

Bertelsmann Stiftung (ed.)

Transformation Index BTI 2024

Governance in International Comparison



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Foreword

Democracy continues to lose ground worldwide. At no time in the past 20 years have so few states been governed democratically as today. In its review of the quality of democracy, economic development and governance performance in 137 countries, the Bertelsmann Stiftung's Transformation Index (BTI) registers new average global lows in each of these areas. Its country reports and data show that more and more countries are restricting political participation rights in particular – from free elections and the freedom of assembly to the freedom of expression. Moreover, the ongoing erosion of the separation of powers and diminishing space for civil society engagement are compounding these challenges.

Given these trends, it is well worth asking how democracies can be made more resilient. The BTI 2024 once again examines this issue in international comparison by identifying the drivers of autocratic trends alongside the factors conducive to fostering democratic resilience. The pillars of democratic resilience encompass fortifying democratic institutions, vigorously safeguarding the integrity of elections, nurturing a vibrant civil society and advancing social inclusion.

The stability of democratic systems depends to a large extent on the presence of robust and widely accepted **democratic institutions** that are grounded in the rule of law. For example, independent electoral authorities and national election-monitoring institutions play pivotal roles in ensuring the integrity of elections. This was demonstrated by the election victories of opposition parties in Honduras and Zambia during the period under review. The ability of courts and active civil societies to defend election results effectively is also of great importance. The Supreme Court's unanimous affirmation of the contentious 2022 election outcome in Kenya helped avoid the post-election violence seen in earlier ballots, while Guatemalan indigenous groups successfully mobilized against attempts to nullify the opposition's victory. Despite the array of concerning trends, many of which are driven by the numerous recent military coups, elections around the world have been able to mobilize populations and arrest or even reverse author-

itarian trends – as, for example, in Brazil, across East-Central and Southeast Europe and, most recently, in Poland.

Supporters of democracy everywhere, including those in Germany and Europe, must work actively to defend the significance and ongoing **central role of elections** in the democratic political process. With this objective in mind, the Bertelsmann Stiftung is formulating strategies to enhance the resilience of democratic institutions. Enhancing resilience in the digital realm is also imperative, given that targeted misinformation can erode trust not only in policymakers and the media but also in democratic discourse and decision-making processes more generally. To this end, the Bertelsmann Stiftung has launched an innovative nationwide citizen participation project together with the Federal Ministry of the Interior. The "Forum against Fakes – Working Together for a Strong Democracy" involves hundreds of thousands of Germans and develops recommendations for combating disinformation in Germany.

Democracy thrives on the robust engagement of **civil society**. It is thus encouraging to see that the BTI continues to observe a broad representation and cooperative spirit among interest groups alongside the enduring resilience of civil society's capacity for self-organization. This resilience is vividly demonstrated by the grassroots movements defending civil liberties in countries such as Armenia, Poland and Sri Lanka. Such active societal participation signifies the presence of significant social capital, which is crucial for fostering mutual trust. Collective activity of this kind can counteract the divisive forces that erode institutions. However, if civil society is to effectively contribute to boosting the resilience of democracy, it must be able to engage meaningfully with the political leadership and participate in policymaking processes.

Finally, **social inclusion** is essential for strengthening societal cohesion. As seen especially during the pandemic, poverty rates are again on the rise in many developing countries, and inequality within many of these societies is rapidly mounting. At the same time, numerous governments are striving to preserve corrupt economic structures. Many are failing to create change or

believe that they have too few practical options for doing so. The entrenchment of social or economic exclusion continues to foster societal polarization. Nevertheless, insights from the BTI underscore the potential of social policy to counter such tendencies. For instance, the initiative of the government of the Dominican Republic to extend social insurance benefits to informal workers and Albania's significant expansion of anti-poverty program grants represent proactive steps to mitigate socioeconomic marginalization. These measures stand in stark contrast to the prevailing global trend and demonstrate the potential that targeted social policies have for alleviating inequality and promoting societal cohesion.

Once again, the BTI 2024 shows that the conception of governance held by those in power plays a significant role in the success of transformation processes and the stability of democratic systems. Effective policymaking requires clearly defined objectives, purposeful management, transparency, good communication and consistent implementation. It is characterized by long-term planning and implementation horizons as well as a commitment to advancing societal progress.

The BTI's Governance Index demonstrates how closely the quality of democracy and good governance are intertwined, such as when it comes to involving stakeholders in political decision-making. In several autocratic regimes, a notable trend toward increased repression and the centralization of power has emerged, facilitated by the dismantling of oversight mechanisms. This kind of activity often restricts decision-making to a chosen few and frequently results in personalized styles of governance. This, in turn, diminishes governance competence, as decision-makers are no longer able to weigh alternative proposals, consider critical voices, or carefully evaluate the policies and processes already in place.

While democratic societies, as evidenced for several years in the BTI country reports, generally outperform their authoritarian counterparts, they also exhibit significant deficiencies in terms of efficiency, consensus-building and steering capability. The BTI 2024 reveals sustained dissatisfaction with democratic

institutions and processes, reflecting an ongoing decline in this area. Still more alarming has been the erosion of political elites' commitment to democratic institutions. BTI scores in this area have been falling for years, as have those for the performance of democratic institutions.

Better outcomes are possible, however. BTI findings also illustrate how transformation processes can be successfully managed, such as in the Baltic states, Chile, Costa Rica, South Korea, Taiwan and Uruguay. These countries' systems are all participatory and inclusive as well as strongly grounded in the rule of law. Governance in these states produces commendable outcomes with respect to education, health care, infrastructure and living standards – and ultimately strengthens democracy on the whole. These examples confirm that good policymaking is still one of the best responses to authoritarian challenges.



Ralph Heck
*Chairman of the Executive Board
 Bertelsmann Stiftung*



Main results and all dimension scores



The BTI 2024 at a Glance

