

*Bertelsmann Stiftung (ed.)*

# Transformation Index BTI 2024

Governance in International Comparison



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**Bibliographic information published  
by the Deutsche Nationalbibliothek**

The Deutsche Nationalbibliothek lists this publication in the Deutsche Nationalbibliografie; detailed bibliographic data is available online at <http://dnb.dnb.de>.

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Verlag Bertelsmann Stiftung, Gütersloh

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**Cover illustration:**

Getty Images; kopfstand, Bielefeld

**Photo:**

© Besim Mazhiqi

**Layout:**

Veronika Döpjohann, kopfstand, Bielefeld

**Printing:**

LD Medienhaus GmbH & Co. KG, Ahaus

ISBN 978-3-86793-974-4 (print)

ISBN 978-3-86793-975-1 (e-book PDF)

[www.bertelsmann-stiftung.org/publications](http://www.bertelsmann-stiftung.org/publications)

## *Contents*

|    |   |
|----|---|
| 4  | <b>Foreword</b>                               |
| 6  | <b>THE BTI 2024 AT A GLANCE</b>               |
| 10 | Political transformation                      |
| 12 | Economic transformation                       |
| 14 | Governance                                    |
| 16 | <b>GLOBAL FINDINGS</b>                        |
| 36 | <b>REGIONAL FINDINGS</b>                      |
| 38 | Latin America and the Caribbean               |
| 42 | West and Central Africa                       |
| 46 | Southern and Eastern Africa                   |
| 50 | Middle East and North Africa                  |
| 54 | East-Central and Southeast Europe             |
| 58 | Eastern Europe, the Caucasus and Central Asia |
| 62 | Asia and Oceania                              |
| 66 | <b>Methodology</b>                            |
| 76 | <b>Acknowledgments</b>                        |

# 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.

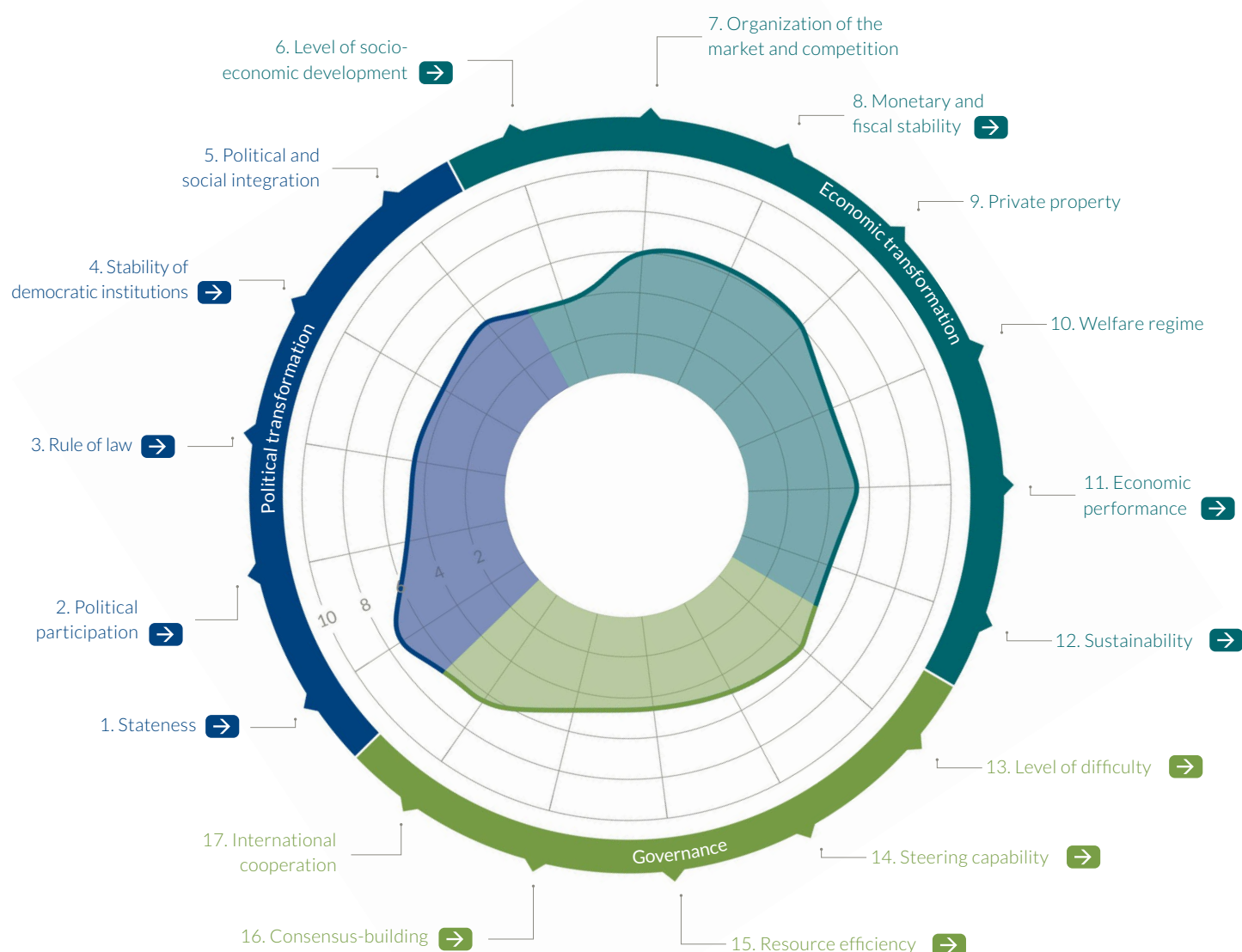
Better outcomes are possible, however. BTI findings also illustrate how transformation processes can be successfully managed, such as in the Baltic states, Chile, Costa Rica, South Korea, Taiwan and Uruguay. These countries' systems are all participatory and inclusive as well as strongly grounded in 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*



# The BTI 2024 at a Glance





## → 1. Stateness

**Monopoly on the use of force** → is growing in hardening autocracies (e.g., Egypt, Nicaragua and Uganda) and losing ground in autocracies facing legitimacy issues (e.g., Haiti, Myanmar and Sudan). Ten countries are classified as failing states.

## → 3. Rule of law

**Separation of powers** → has been further weakened by the concentration of executive power. Horizontal accountability is no longer present in those countries that suffered a coup (i.e., Burkina Faso, Guinea, Mali and Myanmar) as well as in Afghanistan under the Taliban.

## → 6. Level of socioeconomic development

**Socioeconomic barriers** → continue to grow. Poverty and inequality have now reached levels in 83 countries that structurally exclude a significant share of the population (1 to 4 points). More than half of these countries are located in Africa.

## → 11. Economic performance

**Output strength** → has been slow to recover from the global economic downturn triggered by the COVID-19 pandemic. Fifty-nine economies have not yet regained their performance levels from four years ago. However, Croatia, Singapore and Taiwan have benefited from a particularly strong recovery.

## → 13. Level of difficulty

**Structural constraints** → are increasing, in large part as a consequence of greater poverty and more frequent and severe natural disasters. More than half of all governments are facing relatively large or massive limitations on their ability to manage transformation (7 points or higher).

## → 15. Resource efficiency

**Efficient use of assets** → continues to decline. For every inefficient democracy (19 countries), there are three autocracies (57 countries) that hardly utilize or completely squander their human, financial and organizational resources.

## → 2. Political participation

**Free and fair elections** → are found in only a minority of the countries examined. The quality of voting opportunities has declined in 25 countries. Elections in Benin, Kyrgyzstan, Papua New Guinea and Tunisia no longer meet democratic standards.

## → 4. Stability of democratic institutions

**Performance of democratic institutions** → is undermined by patronage and autocratization. In Argentina, Georgia and South Africa, clientelistic activity is increasingly blurring the boundaries between the ruling party and the state.

## → 8. Monetary and fiscal stability

**Monetary stability** → 88 governments implemented effective monetary policies (7 points or higher) in response to inflationary pressures following the pandemic, which were further intensified by Russia's full-scale invasion of Ukraine. Negative exceptions include Laos, Lebanon and Türkiye.

## → 12. Sustainability

**Education policy** → in many and particularly low-income countries has not delivered strong outcomes in education and training despite increased investment. Education systems in 63 countries show significant deficits in terms of duration of schooling and learning outcomes (1 to 4 points).

## → 14. Steering capability

**Implementation** → Fewer and fewer governments are successful in implementing their declared priorities. While around one-third of governments failed to implement their policies (1 to 4 points) four years ago, this share has now increased to nearly half.

## → 16. Consensus-building

**Anti-democratic actors** → are gaining sway and becoming progressively harder to either incorporate or sideline. In half of all countries, reform-minded forces have little or no influence on anti-democratic actors, who often hold positions in government.

## Political transformation

|                     |                                      |
|---------------------|--------------------------------------|
| Global Ø            | 5.24 (e.g., Lebanon)                 |
| Top-ranking country | Uruguay                              |
| Positive trend      | Kenya, Moldova, Zambia               |
| Negative trend      | Burkina Faso, El Salvador, Tunisia   |
| Regime distribution | → 63 democracies<br>→ 74 autocracies |

## Economic transformation

|                      |  |
|----------------------|--|
| Global Ø             | 5.29 (e.g., Ghana)   |
| Top-ranking country  | Taiwan   |
| Positive trend       | Albania, Angola, Croatia   |
| Negative trend       | Myanmar, Russia, Ukraine   |
| State of development | → 24 highly advanced / advanced<br>→ 57 limited<br>→ 56 very limited / rudimentary |

## Governance

|                       |  |
|-----------------------|--|
| Global Ø              | 4.60 (e.g., Nepal)   |
| Top-ranking country   | Taiwan   |
| Positive trend        | Lesotho, Tanzania, Zambia  |
| Negative trend        | El Salvador, Myanmar, Sudan  |
| Quality of governance | → 36 countries with very good / good governance<br>→ 48 countries with moderate governance<br>→ 53 countries with weak / failed governance |



## Political transformation

# Autocratization continues

The BTI 2024 reveals a negative ratio reversal, with 74 autocracies now outnumbering 63 democracies. This reversal has occurred in just four years, with clear setbacks in terms of political transformation evident in a fifth of the countries examined. The quality of elections, association and assembly rights, the freedom of expression, and the separation of powers have all shown particularly sharp declines. Despite these challenges, many civil society actors continue to engage in democratic processes.

▲ Movement to a higher category (each arrow denotes a single category)

▼ Movement to a lower category (each arrow denotes a single category)

● failing states



### 15 Democracies in consolidation

Score 10 to 8

|                     |      |
|---------------------|------|
| Uruguay             | 9.95 |
| Estonia             | 9.75 |
| Taiwan              | 9.60 |
| Lithuania           | 9.50 |
| Chile               | 9.25 |
| Czechia             | 9.20 |
| Costa Rica          | 9.05 |
| Latvia              | 8.95 |
| Slovenia            | 8.95 |
| Slovakia            | 8.60 |
| Croatia             | 8.55 |
| South Korea         | 8.55 |
| Trinidad and Tobago | 8.35 |
| Botswana            | 8.10 |
| Jamaica             | 8.05 |

### 37 Defective democracies

Score < 8 to 6

|                    |      |
|--------------------|------|
| Mauritius ▼        | 7.95 |
| Timor-Leste        | 7.90 |
| Ghana ▼            | 7.85 |
| North Macedonia    | 7.75 |
| Romania ▼          | 7.65 |
| Albania            | 7.50 |
| Argentina          | 7.45 |
| Poland             | 7.40 |
| Namibia            | 7.35 |
| Dominican Republic | 7.25 |
| Mongolia           | 7.25 |
| Bhutan             | 7.20 |
| Bulgaria           | 7.20 |
| Gambia             | 7.20 |
| Montenegro         | 7.10 |
| Ukraine            | 7.05 |
| Bolivia            | 7.00 |
| South Africa       | 7.00 |
| Armenia            | 6.90 |

|           |      |
|-----------|------|
| Brazil    | 6.90 |
| Senegal   | 6.90 |
| Kosovo    | 6.80 |
| Panama    | 6.75 |
| Moldova   | 6.70 |
| Malawi    | 6.65 |
| Ecuador   | 6.60 |
| Paraguay  | 6.55 |
| Colombia  | 6.50 |
| Nepal ▲   | 6.35 |
| Hungary   | 6.30 |
| Indonesia | 6.30 |
| Liberia   | 6.25 |
| Sri Lanka | 6.20 |
| Zambia ▲▲ | 6.20 |
| India     | 6.10 |
| Serbia    | 6.05 |
| Niger ▲   | 6.00 |

### 11 Highly defective democracies

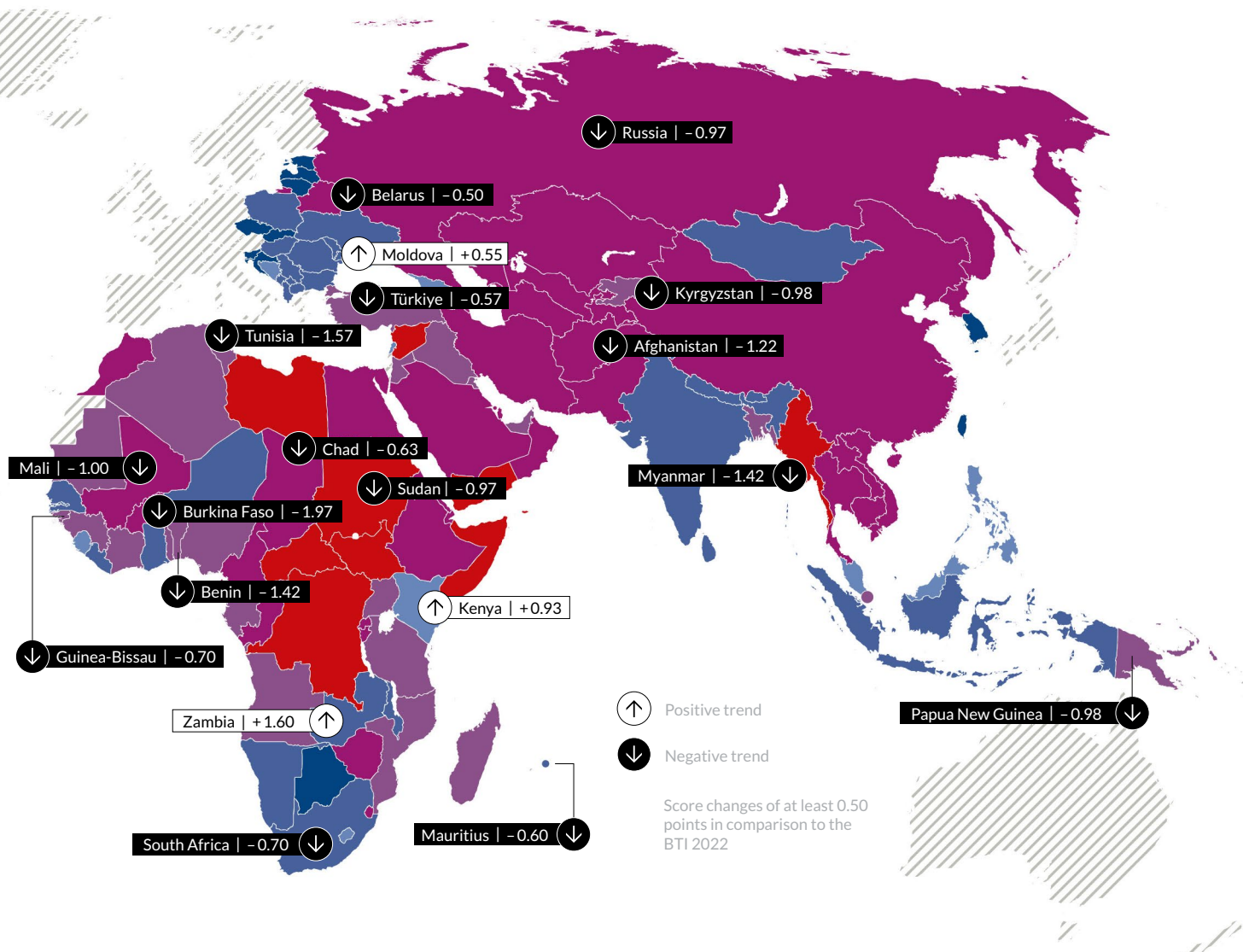
Score < 6

|                        |      |
|------------------------|------|
| Peru ▼                 | 5.95 |
| Kenya ▲                | 5.85 |
| Sierra Leone ▼         | 5.85 |
| Lesotho                | 5.80 |
| Mexico                 | 5.70 |
| Georgia ▼              | 5.65 |
| Bosnia and Herzegovina | 5.55 |
| Malaysia               | 5.40 |
| Philippines            | 5.30 |
| Lebanon                | 5.25 |
| Honduras ▲             | 4.75 |

### 25 Moderate autocracies

Score ≥ 4

|                |      |
|----------------|------|
| Benin ▼▼       | 5.48 |
| Singapore      | 5.47 |
| El Salvador ▼▼ | 5.27 |



|                      |      |
|----------------------|------|
| Guinea-Bissau ▼      | 5.15 |
| Papua New Guinea ▼▼  | 5.12 |
| Tunisia ▼▼           | 4.98 |
| Tanzania             | 4.90 |
| Côte d'Ivoire        | 4.88 |
| Togo                 | 4.72 |
| Gabon                | 4.70 |
| Algeria              | 4.60 |
| Kyrgyzstan ▼         | 4.57 |
| Kuwait               | 4.53 |
| Uganda               | 4.53 |
| Madagascar           | 4.52 |
| Angola               | 4.45 |
| Mauritania           | 4.42 |
| Iraq                 | 4.40 |
| Guinea               | 4.37 |
| Türkiye              | 4.23 |
| Nigeria              | 4.20 |
| Mozambique           | 4.13 |
| United Arab Emirates | 4.10 |
| Bangladesh           | 4.03 |
| Jordan               | 4.03 |

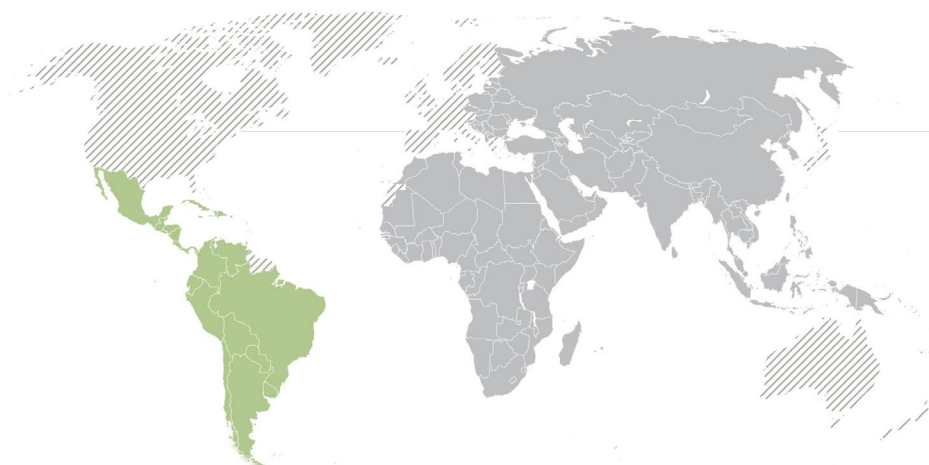
### 49 Hard-line autocracies

Score < 4

|                            |      |
|----------------------------|------|
| Qatar                      | 3.95 |
| Zimbabwe ▼                 | 3.95 |
| Guatemala ▼                | 3.90 |
| Burkina Faso ▼▼            | 3.88 |
| Thailand                   | 3.80 |
| Rwanda                     | 3.78 |
| Kazakhstan                 | 3.73 |
| Ethiopia                   | 3.72 |
| Uzbekistan                 | 3.70 |
| Congo, DR ●                | 3.67 |
| Pakistan                   | 3.65 |
| Vietnam                    | 3.63 |
| Djibouti                   | 3.62 |
| Azerbaijan                 | 3.58 |
| Cameroon                   | 3.57 |
| Burundi                    | 3.55 |
| Central African Republic ● | 3.55 |

|                   |      |
|-------------------|------|
| Morocco           | 3.52 |
| Belarus           | 3.47 |
| Russia ▼          | 3.43 |
| Egypt             | 3.42 |
| Eswatini          | 3.40 |
| Mali ▼            | 3.40 |
| Congo, Rep.       | 3.35 |
| Cuba              | 3.27 |
| Bahrain           | 3.22 |
| Nicaragua         | 3.20 |
| China             | 3.18 |
| Laos              | 3.08 |
| Venezuela         | 3.08 |
| Cambodia          | 3.03 |
| Equatorial Guinea | 2.88 |
| Oman              | 2.85 |
| Tajikistan        | 2.82 |

|               |      |
|---------------|------|
| Iran          | 2.78 |
| Saudi Arabia  | 2.73 |
| Turkmenistan  | 2.70 |
| South Sudan ● | 2.62 |
| North Korea   | 2.55 |
| Haiti ●       | 2.48 |
| Chad          | 2.37 |
| Libya ●       | 2.05 |
| Sudan ●       | 2.05 |
| Eritrea       | 2.02 |
| Afghanistan   | 1.87 |
| Syria ●       | 1.75 |
| Myanmar ●     | 1.73 |
| Somalia ●     | 1.68 |
| Yemen ●       | 1.57 |



## *Latin America and the Caribbean*

# Governance adrift

For years, the course of transformation in many Latin American and Caribbean nations has been adrift, devoid of a clear direction. Lacking a basic consensus on how to move forward, many countries have failed to address institutional weaknesses in their economies, and polarizing political styles have become commonplace. However, amid these challenges, there are still noteworthy success stories, with the BTI 2024 showing some democratic comebacks.

The question of where Latin America and the Caribbean should be headed seems more uncertain than ever, especially in the wake of two more years dominated by conflicting developments and a lack of visionary leadership. Just as the region was grappling with the setbacks caused by the COVID-19 pandemic, which hit the area hardest on a global scale, it faced another shock with Russia's invasion of Ukraine. The war has brought imported inflation and required corrective monetary policy measures that have further hindered the recovery process. At the same time, many countries in the region have continued to struggle with unresolved domestic issues.

Overall, the BTI paints a consistent picture of decline across all three dimensions of transformation in the region. In the medium term, there is a noticeable trend toward political instability or erosion of democracy, stagnating or regressing economic transformation, and, particularly since the BTI 2018, a deterioration in governance. During the period under review, the negative governance trend was linked to the personalized leadership styles of populist figures, such as Jair Bolsonaro in Brazil, Andrés Manuel López Obrador (AMLO) in Mexico, and the unconventional “cool dictator” Nayib Bukele in El Salvador. Although Bukele is primarily responsible for the region's most significant downturns in terms of democracy and governance, with each declining by nearly 1.5 points on the BTI's 10-point scale, he continues to en-

joy high approval ratings among El Salvadorans. Consequently, his example could potentially be adopted by others in the region.

### Heterogeneous dynamics

The case of El Salvador represents one of the most striking trajectories in political transformation observed in recent years. Delivering an effective response to the pandemic, President Bukele secured a two-thirds majority in the legislature for his party, Nuevas Ideas, in 2021, which opened the door to executive dominance. His first move was to replace all five judges of the Constitutional Chamber of the Supreme Court and the attorney general with loyalists. Shortly after assuming office, the court's new judges ruled in favor of Bukele's eligibility for reelection in 2024, which is in violation of the constitution. In addition, a state of emergency was declared to combat gang violence, resulting in the detention of over 60,000 suspects by the end of 2022, including thousands who, according to human rights organizations, have been unjustly incarcerated.

In Argentina, Brazil and Mexico, efforts to weaken judicial independence have proved less successful. Most recently, in late June 2023, Brazil's Superior Electoral Court barred Jair Bolsonaro from holding public office until 2030, following his conviction for abusing power in the run-up to the 2022 presidential elections and making unsubstan-



This summary is based on the Latin America and Caribbean regional report by Ariam Macias-Weller and Peter Thiery. Together with the full reports for each country in the region, it is available at

[bti-project.org/lac](https://bti-project.org/lac)



tiated claims of election fraud. In the same month, Mexico's Supreme Court dealt a blow to AMLO's political agenda by overturning parts of the contentious electoral reform package known as "Plan B," which aimed to restructure the National Electoral Institute. In addition, the court invalidated the transfer of the National Guard to the army in April of the same year. Argentina's Supreme Court has also taken a stance against overtly political power plays.

A distinctly different trend can be seen in the extreme polarization of the executive and legislative branches. This poses a threat to democracy, as illustrated by the example of Peru (−0.50 points). Immediately after his election victory, President Pedro Castillo faced vehement opposition from the defeated right-wing faction led by Keiko Fujimori. Congress constantly employed obstructive

tactics against Castillo's government, which, for its part, struggled without a clear governance strategy and became entangled in corruption scandals. Faced with a third impeachment motion that had little chance of success, Castillo attempted a "self-coup" on December 7, 2022, in a bid to extend his power. However, the coup failed due to broad resistance from Congress, the judiciary and the military, leading to charges of rebellion and conspiracy against Castillo. The ensuing protests, some of which turned violent, coupled with police crackdowns, led to an estimated 60 deaths.

Notably, the resilience of defective democracies was also evident, particularly in Honduras (+0.33) and the Dominican Republic (+0.40). Dominican President Luis Abinader based his appointments for high-ranking positions on professional merit rather than party affiliation, aiming to enhance government transparency while protecting the judiciary from further politicization. Honduras, which had descended into autocracy under President Juan Orlando Hernández in 2017, managed to re-

turn to democracy through free and fair elections, although the outcome remains mixed. For instance, the new president, Xiomara Castro, abolished the "Secrecy Law," which had allowed officials to conceal corrupt activities. However, she also enacted an amnesty law that could protect influential members of her party from prosecution for abuse of office. At the end of 2022, she declared a partial state of

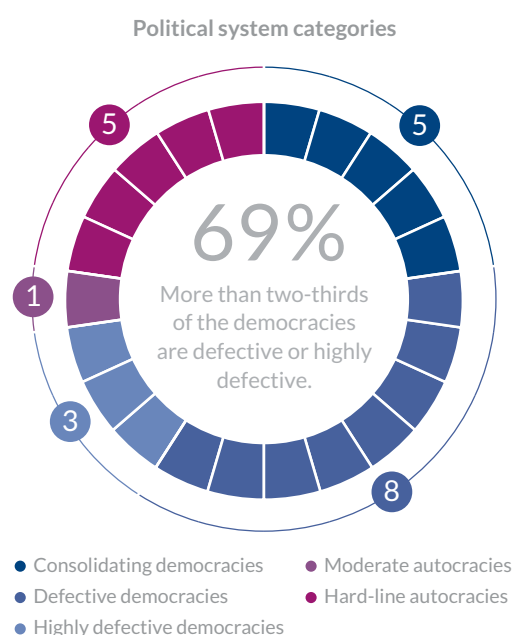
emergency to combat widespread violence – a measure that did, however, garner broad public support.

#### Negative stagnation

Economically, the period under review was characterized by two overlapping phases. The year 2021 was marked by a phase of recovery from the effects of the COVID-19 pandemic, which was observed in most countries, though not to the same extent as in Panama and Peru. Pan-

ama's GDP per capita surged by 13.8% after a steep decline of 19.1% in 2020, while Peru's GDP per capita rebounded by 12% following a 12.2% contraction. However, as early as 2021, inflationary trends began to emerge in several of the region's countries and were further exacerbated by Russia's war against Ukraine. Of particular concern were the rising costs of energy and food, both potential catalysts for social unrest, which imposed heavy burdens on nearly all countries. Very few countries managed to meet the inflation targets set by their central banks.

Despite these challenging conditions, most of the region's central banks remained steadfast in fulfilling their primary mandate of targeting monetary stability and began to raise interest rates. However, the flip side of this strategy was a significant slowdown in economic growth in 2022, resulting in a challenging environment, especially for lower-income populations and the overall social fabric of a country, due to reduced employment opportunities and real wage losses driven by inflation. Reflecting on the past decade, we can discern a troubling trend

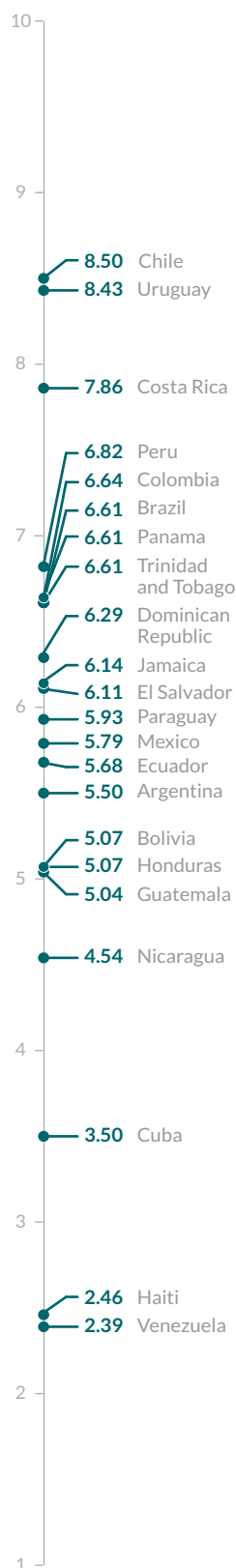


#### Political transformation





## Economic transformation



of “negative stagnation” in terms of socioeconomic development levels. For instance, Brazil’s Human Development Index (HDI) value now mirrors that of 2014, Mexico’s is roughly on par with that of 2012, and even Cuba, once commended for its social safety nets, has fallen below its 2011 value.

The situation regarding poverty across the region is disheartening. According to the United Nations Economic Commission for Latin America and the Caribbean (ECLAC), more people are struggling with poverty or extreme poverty than before the pandemic. For ECLAC, this represents a setback of 25 years, along with a 22-year setback in unemployment that is affecting women in particular. ECLAC has also identified a “silent education crisis” as a consequence of the pandemic that has left a half of a generation of students behind.

The longer-term trend in economic transformation since the BTI 2010 – which marked the previous peak in the regional average – shows a declining score over the past decade. Exacerbated by the effects of the pandemic, this decline has been somewhat mitigated in only a few countries during the review period. Among the notable casualties of this trend are the regional “powerhouses”: Brazil (–1.29), Mexico (–1.14) and Argentina (–1.11). They belong to the region’s group of middle-income countries, all of which suffer from institutional weaknesses. In contrast to more successful nations, such as Chile, Costa Rica and Uruguay – countries that have set the standard for what is achievable in Latin America – Brazil, Mexico and Argentina are particularly deficient in the areas of market organization, private property safeguards, welfare state infrastructures, environmental conservation and educational reform.

### Insurmountable hurdles?

However, determined efforts to address these issues are encountering substantial challenges in governance. Observers lament the eroding or, in some cases, obstructed consensus on the twin goals of reform,

which is often exacerbated by structural factors and powerful veto groups both within and outside the political system. The prospect of achieving democratically legitimized and organized change in Latin America and the Caribbean appears to be encountering formidable obstacles, a reality increasingly felt

by many populations across the region, assuming they support such change at all. Many have largely adapted to the status quo, at best expecting their governments to improve their material well-being, a feat not to be underestimated.

In general, the scores for most governance criteria and indicators have declined during the period under review, particularly in the areas of policy coordination (–0.50), prioritization (–0.23), implementation (–0.32), the exclusion of anti-democratic actors (–0.36), and conflict management (–0.27). This points to

a perilous combination of weak governance capacity and governments’ failure to effectively manage the divisions and conflicts within their populations.

Once again, two democracies – Argentina (–0.81) and Brazil under Bolsonaro (–0.63) – are key contributors to this decline. Though Brazil traditionally boasts a well-structured public administration, a slew of often arbitrary reshufflings, job and budget reductions, and appointments of ideological sympathizers have severely hampered the efficient utilization of available resources. The country’s anti-corruption crusade has also taken a substantial hit. Bolsonaro has left a challenging legacy for his successor, Lula da Silva. Peru (–1.16) has likewise languished amid a period of disorganized governance marked by approximately 70 ministerial changes, including seven interior ministers and six defense ministers, in just 16 months.

A novel and, for some, potentially exemplary model of authoritarian governance has emerged under President Bukele in El Salvador. Evading traditional left-vs.-right conflicts, his model opts instead for (seemingly) effective solutions to immediate problems and openly embraces authoritarian tactics. For example, the government employs military force without parliamentary oversight to combat criminal gangs, garnering widespread approval from the pub-

Over the last 15 years,  
the level of socioeconomic  
development has fallen by  
an average of

0.67  
points.



lic, which appears willing to tolerate human rights abuses in exchange for the substantial reduction in everyday violence.

Once again, positive developments in governance are hard to find in the region. Apart from Honduras (+0.47), notable improvement is evident only in Colombia (+0.50), though this largely amounts to a modest recovery under President Gustavo Petro from the governance losses experienced under the less consensus-oriented and relatively ineffectual former President Iván Duque. It's worth noting that Uruguay, Costa Rica and Chile have managed to maintain their relatively high rankings, securing the second, sixth and seventh positions out of 137 countries. In Chile and Costa Rica, however, new governments have taken office, with neither left-leaning President Gabriel Boric in Chile nor right-leaning President Rodrigo Chaves in Costa Rica securing parliamentary majorities. Both administrations face substantial pushback to reform efforts. Established governance structures in each have thus far proved resilient, but particularly in Costa Rica, we see the risk of growing populism, while Chile is in the throes of a political upheaval, the outcome of which is uncertain.

Across the region, countries are stumbling from one crisis to the next, and many of these countries still lack a societal consensus on medium- or long-term goals. In Argentina and Bolivia, the politics of zero-sum thinking have become so entrenched

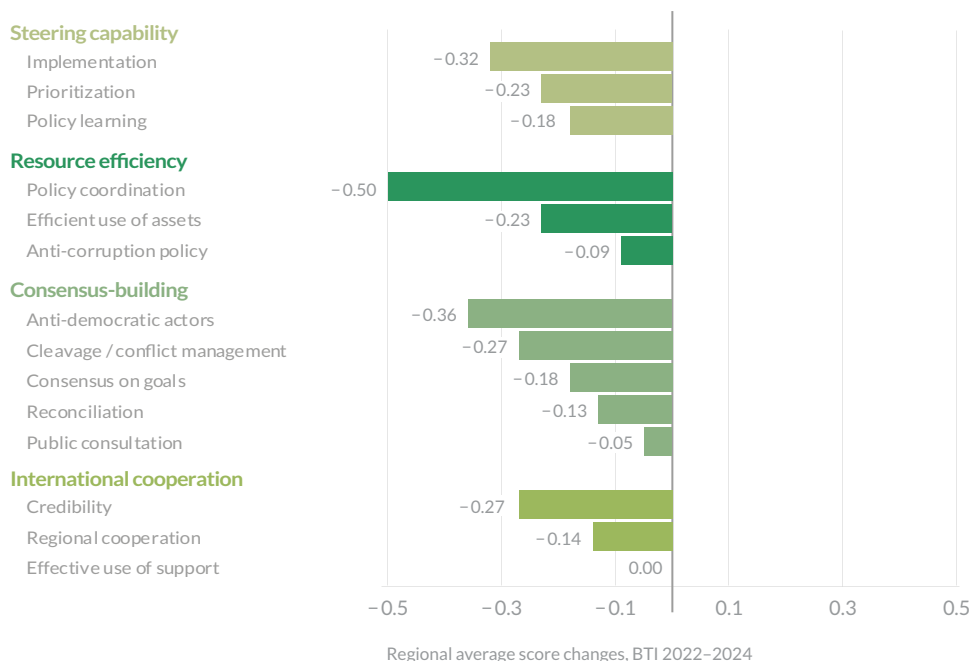
that forward-looking reform projects are not feasible unless moderate factions on both sides can find common ground. In Brazil, Lula da Silva is facing the shambles left behind by the Bolsonaro era. The extent to which he can disentangle himself from this “friend-enemy” dynamic and offer credible cross-cutting solutions will be pivotal for depolarizing Brazil. Ecuador stands on the cusp of another period of instability, further strained by feeble representational structures. It is entirely possible that we will see the country face problems similar to those witnessed in Peru during the review period.

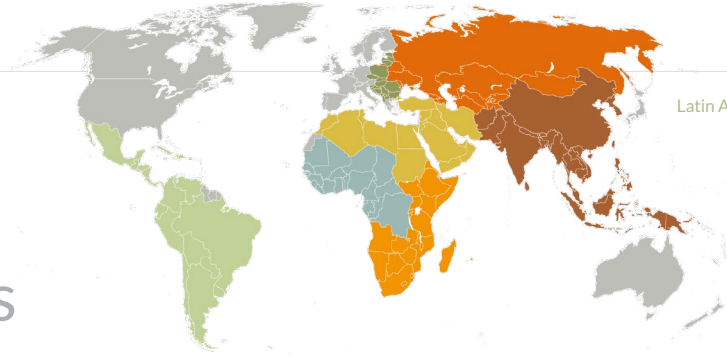
Much of what comes next hinges on whether and how the region's countries can extricate themselves from the “negative stagnation” they are experiencing in economic development, a factor that profoundly influences public sentiment and overall receptivity to democracy. In general, growth models characterized by passive integration into the global market, lower productivity levels and extensive informal sectors have reached their limits. When it comes to combating inequality and curbing the informal sector, investments in and reforms of the education and health care systems are as crucial as institutional reforms. However, as things stand, it appears that the status quo will persist for the foreseeable future.

### Governance performance



### Governance changes, BTI 2022–2024





# Acknowledgments

The BTI 2024 is a product of an international collaboration of more than 300 people who have contributed in various ways to its development, creation, evaluation and communication. A project of this magnitude could never succeed without the expertise, enthusiasm, creativity and attention to detail of all those involved.

Over the years, the BTI team has benefitted from the support, advocacy and counsel of many transformation experts and practitioners. But we extend special thanks and gratitude to our council of scholarly advisers, the BTI board, which is unequaled in its commitment to providing us with rigorous and collegial support.

Within the BTI board, the regional coordinators deserve special mention, as they monitor not only the creation and review process for each report, but are also responsible for the calibration of results within their region and, together with us, across regions.

The country experts play a key role in creating the BTI, as it is their knowledge and experience that our cross-national analysis is built upon. Their commitment to an extensive production and review process, and the critical feedback they provide along the way, have helped build a better and more accurate Transformation Index. The more than 5,000 pages of excellent country analyses form the very backbone of the BTI.

The quality and accuracy of the language in these in-depth reports for 137 countries and seven world regions is of considerable importance. A special thanks goes to managing editor Barbara Serfozo and her team for their tireless and diligent efforts in taking on – for the tenth time – the challenge of editing the large volume of BTI reports. And we very much appreciate Josh Ward's meticulous care in proofreading this volume.

Ensuring the integrity and consistency of country-report sections and scores has been an enormous effort supported by a group of highly skilled young academic professionals. We wish to thank Fabian Ballweg, Carolin Dylla, David Hellge, Anna Hengge, Janna Koop, Nicholas Mangels, Michelle Oks, Simon Paulus, Leonie Reicheneder and Malte Schweia for their timely and attentive support in this process; Ömer Kahraman for his thorough review of the synopsis texts; Anna Hengge for the final quality check of the country reports; and both our intern, Alexander Heinrich, and our junior professional, Anne Meisiek, for their committed, reliable and diligent support.

We place considerable value on ensuring full transparency of our analytic process and providing clear and intuitive access to our data. Our tool to this end, the Transformation Atlas, provides an interactive visualization of thousands of scores as well as broader results of our analysis. Thanks to the creativity

and assiduous dedication of information architect Dieter Dollacker and cartographer Dirk Waldik, the Transformation Atlas continues to serve us well in this regard.

Special thanks go as well to the graphic designer Veronika Döpjohnann and her colleagues at Agentur kopfstand, Bielefeld. Her ideas have shaped the project's image in all its features, from this report to the design of brochures and other materials.

We are grateful for the journalist and communications consultant Jens Poggenpohl's helpful support in developing and preparing the contributions for this report.

The scope and complexity of an instrument such as the BTI must undergo continual development and improvement. We are committed to the regular evaluation of our methodology and process, and will always benefit from the critique, suggestions and input of a variety of individuals. We thank you all and look forward to your continued feedback and further constructive dialogue.

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