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Democracy Index 2025

Democracy stabilises after eight years of decline

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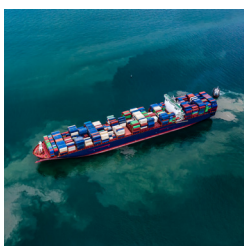
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Foreword



Constance Hunter
Chief Economist

Is the democracy recession really over? The EIU's 2025 Democracy Index points to a pause in the global slide and for the first time in nearly a decade, the evidence is more promising than not.

There is, however, one particularly well-known outlier, the United States, where democracy is moving decisively in the wrong direction. Remove the US, and the picture looks meaningfully different. Among full and flawed democracies, over 85% of countries either remained the same or improved. In Latin America, the index ended nine consecutive years of regional decline, with over half of the region's countries improving, led by Bolivia's first free and fair elections in nearly two decades.

In a category where half of countries saw scores decline, the hybrid regimes of Kenya, Nepal and Madagascar bucked the trend as youth-led protests forced changes in government. But as Aristotle observed, political stability relies on strong institutions to endure. While political participation is a positive sign, it is important to remember that participation without reform is combustible.

For business leaders, this is not abstract.

Institutional strength determines regulatory predictability, policy coherence and the likely return on capital. In the least democratic countries, hybrid and authoritarian regimes, political shocks are more likely to translate into abrupt regulatory change, operational disruption and capital risk.

Approaching its 20th anniversary, the Democracy Index would like to recognize its roots. The concept of the index was first conceived by Laza Kekic and Joan Hoey as an article for The Economist's *World in 2006*. In its 2025 results, the data show the first credible indication that the downward trajectory of recent years has lost momentum.

The question for policymakers and businesses alike is whether this pause marks a genuine inflection point, or merely an interlude. Among the top two rankings, democracy is solid and year-to-year fluctuations are largely a natural result of democracy's inherent messiness. In hybrid regimes, where declines still outnumber gains, recent surges in participation signal mounting pressure for change, but only time will tell if it is a durable shift.

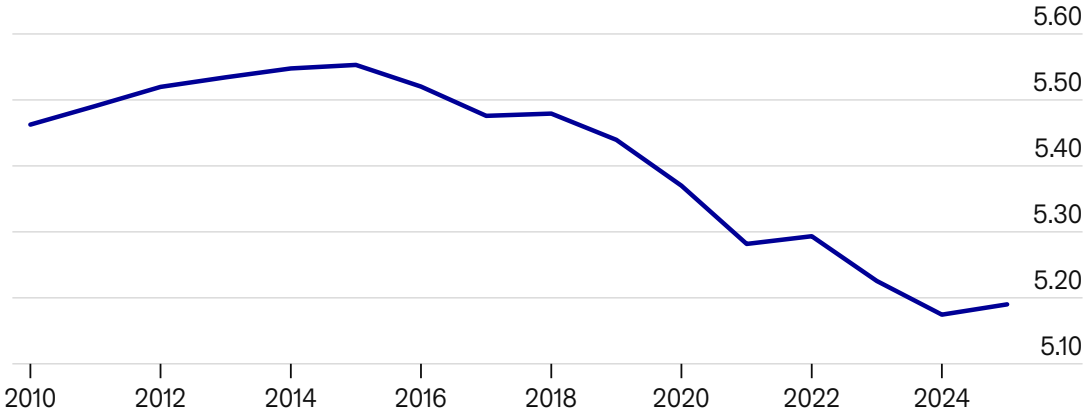
Overview

EIU's 2025 Democracy Index shows that after eight years of declining scores, 2025 marks a stabilisation that suggests an end to the democracy recession is under way. One glaring exception is the United States, where democracy has deteriorated since Donald Trump's inauguration in January 2025. However, in the "world minus one", many regions have seen the end of democracy decline. Data in the report show that countries in the top quartile—full democracies—are extremely stable, as are those

in the bottom quartile, the authoritarian states. In countries where democratic institutions remain underdeveloped or are non-existent, learnings from the past 19 years of the index suggest that democratic reforms will remain out of reach. Nevertheless, there is a small group of countries that have risen from hybrid regime to flawed democracy and these serve as interesting case studies on how countries can develop.

Figure 1:
Average overall score, 2010-25
Global average Democracy Index score out of 10 (10=best)

Source: EIU.

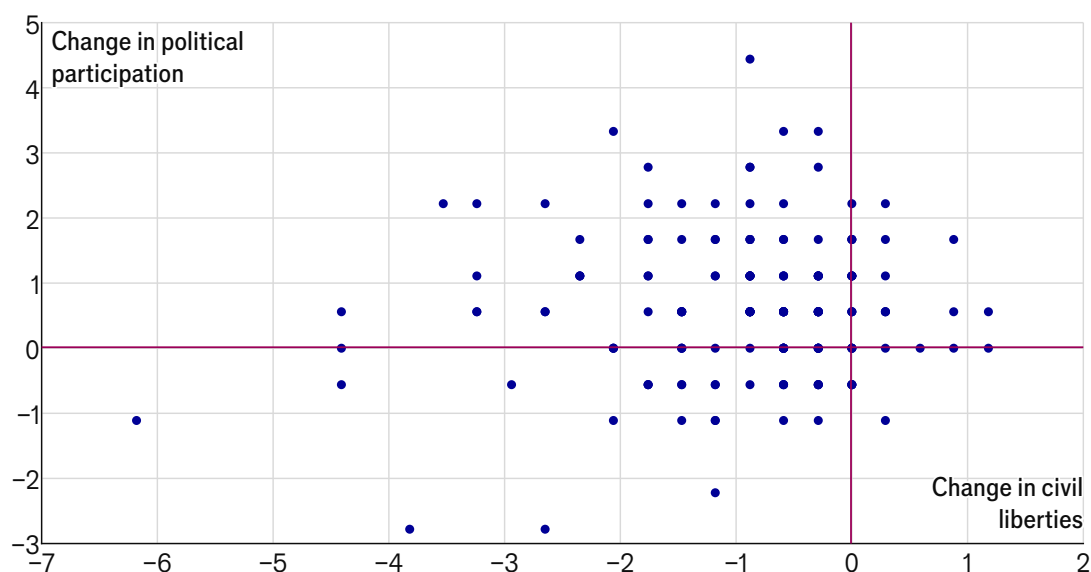


The 2025 index reveals a critical dynamic that could determine the outlook for democracy—the rise and impact of political participation. After almost a decade of falling participation in Latin America and the Caribbean, the region has seen a reverse. The focus has now turned to Asia and Sub-Saharan Africa, where younger populations are demanding democratic progress. A Nepalese government ban on 26 social media platforms in early September

triggered a nationwide “Gen Z” uprising, rooted in anger over corruption, political nepotism and digital suppression. Kenya and Madagascar experienced similar youth-led protests, which led to changes in the composition of government. What is more striking, these countries all score below 5 in the civil liberties sub-pillar, suggesting that traditional means of political participation have not enabled significant political change.

Figure 2: Change in civil liberties and change in political participation

Index points



Source: EIU.

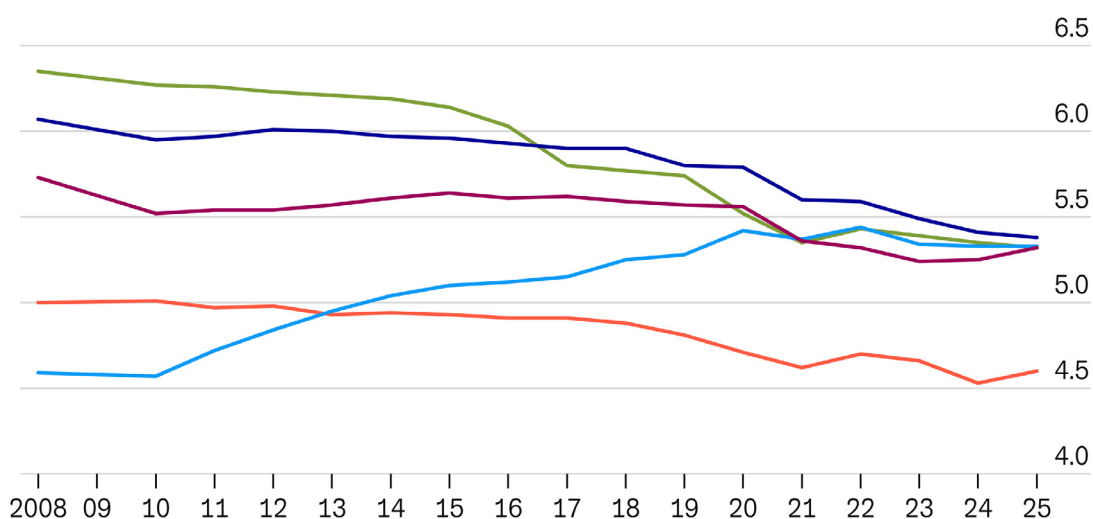
Political participation is a necessary but insufficient step through which to achieve and solidify stronger democracies. Without institutional reforms and increases in civil liberties and a greater influence in outcomes through electoral processes and

pluralism, the rise in political participation in parts of Asia and Africa could result in further disillusionment and frustration, with a consequent increase in political and social instability.

Figure 3: Democracy Index sub-pillars scores (av), 2008-2025

Index score out of 10 (10=best)

— Electoral process and pluralism — Functioning of government — Political participation — Political culture — Civil liberties



Source: EIU.

What is the Democracy Index?

The Democracy Index, a measure of state democracy in 167 countries and territories, assesses electoral processes, governance, civil liberties, political participation and political culture. It examines the forces shaping elections, governance and political stability globally.

Highlights - 2025 Democracy Index

- The media focus on events in the US since the inauguration of Donald Trump in January 2025 is likely to have driven the perception that a democratic recession is ubiquitous. Trends in much of the rest of the world, however, challenge this assumption. Declines in democracy have plateaued: almost 75% of countries either saw score improvements between 2024 and 2025 or remained constant.
- Canada and a number of countries in western Europe, which have been near the top of the Democracy Index since its inception, experienced score increases. In western Europe, countries that successfully responded to an external threat, such as Denmark, saw a rise in confidence in the functioning of government. Canada's improvement reflects a continued recovery from a significant score decline in 2023, which stemmed from rising polarisation and reduced functioning of government. Participation in the April 2025 election, which solidified Mark Carney's position as prime minister, had the highest participation (69%) since the 1993 federal election, when the issue of Quebec secession was very prominent. It is also possible, ironically, that Mr Trump's caustic approach towards Europe and his aggressive stance towards Canada created a pathway for the body politic to galvanise around unifying issues such as mutual defence and economic progress.
- After nine consecutive years of regional decline, over half of countries in Latin America and the Caribbean experienced score improvements. The region recorded above-average scores in four out of five sub-pillars, specifically *electoral process and pluralism*, *political participation*, *civil liberties* and *functioning of government*. Free and fair elections in Bolivia, after almost 19 years of rule by the far-left Movimiento al Socialismo, and a peaceful transition are among the most noteworthy changes.
- Post-conflict stabilisation and modest gains in security and institutional functionality across Iraq, Lebanon and Syria have driven improvements in the Middle East. These incremental, non-structural changes, however, have not translated into broad-based democratisation in a region composed of authoritarian and hybrid regimes.

Figure 4: Largest score changes, 2024-2025

Country	Ranking change	Score change
Top 5 score improvements		
 Gabon	32 ↑	+1.31
 Bolivia	20 ↑	+1.12
 Canada	5 ↑	+0.40
 Sri Lanka	11 ↑	+0.38
 Argentina	5 ↑	+0.38
Bottom 5 score deteriorations		
 India	6 ↓	-0.33
 Philippines	11 ↓	-0.33
 Georgia	5 ↓	-0.34
 Pakistan	15 ↓	-0.41
 Nepal	10 ↓	-0.59
 Guinea-Bissau	12 ↓	-0.66

Source: EIU.

- In the US, erosion of government functioning and civil liberties drove democratic decline. Many agencies are now struggling to function with fewer staff after the Department of Government Efficiency (DOGE) cuts, politically motivated firings and resignations across the civil service. The Government Accountability Office (GAO), the agency tasked with ensuring that the president cannot make unilateral decisions to shut down a congressionally created agency or hollow out programmes, has opened 39 investigations into potential violations of the law. The pardon of rioters that participated in the attack on the US Capitol in January 2021, and the Trump administration's extraordinary use of federal law enforcement arms to target specific ethnic and racial groups without probable cause has eroded civil liberties, a trend that has not abated so far in 2026.
- Asia continued its six-year regional score decline. The most significant setbacks were concentrated in South Asia. In Bangladesh, the interim government that took power following the 2024 "monsoon revolution" has suspended all political activities of the former ruling party. Pakistan's score fell to an all-time low, and electoral violence challenged democracy in India.
- Sub-Saharan Africa's score stabilised. This stabilisation is from a low base where non-democratic systems make up 85% of the continent. One notable development has been Gabon's political transition in the wake of an August 2023 coup. Democracy scores in Guinea-Bissau and Madagascar plummeted following military takeovers.

What to watch

- Political polarisation, policy coherence and government stability will be risk factors across western Europe in 2026. In key elections in Denmark, Sweden, the UK and Germany, stringent policies on immigration will dominate the positions of those vying for power and incumbent parties alike. We expect the centre-left Social Democratic Party in Sweden to maintain hardline immigration policies, an about-turn from the party's stance from a decade ago, after it took power from the centre-right. We expect that populist parties may soften their rhetoric on controversial policies to widen their electoral appeal.
- The US administration's muscular assertion of power in foreign policy could shape the democratic trajectory in Latin America and the Caribbean. Just as Mr Trump's approach to Europe has spurred greater political participation and a move to the centre, this same outcome could unfold in Latin America. The US-led snatch-and-grab operation to oust Venezuela's authoritarian president, Nicolás Maduro, may eventually provide a pathway for the country to place elected leadership into power, but this does not appear to be a priority for the US at the moment. Cuba is another target for US-driven regime change, although it is unclear whether this will result in a transition towards democracy. Ironically, if the current US administration chooses not to back democracy in the region, it could embolden citizens to be more vigorous in its defence.
- Most of the Middle East's governments are non-constitutional monarchies that are not contemplating moving towards democracy. The war in Iran is still ongoing at the time of writing, but the structural stability of the existing Islamic regime makes democratic improvements an unlikely outcome in the short or medium term. In Gaza, the Israel-Hamas ceasefire is nominally in place, but has been violated and phase two implementation is not under way. The resilience of post-conflict governance and reconstruction will be critical to democratic outcomes in Syria, which changed government in late 2024. Although Iraq has a democratically elected parliament, its ability to form a functioning government is limited because of entrenched political differences among the major political parties.
- A series of elections throughout 2026 in Eastern Europe and Central Asia are key to reversing the region's democratic decline. In Hungary, the centre-right Respect and Freedom (TISZA) party will challenge the ruling nationalist-populist Fidesz party. A TISZA-led government would repair relations with the EU, while taking steps to root out deep-seated cronyism, with positive implications for functioning of government, political participation, political culture and civil liberties. But a TISZA victory would not sound a death knell for the far right in the region, where electorates are increasingly disengaged and have low levels of confidence in government and political parties.

- In the US, the democratic guardrails—America's courts—held the line in 2025, limiting the decline in the country's overall score to 0.2. The Trump administration has focused on imposing greater control from above and stifling dissent. If these tendencies are allowed to proceed unchallenged, we could see a democratic plunge. Despite Mr Trump's increasingly authoritarian behaviours in the early months of 2026, it would be surprising if that plunge pushes the US down far enough that it becomes classed as a hybrid regime, but we will be watching developments closely.
- Across South and Southeast Asia, we will be watching the juxtaposition of rising civic participation with declining government accountability and civil liberties. This reflects the democratic stress in political systems that remain open enough to generate protests but too institutionally weak to translate mobilisation into reform. How this tension evolves will determine the future democratic outlook for Asia.
- In Sub-Saharan Africa, demographic pressures will heighten the fragility of institutions. As several countries hold major elections in 2026, we expect the interaction among this growing young population, governance failures and fragile institutions to drive political volatility. This volatility will continue to challenge any democratic developments in a region dominated by authoritarian governments.

Democracy in focus: lessons from the Democracy Index

The Democracy Index is now in its 19th year, providing an opportunity to understand how democratic structures interact with and drive political alignment and risk. As geopolitics has increasingly become a feature of the global economy, we chose to explore the link between geopolitical trends and democratic backsliding. We were particularly interested in whether the growing number of autocratic and hybrid regimes were convincing other countries to be more like them, at least when it comes to voting at the United Nations General Assembly (UNGA).

By using data on UN voting patterns, we explored the links between our Democracy Index scores and geopolitical alignment among member states. One central question we asked was: “Is there a link between democratic decline and voting alignment with China at the UNGA?” We wanted to understand if China’s growing power had influenced UN votes and if this could be a proxy for its influence on global

political systems. Ultimately, UN voting patterns are heavily impacted by the members of the Group of 77 (G77), the majority of which are not democratic countries. The relationship between China’s votes and the votes of the G77 countries did not prove to be statistically significant. What this exploratory analysis did uncover, however, was an illuminating array of areas where democracy, operational risks and government fragility intersect.

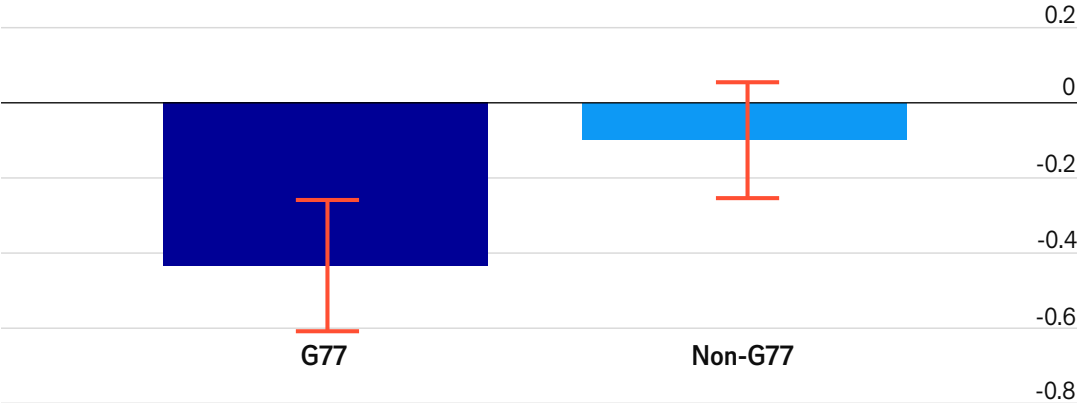
Linking geopolitics, democracy and government fragility

The G77 is an intergovernmental group of non-aligned countries at the United Nations (see Figure 5). The group, which now numbers 134 countries, is designed to promote its members’ collective economic interests and enhance their joint negotiating capacity on major international economic issues.

Figure 5: Mean democracy change G77 v non-G77

Subindex score; 2011-2024

Sources: Hoover Institution; EIU.

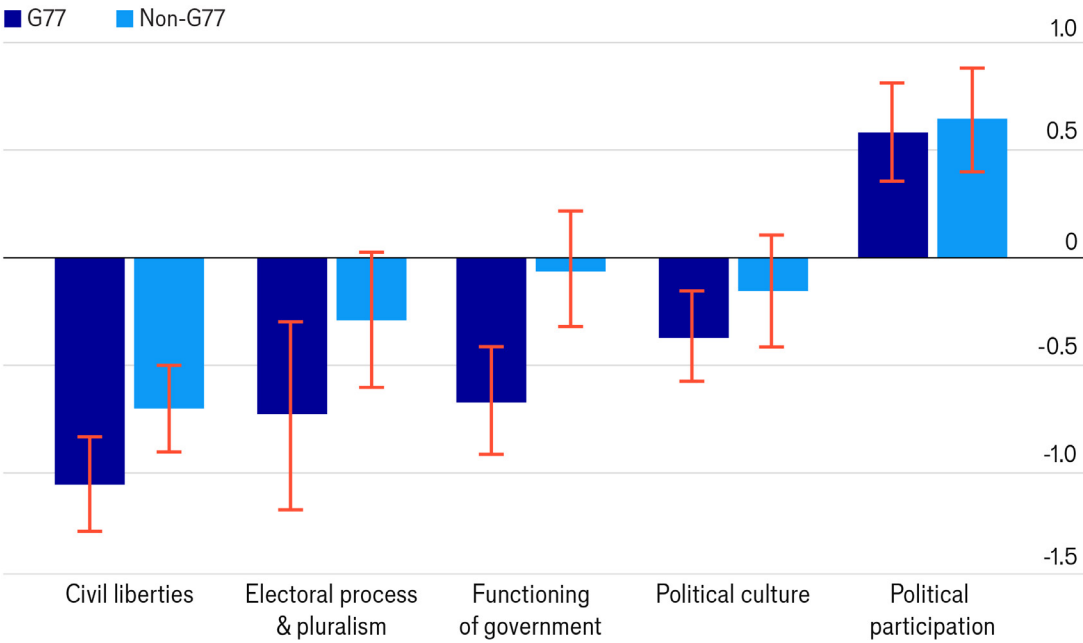


Historical Democracy Index data indicate that democratic trends in the G77 have diverged from non-G77 countries. G77 countries experienced a marked decline in democracy in 2011-2024 compared with non-G77 ones (see Figure 5). Civil liberties, and to a lesser extent, electoral processes and pluralism, have driven this differentiation (see Figure 6). And perhaps the trend is not surprising. Developing countries tend to have more fragile governments, and weaker checks and balances, and the G77 contains most developing countries globally. Since the index's inception, only seven countries that were originally scored as authoritarian countries have moved up to be hybrid regimes, whereas thirteen countries have fallen from hybrid regimes to authoritarian regimes.

Figure 6: Mean sub-pillar change G77 v non-G77

Subindex score; 2011-2024

Sources: Hoover Institution; EIU.



Our G77 analysis opens a wider set of questions around how government fragility interacts with democratic outcomes. In the period from 2011 to 2025, an interesting trend emerges. Many of the countries with the largest score improvements over that period were only among the most improved countries in one of the five Democracy Index sub-pillars. Conversely, many of the countries with the largest score deteriorations declined across at least three of the sub-pillars (see Figure 7).

Figure 7: Top score deteriorations, 2011-25

Source: EIU.

Rank order	Overall	I Electoral process & pluralism	II Functioning of government	III Political participation	IV Political culture	V Civil liberties
1	Nicaragua	Mali	Mali	Afghanistan	Mexico	Nicaragua
2	Mali	Niger	Cambodia	Russia	Nepal	Bangladesh
3	Venezuela	Nicaragua	Burundi	Sudan	China	Mali
4	Russia	Benin	Mozambique	Tunisia	Myanmar	Venezuela
5	Afghanistan	Cambodia	El Salvador	Guinea-Bissau	Vietnam	Afghanistan
6	Palestine	Venezuela	Venezuela	Niger	Libya	India
7	Burundi	Haiti	Bangladesh	Nicaragua	US	Ukraine
8	Ukraine	Turkey	Libya	Oman	Tajikistan	Ecuador
9	Cambodia	Palestine	Palestine	Sweden	Ecuador	El Salvador
10	Lebanon	Pakistan	Turkey	Egypt	El Salvador	Ethiopia

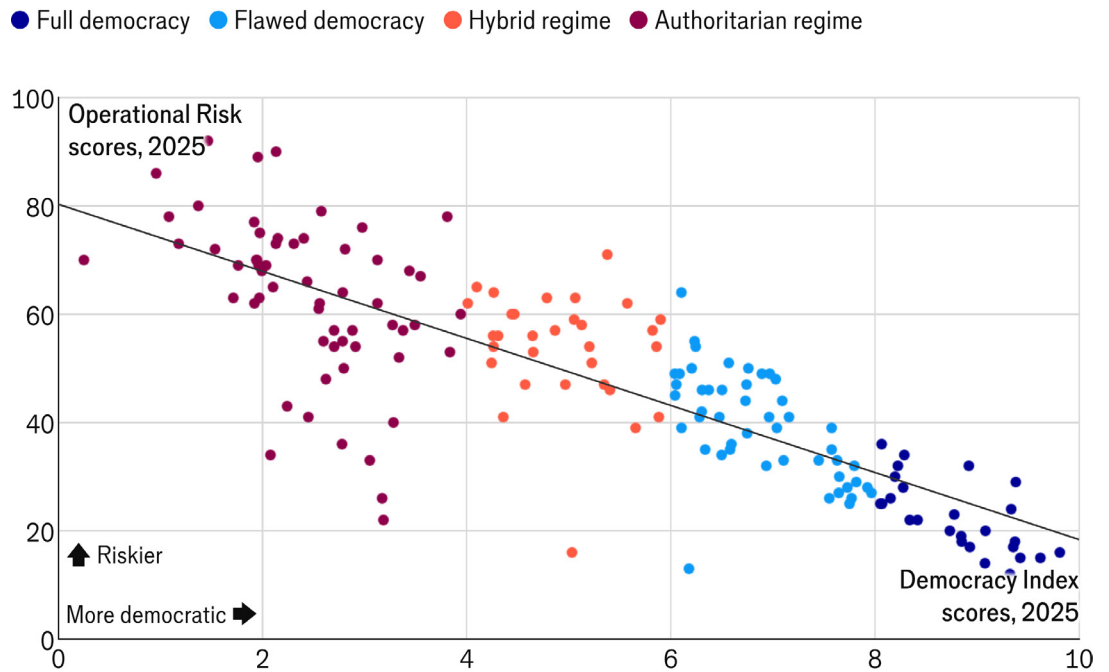
This pattern reinforces the interconnectedness of the core structural systems that underpin democracy. Slow, structural reform that prioritises one democracy sub-pillar is possible for countries starting from a low base. The reverse is not true: when one facet of the core structural system crumbles in already fragile systems, it has ripple-through impacts into other facets, which raises an interesting question: why does momentum have an asymmetric downward bias?

Democracy and operational risk

Using EIU's Operational Risk model, we analysed how a country's democratic institutions and structures impact businesses operating risk.

In countries—mainly full and flawed democracies—where institutional quality is high, operating risks are low (see Figure 8). Institutional structures, which absorb shocks, shield companies from the impacts of any political instability that might arise. Take the US. Its Democracy Index score has deteriorated as civil liberties are curtailed, but the bulk of its democratic institutions are still functioning well enough to contain the operational risk consequences. This finding confirms what economists have long known regarding the structural features of operating in a country such as the rule of law, property rights and the reliability of labour. Our analysis shows a strong correlation: the higher the level of democracy score, the lower the operational risk.

Figure 8: Democracy Index scores v Operational Risk scores, 2025

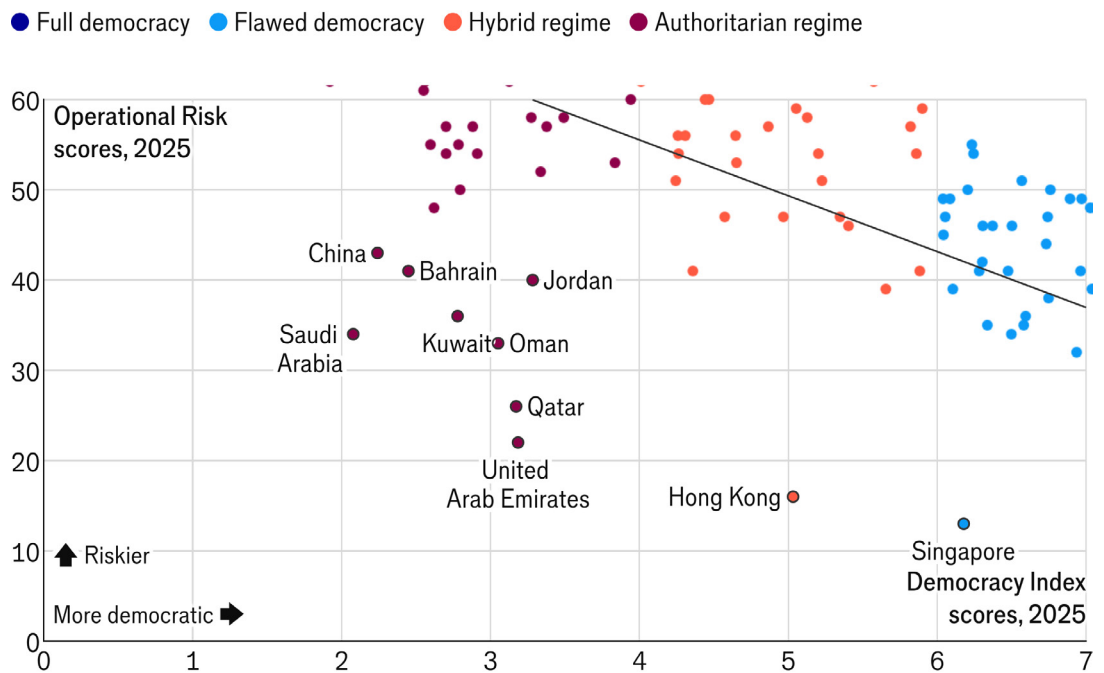


Source: EIU.

At the other end of the spectrum, most autocracies reveal both a high level of operating risk and significant dispersion. There are exceptions, such as China and the Gulf states, where, despite low levels of democracy, operating risk is notably low (see Figure 9). For the most part, however, a decline in democracy in hybrid and authoritarian regimes is more likely to translate into arbitrary executive action, policy unpredictability and outright political

violence, all of which increase risk. In these types of regimes, civil liberties and autocracy are not just normative measures. Instead, they are direct proxies for the discretionary power of the executive over business operations and capital flows. This connection suggests that the Democracy Index is a leading indicator of risk in non-democratic countries.

Figure 9: Outliers: authoritarian states with low Operational Risk scores, 2025



Source: EIU.

Democracy around the regions

Introduction

The end of the democratic recession is reflected by the number of positive regime changes since 2024. Of the seven regime changes in 2025, five of them were positive (see Figure 10). France, which has fluctuated around the cusp between “full” and

“flawed democracy”, has moved back up into the “full democracy” list. Four former “hybrid regimes”—Romania, Malawi, Senegal and Paraguay—have transitioned to “flawed democracies”. Just two countries fell down the democracy chain: Moldova slipped into the “hybrid regime” category, while Angola fell into the ranks of the authoritarians.

Figure 10:
Changes
in regime
classifications
2025

Country	2025 regime classification		2024 regime classification
 France	Full democracy	↑	Flawed democracy
 Romania	Flawed democracy	↑	Hybrid regime
 Malawi	Flawed democracy	↑	Hybrid regime
 Senegal	Flawed democracy	↑	Hybrid regime
 Paraguay	Flawed democracy	↑	Hybrid regime
 Moldova	Hybrid regime	↓	Flawed democracy
 Angola	Authoritarian	↓	Hybrid regime

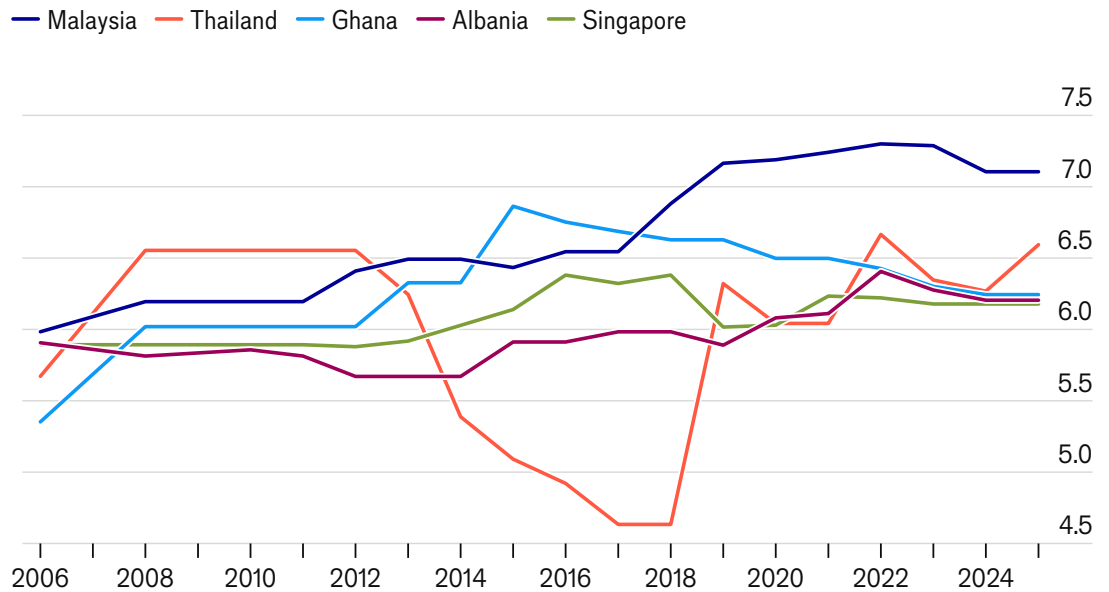
Source: EIU.

The diverse geographic and economic characteristics of those countries that have moved from “hybrid regimes” to “flawed democracies” raises a critical question: can countries without comprehensive structural democratic institutions sustain their democratic transition over time? The Democracy Index suggests the answer to the

above question is yes. Five countries across Asia, Sub-Saharan Africa and Eastern Europe have made the transition from “hybrid regime” to “flawed democracy” since the index’s inception and, with the exception of Thailand, have managed to consistently maintain that rating since their transition (see Figure 11).

Figure 11: Countries that have sustained the transition from hybrid regime to flawed democracy 2006-25

Index score out of 10 (10=best)



Source: EIU.

Thailand's story is particularly relevant for building sustainable democratic institutions. After first entering the "flawed democracy" ranks in 2008, the country's democracy score was stable until it experienced significant upheaval after a military coup following months of anti-government protests and a failed election in 2014. Five years of turbulent politics followed culminating in a 2019 general election. Although there were sporadic protests throughout 2020 and 2021, Thailand, because of the democratic foundations it had developed between 2008 and 2014, was able to rebound to a "flawed democracy" and has since maintained its position in this category.

The remainder of the report deep dives into each region, highlighting changes in democracy scores in countries and the outlook for democracy in 2026.

Western Europe

Western Europe experienced a marginal overall improvement in democracy in 2025, with the average score rising to 8.43 from 8.38. Out of 21 countries, 19 saw their overall score remain steady or improve. The upward trajectory was driven by a

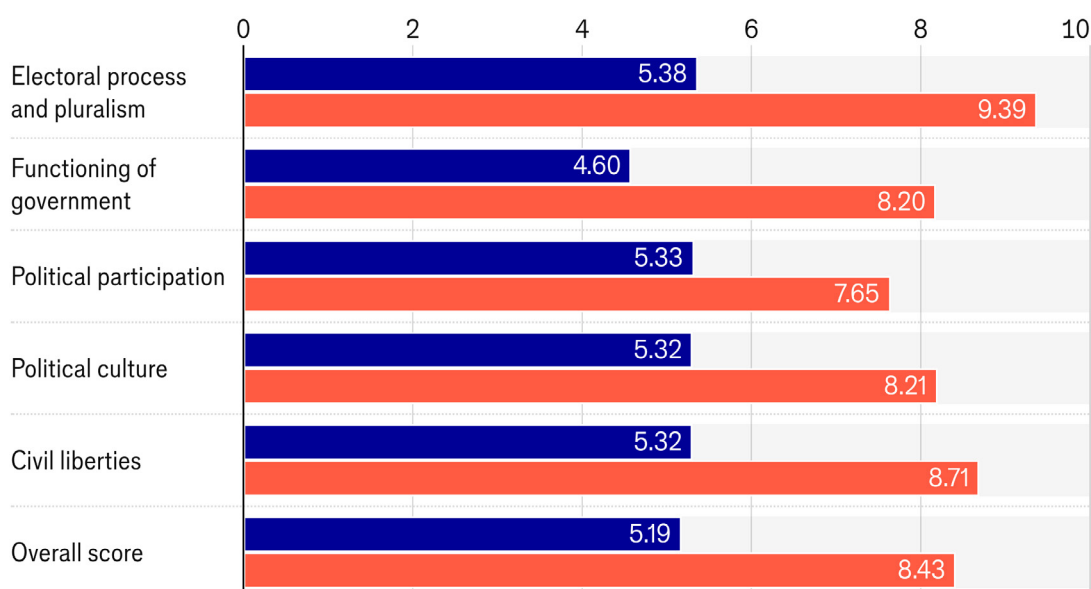
slight improvement in public confidence in political parties, which came in the wake of economic stabilisation following the cost of living crisis, and the unwinding of covid restrictions before that. Western Europe remains the world's highest-scoring region, with over three-quarters of its countries classified as "full democracies".

The score changes in western Europe in 2025 were minor. Denmark saw the most significant rise in the global rankings, climbing from seventh to third, driven by an improvement in public confidence in the functioning of government. This was partly the consequence of a rally-round-the-flag effect in the wake of the government's successful handling of the stand-off with the US over Greenland in January 2025. Another notable development in the region was in France, which improved from a "flawed democracy" to a "full democracy". However, this mainly reflected a return to a pre-pandemic benchmark in personal freedoms. France scores just on the cusp of these two categories, and so has moved back and forth over the years. The rise in France's score in 2025 did not result in a change in the global ranking, with France remaining 26th out of 167 countries.

Figure 12: Western Europe and global scores by sub-pillar, 2025

Index score out of 10 (10=best)

■ Global average ■ Western Europe



Source: EIU.

Two out of the three countries with the largest declines in the global ranking experienced no change in their scores. For Germany and Switzerland, the downgrade of three places did not reflect a deterioration in internal conditions but was rather a result of improvements elsewhere. In contrast, Sweden, which also fell by three places, did see a minor deterioration in its score, from 9.39 in 2024 to 9.35 in 2025. An increase in the public's confidence in political parties—reflecting the halo effect from joining NATO in 2024, and the subsequent successful handling of Russian hybrid attacks—did not offset a downgrade related to religious tolerance and freedom of religious expression. This came after the public burning of religious texts triggered laws to protect such texts.

Western Europe as a whole continues to struggle with challenges including housing shortages, the still elevated cost of living and growing pressure for fiscal consolidation, all of which have fuelled voter dissatisfaction. Far-right and populist parties continue to make gains in many countries, suggesting increasing voter discontent with traditional mainstream parties, as well as concern about immigration. In this context, cordons sanitaires, which allow mainstream parties to co-operate to keep these populist parties out of power, are coming under increasing pressure, most notably in the EU's biggest economies, Germany

and France. The ongoing fragmentation of political preferences across western Europe raises concerns about government stability, policy coherence and political polarisation.

What we are watching in 2026

Key events to watch this year are the Danish snap elections, the general election in Sweden, the municipal and devolved legislature elections in the UK and state elections in Germany. We expect far-right policies on immigration to be adopted by governments and parties vying for power, regardless of where they stand on the political spectrum. This is the case for the centre-left Social Democratic Party in Sweden, which we expect to pursue hardline immigration policies with a left-leaning coalition. We could also see populist parties soften their positions on controversial policies, so as to widen their appeal to the electorate. UK and German municipal and state elections will also be key indicators of the extent of the surge in support for far-right populist parties. Traditional parties of the centre-right will have to re-evaluate their stances in response. The state elections in eastern Germany in the autumn will be significant in this respect, as will elections in France in 2027, when we expect a legislative vote to be held alongside the presidential election—with the far right currently leading in opinion polls.

North America

In North America, the US and Canada moved in opposite directions: Canada's score improved while the US's fell. The region's overall score stands at 8.37 in 2025, up from 8.27 in 2024, driven by an increase of almost 0.4 points in Canada to 9.08, resulting from gains in *functioning of government*, *political culture* and *civil liberties* sub-pillars. Its placement in our global ranking rose to 9th, from 14th. In part, this improvement reflected a continued recovery from a significant decline in 2023 when rising polarisation and diminishing confidence in government institutions under the previous government.

The US continues to trail Canada, with a score of 7.65 in 2025. The US's score declined by 0.2 points from 2024, as several actions and policies of the Trump administration challenged democratic norms. The US fell six spots in the global ranking to 34th, slipping further into the "flawed democracy" category, where it has stood since 2016.

Trump 2.0 has challenged several Democratic norms

Although the score in our *civil liberties* category for both the US (8.24) and Canada (9.12) still far exceeds the global average (5.32), the US score declined in 2025. In the US, the score for *civil liberties* has come under considerable pressure during Mr Trump's second term. Mr Trump has

introduced the military (National Guard and US Marines) into domestic law enforcement, including to support Immigration and Customs Enforcement (ICE) personnel to conduct mass deportations of undocumented migrants and to quell protests. Courts have repeatedly ordered ICE and the Department of Justice to correct errors in enforcement that withheld legal rights from citizens and non-citizens. The administration has also introduced "ideological screenings" of immigrants, especially students.

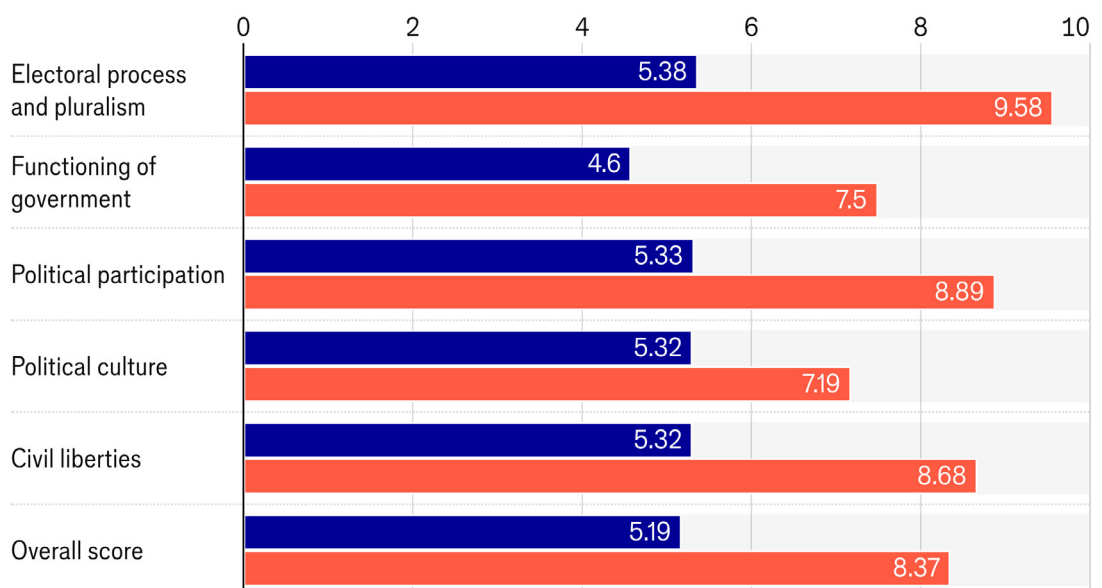
Mr Trump has weaponised the Department of Justice and the Federal Bureau of Investigation (FBI) to go after his political enemies, with effects that are highly polarising. This included targeting the former head of the FBI who oversaw the investigation of Russian interference and possible collusion in the 2016 election, and the attorney-general of New York state who brought charges and secured convictions against Mr Trump at state level.

Further undermining equality under the law, Mr Trump pardoned some 1,600 convicted individuals who attacked the Capitol in January 2021 in an attempt to prevent Congress from formalising the election of Joe Biden, including many who had pleaded guilty. Although presidential pardons have long raised concerns about inherent favoritism, the pardons of the January 6th felons were particularly egregious, given their role in attempting to circumvent the constitutional process of certifying the election that Mr Trump lost.

Figure 13: North America and global scores by sub-pillar, 2025

Index score out of 10 (10=best)

■ Global average ■ Canada & US



Source: EIU.

Other actions have put additional pressure on civil liberties, particularly concerning free expression. Mr. Trump has taken extraordinary actions to limit free expression in media: he has sued media outlets over reports he felt depicted him badly or favored an opponent, barred established news organisations such as the Associated Press from White House briefings, and threatened to use the Federal Communications Commission to withhold or withdraw licences from broadcast media outlets.

In addition, Mr Trump sought to stifle the free speech rights of Democratic members of the House and the Senate when he accused them of “seditious behavior, punishable by death” and labelled them traitors for reiterating the mandate from the US’s Uniform Code of Military Justice that military members should not obey illegal orders. Ironically, this view had once been expressed, before he took office, by his own secretary of defense, Pete Hegseth. Nevertheless, Mr Hegseth began a preliminary investigation in November 2025, seeking to take disciplinary action against Senator Mark Kelly and reduce his rank and his military pension. These actions were blocked in the courts for violating Mr Kelly’s free speech rights.

Political process and participation remain strong, but threats are emerging

North America continues to score most strongly in *electoral process and pluralism* (9.58) and *political participation* (8.89). Both scores are unchanged since 2022 and remain higher than in any other region. Voter engagement has stayed strong in the latest national elections. In Canada’s April 2025 election, voter turnout—at 69%—was the highest since the 1993 election. Turnout at the US presidential election in November 2024 was 64%, the second-highest level in over a century; it was surpassed only by turnout in the 2020 presidential election (66%). US electoral institutions continue to exhibit considerable resilience. The 2024 presidential election concluded without controversy, and Congress certified the results with no disruptions. The subsequent smooth transition between administrations of different parties is a positive sign.

However, threats to the political process and participation are emerging. Gerrymandering, the process of drawing legislative district boundaries to favour one party or another, is a long-established state government practice in the US. Recently, in an effort to shore up the Republican Party’s slim majority in the US House of Representatives, the Republican-controlled government in Texas redrew

the state’s congressional districts with the hopes of converting five House seats held by Democrats to Republican in the midterm elections this November. California followed suit, with the aim of flipping five Republican seats. This overt manipulation of the electoral process reduces citizen confidence in the legitimacy of elections and may effectively disenfranchise the voters of the minority party in those redrawn districts. We will monitor this practice in coming election cycles to ascertain to what extent it reduces citizen participation.

North Americans remain especially polarised

Political culture remains the lowest-scoring category for North America. North America’s performance continues to be weighed down by intense political and cultural polarisation in the US. Social cohesion and consensus have collapsed in recent years as disagreements over an expanding list of issues have fuelled the country’s “culture wars”. Alongside the covid-19 pandemic, election outcomes and racial equity issues, additional fault lines have emerged and deepened, including over LGBT+ rights, climate policy, reproductive health and the Israel-Hamas war. These debates have continued to extend beyond the usual set of actors (such as politicians and activists) and now encompass corporate executives, librarians, school teachers and universities.

A highly politicised media, including popular TV channels and print publications, continue to foment and amplify divisions across the US electorate. Non-traditional media, such as independent podcasts, have played an increasingly large role. Self-reinforcing social media algorithms have contributed to a hardening of opinions, including radical and misinformed ones.

Functioning of government takes a hit in the US

Polarisation has long compromised the *functioning of government* in the US, and the country’s score for this category has been downgraded to 5.71 in 2025—its lowest level since the index’s inception—from 6.43 in 2024. A decline in transparency and the effectiveness of the civil service has driven this change. The implementation of the DOGE cuts to federal employment and funding programmes proceeded with effectively no public discussion or debate. The rollout of the Liberation Day tariffs, the lack of briefings to senior members of Congress ahead of key foreign policy moves, and the often changing explanations for a variety of policy shifts all reduced transparency.

In addition, the DOGE cuts to government employment were not conducted with a careful analysis of how to preserve government effectiveness, requiring backtracking in several cases. The firings at the FBI and the Department of Justice eliminated decades of experience among agents and officials. Resignations of experienced prosecutors who refused to carry out what they deemed to be improper investigations or prosecutions have further sharply thinned the ranks of the federal government's justice apparatus. Moreover, much of the DOGE work was directed by an unelected, unconfirmed "special government employee", rather than by elected officials or their properly confirmed appointees.

Canada's functioning of government score rose as a result of improvements relating to corruption, citizen control and confidence in government that accompanied the election of Mark Carney as prime minister. The perception of corruption in Canada has improved as previous scandals were dealt with effectively and actions were taken aimed at strengthening enforcement. Canadians' perceptions of their freedom of choice and control over their lives also improved. Finally, Mr Carney's approval ratings remain high, while other indicators of institutional confidence improved or remained strong.

What we are watching in 2026

Although the US's score in 2025 only edged lower, the modest extent of the decline is due in part to the democratic guardrails—America's courts—holding the line. The direction of the Trump administration policies is to impose greater control from above and to stifle dissent. If these tendencies are allowed to proceed unchallenged, the US will sink further into the "flawed democracy" category.

Latin America and the Caribbean

Latin America and the Caribbean saw its first score improvement in 2025 in a decade, with the region's average score rising to 5.71 from 5.61. Of the 24 countries in the region, 13 saw their scores improve.

Latin America and the Caribbean scores above the global average on electoral process and pluralism, functioning of government, political participation and civil liberties. Although it is the worst-performing region in political culture, this category saw the greatest improvement from 2024 (albeit from a low base).

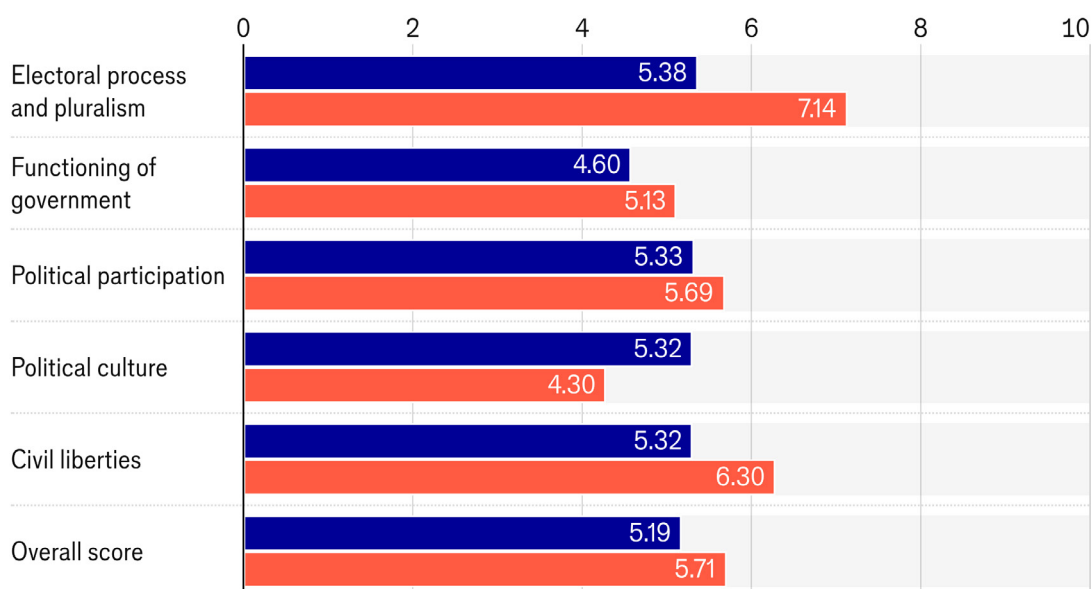
The most important positive regional development in 2025 was the free and fair election in Bolivia. The country had been undergoing an advanced process of democratic backsliding. The hard-left Movimiento al Socialismo (MAS) had ruled Bolivia since 2006, with a brief interruption following the contested 2019 election. Under a populist president, Evo Morales (2006-19), executive power expanded, political polarisation worsened, civil liberties were curtailed and the judicial system was politicised. Against this backdrop, concerns existed around whether the government would allow free and fair elections. However, the unpopularity of MAS president Luis Arce (2020-25), amid a severe economic crisis allowed opposition parties to defeat the once-dominant MAS in the legislative and presidential elections. Centrist presidential candidate Rodrigo Paz's victory in this free and fair election drove the significant improvement in Bolivia's score.

Colombia had the steepest score decline in 2025, largely caused by rising political violence. The assassination of presumptive presidential candidate Miguel Uribe Turbay was a major factor. Although Mr Turbay's murder was the most high-profile, 26 politicians were killed in 2025, and another 35 suffered assassination attempts, according to Misión de Observación Electoral (MOE, a Colombian electoral watchdog). These attacks occurred amid a wider erosion of public safety. Human rights and trade union activists are frequently targeted, which led us to revise down our assessment of trade union rights in Colombia. Another driver of the decline was the appointment of a general as minister of defence (although he resigned as a general shortly after taking office), blurring the line regarding civilian control of the military.

Figure 14: Latin America and the Caribbean and global scores by sub-pillar, 2025

Index score out of 10 (10=best)

■ Global average ■ Latin America



Source: EIU.

Most of the score changes in Latin America and the Caribbean occurred in countries classed as either flawed democracies or hybrid regimes. Paraguay's score, driven by improvements in *political culture*, rose by enough for the country to transition from a hybrid regime toward a flawed democracy.

What we are watching in 2026

The regional outlook for democracy is uncertain in 2026 and will be partly shaped by the US administration, as it pursues a muscular foreign policy to establish US hemispheric dominance. The year started with the US's forcible ousting of Venezuela's authoritarian president, Nicolás Maduro. In the aftermath, the vice-president, Delcy Rodríguez, became interim president. Under intense US pressure, Ms Rodríguez has begun a political thaw, including a gradual release of political prisoners and greater tolerance for dissent.

The Trump administration claims that the ultimate goal of its operation in Venezuela is free and fair elections, which would follow economic stabilisation. A transition along these lines would potentially lift Venezuela out of the "authoritarian" regime category. However, significant risks remain for this process because no timelines have yet been set for an election, and Venezuela's institutions

have been politicised and degraded by years of authoritarian rule.

Another US target for regime change in the region is Cuba. In late January, Mr Trump applied an oil embargo to force an economic and social crisis, in the hope that this will prompt economic and political changes. It is still early days, but full democratisation in Cuba seems unlikely. Even so, the space for a greater political opening seems to exist as the US and Cuban authorities negotiate. However, the Trump administration's willingness to negotiate does not imply that it is unwilling to use force to try to get its way. Assuming there is a process of political opening, Cuba's score would improve.

Elections will also take place in some of the region's most populous countries: Peru, Colombia and Brazil. All eyes will be on the security situation in Colombia as voters go to the polls. According to Colombia's MOE, 81 municipalities are at high risk of violence or fraud, an increase of 65% from the 2022 general election. In Peru, we expect the next government, which is likely to be right-wing populist, to replicate some of the hardline security policies implemented in El Salvador under its hard-right president, Nayib Bukele. Finally, Brazil's general election will be closely contested. Political polarisation could

prompt allegations of fraud and political violence, as was the case during the 2022 presidential election.

Asia and Australasia

Asia and Australasia’s average score in the Democracy Index fell from 5.31 in 2024 to 5.27 in 2025, extending a deteriorating trend now in its sixth year. The headline decline masks a growing divergence between a largely stable tier of full democracies in Northeast Asia and Australasia and intensifying political stress across South and Southeast Asia’s hybrid and flawed democracies. Nepal registered the steepest fall, followed by Pakistan (139th), the Philippines (62nd), India (47th) and Bangladesh (101st). Across the five categories, *civil liberties* and *functioning of government* drove the deterioration. *Political participation* edged up as protests swept the South and Southeast Asia; however, this reflects increased civic mobilisation, rather than institutional progress.

South Asia’s compounding democratic retreat

The most significant setbacks were concentrated in South Asia. In Bangladesh, the interim government that took power following the 2024 “monsoon revolution” has replicated some of the heavy-handed measures from the previous administration. In May 2025 the government amended the Anti-Terrorism

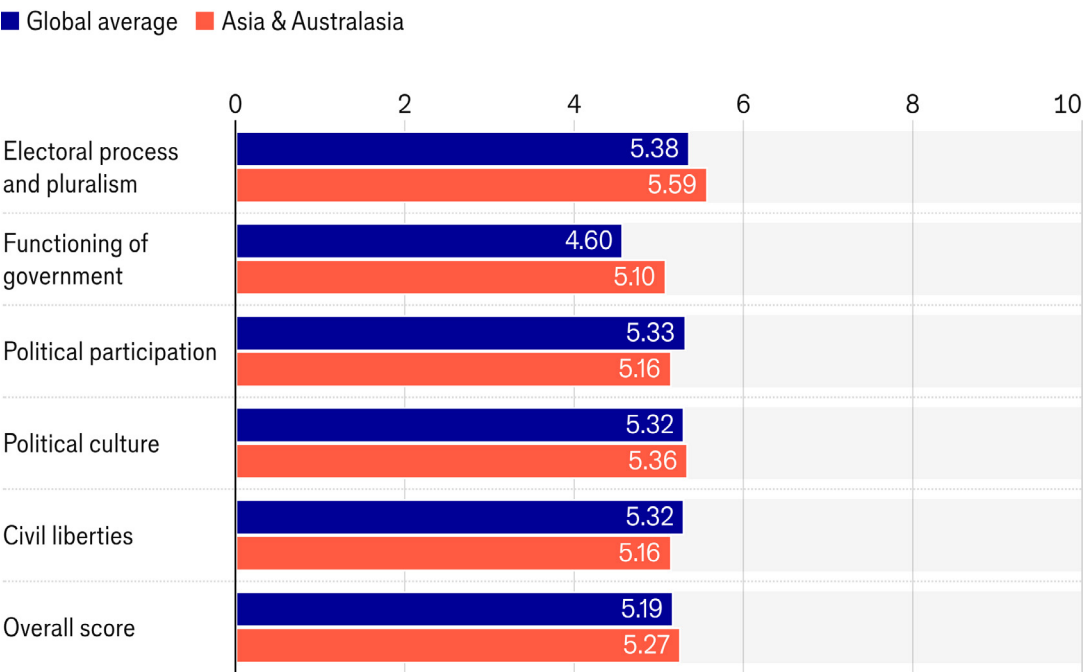
Act to enable a ban on political parties, immediately suspending all political activities of the former ruling Awami League. The Awami League’s electoral registration was revoked, barring the dominant party of recent decades from the 2026 ballot. These steps drove Bangladesh’s decline in *electoral process and pluralism*. The country’s record-low *civil liberties* score was the result of nearly 38 extrajudicial killings in state custody, 197 mob violence deaths and over 500 incidents of communal violence against minorities.

Pakistan’s score fell to 2.44 (139th), its lowest since the index began. The Prevention of Electronic Crimes (Amendment) Act, enacted in January 2025, created a Social Media Protection and Regulatory Authority with powers to block social media platforms within 24 hours, and criminalised vaguely defined “false information” with penalties of up to three years in prison. The Special Investment Facilitation Council, whose committee includes the army chief, received a 2025 IMF governance warning for granting officials legal immunity and regulatory exemptions, which aggravated the blurred civilian-military boundaries and led to a deterioration in the country’s score for *functioning of government*.

India’s overall democracy score also fell, to 6.96 (47th), with *civil liberties* declining amid concerns over electoral violence and uneven law enforcement.

Figure 15: Asia and Australasia and global scores by sub-pillar, 2025

Index score out of 10 (10=best)



Source: EIU.

Youth in the streets, institutions under strain

The defining pattern across South and Southeast Asia in 2025 was a structural mismatch between rising civic engagement and declining institutional accountability, as we saw *political participation* scores rise even as *functioning of government* fell.

In Nepal, a government ban on 26 social media platforms in early September triggered nationwide youth-led protests, the “Gen Z” uprising, rooted in anger over corruption, political nepotism and digital suppression. Security forces killed at least 19 protesters, further amplifying the scale of the protests. The prime minister was forced to resign and a new government was established through a process brokered by the army, rather than one grounded in explicit constitutional authorisation. The parliament was dissolved and early elections called, driving a sharp decline in *functioning of government*.

Where did institutional reforms deliver?

Sri Lanka recorded the region’s largest improvement, rising 11 places to 56th, driven by improvements in *electoral process and pluralism* and *functioning of government*. The National People’s Power (NPP) victory in the peaceful 2024 elections, and the first local government elections in seven years in May 2025, extended competitive politics into Northern and Eastern provinces. However, structural weaknesses still persist as the Prevention of Terrorism Act remains unrepealed and the UN Human Rights Council renewed its monitoring mandate in October 2025.

Thailand’s ranking also improved as the opposition People’s Party secured constitutional reform commitments from the Anutin government. These gains came despite the Constitutional Court’s removal of the elected prime minister in August, the sixth such removal since 2008.

Asia’s democratic landscape is increasingly bifurcated. High-performing democracies in parts of East Asia and the Pacific co-exist alongside deepening democratic regression in South and Southeast Asia, where institutional weaknesses blunt the impact of surging civic mobilisation. This divergence carries implications beyond the region. Asia’s democratic trajectory will help to shape global norms around civic space, digital rights and governance accountability, and will influence how democratic values compete with authoritarian models in geopolitics and international economic partnerships.

What we are watching in 2026

The deterioration in Asia’s overall score in 2025 has made it a principal drag on a tentative recovery in democratic progress. Declining government accountability and civil liberties reflects democratic stress in political systems that remain open enough to generate protests, but too institutionally weak to translate mobilisation into reform. Digital repression has also emerged as a key structural trend as governments deploy digital restrictions as political tools.

Nepal’s early elections in March will test whether the September 2025 constitutional rupture proves corrective or precedent-setting. Pakistan’s new digital regulatory bodies face their first full operational year; rollback or entrenchment will signal the direction of digital rights across South Asia. Meanwhile, Sri Lanka and Thailand must translate recent electoral gains into structural reform if their improvements are to endure.

Eastern Europe and Central Asia

Bucking the global trend, Eastern Europe and Central Asia’s average regional score edged down marginally for a third consecutive year, as democracy in the region remains in secular decline. Generally, measures of personal and religious freedom continued to worsen, as did citizens’ engagement and confidence in government and political parties.

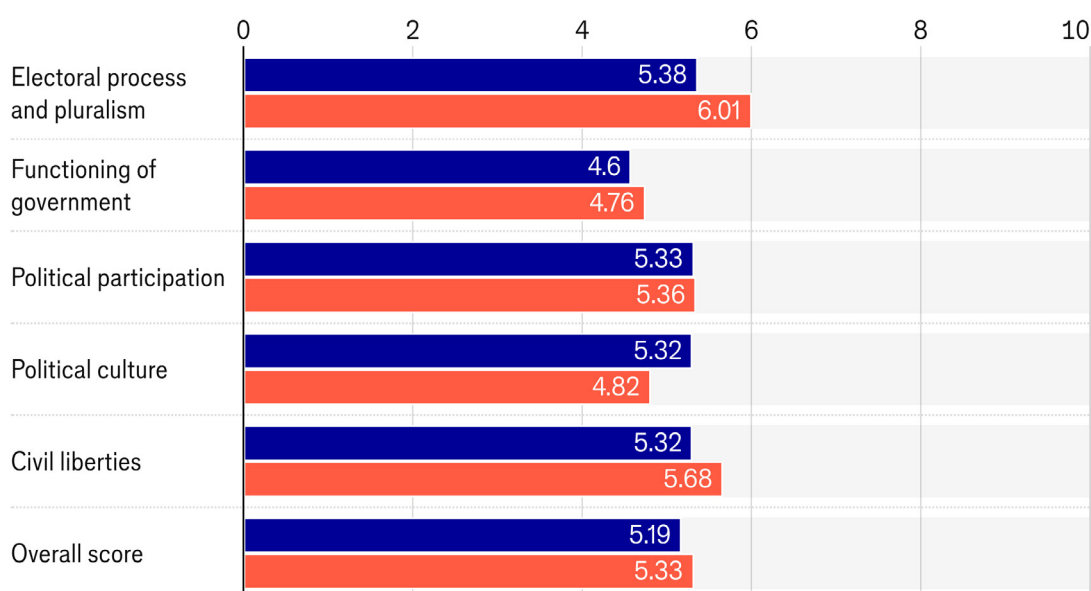
One major exception to the regional trend was Romania, which saw its score improve from 5.99 in 2024 to 6.11 in 2025, owing to strong voter turnout in the two most recent national elections. This signifies increasing engagement with politics, although our previous assessments have raised questions about the fairness and transparency of the election process. Romania is now again classified as a “flawed democracy” after last year’s downgrade to a “hybrid regime”.

Georgia and Ukraine experienced significant falls in their scores. In particular, we highlight Georgia, the score for which fell from 4.70 in 2024 to 4.36 in 2025. The incumbent Georgian Dream-Democratic Georgia (GD-DG) party continues to consolidate its grip on democratic institutions amid a continuing protest movement, prosecuting opposition leaders and seeking to ban or limit the activities of a number of opposition parties.

Figure 16: Eastern Europe and Central Asia and global scores by sub-pillar, 2025

Index score out of 10 (10=best)

■ Global average ■ Eastern Europe & Central Asia



Source: EIU.

Among the region's eight "authoritarian" countries, the score for Kazakhstan deteriorated from 3.08 in 2024 to 2.91 in 2025, owing to further restrictions on religious freedoms. The Kyrgyz Republic continues its crackdown on media, civil society and free expression, which resulted in its score falling from 3.52 in 2024 to 3.27 in 2025.

What we are watching in 2026

We remain concerned about the direction of democracy in the region, particularly in those countries in the EU and in the Caucasus. Electorates are increasingly disengaged and have at best only moderate levels of confidence in government and political parties. Many in the region perceive that they have little control over their lives.

This has long made the region ripe for the rise of far-right and far-left populist parties, many of which have been or are in government, and strongly influence policy in the region. The rise of far-right parties in particular is already affecting governance at the EU level, including delays to the green transition timetable and the adoption of electric vehicles.

Additionally, there are a number of general elections in the region in 2026, including Slovenia, Hungary, Bulgaria, Latvia and Bosnia-Herzegovina, with the most noteworthy by far being Hungary's on April 12th. The opposition—now led by the upstart, centre-right Respect and Freedom (TISZA) party—stands the best chance in a generation to defeat the increasingly far-right leaning, nationalist-populist Fidesz party, which has been in power since 2010. While we still expect Fidesz to eke out some kind of a win, it may need to co-operate with a far-right party to remain in power. This election could serve as a bellwether of the populist far-right's ascendancy.

Developments in Ukraine will also loom large this year. As part of any negotiated end to the war, which we expect to occur before 2028, we would also expect elections to occur. These could happen as early as this year, with major implications for the country's position within the "hybrid regime" category as well as peace in the region.

Sub-Saharan Africa

Sharp movements in both directions left Sub-Saharan Africa's overall score unchanged in 2025. This apparent stability masks a year of significant political turbulence marked by renewed military intervention, fragile institutional transitions and growing public mobilisation—particularly among younger citizens (Gen Z). Two countries fell under military rule, while two others completed transitions back to civilian governance, underscoring the region's continuing institutional volatility.

Non-democratic political systems continued to dominate the region: Sub-Saharan Africa has 24 authoritarian regimes and 11 hybrid ones. *Political culture* and *political participation* remain the region's strongest-performing categories, reflecting relatively high levels of civic engagement despite institutional weaknesses. By contrast, the *functioning of government* and *electoral process* and pluralism remain the weakest areas and continue to score well below global averages. This persistent gap reflects a structural disconnect between politically engaged societies and weak or contested governing institutions.

A renewed wave of military coups

Military coups re-emerged in 2025 after a brief lull in successful takeovers during 2024. While Gabon

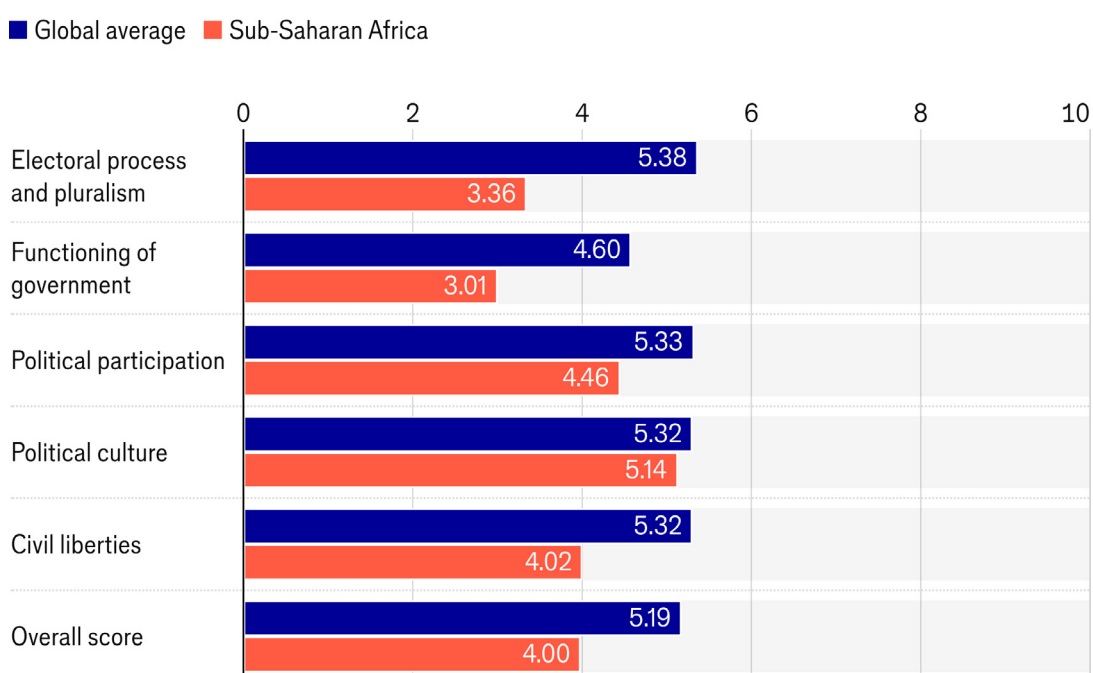
(+1.31) and Guinea (+0.11) completed transitions from military to civilian rule, Guinea-Bissau (-0.66) and Madagascar (-0.27) recorded the steepest score declines following new military takeovers.

In Madagascar, weeks of youth-led demonstrations organised by the “Gen Z Madagascar” protest movement culminated in the popular-backed military overthrow of president Andry Rajoelina in October, resulting in a military-led transitional administration. In Guinea-Bissau, military officers deposed president Umaro Sissoco Embaló on November 26th, one day before provisional presidential and legislative election results were due. There are indications that Mr Embaló may have orchestrated the coup himself, with military backing, to prevent an anticipated opposition victory and retain political influence.

The Guinea-Bissau coup marked the eighth successful removal of civilian constitutional authority in Africa within five years. The resurgence of coups reflects weak civilian institutions, contested electoral processes and growing public frustration with governance failures. It also points to a potential “coup contagion” dynamic, particularly in parts of West and Central Africa, where successful military takeovers in neighbouring states have lowered the perceived costs of unconstitutional power seizures.

Figure 17: Sub-Saharan Africa and global scores by sub-pillar, 2025

Index score out of 10 (10=best)



Source: EIU.

Malawi and Senegal upgrade to flawed democracies

Despite the overall bleak outlook, Sub-Saharan Africa gained two new flawed democracies. Malawi's upgrade followed the defeat of the incumbent president, Lazarus Chakwera, by opposition candidate and former president Peter Mutharika in the September presidential election. Both candidates prematurely claimed victory before official results were announced, triggering clashes between supporters and raising concerns about electoral integrity. The ruling Malawi Congress Party alleged vote-rigging and ballot-stuffing and sought to delay the results. However, the High Court dismissed the complaint—a ruling that the governing party ultimately accepted—and Mr Chakwera subsequently conceded defeat. The peaceful transfer of power and respect for judicial decisions highlighted strengthening democratic norms and improving institutional resilience.

Senegal's improvement was driven by reforms aimed at strengthening transparency and accountability. In August parliament passed a whistleblower protection law, alongside legislation guaranteeing public access to information held by government institutions and private bodies performing public functions. Additional measures included establishing an anti-fraud and anti-corruption body and extending asset declaration requirements to magistrates and judges. These reforms reinforce Senegal's reputation as one of the region's more institutionally resilient democracies, although political competition remains intense.

Security crises entrench authoritarian rule

Sub-Saharan Africa continues to face multiple overlapping conflicts, including in Sudan, Ethiopia, Somalia, eastern Democratic Republic of Congo, northwestern and southwestern Cameroon, the Sahel and Lake Chad basin, and northern Mozambique. These conflicts weaken state capacity, erode civilian institutions and often prioritise security concerns over democratic accountability.

Several countries also face uncertainty around leadership succession as long-serving incumbents remain in power. In Congo-Brazzaville, Equatorial Guinea, Cameroon and Uganda, ageing leaders continue to dominate political systems with limited prospects for orderly transitions. Such prolonged incumbencies weaken political competition and increase the risk of instability during eventual succession periods.

In Uganda, which saw a deterioration in its score in 2025, repression intensified ahead of the January 2026 presidential and legislative elections. Arbitrary arrests targeting opposition members and leaders increased significantly, reflecting the continued reliance on coercive tactics by president Yoweri Museveni's longstanding regime. Tanzania also recorded a score decline following the re-election in October 2025 of president Samia Suluhu Hassan in a vote widely assessed by observers as unfair and manipulated. Leading opposition candidates were barred from contesting the election, triggering widespread protests largely organised by disaffected youth rather than political parties. Security forces responded with a harsh crackdown.

Youth activism reshapes political participation

As the region's youth population continues to expand rapidly, Gen Z activism is emerging as a defining feature of African politics. Many young citizens are increasingly frustrated with limited political freedoms, weak accountability and poor service delivery. Unlike earlier generations, they often feel less attachment to long-ruling parties and political elites, and are less willing to tolerate governance failures.

Rapid demographic growth combined with insufficient job creation is intensifying grievances around inequality, governance shortcomings and exclusion from decision-making processes. Youth-led mobilisation is increasingly shaping political developments across the region. In Madagascar, sustained Gen Z protests were a direct catalyst for the political crisis that culminated in the military takeover. In Kenya, protests led by Gen Z activists erupted after the death in police custody of an activist blogger and teacher in June 2025. Initially triggered by that incident, the protests quickly evolved into broader anti-government demonstrations focused on rising living costs, corruption and police brutality.

What we are watching in 2026

Unconstitutional pressures are likely to persist in 2026 and could lead to ad hoc adjustments to political rules that heighten tensions between supporters and opponents of the political status quo. Several countries across the region are scheduled to hold major national elections in 2026. Whether presidential or parliamentary, these contests could become focal points for political contestation and instability, particularly where institutional safeguards remain weak and electoral credibility is contested. More broadly, the interaction

between demographic pressures, governance failures and fragile institutions suggests that political volatility will remain a defining feature of the region's democratic trajectory in the near term.

Middle East and North Africa

Middle East and North Africa's average score rose to 3.16 in 2025, from 3.12, marking a small, although directionally important shift, after six consecutive years of decline. Although the region's democratic deficit may be stabilising, the modest score improvement reflects procedural consolidation in post-conflict or crisis states, rather than democratic transformation. Every state continues to be classified as "authoritarian" or "hybrid" regimes except "flawed democracy" Israel. Encouragingly, Tunisia was the only state whose score declined, reflecting a tightening of curbs on civil liberties as part of a broader authoritarian shift away from its post-2011 democratic consolidation.

Fragile stabilisation in post-crisis states

Iraq's ranking rose by seven places to 119th, the result of incremental gains in *functioning of government*, *political participation* and *civil liberties*, as the country continues to move beyond the acute institutional fragility that followed the 2003 invasion. Confidence in political institutions has increased, and federal elections held in November 2025 were conducted in an orderly manner; turnout exceeded 56% (well above the 42% recorded in 2021). Security forces secured polling stations across the country, allowing voters to cast ballots largely free from significant threats.

Although Lebanon's ranking remained unchanged, its score improved, reflecting gains in *electoral process and pluralism* in relation to the May 2025 municipal elections, which had repeatedly been postponed amid political deadlock, economic collapse and episodes of conflict. The score also benefited from an improvement in the *functioning of government*, following the appointment in January 2025 of president Joseph Aoun, and formation of a government led by Nawaf Salam.

The relative weakening of Hizbullah has diluted Iranian influence over Lebanese politics, easing external veto constraints that have long impeded domestic political decision-making.

Improvements in Syria reflect limited gains in *civil liberties* following the adoption of a new interim constitution that formally protects freedom of expression, alongside improved basic security in the aftermath of the country's nearly 14-year civil war. Broader progress, however, was constrained by deterioration in *electoral process and pluralism*: the October 2025 parliamentary elections were conducted through an indirect system with a heavily restricted electorate. Constitutional provisions that designate Islam as the main source of jurisprudence and the state religion constrain the inclusiveness of the political system.

Stabilisation without democratisation

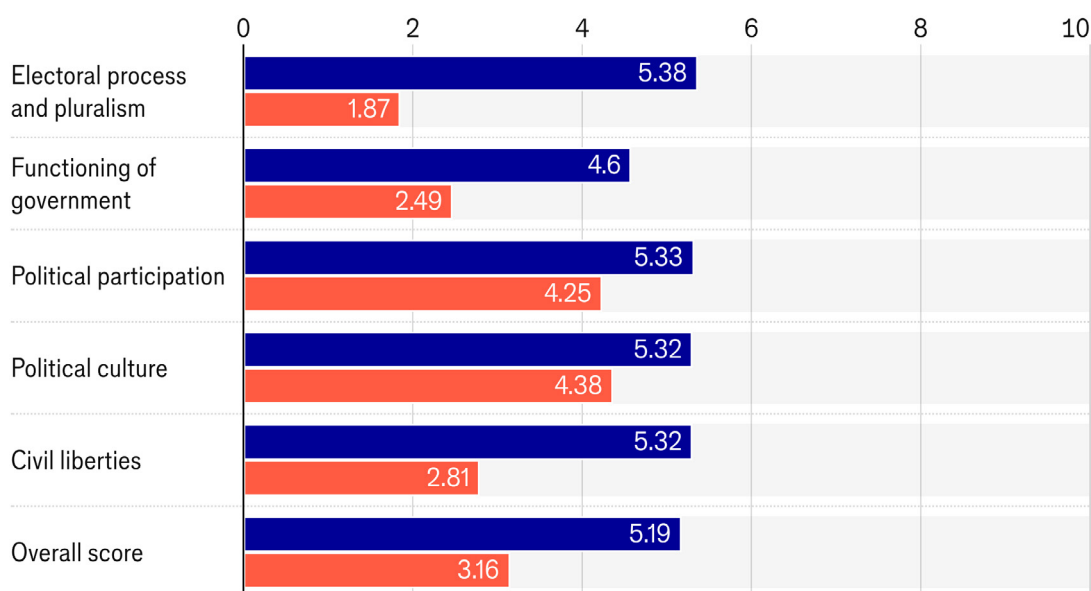
Although developments in the region have helped to stall the democratic recession, the absence of structural liberalisation reinforces the prevailing equilibrium characterised by hybrid and authoritarian regimes, rather than pervasive democratic reforms. The improvements in Iraq, Lebanon and Syria are still significant, however, as they suggest greater regime durability and a reduced near-term risk of state collapse in three countries that have experienced prolonged instability. This could improve prospects for reconstruction and gradual institutional reform which, over the longer term, might create conditions more conducive to democratisation.

Even so, structural weaknesses in state capacity remain acute, and executive dominance, weak checks and balances, and constrained civil liberties will remain defining features of the region's political landscape. Without deeper reforms, fiscal and economic pressures will test public confidence: Iraq is under strain amid softening global energy prices; Lebanon is grappling with the legacy of financial-sector collapse and unresolved sovereign debt restructuring; and Syria is faced with limited fiscal capacity and the enormous costs of post-war reconstruction.

Figure 18: Middle East and North Africa and global scores by sub-pillar, 2025

Index score out of 10 (10=best)

■ Global average ■ Middle East and North Africa



Source: EIU.

What we are watching in 2026

The key question for 2026 will be whether the MENA region can withstand an increasingly volatile geopolitical and security environment. Regimes are likely to prioritise political control and security consolidation over institutional openness, raising the risk that the gains recorded in 2025 prove temporary.

The US-Israeli strikes on Iran on February 28th and the subsequent direct confrontation have introduced significant downside risks to democratic performance across multiple MENA states. In Iran itself, the assassination of supreme leader Ali Khamenei, combined with latent pressures following the regime's harsh crackdown on protesters in December and January and ongoing economic stress, creates conditions for further authoritarian tightening. Mojtaba Khamenei's rise to supreme leader can be expected to tighten the Islamic Revolutionary Guard Corps' grip on power and deepen perceptions of dynastic succession in Tehran. There is also a non-trivial risk of regime collapse, even after the war ends.

Countries that recorded score improvements in 2025 are exposed to democratic retrenchment. In Iraq, the government formation process is contentious and vulnerable to pressure from the

US, while spillovers from the Iran conflict, including violence by Iran-aligned Iraqi militias, could further undermine state authority and basic security. In Lebanon, renewed Israeli strikes against Hezbollah and wider regional spillover could similarly weaken state authority, security and electoral processes, with the postponement of parliamentary elections scheduled for May 2026 already signalling rising institutional strain.

Electoral dynamics will also shape democratic performance across the region. Legislative elections in Israel and Morocco will test political participation and institutional resilience amid domestic polarisation and security tensions in Israel, and persistent voter disengagement within Morocco's tightly managed political system. Youth-driven mobilisation will also remain a source of political pressure, as digitally connected younger populations express frustration with economic stagnation, governance failures and restricted political space.

The US-backed Gaza ceasefire and broader peace plan agreed in October 2025 may ease one source of regional discontent, and could reopen discussions about elections in Palestine itself, although persistent factional divisions and the uncertain post-war environment make any meaningful electoral process unlikely in the near term.

Meet the team



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Chief economist,
Economist Intelligence

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🌐 **Languages**
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Constance Hunter is the Chief Economist of Economist Intelligence. One of the world's top business economists, Constance is an expert in macroeconomic and industry analysis. She has a decades long track record of using data driven sectoral analysis to be ahead of the curve on pivotal economic events, including the soft landing of inflation and the economy in 2023, the rise in long rates in the second half of 2023, the impacts of COVID-19 on the U.S. and other global economies, the 2008 real estate and credit crisis, and the 2001 bust of the Dotcom bubble. She frequently speaks at clients' events including at board meetings and to leadership teams, where she shares the EIU's views on the economy, geopolitics, and the impact of technology on companies and the markets.



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Katherine leads Economist Impact's benchmarking, primary research and economic modelling teams and is responsible for the design and analysis of research programmes across expertise areas. Her personal areas of focus include how technology, innovation and investment can drive social sustainability and equality; child protection and online safety; gender equality and its potential impacts on economic growth; and nuclear and critical infrastructure security.



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John leads research on trade and geopolitics at Economist Enterprise, and heads the Future of Trade initiative. In this role, he spearheads and develops comprehensive studies on trade, geopolitics, finance and economics, with the mission of realising the shared benefits of an open and interconnected world.

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