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Transformation Index 2010

Political Management in International Comparison

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Preface

The capacity to shape social change is crucial to any state's ability to manage the challenges of economic development and political transformation. These challenges are increasingly interlinked, with decisions made in developing countries and in nations undergoing transformation now resonating far beyond their borders and vice versa. Successful transitions to democracy and to market economic systems—or failures in this regard—today have profound consequences for security issues, growth opportunities and cooperation efforts in the so-called first world. Political decision-makers' vision and aptitude in shaping change have direct and tangible global impact on a transnational scale. But if the stakes are higher today, the means for making informed decisions are expanding apace. Reformers can draw on the experiences of others who are facing or who have faced similar challenges. These experiences constitute an invaluable learning opportunity. As a tool facilitating an exchange of good practices, the Transformation Index (BTI) of the Bertelsmann Stiftung has provided precisely this kind of opportunity since May 2004.

Using an established classification system and uniform standards, the Transformation Index 2010 assesses transformation policy in 128 countries, monitoring in each the state of democratic and market economic transformation as of the spring of 2009. The Index focuses on the actions of governments and agents of reform as well as the ability of both to shape change in the period from 2007 to 2009. The BTI 2010's diverse findings are explored from various points of view in this volume's contributions.

Chapter I draws interim conclusions regarding the scope and impact of the Transformation Index and—given the global financial and economic crisis that broke on developing and transformation countries' shores at the start of 2009—identifies the BTI 2010 survey period as the end of an era of considerable opportunity for these countries.

Chapter II provides a summary of and quick access to this edition's key findings. This chapter primarily interprets the project's aggregated results. It also provides an introduction to the BTI's objectives and explores individual country rankings in the Status Index and Management Index.

Chapter III, "Global Trends," offers an in-depth look at the BTI results in global comparison. This analysis draws on the knowledge of seven regional and 128 national experts to examine the key factors of good governance and identifies conditions for successful transformation and reform management.

Chapter IV focuses on defective democracies as a relevant issue in foreign, security and development policy. Seventy-six of the 128 states surveyed are classified as democracies, of which only 23 are considered to be undergoing consolidation. The majority of states classified as democracies suffer from deficits that threaten to undermine the acceptance and performance of democratic institutions, in some cases severely so. Although the conduct of elections in these countries is considered to be reasonably free and fair, their quality of democracy has in many cases deteriorated substantially. In some countries, such as Venezuela, governing regimes have even reverted to authoritarian forms of leadership. BTI findings are used in this chapter to establish a typology of democratic deficits and to investigate their root causes.

Chapter V explains in detail the criteria and methodology underlying the BTI 2010 and positions the Transformation Index within the landscape of international surveys that address similar issues.

Chapter VI consists of seven regional reports, including East-Central and South-east Europe, the CIS and Mongolia, the Middle East and North Africa, West and Central Africa, South and East Africa, Asia and Oceania, and Latin America and the Caribbean. In each report, the respective BTI regional coordinator provides in-depth assessments of the quality of democracy, the state of economic development and the governance of leaders in various regions around the globe.

The volume also includes an overview of the full BTI rankings in the form of a chart and a CD-ROM containing the individual country reports, the Transformation Atlas, the complete set of scores assigned to each country and, in the interest of transparency, all materials used in the process of creating the country reports.

A large body of data such as that collected by the Transformation Index is essential if we are to properly compare processes of transformation and competently pursue research questions related to issues of transformation. The assessments and data collected afford users a rich opportunity to explore the state of transformation in the world to an extent otherwise impossible. This can range from comparing individual countries with one another, to comparing regions, to comparing factors of success in development and transformation, to pursuing thematic interests, such as the rule of law, as they manifest themselves in a variety of ways.

It is especially this depth of focus that has made the Transformation Index of the Bertelsmann Stiftung the world's foremost index of systematically compared transformation processes. To date, several governments, including those of Germany, the United Kingdom, the Netherlands and the United States, use it as a reference tool in crafting their development policies. International organizations, such as the World Bank, the European Commission and Transparency International, have also come to rely on the Transformation Index in their own work. Unequaled in its focus on assessing political leaders' steering performance, the BTI has sparked demand for feasible, practical suggestions that address good practices for shaping change. In the future, we will be addressing this challenge by increasing our focus on the quality of political management and the ability to overcome crises.

The fact that the Transformation Index enjoys widespread popularity among policymakers and the public, attracting considerable interest for the Bertelsmann Stiftung in its international work, is due in large part to the combined efforts of numerous people around the world. For their cooperation and commitment, we would like to take this opportunity to express our sincere gratitude.

The project's quality stands or falls with the quality and validity of the country reports, which constitute the backbone of all our assessments and scores. We are as happy as we are proud to be able to rely on an invaluable network of more than 250 experts at top academic institutions around the globe, and we extend our heartfelt thanks to all of those individuals who have contributed their expertise.

At the operational heart of the Transformation Index, the regional coordinators not only monitor and guide the process of creating the country reports, but also play a major role in calibrating the results, both within their respective regions and in interregional comparisons. In addition to their dedication at the operational level, they have also provided contributions to this volume in the form of regional reports. We would like to thank Matthias Basedau, Martin Brusis, Aurel Croissant, Bernd Kuzmits, Siegmар Schmidt, Peter Thiery and Jan Völkel for their outstanding work. Special thanks go to Olaf Hillenbrand, who, as deputy director of the Research Group on the Global Future at the Center for Applied Policy Research, was essential in coordinating the process of collecting and assessing the results and who, with the energetic support of Anna Katharina Naab, provided editorial support in producing this volume.

In appreciation of the need for solid, readable country reports, we invest considerable effort in the editorial process. Essential in this respect are the editorial efforts of Barbara Serfozo and her team, who have taken on this enormous task for the third time.

The sheer quantity of information making up the Transformation Index—which includes almost 7,000 individual scores for 128 countries—demands a clear and intuitive visualization of its results. For their continued support and development of the Transformation Atlas, we would like to thank information architect Dieter Dollacker and cartographer Dirk Waldik. We also extend our thanks to Veronika Döpjohann of the Bielefeld-based graphic design agency KopfStand, whose role in shaping our public image has been invaluable since the first edition of the BTI, ranging from producing the ranking chart and graphics to designing the BTI brochures.

Over the years, the BTI has profited from the support, advocacy and counsel of a wide variety of transformation policy experts and development professionals. However, nothing has surpassed the continuous constructive criticism provided by the BTI's academic advisory board. For this, we extend our deepest appreciation to the BTI Board members, all of whom have played a significant role in conceptualizing the project's framework, overseeing the process and evaluating and auditing the results.

Finally, we wish to extend a special thanks to our colleagues Sabine Donner and Hauke Hartmann, who have guided the project with meticulous care and unflagging

enthusiasm as project managers. With the support of Sabine Steinkamp, they have done an excellent job of coordinating all operational and conceptual aspects of the project, including the complex research and evaluation processes. Throughout, they have been effective in and sensitive to balancing the various demands of scholarly rigor, the evaluation process and the clear communication of results.

The BTI began as a pioneering project focusing on Europe's experience in building democracy and market economic systems. Its broad approach to the subject reflects the European sensitivity to the heterogeneity of cultural, ethnic and historical contexts as well as Europe's own diverse experiences with democracy and market economic systems. These experiences underlie precepts held widely across Europe today: that democracy requires a sound rule of law if it is to withstand the turmoil of crises, and that growth and prosperity are in the long term dependent on social equality. Weaving these distinct experiences together so as to make them a shared strength is one of the major challenges facing Europe today.

The Transformation Index can serve both as a valuable starting point and as a continual reference tool for European actors supporting information exchanges between young democracies with emergent market economies. Internationalizing the project's institutional support structure is therefore a logical step toward expanding the Transformation Index's reach among stakeholders in transformation processes worldwide. In view of these considerations, we will seek to work more closely with external partners as we develop future editions of the BTI, and the Bertelsmann Stiftung will be placing more emphasis on partnerships with other European civil society organizations.

In fact, the Transformation Index of the Bertelsmann Stiftung has already brought about a broad network of esteemed institutions and individuals who provide valuable support and counsel and act as partners in an ongoing dialogue. Developing this network further will not only assist in expanding institutional support, but will also help broaden the Transformation Index's impact and reach among those pursuing the cause of reform wherever they may be.

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An Introduction to the Transformation Index

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Since its inception in the mid-1990s, the Transformation Index of the Bertelsmann Stiftung has evolved into an internationally established tool of comparative analysis for transformation processes. Organizations and governments around the world concerned with the capacity of leaders to steer change in states undergoing political and economic transformation consult the BTI in large part because of its innovation: the examination and evaluation of governance. Six years since its first edition, the BTI has become an essential feature of transformation studies, development policy and attempts to measure levels of democracy

This widespread resonance of the BTI was not necessarily anticipated in 1996 during the first brainstorming sessions on its conceptual and methodological framework. These sessions were initially organized in response to a question raised by Reinhard Mohn, the Bertelsmann Stiftung's founder, regarding the need for a systematic evaluation of the lessons derived from the experiences of shaping change and steering societies at critical junctures and in turbulent times. At that time, the Bertelsmann Stiftung—working closely with the Center for Applied Policy Research at the University of Munich—found itself well-positioned to explore this question, as it had accompanied the Eastern European countries during their processes of transformation and developed a certain expertise in such issues.

Nevertheless, the BTI's initial aim—to measure political and economic developments using normative social goals as a benchmark—was received with considerable skepticism among scholars and development-policy professionals. During the 1990s, when the use of international indices and the cumbersome term “governance” were just emerging, even the thought of ranking the management performance of governments as part of an international comparison was a politically sensitive and methodologically ambitious exercise. Since then, many of these reservations have faded as indices and rankings have become more frequently consulted and comparisons between countries and regions more common. At the time, however, these early reservations facilitated the fertile debates that were essential to making the Transformation Index what it is today.

The years of development and preliminary research invested into the first edition of the BTI proved well worth the effort. Precisely because so many questions had been raised, considered and ultimately answered beforehand, the Transformation Index featured an impressively robust methodology for its debut edition, in 2003. In

fact, the key components of the BTI's framework were already in place more than six years ago. These include: its division into a Status Index and a Management Index; its comprehensive approach to democratic institutions and processes and an explicit consideration of social as well as economic developments; its emphasis on management performance and on describing how policies shape social change; and its inclusion of a level of difficulty as a factor in recognizing accomplishments made under especially adverse conditions. These factors of success have distinguished the BTI—in some ways considerably—from other indices and comparative surveys:

- The Transformation Index assumes that a comprehensive approach is required to fully understand social development. Accordingly, statements on political developments are of limited value when they fail to take general economic and social conditions into consideration. At the same time, it is also problematic to focus on economic output indicators without examining the efforts of leaders to steer the processes and social developments underlying these figures. For example, if we consider Singapore in purely economic terms, the microstate is a model of success. It holds a top position in the area of economic transformation in the BTI 2010 not only because it has managed its economy in a way that has yielded substantial economic output, but also because it incorporates mechanisms of sustainability and social equality. At the same time, however, Singapore is an autocratically ruled state with significantly limited rights of political participation and an only partially functioning rule of law. With its current form of government, Singapore has almost completely exhausted its potential for transformation and will not be able to make more progress, in BTI terms, until political liberalization is underway.
- In line with its comprehensive approach to political and economic development, the Transformation Index casts a wider conceptual net in its individual analytical dimensions. For example, the dimension addressing political transformation is not geared exclusively toward exploring the issue of whether free and fair elections have been held regularly or whether a basic set of political and civil liberties is provided for. Instead, the criteria of the BTI are also concerned with looking at the initial conditions of political transformation, focusing on the degree to which political processes are anchored in the rule of law and, lastly, identifying a democratic system's degree of consolidation. The dimension devoted to economic transformation is equally comprehensive in its approach. In addition to the usual macroeconomic indicators and questions related to the organization of a market, this dimension also includes criteria focused on socioeconomic development, the social safety net provided by the state and environmental and educational sustainability. In doing so, the Transformation Index takes care to incorporate holistically the reality of the processes of social transformation. Since it covers a broad set of development objectives, the Index avoids focusing on specific political objectives in a biased or overly narrow way.
- Dividing the BTI into a Status Index and a Management Index was an important step for several reasons. For one, this division renders the dynamics of develop-

ment and transformation more tangible. It also allows us to draw distinctions between the course taken and the manner in which a certain course is managed by political leaders, while at the same time exploring their relationship to each other. This is essential, as development gains are not always immediately and directly attributable to successful management. It is frequently the case that, whether positively or negatively, the effects of political leadership are delayed—with the result that gains or losses may actually be attributed to the actions of previous governments. Likewise, there are also governments operating under certain conditions that set constraints on their efforts to steer economic development or political liberalization at the national level. Lastly, even in cases of clearly marked success in governance, identifying the specific reasons for such success or the particular strategies and processes underlying a positive outcome is a less straightforward endeavor. It is therefore important to measure and evaluate a government's performance according to criteria that specifically focus on actual capacities and concrete processes and, then, to consider these results in light of progress made in development. This can only be achieved using separate surveys for status and management, where the former looks at the state of development and the latter looks at governance.

- The standardized criteria for evaluation used by the Transformation Index aim at providing a model that posits as the goals of social development a democracy *under the rule of law* and a market economy anchored in *principles of social justice*. An operable separation of powers is needed to hold political leaders accountable for their decisions, to maintain transparency in decision-making and to ensure civil rights. Likewise, sustainable economic development is predicated on a solid institutional framework for fighting poverty, fostering equal opportunity and mitigating social hardships.

By making no secret of its normative anchoring, the Transformation Index consciously distinguishes itself from a large number of other projects claiming to offer “value-neutral” analyses. We have always believed that there is no such thing as a complex international comparative study that is not in some way based—whether explicitly or implicitly—on a specific value system. Indeed, standing by the objectives that shape our perspective and making these transparent is a matter of intellectual honesty and values-based self-confidence. We therefore do not assume that people who desire to have some say in their government's composition, to live free of arbitrary arrest or torture, to be able to rely on independent courts or to seek a strong civil society are expressing solely Western values. By the same token, we do assume that it is a universal ambition to live free of hunger, poverty and illness. We also believe that striving for solid growth rates and economic freedom must incorporate considerations of social equality and the sustainability of economic development.

- The Transformation Index is the only expert-based survey that aims to measure and compare the quality of governance on a global scale. The BTI's country reports also play a significant role in pursuing this goal. The reports evaluate man-

agement performance using the criteria of steering capability, resource efficiency, consensus-building and international cooperation. In the Management Index, these assessments are complemented by the inclusion of a level of difficulty, which is meant to make allowances for the different contexts in which leaders must steer change. In other words, it is acknowledged that good governance faces significantly fewer hurdles in a country like Slovenia than it does in a country like Mali. By incorporating the level of difficulty as a factor, the BTI guarantees that—with all else being more or less equal in terms of management performance—governments that have had to confront less favorable conditions (e.g., poverty or ethnic conflict) will be given higher scores.

All of these elements of the BTI 2003 have proven their value over the years in numerous discussions with both experts and advocates of reform. At the same time, however, improvements were needed in some areas. For example, the five-point scale used in the Status Index of the BTI 2003 did not have the desired granularity, and the use of criteria as the baseline for evaluations did not permit the desired level of detail. In addition, some of the management criteria proved to result in a certain degree of redundancy. The modifications made, though necessary, carry the consequence that the BTI 2003 can be used in time-series comparisons only as a prototype and to a very limited extent. This is not true, however, for subsequent editions of the BTI, as the methodological differences between them are only marginal.

An important aspect of the BTI that has always set it apart from other indices is the transparency provided in accessing evaluations and content. We have considered it important that users be able to read the written assessments that correlate to the numerical scores given. It is only in this way that, for example, India's democracy score of 8.2 has meaning when compared to the scores of other countries. Providing a text-based rationale for scores in the form of a country report not only offers important information on the country in question, but also provides users more options for conducting a systematic comparison and evaluating management practices in transformation. It is therefore particularly important that each of the 6,656 individual scores in the BTI 2010 is expounded in a passage in the corresponding country report. Doing so grounds each individual score for indicators, such as "independence of the judiciary" or the "banking system," in thick description, allowing for a qualitative comparison of countries.

We have learned much from user feedback and from readers, particularly those in developing and transformation countries. One result of this has been the decision to separately display the individual indicators in the country reports. Comparing indicator scores and texts has been made possible by the Transformation Atlas since 2006. Providing a visualization of the BTI results, the Transformation Atlas facilitates an intuitive interaction with them and invites the user to pursue his or her own particular interest. Without reducing the complexity of the underlying methodology, the Transformation Atlas also provides an overview of global trends in political and economic transformation. With the use of a distinctive design, it highlights the charac-

teristic strengths and weaknesses of each country in terms of its government's steering capacity.

All the elements of the BTI—the country reports, individual scores, the Transformation Atlas and the codebook used by the almost 300 authors and experts—are available online for free.

It is this blend of transparency, a comprehensive approach and innovation in measuring governance that has made the BTI so popular so quickly. Indeed, the Transformation Index is used by numerous governments to appraise the performance of governance in their partner countries. In addition, the BTI is used by the World Bank and Transparency International. The former has integrated the BTI into its own Governance Indicators, and the latter uses the two BTI criteria assessing the prosecution of office abuse and anti-corruption policies in its Corruption Perceptions Index. Moreover, references to the BTI in scholarly articles and publications related to developmental policies are growing, as is its use as a tool for political analysts. Together with Freedom House, the Democracy Coalition Project and the Ghana Center for Democratic Development, the BTI team has been engaged in supporting the invitation process to the ministerial conferences of the Community of Democracies in Bamako (November 2007) and Lisbon (July 2009). Lastly, the BTI is increasingly used in university coursework and as part of seminars offered by development policy organizations.

The Transformation Index's reach is also steadily growing. The foreign editors of ZDF, one of Germany's main public broadcasters, have placed all of the BTI's 2008 reports, shortened and translated into German, on its Geothek web site; the BTI's criteria for democracy have been used in high school textbooks in Germany; the BTI brochure has been translated into Romanian; and the Dubai-based Gulf Research Center has published the entire BTI in Arabic. In a relatively brief period of time, the BTI has made a name for itself as one of the most reliable measures of political development and as an expert-based survey of governance in developing and transformation countries. It has also come to play a key role in the debate between experts on foreign and developmental policies. For example, BTI results were used in public hearings held in the Bundestag, the lower house of Germany's federal parliament, by the Committee on Economic Cooperation and Development (June 2006) and the Committee on Human Rights and Humanitarian Aid (November 2007). Examples such as these demonstrate that the BTI serves as a compass for agents and supporters of reform in navigating transformation.

All of the articles in this publication underscore the fact that, after several years of unabated global economic growth, the BTI 2010 marks the end of an era of considerable opportunity. By early 2009, the financial and economic crisis had not yet shown its full effect in the majority of the countries examined. Although the initial reactions and precautionary measures taken by governments in the face of the looming crisis are discussed in a number of the country reports, the review period ended before a comprehensive estimation of the crisis's magnitude and effects could be conducted.

Within this context, the BTI 2010 can therefore serve to outline the state of affairs in developing countries before the crisis began to take full effect. In this respect,

the BTI can help identify patterns of vulnerability in various typologies of countries while tracing the crisis's effect on specific aspects of political and economic governance.

Certain effects of the crisis—whether expected or already underway—can be delineated in many of the BTI country reports. For example, the slump in commodity and crude oil prices will spell relief for some of the poorest countries that import raw materials. But even countries that are dependent on commodity exports might be able to limit the effects of a drop in demand and prices in the short and medium term if they concluded long-term supply agreements beforehand. In all these cases, much depends on the duration of the crisis. If the global economy recovers quickly, countries with few natural resources could actually benefit, and those that export commodities will not necessarily suffer as greatly as initially expected.

The crisis has also led to substantial job losses among migrant workers, which in turn have triggered declines in remittances sent back to their countries of origin. Whereas a number of countries in sub-Saharan Africa and Central Asia felt the effects of these losses directly and quickly, countries in Southeast Asia whose citizens were or still are employed in member countries of the Gulf Cooperation Council have fared relatively better. For countries such as Tajikistan, where remittances account for nearly half of GDP and ruble fluctuations have been a concern, the depletion of remittances has had dramatic effects on the country's economic health.

The dwindling demand among OECD countries for goods has hit several economies in the developing world rather hard. So-called south-south trade, which currently accounts for roughly 10 percent of global trade, has not been able to fill the gap. In countries such as Brazil, India, Indonesia, the Philippines and Turkey, the effects of the crisis were already being felt in early 2009, taking the form of dramatically lower export figures and declining trade balances. Clogged financial flows—both on the credit market and in terms of private direct investment—have affected small- and medium-sized companies in particular.

Concerns linger that a prolonged economic crisis will undo hard-won gains in levels of prosperity in many countries. In more concrete terms, this means that the slowdown will further hinder efforts to attain the Millennium Development Goals by 2015 and that the number of people living in absolute poverty will once again rise steeply. These developments bear risks involving the legitimacy of governing regimes, which could have consequences for the stability and quality of political systems. Indeed, this will make it more difficult for authoritarian and democratic rulers alike to make substantial gains in fighting poverty, fostering social equality or providing equal opportunities in education and economic prosperity. However, whereas democratic governments derive substantial legitimacy from the fact that they hold popular elections, cultivate processes of political participation and generally foster a greater degree of equal opportunity through the articulation of various interests, authoritarian rulers who want to avoid relying predominantly on repressive means of rule must be able to demonstrate that they can provide security, prosperity and growth if they are to legitimate their rule. Many autocracies have efficiently taken ad-

vantage of the favorable conditions of recent years to increase their economic strength and, in some cases, to expand their systems of social security.

Authoritarian modernizers, such as China and Vietnam, as well as the Gulf States and Cuba have received high scores for their output legitimacy; Singapore had the highest score of all the Transformation Index countries. Over the course of the financial and economic crisis, several of these states have lost resources needed to maintain this form of legitimacy. Consequently, many of their governments have come under increased pressure.

Indeed, even the governments of defective democracies—which hold relatively free elections but do not sufficiently ensure political and civil rights or the effective separation of powers—could soon face significant challenges. Due to these deficiencies, the legitimacy of these regimes is much less stable than that of consolidated democracies. This holds true, to varying degrees, for 53 of the 76 democracies examined in the BTI 2010. On the other hand, for a host of other reasons, democratic governments in Benin, Liberia, Mali and Papua New Guinea are limited in their capacity to perform. Future effects of the crisis, such as dwindling resources and a narrowing scope of action, are likely to constrain leaders' efforts to meet expectations of improved living conditions. This could lead to lowered levels of citizen trust in a government's ability to address and resolve problems, which in turn bears considerable risks for the legitimacy of a democratic system as a whole.

For this reason, external supporters of transformation should pay close attention to those countries showing high input legitimacy and comparatively good governance but insufficient output legitimacy—especially if unfavorable structural conditions, exacerbated in the wake of the crisis, have kept them from providing sufficient socioeconomic development. These countries should be the primary targets of external aid—and before socioeconomic freefall is set in motion and a population begins to question the legitimacy of an already weak democratic regime. At the same time, a sound analysis of the shifting patterns of legitimization in autocratic regimes with formerly high output legitimacy seems to be called for if stakeholders want to respond in a more appropriate way to either increased repression or developments aimed at expanding participation.

Whether—and, if so, how—individual countries effectively navigate the shocks unleashed by the crisis depends to a great deal on the capacity of their governments to pursue sound crisis management. Of critical importance will be the extent to which governments are in a position to set strategic priorities, to implement their decisions in an effective and timely manner and to learn from mistakes made. In times of economic crisis, it is particularly important that governments manage their available resources efficiently, coordinate various interests and concerns in a coherent manner, and successfully combat corrupt practices. Moreover, should political upheavals loom on the horizon, a government's ability to manage conflict and incorporate civil society organizations into the political process would be essential.

The scores for the quality of these selected management criteria in the BTI 2010 are sobering. On average, all of the BTI's 128 countries earned staggeringly low

scores, particularly in terms of their attempts to fight corruption, their effective use of resources and their engaging civil society in the political decision-making process. In regional comparison, only the countries in East-Central Europe and, to a lesser degree, those in Southeastern Europe and Latin America appear to be well-prepared to handle the crisis. The governments of Europe and Latin America inhabit an environment marked by relatively strong economies (except in the Balkans), a fairly good level of socioeconomic development (except those of some countries in Central America and the Andes region) and almost universal macroeconomic stability. These governments generally have a greater capacity to manage crises effectively and, at the same time, face more favorable circumstances.

Conversely, the structural conditions in sub-Saharan Africa are particularly bad. Only Botswana, Ghana, Mauritius, South Africa and Uganda have thus far been spared a dramatic expansion of poverty and social exclusion. In this context, the shortcomings observed in most African countries in terms of political management are worrisome. To make matters worse, with only a few exceptions, the countries of the Middle East, North Africa and the CIS region show similar shortcomings in this area. The pronounced deficits in civil society participation are characteristic of the primarily authoritarian countries in these regions. Nonetheless, these countries—especially the resource-rich states of the Gulf region—enjoy the benefits of stronger structural conditions. Among the Asian countries, it is the states of Singapore, South Korea and Taiwan, with their advanced levels of development, that demonstrate impressive management performance; these are followed by India, Indonesia and Malaysia. The performance gap between these six countries and the authoritarian modernizers China and Vietnam is considerable. The precarious state of affairs found in other countries in the region, such as Cambodia, Laos, Myanmar, Nepal and North Korea, is exacerbated by the inability of their political elites to govern effectively.

However, if we focus on a few of the countries that are particularly important for the global economy, the overall picture of global capacities to cope with the crisis brightens considerably. Brazil, South Korea and Turkey, in particular, but also India, Indonesia and South Africa received scores ranging from respectable to good for their governments' respective steering performances. Only China and Russia scored significantly lower in this area. While South Korea and Turkey, for example, scored points for strong policy coordination, Brazil's government did so for its systematic consultation of civil society groups.

In its country reports, the BTI 2010 outlines the capacity of governments to navigate the effects of the economic crisis. In an additional comparative study, the Bertelsmann Stiftung is examining the actual crisis management of the eight countries mentioned in the preceding paragraph, which are especially important in economic terms. The study, to be entitled "Managing the Crisis," also includes Chile, Germany, Hungary, the United Kingdom and the United States and will discuss how governments in each planned and prioritized measures aimed at countering the effects of the financial and economic crisis. This will include a close look at the policy programs in each country in terms of their timelines and specific focuses as well as the

communication and coordination involved in their implementation. In addition, finance and monetary policies will be explored, as will any observable learning effects or repercussions resulting from government action. The study will serve as a forerunner to the BTI 2012, which will allow a sophisticated assessment of crisis management in all developing and transformation countries.

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