



Global Findings

Less democratic, less successful

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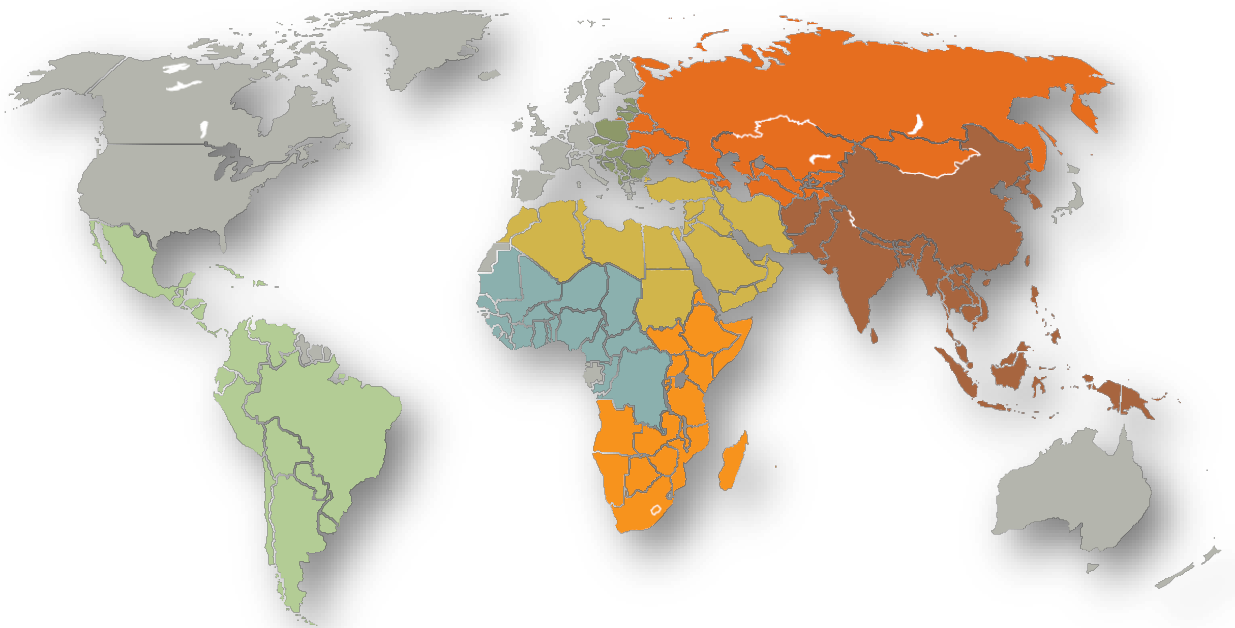
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Global Findings BTI 2024

Less democratic, less successful

by Sabine Donner and Hauke Hartmann*



This report analyzes the results of the Bertelsmann Stiftung's Transformation Index BTI 2022 in the re-view period from February 1, 2021, to January 31, 2023. Further information can be found at www.bti-project.org.

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Introduction

Overall, the quality of governance and policymakers' ability to target democracy under the rule of law and a socially inclusive market economy have reached their lowest point in BTI history. The global average score in the BTI 2024 Governance Index has plummeted to a new low of 4.60 points. In an age defined by the consequences of climate change, the changing landscape of the global order, and the widening inequalities and polarization within societies, governance is facing increasingly difficult demands. And this comes at a time when the quality of initiatives aimed at fostering transformative change is on the decline.

This downward trajectory in governance quality is closely linked to a similar decline observed in political transformation. In the world's entrenched autocracies and populist-led regimes with authoritarian tendencies, we see a growing concentration of power in executive branches, which is undermining the mechanisms designed to ensure the separation of powers. Accompanied by efforts to limit participation in the political process, this trend is resulting in stifled public discourse and the suppression of critical commentary, which ultimately opens the door to clientelistic practices.

These adverse trends in governance and political transformation have unfolded in a context of worsening economic conditions rooted in Russia's full-scale invasion of Ukraine, which has driven up food and energy prices and added more fuel to post-pandemic inflation in many countries. At the same time, it's important to consider the worsening state of economic transformation in the broader context of its relationship to poor governance. Many governments are either unwilling or unable to adopt sustainable and socially inclusive economic policies over the long term. Instead, their efforts are geared toward sustaining a corrupt system of patronage that hinders both free and fair economic competition.

All three dimensions of the BTI survey have thus reached a new low. While the state of economic transformation, buoyed in part by a modest economic recovery following the COVID-19 pandemic, has experienced only a marginal decline, the trajectory of quality of democracy and governance performance has consistently trended downward over the past four years.

All BTI dimensions at a low point again



Average of analytical dimension scores, BTI 2012 to BTI 2024, for 119 continuously assessed countries

The vast majority of the 137 states surveyed by the BTI are marked by poor governance, and the trend is continuing to decline. Until the BTI 2018, the cohort of countries featuring very good or at least good governance consistently made up at least one-third of the country sample. However, in the BTI 2024, this group, which includes countries as diverse as top-scoring Taiwan and lowest-scoring Côte d'Ivoire, has dwindled to just over a quarter. Once again, more than 100 countries are now assessed as featuring “moderate” to “failed” governance.

Diminishing steering capability

The slump in government performance worldwide can be attributed in part to a global average decline in the ability to shape policy. Over the past four years, fewer and fewer governments have demonstrated an ability to effectively plan, map out and implement societal progress in a long-term and adaptive manner.

The missing compass

Disorganized governance stems from inadequate or neglected prioritization. Of the 56 countries in which there is a complete or almost complete lack of long-term and transparently organized priorities (with scores ranging from 1 to 4), 50 are under autocratic rule. More than two-thirds of all autocracies examined by the BTI have refrained from making any effort to clearly define development goals for their societies, instead focusing primarily on preserving repressive power structures and systematically plundering the available resources. If and when priorities are even set, they are deliberately defined in only vague terms and are not operationalized. This allows governments to prioritize short-term interests that foster the enrichment of elites and preservation of patronage structures.

A look at the six democracies in this group of countries featuring weak prioritization performance reveals the glaring governance failures at this level of evaluation. In countries like Bosnia-Herzegovina and Lebanon, where institutional dysfunction fosters patronage systems divided along ethnic and religious lines, the ruling elites do not have any interest in addressing this issue. In Brazil (under Bolsonaro), Nepal, Peru and Sierra Leone, the executive arms of government have also struggled to formulate coherent policy priorities during the period under review. As a result, largely aimless or indifferent political elites in these countries often fail to define key objectives for societal development.

Neglected social policy

Rather than being merely a question of prioritization, expanding social safety nets and health care services is closely connected to a country's level of economic prosperity. Most of the 62 countries with social safety net scores of four points or less continue to have a per capita GDP below \$12,500 per year, which falls below the global average. Social safety nets in these countries are rudimentary and cover only a limited number of beneficiaries for specific risks, leaving the majority of the population vulnerable to poverty.

However, it's important to note that, in most cases, countries whose governments are not actively engaged in pursuing social policies tend to have not only lower levels of prosperity but also elites intent on preserving a highly unequal status quo. But wealthier countries also fail on this issue. Examples include Egypt and Equatorial Guinea, where political and economic elites strive to uphold a clientelist regime, as well as countries like Iran and Venezuela, where the government's primary focus is on retaining power.

In contrast, democratic governments like those in Albania and the Dominican Republic demonstrate that leaders who display political resolve and set proper priorities can preserve and advance social policies even without high GDP levels. For instance, in Albania, the government has improved the institutional and legal framework for addressing poverty and has raised the level of social assistance for all beneficiaries by at least 10%. In the Dominican Republic, President Luis Abinader's administration increased allowances and benefits by extending the coverage of the state's public assistance programs. In a historic development, informal workers receive public assistance and domestic helpers enjoy a minimum wage and retirement benefits.

Generally, however, it appears that governments worldwide assign a relatively low priority to social safety nets, as indicated by the global average score of 4.93 points for this indicator. While those countries classified as democracies in the BTI 2024 stand apart with an average score of 6.05 points on this issue, their welfare systems are nonetheless less comprehensive and, as in countries like Argentina and South Africa, leave a significant share of the population at risk of poverty. In contrast, autocracies in the country sample score an average of only 3.97 points, underscoring the rudimentary nature of their social assistance programs, as observed in countries like Angola and Nicaragua.

Correspondingly, there is a significant disparity between democracies and autocracies in terms of their respective abilities to prioritize, with the former achieving an average score of 6.21 and the latter lagging behind with only 4.10 points. In fact, there are very few examples of autocratic regimes that align societal development priorities with social inclusion targets.

Success in education policy remains elusive

Despite substantial efforts to improve education policy outcomes, gains in education, training and research remain few and far between. According to the World Bank and UNESCO (Education Finance Watch 2023), except for a period of stagnation during the COVID-19 pandemic, global education spending has steadily risen in recent years. Aiming to mitigate the educational setbacks caused by the pandemic, low-income countries in particular have significantly boosted their education expenditures even with reduced levels of related development aid. Nonetheless, despite this clear prioritization, tangible improvements in education have proved elusive. This suggests that there are issues with the execution of educational measures and corresponding deficiencies in implementation. As a result, the global average score for the education policy indicator, which has been on a slight downward trend for a decade, fell once again in the BTI 2024.

Despite nominally high enrollment rates in many countries, various issues contribute to high dropout rates, such as poverty among many learners, a shortage of qualified educators, and run-down or inadequate physical infrastructure. Georgia, Morocco and Tunisia number among the 21 countries with declining scores for education policy in the BTI 2024. Even though governments in these countries have boosted investments in education, the associated measures, as detailed in the BTI 2024 country report for Georgia, reflect little more than "ambitious announcements with questionable impacts." The resulting deficiency in implementation capacity ultimately translates into an education system that lacks alignment with the job market's demands.

The significant disparity between educational investment and actual outcomes highlights issues related to the effectiveness and implementation of policies. This is evident in the roughly equal declines in the already low global average scores for education and R&D policy (-0.37) as well as implementation (-0.31) observed over the past decade. Severe implementation deficits stem

from several factors, including an underpaid, unmotivated or unprofessional administrative staff along with a top-down management culture characterized by a high degree of centralized decision-making. There is much to suggest that states with a stronger dirigiste or clientelistic orientation face challenges in operationalizing their objectives, as observed in the education sector.

Words, not deeds

In recent years, the capacity to execute reforms has declined even more than the will and ability to prioritize them. Whereas 35% of all governments surveyed were already failing to effectively implement most or all of their announced priorities just four years ago, scoring between one to four points, this percentage has now risen to 44%. At the same time, the number of governments capable of successfully implementing most or all of their strategic objectives (7 to 10 points), has dropped from 30 to 23 since the BTI 2022.

Implementation capacity eroding



Number of countries per scoring level for the "Implementation" indicator, BTI 2014 and 2024.

Color code: Different colorations illustrate the number of countries per scoring level from 1 point (dark red) to 10 points (dark green). Highlighted by brackets are scoring levels 4 and 5.

Botswana, following in the footsteps of Namibia and South Africa, has now fallen out of the group of countries identified as having successful policy implementation. The continued dominance of ruling parties in these three countries, which is still largely unchallenged, can mainly be attributed to their historical achievements in gaining independence or overcoming apartheid. However, for some time now, it has been clear that long and uninterrupted terms in office are blurring the lines between the state and the governing party and making the state susceptible to nepotism and corruption. In all three countries, deficiencies in prioritization, implementation and policy learning have been on the rise for several years.

Environmental policy rarely implemented

Among the various BTI indicators addressing economic and sustainability issues, none has such a limited number of high-performing countries as that for environmental policy. Only 10 countries – including seven in East-Central Europe as well as Chile, Taiwan and Uruguay – manage to achieve scores of eight or nine points (with no country hitting a perfect 10), indicating only slight shortcomings in these governments' implementation of environmental policy priorities. In contrast, half of all the countries examined tend to prioritize growth considerations over environmental concerns during their implementation practices, often sidestepping measures related to environmental regulations.

The true measure of a government's dedication to its stated goals usually only becomes apparent when it starts carrying out its declared political priorities. Take, for instance, the case of Morocco, where contradictions in environmental policy outweigh any implementation successes. The goals of the Moroccan government as outlined in the National Energy Efficiency Strategy, including the expansion of solar energy and energy-saving measures, are at odds with the extension of the service lives of coal-fired power plants and the expansion of natural gas infrastructure. Moreover, the Green Morocco Plan tends to obscure the damages inflicted, particularly on small-scale farmers, by large agricultural enterprises' overexploitation of groundwater. Although the BTI maintains its view of Morocco as a relatively forward-thinking nation in terms of environmental policy, the country's scores for the prioritization, implementation and environmental policy indicators have all fallen from seven to six points.

Conversely, the scores of Gambia and Kenya for environmental policy have gone up. Gambia stands out as one of the few countries already aligning its national commitments with the Paris Agreement's 1.5-degree target, it has made investments in reforestation and solar energy, and it fosters an attentive and environmentally conscious civil society that is sensitive to environmental policy issues. In Kenya, the recently elected president, William Ruto, has reaffirmed his country's commitment to meeting all its energy needs with renewable sources by the end of the decade. Renewable sources currently cover 90% of the electricity needs of Kenya, which is also a pioneer in plastic-reduction efforts. Both cases illustrate that consistent implementation of political priorities does not always depend on a substantial budget, but rather on the political will to follow through on declared goals.

Most of the countries in the BTI sample lack this political will. With a global average score of 4.56 points, environmental policy ranks at second from the bottom among all 14 economic transformation indicators.

A weak autocratic learning curve

Successfully setting and implementing political goals requires continuous monitoring and evaluation, which in turn allow a government to learn from its own progress and setbacks as well as to adapt flexibly when needed. The capacity to adapt and innovate through learning, which has always been a weak point within the broader area of policy steering capability, diminished further during the period under review. In the BTI 2024, it is the hardening and increasingly centralized autocracies – such as China, Russia, Türkiye and Vietnam – that are responsible for the majority of the losses in the area of flexible and innovative policy learning.

For example, during this review period, China refused to deviate from its chosen pandemic-control course, namely, a zero-COVID policy that led to economic downturns and shortages of goods and supply. The country's failures in this regard have proved systemic. Under Xi Jinping, the Chinese regime is increasingly morphing from a system of one-party rule into an absolutist monarchy. The country's former policy learning strengths are weakening. Meritocracy in China is suffering from the fact that loyalty to Xi has now become more important than qualifications when it comes to filling senior positions. Chinese experimentalism, which used to permit decentralized innovation and an autonomous search for solutions, is increasingly being replaced by centralized learning that takes place within a much smaller circle. This practice shields the head of state from unbiased information and constructive criticism, ultimately resulting in a loss of flexibility.

Sluggish recovery, rising inflation and growing debt

Over the past few years, the consequences of the COVID-19 pandemic and Russia's full-scale invasion of Ukraine have also demanded considerable flexibility and policy learning ability from governments in economic terms. Many were only able to meet this challenge to a limited extent.

The massive pandemic-era contraction of the global economy was followed by a return to growth, although this recovery ultimately proved weak compared to the scale of the preceding downturn. Following a decline in the average score for the BTI indicator on this topic from 5.88 to 5.20 points in 2022, the current period saw only a slight recovery, to 5.32 points. Twenty countries even showed deteriorating economic performance, with 13 of them continuing the negative trend observed two years ago. This decline was particularly pronounced in the politically destabilized states of Myanmar and Sri Lanka as well as in the warring nations of Russia and Ukraine.

For a number of countries, this halting recovery came at a time of deep fiscal policy dysfunction. While the pandemic did lead to revenue declines and necessitated additional health and social expenditures, the dire budgetary conditions in many states cannot be solely attributed to these additional burdens. Rather, these emergency outlays often further disrupted countries that were already heavily indebted and nearing the point of sovereign default. For example, irresponsible and patronage-driven debt policies were partially responsible for budgetary difficulties in the structurally overindebted Argentina, whose \$57 billion in International Monetary Fund (IMF) loans make it the largest single borrower in the organization's history; in Lebanon, which has the world's highest national debt-to-GDP ratio, at 283%; and in Pakistan, with its record 23 IMF debt restructurings. In each of these cases, there appears to be only limited capacity for policy learning. The BTI 2024 clearly indicates that these three countries, as well as 36 other countries with four or fewer points for the fiscal stability indicator, have pursued incoherent budgetary policies, which have made it impossible to achieve fiscal stability. Or, as the BTI country report for the fiscally dysfunctional Ghana aptly puts it, they have simply engaged in "reckless borrowing." After output strength, fiscal stability is the economic indicator to have seen the second-greatest decline over the past decade, with an average global drop of 0.70 points.

The anti-inflationary policies implemented by central banks in most countries, typically taking the form of growth-inhibiting interest rate hikes, were one of the primary reasons for the sluggishness of the economic recovery and the associated fiscal policy difficulties. These inflationary trends resulted in part from the sharp rise in demand as many economies reopened their economies after gradually overcoming the pandemic. However, the fact that the supply chains of

global production were still impaired led to supply constraints, which triggered rapid price increases, particularly for food and energy. Russia's full-scale invasion of Ukraine in February 2022 significantly aggravated this inflationary pressure, as both countries are major producers of fertilizers, wheat and cooking oil, while Russia also exports oil and gas. The rise in commodity prices also helped fuel inflation.

Nevertheless, most governments or their central banks reacted flexibly and adaptively in countering these inflationary tendencies. A total of 88 countries were assessed as pursuing sound monetary policy, which in the BTI 2024 corresponds to a rating of seven or more points. By contrast, other countries – such as Lebanon, Sudan, Türkiye and Zimbabwe – recorded inflation rates in 2022 that in some cases reached into the triple digits. Türkiye's central bank, whose decision-makers are politically appointed and follow instructions given directly by President Recep Tayyip Erdoğan, lowered the country's interest rate in 2021 despite the inflationary tendencies in order to stimulate investment. However, the subsequent rapid devaluation of the national currency led to high inflation rates in 2022. This resulted in high social costs domestically and a significant further loss of confidence internationally. The Turkish example illustrates the extent to which narrow, personalized governance can lead to a systemic loss of learning ability and thereby to misguided economic policies.

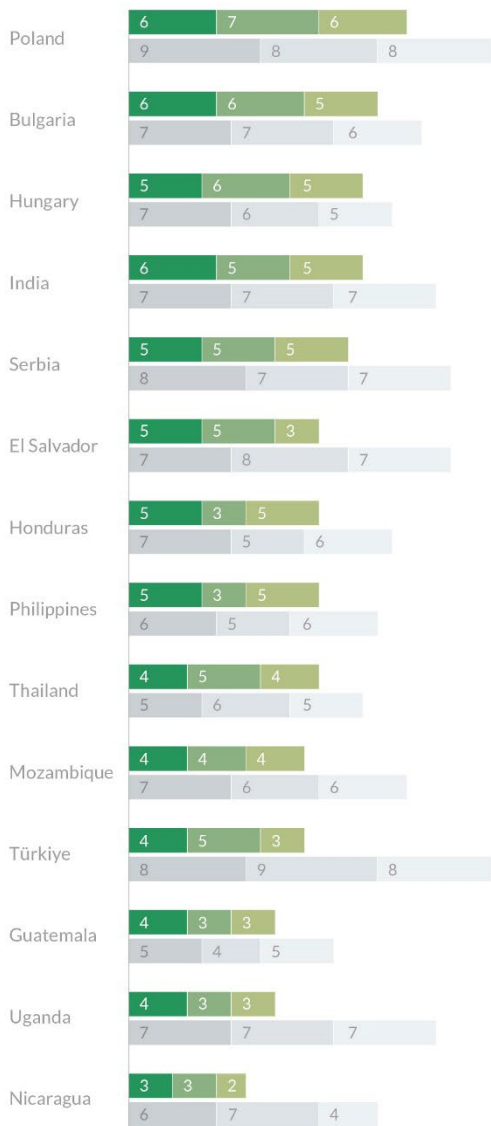
Concentration of power undermines competence

Overall, a third of all surveyed governments demonstrated an incapacity to thoroughly and inclusively design and execute social development plans and to shape them in a flexible and adaptive manner. Governments that scored between one and four points for their policy steering capability represent a relatively stable group whose share of the overall sample has only slightly increased in recent years, from 29% to 32%. Only four of these 44 countries – Lebanon, Malawi, Peru and Sierra Leone – are democracies, which means that this group includes more than half of all the regimes classified as autocracies in the BTI 2024.

The slight growth of this group and the decline in average scores even at this already low level are due to the fact that numerous autocratic regimes, from Belarus to Uganda, have become even more entrenched. Coup states – such as Burkina Faso, Mali and Myanmar – are among the countries that have fallen to this level, as is Guinea-Bissau, where President Umaro Sissoco Embaló dissolved parliament and cracked down on the judiciary, opposition and media. The repressive hardening and increasing concentration of power in autocracies means that decision-making is taking place in ever-narrower leadership circles, often with a personalistic governance style. This diminishes governance competence, as decision-makers are deprived of the ability to weigh alternative proposals, consider critical voices, or carefully evaluate the policies and processes in place.

The number of governments with good to excellent steering capability has also remained stable. For more than 10 years, around a dozen states have made up this top group of countries receiving scores of between eight and 10 points in this area. Since the BTI 2006, the three Baltic states, Singapore, Taiwan and Uruguay have all demonstrated how to stay on course despite the headwinds of global crises thanks to their consistent strategic orientation, strong implementation capacities, and innovative and flexible policymaking.

Illiberal power grabs contribute to declining steering capability



"Steering capability" indicators, BTI 2014 and 2024.
Country sample: 14 (former) democracies with an erosion in their rule of law of ≥ 1.50 points over the past 10 years.

BTI 2024 ■ Prioritization ■ Implementation ■ Policy learning
BTI 2014 ■ ■ ■

For their part, Costa Rica, Czechia, Qatar, South Korea and the United Arab Emirates have been able to significantly improve their prioritization, implementation and policy learning over the last decade and currently number among the countries with the highest-rated steering capability. Conversely, governments that used to have steady hands at the state tiller – such as those in Brazil, Chile, Mauritius, Poland and Slovakia – are now showing more serious shortcomings in terms of steering capability.

Brazil has an opportunity for course correction with President Ignacio Lula da Silva, who took office toward the end of the current review period. His government is faced with the task of reversing the massive decline in policy steering capability that the country suffered under his predecessors, particularly the right-wing populist Jair Bolsonaro. As in Türkiye, where a creeping authoritarianism is continuing to harden, Brazil has seen declines in both policymaking competence and the separation of powers. After a decade of continuous setbacks, it is now at the lower end of the country sample, with just 4.3 points for the steering capability criterion, having seen this score cut nearly in half over this time.

Although extreme, the Brazilian case is typical. The clear decline in the global average over the past four years is primarily due to the fact that governments with good or only slightly defective steering capability have lost ground with respect to setting and implementing strategic priorities, in some cases significantly. The key contributing factor has been the fact that they have simultaneously suffered setbacks in the rule of law, particularly with regard to the separation of powers.

Fourteen countries, all classified as democracies in the BTI 2014, saw their rule-of-law score drop by 1.50 points or more during the last 10 years. They tellingly illustrate the strong correlation between illiberal power grabs and declining steering capability. The erosion of core democratic institutions in El Salvador, Guatemala, Mozambique, Nicaragua, Thailand, Türkiye and Uganda has facilitated the establishment of autocratic rule. The capacity and willingness to prioritize and execute reforms as well as to learn from previous efforts declined substantially in all 14 countries. These examples demonstrate that when decision-making goes unopposed and policies remain unchallenged, political steering processes become less informed, less efficient and, ultimately, directionless.

Diminished rule of law

Over the past 10 years, the average global score for the rule of law has fallen both significantly and with increasing speed. Since the 2014 edition, the global average for the rule of law has lost more than half a point on the BTI's 10-point scale, and the decline of 0.15 points in the current review period is a significant contributor to this drop. This reflects significant setbacks in judicial independence and the prosecution of office abuse, even more so in the protection of civil rights and, above all, in the control of the executive via an effective separation of powers.

A decline of three or more points for the separation of powers means that the internal balance of power within a government has been radically reorganized, shifting from functioning horizontal accountability to a constellation of state powers dominated by the executive or from a defective separation of powers to the far-reaching erosion or complete elimination of such oversight functions. Since the BTI 2006, 31 states – or more than one in five countries – have seen the quality of their separation of powers erode to at least this extent. The most significant of these declines have been in Hungary and Türkiye, each of which have seen its score decline by six points.

Such a comprehensive dismantling of government oversight functions can result from violent takeovers of power, as was the case during the current review period with the military coups in Burkina Faso, Guinea and Myanmar as well as the Taliban's victory in Afghanistan. But it can also result from creeping state dysfunctionality drawn out over many years – as in Bulgaria, Mexico and Peru – or increasing autocratization – as in Guatemala, Mozambique and Uganda.

However, the most common scenario is when a government deliberately seeks to undermine oversight bodies – such as the judiciary, parliament, regulatory authorities and the media – in the course of monopolizing and consolidating the power it has already gained. Early prototypes of this kind of usurpation are Bangladesh and Hungary, whose governments used their clear parliamentary majorities to dismantle mechanisms of horizontal accountability. In the middle of the last decade, Hungary's populist example was imitated in multiple countries, such as India, Poland and Türkiye. In recent years, including in the current review period, it has primarily been heads of state acting in an increasingly authoritarian manner – and sometimes with considerable popular support – who have criticized efficiency shortcomings and championed a strong executive as a solution to corruption and reform backlogs.

A weakening of the separation of powers is almost always accompanied by damage to other constitutional institutions. In the 36 countries in which the functional and institutional independence of the judiciary has been curtailed over the last four years, almost all systems have also been characterized by a loss of horizontal checks and balances. In Bangladesh, Guatemala, Tanzania, Uganda and Zimbabwe, the curtailment of judicial independence followed an earlier weakening of the separation of powers. A more authoritarian executive therefore tends to be the main driver behind the erosion of the rule of law.

During the period under review, this was illustrated by the decline of the rule of law in El Salvador. After his party gained a two-thirds parliamentary majority in the March 2021 elections, President Nayib Bukele used this position of power to immediately dismiss the attorney general and all five judges of the constitutional chamber of the country's Supreme Court of Justice and to then fill these positions instead with loyalists. The newly appointed magistrates judged

Bukele's bid for re-election in 2024 to be constitutional contrary to the provisions of other articles of the constitution. After the legislature introduced mandatory retirement for judges over the age of 60, the Supreme Court of Justice was able to replace over a quarter of the country's magistrates without a transparent selection process. The government also undermined the efficacy of prosecutions for abuse of office by ending cooperation with the International Commission against Impunity in El Salvador and by covering up for corrupt high-ranking government officials. Lastly, the government also restricted civil rights by imposing a state of emergency in response to gang violence. Among other things, this led to the imprisonment of 60,000 people, thousands of whom were unjustly deprived of their freedom, according to human rights organizations.

The Salvadoran example is particularly striking when one considers just how quickly and extensively the rule of law was dismantled. However, it is also representative of a number of executives in Central America (Guatemala, Honduras, Nicaragua), Europe (Bulgaria, Hungary, Poland), Kyrgyzstan, the Philippines and Türkiye. In each of these cases, all aspects of the rule of law – from the separation of powers and independence of the judiciary to accountability and the protection of civil rights – have deteriorated in recent years, driven by a government intent on the elimination of limiting oversight bodies to cement its own power. Clientelism, executive overreach and autocratization have thus led to a massive loss of accountability in countries that had previously featured good governance practices over the last decade.

Empty promises of efficiency

Dissatisfaction with political outcomes persists in many countries, jeopardizing support for democratic institutions and processes. This discontent stems from multiple issues, including the consistent underdevelopment of socioeconomic conditions, poor administrative and public services, corrupt practices, and the abuse of public office. These issues are, in turn, fueling protests against political leaders who seem to lack the determination or ability to promote societal progress in an efficient, transparent and coordinated fashion. Resource efficiency continues to be the lowest-rated governance criterion in the BTI, while anti-corruption policy remains the lowest-rated indicator of governance quality.

The public's longing for better governance after many years of cronyism and mismanagement helps explain a number of key recent events. These include the high level of support for President Patrice Talon's elimination of Benin's fragmented party landscape and President Nayib Bukele's ruthless moves against established institutions and gang violence in El Salvador. And it was also a factor in the Guinean public's approval of Colonel Mamady Doumbouya's military junta after it dislodged the corrupt government of Alpha Condé, in the broad support seen in Kyrgyzstan's constitutional referendum for creating a strong presidential regime under Sadyr Japarov, and in the applause given to Tunisian President Kais Saied after he dissolved that country's divided and deadlocked parliament. Following the end of the review period, these desires for change even helped radical libertarian outsider Javier Milei win Argentina's presidential elections after wielding an actual chainsaw as a symbol for his planned attack on the old, corrupt and dysfunctional political system.

In all these countries, the considerable support given to these figures reveals a willingness to accept a violation of constitutional standards in return for the prospect of greater government efficiency – a dangerous gamble that a strengthened executive will govern more effectively and focus on the public welfare.

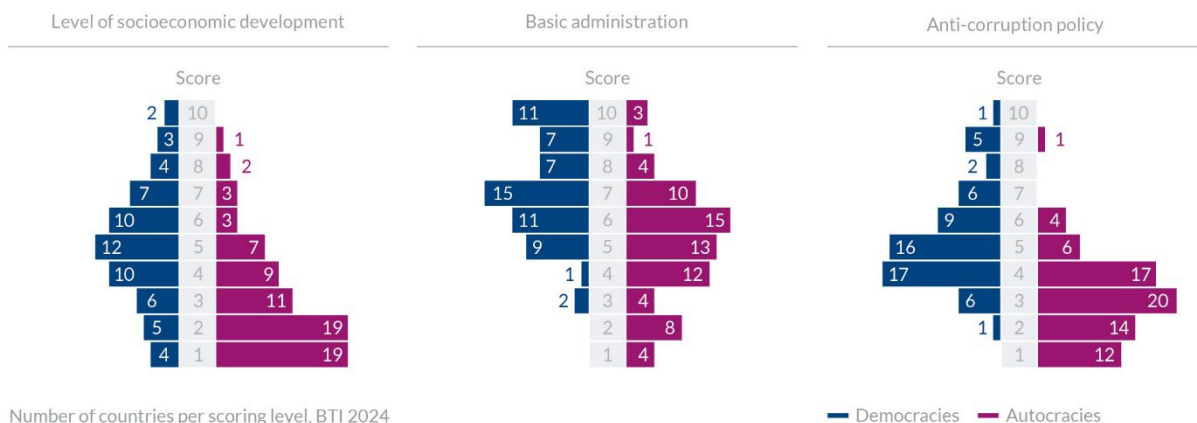
A look at democratic developments in more authoritarian states shows that it is relatively easy to increase executive power, but that such steps are difficult to roll back. Several countries – including Honduras, Kenya and Zambia – launched redemocratization processes with new elections and are again categorized as democracies in the BTI 2024. Yet none of them has restored its rule of law to the level seen before autocratization.

On the other hand, a look at the resource-efficiency records of states which have experienced huge declines in the separation of powers over the last four years shows largely negative outcomes. In Argentina and India, for example, the efficient use of assets has been increasingly undermined by politically motivated appointments driven more by political loyalties or religious identities than by aptitude. Under President Pedro Castillo, policy coordination in Peru was virtually impossible due to the high turnover of ministers, with around 70 changes in just 16 months. Conversely, in El Salvador, the high degree of personalization made the president’s tweets more meaningful than cabinet consultations. In Bulgaria, the anti-corruption authority has virtually ceased its work due to controversial pending reforms, and the public prosecutor’s office fails to investigate even obvious cases of impunity. Meanwhile, in Kyrgyzstan, public tenders for state contracts and public income declarations by officeholders are no longer required.

As the global average shows, this is a systemic pattern with only a few exceptions. In general, there are considerable differences between the 63 democracies and the 74 autocracies in terms of resource efficiency. Strict authoritarian governance does not offer an advantage in terms of efficiency despite these regimes’ supposed ability to act more quickly and decisively. For example, as a global average, the quality of policy coordination in autocracies lags far behind that of democracies (-1.54 points), their use of available resources is significantly less efficient (-1.88), and the gap between the quality of the two systems’ anti-corruption policies is particularly wide (-2.20).

A few exceptional authoritarian states are able to demonstrate good resource efficiency. This group includes the efficient and strategically prudent city-state of Singapore, the two Gulf states of Qatar and the United Arab Emirates and, to a considerably lesser extent, the relatively well-coordinated Rwanda. This contrasts with 24 democracies that show a high degree of efficiency. At the bottom of the scale are 45 disorganized, resource-wasting and corrupt regimes, all of which – with the exception of Bosnia-Herzegovina, Honduras, Kenya, Lebanon and Lesotho – are ruled autocratically.

No output legitimacy for most autocracies



Exclusion, underprovision and corruption

The structural hurdles to good governance are very high in several BTI countries. These barriers include extreme poverty, gravely inadequate infrastructures and educational deficits, which place a heavy burden on governance. Additionally, the impacts of climate change, the degradation of arable land, and the rising frequency and severity of natural disasters further complicate governance in many countries in the Global South. The BTI factors these structural challenges into its evaluation of governance performance, assessing governance under difficult conditions more favorably.

Over the past 20 years, the challenges faced by governments in planning and implementing their policies – which have always been considerable – have only grown. The vast majority of countries confronting the biggest structural obstacles are impoverished nations with a low per capita GDP. Among the 39 most heavily burdened states, only eight are democracies.

Most heavily burdened countries are struggling with low resource efficiency. The revenues generated from abundant natural resources are seldom directed toward initiatives aimed at promoting social development, and there is often a lack of effective coordination in policy measures, especially in the many places with rampant corruption. Many of these countries are controlled by a small group of elites, who systematically exploit the available resources for personal gain.

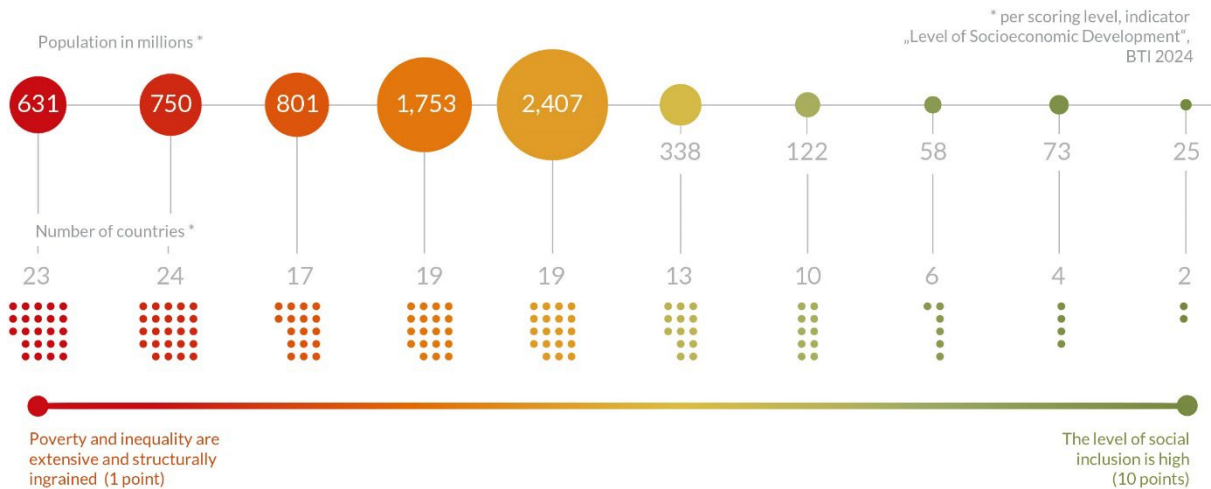
Poor, autocratic, exploitive. Though this rather gloomy characterization is apt for most countries in this segment facing considerable structural challenges (which make up almost a third of the BTI country sample), it should not be misconstrued as an indication of inevitability. Just four years ago, for example, almost all West African states were democratically governed. However, recent autocratization in these states highlights the difficulty of maintaining democratic governance under adverse conditions. Similarly, the performance of governance in Benin, Guinea and Rwanda demonstrates that proactive and efficient political leadership is possible even in poorer and autocratically governed states.

Nonetheless, authoritarian governance structures, widespread socioeconomic marginalization, inadequate administration and services, and widespread corruption are closely correlated. Only a few autocracies prioritize social equity, guarantee the state's provision of basic needs and administrative services, and effectively combat corruption and the abuse of office, receiving seven or more points on the BTI's 10-point scale in these aspects. Singapore excels in all these areas, while the Gulf states of Qatar and the United Arab Emirates at least provide comprehensive services to their citizens, who make up a minority of their overall populations. These three states – along with Belarus, Kazakhstan and Kuwait – have limited levels of poverty and inequality. Among those countries under autocratic rule, only Singapore and, to a lesser extent, the United Arab Emirates effectively penalize corruption.

Only a quarter of democracies, and not even one in 10 autocracies, achieve a level of socioeconomic development that ensures a relatively high degree of social inclusion. This means that widespread and deeply rooted social exclusion currently persists in 83 out of the 137 BTI countries. More than half of these countries are located in Africa. Among the 50 African countries surveyed, 36 fall into the two lowest rating levels and are marked by very high poverty rates and extreme inequality.

In addition to growing inequality, poverty is also rising significantly again after having temporarily fallen in the years before the COVID-19 pandemic. Globally, the level of socioeconomic development has declined to a record average low of 3.98 points, a rating comparable to the situation in Botswana, Ghana and Peru.

Poverty and inequality on the rise



Once again, scores for the provision of essential services – such as access to water, sanitation, electricity, transportation and communication – as well as basic administrative structures have also declined. While close to two-thirds of the democracies surveyed guarantee nationwide (though sometimes inadequate) coverage of these services, only a quarter of the BTI’s autocratic nations do so. Conversely, the provision of basic services is not guaranteed in almost a quarter of all the countries examined.

However, it is precisely the failure to combat corrupt structures that exposes the promises of efficiency of supposedly strict and assertive autocratic governance as an ideological façade for a form of governance without any concern for fairness and inclusion. In fact, Singapore is the sole autocracy in the group of 15 governments that are genuinely committed to fighting corruption and successfully establishing integrity mechanisms. On the other hand, of the 87 governments that are unwilling or unable to curb corruption and receive a score of four or less for the anti-corruption indicator in the BTI 2024, 63 are autocratically ruled. A staggering 85% of all autocratic regimes lack the authority, capability or even intention to combat opaque structures of self-enrichment and patronage.

Eroding societal consensus on transformation goals

In many countries, the lack of substantive socioeconomic progress means that a significant share of the population remains deprived of an improved quality of life. This situation is intricately linked to two pivotal factors: Governance either fails to commit to societal advancement or to properly implement policies targeting this goal. These shortcomings are reflected in the eroding ability and willingness of governments to promote consensus, engage in societal dialogue, and uphold inclusive governance. Since 2014, the consensus-building criterion has consistently recorded the greatest losses on a global average of all BTI criteria in the Governance Index. In comparison to 2014, these deteriorations have cumulatively reached –0.55 points on a 10-point scale. The ability and willingness of governments to build consensus are now rated worse in 80 countries, and only 37 states have seen improvements.

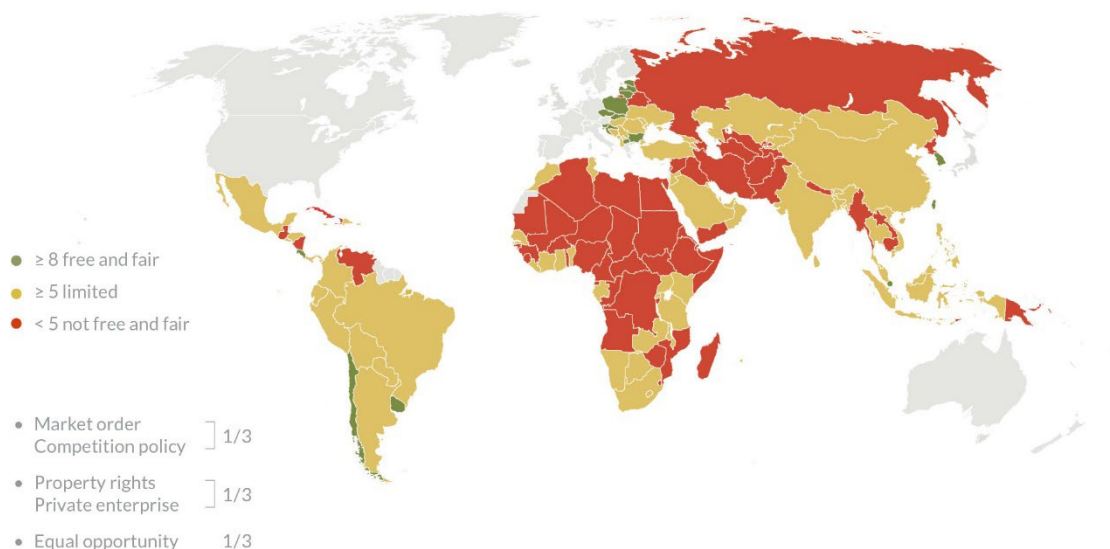
Increasing challenges persist among both political and economic elites as well as within the dynamic between governments and their citizens. These challenges encompass the struggle to establish consensus on overarching societal objectives, to bridge deep societal divisions, to get the public actively involved in the political process, and to efficiently counter anti-democratic elements. A decline in trust in governments is being accompanied by mounting discontent with political and economic elites, who are often seen as exacerbating problems rather than actively contributing to their resolution.

Economic and political participation remain unfulfilled goals

Citizens' expectations of an effective government go beyond concrete policy outcomes, as they also encompass the government's ability to foster an environment in which all individuals can exercise self-determination while actively trying to improve their lives. The BTI findings show that the majority of governments worldwide fall short of establishing equitable economic and political conditions for all their citizens. If we gauge governments' effectiveness in terms of providing equitable economic prospects for as many citizens as possible, the outlook appears rather bleak.

If we construct a separate index to measure “freedom and fairness in economic transformation” using the BTI indicators that assess the conditions facilitating these goals (i.e., market organization, competition policy, protection of private property, legal guarantees for private enterprise, and equal opportunity), it becomes evident how constraints affect economic participation.

Restricted freedom and fairness in economic transformation



Only 16 countries offer nearly unrestricted access to economic participation, while 66 countries grapple with various barriers. In roughly 40% of the countries assessed by the BTI, competition-distorting regimes hinder free and equitable access to markets. These governments fail to ensure adequate protection against price fixing, the dominance of monopolies or cartels (often state-affiliated entities or companies with close links to the political leadership), and a secure legal framework for private property. Notably, within this selection, the indicator for equal opportunity garners the lowest global average score (5.01 points), with a total of 80 countries either

achieving or falling below this score. In these countries, women and members of specific ethnic, religious or other demographic groups face massive discrimination in terms of their opportunities for economic participation.

Opportunities for economic participation severely constrained

Addressing all these factors involves establishing a favorable set of conditions, which a government can actively shape as long as it has the necessary state capacity and a steadfast commitment to fostering societal change over the long term. A medium-term comparison with the BTI 2014 shows that neither the composition of the three groups (free and fair – partly free and fair – neither free nor fair) nor the numerical ratio between them has fundamentally changed over the past decade. The number of countries demonstrating improvements (54) is roughly equal to the number of those in which freedom and fairness in economic transformation are more restricted today than they were in the BTI 2014 (56). However, it's worth noting that the magnitude of deteriorations surpasses that of the improvements achieved. Notably, the most significant setbacks have occurred in failing states, such as Libya, Syria and Yemen. In these countries, the prospects for free and equitable economic participation were already restricted prior to the outbreak of civil wars, armed conflicts, and the associated power and resource disputes, which have only exacerbated the situation.

However, Hungary and Türkiye have registered almost equally large declines in this respect, even though their economic systems were still characterized as unreservedly free and fair in the BTI 2014. While their score losses are much less severe, we nonetheless also observe discernible constraints on free and equitable economic transformation in Brazil, India, Poland, Serbia, South Africa and Venezuela. In all these countries, the boundaries between the state and the economy have become increasingly blurred in recent years, governments have often positioned themselves more as representatives of vested interests than as catalysts of broader societal advancement. In any case, the lack of progress toward greater economic participation implies that holding on to or consolidating power often takes precedence within a select elite over forging a fairer economic order.

However, there have also been some positive developments in the past decade. Specifically, governments in nine out of the 16 highest-scoring countries managed to expand their economic order for free and fair participation to a moderate extent. Similar progress has been achieved in several countries in which a heightened emphasis on creating more equitable conditions for participation became evident following public protests or changes of government. Notable among these countries are Armenia, Ecuador, Mongolia and Tanzania. The governments of Moldova and Ukraine (+1.17 points each) grapple not only with substantial external threats but also with the formidable challenge of advancing their reform agendas in the face of powerful interests and fierce resistance to untangling the state from the economy and to dismantling oligopolies. Notably, we see a strong and striking correlation between the quality of democracy and the willingness to establish a more equitable economic order for a large portion of the population. Among the 55 countries in which economic participation is characterized as neither free nor fair, only five were classified as democracies at the end of the BTI survey period in early 2023: Lebanon, Nepal, Niger, Sierra Leone and Timor-Leste. Conversely, among the 16 countries that feature virtually unrestricted economic freedom and fairness, Singapore is the only autocracy.

Increasing restrictions on political participation rights

We see a similar situation with regard to opportunities to engage in political life. Scores for the core principles of political participation (i.e., the ability to elect political leaders through free and fair elections, freedom of expression, and the right to assemble) have been steadily declining since the BTI 2014, and the global average fell precipitously over the past two years. In 25 countries, elections have experienced a decline in their level of freedom and fairness, while 32 countries have exhibited diminished respect for the right to freedom of assembly. Furthermore, the freedom of expression and press freedoms face heightened constraints in 39 countries. Conversely, positive developments remain rather rare and are only recorded in around a dozen countries in each category.

Military coups and the consolidation of autocratic rule

The main drivers of these negative developments are primarily authoritarian regimes that are increasingly resorting to harsh measures to cement their claim to power over their own populations. Having abandoned the pretense of competitive elections observed in prior years, they are no longer willing to tolerate even minimal dissent. Illustrations of this are vividly apparent in Russia's parliamentary elections of 2021, where any semblance of opposition was effectively quashed even prior to the full-scale invasion of Ukraine. Similarly, under President Alexander Lukashenko, Belarus has continued to wage a brutal campaign against its own citizens since the protests stemming from the rigged presidential elections of 2020. In a similar vein, Myanmar's military junta, following its refusal to accept electoral defeat in 2021 and subsequent re-seizure of power, has been in violent conflict with its own people, suppressing the ongoing protests with excessive violence. The period under review was dominated by another series of military coups or unconstitutional seizures of power. In Burkina Faso, Guinea, Mali and Sudan, military forces have seized power, effectively stripping the population of its ability to participate in selecting its political leaders. Similar developments unfolded in Niger and Gabon after the end of this review period.

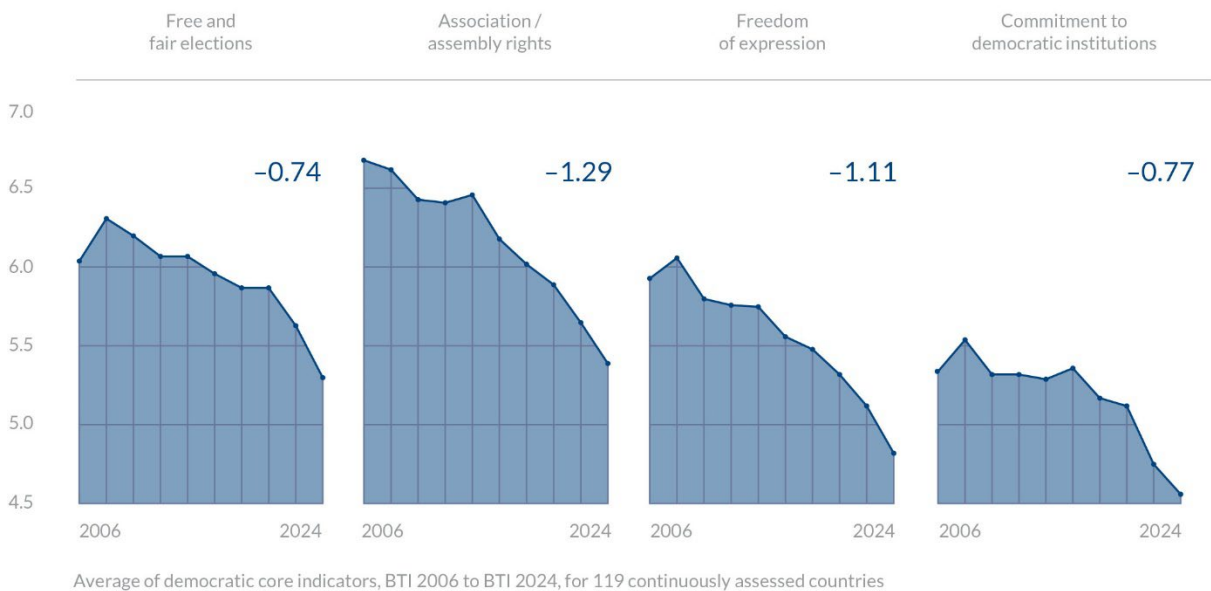
Continuing erosion of democracy from within

However, democratically elected governments also acted to usurp power and set aside democratic procedures, such as elections – whether by violating term limits, as in El Salvador, or by dissolving parliament and pushing through a new constitution in a referendum of questionable validity, as Tunisian President Kais Saied did. In response, only 11% of Tunisia's population cast votes in the subsequent parliamentary elections. In Hungary's April 2022 parliamentary elections, even a united opposition did not have a fair chance of dislodging the ruling Fidesz party, especially because changes to the electoral law and the state-dominated media heavily skewed the contest in favor of Prime Minister Viktor Orbán. In Brazil, incumbent Jair Bolsonaro resorted to another increasingly popular strategy, announcing well before the date of the presidential elections that he would not accept the result in the event of his defeat. The new government was able to fend off accusations of electoral fraud and survived the subsequent storming of parliament, the Constitutional Court and the presidential palace by Bolsonaro supporters. However, these events have corroded public trust in the electoral process, and the normalization of this kind of transgression of norms is damaging democracy.

Freedoms of expression and assembly on the retreat

A comparison with the BTI 2014 reveals the extent to which the freedom of expression, the freedom of the press, and the right of free assembly have eroded. While 19% of the surveyed countries received the lowest scores on the scale (1 to 3 points) for the association/assembly rights indicator a decade ago, this share has risen to 36% in the BTI 2024. Conversely, the proportion of countries that grant these rights almost without exception (8 to 10 points) has fallen from 40% to 27%, and the share of countries in which the freedom of expression de facto no longer exists has more than doubled since 2014, from 18% to 38%.

Political participation and respect for democratic institutions weakened



Behind these sobering figures lies an alarming reality: In more and more countries, journalists critical of the state are being harassed, defamed and threatened. In many countries, they are subject to draconian penalties, with the relevant laws deliberately providing ample leeway for accusing them of disseminating disinformation or fake news. These circumstances are often found in state-dominated media landscapes in which opposition media sources have been deprived of access to funding or bought up by pro-government entrepreneurs. In many states, especially those that are autocratically governed, there has also been an increase in the scope of total surveillance as well as in the frequency of internet shutdowns intended to silence critical voices even before they express dissenting opinions. This deprives citizens of a vital means of holding governments accountable – especially those that are withholding information from them. Citizens are also facing increasing risk associated with participating in demonstrations or activities with NGOs. Given that public spaces for political participation and open discourse have become much more constrained, it is all the more remarkable that discontent with governments continues to break out even under the most repressive regimes. This was seen, for example, in the protracted protests against China's zero-COVID policy, the demonstrations by Iranians against that country's regime following the death of Mahsa Amini, and the protests against the military government in Myanmar.

For many autocracies, the goals of securing power and maintaining their patronage systems are more important than social progress. Preserving supposed political stability apparently requires an ever-greater degree of repression, yet oppression does not produce a broad societal consensus. The greatest possible centralization or personalization of power, along with the exclusion of any opposition from the political sphere, may well keep governments in office. But, in terms of good governance, by curtailing criticism of undesirable developments and constraining the space in which new ideas can be introduced, authoritarian regimes also diminish their own potential for improved policymaking and problem-solving. Indeed, the inability to engage in course corrections is practically inherent to these systems, which has a particularly negative impact in times of crisis and uncertainty. By contrast, environments featuring inclusive political participation allow for the competition of ideas, which in turn supports good governance. This is the greatest comparative advantage possessed by democratically governed states, and they should confidently utilize it.

Inclusive governance remains in short supply

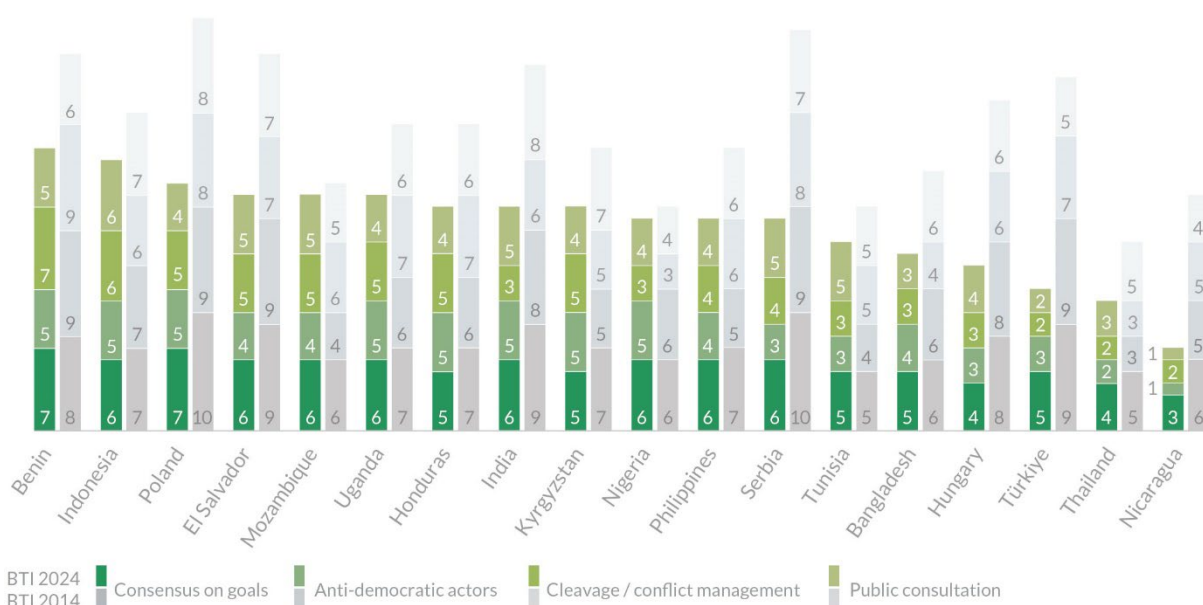
As the freedoms of assembly and expression diminish, thereby narrowing pre-political spheres of participation, many states also show correspondingly little interest in engaging more directly with their citizens. Overall, public consultation and the involvement of non-state actors in the political process remains the second-weakest aspect of governance, trailing only anti-corruption policy. Very few countries have a genuinely institutionalized process for including non-state actors. One exception is the inclusion of feedback during the legislative process, which is mandatory in many democracies. But governments treat this all too often as a mere formality.

In this area, as well, governments that embrace a constructive vision of societal objectives, articulate clear priorities, and demonstrate genuine commitment to their effective realization recognize the necessity and value of adopting a more inclusive approach to governance. Although no country achieved the maximum score of 10 points for this indicator, the governments of Estonia and Taiwan demonstrate that those affected by policy decisions can be productively included in the dialogue as early as the agenda-setting or policy-formulation phase. In this regard, the vTaiwan online platform created by Taiwan's government is far more comprehensive even than Estonia's national and local online petition portals. Since its launch in 2014, vTaiwan has proven to be a valuable source of ideas for policymakers as well as a catalyst for consensus-building among stakeholders with widely divergent interests.

Few other governments are this experimental and courageous when it comes to involving citizens – and not just organized interest groups – in political decision-making processes. Probably the most comprehensive consultation process during the review period for the BTI 2024 was seen in Colombia. There, before drawing up its government program, President Gustavo Petro's incoming administration consulted around 250,000 citizens in a total of 51 “binding regional dialogues,” giving participants an opportunity to contribute their ideas and demands for national and regional development. The process evidently generated more than 89,000 proposals, although it remains to be seen how many of these will ultimately end up in the government's final program after discussion in the Chamber of Representatives and the Senate. In the meantime, Petro's ambitious reform agenda has encountered multiple obstacles, but one of the aims of the consultation process was to enter into dialogue in the first place, especially with population groups that had previously not been able to articulate their interests effectively within the political system. Following this kind of comprehensive bottom-up process, the government now faces the challenge of including non-state actors in a more long-term manner while systematically anchoring consultation of this kind in the political process.

By contrast, autocratic regimes naturally see the inclusion of diverse actors who deviate from the government’s political agenda as being undesirable, as doing so could jeopardize their hold on power. In such states, the consultations that do take place – typically with non-state actors loyal to the government – are an illusion intended to legitimize government action by simulating popular consent. But even in some democracies, particularly those whose governments display an authoritarian-populist style of leadership, the supposed participation of the population is becoming superfluous. Populists of this kind see themselves as representatives of the peoples’ true will. Thus, according to their own logic, they claim they are aware of their subjects’ needs even without any consultation. For instance, Prime Minister Narendra Modi of India has called on citizens to send him their concerns directly, and he occasionally responds to some of these requests in his monthly radio addresses. In contrast, consultation processes with non-state actors that are actually intended to function as a part of legislative procedures are taking place less and less often. The Indian government’s rating for the BTI’s public consultation indicator has deteriorated from a score of eight to five points since Modi took office in 2014. Even more serious are the setbacks in Brazil, which until 2013 or 2014 was still considered a global role model for the institutional inclusion of non-state actors in the political process and was rated at nine out of a possible 10 points. As early as the 1980s, civil society groups were given the opportunity to participate in municipal and regional budget-planning processes. During President Lula’s first period in office (2003–2011), the government vigorously and systematically created additional dialogue formats and participatory bodies at the national level. Use of these forms of participation diminished under subsequent governments. However, President Jair Bolsonaro went still further, attempting to abolish established institutions, such as the national public policy councils, by decree immediately after taking office. After the Supreme Court intervened, he used various other methods to obstruct the work of these bodies. In the BTI 2024, the country’s score for the public consultation indicator fell to three points.

Less effort to build consensus amid declining participation



“Consensus-building” indicators, BTI 2014 and 2024. Country sample: 18 (former) democracies with a decline of ≥ 1.50 points for political participation over the past 10 years.

In any case, most democratic governments fail to fully exploit the potential of citizen participation to improve the responsiveness of national politics. It often proves to be reform governments, newly come to office, that experiment with these kinds of mechanisms. However, the success of such attempts depends not only on the government's political will but also on the scale of the divides already existing between political actors and the population. This area probably holds the greatest potential for making democracy more resilient to authoritarian attacks and for improving policy outcomes overall, thereby giving fresh momentum to transformation processes.

Increasing debate over transformation goals

Given the multiple internal and external crises in many countries, momentum of this kind is urgently needed. Over the past 10 years, political actors' waning consensus on transformation goals has produced the most dramatic loss within the broader consensus-building criterion, with the consensus on goals indicator showing an average global decline of 0.61 points on the 10-point scale. This deterioration can be partially explained by the growing share of autocratically governed countries, along with the increasing levels of repression in them. After all, consensus on the transformation goal of democracy is irrelevant if the political actors who once wanted or still want to pursue it have been completely marginalized.

However, over the last decade, the consensus on desired ends has also become more fragile in democracies. Superficially, many political actors refrain from questioning democracy as a general ideal. Yet, given the diverging opinions about the essential components needed to realize an ideal democracy, there is growing disagreement about just who the true democrats are. Many countries have a majoritarian understanding that still recognizes elections as the defining feature of a democracy even though their governments are failing to treat checks and balances, the separation of powers, and accountability to the governed between elections as being similarly essential components of a democracy. The fact that a constitutional foundation is indispensable to a functioning democracy is increasingly up for debate. The traditional model of liberal democracy is facing increasing competition even within political spaces still deemed ostensibly democratic, and political elites are proving less and less willing to respect its norms, institutions and processes.

Diminishing commitment to democratic institutions

It therefore comes as little surprise that this lack of consensus is also reflected in falling scores for the commitment to democratic institutions among the most important political actors, with an average decline of 0.19 points in this indicator since the BTI 2022 across all 137 countries surveyed. Here, too, it should be noted that this shift can largely be attributed to the growing number of autocracies, along with the hardening of such systems.

However, if we look at developments over a longer period of time while focusing only on those states classified as democracies in both the BTI 2014 and the BTI 2024, it becomes clear how the elites' increasing lack of respect for democratic institutions has shaped the last decade. With an average decline in this indicator of 0.66 points across these 56 democracies, it is clear that the refusal among significant parts of the world's political elites to actively stabilize and support the democratic order has been one of the strongest factors undermining democracy in the last 10

years. The public's approval of democracy has also eroded during the same period, with the associated indicator showing an average decline of 0.46 points across the same group of 56 countries. According to the country reports, this does not represent a general rejection of the values and objectives of democracy in the vast majority of democracies. Rather, trust in democratic institutions has been shaken, and populations are increasingly dissatisfied with democracy as it is practiced in their countries as well as with the lack of political solutions for what they view as being the most pressing issues.

Growing influence of anti-democratic veto actors

In no other area of consensus-building – or, in fact, in the Governance Index overall – have there been greater losses recorded over the last decade than in dealing with anti-democratic veto actors. The global average score for this indicator has fallen by 0.77 points since the BTI 2014, and the current review period saw a further decline of 0.28 points on average compared to the BTI 2022. Deteriorations in 33 countries are offset by only nine improvements. To be sure, the growing number of autocracies has helped drive this development. When anti-democrat actors are in power, the question of how they can be successfully included in democratic reform efforts – or excluded in such a way that they do not block transformation – loses its relevance.

On the other hand, as discussed above, there are also a number of states in which democratically elected governments are adhering less and less to democratic norms and processes. However, we observe a substantial shift underway in the group of countries in which efforts to exclude or co-opt anti-democratic actors have proved successful enough to prevent democratic reforms from being blocked (receiving the highest scores of 8 to 10 points). Thirty-six governments were deemed to be at this level in the BTI 2014, but this group has shrunk to only 28 in the BTI 2024. The primary driver here has been the emergence in many countries of new parties and movements that understand democracy primarily in a majoritarian way and therefore aggressively reject institutional checks on power, the separation of powers, and protections for minorities – even if they have not come to power yet themselves. With polemical rhetoric and a political style that includes attacks on policymakers and their shortcomings, such movements often force established parties to preemptively adopt aspects of their policy preferences. In many countries, established parties have not yet found good recipes for dealing with such actors. Growing social polarization is thus part of the complicated mix of challenges facing governments today.

Little willingness to defuse conflicts within society

The curtailment of political participation rights is almost always accompanied by an intensification of political, social, ethnic and/or religious conflicts. Globally, when considering all states assessed by the BTI since 2006, conflict intensity has increased by an average of 0.78 points. In the past two years alone, conflict intensity has risen in 39 countries. During this review period, Burkina Faso and Iran have been impacted the most by escalating conflicts. In Burkina Faso, the newly formed military junta has beefed up military operations in response to the threat posed by Islamist groups. Meanwhile, in Iran, the violent suppression of mass protests has deepened the divide between the regime and society to such an extent that reconciliation seems almost unthinkable. The democratically governed states of Panama, Sierra Leone and South Africa also number among those countries experiencing significant setbacks, though it's important to note that their baseline levels of polarization were low compared to the global average. While pres-

ently at the boiling point in some countries, this trend of conflict intensity has long been simmering in many others. Out of the 39 countries where conflict intensity increased in the BTI 2024, 20 are still facing a low or moderate level of conflict (2 to 5 points).

In many countries, the rise in conflict intensity has taken place gradually, starting from a relatively low baseline, rather than in leaps and bounds. Tensions today are simmering more intensely than they did a decade ago, and social, ethnic and religious divisions have become more palpable. In the BTI 2006, social, ethnic and religious tensions were assessed as being at a very low level in approximately 41% of the sample's countries. However, by 2024, this percentage has decreased to 25%.

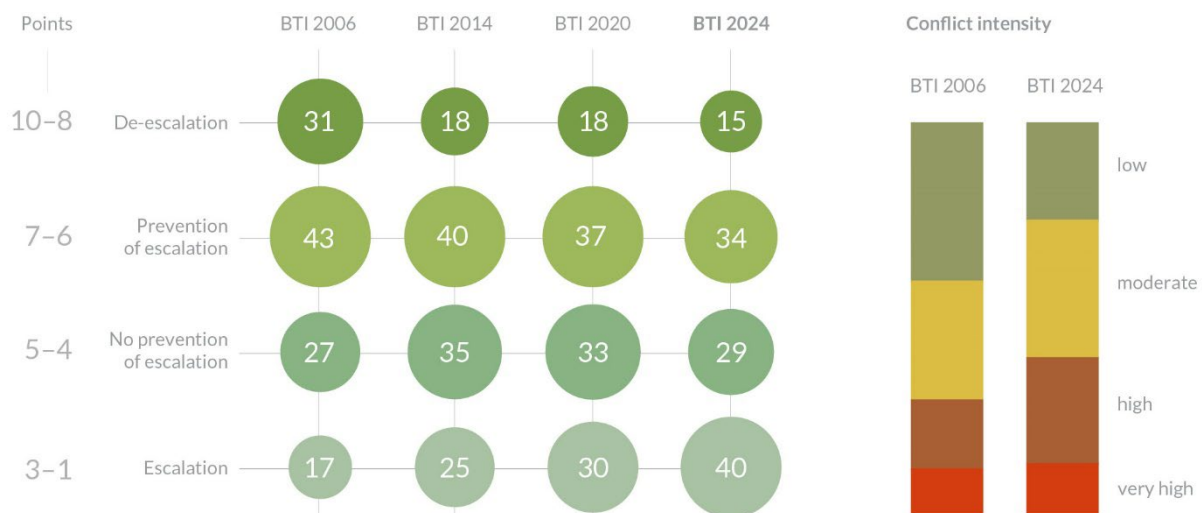
Without a doubt, the pressure on governments and power elites has intensified in many regions. Although the causes of the upsurge in conflict intensity within societies may vary in scale and nature, we do see certain commonalities. In several states, pre-existing fault lines are being exacerbated by internal power struggles among political elites in conjunction with economic crises and dwindling resources. In many countries, the failure of governments to live up to their citizens' expectations – coupled with persistent mismanagement, widespread corruption and clientelism – has fostered profound frustration with the established political leadership and precipitated a crisis of trust. These factors have made the intensifying polarization along either new or old lines of conflict even more pronounced.

Power elites frequently exacerbate conflicts

To date, the political classes' reaction to the increased propensity toward escalating domestic conflicts has been woefully insufficient. To establish effective and sustainable governance, it is urgently imperative that political leaders prioritize more inclusivity, balanced consensus-building and responsiveness. Yet the results of the BTI 2024 indicate that a majority of governments have again failed to ramp up efforts in precisely these areas.

This is most evident in the assessment of political actors' ability to manage cleavages and conflicts effectively. Viewed as a global average, no other aspect of governance has experienced such a significant decline in quality over the past two decades (–1.08 points). The scale of this deterioration can be illustrated by examining the relative share of countries that either succeed in active de-escalation or are at least able to prevent further polarization, on the one hand, compared to those that fail to prevent escalation or even actively fuel intra-societal conflicts, on the other. This ratio has shifted significantly since the BTI 2006, when 74 governments could be viewed as successful mediators, in contrast to the present count of just 49. At the same time, the number of active polarizers has increased from 17 to 40 countries. This latter group includes not only the world's most repressive regimes but also the populist or nationalist governments of Brazil (under Jair Bolsonaro), Hungary, India and Türkiye, all of which are or have been governed by figures with a confrontational and authoritarian leadership style. In addition, the governments of Peru, the Philippines, Serbia and Sierra Leone have edged dangerously close to the zone of political leaders who deliberately escalate social conflicts.

Conflict intensity rises, ability and willingness to de-escalate fades



Number of countries per scoring range. Only the 118 countries continuously assessed since the BTI 2006 are depicted.

Governments of this kind find political advantage in the deepening polarization within their societies, as it mobilizes their supporters. When politics is a zero-sum game and the dichotomy of either friend or foe has become entrenched, it becomes easier to identify who is loyal to whom along these lines of division. Policy substance, a politician's own leadership acumen and even the goals of society as a whole become secondary, and political activity is reduced to championing special interests against one's political adversaries. This is a perilous strategy, as restoring social cohesion becomes exceedingly challenging once the differences between the camps have been portrayed for years as being existential and irreconcilable. Poland's PiS government has become particularly good at this game in recent years. The country's score on the cleavage / conflict management indicator has consequently fallen from nine to five points since 2014. The new Polish government thus faces the formidable task of healing the profound societal rifts left by its predecessor. Its campaign strategy at least offered hope that the tone and style of governance in the country would change. The opposition forces led by Donald Tusk deliberately avoided the use of populist rhetorical tropes and mobilization strategies in their campaign, which may have been one of the reasons for their success in dislodging the PiS in addition to their unity.

Governments' diminishing efforts and abilities to manage conflict effectively have been particularly evident in the two regions that continue to display the best average governance performance. In both Latin America and East-Central and Southeast Europe, the political climates have become much harsher in recent years, with politicians in many countries employing a more confrontational style. In both regions, governments are faced with the challenge of mitigating the impact of increasing societal stratification, a phenomenon stemming in no small part from the transformations of recent decades. This is taking place against the backdrop of economic problems that have persisted since the global financial and economic crisis; of growing frustration among population groups who see themselves as having lost ground since the start of the transformation processes in the 1990s; and of increasing demands for more investment in areas such as education, health, internal security and social justice. Many citizens want more accountability from their governments and have lost patience with persistent corruption and clientelism, which is being expressed in protests directed at the political establishment.

In turn, a growing number of governments have adopted markedly more confrontational and less inclusive approaches compared to the mid-2000s. New political forces that portray themselves as alternatives to the established political elites have capitalized on governments' lack of responsiveness, citizens' disappointed expectations and states' failures to meet the growing challenges effectively. As these forces gain traction, established parties often adopt their populist arguments and mobilization strategies as a means of defense. The new movements have consequently helped bring an increasingly antagonistic tone into the political discourse, polarizing political competition in many countries.

Bad governance is hampering international cooperation

The rising intensity of conflicts and the inability or reluctance to defuse tensions and foster consensus at the national level mirrors a troubling trend of increasingly noncommittal, uncooperative and confrontational conduct on the global stage. Domestic polarization and repression, coupled with nationalist aggression toward the outside world, are two sides of the same authoritarian coin. Notably, the governments responsible for the most significant setbacks in international cooperation are without exception the most fervent proponents of political regression. The friend-foe mentality of polarizing regimes, which stir up conflicts in order to consolidate power within their borders, spills over into a foreign policy marked by nationalism and transactionalism and following the law of the jungle. During the review period, perhaps the most glaring example of this trend was observed in the Russian regime, which launched a war of aggression on Ukraine, flagrantly violating international law and resorting to ruthless brutality. In addition to the imperialist claims postulated by Putin himself, a key motivator for this invasion was probably also the regime's fear that a thriving democratic neighbor could serve as a countermodel to its authoritarian system at home.

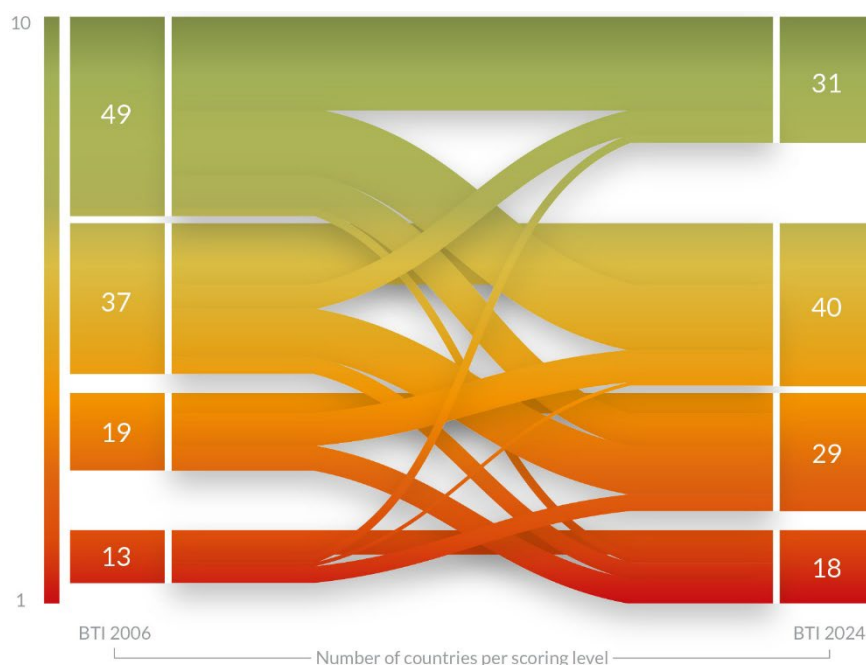
Fears of external destabilization also compelled Burkina Faso and Mali, following military coups, to adopt a self-isolating, confrontational stance toward Western nations, international organizations and even the Economic Community of West African States (ECOWAS), which urgently called for the agreed-upon democratic norms to be respected. After the end of the review period, both countries found more allies among coup leaders in Niger and secured Russian support. Meanwhile, the Sudanese military junta faced even greater isolation, enduring sanctions and international censure, including from the African Union, as it systematically sidelined civilian authorities. Similarly, the military regime in Myanmar also found itself isolated on the global stage. After seizing power following electoral defeat, it resorted to severe repression in response to pro-democracy protests.

On a qualitatively different scale, yet marked by equally notable declines, are the cases of Argentina, Bangladesh, El Salvador, Peru and Tunisia, which have all been demonstrating a lack of both willingness and ability to engage in international cooperation. Here, too, domestic policy deficits are reflected in foreign policy behavior. Argentina, for example, grapples with an ideologically charged and consistently unreliable Peronist foreign trade policy, mirroring the polarizing and opaque domestic approach of the government recently voted out of office. Similarly, the authoritarian government of Bangladesh faced severe censure from the United Nations and the Biden administration in the United States due to its troubling practices of abduction, extrajudicial killings and torture as well as the glaring absence of accountability for such violations. Meanwhile, in El Salvador, the foreign policy of President Bukele continued to show disregard for the rule of law and human rights by violating the Inter-American Democratic Charter, to which his country

is a signatory. The internal gridlock stemming from a polarized government, with tensions between the executive and parliament, hindered Peru's ability to engage effectively in international cooperation. Furthermore, the Tunisian government, characterized by a highly personalized leadership under President Saied, displayed inflexibility and diplomatic limitations. These factors have, in turn, led to a significant reduction in U.S. support, primarily due to a decline in credibility.

These governments represent the most recent drivers of an increasingly pronounced long-term trend, namely, the erosion of international cooperation and multilateral conflict management. In contrast to the other governance criteria, whose ratings have mainly worsened over the past decade, the willingness to engage in international cooperation has been steadily deteriorating from a previously high level for two decades. Overall, however, international cooperation is still the best-rated governance criterion. While steering capability, resource efficiency and consensus-building are rated below five points on average globally, the international cooperation criterion still stands at over six points despite significant losses, especially in terms of reliability and credibility.

Dwindling credibility and reliability in international cooperation



Nevertheless, the departure from international norms and the challenge to the liberal world order began long before Russia launched its full-scale invasion of Ukraine. However, this invasion has served as a wake-up call for established democracies, jolting them out of the complacency that characterized the 2000s, when they wrongly assumed that the status quo would endure despite the rise of authoritarian regimes and numerous global crises. The subsequent awakening prompted these democratic states to provide military and financial support to Ukraine, as they fully recognized that it was also about defending democratic values. However, it also underscored the difficulty of gaining allies outside the Western world. Preserving the liberal international order and averting a scenario in which the rule of the strongest prevails will require more

efforts to regain credibility. This credibility entails a commitment to consistently upholding values, such as by safeguarding the rule of law within the European Union, and resolutely supporting democracies facing pressure as well as those who stand up in defense of democracy.

While this awareness may have come belatedly, the more stringent enforcement of European values, exemplified by measures taken against Polish or Hungarian violations, sends an important signal. Additionally, milestones like the granting of EU candidate status to Georgia, Moldova and Ukraine, along with revival of efforts to integrate the Western Balkan states, contribute to the preservation of the liberal international order. For countries outside Europe, the task of building consensus and forging democratic alliances will become even more challenging, not least because of the presence of actors (both democratic and autocratic) who benefit from this emerging geopolitical disorder as well as because the narratives and discourses surrounding the future of multilateral cooperation are growing in number and drifting apart.

In this context, the importance of good governance cannot be overstated, and it entails more than merely ensuring participatory, equitable and socially inclusive societies. On the national level, it plays a pivotal role in restoring and reinforcing trust in democratic institutions. And, on the international level, it is a key factor in securing the cooperative and peaceful solutions we need to address long-term global challenges.

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