



Next Generation Democracy

Wider Europe

Track 1 - People and Communities

Regional Trends 2000-2015 & Scenarios 2015-2030



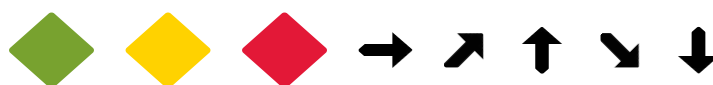
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NOTE TO THE READER

NGD regional reports for Track I, 'People and Communities' analyze trends and projections in democratic governance from a predominantly socio-political perspective on the basis of a multidimensional template specifically formulated by the Club de Madrid, with the collaboration of the Bertelsmann Stiftung, for this purpose.

NGD regional reports have been written by the Bertelsmann Transformation Index (BTI) Regional Coordinators and extensively discussed with the BTI team, the CdM Secretariat and NGD regional partners. They constitute the first step of the NGD process, which will progressively organize transformative practices and ideas according to the same template, and subsequently draft NGD regional agendas to react to signals of democratic decline and advance democracy worldwide.

NGD regional reports start with a summary of regional indicator trends according to the NGD template. The summary includes colored boxes and arrows expressing the present state of affairs and the evolution during the last 15 years of democratic governance for each relevant indicator. The sources for trend calculations are the BTI and the Sustainable Governance Indicators (SGI), also developed by the Bertelsmann Stiftung.



Indicator boxes are colored to differentiate between the most recent state of affairs for each regional indicator (BTI/SGI 2014). Green, yellow and red respectively indicate 'high level', 'medium level', and 'low level' in relative quality. Levels for each regional indicator are based both on inter- and intra-regional averages, thus the indicator boxes highlight the relative strengths and weaknesses of a region, but also indicate how well the region is scoring on a global scale.

Trend arrows express whether the situation improved or worsened during the last 15 years. The indicator boxes contain five types of trend arrows, signaling 'significant improvement', 'improvement', 'continuity', 'decline', and 'significant decline'. The positive or negative trend reflects changes of averages above or below a certain threshold (which varies according to the size of the country sample) in the respective regional indicator. Changes of more than double that threshold form a significant trend.

The combination of colors and arrows thus shows whether a given change, and the speed of it, is observable from a low or high starting level. In the former case, a positive trend means that modest change has occurred during the past years in a situation which remains problematic. In the latter case, depending on the speed of change, a positive change may indicate that an already high status is being further improved. In case the trend is negative and the present state of affairs is of a low quality, regression is taking place in spite of a problematic situation. Finally, negative trends against a high quality background indicate potential decline in deep-rooted aspects of democracy.

For a detailed explanation of the calculations, see NGD Methodological Note at:

www.nextgenerationdemocracy.org



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Wider Europe







Track 1 – People and Communities







Values and Institutions

Access and Inclusiveness

Management and Policies

Trends 2000 – 2015		Projections 2015 – 2030
Political participation		
Electoral process The trend overall is stable. The majority of European countries possess healthy electoral systems with strong rules assuring free and robust competition. Some specific discriminatory practices with regard to voter registration and candidacy procedures remain, primarily in some southeastern European countries and Turkey. Party financing remains an issue of concern in many “old” OECD and EU democracies as well.		<ul style="list-style-type: none"> With regard to electoral processes and association/assembly rights, the stable trends can be expected to continue for the whole region. Functional deficits with regard to voter and party registration are likely to persist for some years in some southeastern European countries, as are problems with financing political parties (for the region as a whole).
Association/assembly rights Effective protection of political liberties is woven tightly into the political culture in most countries of the Wider Europe region. However, variations remain across countries. In some southeastern European countries in particular, but also in Turkey and Israel, there have been infringements on association and assembly rights.		<ul style="list-style-type: none"> With regard to press freedom and media pluralism, most northern and western European democracies are expected to continue their high standards. However, isolated cases of political influence affecting these areas will likely occur. In the central-eastern and southeastern European region, negative trends will be difficult to reverse in the short to medium term.
Freedom of expression There is a clear negative regional trend with regard to media freedom and the freedom of expression. While this trend is most notable in Hungary and Turkey, substantial government interference with the media has weakened media freedom in many other countries as well, mainly in central-eastern and southeastern Europe. Minor setbacks also in some of the “old” OECD and EU democracies.		
Rule of law		
Separation of powers Checks and balance are working effectively in most countries. However, there have been several examples of ruling parties utilizing legislative majorities to weaken checks and balances in order to consolidate their own power. This model of dominance-oriented power politics has been prevalent in Albania, Hungary, Macedonia and Romania.		<ul style="list-style-type: none"> It is to be expected that the long-established democratic and constitutional structures, particularly in the northern and western European countries, will remain stable and at a very high standard. The high-quality constitutional structures in place for most southern European states and many post-communist countries (especially Poland and the Baltic states) are expected to continue.
Independent judiciary Judicial independence is strong in most countries. However, corruption and inadequate training of judges hamper judicial review in some southeastern European countries. Active political interference has weakened judicial independence in Hungary and Romania.		<ul style="list-style-type: none"> The problematic tendencies observed in relation to the separation of powers in Albania, Hungary, Macedonia, Romania and Turkey are unlikely to be reversed in the coming years.
Civil rights The standard of civil rights protection in this region is generally very high. Despite formal protections, infringements of civil rights still occur and court protection sometimes proves ineffective in southeastern European countries, Israel and Turkey.		

Trends 2000 – 2015		Projections 2015 – 2030
Political and social integration		
Party system In the majority of countries, political parties and party systems are highly institutionalized and able to articulate and aggregate societal interests. However, new populist or euroskeptc parties have emerged in many countries and political parties in central and southeastern Europe often still have no solid ideological-programmatic basis. Major political parties in many countries show clear deficiencies in terms of intra-party democracy.		<ul style="list-style-type: none">A stable outlook is expected for the top-ranked Nordic countries, with very well-functioning structures and a high level of social capital in general.A stable outlook is also expected for most continental European welfare states, which have a long tradition of corporatist forms of participation.No major qualitative leaps are expected in the countries of southeastern Europe. However, the growing public criticism of political abuses and corruption could yield positive effects in the future.
Interest groups Consensus-oriented democracies in northern and central Europe in particular have strong and well-functioning intermediary systems. In many countries, citizen groups, social movements, and grassroots lobbying organizations are becoming increasingly influential, particularly on the local level. Some countries, especially in south and southeastern Europe, are still lagging behind in terms of competences and access opportunities of both economic and non-economic interest groups.		
Social capital There are strong variations across this region. The Nordic countries show very high levels of social capital, while many southeastern European countries, as well as Greece and Turkey have weak social capital.		
Inclusiveness & non-discrimination		
State identity In general, the degree of state identity in the region is very high. However, as a result of persistent ethno-political conflicts, some countries in southeastern Europe (e.g., Bosnia, Kosovo) continue to have problems in this area, and massive problems persist in Turkey and Israel. Also, separatist tendencies increased in several long-standing democracies (i.e., Spain, UK, Belgium).		<ul style="list-style-type: none">At least in the short to medium term, the socioeconomic barriers for large parts of the population in southern and southeastern European countries will remain in place.There are some early signs that social misery in countries such as Greece and Spain has reached its lowest point. But it will take several years to sustainably improve the social situation.It is feared that discrimination against the Roma minority, for example, will remain a structural problem for many years, particularly in the countries of southeastern Europe.
Socioeconomic barriers Socioeconomic imbalances between affluent northern European states and crisis-battered southern and southeastern European countries has intensified over the course of the euro crisis. Young people have been much harder hit by social exclusion than have older people. Protests against hard austerity measures in many southern and southeastern European countries are associated with increasing political polarization.		
Equal opportunity The level of equality of opportunity is still high in northern European countries. But there has been a decrease in equal opportunities in many other European countries due to the crisis (especially southern and southeastern countries). Those vulnerable include young people, low-skilled workers and women. Discrimination against certain minorities is a persistent problem in several countries (e.g., Roma minority in southeastern Europe)		

Trends 2000 – 2015		Projections 2015 – 2030
Strategic capacity & efficiency		
Prioritization Only a few governments are very strong in setting strategic priorities (mainly Nordic countries and the UK). The overall regional trend for prioritization and strategic planning is slightly negative and the strategic capacities of many European governments remain underdeveloped (from an intraregional perspective), mainly due to strong institutional path dependencies and/or due to the internal political logics of coalition governments. There are no clear regional patterns or country groups showing specific strengths or weaknesses		<ul style="list-style-type: none">• In terms of the quality of political management, a clear trend for the entire Wider Europe region is difficult to predict, as developments within Europe are too diverse.• -Given institutional path dependencies, substantial leaps in quality should not be expected in most countries over the next few years.• The state of affairs in many countries of eastern and southeastern Europe also does not suggest that we will observe a positive trend in the future. In particular, the relatively high level of corruption as well as the often deficient administrative capacity for long-term planning and implementation will most likely continue to affect the political systems of these subregions for years to come.
Implementation There is no clearly positive or negative regional trend, and many countries have elaborate implementation structures at their disposal. But efficient implementation is sometimes hampered by shifting policy preferences, short-term thinking within electoral cycles, legislative gridlock and coalition politics. The most obvious implementation problems can be observed in a number of southern, eastern and southeastern European countries.		
Efficient use of assets The northern and central-western European countries generally make efficient use of human, financial and organizational resources, but the Baltic countries and Poland also receive high marks. Substantial weaknesses remain in southern and southeastern European countries.		
Anti-corruption policy Despite a slightly positive overall trend, the results of anti-corruption policies in European countries vary greatly. Nordic countries are traditionally very successful in this regard, but there are, at times, massive problems in many southern, eastern and southeastern European countries: the use of political office for private gain is widespread and tolerated among political elites; scandals often lead to public protests and the rise of new political parties, which see the fight against corruption as their main political objective.		
Consensus-building		
Cleavage/conflict management In the majority of countries of this region, the political leadership generally manages to offset cleavage-based conflicts. The challenges are greater in some countries of southeastern Europe where there are massive social conflicts that affect the fundamental question of state identity and the general acceptance of the nation-state (e.g., Bosnia and Kosovo).		<ul style="list-style-type: none">• In northern Europe and in most western and eastern European countries, it is expected that the degree of participation of societal groups and consensus-building will remain relatively stable.• The recent trend of increasingly strong civic movements and grassroots organizations observed in some states (e.g., Germany) could, in the future, lead to even greater responsiveness and openness of political systems through new forms of participation and involvement of societal groups.• It is more difficult to assess the prospects for the crisis-afflicted countries in southern Europe where societal consultation and involvement in political processes has been weakened.
Civil society participation In most countries of the Wider Europe region, civil society actors generally are more or less regularly involved in consultation and decision-making. Especially in the consensus-oriented societies of northern Europe, but also in many continental European countries with strong (neo-) corporatist structures, there is a long tradition of involving civil society actors in all stages of the policy cycle. However, the regional trend has been slightly negative over the last years (particularly in countries such as Greece, Hungary, Ireland, Spain and Portugal), and largely ineffective in some countries (e.g., Bulgaria and Turkey).		

Introduction

The Wider Europe region is relatively heterogeneous in terms of historical and cultural contexts and the question of democracy development. In principle, all countries in the region are classified as democracies. The majority of these countries are long-standing and fully consolidated democracies. These fully consolidated democracies are usually also members of the OECD and/or EU. However, in the group of OECD and EU countries there are also a few countries with considerable democratic deficits (such as Hungary and Turkey) as well as a number of central-eastern and southeastern European democracies in which democratic consolidation processes are not yet complete. Finally, the southern European democracies (Cyprus, Greece, Italy, Malta, Spain and Portugal) form a separate group in which some deficits in the operation of democracy and/or with regard to certain aspects of political management can be observed.

Different trends and challenges can be identified for each of these groups. The majority of long-standing and fully consolidated democracies of the OECD and EU feature stable and high-quality democratic institutional “hardware.” This is especially true for the Nordic countries, which fulfill an exemplary role in almost all the indicators considered here. The region’s long-standing OECD and EU member states (e.g., Austria, Germany, the Netherlands, Switzerland) have constitutions in which essential democratic values and institutions, such as free and fair elections, the protection of political freedoms and civil rights, separation of powers, the rule of law and an independent judiciary, are clearly enshrined and effectively protected. As a rule, a fundamental erosion of the quality of democracy is not expected to take place in these countries in the years to come. However, challenges exist in areas such as intra-party democracy, the financing of political parties and – in terms of political management – strategic planning, implementation and systematic integration of societal stakeholders in the policy process.

In most of the latter points, the southern European democracies tend to perform measurably worse, but here, too, no fundamental change in the stability of democratic and constitutional structures has been observed over the past years. However, the severe economic crisis of the past years has negatively affected some of the examined aspects of democracy in this group of countries, and more so than in the northern democracies. In enforcing tough austerity measures and political structural reforms, southern European governments have focused less on the production of broad societal consensus and consulted civil society groups altogether less than before the crisis. At the same time, the crisis and its effects have eroded citizen confidence in the political problem-solving abilities of government. This is reflected in part in the emergence of new political forces and increased political polarization, such as that seen between the radical left and right movements in Greece. In addition, long-existing separatist movements in some countries have grown in the context of the crisis (e.g., Catalonia). Yet the emergence of new Eurosceptic protest parties and the strengthening of existing populist parties are phenomena that can be observed throughout the entire Wider Europe region (e.g., Austria, Denmark, France, Germany, the Netherlands and Sweden).

Apart from Turkey, the countries of southeastern Europe feature the largest democratic deficits. These countries also suffered significant setbacks in areas such as the separation of powers or media freedom. Nonetheless, none of the central-eastern and southeastern European countries appear to be in serious danger of regressing to autocracy, despite the fact that the quality of governance has diminished in many countries. This apparent rollback in political transformation is closely linked to the euro crisis that followed on the heels of the global financial crisis. Membership in the EU has not led to across-the-board gains in prosperity, nor has it closed the economic gap between old and new EU member states as quickly as many had hoped. This has strengthened Eurosceptic and outright anti-European political forces. It has also generated widespread disappointment and dissatisfaction that is expressed in protest movements, the mobilization of

populist sentiments and power politics focused on dominance by parliamentary majority. These trends have contributed to significant declines in terms of political transformation in the EU's newer members such as Bulgaria and Romania. Hungary is the only central-eastern European country to be ranked behind two southeastern European countries, Bulgaria and Croatia, in terms of democratic quality.

However, negative trends have not affected countries and societies in the region equally. Intraregional comparisons indicate that the Baltic states as well as the Czech Republic, Poland and Slovakia have each been particularly successful in maintaining their standards of democracy. Democratic institutions in the Baltic states have proved particularly resilient in the face of a deep economic crisis. This holds true even in the case of Latvia, despite that country's referendum on Russian as an official language and the conflict between the president and parliament, both of which point to significant political instability and a deepening of the ethno-political divide between ethnic Latvians and Russian-speakers.

In southeastern Europe, Montenegro over the last years managed minor gains, all associated with its preparations for accession to the EU. But here, too, the results are varied. While the EU accession process and accession prospects held out to Croatia and Serbia may have helped in the fight against corruption, they weren't enough to give serious impetus to democratic and economic reforms.

Ethno-political conflicts make transformation processes in Bosnia and Kosovo more difficult. Nonetheless, since the change of government in Serbia, Belgrade and Pristina have engaged in political dialogue, which in April 2013 resulted in an agreement on the integration of Kosovo Serb structures within Kosovar institutions. While Macedonia persisted with its model of a joint ethnic Albanian and Macedonian government that emerged during its transformation toward democracy, government policies of polarization and monopolization of power have eroded the quality of democracy there, as was also the case in Albania.

On average, southeastern European countries deteriorated to a greater extent than the central-eastern European countries in terms of political transformation and transformation management, widening the divide between the two subregions.

Values and institutions

Regional overview

Values and Institutions		Political Participation				Rule of Law		
		Free and fair elections	Association / assembly rights	Freedom of expression		Independent judiciary	Civil rights	
Finland	9.55	9.6	9	10	10	9.5	9	10
Norway	9.38	8.8	8	9	10	10.0	10	10
Sweden	9.35	9.2	9	10	9	9.5	10	9
Switzerland	9.28	9.1	8	9	10	9.5	10	9
Germany	9.22	8.9	9	9	9	9.5	10	9
Estonia	9.18	8.9	8	10	9	9.5	10	9
Denmark	9.15	8.8	8	9	9	9.5	10	9
Ireland	8.87	8.7	8	9	9	9.0	9	9
Poland	8.63	8.8	9	9	9	8.5	9	8
Lithuania	8.48	8.5	8	9	8	8.5	9	8
Luxembourg	8.32	8.1	7	9	8	8.5	9	8
Iceland	8.27	8.0	8	10	7	8.5	8	9
Latvia	8.10	8.2	8	9	8	8.0	8	8
Czech Rep.	8.00	8.5	8	9	9	7.5	8	7
France	7.97	7.4	8	9	6	8.5	9	8
Portugal	7.87	7.7	7	9	7	8.0	8	8
Slovenia	7.73	8.0	8	9	7	7.5	8	7
Netherlands	7.70	8.4	7	10	8	7.0	7	7
Spain	7.55	7.6	7	9	7	7.5	8	7
Belgium	7.48	7.5	7	8	7	7.5	8	7
Austria	7.43	7.4	8	9	6	7.5	8	7
Cyprus	7.38	6.8	6	7	8	8.0	8	8
UK	7.35	7.2	7	8	7	7.5	8	7
Italy	7.20	7.4	7	9	6	7.0	8	6
Greece	7.12	7.7	7	10	6	6.5	7	6
Slovakia	7.12	7.7	8	8	7	6.5	6	7
Israel	6.82	7.1	7	7	7	6.5	8	5
Malta	6.45	5.9	5	7	6	7.0	7	7
Bulgaria	5.72	6.4	7	8	5	5.0	5	5
Hungary	5.60	5.7	6	7	5	5.5	5	6
Croatia	5.50	6.0	6	7	5	5.0	5	5
Romania	5.23	5.5	5	7	4	5.0	5	5
Turkey	4.37	4.7	5	5	4	4.0	5	3

Indicator Scores, Sustainable Governance Indicators SGI 2014

Note: Scores reflect the situation as of May 2013. Albania, Bosnia and Herzegovina, Kosovo, Macedonia, Montenegro and Serbia are not assessed by the SGI 2014 and therefore are not listed with indicator scores above. However, as these countries rank lower or at the same level than low performing Turkey in the Bertelsmann Stiftung's Transformation Index BTI, a governance assessment tool for developing countries and countries in transition, we consider it safe to assume that they hold bottom positions in intraregional comparison.

Most of the European states are consolidated democracies. However, from a sub-regional perspective, significant trends can be identified.

The quality of democratic “hardware” in **southeastern Europe** is comparatively low. Democratic infrastructures are eroding in **Turkey**, which constitutes one of the most problematic cases as the government has placed restrictions on the freedom of expression as well as association and assembly rights, and the number of civil rights violations has increased.

Cyprus, Greece and **Slovenia** perform decidedly better than their regional peers, while **Israel** (civil rights protection) shows more pronounced deficits.

In comparison to the broader southeast, all **western** and most **southern European states** are already advanced in terms of the institutionalization of democratic processes. The quality of electoral regimes in these countries is high, and the rule of law is firmly established and functions well. There are, however, a few weak points regarding the question of party financing in countries such as **Cyprus, Greece, Italy, Malta, the Netherlands, Spain** and **Switzerland**.

In most of the **East-Central European states**, participation rights are codified, guaranteed and generally protected. The separation of powers is in place and operational in these countries. In **Hungary**, however, the Fidesz-led government has tried to monopolize political power by taking control of a number of independent agencies and supervisory bodies and has undermined the judiciary's independence. Relying on its two-thirds majority in parliament, the government adopted a new constitution in April 2011 that contains a number of qualified-majority laws (officially called cardinal acts) that serve to protect the nationalistic/conservative priorities of the current governing parties against future changes in government. Hungary thus represents the most troubling case of dominance-oriented power politics, where ruling parties utilize their legislative majorities to weaken checks and balances and to consolidate their own power. Such an erosion of democratic standards was also prevalent in **Albania, Macedonia** and **Romania**.



Estonia, Germany and **Switzerland** show a very high degree of stability and advanced quality of values and institutions. They are the only European countries to join the Scandinavian states, in which democratic norms, processes and institutions are most firmly established and consolidated.

Analysis

Political participation

Electoral process

To what extent are political representatives determined by general, free and fair elections?

In the broad majority of countries in the Wider Europe region, electoral procedures ensure free, fair and transparent elections. The trend for this criterion has been stable over the last years. The region's best-performing countries (i.e., Nordic countries, Switzerland and Germany) generally possess open, transparent candidacy rules and strongly protected voting rights. Most party systems in these countries allow a mix of public and private funding, and have adequate disclosure requirements in place. Media access for parties and candidates is open, with several enforcing equal-access or other impartiality provisions during election periods. Also, with regard to most of the other countries in this region, candidacy procedures as well as the procedures for the registration of voters and voting are for the most part effective, impartial and non-discriminatory. Citizens can appeal to the courts if they feel they are being discriminated against. Disincentives to voting generally do not constitute genuine obstacles. However, while the majority of European countries possess healthy electoral systems with strong rules assuring free and robust competition, some exceptions do exist. In Romania, registration procedures for candidates and parties are relatively demanding and can represent significant obstacles for new parties and independent candidates. In Turkey, the nationwide 10% electoral threshold for parliamentary elections is a major obstacle for all small political parties. With regard to voting

rights and procedures, one can observe some shortcomings in several southeastern European countries as well. In Bulgaria, for instance, people serving prison sentences are not allowed to vote. Secondly, while citizens who want to vote outside of their permanent place of residence can obtain a special permit from their municipality, there is no facility for voting by mail. The 2011 presidential elections and the 2013 parliamentary elections prompted allegations of voting fraud which, though not yet proved, have further eroded public trust in the political system. In Hungary, the government under Prime Minister Orbán has tried to alter provisions on voter registration. Legislation adopted in late 2012 required voters to register online or in person at least two weeks before an election. Officially justified as a way to end discrimination of Hungarians living abroad (who have always had to register before elections), the new registration requirement was broadly perceived as an attempt to disenfranchise core constituencies of the opposition, such as the elderly and the poor. The change in registration rules was declared unconstitutional by the Constitutional Court in January 2013. Controversies also exist with regard to Hungarians voting abroad. As some neighboring states do not allow for dual citizenship, the Fidesz government would like to keep such voting secret, which thus opens the possibility of vote manipulation. The Fidesz government has not addressed the restrictions on voting rights associated with the disenfranchisement of convicts and the absence of voting by mail.

In Croatia, the main problem relating to voting rights has been the excessive number of registered voters with no real residence in Croatia and the bad state of the voting register. Amendments to the Voters' Register Act state that only citizens with permanent residence in Croatia and a valid ID have the right to vote without registering for a particular election. As a result of this provision and a thorough cleaning of the voting register, the number of citizens entitled to vote has fallen by about 760,000 – a drop of more than 15% from the January 2012 referendum on Croatia's accession to the European Union.

In Romania, citizens without a proper domicile – and hence without government IDs – are disenfranchised. This problem disproportionately affects the Roma minority, of which a sizeable share lack proper IDs. Another problem concerns Romanian citizens living abroad: while such citizens are allowed to vote in polling stations abroad, the small number of international polling stations creates significant barriers to voting, and even though more than two million Romanians reside abroad they are only represented by four members of parliament and two senators. In the 2012 impeachment referendum, several cases of election fraud occurred, some of them involving the manipulation of voter lists.

Some of Europe's "older" western democracies also grapple with some flaws when it comes to the question of political representativeness. French registration procedures, for instance, are open to all citizens, yet many immigrants and voters from a weak socioeconomic background do not participate. This trend can be observed elsewhere as well (e.g., Germany). Electoral financing represents another weak spot in many countries, and undermines otherwise solid patterns of democratic procedures. Countries such as Croatia, Cyprus, Greece, Hungary, Italy, Malta, the Netherlands, Slovakia, Slovenia, Spain and Turkey lack strong oversight mechanisms for campaign spending and donations. Inadequate campaign funding oversight and ineffective sanction mechanisms also cloud the otherwise flawless electoral process in Switzerland.

Association/assembly rights

To what extent can individuals form and join independent political or civic groups? To what extent can these groups operate and assemble freely?

The regional status of political liberties, and in particular association/assembly rights, has not changed much over the last couple of years. In most of these countries, political liberties are well protected and effectively guaranteed, as such protection is woven tightly into their political cultures. This also applies to many of the post-communist countries. Poland, the Baltic countries as well as Slovenia and the Czech Republic have developed strong constitutional mechanisms to protect political liberties. However, some variations remain across countries. Especially in some southeastern European countries, several deficiencies of varying degree persist. In Croatia, for

instance, the Law on Public Assembly is more restrictive than similar legislation in France or the United States, particularly when it comes to outlining the purpose of an assembly and limiting available public spaces for public assemblies. In Romania, the state concedes and protects the right to speak, think, and assemble against any government interference or restraint. However, certain legal prohibitions against “defamation of the country” could potentially impinge on these rights.

In Hungary too, the freedom of expression, assembly rights and other political liberties are largely protected in formal terms. However, the fact that racist and anti-Semitic forces have benefited from these protections has become a controversial issue. Infringements on political liberties by state institutions have been rare, but have occurred. In a number of cases, the police have tolerated right-wing attacks on demonstrators from the left. Legislation passed in 2011 over the registration and public support of religious communities, which has privileged the Catholic Church and, to a minor extent, other “historical” churches, has raised concerns over the freedom of religion.

Freedom of worship for minority confessions is also a persistent problem in Turkey. Moreover, administrative restrictions on the freedom of assembly persist under the Erdogan government. Strict requirements for demonstrations still exist for specific events, such as on May Day and the Kurdish Newroz festivities in southeast Anatolia. Finally, human rights reports have repeatedly criticized Israel’s municipal authorities and police forces for violating the freedom to demonstrate, in particular after the wave of protests in the summer of 2011.

Freedom of expression

To what extent can citizens, organizations and the mass media express opinions freely?

Media freedom and the freedom of the press are generally strong in most countries of the Wider Europe region. However, while the level of freedom of expression in this region is still high compared to other world-regions, there has been a clear negative trend in recent years. This worrisome development is most evident in Hungary, where the government under Prime Minister Orbán pushed through highly controversial media laws in 2010 and 2011. This legislation was modified only slightly in the wake of strident criticism from the European Commission and other international and national actors. The new laws strengthened government control over the media by vesting a Media Council, exclusively composed of persons affiliated with Fidesz, with the control of media content and the granting of broadcasting licenses. New provisions on “balanced reporting,” along with mass layoffs in public media have fostered a climate of fear and self-censorship among journalists. Government representatives have criticized independent media, while indirectly supporting media with an extreme-right bias. While Hungary (together with Turkey) is certainly the clearest example of negative press freedom trends, governments in many other central-eastern and southeastern Europe countries have interfered with the media and weakened media freedoms as well. While public television and radio stations are often exposed to political influence, for private media organs, their very existence has been threatened as advertising and sales revenue slumped due to the economic crisis. Many journalists have become financially dependent on media owners, who often subordinate journalistic standards for their own commercial interests and political goals. Given the economic difficulties in these countries, editors feel greater pressure to report in the interests of their financiers. At the same time tabloids have continued to draw readership from more respectable media sources, reducing the overall quality of political reporting. Since political parties in central and southeastern Europe often have no solid ideological-programmatic basis, they are particularly dependent on their representation in media and, therefore, try to influence political media. Political actors, economic interest groups, media owners and journalists form informal networks in which opaque, personal relations take the place of professional ethics and standards. These developments threaten the democratic foundations established after the fall of the socialist regimes.

Yet, even in some western European countries, one can observe some flaws in terms of media independence and media pluralism. In Spain, the Popular Party (Partido Popular, PP) government

has reversed a previous legal reform, which had transformed the traditionally government-manipulated Radiotelevisión Española (RTVE) into an autonomous corporation that tended to guarantee neutrality. PP passed a decree law in April 2012 that jeopardizes that recently achieved political independence of the national broadcasting group. Moreover, some other western European countries with a long and strong tradition of press freedom and media independence also saw a certain deterioration in this respect. In the UK, for instance, a number of events and scandals in recent years have pointed to overly strong bonds between the political establishment and Westminster lobby journalists, which may have had negative effects on the quality of reporting. The aftermath of the News of the World scandal in 2011 demonstrated the existence of overly close relations between politicians and the press. Generally, a strong media concentration has sparked concern over diversity of opinion in Austria, France, Greece, Iceland, Turkey and the UK.

Rule of law

Separation of powers

To what extent is there a working separation of powers (checks and balances)?

In most states in the Wider Europe region, one can speak of a well-functioning separation of powers between the executive, legislative and judicial branches. The long-standing democracies of the OECD and EU generally have no major constitutional weaknesses in securing the separation of powers. This also applies to parliamentary systems in which the government can often rely on a broad parliamentary majority. In practice, it is in these systems that the idea of checks and balances, through independent courts (see below), is ensured. In the established and fully consolidated democracies of the OECD and EU, it does not occur, as a rule, that a government majority deliberately undermines this separation of powers for its own political interests. The situation in a number of southeastern European countries, however, is different. In recent years, there have been several examples where ruling parties have utilized their legislative majorities to weaken “checks and balances” in order to consolidate their own power in the state and society: This model of dominance-oriented power politics was particularly prevalent in Albania, Hungary, Macedonia and Romania. In Romania, the social-democrat/national-liberal coalition government led by Prime Minister Victor Ponta disempowered the parliament and Constitutional Court in its fight against President Traian Băsescu, who campaigned for judicial reform and effective anti-corruption measures. Further retrogression was observed in Hungary as well. In April 2011, the conservative government coalition led by Prime Minister Viktor Orbán used its two-thirds majority to fast-track a new constitution, against resistance from the opposition and without proper debate within society or consultation with parliament. The “Fundamental Law,” as it was dubbed by the government, introduces “cardinal acts” for more than 50 policy areas that can only be amended through a two-thirds majority in parliament. By June 2013, parliament had already passed 49 such acts – a sign that the current government coalition’s two-thirds majority was being exploited to cement the government’s political will on ensuing legislative periods. In Albania, supporters of Prime Minister Sali Berisha’s ruling Democratic Party occupied key public positions including those of the president, head of secret police and attorney general. In Macedonia, the conservative government coalition has increased the number of state employees by more than 50 percent since 2006, offering extensive potential for party-political patronage.

Eroding separation of powers can also be observed in Turkey, where Prime Minister (and now President) Erdogan over the last years has also been following a clear model of power-dominated politics to consolidate his and his AK party’s power position.

*Independent judiciary**To what extent does an independent judiciary exist?*

In many countries in the Wider Europe region, judicial independence is strong and firmly protected through clear and long-established constitutional and legal frameworks. Overall, the regional trend has been stable over the last years. In most European countries, independent courts effectively review executive action and ensure that the government and administration act in conformity with the law. This also holds true for many post-communist countries. Estonia, Lithuania and Poland, in particular, have made significant progress in this regard since the end of communism and today number among the top-ranked countries regarding judicial review. However, some structural deficiencies persist in some countries. The prospect of EU accession puts pressure on the countries of southeastern Europe to reform their judicial systems. One key challenge for reformers has been ensuring that the judiciary remains shielded from political and other external influences while also instituting mechanisms for censuring judges who violate professional standards of conduct. In Serbia, for example, the Constitutional Court decreed in July 2012 that all judges who had previously been dismissed by the government in the course of judicial reforms, and who were subjected to an assessment of their professional competencies, should be reinstated.

Shortcomings also persist in Bulgaria and Croatia. Here, courts are formally independent, but sometimes fail to ensure legal compliance. Whereas in Bulgaria informal political pressure and corruption quite often hamper an effective and independent judicial review, Croatian administrative courts still follow their traditional formalistic approach. As a consequence, and despite several reforms in recent years, administrative procedures in Croatia frequently take an unreasonable length of time. Like Bulgaria, Romania also struggles with entrenched corruption in the judicial sector. Judicial corruption, combined with the presence of poorly trained judges (particularly in the lower courts), undermines the legitimacy of the legal system which, in turn, is more vulnerable to political pressure. In Turkey, acts of the president and the decisions of the Supreme Military Council are excluded from judicial review. Finally, judicial independence in Hungary has further declined under the Orbán government. A controversial constitutional amendment in March 2013 deepened the curtailment of the Constitutional Court's competencies, a process that began in 2010 and 2011. The Constitutional Court can no longer reject constitutional amendments on matters of substance or base its rulings on decisions it made before January 2012 (the enactment of the new constitution). In parallel to these developments, the government has continued to staff the Constitutional Court with Fidesz loyalists. Concerns about the independence of the judiciary were also raised by a temporary decrease in the retirement age for justices, which resulted in the forced retirement of 194 justices in March 2012 and their subsequent replacement with justices close to Fidesz.

*Civil rights**To what extent are civil rights guaranteed and protected, and to what extent can citizens seek redress for violations of these rights?*

The overall regional trend regarding civil rights is stable. The protection of personal liberty, including the rights to life and security of person, access to justice, equal treatment before the law and due process under the rule of law are cornerstones of the constitutional frameworks of most countries in the Wider Europe region. Although in some countries, the parameters of civil rights and political liberties seem to have changed in the aftermath of the 9/11 attacks, with a tendency to sometimes emphasize basic security more than traditional freedoms, this tension has not undermined the generally very high standard of civil rights protection in this region. Citizens seeking redress for violations of their rights normally face no obstacles.

Many countries, such as the Nordic countries, Germany, Ireland and Switzerland, can be seen as role models for an effective protection of civil rights. However, there are exceptions pointing to some structural legal or constitutional flaws in several countries. Despite formal protection,

infringements of civil rights still occur and court protection sometimes proves ineffective in Bulgaria, Croatia, Israel and Romania. In Turkey, the rights of the defense, lengthy pre-trial detention, and excessively long and catch-all indictments continue to be matters of concern. Moreover, there are still allegations of the excessive use of force on individuals. Responding to these concerns, the Turkish government has introduced measures, in recent years, to combat torture and ill-treatment by law enforcement officials.

Still, government coercion and the misuse of state power is a rarity in the Wider Europe region. Having said this, there were nevertheless cases of governments proving unable or unwilling to effectively protect the rights of certain minorities. This has been the case in Hungary, where Roma and other minorities have become frequent targets of harassment and hate speech. The Orbán government has also failed to end the intimidation of Roma by the (New) Hungarian Guard, the paramilitary force of the extreme-right party, Jobbik. In Slovakia too, the mistreatment of the Roma minority is a persistent problem.

Projections 2015 – 2030

Political participation

With regard to the aspects “Electoral process” and “Association/Assembly rights”, a continuation of previous stable trends can be expected for the whole region. However, functional deficits in some southeastern European countries with regard to voter and party registration are likely to persist for some years – as are problems in several countries of the Wider Europe region with regard to financing political parties. For Turkey, continued restrictions on the right to freedom of assembly are expected – a continuation of power consolidation by Erdogan.

With regard to press freedom and media pluralism, it is to be expected that, over the next 15 years, the condition will remain stable at its high standard in most northern and western European democracies. However, this does not exclude, as recent history has shown, the occurrence of isolated cases of political influence on media content or political appointments in the public media. Also posing problems in a number of long-established western European democracies is the relatively high concentration of ownership in private media. The growth of digitization and increasing availability of online media, however, are a positive trend from the perspective of press freedom and media pluralism. The outlook for the central-eastern and southeastern European region, however, is difficult to predict. The most recently observed negative trend is likely to be, at least for the short-term, difficult to reverse. Structural changes in the relations between the political elite, media owners and journalists that took place in recent years were too drastic. Even if the economic situation were to improve and, thereby, advertising revenue increase, it remains doubtful whether journalists and editors, who are currently so dependent on their financiers, will find their way back to substantive journalistic independence. Moreover, systematic changes in the media landscape brought about by far-reaching political and legal influence and regulatory measures (such as has been the case in Hungary and Turkey) will be difficult to reverse in the short to medium term.

Rule of law

It is to be expected that the long-established democratic and constitutional structures, particularly in the northern and western European countries, will remain stable and sustain their very high standards. A stable trend of high-quality constitutional structures is expected to continue for most southern European states and many post-communist countries (particularly Poland and the Baltic states) as well. The situation in some countries of eastern and southeastern Europe, however, is much more difficult to predict. Problematic tendencies with relation to the separation

of powers, as have been observed in recent years in Albania, Hungary, Macedonia, Romania and Turkey, are an expression of practices of power-consolidation by ruling parties. It is unlikely that this will change radically in the coming years. In fact, it is likely that these undemocratic practices and a further erosion of constitutional principles will solidify in countries such as Hungary and Turkey. Worrying is also a trend of discrimination against certain minorities. In particular, discrimination against the Roma remains a fundamental problem in several states, especially in southeastern Europe. In the case of Hungary, the situation of Roma is expected to grow worse should right-wing forces such as Jobbik gain traction.

Access and inclusiveness

Regional overview

Access and Inclusiveness			Political and Social Integration		Inclusiveness and Non-Discrimination	
			Party system	Interest groups	Equal opportunity	
Sweden	8.56	8.1	8	8	9.0	9
Norway	8.46	7.9	8	8	9.0	9
Luxembourg	8.15	7.3	8	7	9.0	9
Denmark	8.09	8.2	8	8	8.0	8
Finland	7.75	7.5	8	7	8.0	8
Iceland	7.23	7.5	8	7	7.0	7
Germany	7.11	7.2	7	7	7.0	7
Switzerland	7.09	6.2	6	6	8.0	8
Belgium	6.80	6.6	5	8	7.0	7
Netherlands	6.64	5.3	3	8	8.0	8
Poland	6.63	6.3	7	6	7.0	7
UK	6.60	6.2	5	7	7.0	7
Austria	6.46	5.9	5	7	7.0	7
Ireland	6.32	5.6	5	6	7.0	7
Czech Rep.	6.16	6.3	6	7	6.0	6
France	6.12	5.2	5	5	7.0	7
Slovenia	6.10	5.2	4	6	7.0	7
Cyprus	5.92	4.8	6	4	7.0	7
Lithuania	5.91	5.8	7	5	6.0	6
Spain	5.64	6.3	5	8	5.0	5
Malta	5.62	5.2	5	5	6.0	6
Estonia	5.46	4.9	5	5	6.0	6
Israel	5.29	6.6	7	6	4.0	4
Italy	5.18	6.4	6	7	4.0	4
Latvia	5.06	5.1	5	5	5.0	5
Slovakia	4.77	4.5	3	6	5.0	5
Portugal	4.68	4.4	3	6	5.0	5
Hungary	4.50	4.0	4	4	5.0	5
Turkey	4.37	3.7	2	5	5.0	5
Bulgaria	4.21	4.4	4	5	4.0	4
Croatia	4.10	4.2	4	4	4.0	4
Greece	4.05	5.1	5	5	3.0	3
Romania	3.88	3.8	3	5	4.0	4

Indicator Scores, Sustainable Governance Indicators SGI 2014

Note: Scores reflect the situation as of May 2013. Albania, Bosnia and Herzegovina, Kosovo, Macedonia, Montenegro and Serbia are not assessed by the SGI 2014 and therefore are not listed with indicator scores above. However, as these countries rank lower or at the same level than low performing Romania in the Bertelsmann Stiftung's Transformation Index BTI, a governance assessment tool for developing countries and countries in transition, we consider it safe to assume that they hold bottom positions in intraregional comparison.

The analysis of the quality of access and inclusiveness in Wider Europe yields a very heterogeneous picture. The **Balkan** states are neither open and integrative politically, nor are they inclusive socioeconomically. They are in the same league as southern European states like **Portugal** or **Turkey**. Party systems in these countries – unlike the rest of the region – tend to be less stable. Voter volatility is also higher in these countries, and populist tendencies stronger. Civil society in the Balkan states and southern European states also tends to be dominated by a few strong interests. As a result, conflicts in these countries can be more easily pooled, and some minorities (like the Roma in Southeastern Europe) are discriminated against.

Regarding the quality of their party systems and guaranteeing a more equal access to participation in society regardless of social background, most of the **East-Central European** states still lag

behind western European standards, a trend reinforced by the political and socioeconomic effects of the global economic and financial crisis. Exceptions to this rule are **Slovenia**, the **Czech Republic** and particularly **Poland**.

The **Nordic countries** as well as **Germany**, **Luxembourg** and **Switzerland** are most open and inclusive. Their party systems can be considered as stable and socially rooted, able to articulate and aggregate social interests. There is a broad range of interest groups which reflect competing social interests and tend to balance one another, while equality of opportunity is almost fully achieved with regard to education, public office and employment.



Analysis

Political and social integration

Party system

To what extent is there a stable and socially rooted party system able to articulate and aggregate societal interests?

In the majority of countries in the Wider Europe region, political parties and party systems are highly institutionalized and able to articulate and aggregate societal interests. Party systems in the northern, western and central European countries are particularly stable and have socially rooted structures. However, many of these countries have nonetheless been witnessing in recent years the rise of (new) populist parties (e.g., Austria, Denmark, France, Germany, the Netherlands, Sweden, Switzerland and the UK). In many of these countries, the ideological distance between traditional center-left and center-right parties has decreased and generated a certain convergence of political positions. At the same time, the emergence of new populist parties has exacerbated political polarization, leading to the growth in some countries, such as Greece and Hungary, of radical left- and right-wing parties. A related problem should be mentioned here: Political parties in central and southeastern Europe have no solid ideological basis or social programs and are particularly dependent on media representation. They therefore are particularly vested in influencing the media. In many European countries, the deep economic crisis has certainly been a driving factor in this development.

In some countries, popular dissatisfaction with mismanagement, corruption and social hardships has given rise to new protest parties (Bulgaria, the Czech Republic, Hungary, Lithuania, Slovakia and Slovenia). All of these parties cite the battle against corruption and the governing style of the established political elite as their primary complaints. The Bulgarian government party GERB has been the most successful of these anti-corruption parties to date, winning parliamentary elections in May 2013 and emerging as the strongest party.

While party systems in the Wider Europe region generally manage to accommodate, articulate,

and aggregate societal interest rather well, there are shortcomings in many European party systems when it comes to the specific question of intra-party democracy. Parties make decisions with regard to personnel (e.g., candidates for prime minister/president) and with regard to issues (e.g., electoral programs). Ideally, such party decision-making should be inclusive and open. However, in many countries, the major political parties show clear deficiencies in this respect (e.g., Bulgaria, Hungary, the Netherlands, Portugal, Romania, Slovakia, Slovenia and Turkey). In the majority of European countries, participation in intra-party decision-making and in proposing lists of candidates or agendas of issues is restricted to elected delegates or even to a small number of party leaders. There are only very few European countries (mainly the Nordic countries) where all party members of the major political parties have the opportunity to participate in decisions on the most important issues and high-level personnel. In these countries, the processes involved with creating lists of candidates and issue agendas are rather open.

Interest groups

To what extent is there a network of cooperative associations or interest groups to mediate between society and the political system?

Many European democracies have long-established, diverse and rather well-functioning systems of intermediary groups and societal representation. This means that a comparatively wide variety of voices and policy needs can be articulated within the policymaking process.

However, there is much variation across this region regarding the specific intermediary systems, and many countries still show considerable room for improvement. Overall, though, the regional trend over the last years has been a positive one. The consensus-oriented democracies in northern and central Europe in particular (including Austria, Belgium, Germany, Luxembourg, the Netherlands and Switzerland) have strong formal and informal structures and procedures in place that ensure a broad representation of societal interests. Even in these very healthy intermediary systems, however, there is at times a certain imbalance with regard to the influence and access opportunities of different societal groups. The large economic interest associations (including employers' associations and trade unions) tend to be more powerful in the process of political agenda setting than smaller "non-economic" interest groups. This is partly due to the fact that large "economic" interest organizations often have direct access to governmental decision-making and planning processes (which sometimes poses questions of transparency and democratic legitimacy). But it is also a result of these organizations' relative strength in terms of "professional" and financial resources. Often, these interest groups can draw on specific capabilities such as their own academic personnel, associated institutes and think tanks, or they undertake cooperative efforts with external academic bodies. In this respect, the big economic interest groups are in a privileged position compared to many smaller non-economic groups. However, citizen groups, social movements, environmental groups and grassroots lobbying organizations are becoming increasingly influential, particularly on the local level in many countries of the Wider Europe region.

Some countries, especially in south and southeastern Europe, however, are still lagging behind when it comes to the competences and access opportunities of both economic and non-economic interest groups. Greek civil society, for instance, is relatively underdeveloped in the sense that Greeks do not devote time or money to voluntary associations and non-economic interest associations in particular. Low levels of participation are associated with rather weak or infrequent capabilities to formulate relevant policies, as non-economic interest associations do not have the resources to become involved in policy formulation and the Greek state does not invite them to do so. In Hungary, the analytical capacity of non-economic interest associations has suffered from the government's control of the sector. The National Civil Fund (NCA), a body in charge of monitoring and supporting civic organizations and NGOs, was taken over by the Orbán government and transformed into the National Cooperation Fund (NEA). As the latter has financed only associations loyal to the government, independent associations have struggled with a lack of funding. However, there have been some small, but very important NGOs with

substantial policy expertise. One such NGO is the Hungarian Civil Liberties Union (TASZ), which has documented and evaluated in detail the anti-democratic actions of the Orbán government.

Social capital

To what extent have social self-organization and the construction of social capital advanced?

In terms of social capital, the Nordic countries Denmark, Finland, Iceland, Norway and Sweden as well as the Netherlands traditionally stand out. The degree of intra-societal trust and voluntary social engagement is highest overall in these countries and has been relatively stable for years. Austria, Germany, Ireland, Luxembourg, Switzerland and the United Kingdom also each have a relatively high level of social capital. Following with some distance are the southern European countries Cyprus, Italy, Spain and Portugal, as well as a number of central and eastern European countries, such as Poland, Slovenia, Slovakia and the two Baltic states, Estonia and Lithuania. The worst scores for social self-organization and the construction of social capital are given primarily to countries from southeastern Europe (i.e., Albania, Bosnia, Bulgaria, Croatia, Kosovo, Macedonia, Montenegro, Romania and Serbia) as well as Hungary and Turkey. Greece, as well, now finds itself in a very weak position within this group of countries. While in countries such as Albania, Bosnia, Kosovo and Macedonia strong ethno-political conflicts still represent a heavy burden for the emergence of higher social capital, Greece is negatively affected in particular by severe societal dislocations caused by the crisis.

Inclusiveness & non-discrimination

State identity

To what extent do all groups in society have access to citizenship and naturalization? To what extent do all relevant groups in society agree about citizenship and accept the nation-state as legitimate?

In general, the degree of state identity in Wider Europe is very high. In most of the region's countries, especially the long-standing democracies of the OECD and EU, relevant social groups do not question the legitimacy of the nation-state. While naturalization requirements in individual countries may vary considerably, the spectrum of social groups in each generally have access to obtaining citizenship. Despite this generally positive state of affairs, there are problems with state identity in some cases. Even some long-standing democracies such as Belgium, Spain and the United Kingdom have seen increased separatist tendencies in recent years. While secession seems unlikely, separatist groups striving for greater autonomy (e.g., Catalans, Flanders and Scots), will continue to exert significant centrifugal pressures to which the respective central governments must respond. The economic crisis has in particular reinforced the secession aspirations of the Catalans, since Catalonia is more prosperous compared to the rest of Spain. Furthermore, some countries of southeastern Europe continue to show problems with regard to the acceptance of the respective nation-state and its constitutional institutions. This is especially true for Bosnia and Kosovo. While the political representatives of the Bosnian Muslims (Bosniaks) favor a capable unified state and less autonomy for subnational entities, the political elites of the Bosnian Serbs want to establish an independent state, or at least preserve the local status quo (which they already dominate). In Kosovo, until the beginning of 2013, most members of the Kosovo Serb minority (about 6% of the population) refused to acknowledge the Kosovo state, its political institutions and its legal system. And finally, ongoing Kurdish and Palestinian efforts to establish their own state point to enormous internal social conflicts in both Turkey and Israel.

The fact that many countries in the Wider Europe region are members of the EU has also certain implications for the concept of state identity. For many people, the EU itself serves as an additional reference point for traditional ideas of legitimacy and political community. Although Eurosceptic tendencies are on the rise in many countries, concepts such as "Union citizenship" as well as the extensive *acquis communautaire* (which refers to EU legislation and legal frameworks, including

the EU's Charter of Fundamental Rights to which all member states are obliged) have clearly fostered the development of an overarching EU (state) identity.

Socioeconomic barriers

To what extent are significant parts of the population fundamentally excluded from society due to poverty and inequality?

The socioeconomic imbalance between the affluent northern European states and the crisis-battered southern and southeastern European countries has considerably intensified over the course of the crisis. While social inclusion remains strong in Denmark, Finland, the Netherlands, Norway and Sweden (and generally also in countries such as Austria, the Czech Republic, Germany and Luxembourg), the risk of poverty and social exclusion in countries such as Greece, Hungary, Italy and Spain has grown extensively. In the crisis-ridden states of the EU in particular, it has proved impossible to administer massive austerity-driven cuts in a balanced manner. Alongside the North-South divide, there is also a growing socioeconomic imbalance between generations. Young people are much harder hit by social injustice than those who are older. Across the EU, 28 percent of children and young people are threatened by poverty or social exclusion, a figure significantly higher than that seen in 2009. Greece now suffers from a youth unemployment rate of almost 60 percent and a rapid increase in the risk of poverty, especially among children and adolescents (from 28.2% in 2007 to 35.4% in 2012). Greece's health system has also been hard hit by austerity measures and discrimination toward minorities is on the rise as radical political forces grow. Finally, a massive mountain of debt has become a crushing mortgage on future generations' opportunity. Conditions in the other southern European countries are similar. In Spain, youth unemployment (now exceeding 55%) represents the biggest injustice. There, the risk of poverty among children and adolescents (32.6%) is more than twice as high as the corresponding risk of poverty among older people (14.5%) percent.

The failure of Bulgaria and Romania to advance socioeconomic development has been just as sobering as their performance in the field of political transformation. While income disparity between the richest and poorest fifths of the population was reduced slightly in almost all new EU member states between 2003 and 2011, for Bulgaria and Romania, it has significantly increased. The at-risk-of-poverty rate is still very high in most new member states, but has fallen in Poland.

The growing social divide between northern and southern European countries and between the generations can lead to tensions and a considerable loss of trust. Should the social imbalance grow or persist over a longer period of time, the future of the European integration project will be threatened. Socioeconomic hardship in several countries has already triggered protests and demonstrations which, in turn, have led to changes in government in Bulgaria, Lithuania, Serbia and Slovenia. In other countries, extremist parties with radical nationalistic or anti-democratic agendas have provided a protest outlet to those segments of the population hardest hit by poverty.

Finally, protests and social movements in defiance of government austerity programs and the political establishment are indicative less of a mature civil society and politically active citizenry; they point instead to disappointment in European integration and the associated modernization processes promoted by political elites. In several countries, violent riots near protest demonstrations and staged counter-protests have contributed to political polarization and provided ample opportunity for extremist politicians to exploit protests for their own anti-democratic objectives.

Equal opportunity

To what extent does equality of opportunity exist?

Female participation rates in primary and secondary education are relatively high in most countries of PSE. However, women continue to be underrepresented in public office and in other leading

societal positions. In rural areas, traditional and religiously based attitudes regarding the role of women in society prevent girls from attending school. Female labor-market participation rates have declined from their relatively high levels under formerly state socialist economic regimes.

All states define themselves as civic nation-states, and their constitutions grant equal rights to all citizens irrespective of ethnicity or religion. Political parties also seek to integrate ethnic minorities by including minority representatives among their leadership. However, persons belonging to the dominant ethnic groups are overrepresented in public offices and other leading positions. There are legal provisions against discrimination, but their implementation is highly deficient. Migrant workers from the poorer Central Asian and other post-Soviet countries are subject to various forms of discrimination in Russia, ranging from bad working conditions and weak legal protection to a growing degree of ethnically motivated hostility.

Patterns of discrimination

To what extent is the inclusiveness of societies hampered by structural discrimination based on ethnicity, religion or gender?

Most European countries were very hard hit by the deep economic crisis starting in 2008. The growing social imbalance between northern and southern European countries as well as the growing social divide between younger generations and elderly people have diminished opportunities for specific groups in European societies. Younger people, low-skilled workers and women face serious hurdles to accessing labor markets in most of the southern and southeastern European countries. Massive spending cuts in areas such as education and health care have been affecting people from weak socioeconomic backgrounds more strongly than others. These developments have undercut the principle of guaranteeing every citizen equal access to high-quality education and health care services in several countries of Europe's south. Overall, the trend on the equal opportunity criterion is negative. With regard to social inclusion policy, the Nordic countries as well as the Netherlands and Luxembourg still receive the best overall ratings in cross-European comparison. In general, the small and homogeneous northern European states still have relatively egalitarian societies. Values of equality, integration and community are deeply rooted in the Nordic societies, and even though there are public debates about growing societal heterogeneity, these long-standing values continue to prevail in politics and in society.

In this context, preventing discrimination in society effectively represents one of the central principles in ensuring equality of opportunity. Overall, one can speak of good or at least acceptable anti-discrimination policies in most European countries. Discrimination against ethnic minorities, women, homosexuals and religious minorities persists despite the fact that most countries in this region have enacted specific anti-discrimination. While countries such as Ireland, the Netherlands and Sweden traditionally stand out in terms of effectively preventing discrimination, countries such as Bulgaria, Croatia, Greece, Hungary, Romania and Slovakia, where some minorities face systematic discrimination, show some trenchant deficiencies in this regard. Discrimination toward the Roma minority is a major problem in most of these countries. Discrimination against other ethnic minorities continues in some countries (e.g., against the Serbian ethnicity in Croatia or the Hungarian minority in Romania). In Israel, a law introduced in 2003 denies citizenship and residency status to Palestinian residents of the West Bank or Gaza who are married to Israeli citizens. This measure affects about 15,000 couples and has been criticized as blatantly discriminatory. Finally, despite clear equality provisions in the constitution, discrimination against religious and ethnic minorities, homosexuals, as well as against women is still widespread in Turkey.

Projections 2015 – 2030

Political and social integration

With regard to the question of a functioning party system, the constructive role of stakeholders and the level of social capital shows quite clearly that the Nordic countries serve as real role models within the region. Over the last years and decades, these countries have been able to establish sound structures that allow for broad consensus and exchange between societal actors and public policy. For this group of countries, it is expected that these structures, along with the high level of social capital in general, will remain solidly in place over the next 15 years. The outlook is also stable for most continental European welfare states, which have a long tradition of corporatist forms of participation. Moreover, the recent emergence of new citizen movements and grassroots organizations pushing for greater political involvement in these countries has had a positive impact on their political systems. These developments have, for example, compelled political parties to internally organize themselves more democratically. However, for the majority of countries, only incremental improvements can be expected in terms of intra-party democracy. With regard to political representation and integration, the weakest performers are the southeastern European countries and Turkey, where parties' ideological and programmatic foundations are limited, as are societal stakeholders' capacities. Against this background, no major qualitative leaps can be expected. However, growing public criticism of political abuses and corruption could have a positive impact in the future. Whether the various newly formed political protest parties (such as GERB in Bulgaria) will lead to a lasting change in the political style of ruling elites remains a completely open question.

Inclusiveness & non-discrimination

The Europe-wide deterioration in social participation opportunities and a widening social divide between northern and southern Europe over the last years of the crisis raises concerns also with respect to democracy. Social welfare cuts during the crisis have led, in the short-term and particularly in the southern and southeastern European countries, to a massive deterioration in equal opportunities. Certain social groups that are particularly vulnerable such as children, youth and low-skilled workers, are more hard-hit than others. It is currently quite uncertain whether these countries will, in the long-term, return to a stable growth path and whether the expected welfare gains will be reflected in a higher degree of social inclusion. At least in the short to medium term, the socioeconomic barriers for large parts of the population in most of these countries will not be lowered. There are some early signs that in countries such as Greece and Spain the low point of social misery has been reached, but it will take several years to again sustainably improve the social situation. The positive effects of structural reforms are generally only seen after several years. However, the longer the situation remains grave for many people, the greater the risk that radical political forces will be bolstered (as was recently seen in Greece and Hungary) and that public confidence in the problem-solving ability of government decreases. The political protest movements against the austerity policies of many European governments (not only in Greece and Spain, but also in many central-eastern and southeastern European states) reflect this development. These developments seriously jeopardize the idea of European integration. Likewise, the discrimination tendencies toward certain minorities have increased due to the poor economy. Again, it is feared that the discrimination against the Roma minority, for example, will remain a structural problem for many years, particularly in the countries of southeastern Europe.

Management and policies

Regional overview

Management and Policies		Strategic Capacity and Efficiency				Consensus-Building	
			Prioritization	Implementation	Anti-corruption policy		Civil society participation
Finland	9.36	8.7	9	8	9	10.0	10
Switzerland	9.08	8.2	7	8	9	10.0	10
Norway	9.01	8.0	8	8	8	10.0	10
Denmark	8.97	8.9	9	8	10	9.0	9
Sweden	8.34	8.7	8	8	10	8.0	8
Netherlands	7.91	6.8	8	6	7	9.0	9
Luxembourg	7.63	7.3	7	7	8	8.0	8
Austria	7.53	7.1	6	7	8	8.0	8
Estonia	7.50	7.0	6	7	8	8.0	8
Poland	7.09	7.2	7	7	7	7.0	7
Latvia	7.08	7.2	7	7	7	7.0	7
Germany	6.85	6.7	6	7	7	7.0	7
Lithuania	6.73	6.5	7	7	6	7.0	7
Belgium	6.71	6.4	5	7	7	7.0	7
Iceland	6.28	6.6	5	8	7	6.0	6
Slovakia	6.20	5.4	6	6	5	7.0	7
UK	6.19	7.4	7	8	7	5.0	5
Israel	6.02	6.0	6	7	6	6.0	6
France	6.01	6.0	6	7	5	6.0	6
Turkey	5.39	5.8	6	7	5	5.0	5
Spain	5.36	5.7	6	6	5	5.0	5
Ireland	5.18	6.4	6	6	7	4.0	4
Portugal	5.13	6.3	5	7	7	4.0	4
Czech Rep.	5.01	5.0	5	6	4	5.0	5
Bulgaria	4.80	4.6	5	5	4	5.0	5
Malta	4.69	4.4	4	5	4	5.0	5
Italy	4.62	5.2	6	6	4	4.0	4
Slovenia	4.27	4.5	4	5	5	4.0	4
Cyprus	4.18	3.4	3	3	4	5.0	5
Croatia	4.06	4.1	4	4	4	4.0	4
Romania	3.75	4.5	4	4	5	3.0	3
Hungary	3.54	5.1	5	6	4	2.0	2
Greece	3.16	4.3	3	5	5	2.0	2

Indicator Scores, Sustainable Governance Indicators SGI 2014

Note: Scores reflect the situation as of May 2013. Albania, Bosnia and Herzegovina, Kosovo, Macedonia, Montenegro and Serbia are not assessed by the SGI 2014 and therefore are not listed with indicator scores above. However, as these countries rank lower or at the same level than low performing Hungary in the Bertelsmann Stiftung's Transformation Index BTI, a governance assessment tool for developing countries and countries in transition, we consider it safe to assume that they hold bottom positions in intraregional comparison.

Although in intraregional comparison, the larger **Southeast European** country group (ranging from **Hungary** and **Slovenia** in the north to **Cyprus**, **Greece** and **Malta** in the south) exhibits the weakest management performance, there are strong variations inside this sample. **Albania**, **Bosnia and Herzegovina** as well as **Kosovo** show alarming deficits in terms of efficiency and anti-corruption policy. Strategic capacities are low in these countries, but also in **Greece**, **Hungary** and **Romania**. Difficulties in prioritization also surface in **Bulgaria**, **Cyprus** and **Slovenia**, an efficient use of assets is compromised in **Macedonia** and **Montenegro**, while policy implementation stumbles in **Croatia**, **Malta**, **Slovenia** as well as in **Cyprus**. Anti-corruption measures are also insufficient in **Bulgaria**, **Croatia**, **Serbia** and **Italy**. Civil society participation leaves much to be desired in the whole subregion.

Though also deficient in its participatory capacities, the governments of **Israel** and **Turkey** as well as those of the **Czech Republic**, **Ireland**, **Spain** and **Portugal** show a greater degree of steering capabilities and resource efficiency.

An advanced governance quality is achieved in **Belgium, France, Germany, Iceland, Lithuania, Slovakia** and the **UK**, even though some weak spots remain regarding prioritization in Iceland, anti-corruption policy in **France** and **Slovakia**, and civil society participation in the **UK**.

The political leadership in **Austria, Estonia, Luxembourg** and the **Netherlands** provides efficient management policies for their citizens. In addition, political leaders in these countries actively foster civil society participation, regularly consult with civic representatives and take the interests of civil society into account. Successful anti-corruption policies in these countries ensure that most integrity mechanisms are in place, although their effectiveness is limited in some cases (e.g., the **Netherlands**). The **Scandinavian countries** and **Switzerland** excel in their governance quality and feature highly successful consensus-building (**Finland, Norway, Switzerland**) and very effective anti-corruption measures (**Denmark, Sweden**).



Analysis

Strategic capacity & efficiency

Prioritization

To what extent does the government set and maintain strategic priorities?

Setting strategic priorities and long-term planning is traditionally well integrated into the several European countries' policymaking processes. This is true particularly for the Nordic political systems, but also for the United Kingdom's system. Over the last years, Israel, Latvia, Lithuania and Poland have also developed sound institutionalized structures and procedures for long-term oriented political steering. In most of these countries, scholarly advice is a strong strategic resource. Non-governmental expert commissions advising political decision-makers are an important part of drafting plans and legislation in, for instance, Denmark, Norway and Sweden. However, the overall regional trend for prioritization and strategic planning is slightly negative. The strategic capacities of many European governments remain underdeveloped (at least from an intraregional perspective), mainly due to strong institutional path dependencies and/or due to the internal political logics of coalition governments. In Germany, for instance, the strong autonomy of line ministries, tendencies toward silo-thinking and party politics are the main reasons for the lack of long-term oriented executive capacities. Reforming governmental structures in order to increase strategic capacity seems to be very difficult in most of the region's countries. There are no clear regional patterns or country groups showing specific strengths or weaknesses (except from the overall quite successful Nordic countries). Hence, the group of countries with major deficiencies in terms of setting strategic priorities and long-term planning is quite diverse. Germany and Luxembourg find themselves in this group as well as countries such as Cyprus, Malta, Slovakia and Slovenia (among others).

*Implementation**How effective is the government in implementing its own policies?*

There is no clear positive or negative regional trend regarding policy implementation. Many countries in the Wider Europe region have elaborate implementation structures at their disposal. Governments with strong strategic planning capacities (mainly the Nordic countries and the UK) also implement their policies efficiently and effectively. There are some exceptions to this, for instance, in Luxembourg and Switzerland, where implementation is strong, but strategic planning is relatively weak. However, as in other regions, efficient implementation is sometimes hampered by shifting policy preferences, short-term thinking within electoral cycles, legislative gridlock and coalition politics. The most obvious implementation problems can be observed in a number of southern, eastern and southeastern European countries. Countries such as Bulgaria, Croatia, Cyprus, Greece, Malta, Romania, Slovakia and Slovenia share similar problems: weak ministerial compliance, inefficient ministerial bureaucracies, inadequate task funding at subnational or local levels of government, central governments lacking the administrative capacities to ensure that the decentralized provision of public services (e.g. health care, public transportation, waste management) complies with standards (rules, performance figures, etc.) agreed upon and set at the national level. It is worth noting, however, that Greece – under the pressure of its external creditors – has recently been able to improve its implementation capacities. Before the crisis, performance benchmarks were rarely set for government efficiency in Greece. The Memoranda of Understanding signed by the Greek government and its creditors included specific policy targets, implementation deadlines and performance indicators. However, further reforms with broader reach are needed to increase implementation capacities.

*Efficient use of assets**To what extent does the government make efficient use of available human, financial and organizational resources?*

Many OECD and EU countries in the Wider Europe region, especially in northern and central-western Europe, make efficient use of human, financial and organizational resources. Here, ministerial bureaucracies and government administrations are generally well-equipped and can rely on sound organizational structures. These countries generally have standardized procedures for internal performance management mechanisms and arrangements for institutional self-monitoring. These structures ensure that inter-ministerial coordination and policy implementation is effective and efficient. The Baltic countries as well as Poland also score relatively high in this area. However, there are shortcomings in a substantial number of countries when it comes to the efficient use of assets. Overall, administrative structures and their human, financial and organizational resources in southern (mainly Cyprus, Greece and Malta) and southeastern European countries are much weaker. From an intraregional perspective, especially Albania, Bosnia and Kosovo lag considerably behind in terms of developing a professional and efficient state bureaucracy.

Whereas Macedonia was able to improve somewhat in this respect, one of the strongest declines over the last years can be observed in Hungary. Here, the government has misused and abused its available resources. Repeated and drastic institutional reorganizations have undercut resources – that is, institutional memory, valuable experience and best practices – in several of Hungary's administrative institutions. While many socioeconomic resources have also been lost because of the legal unpredictability of the business environment, the most common problem has been the loss of human capital through the politically motivated dismissals of public servants replaced by Fidesz loyalists. The government justifies these changes as an attempt to enhance government efficiency by replacing allegedly poor performers with new and talented individuals. In fact, the exact opposite has happened.

*Anti-corruption policy**To what extent does the government successfully contain corruption?*

Although there is a slightly positive overall trend for the Wider Europe region, the results of anti-corruption policies in European countries vary greatly. Traditionally, the Nordic countries of Denmark, Finland and Sweden receive the highest marks for effectively preventing and containing corruption. In these countries, both the state and society prevent public servants and politicians from accepting bribes by applying a broad range of mechanisms to guarantee the integrity of officeholders. These include state spending audits, the regulation of party financing, guaranteeing citizen and media access to information, ensuring the accountability of officeholders (e.g., through asset declarations, conflict of interest rules, codes of conduct); transparent public procurement systems, and the effective prosecution of corruption. Other northern and central European countries have been quite successful in this regard as well (e.g., Austria, Luxembourg, Norway and Switzerland). However, even many of the long-established European democracies show some deficiencies when it comes to curbing corruption. While the general level of corruption prevention is high in countries like Belgium and Germany, there have been a number of corruption cases and issues of conflicts of interest in both countries over the last years. In Germany, financial transparency for officeholders is a core issue in terms of corruption prevention. Until very recently, provisions concerning required asset declarations by members of parliament had been comparatively loose. However, since the 2013 parliamentary term, members of the German Bundestag have to provide additional details about their ancillary income. In France, corruption and conflicts of interest continue to be a serious problem – despite several legal reforms and new anti-corruption measures adopted over the last years.

However, the problems in many southern, eastern and southeastern European countries are of an altogether different magnitude. In these countries, numerous corruptions scandals, often involving leading politicians, show that the use of political office for private gain is widespread and tolerated within the political elite, meaning that corrupt politicians enjoy much leeway and are only rarely denounced by journalists or police investigations. Recent high-level corruption scandals in Croatia (where in November 2012, Ivo Sanader, the Croatian prime minister from 2003 – 2009, was convicted after a two-year trial), Slovenia (where in June 2013 former Prime Minister Janez Janša received a two-year prison sentence) as well as similar cases in Slovakia and several other countries (e.g., Albania, Bosnia, the Czech Republic and Romania) point to this deep structural problem. These scandals have often led to public protests and the rise of new political parties (e.g., in Bulgaria, the Czech Republic, Hungary and Slovakia), which see the fight against corruption as their main political objective. However, it is too early to predict if these newly formed parties will manage to increase integrity in politics and effectively battle political corruption. On a positive note, however, it is worth mentioning that, in Greece, corruption prevention improved somewhat over the last years. From 2011 to 2013, the Greek government reacted to criticism from the country's creditors and Greek society by pressing the prosecuting authorities to provide evidence on politicians whose names appeared on lists of those allegedly engaged in money laundering. The government promised the immediate dismissal of civil servants who had been condemned by Civil Service Disciplinary Councils for having violated integrity legislation. It also prepared a new tax law aiming not only to increase property and income tax, but also to reduce tax evasion among the self-employed and liberal professions.

Consensus-building*Cleavage/conflict management**To what extent is the political leadership able to moderate cleavage-based conflict?*

In the majority of countries of the Wider Europe region, the political leadership generally manages to offset cleavage-based conflicts. The internal social tensions and conflicts in most established and fully consolidated democracies of the OECD and EU are generally rather moderate to low. Some countries in the region, particularly the northern European countries, are traditionally very

consensus-oriented and already provide for broad societal consensus in the planning phase of policies. Many continental European countries, though much more heterogeneous in their population structures than their northern European counterparts, are also relatively successful at ensuring societal consensus. They utilize appropriate consultation mechanisms and court the participation of societal stakeholders in the policy process. This is difficult, however, in states that still feature stronger political polarization and a relatively pronounced ideological “cleavage” structure (e.g., France). Similarly, the growth of separatist forces in countries such as Belgium, Spain and the United Kingdom poses increasingly troubling problems for the governments in these countries.

The challenges are even greater in some countries of southeastern Europe where there are massive social conflicts threatening to undercut state identity and the general acceptance of the nation-state. Two complicated examples are Bosnia and Kosovo, where ethno-political conflicts over membership in the nation-state continue to shape political and economic transformation processes (see above). Since the onset of democratic transformation, Macedonia has featured a combined government of ethnic Albanian and ethnic Macedonian parties, but government policies of polarization and power monopolization continue to undermine the quality of democracy. Albania suffers from a similar situation. Finally, Kurdish and Palestinian aspirations for an independent state underline the enormous internal social cleavages in both Turkey and Israel.

Civil-society participation

To what extent does the political leadership enable the participation of civil society in the political process?

Especially in the consensus-oriented societies of northern Europe (e.g., Denmark, Finland, Norway and Sweden), but also in many continental European countries with strong (neo-) corporatist structures (e.g., Austria, Belgium, Germany, Luxembourg and Switzerland), there is a long tradition of involving civil society actors at all stages of the policy cycle. Both formally and informally, the governments in these countries actively and intensively consult with societal actors such as trade unions, employers' associations, leading business associations, religious communities, and social and environmental interest groups in preparing policies. They also frequently involve these actors in the implementation phase. These well-established patterns of societal consultation processes and civil society involvement generally increase the quality of government policies and ensure their effectiveness by inducing societal actors to support them. Particularly in the Nordic countries, consultation is carried out primarily as a means of building consensus (and not, for instance, to gather support or assess impact). However, from the point of view of support inducement, this helps to generate public support for government policies.

In most countries of the Wider Europe region, civil society actors are generally more or less regularly involved in consultation and decision-making. But the degree of effectiveness as well as the quality of consultations and the scope of involvement differ considerably across countries. Moreover, the regional trend has been slightly negative over the last years. In countries such as Greece (in the course of the economic crisis) and Hungary (under the Orbán government) civil society participation and consultation has significantly deteriorated. In Ireland, Spain and Portugal too, the respective governments consult to a much lesser extent with economic and social actors than was the case before the crisis.

Apart from these developments that can often be attributed to the effects of sustained economic strain and to individual governments' specific approaches in launching structural reforms and austerity measures, processes of societal participation could clearly be improved in many other countries as well. In the UK, for instance, there is little tradition – either on the executive side or in the process of legislation – of systematically incorporating organized civil society into the decision-making process. In fact, little appreciable change has been observed in this regard, despite the introduction of the “Big Society” agenda introduced by the new coalition government and Prime Minister Cameron during the 2010 election campaign. This agenda, which was associated with

a pledge to transfer power from central to local government and to encourage civil cooperation and volunteerism in social work, has not resulted in improving societal actors' involvement in the early stages of policy development. In Latvia, Lithuania and Poland consultations with civil society actors take place frequently, but these consultations are often perceived as too formal and rather ineffective. Finally, in several southern, eastern and southeastern European countries, civil society involvement can be characterized as either being selective (e.g., Slovenia under the Jansa government; the Czech Republic under the Nečas government), unsystematic (e.g., Cyprus) or largely ineffective (e.g., Bulgaria, Turkey).

Projections 2015 – 2030

Strategic capacity & efficiency

In terms of political management quality, a clear trend for the entire Wider Europe region is difficult to predict, as developments within Europe are too diverse. Many of the “older” OECD and EU countries have comparatively satisfactory structures in place for strategic planning and prioritization. They also feature the requisite implementation capacities as well as – particularly in international comparison – relatively low levels of corruption. In this regard, the Nordic countries stand out positively in all respects and may, in the coming years, remain the role model for other states in the region. Fundamental improvements in strategic planning and implementation capacities, however, are usually difficult to achieve due to long institutional path dependencies. The forces of inertia of established government structures and management patterns are usually quite strong. This can be seen quite clearly not least among many continental European countries (e.g., Germany). Consequently, in the majority of countries, substantial leaps in quality should not be expected over the next few years. The particular situation in many countries of eastern and southeastern Europe also gives no reason for optimism that things will improve in the future. In particular, the high level of corruption – which can be found even in the highest political echelons – as well as the often deficient administrative capacity for long-term planning and implementation will most likely continue to affect the political systems of these subregions for years to come. New protest movements and parties formed in many countries of eastern and southeastern Europe within the context of corruption scandals could pressure ruling elites to exercise greater integrity and political reliability. This is, however, by no means a certain development.

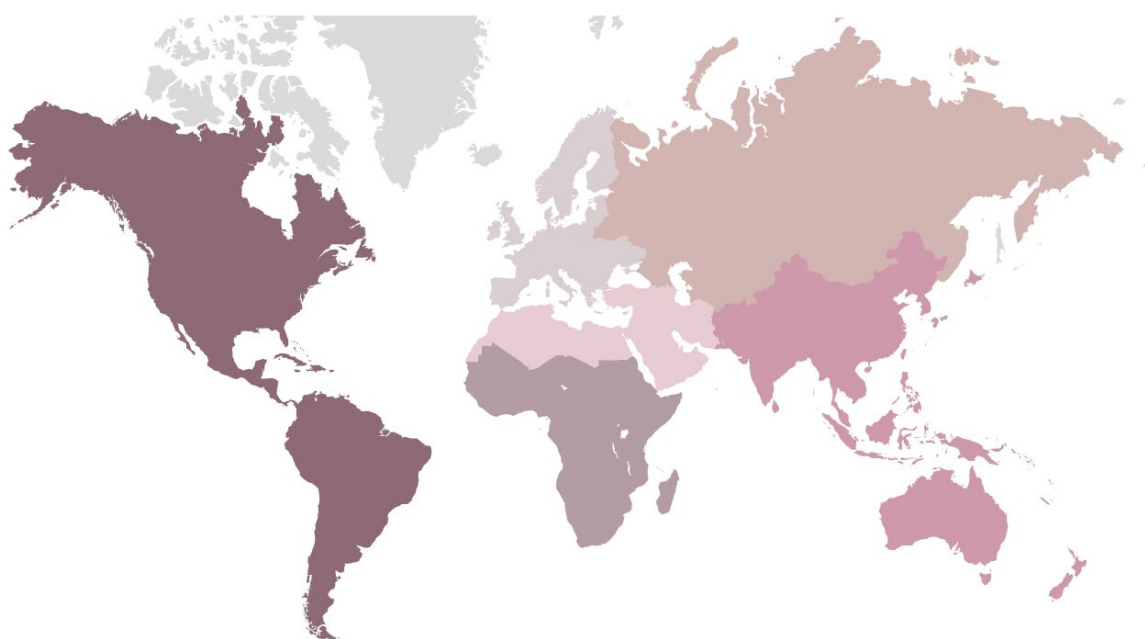
Consensus-building

Given the heterogeneity of the Wider Europe region, the outlook for consensus-building is mixed. In northern Europe and in most western and eastern European countries, the extent to which participation is exercised by societal groups and levels of consensus-building will remain relatively stable. This is especially true for the consensus-based Nordic countries as well as the continental European states with neo-corporatist traditions. The recent trend observed in some states of increasingly strong civic movements and grassroots organizations (e.g., Germany) could lead to an even greater responsiveness and openness of political systems through new forms of participation and the involvement of societal groups. In contrast, it is more difficult to assess the prospects for the crisis-afflicted countries in southern Europe, where societal consultation and involvement in political processes has been weakened. If countries like Greece, Portugal and Spain succeed in returning to a stable growth path and thus reduce the pressure (caused by tough austerity measures and structural reforms) on their respective governments, the scope of participation in the policy process will likely expand as well. In general, if economic weaknesses persist in the long run or are exacerbated, the potential for intra-societal conflict and the degree of political polarization will grow. Governments will also find it increasingly difficult to provide the

earliest possible offsets for societal imbalances. With a long-lasting period of economic weakness, separatist movements such as those seen in Spain will likely gain traction. Finally, ethno-political conflicts are likely to remain a defining structural feature of some southeastern Europe countries (notably Albania, Bosnia, Kosovo and Macedonia) and of Israel and Turkey.



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