republican majorities in both houses of Congress. Neither Trump nor the contemporary Republican party have policy agendas that align well with the normative assumptions of the SGI. Trump campaigned on a platform of “America First” nationalism – promising drastic action on illegal immigration and a moratorium on Muslims entering the country. He raised objections to U.S. participation in NATO and complained that the United States was treated unfairly in its major trading relationships. Despite long-term fiscal imbalances, he promised major tax cuts, a massive infrastructure pro-

gram, and rejection of spending cuts for middle-class entitlement programs (Medicare and Social Security). He endorsed the long-standing Republican plan to “repeal and replace” the Affordable Care Act (Obamacare), signaled opposition to policies benefiting racial minorities and low-income people, and dismissed concerns about climate change. Congressional Republicans initially espoused alternative viewpoints on some issues, particularly trade, international security and entitlements spending. Given Trump’s staunch support among the party’s voter base, however, most eventually deferred to his policy positions.

Beyond policy positions, however, both Trump and the Republican-controlled Congress have demonstrated substantial difficulties in capability and execution. By conventional, nonpartisan standards, Trump has proven an incompetent, even dangerously unfit president. The White House has been poorly staffed and managed. The administration lacks experienced leadership in most key positions and been unable to fill many



important posts. Trump himself has remained undisciplined, uninformed and prodigiously mendacious.

At the same time, Republicans in Congress have declined to cooperate with Democrats on their major policy goals, yet been too divided to govern effectively without Democratic support. Until the enactment of a major tax cut in December 2017 (after the assessment period of this report), Trump was on track to become the first modern U.S. president unable to pass a single major law in his first year.

In terms of the SGI, the United States continues to have high scores in some areas of long-term strength, including economic policy, labor market efficiency and innovation. Indeed, the American economy continued to perform well in 2017. However, as a consequence of the policy agendas of the Trump administration and the Republican-controlled Congress, the United States inevitably performed worse in policy areas concerned with social inclusion, the integration of new immigrants, elementary education, family policy, environmental protection, and fiscal sustainability.

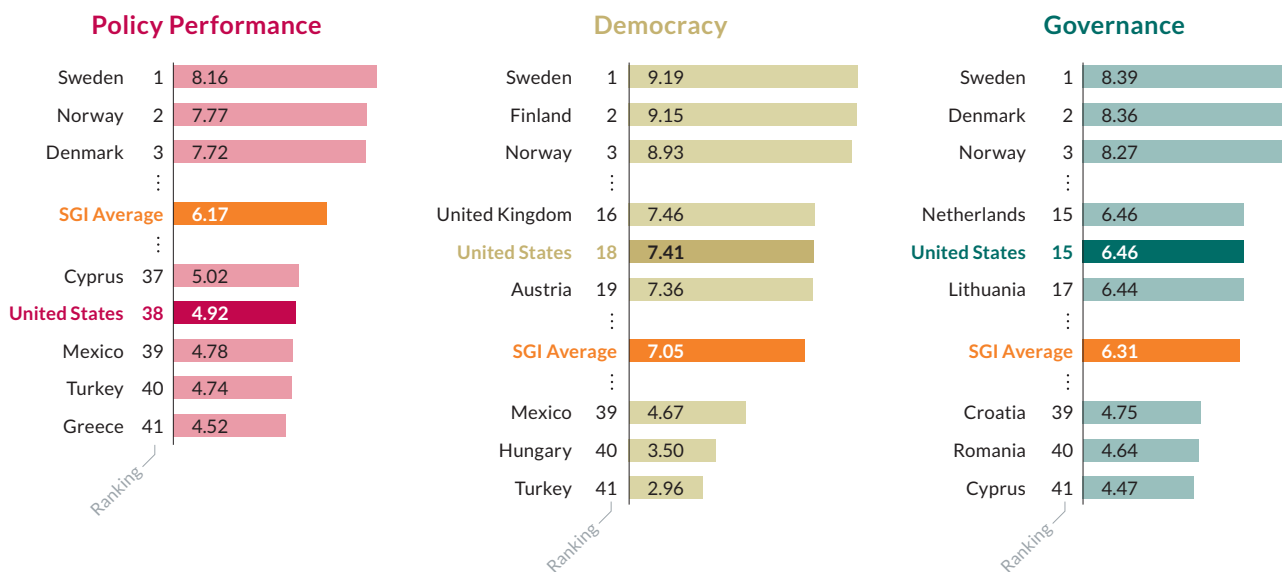
With respect to the quality of democracy, the United States continues to exhibit strengths, including equal political rights, candidate and party access to the ballot, and relatively balanced news media coverage and campaign funding.

In many Republican-controlled states, however, the 2016 election continued the trend of raising barriers to voter participation for black, Latino and lower-income citizens. The sources of campaign funding, although relatively balanced between the two major parties, became even less accountable with the increased role of independent expenditures funded in large part by extremely wealthy individuals. In addition, voters' access to reliable information has suffered because of the increased prominence of social media as a news source.

The worst scores in this assessment – some radically lower than those from the last year of the Obama administration – are in the areas of governance, especially those of “steering capability.” There is a bad news, good news story: the leadership of the U.S. government has been uninformed, ideologically extreme and reckless, but also relatively ineffective in achieving its policy goals. In its first year, most of the Trump administration's policy achievements have consisted of ordering reversals of Obama-era administrative regulations, using truncated administrative processes that eventually may not withstand judicial scrutiny.

### Key Challenges

The presidency of Donald Trump is itself the major challenge facing the United States. From a



Source: Sustainable Governance Indicators.

sustainable-governance perspective, the United States must deal with numerous challenges. Among them a dangerously excessive long-term budget deficit, increased economic inequality, the loss of well-paying middle-class and working-class jobs, and cost problems and provider shortages in some health care insurance markets. Racial tensions have increased and there has been an explosion of drug addiction (i.e., the opioid crisis). The Trump administration lacks motivation and thereby effective policies to reduce greenhouse gas emissions. Beyond its borders, the United States faces several major foreign-policy challenges centering on North Korea's nuclear weapons program, the Syrian war and Russian expansionism.

The Trump administration and Republican-led Congress have few plans, if any, that credibly address these challenges. In his presidential campaign, Trump's appeals were an incoherent blend of populist nationalism, Tea Party conservatism and sheer puffery with virtually no supporting analysis. He promised to stop illegal immigration, including by building a wall on the Mexican border; to repeal and replace Obamacare; to enact massive tax cuts, while rejecting reductions in Social Security and Medicare spending; to dramatically increase military spending; to cut back regulations, especially on environmental protections; to rebuild the country's infrastructure; to cancel or renegotiate supposedly unfair trade deals; to reduce American involvement in the Middle East; and to limit American support for NATO.

At the end of the first year, Trump had achieved some of his goals: a very large tax cut, primarily for corporations and wealthy individuals, an increase in deportations and sharp reduction in illegal immigration, and cancellation of many Obama-era regulations, effected entirely by administrative means. These successes, however, were limited and qualified. Trump and the Republican-controlled Congress, despite lengthy efforts, had failed to repeal Obamacare. They had failed even to propose the broad outlines of an infrastructure program. The tax bill increased the ten-year budget deficit by an estimated \$1.5 trillion and was hugely unpopular. The regulatory revisions were subject to judicial appeal, with many vulnerable to reversal. In foreign affairs, the United States had lost

influence and credibility in several regions of the world. Trade relations were unsettled with China, Japan, Canada and other important trading partners. Trump had also recklessly exacerbated dangerous tensions with nuclear North Korea.

Given the political circumstances, plausible paths toward significant progress are hard to identify. At this point, the main item on congressional Republicans' agenda for 2018 is to mitigate some of the adverse fiscal consequences of the tax bill by cutting spending on entitlement programs. The most bloated programs – Medicare and Social Security – subsidize middle-class retirees and will be difficult to cut; Trump at times has opposed cutting them. For the United States to bring long-term budget deficits under control would almost certainly require not only reversing most of the 2017 tax cuts, but also raising taxes beyond recent levels – steps that the Republicans will be unwilling to take for the foreseeable future.

After the chaotic first year of Trump's foreign policy, the United States must develop carefully deliberated, stable positions on existing trade relations, the North Korean nuclear weapons program, several Middle East conflicts, the country's role in NATO and other security alliances, and the rivalries with Russia and China. In view of the successful broad-based effort by the Russian government to disrupt and distort the 2016 elections, the federal government and states must harden the security of election systems and strengthen deterrence of such efforts in time for the 2018 elections. The worst-case scenarios of many of these challenges are indeed calamitous. Unfortunately, Trump and his administration will likely remain incapable of developing coherent foreign-policy positions and unwilling to deal seriously with the threat of Russian election interference.

Trump's second year as president will be dominated by the 2018 midterm congressional elections. Almost a year before the election, polling suggests that a building anti-Trump, anti-Republican wave could return control of the House, the Senate or both to the Democratic party. A Democratic House or Senate would effectively nullify Trump's legislative agenda for the rest of his presidency. Beyond that,

a Democratic-controlled House would likely vote to impeach him. Although his being convicted in the Senate (requiring a 2/3 vote) appears highly unlikely, Trump's removal from office by one means or another is a possibility. It is a time of extraordinary dangers both to Trump and his presidency and to the rule of law in American politics.

- Paul J. Quirk
- Christian Lammert
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