

Since 2006, the Economist Intelligence Unit (EIU), part of the *Economist* magazine, has released the Democracy Index. The EIU's index seeks to distinguish itself by offering greater depth and insight into the factors contributing to the creation and continuance of democratic institutions. The index focuses on five areas: political participation, political culture, electoral process and pluralism, civil liberties, and functioning of government. The 2010 index is the third edition of the report and the EIU has noticed several negative democracy indicators.

The 2010 index states that over half of the world's population lives in some form of democracy, but the basic pillars of democracy have begun crumbling since the previous report. The index notes a decline in media freedoms and in political participation around the world. The global financial crisis was not a cause of this decline, but it has accelerated some trends. Regions receiving USAID assistance, and even the developed world, saw a democratic decline in recent years.

USAID Assisted Countries

For countries receiving USAID assistances in fiscal year 2009, democratic development has stagnated or declined since 2006. The EIU Democracy Index scores countries out of 10 and the top scoring USAID assisted country in 2010 was Costa Rica, it also topped the rankings in 2006 and 2008. Chad was the lowest scoring country, its score did not change from 2008. Tables 1 and 2 highlight the top and bottom five countries in each year of the Democracy Index.

Costa Rica and South Africa have been in the top two spots since 2006, however, the other top countries have shifted. Botswana and Israel improved in overall score. Cyprus declined in score, but remains in the top five due to declines seen in other countries. Costa Rica's overall score is higher than Portugal's and South Africa's score is ahead of France's.

The bottom five countries have not changed since 2006, but their order has switched. Chad declined from second-to-last to last in the past four years, suffering from scores of 0 in three categories. The Central African Republic is the only country in the bottom five that did not score below a 1 in any category, but it also failed to score higher than a 3 in any category. Countries that performed the poorest in the Democracy Index are located in the Middle East and Sub-Saharan Africa.

**Table 1.
Top 5 USAID Assisted Countries, 2010**

Country	2006	2008	2010
Costa Rica	8.04	8.04	8.04
South Africa	7.91	7.91	7.79
Botswana	7.60	7.47	7.63
Israel	7.28	7.48	7.48
Cyprus	7.60	7.70	7.29

**Table 2.
Bottom 5 USAID Assisted Countries, 2010**

Country	2006	2008	2010
Chad	1.65	1.52	1.52
Turkmenistan	1.83	1.72	1.72
Uzbekistan	1.85	1.74	1.74
Myanmar	1.77	1.77	1.77
Central African Republic	1.61	1.86	1.82



Regional Trend Analysis

Our analysis now focuses on the trends found by EIU within the USAID regions. The countries are limited to those that received at least \$2 million in assistance in fiscal year 2009. Each region is assessed based on the changes seen in the overall Democracy Index score and its five sub-component scores from 2006 to 2010. The Democracy Index rates countries based on the following scale of their overall Index score: full democracy (greater than 8), flawed democracy (6-8), hybrid regime (4-6) and authoritarian (less than 4).

Asia

Like every region, the scores and outlook for Asia have not improved over the life of the Democracy Index. The EIU did not find that any countries in Asia declined in their democracy status from 2008 to 2010. India was the highest scoring country across all three years of the index, however, its score declined due to poorer political participation and culture. The other top five countries in Table 3 all increased their scores between 2006 and 2010, with Thailand and Timor-Leste posting the largest gains.

Thailand and Timor-Leste also appear in Table 4 with other countries that have posted the largest percentage increases since 2006. The increases in these countries' scores are due to improvements in political participation and culture and large improvements in their electoral processes. Nepal saw its greatest improvements in its electoral process and in political participation scores. Nepal's improvement was the largest improvement of any country in the region, but it only transitioned from an authoritarian to a hybrid regime.

The countries with the largest percentage decreases since 2006 are primarily located in central Asia. Afghanistan saw the largest decline in its overall score, the result of a sharp decline in its electoral process and pluralism score. Kazakhstan's decline was due largely to its worsening electoral process.

Table 3.
Top Countries, 2010

Country	2010 Score	Change, 2006–2010	Percent Change, 2006–2010
India	7.28	-0.40	-5.2
Timor-Leste	7.22	0.81	13.0
Sri Lanka	6.64	0.06	0.9
Thailand	6.55	0.88	16.0
Indonesia	6.53	0.12	1.9

Table 4.
Largest Percentage Increases, 2006–2010

Country	2010 Score	Regional Rank	Percent Change, 2006–2010
Nepal	4.24	12	24.0
Thailand	6.55	4	16.0
Pakistan	4.55	10	16.0
Timor-Leste	7.22	2	13.0
Vietnam	2.94	15	6.9

Table 5.
Largest Percentage Decreases, 2006–2010

Country	2010 Score	Regional Rank	Percent Change, 2006–2010
Afghanistan	2.48	17	-19.0
Kazakhstan	3.30	13	-8.8
Turkmenistan	1.72	20	-6.0
Uzbekistan	1.74	19	-5.9
Philippines	6.12	7	-5.6

Sub-Saharan Africa

Sub-Saharan Africa has the lowest average Democracy Index score of any region and that average declined from 2006–2010. Minor variations in score can be seen in the top five countries from Table 6. South Africa is the highest scoring country in the region, but its score has actually declined. Of the remaining top five countries, only two increased their scores, Botswana and Benin, but neither of those increases was more than 0.05 points.

Several countries in the region have made great strides in improving their democracy scores, however, only one of the top five improving countries is even in the regional top ten. Angola's largest improvement was in political participation, but this change does not bring Angola's score out of the authoritarian range. Malawi posted its largest improvements in the political participation and culture categories, putting it on the cusp of being rated a flawed democracy. Two countries did improve their rating from hybrid regime to flawed democracy, Mali and Ghana, but their improvements were not large enough to appear in Tables 6 or 7.

While countries that are traditionally thought of as authoritarian do make an appearance among countries with the largest decreases, there are some that had previously been progressing. Madagascar fell from a nearly flawed democracy to an authoritarian regime in between 2006 and 2010. Ethiopia is now classified by EIU as authoritarian. Both countries saw their declines primarily in electoral process scores, Ethiopia's dropped to zero and Madagascar's decreased by more than half.

Table 6.
Top Countries, 2010

Country	2010 Score	Change, 2006–2010	Percent Change, 2006–2010
South Africa	7.79	-0.12	-1.5
Botswana	7.63	0.03	0.4
Namibia	6.23	-0.31	-4.7
Benin	6.17	0.01	0.2
Lesotho	6.02	-0.46	-7.1

Table 7.
Largest Percentage Increases, 2006–2010

Country	2010 Score	Regional Rank	Percent Change, 2006–2010
Angola	3.32	24	38.0
Guinea	2.79	27	38.0
Sierra Leone	4.51	16	26.0
Mauritania	3.86	19	24.0
Malawi	5.84	8	18.0

Table 8.
Largest Percentage Decreases, 2006–2010

Country	2010 Score	Regional Rank	Percent Change, 2006–2010
Madagascar	3.94	18	-32.0
Ethiopia	3.68	20	-22.0
Congo (Kinshasa)	2.15	31	-22.0
Sudan	2.42	29	-17.0
Rwanda	3.25	25	-15.0

Latin America and the Caribbean

Latin America has the highest average Democracy Index scores for each year of the index. From 2006–2010 there was only a slight decline in average score. Costa Rica is both the top country in Latin America and of the USAID-assisted countries. Its overall score has not changed since 2006. The only country among the top five in the region to improve its democracy score was Mexico.

The top five improved countries in Latin America all share a common source of success: they improved their function of government score significantly from 2006. For Peru and Colombia, increases in the function of government score masked deficiencies in political participation. In Mexico, both function of government and political participation were sources of improvement. Each of the countries in Table 10 represents a country working its way from flawed to full democracy.

The EIU notes two trends leading to a decline in democracy for Latin America: increased violence and increased press interference. For the countries in Table 11, many suffered from declines in their functioning of government and electoral process scores. Honduras saw the largest decline in the region, led primarily by a decline of nearly a point in both electoral process and functioning of government. Haiti's decline is mostly due to its poor score in functioning of government and Venezuela's is due to its decreases in electoral process and pluralism.

Table 10.
Largest Percentage Increases, 2006–2010

Country	2010 Score	Regional Rank	Percent Change, 2006–2010
Peru	6.40	9	4.7
El Salvador	6.47	7	4.0
Mexico	6.93	5	3.9
Paraguay	6.40	8	3.9
Colombia	6.55	6	2.3

Eastern Europe

Eastern Europe has the second highest average Democracy Index scores, but it also suffered the largest decline in average score from 2006. Cyprus was the top rated country, scoring almost a full point higher than second place Moldova. However, every one of the top five Eastern European countries has seen a decline in their democracy scores. Belarus was the only country in the regime not to record a decline in its overall democracy score, however, it remained an authoritarian country. Most countries lost ground in their political culture, political participation and electoral processes scores.

Table 9.
Top Countries, 2010

Country	2010 Score	Change, 2006–2010	Percent Change, 2006–2010
Costa Rica	8.04	0	0
Jamaica	7.21	-0.13	-1.8
Panama	7.15	-0.20	-2.7
Brazil	7.12	-0.26	-3.5
Mexico	6.93	0.26	3.9

Table 11.
Largest Percentage Decreases, 2006–2010

Country	2010 Score	Regional Rank	Percent Change, 2006–2010
Honduras	5.76	15	-7.8
Haiti	4.00	18	-4.5
Venezuela	5.18	17	-4.4
Brazil	7.12	4	-3.5
Panama	7.15	3	-2.7

Table 12.
Top Countries, 2010

Country	2010 Score	Change, 2006–2010	Percent Change, 2006–2010
Cyprus	7.29	-0.31	-4.1
Moldova	6.33	-0.17	-2.6
Serbia	6.33	-0.29	-4.4
Ukraine	6.30	-0.64	-9.2
Montenegro	6.27	-0.30	-4.6

Moldova had the second highest overall score in the region, but it lost almost 2 points in its political culture score. This change was offset by a nearly 1.5 point increase in Moldova's functioning of government score. Russia lost 1.75 points in its electoral process score, nearly falling into the authoritarian score range. Ukraine also suffered a significant decline, especially in its political culture and functioning of government scores.

Table 13.
Largest Percentage Increases, 2006–2010

Country	2010 Score	Regional Rank	Percent Change, 2006–2010
Belarus	3.34	12	0
Albania	5.86	7	-0.9
Armenia	4.09	11	-1.4
Moldova	6.33	2	-2.6
Macedonia	6.16	6	-2.7

Table 14
Largest Percentage Decreases, 2006–2010

Country	2010 Score	Regional Rank	Percent Change, 2006–2010
Russia	4.26	10	-15.0
Ukraine	6.30	4	-9.2
Bosnia and Herzegovina	5.32	8	-8.0
Georgia	4.59	9	-6.3
Azerbaijan	3.15	13	-4.8

Middle East

The Middle East comprises scores from eight countries, however half of these countries are classified as authoritarian regimes. Israel is the highest scoring country in the region and the only country with a score qualifying it as a democracy. Israel was also the only country to see an increase in its democracy score, aided by increased scores in functioning of government and political participation. Lebanon was the only other country whose score did not decline from 2006–2010.

Five of the eight countries from the Middle East saw their scores decline. The countries with the largest percentage losses were Egypt and Yemen. Egypt lost almost 2 points in both political culture and electoral process. Yemen's declines came primarily in civil liberties and electoral process. Both countries were pushed further down into authoritarian scores in the 2010 index.

Table 15.
Top Countries, 2010

Country	2010 Score	Change, 2006–2010	Percent Change, 2006–2010
Israel	7.48	0.20	2.7
Lebanon	5.82	0	0
West Bank / Gaza	5.44	-0.57	-9.5

Additional Information

To access the entire Economist Intelligence Unit Democracy Index dataset and other sources mentioned above, visit the Economic and Social Database (ESDB) at <http://esdb.eads.usaidallnet.gov/>. The ESDB website offers datasets from the IMF, World Bank, and other sources. Through the ESDB website you can also access country ratings and rankings, profiles, generate customized tables and graphs, and utilize a wide array of analytic tools including the Country Progress Tracking Tool.