



Executive Summary

Global Findings

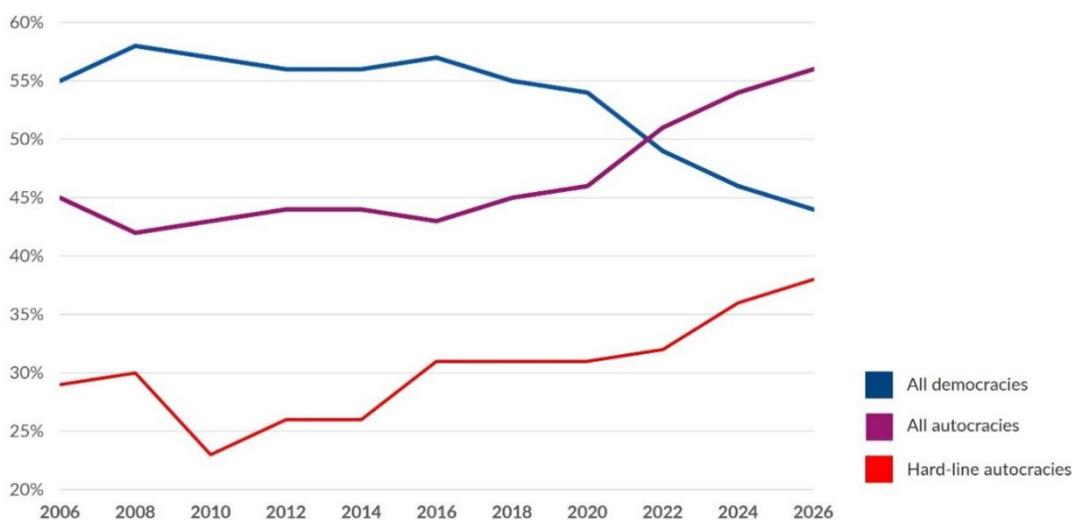
Repression meets resistance

The global erosion of democratic and market economy standards continues. Autocratic regimes further increased their share among the countries surveyed, while rule of law, political freedoms and fair competition continue to be weakened. Economically, there has been no comprehensive recovery following the pandemic and surge in inflation. Growing structural and environmental pressures are intensifying the need for action, which many governments are responding to with less consensus-oriented and cooperative forms of governance.

Looking back on the twenty years of transformation covered by the BTI, the normative goalposts of democracy and a market economy have continued to lose ground. Driven primarily by the goal of staying in power, elected political elites have gradually continued to erode core democratic institutions, while the level of repression under authoritarian rule has continued to rise. Elite failure and abuses of power, the pressure of multiple crises and the resulting demand for greater security, as well as an international environment that stabilizes autocracies, are contributing to democratic regression.

As a result, the global ratio of democracies to autocracies has reversed: whereas 55% of all countries surveyed in the BTI 2006 were democracies, 56% are now ruled autocratically. Two-thirds of these autocracies are highly repressive dictatorships or failing states. The proportion of hard-line autocracies rose to a new high of 38% of all countries surveyed. Two-thirds of the countries surveyed since 2006 are less democratic today than they were twenty years ago.

Number of hardline autocracies rising



Once again, the BTI 2026 provides a comprehensive overview of social transformation processes, from elections, political participation rights, and the rule of law to the efficiency and consensus-orientation of governance and economic and social development.

1. Elections between façade and democratic competition

Many of the numerous elections that took place during the assessment period were marked by manipulation and distortion of competitive conditions, but there were also peaceful transfers of power. Protests against electoral fraud can open up opportunities for political change.

In 80 of the 137 countries surveyed, national elections were held in 2023 and 2024, with well over two billion eligible voters called to the polls. However, many of them did not have a genuine choice of who would govern them. In 54% of all countries surveyed in the BTI, elections do not meet minimum democratic standards and cannot be described as free or fair.

Military coups and unconstitutional seizures of power—for example, in Gabon and Niger—led to the suspension of elections. Elsewhere, they serve as controlled rituals of legitimation: in countries such as Azerbaijan, Belarus, Russia and Rwanda, opposition forces were systematically excluded. Examples range from the disqualification of political opponents in Tunisia to a constitutionally engineered extension of power in Uzbekistan to the dynastic transfer of power in Cambodia.

At the same time, the authoritarian drive to control elections met with resistance. In Madagascar, Mozambique, Tanzania and Venezuela, manipulated elections led to mass protests, which were violently suppressed but strengthened political mobilization beyond the election itself. In Georgia and Serbia, where the ruling parties have increasingly captured the state and undermined democratic and constitutional institutions for years, the elections no longer met minimum democratic standards due to serious manipulation. Both countries, which saw prolonged demonstrations and protests against autocratization and nepotism, are now categorized as autocracies in the BTI.

Nevertheless, there are signs of democratic resilience and political change. In Senegal, the Constitutional Court enforced the holding of presidential elections as scheduled, against the will of the incumbent; in Sri Lanka, protests and subsequent elections led to a democratic change of power. Brazil, Latvia and Taiwan strengthened the integrity of their elections through measures against disinformation and foreign influence. In Moldova, pro-European President Maia Sandu held her ground despite massive external attempts to influence the election. Botswana experienced a historic, peaceful change of government. In India and South Africa, dominant parties lost their majorities.

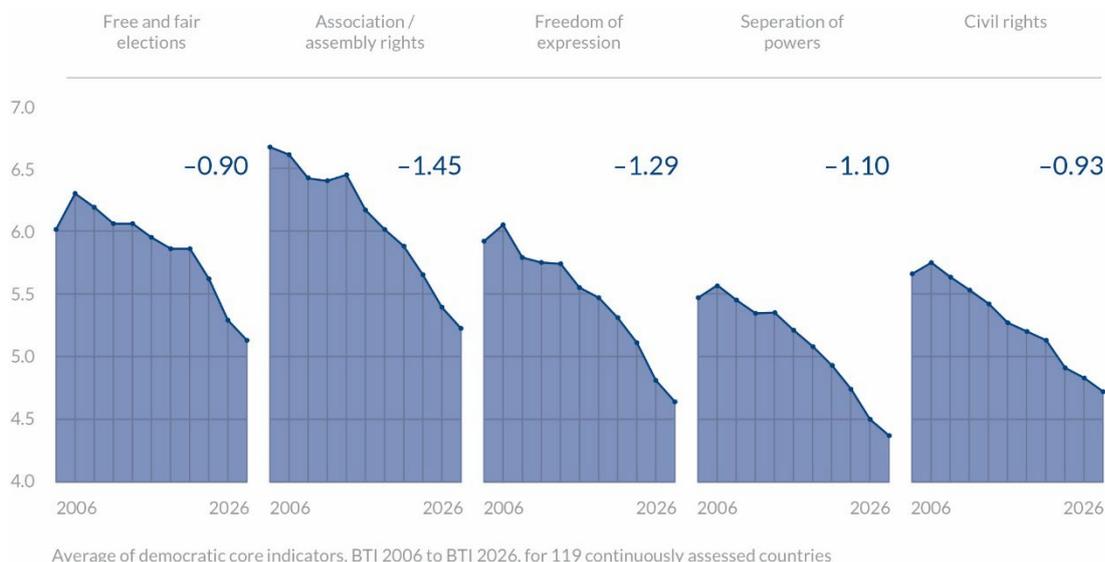
2. Participation rights and rule of law under pressure

Political participation rights and rule of law are clearly in decline worldwide, and freedom of expression and freedom of the press are once again under particular pressure. In many countries, civil society is forming resistance against the erosion of democracy.

The erosion of freedom of expression and of the press, as well as of the rights of association and assembly, has continued over the past ten years. While only a quarter of countries denied fundamental political participation rights in 2016, the figure has risen to around 40% in the BTI 2026. The sharp decline in freedom of expression and freedom of the press is driven by increasing repression against journalists, restrictive laws against “fake news” or defamation, state-dominated media markets, digital surveillance and internet shutdowns. The space for open discourse and political participation has narrowed worldwide.

At the same time, rule of law has been severely eroded over the past ten years. The separation of powers is being systematically weakened or abolished—either abruptly through military coups, as in Niger, or gradually through the deliberate undermining of supervisory bodies and horizontal accountability, as in Hungary. In numerous countries, the judiciary, parliaments and supervisory authorities have been stripped of their powers, often under the pretext of more efficient governance. In fact, the concentration of power is usually accompanied by declining accountability and increasing abuse of office.

Main drivers of democratic erosion and autocratic hardening



A look at countries that have become more authoritarian in the meantime shows that increases in executive power are easier to establish than to reverse. Countries such as Brazil and Poland, which have been able to initiate re-democratization and have made significant political gains, have nevertheless not yet been able to regain the level of rule of law they had before autocratization. Incumbents and regulations installed by previous governments block reforms, the polarization of society increases both expectations among supporters and

resistance from opponents, and there is a great temptation to use an already existing concentration of executive power for their own purposes, even if the proclaimed goal is eliminating the legacy of autocracy.

The declining commitment to democratic institutions by political elites is mirrored by a growing crisis of confidence among the population. Although normative approval of democracy as such remains high in many cases, dissatisfaction with its practical functioning is increasing. The growing gap between the democratic ideal and institutional reality is opening up opportunities for populist-authoritarian forces to further undermine democratic processes in the name of a supposedly “true democracy.”

Despite massive restrictions on participation and the rule of law, the willingness to protest against election manipulation, corruption, mismanagement or new restrictions remains remarkably high worldwide. Many governments respond with increased repression, with the erosion of democratic standards and state violence reinforcing each other. Even if demonstrations and protests do not always bring down governments, they always open up new windows of opportunity for political change.

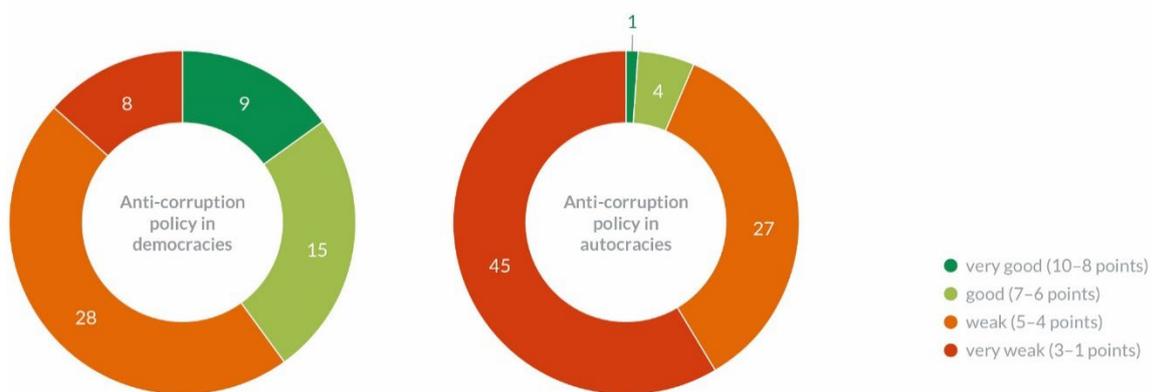
3. Efficiency deficits under autocratic rule

The authoritarian promise of efficiency remains largely a myth in the face of widespread corruption, lack of transparency and limited implementation capacities. Reform progress has been achieved primarily in democratically governed countries.

The BTI 2026 once again confirms the close correlation between the status of political transformation and government efficiency in resource management, policy coordination and anti-corruption policy. Governments that have made significant progress in political transformation also showed significantly improved resource efficiency—for example, Bangladesh under the transitional government led by Muhammad Yunus or Poland under the government of Donald Tusk, where reforms to combat corruption and depoliticize the administration were initiated. In contrast, autocracies show their most obvious deficits in anti-corruption policy: In over 100 countries, corruption is not being adequately tackled, and two-thirds of these are autocracies. The often-touted promise of authoritarian efficiency is proving to be a myth. Examples such as El Salvador, Serbia and Turkey illustrate that while the concentration of power may ensure control, it often creates new patronage networks and undermines accountability.

Although highly hierarchical systems can achieve some coordination advantages in the short term, as in Rwanda or Saudi Arabia, this often comes at the expense of efficient and transparent use of resources. When loyalty is more important than performance, waste, lack of transparency and clientelism are encouraged. Accordingly, only eight out of 77 autocracies, including Singapore and the United Arab Emirates, match or even surpass the average efficiency level of democratic governments.

Weak anti-corruption policies in 108 countries



The extent to which authoritarian rule is oriented toward the common good is also evident in the fulfillment of core government tasks. Autocracies have expanded their monopoly on the use of force in some areas, but often neglect basic services such as infrastructure, education and healthcare. At the same time, some democracies, especially those experiencing political setbacks, are also seeing a decline in the quality of public services.

Countries such as Chile, Estonia, South Korea and Taiwan, which maintain consistently efficient administrative structures, stand out as positive examples. Overall, however, governments are operating under growing structural pressures, from poverty and excessive debt to the effects of climate change. Although 50 governments have recently improved their political capacity to shape policy in individual areas, implementation capacity remains limited in many places: well over half of all governments still fail to effectively implement most of their own reform priorities.

4. Crumbling elite consensus and social polarization

The decline in political consensus on democracy and the market economy continues, accompanied by polarization, reduced public consultation, deteriorating conflict management and declining international cooperation.

In more and more countries, political capacity is increasingly diverging from the ideals of democracy and the market economy. Consensus among political elites has been steadily declining since the mid-2010s. In addition, declining problem-solving capacity, institutional blockages, inadequate crisis management and growing inequality are further undermining consensus.

Authoritarian narratives exploit these weaknesses to promote state-dominated capitalism and hierarchical control as more efficient alternatives, while China and Russia position themselves as system-stabilizing partners for autocratic regimes in development cooperation. At the same time, populist forces are eroding core normative components of democratic governance such as pluralism, openness and minority protection. Formal procedures remain in place but are increasingly used instrumentally, while political and economic elites are more focused on securing power and clientelistic arrangements.

With the erosion of consensus, the willingness to systematically involve civil society is also declining. Public consultation remains one of the weakest governance indicators in the BTI 2026 and declines particularly where stakeholder consensus on democracy and the market economy has deteriorated. Examples such as Peru and Romania illustrate how dysfunctional or polarized contexts undermine responsive governance.

The declining use of civil society's potential for cooperation and dialogue contributes to increased polarization and conflict intensity, which in turn further restricts civil society participation. Over the past 20 years, the number of countries with low conflict intensity has halved, as more and more governments are unwilling or unable to defuse conflicts along ethnic, religious, or political lines—and in many cases actively fuel them.

Conflict management deteriorates, conflict intensity rises



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

The link to autocratization is strong: in most countries that have experienced significant setbacks in their political transformation, conflict management has also deteriorated. These domestic political patterns are increasingly being transferred to the international arena. Regional cooperation continues to score highly but has declined significantly due to the isolation of sanctioned regimes and the withdrawal from or disregard of regional organizations. At the same time, the credibility and treaty compliance of many influential states, including numerous G20 and BRICS members, are declining, further clouding the prospects for successful bilateral and multilateral cooperation.

5. Unstable economic development

The BTI 2026 indicates a slight recovery in macroeconomic indicators such as monetary and fiscal stability and economic performance. However, this improvement rarely signifies a genuine transformation towards socially embedded market economies.

The growth models of many economies have reached their limits in a volatile global economic environment. In addition, low productivity, growing informal sectors, waste of resources and poor economic governance have contributed to slowing economic recovery following the COVID-19 pandemic and the subsequent surge in inflation. Around half of all economies surveyed show a lower level of economic transformation than in 2020.

Macroeconomic stability and economic performance do not depend solely on the political system. Export-oriented autocracies such as Singapore and Vietnam or the resource-rich Arab Gulf states are among the economic leaders, while in Eastern Central and Southeastern Europe, democracies such as Poland and Slovenia have remained economically stable in the long term. At the same time, countries in Eastern Europe and Central Asia are benefiting economically from the war in Ukraine or from trade diversions resulting from sanctions against Russia. Overall, however, sustainable economic transformation in many places is on shaky ground if it is not underpinned by legal certainty, reliable competition rules, and inclusive institutions.

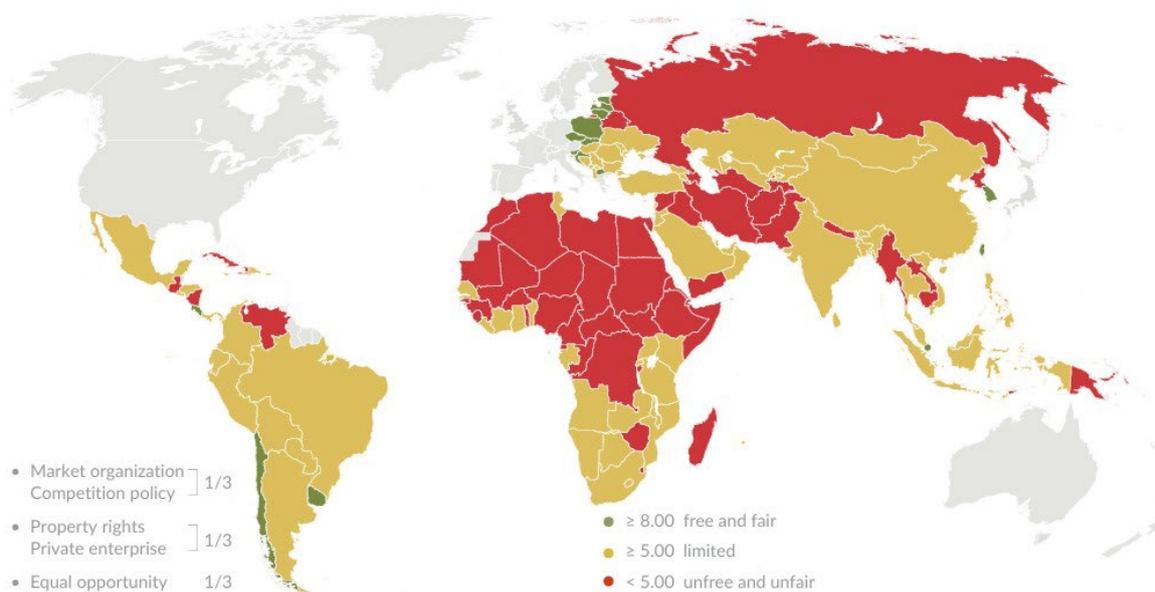
The short-term macroeconomic recovery of many countries through improvements in monetary and fiscal stability does not lead to structural improvements. Social inequality, clientelism and economic exclusion are fueled by policies focused primarily on austerity, exacerbating social tensions and the potential for protest. A striking example is Argentina: the Milei government was able to rapidly reduce inflation through currency devaluation. At the same time, the socioeconomic situation of many Argentines was severely affected by massive cuts in social spending.

6. Limited participation and structural exclusion

In many countries, clientelistic power structures, weak competition regulations, a lack of legal certainty and inadequate social and environmental policies continue to undermine social inclusion and sustainable development.

In many countries, establishing a functioning and inclusive market economy is no longer a priority. In autocracies in particular, political setbacks are accompanied by a breakdown in economic policy consensus: the state and the economy are increasingly intertwined in patronage networks that undermine free and fair competition, erode property rights and reinforce social inequality. The global average in terms of regulatory frameworks remains sobering. Market organization, competition policy, private enterprise, property rights and equal opportunity have shown little progress over the past ten years. These weaknesses are particularly prevalent in sub-Saharan Africa, where only a few countries such as Botswana, Mauritius and South Africa stand out as positive examples.

Restricted freedom and fairness in economic transformation



There are clear differences between democracies and autocracies: among the 52 countries with unfree and unfair economic regimes, only three are democratically governed states, namely Nepal, Sierra Leone and Timor-Leste. The vast majority of democracies have established at least basic competition rules. In authoritarian systems, competition authorities and property rights are often politically manipulated, as the examples of China and Turkey illustrate.

Structural discrimination in access to education, employment and public office persists despite formal anti-discrimination rules. In the long term, only a few democratic countries such as Albania, Chile and Moldova have made progress in areas such as gender parity and political representation.

Overall, the global average of the quality of welfare systems has stagnated at a moderate level for two decades: in 59 countries, social security systems are rudimentary and large segments of the population are at risk of poverty, particularly in sub-Saharan Africa. Weak social safety nets exacerbate poverty and exclusion, undermine socioeconomic participation and increase political fragility in the long term, as examples from Bangladesh, Madagascar and Nepal show, where social tensions contributed to massive protests and political upheavals.

There has also been little progress in terms of socioeconomic development globally, with the result that structural inequality often remains entrenched at previously reached levels. Bolivia, Botswana, Ghana, India and 15 other countries are currently at the global average of 4.04 points, representing a group of countries where inequality and poverty are pronounced despite, in some cases, considerable government efforts. In many regions, ecological sustainability is subordinated to economic growth targets. Budget consolidation measures often come at the expense of welfare, education and sustainability spending. The lack of prioritization of social and sustainable policies thus hinders key progress in transformation.

Conclusion

Overall, the findings paint a picture of growing authoritarian tendencies, an eroding rule of law, stalled socioeconomic transformation and less consensus-oriented and inclusive governance. Yet even where democratic standards are under pressure, social resistance to repression, corruption and abuse of power remains remarkably vibrant. Protests, institutional resistance, civil society engagement and selective reform progress demonstrate that the demand for participation, accountability and fair competition has by no means disappeared. Especially in an increasingly fragile international order, this persistence and resilience provide significant potential for reform momentum and democratic renewal.

About the BTI

Since 2006, the Bertelsmann Stiftung's Transformation Index (BTI) has regularly analyzed and evaluated the quality of democracy, economic performance and governance worldwide. The current sample includes 137 developing and transformation countries. The assessment is based on the qualitative input provided by comprehensive country reports that in sum exceed 5,000 pages. These reports are the result of a collaborative process involving nearly 300 experts from leading universities and think tanks across more than 120 countries. The review period for the current edition was from Feb. 1, 2023 through Jan. 31, 2025. The BTI is the only international comparative index that measures the quality of governance using data collected by the project itself and which offers a comprehensive analysis of the role of political steering functions in transformation processes.

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