

Democracies in consolidation



Defective democracies



Highly defective democracies



Moderate autocracies



Hard-line autocracies



failing states

## Political transformation

# Growing numbers living in unfree societies

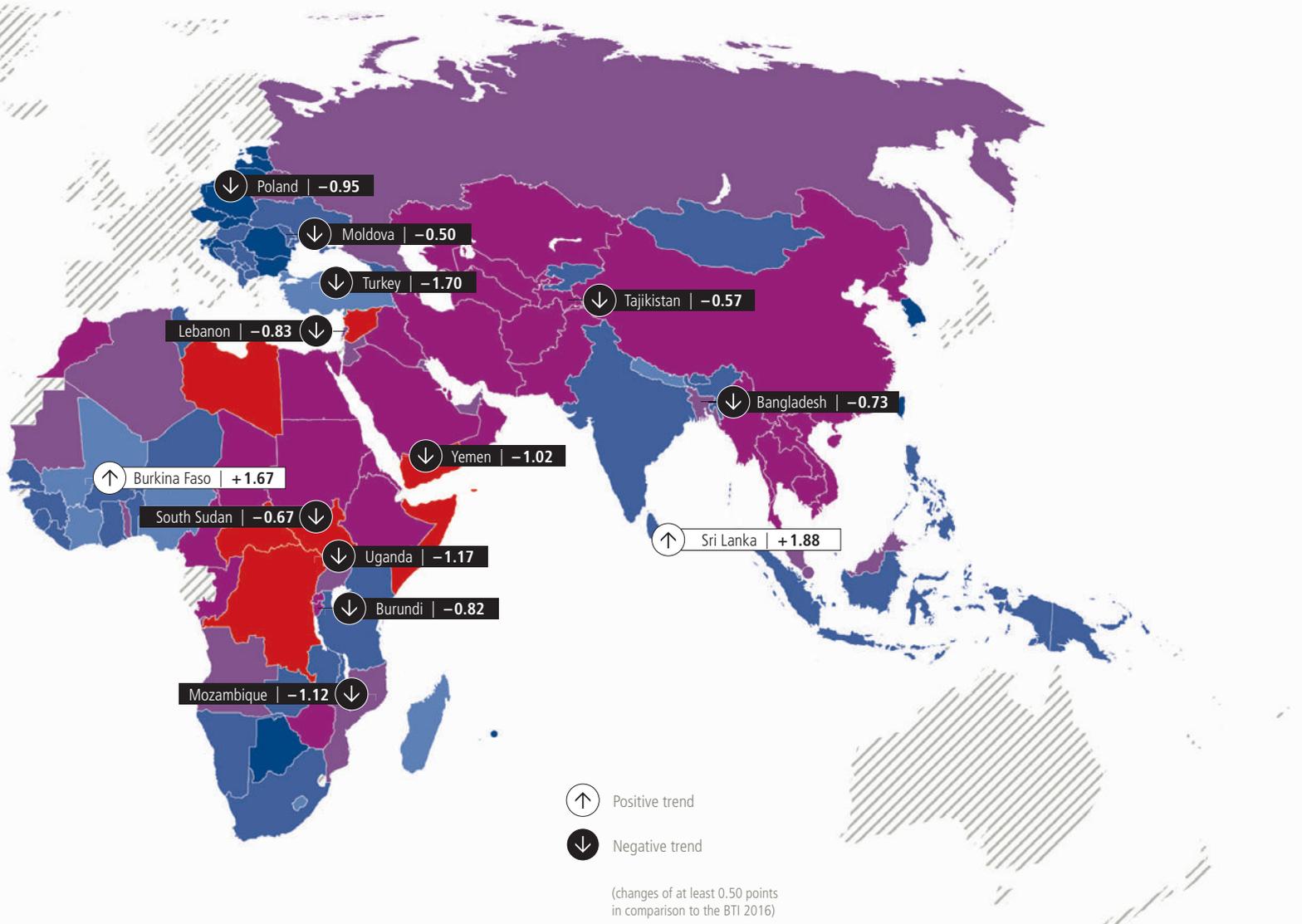
Illiberal and anti-democratic policies are gaining ground in developing and transformation countries. Compared to two years ago, the freedoms of assembly and expression, the separation of powers, and civil rights are more often being denied or abridged, and elections are frequently less fair. Particularly in high-population countries, democracy is under pressure.

In politics, the period between February 2015 and January 2017 was especially eventful. Europe became one of the chief destinations for the largest migration flow since the end of World War II. The civil and proxy wars in the Middle East and North Africa continued to wield their destructive force. And although the so-called Islamic State found itself pushed back from large parts of its “caliphate,” neither stability nor the state of human rights in the region improved appreciably. The government in Myanmar took cautious steps in opening a country marked by three decades of military dictatorship, while ethno-religiously motivated violence against the Rohingya increased at the same time. Filipinos and Poles voted authoritarian-populist governments into power. Parliaments in Brazil and South Korea successfully stripped their countries’ presidents of office – Dilma Rousseff due to breaches of the law, and Park Geun-hye due to corruption.

Figures for the BTI 2018 indicate that these are more than simply unrelated individual events. Democracy has come under further pressure in all regions of the world, and the positive turn taken by South Korea following the end of the BTI review period remains a rarity among those countries that have grappled with a democracy crisis. The number of autocracies has increased slightly and, in the remaining democracies, public dissatisfaction with how things are going has spread. In one-quarter of the countries surveyed (32 of 129), the acceptance of democratic institutions by relevant political actors has eroded. Since 2015, about one-fifth of governments have further reduced the freedom and fairness of elections (28), placed greater restrictions on the freedoms of association and assembly (27), done more to compromise the separation of powers (24), or curtailed the freedom of expression and press freedoms (24). The negative trends with regard to political

participation, the rule of law, the stability of democratic institutions, and their political and social integration are most pronounced in East Africa, East-Central Europe, Central America and, once again, the Middle East. The small upward tendencies registered in West Africa, South Asia and the Baltic states offset only a fraction of this negative trend. Indeed, 13 countries – from Bangladesh to Yemen – have registered significant losses in terms of political transformation, with improvements of comparable degree evident in only two countries.





Burkina Faso and Sri Lanka are the two bright spots in the current edition of the BTI. Both countries can build on previous democratic experiences that progressively gave way to authoritarian governance styles under presidents Blaise Compaoré in Burkina Faso and Mahinda Rajapaksa in Sri Lanka. In each, authoritarian structures had solidified only recently, with Compaoré's unfinished fifth term in office (2010–2014) and Rajapaksa's second term (2010–2014). The end of both figures' rule came

unexpectedly; in Burkina Faso, massive protests drove Compaoré from office in 2014 after 27 years, while in Sri Lanka, Rajapaksa suffered a surprise ballot-box defeat at the hands of the opposition after 10 years in government. In both countries, newly elected governments have held office since 2015 and taken important steps toward restoring democracy and the rule of law. However, the two countries still have a long way to go in terms of consolidating their democratic systems.

A record low for democratic improvement

Burkina Faso and Sri Lanka remain the only countries showing significant progress (at least half a point) in political transformation during the review period. This is fewer than at any other time in the last 10 years. This low number would evoke less concern if not for the fact that the number of those registering deterioration has grown so much. Indeed, 13 countries – or 10% of the entire country sample – showed

significant regression between February 2015 and January 2017.

A closer look at the 15 countries showing the greatest regressions and progress with regard to political transformation since the BTI 2016 quickly reveals just how different the cases actually are. For example, the failed state-formation process in South Sudan has little in common with the hardening of Tajikistan's fortified autocracy, and the abolition of an already fragile rule of law in Mozambique is only superficially comparable with the continuing destabilization of Poland's established democracy. Therefore, countries should be classified into eight groups, each of which reflects either a negative or positive trend in each stage of development in a gradual democratic transformation: state failure versus state-building; autocratic hardening versus autocratic opening; autocratic resurgence versus democratization; and democratic backsliding versus democratic reinvigoration.

Countries showing a numeric change of at least  $\pm 0.50$  points are allocated to the eight groups on the basis of the following criteria: Countries with a stateness score below 3.0 points are placed in the "state-building" group if they show improvements, or in the "state failure" group in the case of deteriorations. Hardening and opening autocracies are by definition classified as autocracies both at the beginning and the end of the current review period. Countries in which a regime change involved a shift from autocracy to democracy are identified here as having democratized; autocratic resurgence describes the reverse case. Democratic reinvigoration and democratic backsliding occur only in countries that were categorized as democracies in both the 2016 and 2018 surveys.

In parallel, we also apply the same typology in considering longer-lasting developments across the entire period covered by the BTI. For the trends designated here as medium-term, the review period extends from the BTI 2006 (with a reference date of January 31, 2005) to the BTI 2018 (reference date of January 31, 2017). In order to distinguish the strong trends from the less strong, the significance threshold for these medium-term trends is raised from 0.50 to 1.00

points. To be sure, the borders between the eight categories are fluid, and the allocation of countries to certain groups depends on the specific comparison period.

#### Failing states

The first pair of contrasts – state-building and state failure – is centered on the nucleus of stable political systems: the state monopoly on the use of force and the presence of basic administrative structures. South Sudan and Yemen, two of the 13 countries to lose ground in the BTI 2018, fall into this category. Here, the extinguishing of the last vestiges of democratic and state structures has been a direct consequence of the comprehensive destruction of fundamental institutions, which has eliminated the basis for any form of political rule, let alone the exercise of popular sovereignty. In Yemen, a civil war has evolved rapidly into a proxy war between Saudi Arabian and pro-Iranian forces that has created a humanitarian catastrophe. The state failure in South Sudan, a country also plagued by civil war, has primarily domestic causes. The conflict among elites that escalated in late 2013 took on an ethnic dimension within just 24 hours, with Dinka soldiers targeting Nuer soldiers and civilians in Juba, the capital.

In the medium term, over the entire period since the middle of the 2000s, Syria ( $-5.5$ ) joins these two countries as examples of rapid state failure. The extent to which the civil war here destroyed the state structure within just a few years, which had follow-on effects for the entire region, is unique in recent history. According to a 2015 United Nations Development Programme (UNDP) estimate, 80% of the country's population was living in poverty, and life expectancy had declined by 20 years since 2011.

By contrast, starting from a condition of state failure (in the BTI 2006 and BTI 2008), Côte d'Ivoire has succeeded in making strong headway toward democracy, which has included the reconstruction of core state capacities ( $+4.5$ ). Côte d'Ivoire is also the only country in the BTI once categorized as a failed state that today counts as a democracy. This is a remarkable development,

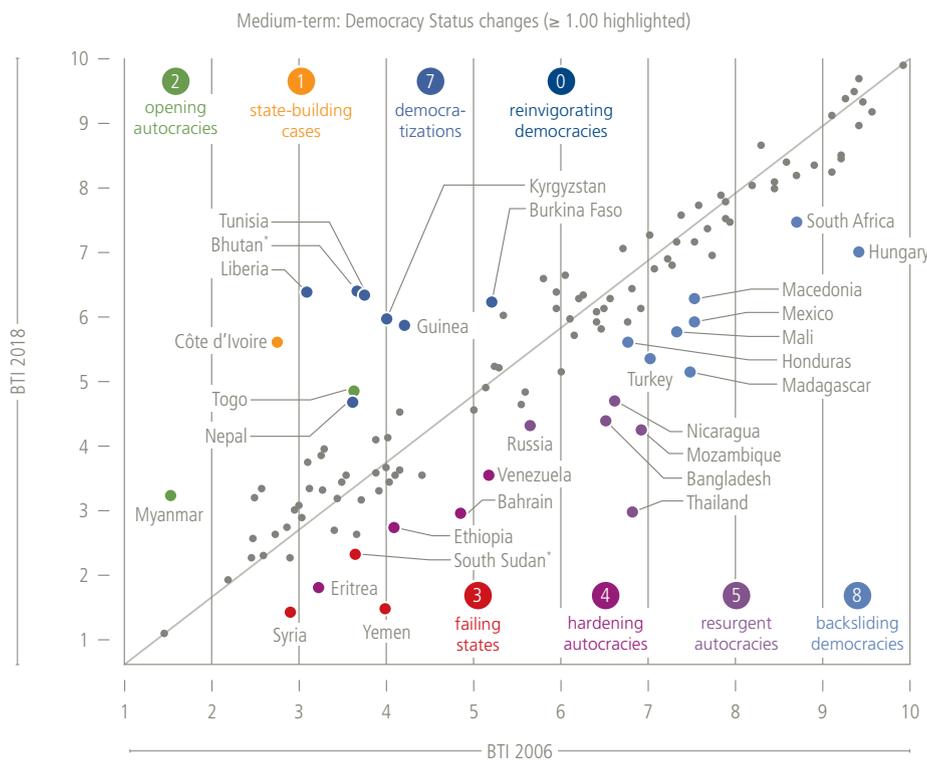
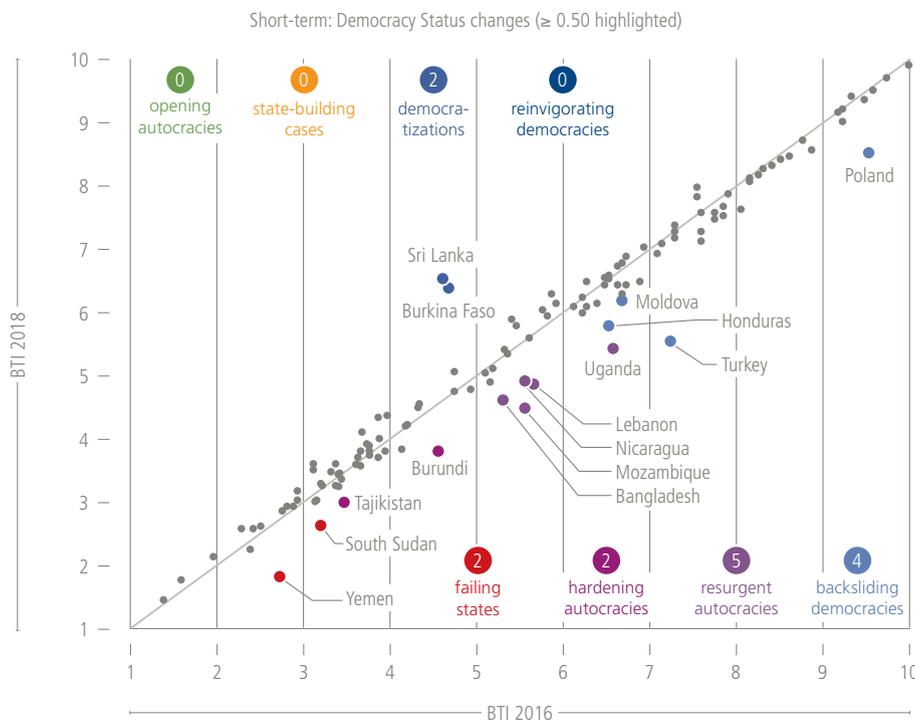
even if the institutional basis for democracy in the West African state remains fragile.

#### Hardening autocracies

Within the second pair of contrasts – autocracies tending toward openness and hardening autocracies – Burundi and Tajikistan are another two of the 13 countries to have lost ground in terms of political transformation in the BTI 2018. Burundi is in a deep political and economic crisis triggered by President Pierre Nkurunziza's successful bid for a constitutionally prohibited third term in office. For the time being, the government has retained the upper hand after moving with brutal force against dissidents. However, mass protests and an attempted military coup in 2015 revealed rifts between ethnic groups and the presence of competing factions within the security organs. In Tajikistan, the suppression of the opposition and independent civil society groups has been the price paid for a stronger state monopoly on the use of force (9.0). The consolidation of core stateness here ( $+4.0$  since the BTI 2006) has taken place in parallel with an erosion in the rule of law ( $-1.5$ ) and the curtailment of remaining political-participation opportunities ( $-1.0$ ).

In the medium-term perspective, since the middle of the 2000s, four autocracies – Bahrain, Eritrea, Ethiopia and Venezuela – have hardened significantly. Indeed, governments in each of these states have increasingly reacted with repression to broad-based protests that have emerged among their publics. After Ethiopia's governing coalition won all 547 parliamentary seats in the manipulated 2015 election, citizens in the largest administrative region, Oromia, gathered to protest. Ethiopia's government then imposed a state of emergency, and empowered the security forces to exercise draconian and far-reaching power across the entire country, leading to a restriction of political liberties. Following a broad revolt in 2011, Bahrain developed into a police state that acts rigorously against dissidents, human rights defenders, clerics, demonstrators and opposition forces. Al-Wefaq, the largest opposition party, which also represents the mainstream

## Regressions outnumber transformations



\* Bhutan was first assessed in 2008, South Sudan in 2012.

of Bahrain's Shi'ite majority, was banned, and its secretary-general, Ali Salman, was sentenced to nine years in prison for promoting disobedience. In Venezuela, not only have there been mass street demonstrations

against President Nicolás Maduro's government in recent years, but the opposition also won the 2015 parliamentary elections with a two-thirds majority. The head of state then imposed a state of emergency that expanded

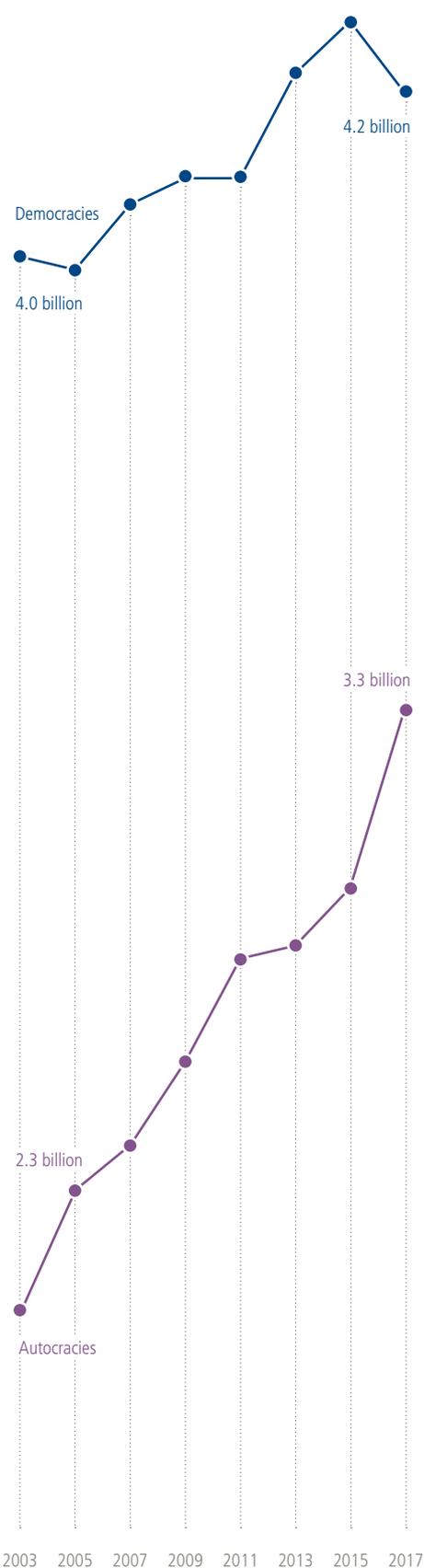
his powers, and ultimately abolished the already strongly eroded separation of powers. For large numbers of young Eritreans, leaving the economically crumbling police state seems to be the only option to protest the regime's policies and to strive for a decent life in spite of the dangers en route to their intended destinations.

These four rigidly hardened autocracies contrast with two autocracies, Myanmar and Togo, that have shown strong opening tendencies over the medium-term time frame. However, these are anything but exemplary instances. In both countries, dangers to peace and democracy have recently increased again. Myanmar was perhaps the most exciting "new" transformation case of recent years but, at the same time, one of the great disappointments in the current BTI review period. The military has cleared the way for free elections and thereby relinquished a portion of its power, but there has been mounting news of pogroms against the stateless Rohingya ethnic group in the Rakhine province. In Togo, the government's human rights record has improved, but remains underwhelming. Due to the apparent determination of President Faure Gnassingbé to retain power for a third and possibly fourth term in office – whatever the cost – the political climate continues to be tense.

### Resurgent autocracies

The third pair of contrasts – autocratic resurgence and democratization – is the most heavily represented group among the countries showing significant changes in political-transformation scores. These two types refer to changes associated with a regime change between democracy and autocracy. Five of the 13 countries that lost ground in terms of political transformation in the BTI 2018 – Bangladesh, Lebanon, Mozambique, Nicaragua and Uganda – are resurgent autocracies. We identify three patterns here: First, none of these countries was previously classified as a fragile or strongly defective democracy, instead they were all considered relatively stable defective democracies that had not been classified as

More people than ever growing up in unfree societies



World population by political regime of resident country. OECD countries are considered democracies. Sources: BTI, World Bank.

autocracies in any of the last five assessments (BTI 2008–2016). Second, in four of the five cases (the single exception being Mozambique), autocratic resurgence has been inextricably associated with the manipulation of free and fair election processes that no longer meet minimum democratic standards. And, third, governments in all five countries have undermined the rule of law.

Bangladesh, where the country’s democratic deficits have worsened appreciably, clearly demonstrates this pattern. Although no significant election in Bangladesh this century has taken place peacefully, they have rarely been so violent as in the case of the local elections to the union councils in 2015 and 2016, both of which were accompanied by accusations of manipulation. Dozens of people fell victim to attacks by oppositional Islamists. Since the opposition boycott of the 2014 parliamentary elections, in which the governing Awami League won more than half of the seats without facing rival candidates, the legislature has acted as an extended arm of the executive. A change in the law has in some cases allowed the parliament to remove the highest-ranking judges on grounds of “misconduct” or “incapacity.”

The autocratic resurgence in Bangladesh, previously the sixth-largest democracy in the world after India, the United States, Indonesia, Brazil and Nigeria, has had palpable consequences for the global ratio of democracies to autocracies. Indeed, this factor alone accounts for a 2.2% decline in the democratically governed share of the world’s population. The autocratic resurgence of Uganda, Mozambique, Nicaragua and Lebanon, which together make up another 1.1% of the global population, has also contributed to the decline of democracy during the review period. By contrast, the two relatively small new democracies of Burkina Faso and Sri Lanka (together 0.5%) do little to counterbalance this trend. Accordingly, the democratically governed share of the world’s population declined from 59.3% to 56.5% between 2015 and 2017. For the first time, more than three billion people are governed autocratically, with the trend strongly on the upswing. Significantly more people are still democratically governed, but the ab-

solute number has risen only slightly in the past few years, and even fell slightly in the current review period.

The global share of people subject to increasingly autocratic regimes has also increased in the medium term, that is, since the mid-2000s. To be sure, there are more democratizations (Bhutan, Burkina Faso, Guinea, Kyrgyzstan, Liberia, Nepal and Tunisia) than resurgent autocracies (Bangladesh, Mozambique, Nicaragua, Russia and Thailand) among the countries showing strong political-transformation changes of at least a whole point over this time period. But the five resurgent autocracies together have five times more residents than the seven new democracies. That means more and more people are growing up in unfree societies.

#### Backsliding democracies

On top of all this, certain developments in democracies that have yet to usher in regime change give rise to concern, too. Indeed, in none of the four contrasting pairs of groups is the discrepancy between clearly positive and negative trends larger than in the final pair – democratic reinvigorization and democratic backsliding. No existing democracy has made significant headway in terms of deepening democracy in the BTI 2018. However, four democracies – Honduras, Moldova, Poland and Turkey – have seen significant declines in quality. As heterogeneous as this group is, the parallels are obvious. The core governments in all four countries have greatly curtailed the separation of powers, taking particular aim at the independence of the justice system. Policymakers have also undercut the freedoms of expression and the press by failing to demonstrate resolve in prosecuting those responsible for the murder of journalists (Honduras), allowing media ownership structures to become increasingly oligarchic (Moldova), permitting partisan interests to determine who sits on the public media system’s national broadcasting council (Poland), and harassing media outlets expressing criticism of the government, even going so far as to shut down entire

media companies (Turkey). These countries share the more or less openly stated goal of perpetuating an illiberal conception of democracy well beyond the current government period. Among the four democracies showing backsliding in the review period ending January 31, 2017, Honduras and Turkey have drifted furthest from basic democratic principles, and thus already stand close to the threshold of autocracy. Neither the controversial April 2017 referendum in Turkey, in which a narrow majority voted to expand President Recep Tayyip Erdoğan's powers, nor the dubious presidential-election process in Honduras in November 2017 could be taken into account here.

Honduras and Turkey also number among the democracies showing the strongest negative trends across the entire BTI survey period since the middle of the 2000s. Six additional countries – Hungary, Macedonia, Madagascar, Mali, Mexico and South Africa – have also undergone strong democratic setbacks in this period. Madagascar and Mali fall somewhat outside this group; while they were de facto classified as democracies at the beginning and end of the medium-term review period, they each underwent two regime changes in the interim, to autocracy and back to democracy. Nevertheless, the pattern of democratic backsliding in the eight democracies showing medium-term setbacks is much the same as that in the current period's democracies in decline: First, civil rights are violated more strongly across the board. Second, the separation of powers has been broadly curtailed in all the group's countries. Third, with the exceptions of Honduras and South Africa, the influence of religious dogmas on the legal order and political institutions has increased – even in markedly secular states. Fourth, citizens critical of the regime are no longer able to exercise the rights of assembly, free expression or independent reporting to the extent possible 12 years ago. Fifth, political competition at the ballot box is no longer as fair as even a few years ago. And, sixth, relevant political actors – including government agencies, political parties, associations, interest groups, civil society organizations, the military

and/or the clergy, depending on the country – are less and less committed to democratic institutions.

#### Rights and freedoms under pressure

However, democratic setbacks in these six areas are by no means observable only in the countries with pronounced negative trends. They have taken place in democracies as well as in autocracies, and even in countries that are not regarded as having taken a populist-authoritarian turn or having undergone an autocratic hardening. The development affects all regime types, regions and socioeconomic-development levels, and broadly also includes the Western consolidated democracies and market economies that the BTI does not survey. In many developing and transformation countries, civil rights are less well protected than at the beginning of 2005, the separation of powers functions less well, the influence of religious dogmas on legal orders and political institutions has grown, fewer political liberties are granted, elections are no longer as free and fair, and the commitment of relevant political actors to democratic institutions has declined. To be sure, these negative trends have plateaued somewhat during the current review period, but a reversal in the trend is nowhere in sight. Rather, the gap relative to the standard of democracy reached at the first assessment point in the middle of the 2000s remains large, and in most areas has widened further. But what, exactly, are the factors driving these developments?

The efficacy of civil rights protections – that is, of personal liberties in relation to state and non-state actors, as well as equality before the law – has been eroding for quite some time, and this trend has continued in the BTI 2018. Autocracies have undercut civil rights more than democracies have. Rights have been restricted most significantly in Bahrain, Mozambique, Thailand and Yemen (–4.0 points relative to the BTI 2006).

Checks and balances between legislative, executive and judicial powers have

become more dysfunctional in a number of countries, typically shifting to allow for a stronger executive. This development has affected democracies and autocracies in equal measure. The now-defective democracy of Hungary (–5.0), the moderate autocracy of Bangladesh (–4.0), and the hard-line autocracy of Thailand (–4.0) have been hardest hit by this trend.

Previous BTI surveys have demonstrated the impact religious dogma can have in destabilizing state institutions and legal orders. This trend has recently gained further traction. The classification of the two countries most affected here – Ethiopia and Libya (both –4) – as hard-line autocracies cannot hide the fact that exploiting religion as a political ideology represents an equally troublesome problem in democratic countries. Certain interpretations of Islam that are incompatible with democracy have gained significantly in influence in countries as diverse as Indonesia, Nigeria, Senegal and Turkey. Yet other religions' adherents, too, can play an active role in the subversion of the rule of law, as demonstrated by Hindu nationalist forces within India's governing BJP; the Buddhist, ultra-nationalist Patriotic Association of Myanmar; and the Orthodox Church in Russia, which has entered into a symbiotic relationship with Vladimir Putin's regime.

The rights to associate, assemble, raise one's voice and access independent media have been restricted with particular frequency. In no autocracy has the repression of these rights increased more strongly than in the young military dictatorship of Thailand (–4.5), and in no democracy as strongly as in crisis-torn Madagascar (–4.0).

#### Unfair competition at the ballot box

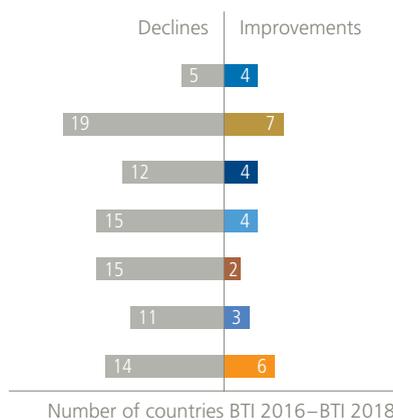
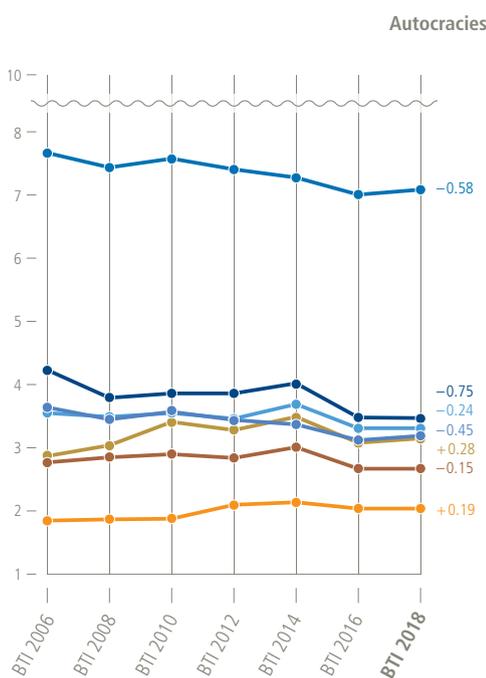
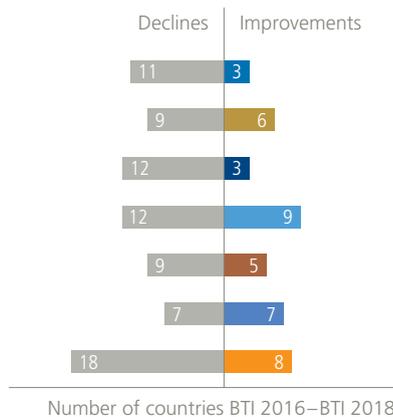
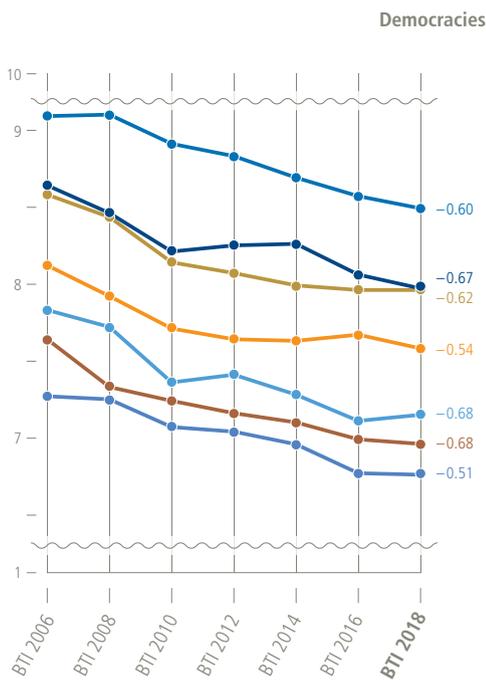
Electoral manipulation has always been part of the tool kit of semi-authoritarian and autocratic power politics. On the one hand, it remains true that hardly any government around the world is able or willing to renounce the greatest source of political legitimacy – the vote of citizens. This is good news

for the acceptance and appeal of the principle of popular sovereignty. On the other hand, political actors are exploiting opportunities to manipulate public opinion for their own benefit with increasing subtlety and efficiency, thus harming or perverting democracy's reputation and ability to function.

In the current review period, the freedom and fairness of elections has also deteriorated. More than half of the surveyed countries (66 of 129) held national executive and/or legislative elections between February 1, 2015 and January 31, 2017. In a total of 35 cases, the quality of balloting

was about as good or bad as in the previous election; however, quality levels changed in 31 elections, with deteriorations outweighing improvements. In 13 cases, elections proceeded in a freer and fairer manner, with the most impressive progress shown by Burkina Faso, the Central African Republic and Myanmar. However, in 18 cases, balloting was less free and fair, with election quality declining most significantly in Burundi, Niger, Venezuela and Zambia. This negative record is amplified considerably by the fact that incumbents in 10 additional countries in which no elections were held have changed the constitutionally mandated date of the next election or interfered with independent electoral-oversight processes to their own benefit. These interventions range from curtailments of electoral-commission independence (Madagascar) to the abolishment of incumbent term limits (Honduras) to multiple postponements of a presidential election, thus artificially extending the head of government's last constitutional term (DR Congo). Altogether, there have been more than twice as many deteriorations (28) as improvements (13).

### Political and civil rights increasingly restricted



■ No influence of religious dogmas ■ Free and fair elections ■ Association and assembly rights  
■ Freedom of expression ■ Separation of powers ■ Civil rights ■ Commitment to democratic institutions

### Manipulation of civil society

Populist-authoritarian models positing an alternative to the democratic order are encroaching deeply into civil society, and critics of liberal democracy have become increasingly efficient at exploiting democratic structures for their purpose, thereby destabilizing political systems from within, a fact most clearly seen in well-organized civil societies that are also strongly polarized. The relative strength of a civil society allows no linear inference to be drawn regarding its effect on the quality of democracy in which it operates. To this is added a further problem, that of state manipulation of civil society, which results in the “shrinking space” phenomenon. While, in a majority of cases, we see state harassment curtailing genuine opportunities for participation in civil society, we also see with increasing frequency instances of

state intervention in support of certain civil society groups. Thus, “manipulated space” more appropriately reflects the state of civil society in many countries. Both mechanisms – repression and manipulation – are addressed below.

The means of interference, marginalization and isolation are remarkably similar. Numerous governments – autocratic and democratic alike – have sought to brand civil society actors as foreign agents. We see governments increasingly adopting new bureaucratic procedures that aim to systematically obstruct third-sector activity. At the same time, state-supported organizations have sprung up to compete with those actors not aligned with the state and critical of its actions.

Any civil society subject to such restrictions and manipulation will inevitably generate a distorted representation of a population’s actual interests. State-controlled media reporting exacerbates this dynamic, thereby undermining a society’s ability to reach a democratic consensus. In such cases, the state apparatus has focused first and foremost on undermining the independence of self-funded and self-managed organizations that are critical of the government and can draw on private resources to act in all key policy areas.

Across the board, the methods used by leaders are very similar. A classic among legislative initiatives aimed at curtailing civil society is the criminalization of foreign or even only partially foreign-funded non-governmental organizations. Guided democracies and autocratic regimes have targeted these organizations in particular because the support they receive from foreign sources lends them a certain independence from the constraints of a politically controlled civil society. It is also worth noting that it is not only countries like China and Russia that tend to make it difficult for external donors to support domestic NGOs, thus isolating them. The Ethiopian Charities and Societies Proclamation forbids foreign non-profit organizations from engaging in human rights reporting or representation. The Sudanese government limits the activities of groups,

particularly human rights organizations, that have contacts with or are financially supported by Western NGOs. In 2016, Bangladesh’s parliament passed a law targeting anti-state activities and terror financing that can, in practice, be used against regime-critical NGOs which have received foreign funding. Laos has also issued new, stricter regulations covering the activities of international NGOs. Democracies, too, have engaged in such restrictions; for example, India’s government has continued to deny NGOs access to foreign funding resources under its Foreign Contribution Regulation Act and, since 2016, has refused to renew foreign-financing licenses for 25 NGOs.

#### Harassment, bureaucracy and smear campaigns

In addition to drying up foreign sources of financing, incentives for NGOs to exhibit regime-loyal behavior are a tried-and-true means of intervention. In China, a non-profit law passed in 2016 allows NGOs to collect funds – even from domestic sources – only if the government has given its express authorization. The Ecuadorian government harasses organizations such as CONALIE, an umbrella association for the majority of the country’s indigenous peoples, thus diminishing their political influence. In Hungary, loyal and quasi-non-governmental organizations (QUANGOs) are, in practice, the only ones with access to state financial resources. Poland recently adopted a law that envisages the centralization of grant allocations – even those derived from EU resources – in a newly created institute directly subordinate to the prime minister.

Another means of state interference with civil society organizations involves the use of political pressure in recruiting for leadership positions in the third sector, even for those groups that are not specifically state-aligned or compliant, and that have not been founded by government-allied persons. In Cambodia, the climate for civil society organizations (CSOs) has

worsened significantly. Burundian authorities banned 10 major CSOs in 2016. In Turkey, there have been numerous attempts at direct state influence on or even the closure of CSOs and foundations.

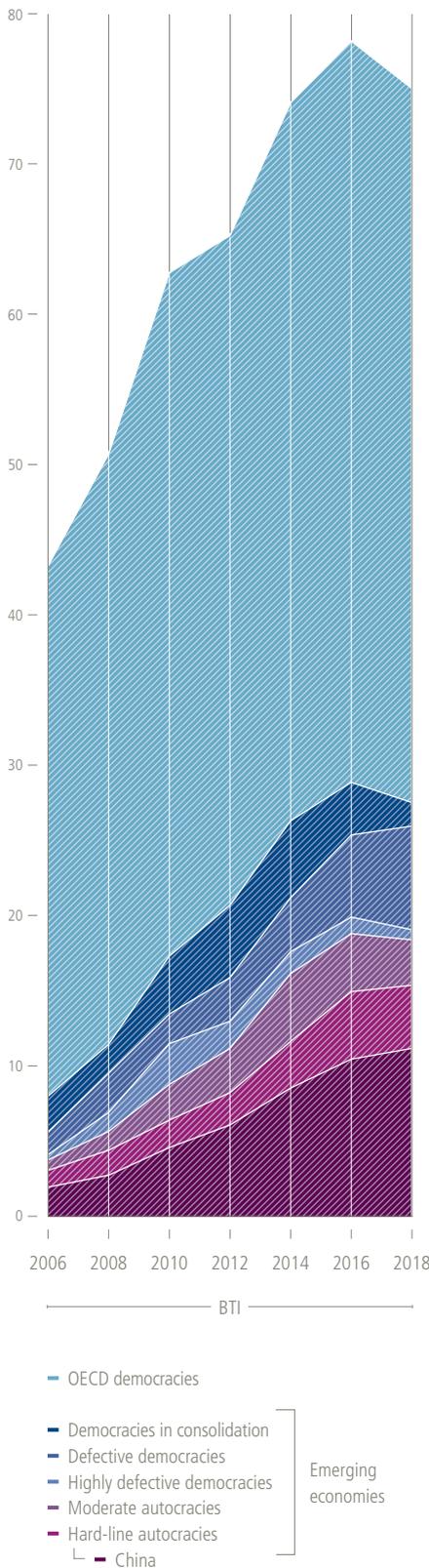
A number of states have additionally adopted or tightened bureaucratic registration procedures that serve to harass and hamstring civil society. In Afghanistan, a new NGO law adopted in 2015 introduced three levels of registration at different government agencies, placed financing and activity areas under state oversight, and forbade activities outside of government-set guidelines. In Bolivia, too, where 38 organizations were declared illegal in 2015, CSOs complain about complicated registration procedures. Chinese CSOs must find a state sponsor organization and then submit to a demanding procedure in order to complete registration with the Ministry for Civil Affairs or its local branches.

In addition, governments or media organizations largely already controlled by them launch slander and smear campaigns that defame CSOs as the puppets of external control engaged in treason. The most well-known example is the Hungarian government’s multi-million-dollar poster campaign against George Soros, whose philanthropic aid to migrants was portrayed as the equivalent of support for terrorist organizations. Following the December 2016 elections, former Macedonian Prime Minister Nikola Gruevski also called for a “de-Sorosization” of Macedonia, and accused critical civil society actors of being commissioned by Soros to overthrow the government.

#### Transfer of repression strategies

It is obvious that strategies for limiting free activity in the political sphere are increasingly applied with greater subtlety and efficiency. Modern authoritarians rule their societies by law and through the use of managed media and networks. Governments overpower critics with bureaucracy and indictments, defame them as externally controlled troublemakers, and cut

Autocracies increase global economic power vis-à-vis rich democracies



GDP (current US\$, trillions) by regime category. OECD members and China displayed separately. BTI 2018 (2/2015–1/2017) combined with GDP data for 2016, BTI 2016 with data for 2014, and so on. Sources: BTI, World Bank.

them off from financial support. Effective repression strategies of this kind can be easily transferred from one country to another. Indeed, the resemblance of illiberal legislation introduced in several countries is striking. Added to the mix is the uncertainty that vaguely formulated legal offenses, such as “political activity” or “subversive measures,” create for active regime opponents.

It is also clear that those positing alternative models to liberal democracy are gaining confidence. In a 2014 speech that received considerable international attention, Hungarian Prime Minister Viktor Orbán aggressively formulated the goal of an “illiberal state,” orienting himself decidedly toward non-Western “stars,” such as China, India, Russia, Singapore and Turkey – the majority of which are classified by the BTI as autocracies or, at best, as defective democracies. The obscure idea of an “illiberal democracy” is also highly regarded by Philippine President Rodrigo Duterte, Poland’s most powerful politician, Jarosław Kaczyński, Russian President Putin and Turkish President Erdoğan. It has been many years since a decidedly anti-democratic project was so publicly and unabashedly promoted. The promise that governance forms other than liberal democracy might help national states achieve new economic and cultural significance is growing among political leaders.

The growing admiration for autocratic modernizers is not entirely surprising. In fact, autocracies, even more so than emerging democracies, have been able to sharply increase their relative weight in the global economy in a few years. While the share of global economic activity by value that was generated by autocracies was at 9% in 2004, this share rose to 25% by 2016.

And yet, the rise of non-democracies is not a given. First, China’s share in global value creation exceeds that of all other autocracies put together. In other words, the exceptional case of China is in a sense the fig leaf for numerous poorly governed autocracies that are not in the slightest degree suitable as alternative models. If we

exclude China from the calculation, autocracies’ accumulated share in the global economy has not increased since the end of the resource boom. In addition, it should be noted that per capita income of all democratically governed peoples is still far above that of the autocratically governed portion of the world population. The gap is closing only slowly.

The gravest threats to democracy in developing and transformation countries come from within the oldest and most stable democracies among them, including even countries once heralded as “champions” of transformation, such as Poland. The aggressively pursued illiberal discourse and democratically dubious government activity have apparently done little to diminish the reputation of populist-authoritarian governments. Voters in Poland and Hungary have re-elected populists multiple times despite their countries’ history of successful transformation. In the Philippines, President Duterte, who bears responsibility for hundreds of extrajudicial killings in the course of an anti-drug campaign, continues to enjoy a relatively high approval rating. Indian Prime Minister Narendra Modi, under whom the national discourse has shifted away from self-conception as a secular nation toward a definition of the country as a Hindu-majority society, is immensely popular.

In the past, authoritarian populists’ own actions have ultimately generated disenchantment. The societies currently affected by an erosion in the quality of democracy and rising support for authoritarian rule now face the challenge of breaking the spells held by such figureheads before these leaders refashion political systems into autocratic Russian or Venezuelan molds, thus obstructing the peaceful path back to democracy.

## Political transformation, BTI 2018

### Democracies in consolidation

Score 10 to 8

19

Uruguay	9.95
Estonia	9.75
Taiwan	9.55
Lithuania	9.45
Czech Republic	9.40
Slovenia	9.25
Chile	9.20
Costa Rica	9.05
Latvia	8.75
Slovakia	8.60
Poland	8.55
Mauritius	8.50
South Korea	8.45
Croatia	8.35
Jamaica	8.30
Botswana	8.20
Romania	8.15
Bulgaria	8.10
Argentina ▲	8.00

### Defective democracies

Score < 8 to 6

42

Ghana	7.90
Benin	7.85
Serbia	7.70
Brazil ▼	7.65
India	7.60
South Africa	7.60
Montenegro	7.55
Namibia	7.50
Mongolia	7.40
El Salvador	7.30
Panama	7.30
Bolivia	7.20
Hungary	7.15
Senegal	7.10
Albania	7.05
Dominican Republic	6.95
Ukraine	6.90
Georgia	6.80
Colombia	6.75
Peru	6.60
Bhutan	6.57
Liberia	6.55
Sri Lanka ▲▲	6.55
Indonesia	6.50
Tunisia	6.50
Kosovo	6.45
Macedonia	6.45
Malawi	6.45
Paraguay	6.45
Burkina Faso ▲▲	6.40
Niger	6.30
Papua New Guinea ▲	6.30
Philippines	6.30
Kenya	6.25
Moldova	6.20
Kyrgyzstan ▲	6.15
Sierra Leone	6.15
Bosnia a. Herzegovina	6.10
Mexico	6.10
Tanzania	6.10
Guinea ▲	6.05
Zambia	6.00

### Highly defective democracies

Score < 6

10

Mali	5.95
Ecuador	5.90
Côte d'Ivoire	5.80
Honduras ▼	5.80
Lesotho	5.60
Turkey ▼	5.55
Madagascar	5.35
Nigeria	5.35
Guatemala	5.05
Nepal	4.90

### Moderate autocracies

Score ≥ 4

18

Uganda ▼▼	5.43
Singapore	5.42
Armenia	5.12
Togo	5.07
Nicaragua ▼	4.92
Lebanon ▼	4.87
Malaysia	4.78
Algeria	4.75
Bangladesh ▼	4.62
Russia	4.55
Kuwait	4.50
Mozambique ▼	4.48
Jordan	4.37
Belarus ▲	4.33
Mauritania	4.22
Angola	4.20
Haiti ▲	4.10
UA Emirates ▲	4.00

### Hard-line autocracies

Score < 4

40

Cameroon	3.92
Rwanda	3.88
Zimbabwe ▼	3.83
Burundi ▼	3.80
Kazakhstan	3.80
Morocco	3.80
Venezuela ▼	3.80
Qatar	3.73
Egypt	3.70
Pakistan	3.70
Centr. African Rep. ●	3.60
Iraq	3.60
Cuba	3.58
Cambodia	3.57
Myanmar	3.50
DR Congo ●	3.47
Chad	3.45
Azerbaijan	3.43
Vietnam	3.35
China	3.28
Rep. Congo	3.25
Thailand	3.25
Bahrain	3.23
Uzbekistan	3.17
Afghanistan	3.02
Ethiopia	3.02
Oman	3.00
Tajikistan	2.98
Iran	2.92
Laos	2.92
Turkmenistan	2.85
South Sudan ●	2.62
North Korea	2.60
Libya ●	2.57
Saudi Arabia	2.57
Sudan	2.23
Eritrea	2.12
Yemen ●	1.80
Syria ●	1.75
Somalia ●	1.43

- ▲ Movement to a higher category (each arrow denotes a single category)
- ▼ Movement to a lower category (each arrow denotes a single category)
- *failing states*