The Bertelsmann Stiftung’s Transformation Index (BTI) analyzes and evaluates the quality of democracy, a market economy and political management in 137 developing and transition countries. It measures successes and setbacks on the path toward a democracy based on the rule of law and a socially responsible market economy.

GLOBAL ANALYSIS
Democratic Quality and Good Governance

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In-depth country reports ([https://www.bti-project.org/en/](https://www.bti-project.org/en/)) provide the basis for assessing the state of transformation and persistent challenges, and to evaluate the ability of policymakers to carry out consistent and targeted reforms. The BTI is the first cross-national comparative index that uses self-collected data to comprehensively measure the quality of governance during processes of transition.

The Status Index ranks the countries according to their quality of democracy and market economy as of January 31, 2019. The Governance Index ([https://bti-project.org/en/index/governance.html](https://bti-project.org/en/index/governance.html)) ranks the countries according to their leadership's political management performance between February 2017 and January 2019.

### Political transformation

The status of political transformation ([https://www.bti-project.org/en/index/political-transformation.html](https://www.bti-project.org/en/index/political-transformation.html)) toward democracy is measured in terms of five criteria, which in turn are derived from assessments made in response to 18 questions. The BTI’s concept of democracy goes well beyond other definitions, which are limited primarily to basic civil rights and the conduct of free elections. Stateness, which is seen as a precondition to democracy, is included in the BTI’s definition of political transformation and examined through questions specifically dealing with the state’s monopoly on the use of force and basic administrative structures. It also entails an evaluation of the rule of law including the separation of powers and the prosecution of office abuse. The BTI puts a special emphasis on the evaluation of democratic consolidation. It assesses the quality of representation with regard to the party system and interest groups, and also measures social capital and the approval of democratic norms and procedures.

### Economic transformation

The status of economic transformation ([https://bti-project.org/en/index/economic-transformation.html](https://bti-project.org/en/index/economic-transformation.html)) toward a socially inclusive market economy is measured in terms of seven criteria, which are based on a total of 14 indicators. The BTI’s concept of a market economy includes not only aspects such as economic performance, regulatory or competition policy and property rights; it also includes elements of social justice, such as social safety nets, equality of opportunity and sustainability. In BTI terms, comprehensive development not only aims at economic growth, but also requires successful poverty alleviation and the freedom of action and choice for as many citizens as possible.
Transformation management

By examining and evaluating decision-makers’ reform policies, the BTI sheds light on those factors determining success and failure on the way to democracy and a market economy. Successful transformation management (https://bti-project.org/en/index/governance.html) implies that governments are consistent in pursuing their goals and use their resources wisely and effectively. It also implies that decision-makers cultivate the broadest possible consensus for their transformation goals and work reliably with external supporters and neighboring states.

The Governance Index is comprised of five criteria, which are based on a total of 20 indicators. Governance performance is weighted with the level of difficulty, which is derived from three qualitative and three quantitative indicators. It reflects the observation that each country’s quality of transformation is influenced by structural constraints. In this way, difficult conditions and the scarcity of resources in a given country are factored into the equation for political governance performance.

Weblinks

BTI 2020

- All BTI Data
- Global and Regional Results
- Visualization Tool Transformation Atlas
- BTI Blog