



Regional Report Middle East and North Africa

Flexibility and Intransigence

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Regional Report BTI 2026

Middle East and North Africa

Flexibility and Intransigence

by Jan Claudius Völkel *

Overview of the transformation processes in Algeria, Bahrain, Egypt, Iran, Iraq, Jordan, Kuwait, Lebanon, Libya, Morocco, Oman, Qatar, Saudi Arabia, Sudan, Syria, Tunisia, Türkiye, the United Arab Emirates and Yemen



This regional report analyzes the results of the Bertelsmann Stiftung's Transformation Index BTI 2026 in the re-view period from February 1, 2023, to January 31, 2025. Further information can be found at www.bti-project.org.

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Introduction

The events of October 7, 2023 left the deepest mark on the Middle East and North Africa during the BTI 2026 review period (February 1, 2023 – January 31, 2025). On that day, Hamas and allied terrorist groups carried out an assault on Israel that killed around 1,200 people, injured 5,400 and led to the abduction of 250 hostages. The attack not only shattered many Israelis' basic trust in their state's ability to provide security, but the months of war that followed also inflicted immense suffering on the Palestinian side. Large-scale airstrikes by the Israeli military have destroyed wide swaths of Gaza's infrastructure – homes, roads, hospitals and schools. More than 60,000 people have died as a direct or indirect consequence of the war. By the summer of 2025, several aid organizations warned that blocked humanitarian deliveries had triggered famine conditions. Some observers have accused Israel of deliberately committing genocide.

The catastrophe in Gaza has provoked shock around the world and fierce debate. The suffering of the hostages and their families in Israel and the suffering of Palestinians separate the two groups but also unite them: both are victims of Hamas and its allied terrorists – whether as targets or as human shields – and both are also victims of an Israeli government under Benjamin Netanyahu in which some members had already advocated the expulsion of Palestinians before the Hamas attack and have since continued to pursue it as an indirect war aim, alongside the destruction of Hamas and the liberation of the remaining hostages. At the same time, developments in the West Bank should not be overlooked. There, the Israeli government approved additional settlements while further restricting the livelihoods of the Palestinian population. According to United Nations estimates, settlers have carried out roughly 2,000 attacks against Palestinians since October 7, 2023 – in some cases with the support of the army – a sharp increase compared with earlier periods, even as the number of Palestinian attacks has declined (Neumann 2025). In the words of Arie Perliger (2025), these attacks amount to “a quieter but escalating war” aimed at the “coerced depopulation of Palestinians from rural areas to solidify Israeli sovereignty over the entire West Bank.”

Despite the shock over these events, there is also a noteworthy – and in some respects positive – development to report. None of the Arab neighboring states expressed solidarity with Hamas or threatened retaliation against Israel. What had long been an open secret appears to have been confirmed in the wake of the Gaza catastrophe: governments across the region, at least the most influential ones – particularly Egypt, Jordan, Qatar and Saudi Arabia – cooperate with Israel on security matters and now work closely together politically in public as well. The Abraham Accords, negotiated in 2020 by the U.S. administration under Donald Trump, have passed their first major stress test: regional stability has not collapsed in the wake of the Gaza catastrophe. In foreign policy, the hard-line rulers who often appear rigid at home have demonstrated remarkable flexibility. Earlier ideological dogmas have largely given way to pragmatic cost-benefit calculations.

There is a second positive development as well: Iran's regional influence has shrunk considerably. Israeli military strikes against Hezbollah in Lebanon, the Houthi rebels in Yemen and Iran itself – including the targeted killing of senior leaders within these militias – have severely weakened the mullah regime militarily. This also includes the regime of Bashar al-Assad in Syria, which was overthrown in December 2024. Its current successors from the Islamist group Hay'at

Tahrir al-Sham (HTS) are still seeking to establish their role and future political direction. However, it seems unlikely that they will continue to present themselves as actors within Iran's regional power network, as Assad once did. At the same time, Iraq's new prime minister, Mohammed Shia' al-Sudani, has stabilized the country's fragile security situation and begun to free himself from Iran's long-standing role as Baghdad's gray eminence. The Houthis, aside from occasional drone attacks, are too weak to pose a serious threat to Israel. Hezbollah – traditionally Israel's most formidable adversary – has lost a significant share of its military capability after Israeli airstrikes and intelligence operations killed numerous senior leaders, including during the “pager attack” of September 17 and 18, 2024.

A genuine end to Iran's influence over militias in numerous neighboring states would have lasting effects on regional stability in the Middle East. Such a development would not resolve the question of how radical groups on both the Arab and Israeli sides might be demobilized and ideally disarmed. Still, Iran's influence across the region appears to be waning.

Yet another form of foreign interference is expanding in a different part of the region – North Africa. This is illustrated in particularly disturbing fashion by the war in Sudan, which alongside Gaza was the second major theater of conflict during the reporting period. The humanitarian catastrophe there is immense. According to United Nations figures from August 2025, more than 50,000 people have been killed since the war began in April 2023, 14 million have been displaced and 25 million face acute hunger. In West Darfur, the Masalit population became the victims of genocide. These atrocities have been possible only because of massive foreign support for the combatants. The fighting between the Sudanese Armed Forces (SAF), backed by Egypt, and the paramilitary Rapid Support Forces (RSF), which receive significant support from the United Arab Emirates – with both sides also backed by Russia – illustrates the scale at which foreign influence is shaping conflicts in several countries without regard for the devastating consequences on the ground.

Political transformation

Table 1 illustrates the fundamental democratic malaise in the Middle East and North Africa. Only Lebanon once again qualifies as a democracy – albeit a highly defective one – while all 18 other countries fall into the category of autocracies. Two-thirds of them belong to the worst category of “hard-line autocracies.” Kuwait has newly joined this group and may well be seen as the region's greatest disappointment. Its political setbacks are entirely homegrown and cannot be attributed to adverse external circumstances. In that sense, Kuwait has become the region's second-largest political decliner of the decade after Tunisia, which since President Kais Saied took office has deliberately charted a course back toward autocracy and has continued to deteriorate in the current ranking. At the bottom of the scale remain Yemen, Sudan and Libya – three failing states whose wars have caused immense destruction and where, even after years of violent conflict, there are still no signs of reconciliation or stabilization. Syria, by contrast, remains a fragile state structure after the upheaval of December 2024 but has gained stability and, for the time being, greater political freedom following the end of the al-Assad dictatorship. For the moment, it stands out as the report's positive surprise.

Tab. 1: State of political transformation

consolidating democracies	defective democracies	highly defective democracies	moderate autocracies	hard-line autocracies
Score 10 to 8	Score < 8 to 6	Score < 6	Score ≥ 4	Score < 4
		Lebanon	Iraq	Kuwait ▼
			Algeria	Qatar
			Tunisia	Morocco
			Jordan	Egypt
			Türkiye	Bahrain
			United Arab Emirates	Syria ●
				Oman
				Iran
				Saudi Arabia
				Libya ●
				Sudan ●
				Yemen ●

The table follows the BTI 2026 index scores. Countries are ranked according to their system categorization and respective score in political transformation status. Arrows mark a change of category compared with the BTI 2024, dots mark failing states.

With an improvement of 1.12 points, Syria is the clear winner in the BTI 2026 ranking for political transformation. The dramatic changes following the decades-long rule of the al-Assad family – first under father Hafez (1971 – 2000) and then son Bashar (2000 – 2024) – unfolded within only a few weeks and came as a surprise both in their course and their intensity. Following the protests of the Arab Spring in 2011 and the subsequent civil war, Syria had effectively been divided into four parts. The southern half of the country, including the capital Damascus as well as Homs and Aleppo, remained under the control of the Assad regime. The northeastern region, located east of the Euphrates with Raqqah and al-Hasakah as its largest cities, was controlled by the Kurdish-led Syrian Democratic Forces (SDF). The northwest – the smallest territory in terms of area – was held by the Islamist group Hay'at Tahrir al-Sham (HTS), with Idlib as its main city. Two additional areas along the Turkish border around Afrin and Manajir were controlled by the Turkish-backed Syrian National Army militia.

From Idlib, HTS units began their offensive on November 27, 2024, first capturing nearby Aleppo and then advancing southward with little resistance through Hama and Homs before taking Damascus. The al-Assad family fled toward Moscow on December 8, 2024. HTS took over the abandoned government institutions together with several ministers from the Syrian Salvation Government (SSG), which had governed Idlib since 2017. Ahmed al-Sharaa was appointed interim president.

The new rulers quickly reversed several key policies of the previous government. Most notably, they opened the doors of Syria's notorious torture prisons. Harrowing scenes unfolded as relatives desperately searched for traces of friends and family members who had often been detained and disappeared for years. Only about 4,000 of the estimated 130,000 political prisoners of the Assad regime were found alive in those first weeks.

Syria improved – in some cases dramatically – in eight of the 19 indicators of the BTI index for political transformation. The most visible gains appeared in the assessments of freedom of association and assembly and freedom of expression. In the weeks leading up to the end of the reporting period, no significant restrictions were announced, let alone enforced. The informal

message often seemed to be: “do whatever you want.” At the same time, it should not be overlooked that HTS is not a democratic organization committed to the rule of law. This is evident, among other things, in the fact that the group did not release its own political prisoners in its original stronghold of Idlib. Reports also indicate that torture practices were used there, though not on the same scale as under the Assad regime.

The challenges facing Syria are enormous. Not only must the country bring together its diverse population groups and pursue reconciliation where injustices have occurred. By the summer of 2025, massacres had already been reported against members of the Alawite community – from which the Assad clan originates – as well as the Druze, a religious minority with ties to Israel. Even stabilizing the current lines of conflict appears difficult under present circumstances. Members of the old regime and remnants of the Islamic State remain active and may be waiting for opportunities to destabilize the new order. At the same time, all state institutions must be rebuilt from the ground up, a constitution must be drafted and – at least in the medium term – prospects must be created for the return of refugees and internally displaced people. This carries enormous social risks in a society where, according to the United Nations, roughly 90% of the population lives below the poverty line and 65% in extreme poverty. In addition, Syria remains the focus of significant foreign interests. These come not only from the United States and the European Union but also from Russia, whose two military bases in Tartus (naval) and Hmeimim south of Latakia (air force) were largely vacated shortly after the fall of the Assad regime, leaving the immediate presence of the Russian military in the eastern Mediterranean uncertain. Israel, which occupies the Golan Heights, and Türkiye both continue to defend their security interests through military interventions.

Overall, the prospects for Syria’s transformation process are therefore far from encouraging, and considerable optimism is required to expect lasting stabilization and improvements for the population. The question is whether the country will move toward a top-down, imposed social peace under a new strong leader – similar to Algeria in the 1990s – or whether it will undergo a more chaotic process of state formation comparable to Iraq after the fall of Saddam Hussein’s regime in 2003. This question will be decided not only within Syria but also in Washington and Brussels. It will be crucial for the EU and the United States – together with the IMF and the World Bank – to agree on a joint and effective strategy for supporting Syria.

Despite the many difficulties it has faced in the past, Iraq has emerged as a relative success story in the region in terms of political transformation in the BTI ranking. Behind Lebanon – listed as a highly defective democracy with a score of 4.95 and notably the only democracy in the entire region since BTI 2024 – Iraq ranks second regionally with a score of 4.92, only slightly below the Cedar State. The increase of +0.52 points reflects less a process of democratization than the successful stabilization of the country. This stabilization has enabled more effective public administration across the territory and strengthened overall state capacity. The improved security situation has also affected freedom of expression by creating safer working conditions for journalists and other media professionals. Iraq was once described as the “deadliest country for journalists,” with several reporters killed each year. During the current reporting period, however, only one journalist was killed: Mirad Mirza Ibrahim, who was severely injured in a presumed Turkish drone strike in the northern Sinjar region on July 8, 2024 and died of his injuries three days later. Overall, the record of Prime Minister Mohammed Shia’ al-Sudani’s government can

be summarized as follows: notable progress in stabilizing the country and improving overall policymaking – developments that are also reflected in significantly improved scores in the governance index (see below). This is particularly striking given the region’s broader instability, including military exchanges involving Iranian attacks on U.S. targets in Iraq and retaliatory strikes. When it comes to genuine democratization, however, there remains considerable room for improvement along the banks of the Euphrates and Tigris.

The most significant setbacks in the political transformation ranking have occurred in a former regional hopeful: Kuwait. The country’s score declined by 0.75 points to 3.78. For the first time in BTI assessments, Kuwait is no longer classified as a moderate autocracy – a category in which it had previously stood apart from other Gulf monarchies – but has instead joined the long list of hard-line autocracies. Sheikh Mishal al-Ahmad al-Jaber al-Sabah, previously crown prince, ascended the emir’s throne on December 16, 2023 at the age of 83 and has governed in a markedly more authoritarian fashion. Particularly notable is the escalating conflict with parliament, which had previously enjoyed prerogatives unmatched elsewhere in the Gulf region. After prolonged tensions, the emir dissolved the parliament by decree on May 10, 2024. New elections are to be held only after the drafting of an entirely new constitution – apparently no earlier than 2028. Whether this timeline will actually be followed remains uncertain. Much will depend on the influence of the new crown prince, Sabah al-Khalid al-Sabah, appointed by Emir Mishal. Born in 1953 and previously serving as both foreign minister and prime minister, he is still regarded as part of a new generation of comparatively “young” Gulf leaders and has been associated with hopes for modernization. Whether this modernization would include a return to greater parliamentary autonomy, however, remains doubtful.

The second country experiencing major regression is Tunisia. Under President Kais Saied, the country recorded further dramatic political decline (-0.65 points) and now stands at 4.33 – far removed from its previous peak score of 6.55 in the BTI 2020. Presidential elections held in October 2024 under heavy repression delivered 90.7% of the vote to the incumbent and likely marked the final end of Tunisia’s democratic experiment. Algeria, which after 2019 had also raised brief hopes for democratization and genuine regime change, likewise recorded renewed setbacks during the reporting period. Declines were particularly evident in freedom of association and assembly rights, separation of powers and civil rights. Overall, the country now stands roughly at the same level as in BTI 2010 – the situation prior to the Arab Spring and the reforms achieved in the years that followed.

Economic transformation

Economic transformation across the Middle East and North Africa is once again led by the Gulf monarchies. The United Arab Emirates and Qatar rank at the top with “highly advanced” and “advanced” levels of development, followed by Kuwait, Saudi Arabia and Bahrain with “limited” economic transformation – with Kuwait also dropping one category in this assessment. Iraq recorded a significant improvement while Sudan experienced a marked decline, though neither shift resulted in a change of category. Aside from minor fluctuations, the remaining countries showed little progress or regression. Countries in the “rudimentary” category – particularly those affected by civil war but also Iran – lag so far behind that any economic recovery, if it occurs at all, can only be expected over very long time horizons. Based on official population figures for 2023 (World Bank 2025), the distribution across categories in a region with a total population of 626,500,000 is as follows:

“highly advanced”: 10,500,000 = 1.68%

“advanced”: 2,700,000 = 0.43%

“limited”: 237,000,000 = 37.83%

“very limited”: 165,400,000 = 26.40%

“rudimentary”: 210,900,000 = 33.66%

In other words, little more than 2% of the population in the Middle East and North Africa lives in economies that operate without major restrictions on the basic framework of a market economy while also providing socioeconomic guardrails.

Tab. 2: State of economic transformation

highly advanced Score 10 to 8	advanced Score < 8 to 7	limited Score < 7 to 5	very limited Score < 5 to 3	rudimentary Score < 3
United Arab Emirates	Qatar	Kuwait ▼ Saudi Arabia Bahrain Jordan Oman Türkiye Algeria Morocco Tunisia	Egypt Iraq Lebanon	Libya Iran Syria Sudan Yemen

The table follows the BTI 2026 index scores. Countries are ranked according to their respective score in economic transformation status. Arrows mark a change of category compared with the BTI 2024.

Iraq’s new leadership has translated improved security into tangible economic gains. The country’s score rose by 0.61 points – the strongest improvement worldwide, tied with Poland. Since 2023, a development fund targeting disadvantaged provinces has aimed to spur growth beyond the main urban centers. The Iraqi dinar has stabilized and the national poverty rate fell from 21.5% in 2022 to 17.6% in 2024. Yet these gains should not obscure the fragility beneath the surface. Large parts of the population continue to live in precarious conditions. Per capita income

declined by 5.1% in 2023, reflecting the economy's enduring dependence on oil exports. Efforts to diversify have progressed slowly. Agriculture, which accounts for just 4% of gross domestic product, is increasingly undermined by climate change. Intensifying heat waves and prolonged droughts are straining what was once known as the fertile Mesopotamian breadbasket. The consequences are wide-ranging. Rising production costs threaten food affordability while biodiversity in Iraq's unique marshlands is under mounting pressure. The country's economic outlook is also closely linked to developments in neighboring Iran. A significant share of Iraqi imports flows through Iran and further economic deterioration there – or instability within the regime – could quickly reverberate across Iraq's economy.

Iran itself faces deepening economic distress. Decades of mismanagement and international sanctions have driven up poverty and widened social inequality. While recent waves of protest have had multiple causes, economic frustration has been a central factor for many demonstrators. Inflation remains acute. Despite a temporary reform of the rial, inflation hovered around 40% during the reporting period. Nearly 30% of the population lives below the poverty threshold of \$6.85 per day (2017 purchasing power parity). Climate change compounds these pressures. Rising temperatures and declining rainfall are pushing up agricultural costs and have led to severe water shortages – even in the capital. Addressing these challenges would require sustained investment in research and education. Instead, Iran faces a persistent brain drain. Under a rigid and repressive political system, many of the country's most talented citizens pursue careers abroad. According to a Stanford University study (Azadi et al., 2020, p. 11), roughly one-third of Iranian or Iranian-descended researchers work outside Iran, mainly in the United States, Canada, Germany and the United Kingdom. Of an estimated 110,000 such highly skilled professionals, only about 2% return to Iran during their productive careers.

The emigration of elites is an equally urgent problem in Sudan – the country that recorded the steepest score decline (-.50) during the review period. Had the baseline not already been so low, the impact of the war would likely have produced an even sharper drop. Since the outbreak of the “April war” in 2023, Sudan has descended into economic collapse and, above all, humanitarian catastrophe. At the center of the conflict is the power struggle between the Sudanese Armed Forces (SAF), led by General Abdel Fattah al-Burhan, and the paramilitary Rapid Support Forces (RSF) under Mohamed Hamdan Dagalo. The RSF grew out of the Janjaweed militias, which between 2003 and 2008 committed atrocities in Darfur with the backing and acquiescence of Omar al-Bashir's government, including genocide against the Fur, Masalit and Zawagha communities. Fearing a military coup, al-Bashir restructured the RSF in 2013 as a counterweight to the regular army. From the beginning, its relationship with the armed forces was defined by both cooperation and rivalry. Following the 2019 uprising and the temporary transfer of authority to civilian actors, SAF and RSF jointly pursued a counterrevolutionary strategy. Its implementation in October 2021 derailed the transition process and restored military rule – in part by figures associated with the former regime. Military cooperation with Russia, which the civilian transitional government had scaled back, was resumed (Tsamalashvili 2025). Once the coup had consolidated power, tensions between SAF and RSF over the division of authority quickly resurfaced. By April 2023, open fighting had erupted. The United Nations has since described the conflict as the largest humanitarian catastrophe of the present time. Sudan is now effectively split. After Khartoum fell largely under RSF control in October 2023, al-Burhan's government relocated to Port Sudan. By March 2025, government forces had advanced from the coast back into the interior and regained control of Khartoum and neighboring Omdurman – together the country's economic hub.

The consequences of this fratricidal war are devastating. In contested regions, countless people have lost homes, businesses and livelihoods. The informal economy has expanded sharply. The destruction of schools has pushed up to 17 million children out of formal education, according to UNICEF estimates.

Developments in Egypt are also increasingly alarming. With 114.5 million people, it is by far the most populous country in the region. Its economic transformation score fell by another 0.14 points to 4.32 – the lowest level Egypt has recorded in the BTI. The government of Abdel Fattah al-Sisi – who came to power after removing Mohamed Morsi amid widespread frustration over the dire economic conditions that followed the 2011 revolution – now scores worse than Egypt did in the final years of Hosni Mubarak’s rule, a period closely associated with entrenched kleptocracy. The most recent setbacks concern monetary stability and social safety nets. In line with International Monetary Fund (IMF) demands, Egypt gradually loosened the pound’s peg to the U.S. dollar. The result was sharp devaluations and a surge in inflation, which reached as high as 38% in 2023. Since the “currency crash” of November 2016, when the pound lost about 45% of its value, the cost of living has risen by a factor of 2.7, according to World Bank data – nearly tripling by the end of 2023. Official figures show that around 30% of Egyptians lived below the national poverty line in 2020. That share has likely increased further as a result of the economic fallout from COVID-19 and the global price spikes triggered by Russia’s war against Ukraine. For at least 40 million people, essential goods such as basic foodstuffs and medicines have become largely unaffordable.

Tunisia is not yet facing comparable pressures, but the trend there is also negative. Currency instability and rising living costs weigh heavily on households. President Kais Saied, backed by a compliant parliament, has placed the central bank under political control, effectively subordinating monetary policy to executive discretion. Inflation of 9.3% may seem modest by regional standards but poses a significant burden, especially in rural areas. Government data indicate that 24.8% of the rural population lived below the national poverty line in 2021. Nationwide unemployment stands at 16% and exceeds 20% in rural governorates such as Siliana. In April 2023, after prolonged negotiations and under pressure from the influential Tunisian trade union federation UGTT, the government declined to conclude a \$1.9 billion loan agreement with the IMF. The proposed deal would have required subsidy reductions, privatization of state-owned enterprises and public sector wage cuts.

Governance

Tunisia is also the region's biggest loser in the governance index and – together with Morocco – has for the first time slipped into the category of BTI countries featuring “weak” governance. Syria has now entered this group as well. With a gain of 2.12 points, it registers the strongest improvement worldwide and now ranks ahead of Türkiye. The strongest governance performance in the region is once again recorded in the United Arab Emirates and Qatar. In third place – another surprise – stands Iraq. At the bottom of the ranking, far behind the rest, are the three states mired in civil war, along with Lebanon and Iran. Lebanon thus remains the only democracy among all countries assessed in the BTI that is marked by failed governance.

Tab. 3: Quality of governance

very good	good	moderate	weak	failed
Score 10 to 7	Score < 7 to 5.6	Score < 5.6 to 4.3	Score < 4.3 to 3	Score < 3
	United Arab Emirates	Iraq	Morocco ▼	Lebanon
	Qatar	Jordan	Tunisia ▼	Libya
		Kuwait	Bahrain	Iran
		Saudi Arabia	Oman	Yemen
		Algeria	Egypt	Sudan
			Syria ▲	
			Türkiye	

The table follows the BTI 2026 index scores. Countries are ranked according to their respective score in the Governance Index. Arrows mark a change of category compared with the BTI 2024.

Tunisia's leadership has lost ground particularly in policy implementation and political learning – the essential mechanics of effective governance. President Kais Saied's highly personalized and rigid leadership style, combined with frequent turnover in key ministries, has produced short-term and at times erratic decisions. Prime Minister Najla Bouden Romdhane was dismissed in August 2023 and her successor, Ahmed Hachani, followed a year later. Tunisia's changing political direction is also reflected in its foreign relations. In dealings with the EU, restrictive migration management has taken priority over democratic reform. The July 16, 2023 visit by European Commission President Ursula von der Leyen, Italian Prime Minister Giorgia Meloni and Dutch Prime Minister Mark Rutte marked a de facto normalization of ties. This came after the EU had initially responded critically to Saied's rapid moves toward autocratization. The timing added an awkward undertone. The visit occurred only five months after Saied had sparked widespread criticism for remarks about African migrants that many viewed as racist and demeaning. Relations with other international partners have also cooled. The government declared human rights experts from the Council of Europe's Venice Commission persona non grata and repeatedly ignored rulings by the African Court on Human and Peoples' Rights concerning judicial independence and the basic rights of detainees.

Governance in Morocco has also deteriorated, particularly in core administrative functions. Complex bureaucratic procedures and weak coordination often delay or derail policy implementation. One example is the failure to address negative environmental side effects of the Green Morocco plan, which was intended to promote sustainable agriculture. Reforms in education and health care are frequently announced but remain partial or stall altogether. This reflects limited

capacity within implementing agencies as well as highly centralized decision-making structures and entrenched corruption networks that are difficult to dismantle. Recommendations from the national financial oversight authority have largely gone unheeded.

Corruption remains one of Türkiye's most persistent structural problems. The government of Recep Tayyip Erdoğan has shown little appetite for investigating or sanctioning violations. Public contracts are often awarded without transparent tenders. The reconstruction process after the devastating earthquakes of February 6, 2023 laid bare serious governance failures. The quakes killed at least 53,537 people in Türkiye and 8,476 in neighboring Syria, injured more than 100,000 and left roughly 230,000 buildings collapsed or uninhabitable, according to Türkiye's Ministry of Environment and Urbanization. Total damages were estimated at about \$100 billion. Many experts contend that the scale of destruction was not solely the result of natural forces. For years, building regulations were inadequately enforced. Illegal structures were frequently legalized retroactively through so-called amnesty payments without rigorous inspection. Earthquake preparedness and disaster management were neglected. Shortcomings in crisis management compounded the damage. As rescue efforts began, the government decreed that billions of dollars in donations could be spent without oversight by the Turkish Court of Accounts, creating opportunities for misuse and diversion of funds intended for relief and reconstruction. The administrative system, increasingly centralized around Erdoğan, has grown less coordinated. In the presidential elections of May 2023, his government faced a genuine risk of defeat. Through legal action against opposition figures and expansive preelection spending, the long-serving president secured another term with 52% of the vote in the run-off. Local elections on March 31, 2024 dealt a setback to the ruling party. For the first time in years, the opposition Republican People's Party received more votes nationwide than the governing Justice and Development Party. In several instances, however, opposition mayors were later arrested – most prominently Istanbul Mayor Ekrem İmamoğlu, detained on March 19, 2025.

While Türkiye's leadership appears to be losing support amid corruption scandals and economic strain, Saudi Arabia's ruling family seems to be consolidating domestic approval. Crown Prince Mohammed bin Salman has rehabilitated his international standing. Once widely ostracized over his apparent involvement in the 2018 killing of Washington Post journalist Jamal Khashoggi, he is now treated as a key diplomatic interlocutor. Saudi Arabia has pursued a broad diplomatic reset. Riyadh has strengthened dialogue not only with the United States but also with Russia and China. A Chinese-mediated rapprochement with Saudi Arabia's "arch-enemy" Iran marked a notable shift and an agreement with the Houthi movement in Yemen has reduced cross-border attacks since 2022. Tensions with Qatar have eased as well. The strategy is evident: reduce overt involvement in sectarian proxy conflicts – often framed as Sunni–Shia rivalries – and project the image of a confident regional power exercising diplomatic leadership. During the Gaza war, Saudi Arabia managed to express solidarity with Palestinians while preserving its ongoing normalization track with Israel. Given the mounting pressures on Iran's leadership, the long-running struggle for regional primacy appears, for now, to be tilting toward Saudi Arabia.

If that trajectory holds, it will inevitably shape developments in Syria. The country's new rulers have been greeted with relief after the fall of the Assad family and its loyal Ba'ath Party, yet skepticism remains widespread. Fundamental questions are still open. Can Sunni Islamist leaders build a government that moves beyond religious dogma and instead tackles Syria's urgent priorities – security, reconciliation and economic reconstruction – through pragmatic policymaking? Can millions of refugees return and can confiscated property be restored? How should for-

mer regime elites be prosecuted where necessary while being incorporated where feasible to ensure stability? And how will outside powers – Russia, Iran, Israel, Türkiye and the United States – define and defend their interests in a reshaped Syria? Answers will emerge only gradually. For now, Ahmad al-Sharaa – formerly known by his militia name Abu Mohammed al-Julani, a reference to his family’s roots in the Golan – has defied some of the dire predictions. The former al-Qaida member and co-founder of the al-Nusra Front, once listed as a wanted terrorist by the United States, pledged in January 2025 to organize free and fair elections and, in the interim, to form an inclusive transitional government that would “reflect Syria’s diversity.” He also committed to pursuing accountability for past crimes in line with principles of *transitional justice*. In December 2024, Damascus’ newly appointed governor, Maher Marwan, was quoted as saying that the new authorities had “no problem with Israel” and would not threaten its security. Even so, the sobering record of stalled or reversed transitions in Egypt, Algeria, Tunisia and Sudan counsels caution. Syria’s path forward remains uncertain. That uncertainty, however, should not diminish the case for sustained international support for the country and its people.

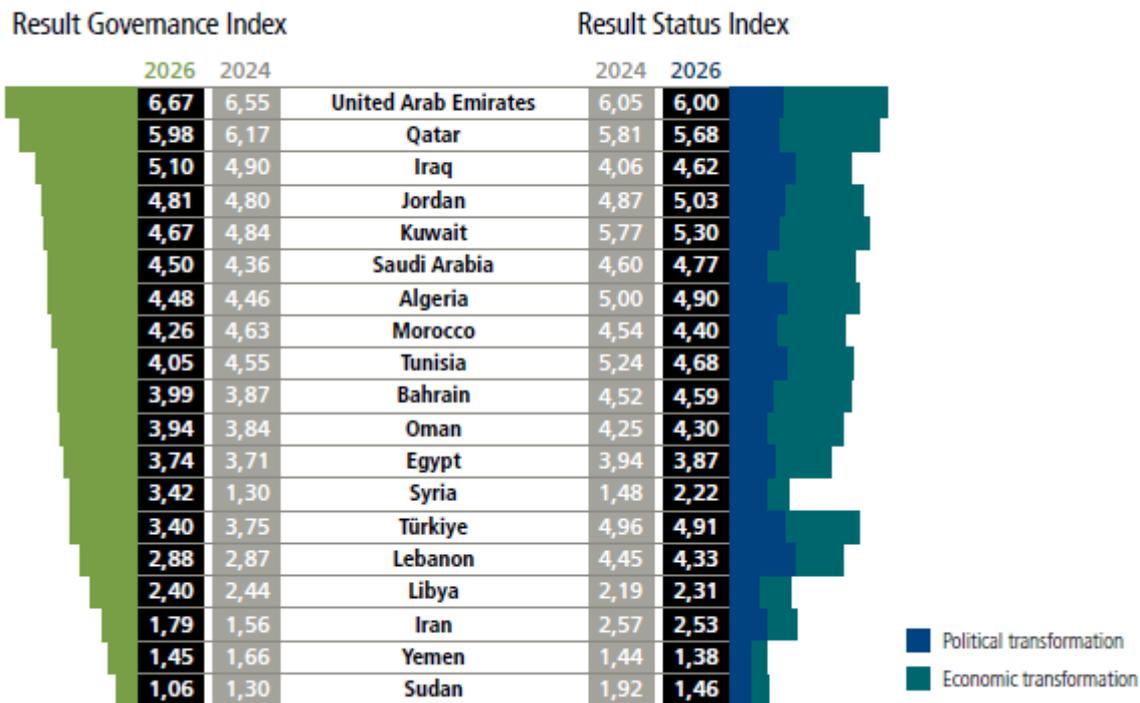
Outlook

During the reporting period, Israel dealt several heavy blows to the Islamic Republic of Iran through overwhelming military force. These strikes may prove consequential for a less confrontational regional order – not only in relation to Iran itself but also to Iranian-backed armed groups in Iraq, Yemen, Lebanon and Syria, as well as Hamas in Gaza. If this trajectory persists, the coming years could bring far-reaching security shifts in the Mashreq and raise cautious hopes for an end to the recurring cycles of violence between Israel and its neighbors. The Abraham Accords of 2020 – signed by Israel, Bahrain, Morocco, Sudan and the United Arab Emirates – outline one possible framework. Under such a scenario, democratic standards across the region might stagnate. Yet ruling elites could nonetheless establish a *modus vivendi* that replaces long-standing regional intransigence with a more pragmatic and cooperative flexibility.

Whether this authoritarian approach to conflict management can foster meaningful democratization within individual states is a separate matter. That outcome appears far less likely than incremental improvements in interstate cooperation. Public discontent has not disappeared. Protests against entrenched elites continue in Türkiye, Iran and Lebanon. The spontaneous celebrations in Syria after the unexpected fall of Bashar al-Assad underscored a broader regional aspiration: respect for civil rights, human dignity and the fulfillment of basic needs. These demands echo in demonstrations from Morocco to Iran and from Türkiye to Sudan. Yet few signs suggest that entrenched power structures – whether the AKP leadership in Türkiye, the military establishment in Egypt or the region’s monarchies – are prepared to permit genuine democratic participation or orderly transfers of power after electoral defeat. Flexibility in foreign policy is often paired with rigidity at home.

International expectations have adjusted accordingly. Under Donald J. Trump, the United States largely relinquished its claim to moral leadership. Policy has centered on transactional deals that serve U.S. interests, regardless of partners or optics – even when proposals verge on the fantastical, such as envisioning a tourist enclave in a reconstructed Gaza devoid of its displaced Palestinian population. The European Union, grappling with rising right-wing populism within its own ranks, has similarly recalibrated. In its effort to curb migration, it has pursued agreements that sidestep normative commitments, despite Europe’s own role in shaping migration pressures through trade imbalances, arms exports and insufficient climate mitigation. Meanwhile,

Russia and China position themselves as alternative partners for governments in the Middle East and North Africa. They do not foreground human rights, gender equality or environmental standards. Instead, they offer financing, arms and diplomatic backing, framing their engagement as liberation from Western conditionality.



Sudan offers a stark illustration of the consequences. More broadly, Russia's expanding footprint in North Africa has emerged as a central strategic concern. Reports from February 2025 indicate that Moscow, responding to developments in Syria, concluded agreements to reposition elements of its air and naval forces. One arrangement with Khalifa Haftar envisages the expansion and use of the Maaten al-Sarra air base in southeastern Libya near the Sudanese – Chadian border. Another contemplates access to the port of Tobruk as a naval facility. In March 2025, Abdel Fattah al-Burhan reportedly agreed to grant Russia access to military infrastructure in Port Sudan on the Red Sea. Parallel discussions with Syria's new leadership have explored the continued presence of Russian forces there. If realized, these moves would significantly deepen Russia's military and political reach across the region. The ripple effects would extend into the already fragile Sahel, where since 2023 Moscow has markedly expanded its activities and displaced France as the primary external military actor in several states. As BTI regional coordinator Martin Welz observes in the 2026 regional report on West and Central Africa, the expanded Sahel is widely regarded as Russia's largest area of interest outside the former Soviet Union. Developments there will inevitably influence North Africa's own transformation trajectories.

If Iran currently appears weakened as a driver of regional instability, Russia has stepped forward to consolidate its role in North Africa. In coordination with Beijing, Moscow is likely to deepen its engagement, adding new volatility to Europe's southern neighborhood. In this context, the promotion of democracy and socially inclusive market economies – as assessed by the BTI – may acquire renewed strategic relevance. Not only for the advancement of individual societies, but also for the broader defense of civil liberties, human dignity and protection from authoritarian rule.

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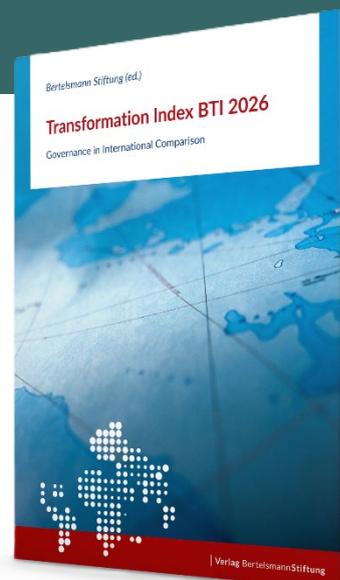
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