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Who Pays Whom? A Hypothetical Input–Output Model of Financial Flows across Eight Economic Classes, with Divergent and Convergent Extreme Scenarios

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Research Article

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RESEARCH ARTICLE

Political Economy Pathologies and Institutional Sustainability: Construction, Validation and Comparative Analysis of Eight Institutional Dysfunction Indices for the World's 25 Most Populous Countries, 2000–2025

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Abstract

Kleptocracy, kakistocracy, rent-seeking, elite, regulatory and state capture, evidence-use failure ('idiocracy') and institutional decay are distinct mechanisms, yet institutional quality is usually measured as one dimension. This paper measures the eight separately for the 25 most populous countries, 2000–2025, with an aggregate index (PEPI), an Institutional Strength Index (ISI) and an Institutional Sustainability Index (INSI), using 41 V-Dem, World Bank, WID and IMF indicators.

In 2025 PEPI ranges from 9.6 (Germany) to 69.9 (Russia); Pakistan scores 59.3 (19th of 25), with the second-lowest institutional strength and the lowest sustainability. Pathology rose by at least five points in twelve countries over 2015–2025, led by declining constraints on executive power rather than by corruption. Rankings are robust to weighting, normalisation and measurement error (Spearman ≥ 0.98).

Higher pathology predicts lower FDI and weaker future institutions, not within-country growth. Regulatory capture and evidence-use failure are experimental proxies.

Keywords: *Kleptocracy; kakistocracy; rent-seeking; elite capture; regulatory capture; state capture; institutional decay; composite indicators; V-Dem; Pakistan*

Key findings

- **Scope.** Eight pathology indices, PEPI, ISI and INSI for the 25 most populous countries (UN WPP 2024, 2025), 2000–2025; 650 country-years; 41 indicators; every score reproducible from formulas in the Excel workbook (reconciled with an independent Python computation to within 10^{-8}).
- **Lowest pathology, 2025:** Germany (9.6), France (17.1), Japan (17.2), United Kingdom (18.8), Italy (28.0). Highest: Russia (69.9), DR Congo (67.8), Türkiye (67.3), Egypt (61.6), Iran (61.2).
- **Direction of change.** The sample median PEPI rose from 41.0 (2000) and 45.5 (2015) to 52.8 (2025). Twelve countries deteriorated by five points or more over 2015–2025, including the United States, India, Indonesia, Mexico, Russia, Pakistan and Italy; Bangladesh and Thailand improved.
- **What is deteriorating.** Institutional decay worsened in 16 countries, regulatory capture in 13, evidence-use failure in 12 and state capture in 11, whereas kleptocracy worsened in only three and improved in seven. Contemporary dysfunction is primarily an erosion of constraints, courts, legislatures and information integrity.
- **Pakistan.** PEPI 59.3 (rank 19); kleptocracy 76 (rank 21); regulatory capture 61; institutional decay 57, up 37 points since 2015 because judicial and legislative constraints weakened sharply after 2022. Institutional strength 22 (rank 24) and sustainability 40 (rank 25) are the binding weaknesses.
- **Robustness.** Alternative weights, aggregation rules and normalisations change PEPI ranks by at most a few places (Spearman 0.98–1.00); the median Monte Carlo 90% rank interval spans two places. The eight indices share a strong common factor (first principal component ≈ 82% of variance), so they are best read as differentiated profiles on a common gradient.
- **Economic performance.** Within countries, pathology does not robustly predict annual growth (0 of 11 indices pass the extreme-bounds test); it does predict lower FDI inflows and falling institutional strength. Associations are not causal.
- **Policy.** Reform priorities differ by profile: constraint-restoring reforms (judicial appointment, legislative oversight, statistical independence) where decay dominates; procurement, asset disclosure and audit where kleptocracy dominates; merit recruitment where kakistocracy dominates; competition and regulator autonomy where rent-seeking and regulatory capture dominate.

1. Introduction

Institutions are the rules that structure political and economic interaction, and their quality is now widely accepted as a fundamental determinant of long-run development (North, 1990; Acemoglu et al., 2001; Acemoglu & Robinson, 2012). Most comparative measurement, however, still treats institutional quality as a single dimension: a country has 'good' or 'bad' governance, more or less corruption. Practitioners and political economists use a richer vocabulary. They distinguish rulers who steal (kleptocracy) from rulers who are incompetent (kakistocracy), private actors who buy favourable rules (state capture) from those who capture the regulator that applies them (regulatory capture), and the waste of resources competing for privileges (rent-seeking) from the slow erosion of institutional capacity and constraint (institutional decay).

These concepts describe different mechanisms with different remedies, yet they are rarely measured separately. This article designs, calculates and validates eight indices that operationalise these pathologies on a common 0–100 scale, aggregates them into a Political Economy Pathology Index (PEPI), and measures institutional strength (ISI) and institutional sustainability (INSI) independently, so

that pathology and strength can be compared rather than assumed to be mirror images. The sample is the 25 most populous countries, which together contain roughly two-thirds of the world's population and include advanced democracies, emerging economies, one-party states, electoral autocracies and fragile states. Pakistan, the fifth most populous country, receives a dedicated chapter.

Three principles guide the work. First, transparency: every score in this article can be traced to a formula in the accompanying workbook and to a documented source value. Second, honesty about measurement: most available indicators are expert assessments or perception composites, which measure institutional conditions associated with a pathology rather than the pathology's quantity (no index here measures stolen wealth). Where comparable data are weak, as for regulatory capture and evidence-based policymaking, the index is labelled experimental. Third, comparability over time: indicators are normalised against fixed reference bounds rather than annual sample extremes, so a change in a country's score reflects a change in its institutions rather than a change in other countries.

2. Research questions and hypotheses

The study addresses five questions:

- **RQ1.** Can the eight pathologies be measured separately with existing comparable data, and are the resulting indices empirically distinguishable?
- **RQ2.** How do the 25 most populous countries compare on each pathology, on aggregate pathology, on institutional strength and on institutional sustainability, and how have these positions changed since 2000?
- **RQ3.** Which pathologies drive recent institutional deterioration?
- **RQ4.** Is pathology associated with economic performance (growth, investment, FDI, productivity) and with subsequent changes in institutional strength?
- **RQ5.** What does the evidence imply for reform in Pakistan and in low-income, emerging and advanced economies?

The corresponding hypotheses, stated before estimation, are:

- **H1 (distinctness).** The eight indices are positively correlated but not collinear; each carries information beyond the common factor.
- **H2 (performance).** Higher lagged pathology is associated with lower per-capita growth, investment and FDI, conditional on standard controls and fixed effects.
- **H3 (persistence).** Higher lagged pathology is associated with subsequent declines in institutional strength.
- **H4 (nonlinearity).** The association between pathology and institutional deterioration is stronger above a threshold level of pathology.
- **H5 (sustainability).** Institutional sustainability is not reducible to current strength: fiscal space, trend and stability reorder countries.

3. Literature review

3.1 Institutions and development

North (1990) defined institutions as the humanly devised constraints that shape interaction and argued that their efficiency depends on the bargaining power of those who make the rules, so inefficient institutions can persist indefinitely. Acemoglu et al. (2001) and Acemoglu and Robinson (2012) distinguished inclusive institutions, which distribute political power broadly and secure property rights

for many, from extractive institutions, which concentrate power and allow a narrow elite to appropriate rents. Extractive economic and political institutions reinforce one another: rents finance the coalition that defends the rules generating them. This feedback loop is the theoretical core of the present framework (Figure 1).

Fukuyama (2013, 2014) separated state capacity, the ability to make and enforce rules and deliver services, from the rule of law and democratic accountability, arguing that development requires all three in balance and that states can decay when elites capture them ('repatrimonialisation'). Rothstein and Teorell (2008) located quality of government in impartiality in the exercise of public authority. Evans and Rauch (1999) and Dahlström and Lapuente (2017) showed that meritocratic recruitment of bureaucrats is associated with growth and lower corruption, providing the empirical basis for the kakistocracy construct.

3.2 Rent-seeking, collective action and capture

Tullock (1967) showed that resources spent competing for monopoly, tariffs or transfers are a social cost beyond the deadweight loss of the privilege itself; Krueger (1974) named the activity rent-seeking and estimated its scale in India and Turkey. Olson (1965) explained why small, concentrated groups organise more effectively than large diffuse ones, and later argued that stable societies accumulate distributional coalitions that slow growth (Olson, 1982). Buchanan and Tullock (1962) and the public-choice tradition modelled politicians and bureaucrats as self-interested agents, so that government failure is as plausible as market failure.

Stigler (1971) argued that regulation is acquired by the industry and designed and operated primarily for its benefit; Peltzman (1976) generalised the model to a regulator balancing support from producers and consumers. Laffont and Tirole (1991) placed capture within an agency framework in which a regulator with private information can collude with the regulated firm, and showed that optimal institutions limit the stakes of collusion; Dal Bó (2006) reviews the subsequent literature. Hellman et al. (2003) introduced the distinction between state capture, in which firms shape the rules of the game through illicit payments to officials, and influence, which operates without payments, documenting both in transition economies. Bardhan and Mookherjee (2000) and Platteau (2004) analysed elite capture of decentralised and community-driven programmes.

3.3 Corruption and kleptocracy

Rose-Ackerman (1999; Rose-Ackerman & Palifka, 2016) framed corruption as a problem of incentives at the interface between the state and private actors. Klitgaard (1988) summarised the conditions in a heuristic: corruption equals monopoly plus discretion minus accountability. Mauro (1995) found corruption associated with lower investment and growth. Kleptocracy is the extreme in which the ruler's objective is personal enrichment; it differs from bureaucratic petty corruption in being organised from the top.

3.4 Measurement

The Worldwide Governance Indicators aggregate perception sources into six dimensions using an unobserved-components model (Kaufmann et al., 2011). V-Dem codes several hundred indicators annually with multiple country experts per indicator and aggregates them with a Bayesian item-response model that produces point estimates and credible intervals (Coppedge et al., 2026). The OECD/JRC (2008) handbook sets out standard steps for composite indicators (theoretical framework, data selection, imputation, normalisation, weighting, aggregation, uncertainty and sensitivity analysis), and Saisana et al. (2005) recommend Monte Carlo propagation of uncertainty in weights and data. Mungiu-Pippidi (2015) argues for measuring the conditions that enable corruption (power discretion and constraints)

rather than perceptions alone, a principle adopted here. Lührmann and Lindberg (2019) document a 'third wave of autocratisation' operating mainly through gradual erosion by incumbents.

4. Institutional and political economy theories

Five theoretical lenses structure the indices.

- Principal–agent theory (Jensen & Meckling, 1976). Citizens (principals) delegate authority to politicians and bureaucrats (agents) under information asymmetry. Kleptocracy and kakistocracy are agency failures: agents divert resources, or agents are selected for loyalty rather than competence. Accountability institutions (courts, audits, legislatures, elections, media) are the monitoring technology.
- **Public choice.** Rules emerge from the self-interested choices of politicians, bureaucrats and organised groups (Buchanan & Tullock, 1962). Rent-seeking and regulatory capture follow when concentrated benefits and diffuse costs meet weak constitutional constraints.
- Collective action and distributional coalitions (Olson). Elite capture and state capture reflect the organisational advantage of small groups; their political influence is self-reinforcing.
- **Political settlements (Khan, 2010).** The distribution of power among organised groups determines which formal institutions are enforced. Identical laws produce different outcomes under different settlements, which is why the indices emphasise de facto practice (V-Dem) over de jure rules.
- Path dependence and institutional decay (Pierson, 2000; Fukuyama, 2014). Increasing returns lock in institutional arrangements; decay occurs when institutions fail to adapt or when insiders capture them. Decay is therefore a dynamic concept and is measured here through changes over five and ten years.

Corruption, rent-seeking, elite capture, regulatory capture and state capture overlap but are not identical. Corruption is the abuse of entrusted power for private gain and is a means; rent-seeking is the pursuit of privileges and can be legal (lobbying for a tariff); elite capture is a distributional outcome in which a narrow group appropriates public resources or decisions; regulatory capture affects the application of rules by an agency; state capture affects the making of the rules themselves. A single episode can involve all five: a firm bribes legislators (corruption) to pass a protective tariff (state capture, rent-seeking) whose enforcement it then controls (regulatory capture), benefiting a connected elite (elite capture). Because they can coexist, the indices are designed to measure the enabling conditions for each mechanism with distinct indicators wherever data allow, and overlaps are documented rather than hidden (Section 8.10).

5. Conceptual framework

Figure 1 links the pathologies in a causal sequence. Weak accountability and wide discretion create incentives for extraction (North; Klitgaard). Concentrated groups organise to pursue rents and capture (Tullock, Krueger, Olson). Captured policy formation produces rules that favour insiders and disregard evidence (Hellman et al.; public choice). Captured and politicised implementation follows (Stigler; Laffont & Tirole; kakistocracy). These distortions shape economic allocation—investment, FDI, productivity—and long-run development and institutional sustainability (Acemoglu & Robinson; Fukuyama). A feedback loop closes the system: rents finance the coalitions that defend extractive rules, which is why pathology persists and why institutional decay is modelled as a dynamic process.

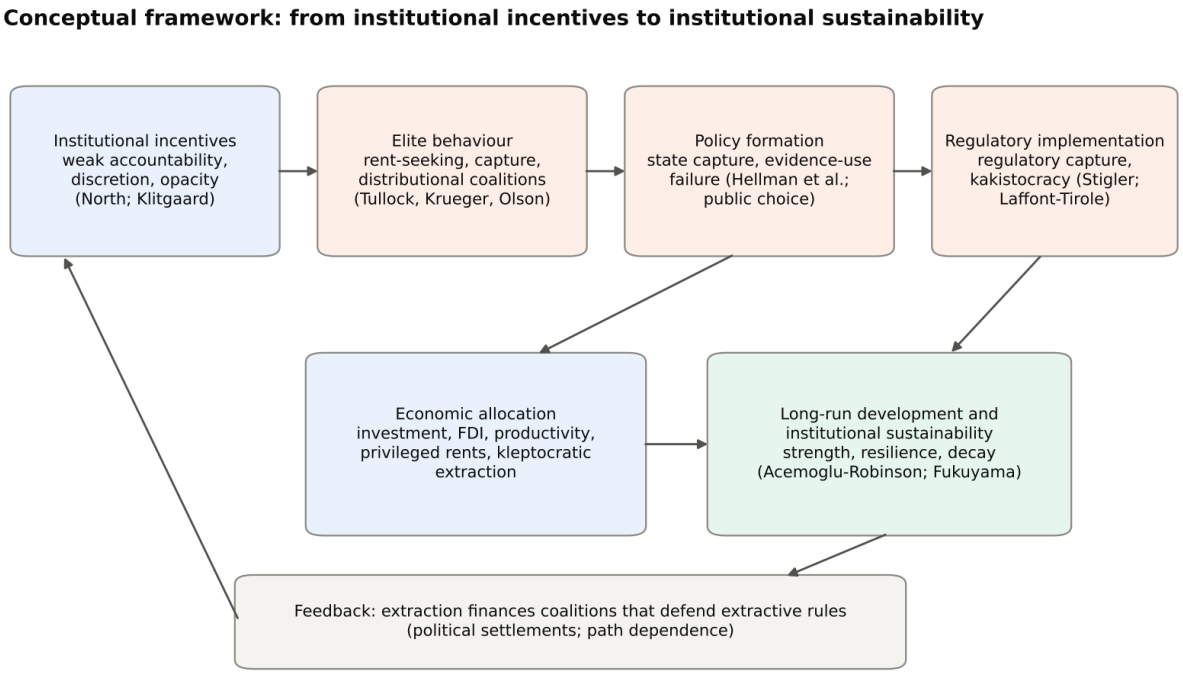


Figure 1. Conceptual framework: from institutional incentives to institutional sustainability

Source: Author's synthesis of the literature reviewed in Chapters 3–4.

6. Definitions and distinctions among the eight phenomena

Table 1 states, for each pathology, the core question it answers and the institutional mechanism it captures, following the author's framework for teaching these concepts. Table 2 gives the operational definition used for measurement.

Table 1. Core concepts: the question each pathology answers and its institutional mechanism

Concept	Core question	Institutional mechanism
Kleptocracy	Who converts public power into private wealth?	Rent extraction and weak accountability
Kakistocracy	Who gets selected for public office?	Patronage, adverse selection and weak meritocracy
'Idiocracy'*	How does poor reasoning enter public decisions?	Weak evidence use, misinformation and failure of institutional learning
Rent-seeking	Who obtains income through privilege rather than productivity?	Political access, protection and regulatory advantage
Elite capture	Who influences institutions for disproportionate benefit?	Concentrated benefits and political organisation
Regulatory capture	Who controls the regulator?	Information asymmetry and dependence on the regulated
State capture	Who shapes the rules themselves?	Influence over legislation and policy
Institutional decay	Why do extractive incentives persist?	A self-reinforcing political–economic equilibrium

Note: * 'Idiocracy' is used as a provocative label; the index measures evidence-use failure in public decision-making, not the intelligence of citizens or officials.
Source: Author's framework (course materials), reproduced as supplied.

Table 2. Operational definitions used in this study

Index	Operational definition (what a high score means)
KLI Kleptocracy	Public authority is used for private enrichment at the top of the state and in the public sector, with weak financial accountability and impunity in courts and legislatures.

Index	Operational definition (what a high score means)
KAI Kakistocracy	Appointments to the administration and armed forces follow loyalty, kinship or patronage rather than skills and merit; administration is partial; clientelism is pervasive.
IDI Evidence-use failure	Public decisions are not justified with reasons, consultation is narrow, counterarguments are dismissed, the government spreads false information and academic inquiry is restricted. Disagreement with a policy is NOT scored as irrationality.
RSI Rent-seeking	Public spending is particularistic, officials sell favours, the economy is under political control and trade protection is high. Legitimate regulation and public-interest subsidies are not targeted by the indicators.
ECI Elite capture	Political power is concentrated by wealth and social group, parties are clientelistic, campaign donations are opaque and income is concentrated. Inequality is one of five components and never sufficient on its own.
RCI Regulatory capture (experimental)	Rules are opaque and unpredictably enforced, regulatory quality is low, lower courts are not independent and the legislature does not routinely question officials, conditions under which regulated interests can bend oversight.
SCI State capture	Rule-making is captured: regime corruption, dependent high courts, executives that ignore courts and the constitution, and legislatures unable to investigate the executive. Ordinary lawful lobbying is not scored.
INDEI Institutional decay	Institutions are weak (level) and/or have deteriorated over the last 5 and 10 years (decline). Improving countries receive no decline penalty.

Source: Author.

7. Data and country selection

7.1 Country selection

Sample A comprises the 25 most populous sovereign countries in 2025 according to the UN World Population Prospects 2024 (medium variant). The 25th country is Italy (59.1 million); Kenya (57.5 million) is 26th. As requested, the analysis covers the population-based sample only. Table 3 also reports each country's rank by nominal GDP in 2025 (IMF World Economic Outlook) to show that the population and GDP samples differ: 15 of the 25 populous countries are also among the 25 largest economies, while the remaining GDP top-25 members (Canada, Spain, Korea, Australia, the Netherlands, Saudi Arabia, Switzerland, Poland, Taiwan Province of China, Belgium, Argentina and Ireland) are not covered by this release.

Table 3. Sample A: the 25 most populous countries, 2025

Pop. rank	Country	Population (m)	GDP 2025 (US$ bn)	GDP rank	Also top-25 GDP
1	India	1,463.9	3,909	6	Yes
2	China	1,416.1	19,626	2	Yes
3	United States	347.3	30,861	1	Yes
4	Indonesia	285.7	1,446	17	Yes
5	Pakistan	255.2	408	42	No
6	Nigeria	237.5	290	51	No
7	Brazil	212.8	2,280	11	Yes
8	Bangladesh	175.7	458	37	No
9	Russia	144.0	2,572	8	Yes
10	Ethiopia	135.5	126	69	No
11	Mexico	131.9	1,835	15	Yes
12	Japan	123.1	4,453	4	Yes
13	Egypt	118.4	365	45	No
14	Philippines	116.8	487	34	No
15	DR Congo	112.8	93	82	No
16	Viet Nam	101.6	494	33	No

Pop. rank	Country	Population (m)	GDP 2025 (US$ bn)	GDP rank	Also top-25 GDP
17	Iran	92.4	371	44	No
18	Türkiye	87.7	1,603	16	Yes
19	Germany	84.1	5,116	3	Yes
20	Thailand	71.6	577	31	No
21	Tanzania	70.5	90	84	No
22	United Kingdom	69.6	4,012	5	Yes
23	France	66.7	3,383	7	Yes
24	South Africa	64.7	427	40	No
25	Italy	59.1	2,550	9	Yes

Source: UN DESA, World Population Prospects 2024 (medium variant, 1 July 2025); IMF World Economic Outlook via DataMapper (NGDPD, 2025 estimate), retrieved 26 October 2026.

7.2 Data sources and coverage

All indicators were retrieved programmatically on 26 October 2026. V-Dem v16 (Coppedge et al., 2026) supplies 34 of the 41 indicators; its expert-coded variables are the only cross-national annual source covering appointment criteria, judicial and legislative constraints, deliberation and political finance for all 25 countries since 2000. The World Bank WGI (2026 update) supply control of corruption, government effectiveness, regulatory quality, rule of law, voice and accountability and political stability. The WDI supply the applied tariff rate and the economic controls used in Chapter 14; the WID supplies the pre-tax top-10 per cent income share (Piketty et al., 2018); the IMF supplies general government gross debt.

The calculation panel runs from 1990 to 2025 so that five- and ten-year changes exist from 2000. Within the 2000–2025 reporting window the core panel is balanced for 37 of 41 indicators. Gaps are handled transparently (Table 4): the WGI were published biennially before 2002, so 2001 is linearly interpolated; the tariff series ends in 2022 and the WID series in 2024, so their last values are carried forward for at most three years, which prevents an artificial break in the rent-seeking and elite-capture indices; legislative indicators are genuinely missing where no legislature sat (Pakistan 2000–01, Bangladesh 2024–25), and the affected indices are computed on the indicators observed with their coverage reported. IMF debt for 2025 is an estimate. No other value is imputed, and the absence of a measurement is never treated as the absence of pathology.

Table 4. Data status of the 26,650 indicator-country-year cells, 2000–2025

Status	Meaning	Cells	Share
A	Actual source value	26,871	98.4%
I	Linear interpolation (WGI 2001; interior gaps in tariff series)	221	0.8%
C	Carried forward ≤ 3 years (tariff 2023–25, top-10% share 2025)	100	0.4%
E	Source estimate (IMF debt 2025)	25	0.1%
M	Missing (not imputed)	83	0.3%

Source: Author's calculations from V-Dem v16, World Bank WGI and WDI, WID and IMF WEO data (see Source_Register in the workbook).

8. Index design and mathematical methodology

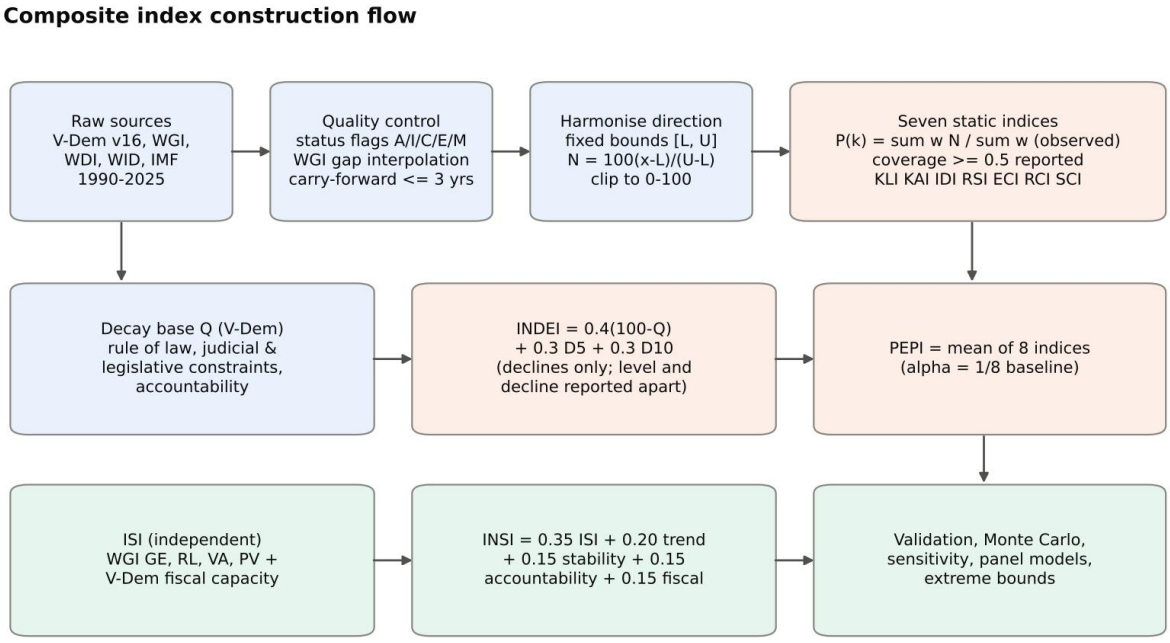


Figure 2. Composite index construction flow

Source: Author.

8.1 Harmonisation and normalisation

Each raw indicator x is assigned an orientation: +1 if a higher raw value indicates more pathology (for example the V-Dem executive corruption index), −1 if it indicates less (for example merit-based appointment). Indicators are rescaled to 0–100 against fixed lower and upper bounds L and U:

$$N(x) = 100 \times (x - L) / (U - L) \quad if\ orientation = +1 \tag{1}$$

$$N(x) = 100 \times (U - x) / (U - L) \quad if\ orientation = -1 \tag{2}$$

Values outside [L, U] are clipped to 0 or 100 and logged (414 of 26,650 cells, mostly Germany at the favourable extreme). Bounds are fixed rather than recomputed each year, so a country's score changes only when its own indicator changes. For V-Dem latent variables the bounds are the 1st and 99th percentiles of all countries' values over 1990–2025 (a fixed reference period from the full V-Dem universe, not the 25-country sample); 0–1 indices use their natural bounds; the WGI use ±2.5; the tariff 0–30 per cent; the top-10 per cent share 0.20–0.70; debt 0–150 per cent of GDP.

8.2 Composite indices

For pathology k, country c and year t, with indicator weights w summing to one, the index is the weighted mean over the indicators observed:

$$P(k,c,t) = \Sigma_j\, w(k,j) \cdot N(x(j,c,t)) \cdot d(j,c,t) \;/\; \Sigma_j\, w(k,j) \cdot d(j,c,t) \tag{3}$$

where d = 1 if the indicator is observed and 0 otherwise. The denominator is the index's coverage, reported alongside every score. The index is left blank if coverage falls below 0.50. This rule makes any re-weighting explicit rather than silent: a reader can see that, for example, Bangladesh's 2025 kleptocracy score rests on four of five indicators. Baseline weights are equal within each index; theory-based, PCA-based and random (Dirichlet) weights are tested in Chapter 16.

8.3 Aggregate PEPI

$$PEPI(c,t) = \Sigma_k \alpha(k) \cdot P(k,c,t), \quad \alpha(k) = 1/8 \text{ (baseline)} \tag{4}$$

PEPI is computed only when all eight indices exist, so it is never silently re-weighted. Its complement 100 − PEPI is reported as a descriptive aid only; it is not a measure of institutional strength.

8.4 Institutional decay (dynamic)

Decay is defined relative to a quality base Q, the equally weighted mean of four normalised V-Dem indices in strength orientation (rule of law, judicial constraints on the executive, legislative constraints on the executive, and accountability). The index separates level and decline:

$$D5(c,t) = \min\{100, \max(0, -[Q(c,t) - Q(c,t-5)]) \times 100/15\} \tag{5}$$

$$D10(c,t) = \min\{100, \max(0, -[Q(c,t) - Q(c,t-10)]) \times 100/25\} \tag{6}$$

$$INDEI(c,t) = 0.40 \times [100 - Q(c,t)] + 0.30 \times D5(c,t) + 0.30 \times D10(c,t) \tag{7}$$

Only declines enter D5 and D10, so a historically weak but improving country is penalised only for its weak level. A fall of 15 points in five years or 25 points in ten years scores the maximum decline. The three components are reported separately (Figure 50) and the calibration constants are editable inputs in the workbook.

8.5 Institutional Strength Index (ISI)

ISI is built from indicators that do not enter PEPI: the WGI government effectiveness, rule of law, voice and accountability and political stability estimates, plus V-Dem's state fiscal capacity (the state's ability to fund itself through taxes on income and property). Equal weights, same aggregation rule as equation (3), strength orientation (higher = stronger).

8.6 Institutional Sustainability Index (INSI)

$$INSI = 0.35 \cdot ISI + 0.20 \cdot Trend + 0.15 \cdot Stability + 0.15 \cdot Accountability + 0.15 \cdot Fiscal \tag{8}$$

Trend is the mean of 50 + 5·ΔISI(5 years) and 50 + 2.5·ΔISI(10 years), each clipped to 0–100; Stability is 100 − 10 × the standard deviation of ISI over the last ten years (resilience to shocks and continuity); Accountability is the normalised V-Dem accountability index (capacity for institutional learning and correction); Fiscal space is 100 × (150 − debt)/150. Sixty-five per cent of INSI's weight lies outside current strength, so it is not a renamed strength score: Japan and Italy, for example, score much lower on INSI than on ISI because of public debt, and the United States falls ten places. INSI requires coverage of at least 0.65.

8.7 Indicator specification

Table 5 lists the 41 indicators with their source variable, orientation, bounds and baseline weight. A full data dictionary with coverage and limitations is in the workbook (Data_Dictionary) and Appendix A.

Table 5. Indicators, orientation, fixed bounds and baseline weights

Code	Indicator	Index	Source variable	Orient.	L	U	Weight
KL1	Executive corruption index	KLI	v2x_execorr	+1	0	1	0.20
KL2	Public-sector corruption index	KLI	v2x_pubcorr	+1	0	1	0.20
KL3	Legislative corrupt activities	KLI	v2lgcrrpt	-1	-2.37	3.22	0.20
KL4	Judicial corruption decision	KLI	v2jucorrdc	-1	-2.29	3.62	0.20
KL5	Control of Corruption (WGI)	KLI	GOV_WGI_CC.EST	-1	-2.5	2.5	0.20
KA1	Merit criteria: state administration appointments	KAI	v2stcritrecadm	-1	-1.9	2.77	0.25

Code	Indicator	Index	Source variable	Orient.	L	U	Weight
KA2	Merit criteria: armed forces appointments	KAI	v2stcritapparm	-1	-2.24	2.43	0.25
KA3	Rigorous and impartial public administration	KAI	v2clrspct	-1	-2.67	3.99	0.25
KA4	Clientelism index	KAI	v2xnp_client	+1	0	1	0.25
ID1	Reasoned justification of policy	IDI	v2dlreason	-1	-2.27	3.35	0.20
ID2	Range of consultation	IDI	v2dlconslt	-1	-2.19	3.66	0.20
ID3	Respect for counterarguments	IDI	v2dlcountr	-1	-2.84	2.71	0.20
ID4	Government dissemination of false information (domestic)	IDI	v2smgovdom	-1	-2.96	2.89	0.20
ID5	Academic freedom index	IDI	v2xca_academ	-1	0	1	0.20
RS1	Particularistic vs public-goods spending	RSI	v2dlencmps	-1	-2.32	2.94	0.25
RS2	Public-sector corrupt exchanges (bribes for favours)	RSI	v2excrptps	-1	-2.7	4.05	0.25
RS3	State ownership / control of the economy	RSI	v2clstown	-1	-2.94	2.6	0.25
RS4	Tariff rate, applied, weighted mean, all products (%)	RSI	TM.TAX.MRCH.WM.AR.ZS	+1	0	30	0.25
EC1	Power distributed by socioeconomic position	ECI	v2pepwrses	-1	-2.06	2.44	0.20
EC2	Power distributed by social group	ECI	v2pepwrsoc	-1	-2.03	3.14	0.20
EC3	Party linkages (programmatic vs clientelistic)	ECI	v2psprlnks	-1	-2.21	3.11	0.20
EC4	Disclosure of campaign donations	ECI	v2eldonate	-1	-2.38	3.38	0.20
EC5	Top 10% pre-tax national income share	ECI	sptincj992_p90p100	+1	0.2	0.7	0.20
RC1	Transparent laws with predictable enforcement	RCI	v2cltrnslw	-1	-2.2	3.52	0.25
RC2	Regulatory Quality (WGI)	RCI	GOV_WGI_RQ.EST	-1	-2.5	2.5	0.25
RC3	Lower-court independence	RCI	v2juncind	-1	-3.08	3.17	0.25
RC4	Legislature questions officials in practice	RCI	v2lgqstexp	-1	-2.1	2.39	0.25
SC1	Regime corruption index	SCI	v2xnp_regcorr	+1	0	1	0.20
SC2	High-court independence	SCI	v2juhcind	-1	-2.95	3.04	0.20
SC3	Government compliance with the judiciary	SCI	v2jucomp	-1	-3.54	2.93	0.20
SC4	Executive respects the constitution	SCI	v2exrescon	-1	-2.48	3.07	0.20
SC5	Legislature investigates the executive	SCI	v2lgotovst	-1	-2.33	3.14	0.20
IS1	Government Effectiveness (WGI)	ISI	GOV_WGI_GE.EST	+1	-2.5	2.5	0.20
IS2	Rule of Law (WGI)	ISI	GOV_WGI_RL.EST	+1	-2.5	2.5	0.20
IS3	Voice and Accountability (WGI)	ISI	GOV_WGI_VA.EST	+1	-2.5	2.5	0.20
IS4	Political Stability / Absence of Violence (WGI)	ISI	GOV_WGI_PV.EST	+1	-2.5	2.5	0.20
IS5	State fiscal capacity	ISI	v2stfisccap	+1	-1.96	3.03	0.20
QB1	Rule of law index	QBASE	v2x_rule	+1	0	1	0.25
QB2	Judicial constraints on the executive	QBASE	v2x_jucon	+1	0	1	0.25
QB3	Legislative constraints on the executive	QBASE	v2xlg_legcon	+1	0	1	0.25
QB4	Accountability index	QBASE	v2x_accountability	+1	-1.55	1.95	0.25
NS1	General government gross debt (% of GDP)	INSI	GGXWDG_NGDP	-1	0	150	

Source: V-Dem v16; World Bank WGI and WDI; WID; IMF. Orient. +1: higher raw value raises the normalised score.

8.8 Index-by-index specification

Table 6 summarises the fourteen design elements required for each index. Elements common to all indices are stated once: normalisation is fixed-bound min–max (equations 1–2); aggregation is the coverage-adjusted weighted mean (equation 3); missing data are never imputed beyond the rules in Section 7.2; sensitivity is tested by leave-one-indicator-out, alternative weights and Monte Carlo (Chapter 16); and validation uses internal consistency, convergent and criterion correlations (Chapter 9).

Table 6. Design elements of the eight indices

Index	Definition	Theoretical justification	Dimensions / indicators	Limitations	Expected relationship

Index	Definition	Theoretical justification	Dimensions / indicators	Limitations	Expected relationship
KLI	Misuse of public authority for private enrichment	Principal–agent; Rose-Ackerman; Klitgaard	Executive, public-sector, legislative, judicial corruption; financial accountability	Expert-coded and perception data; no measure of stolen wealth or illicit flows (no comparable annual series); PEFA/asset-disclosure data too sparse	↑ with weaker accountability; strongly negative with ISI
KAI	Selection of officials by patronage rather than merit	Weberian bureaucracy (Evans & Rauch; Dahlström & Lapuente)	Merit in civil and military appointments; impartial administration; clientelism	Civil-service survey data (QoG expert survey) not annual; appointment criteria coded from 2005 for Japan and Tanzania	Negative with government effectiveness
IDI	Failure to use reasons, evidence and correction in public decisions	Public choice; institutional learning	Reasoned justification, consultation, counterarguments, government disinformation, academic freedom	EXPERIMENTAL: RIA quality (OECD) and statistical capacity (SPI) unavailable annually for all 25 since 2000	Negative with accountability
RSI	Opportunities for unearned privilege via political access	Tullock; Krueger; Olson	Particularistic spending, bribes for favours, state control of economy, tariffs	OECD PMR and procurement data incomplete; state ownership is not rent-seeking per se	Positive with KLI; negative with FDI
ECI	Disproportionate influence of concentrated interests	Olson; Bardhan & Mookherjee; Acemoglu & Robinson	Power by wealth and social group; clientelistic parties; campaign-finance opacity; top-10% income share	Income share is imputation-heavy for some countries and only one component	Positive with SCI
RCI	Distortion of regulatory oversight towards regulated entities	Stigler; Peltzman; Laffont & Tirole; Dal Bó	Transparent and predictable enforcement; regulatory quality; lower-court independence; legislative questioning of officials	EXPERIMENTAL PROXY: no cross-national annual data on regulator independence, revolving doors or conflict-of-interest rules; sector indices impossible	Negative with regulatory quality by construction
SCI	Influence of powerful interests over the making of rules	Hellman, Jones & Kaufmann	Regime corruption; high-court independence; compliance with courts; respect for constitution; legislative investigation	Lobbying and political-finance flows not measured directly	Positive with INDEI
INDEI	Weakness and deterioration of institutional constraints over time	Fukuyama; Pierson; Lührmann & Lindberg	Level of Q; 5- and 10-year declines in Q	Calibration of maximum drops is a judgement (editable); sensitive to V-Dem revisions of the latest year	Negative with future ISI

Source: Author.

8.9 Weighting

Equal weights are the baseline because no theory ranks the sub-dimensions with confidence and equal weights are the most transparent choice (OECD/JRC, 2008). Three alternatives are tested for PEPI: theory-based weights (kleptocracy and state capture 0.15; the two experimental indices 0.10; others 0.125), weights proportional to squared loadings on the first principal component, and a scheme that down-weights the overlapping capture cluster (rent-seeking, elite capture, state capture 0.10). A geometric mean is tested as an alternative aggregation rule that limits compensation between dimensions.

8.10 Overlap and double counting

Some overlap is unavoidable. The V-Dem public-sector corruption index (KLI) contains the bribery-for-favours indicator used in RSI; regime corruption (SCI) and executive corruption (KLI) draw on related expert questions; and decay (INDEI) and sustainability (INSI) share the V-Dem accountability index. No indicator is used twice within PEPI, and ISI shares no indicator with PEPI. The degree of statistical

overlap is reported in Chapter 9; leave-one-dimension-out tests (Chapter 16) show that no single index drives the aggregate.

9. Measurement validity and reliability

Content validity rests on the mapping of indicators to the dimensions named in the research design (Tables 5–6). Internal consistency is high for every index (Table 7): Cronbach's alpha ranges from 0.71 (elite capture, the most heterogeneous index, which combines power distribution, party linkages, political finance and income concentration) to 0.96 (kleptocracy and the decay quality base).

Table 7. Internal consistency of each index (normalised indicators, pooled 2000–2025)

Index	Indicators	Cronbach's α	Mean inter-item r	Min inter-item r
KLI	5	0.96	0.85	0.71
KAI	4	0.87	0.63	0.43
IDI	5	0.93	0.75	0.61
RSI	4	0.80	0.49	0.28
ECI	5	0.71	0.33	0.16
RCI	4	0.88	0.68	0.50
SCI	5	0.90	0.67	0.50
ISI	5	0.93	0.75	0.59
QBASE	4	0.96	0.87	0.83

Source: Author's calculations from V-Dem v16, World Bank WGI and WDI, WID and IMF WEO data (see Source_Register in the workbook).

Construct and discriminant validity are more demanding. The first principal component of the eight indices explains 82% of their pooled variance and the second 9% (Table 8). Pairwise Spearman correlations in 2025 range from 0.43 to 0.95 (Figure 3). H1 is therefore only partly supported: the indices are not collinear, but they share a dominant common factor. Two interpretations coexist. Substantively, the pathologies reinforce one another, as the conceptual framework predicts. Methodologically, most indicators come from one expert-survey system, whose coders assess many variables for the same country, so measurement errors are correlated across indices. The indices are best read as differentiated profiles on a common gradient: the second component separates decay and evidence-use failure (dimensions of executive constraint) from kleptocracy and rent-seeking (dimensions of extraction).

Table 8. Principal components of the eight indices: eigenvalues and loadings

Component / index	Eigenvalue or PC1	Share or PC2	Cumulative or PC3
Component 1	6.577	0.822	0.822
Component 2	0.686	0.086	0.908
Component 3	0.236	0.030	0.937
Loading: KLI	0.914	-0.308	0.189
Loading: KAI	0.921	-0.197	-0.016
Loading: IDI	0.879	0.349	-0.220
Loading: RSI	0.918	-0.228	-0.207
Loading: ECI	0.895	-0.245	0.179
Loading: RCI	0.960	0.082	-0.110
Loading: SCI	0.973	0.078	-0.028
Loading: INDEI	0.780	0.553	0.253

Source: Author's calculations from V-Dem v16, World Bank WGI and WDI, WID and IMF WEO data (see Source_Register in the workbook).

Criterion validity is assessed against outcomes not used in construction. In 2024, PEPI correlates with log GDP per capita at $\rho = -0.49$ and with life expectancy at $\rho = -0.47$; ISI at 0.70 and 0.65. Kleptocracy is the index most strongly associated with income levels ($\rho = -0.67$), the evidence-use index the least ($\rho = -0.35$), consistent with the existence of high-income economies with closed decision-making. Temporal

validity is supported by the fixed-bound normalisation; cross-country validity rests on V-Dem's measurement model, which uses bridge and lateral coders and anchoring vignettes to make expert scales comparable across countries, but residual differential item functioning cannot be excluded.

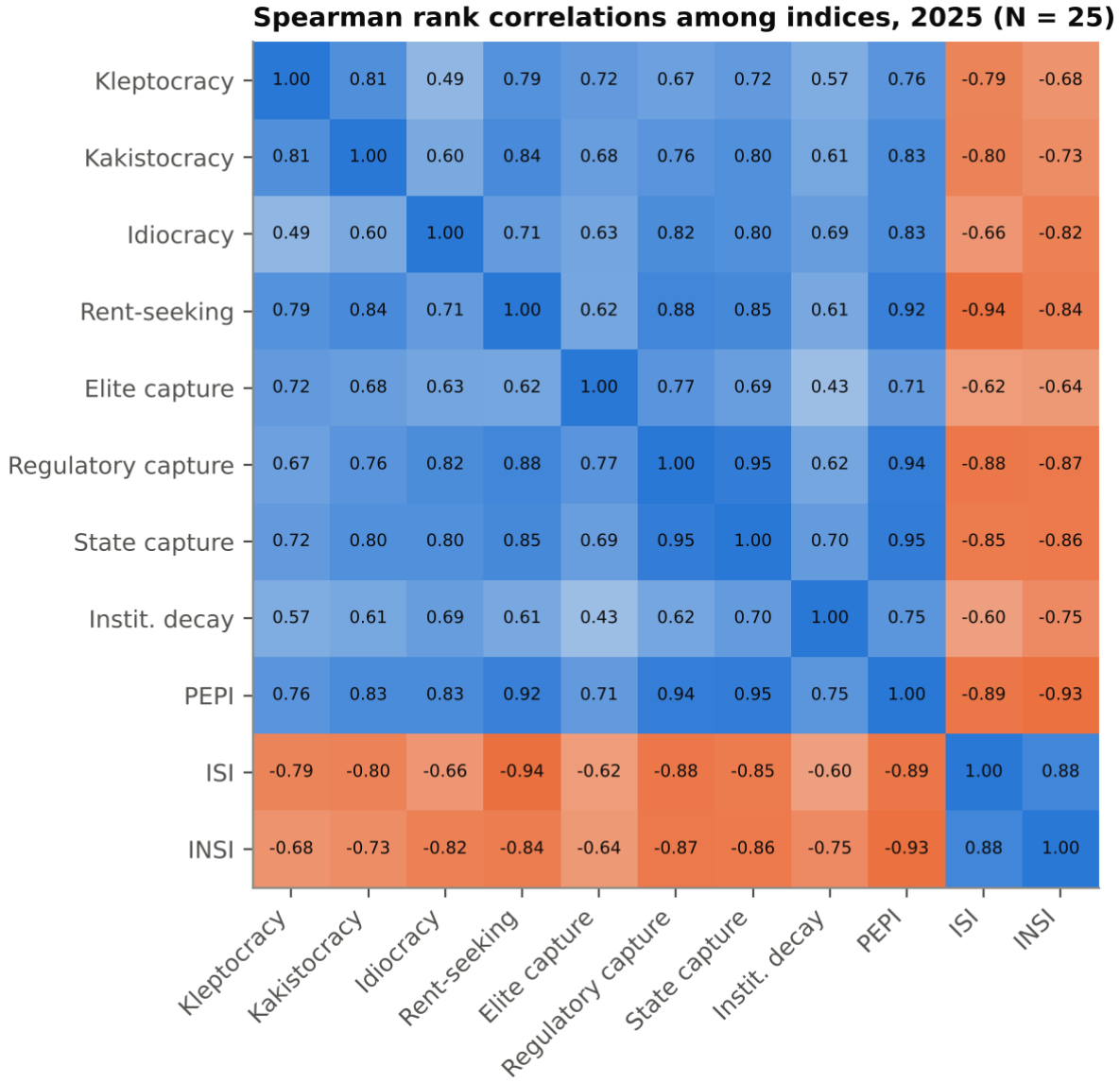


Figure 3. Spearman rank correlations among the indices, 2025

Source: Author's calculations; data from V-Dem v16, World Bank WGI/WDI, WID and IMF WEO.

10. Descriptive statistical analysis

Table 9. Descriptive statistics, 2000 and 2025 (N = 25)

Index	Mean 2000	SD 2000	Mean 2025	SD 2025	Min 2025	Max 2025	Δ mean
KLI	54.5	23.4	55.3	23.5	12.7	84.9	0.8
KAI	43.1	19.2	46.9	20.3	1.5	80.2	3.8
IDI	37.0	17.8	49.8	20.2	8.8	80.2	12.8
RSI	43.7	17.7	42.1	16.4	13.3	74.6	-1.6
ECI	45.8	14.9	45.5	14.8	15.3	67.2	-0.3
RCI	42.9	20.3	47.8	20.6	8.5	83.3	5.0
SCI	41.7	18.3	47.0	20.8	11.7	82.1	5.3

Index	Mean 2000	SD 2000	Mean 2025	SD 2025	Min 2025	Max 2025	Δ mean
INDEI	16.1	12.0	37.2	23.7	2.2	85.4	21.1
PEPI	40.6	16.7	46.5	17.9	9.6	69.9	5.8
ISI	50.2	18.7	49.4	17.1	20.3	80.3	-0.8
INSI	62.2	13.1	55.3	8.0	40.1	70.7	-6.9

Source: Author's calculations from V-Dem v16, World Bank WGI and WDI, WID and IMF WEO data (see Source_Register in the workbook).

Between 2000 and 2025 mean pathology rose on six of the eight dimensions and fell slightly on rent-seeking and elite capture (Table 9). The largest increases are in institutional decay (+21 points) and evidence-use failure (+13); state and regulatory capture rose by about five points; kleptocracy barely changed. Mean institutional strength was almost unchanged (−0.8) while mean sustainability fell by about seven points, reflecting negative recent trends and rising public debt. Dispersion in 2025 is wide on every index, reflecting the heterogeneity of the sample. Figure 4 shows the PEPI trajectory of each country against the sample median; Figure 5 the decay quality base.

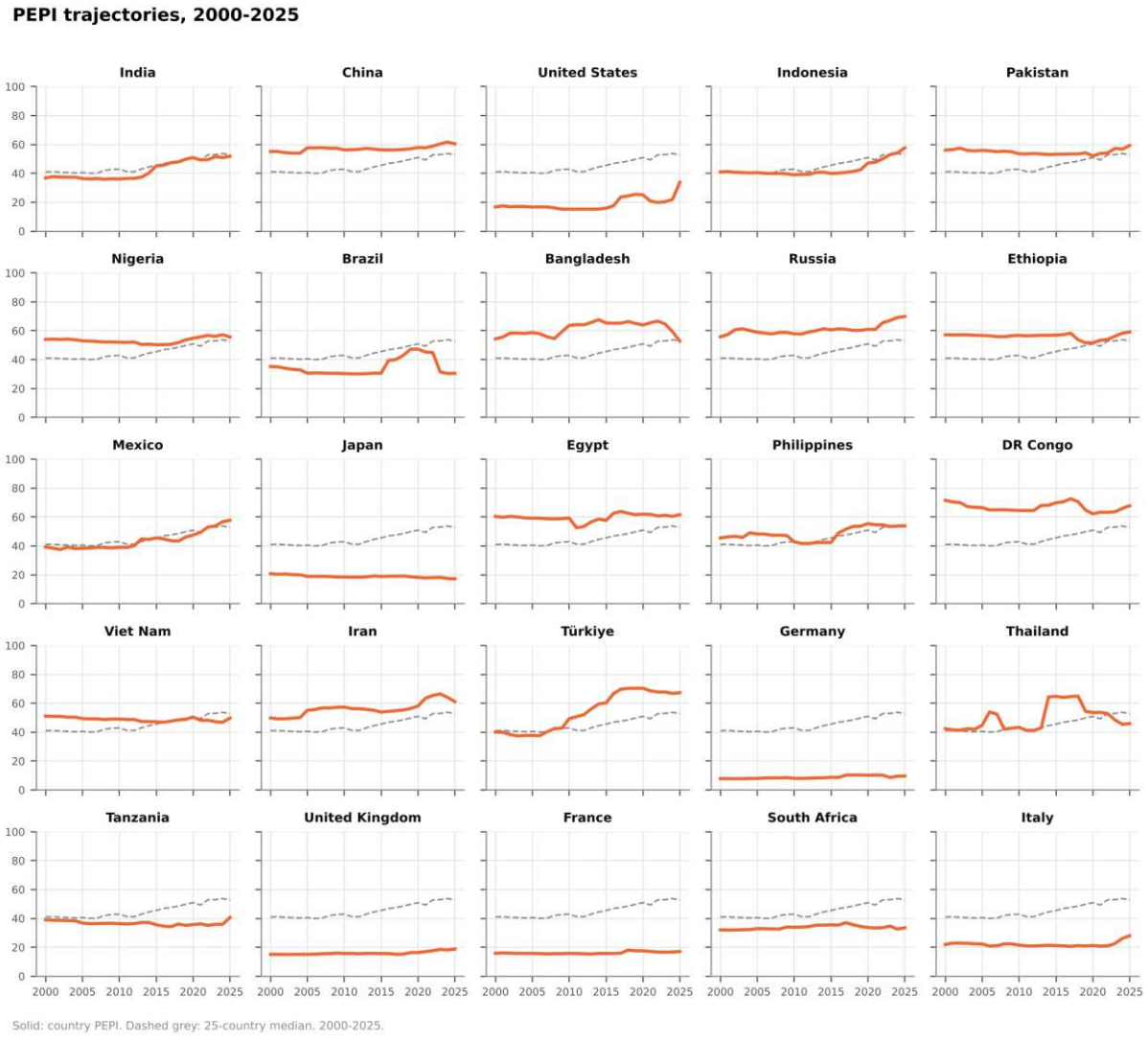


Figure 4. PEPI trajectories, 2000–2025 (dashed: sample median)

Source: Author's calculations; data from V-Dem v16, World Bank WGI/WDI, WID and IMF WEO.

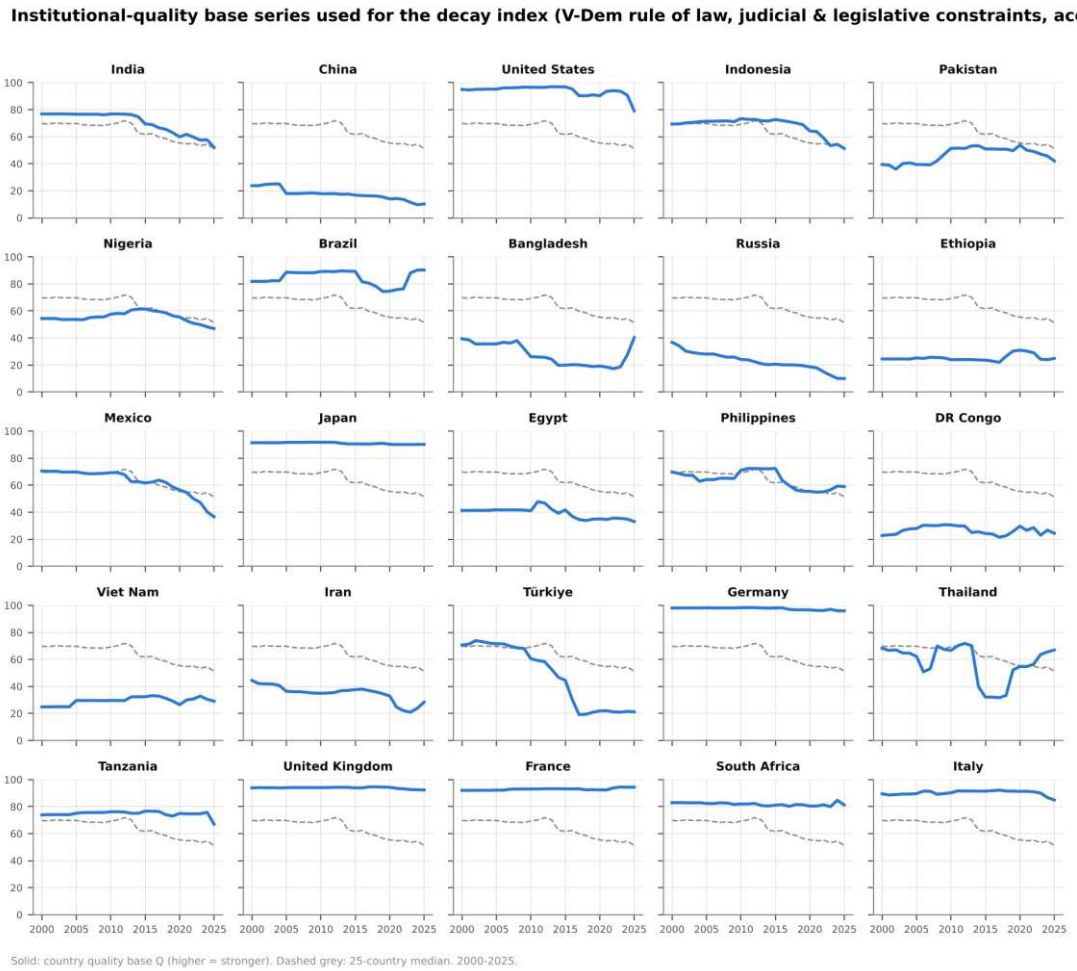
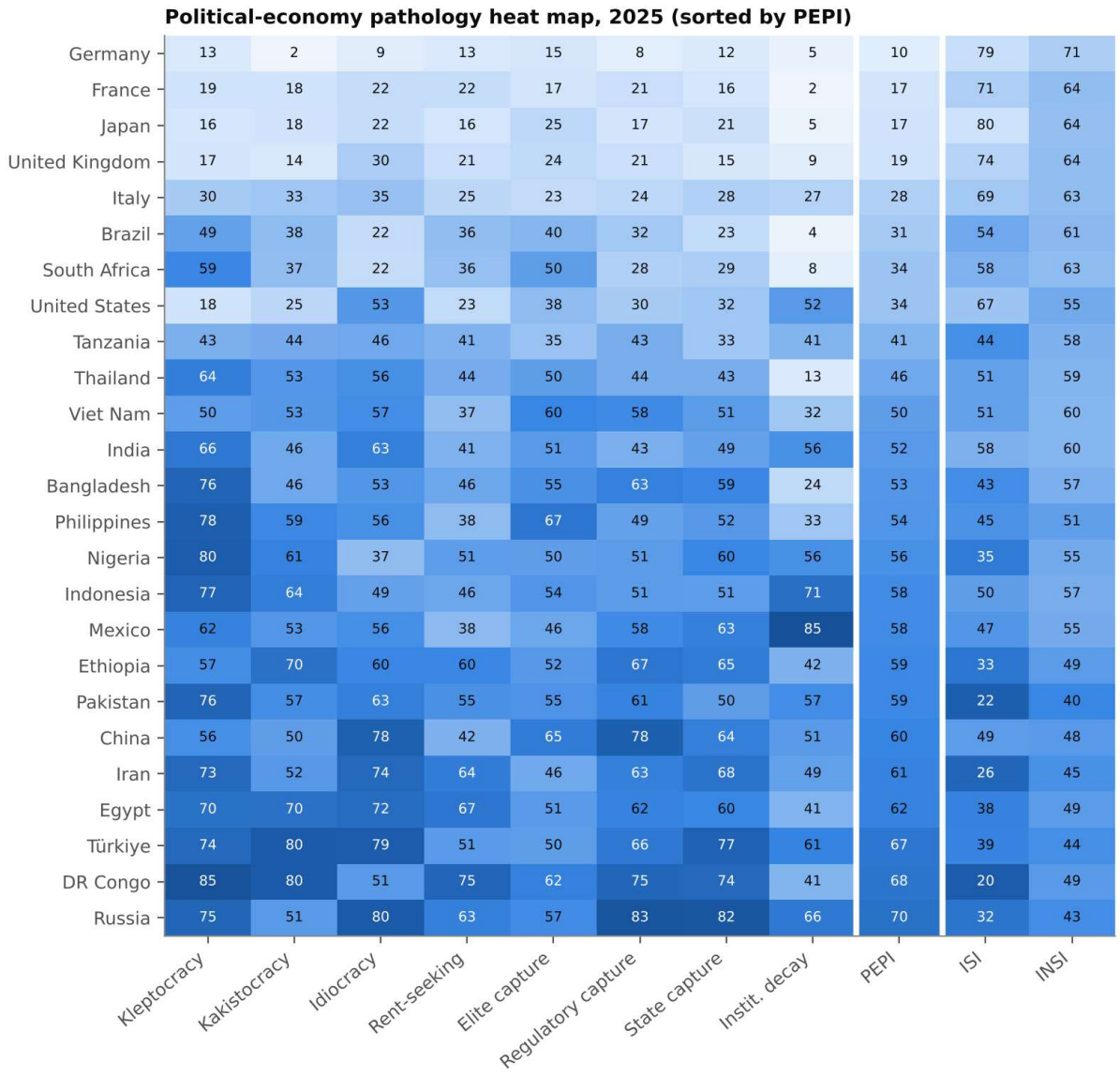


Figure 5. Institutional quality base Q used for the decay index, 2000–2025 (higher = stronger)

Source: Author's calculations; data from V-Dem v16, World Bank WGI/WDI, WID and IMF WEO.

11. Comparative country rankings

Figure 6 presents all eleven scores for 2025 as a heat map, ordered by PEPI. Rank 1 always denotes the least pathology or the strongest and most sustainable institutions. Ranks within about two places of each other are not statistically distinguishable given measurement uncertainty (Chapter 16), so the score and its uncertainty interval should be read together with the rank.



Cell value = score. Darker = worse: high pathology, or low ISI / INSI (strength columns are shaded on 100 minus score).

Figure 6. Political-economy pathology heat map, 2025

Source: Author's calculations; data from V-Dem v16, World Bank WGI/WDI, WID and IMF WEO.

Table 10. Scores (and ranks) on all indices, 2025

Country	KLI	KAI	IDI	RSI	ECI	RCI	SCI	INDEI	PEPI	ISI	INSI
Germany	13 (1)	2 (1)	9 (1)	13 (1)	15 (1)	8 (1)	12 (1)	5 (4)	10 (1)	79 (2)	71 (1)
France	19 (5)	18 (4)	22 (4)	22 (4)	17 (2)	21 (3)	16 (3)	2 (1)	17 (2)	71 (4)	64 (4)
Japan	16 (2)	18 (3)	22 (2)	16 (2)	25 (5)	17 (2)	21 (4)	5 (3)	17 (3)	80 (1)	64 (2)
United Kingdom	17 (3)	14 (2)	30 (6)	21 (3)	24 (4)	21 (4)	15 (2)	9 (6)	19 (4)	74 (3)	64 (3)
Italy	30 (6)	33 (6)	35 (7)	25 (6)	23 (3)	24 (5)	28 (6)	27 (9)	28 (5)	69 (5)	63 (5)
Brazil	49 (8)	38 (8)	22 (5)	36 (8)	40 (8)	32 (8)	23 (5)	4 (2)	31 (6)	54 (9)	61 (7)
South Africa	59 (12)	37 (7)	22 (3)	36 (7)	50 (12)	28 (6)	29 (7)	8 (5)	34 (7)	58 (7)	63 (6)
United States	18 (4)	25 (5)	53 (12)	23 (5)	38 (7)	30 (7)	32 (8)	52 (18)	34 (8)	67 (6)	55 (16)
Tanzania	43 (7)	44 (9)	46 (9)	41 (13)	35 (6)	43 (10)	33 (9)	41 (12)	41 (9)	44 (16)	58 (11)
Thailand	64 (14)	53 (16)	56 (15)	44 (15)	50 (14)	44 (11)	43 (10)	13 (7)	46 (10)	51 (10)	59 (10)
Viet Nam	50 (9)	53 (15)	57 (17)	37 (9)	60 (22)	58 (16)	51 (14)	32 (10)	50 (11)	51 (11)	60 (8)
India	66 (15)	46 (10)	63 (20)	41 (12)	51 (15)	43 (9)	49 (11)	56 (19)	52 (12)	58 (8)	60 (9)
Bangladesh	76 (20)	46 (11)	53 (13)	46 (16)	55 (20)	63 (19)	59 (16)	24 (8)	53 (13)	43 (17)	57 (12)
Philippines	78 (23)	59 (19)	56 (14)	38 (10)	67 (25)	49 (12)	52 (15)	33 (11)	54 (14)	45 (15)	51 (17)

Country	KLI	KAI	IDI	RSI	ECI	RCI	SCI	INDEI	PEPI	ISI	INSI
Nigeria	80 (24)	61 (20)	37 (8)	51 (18)	50 (11)	51 (14)	60 (18)	56 (20)	56 (15)	35 (20)	55 (15)
Indonesia	77 (22)	64 (21)	49 (10)	46 (17)	54 (18)	51 (13)	51 (13)	71 (24)	58 (16)	50 (12)	57 (13)
Mexico	62 (13)	53 (17)	56 (16)	38 (11)	46 (10)	58 (15)	63 (19)	85 (25)	58 (17)	47 (14)	55 (14)
Ethiopia	57 (11)	70 (22)	60 (18)	60 (21)	52 (17)	67 (22)	65 (21)	42 (15)	59 (18)	33 (21)	49 (19)
Pakistan	76 (21)	57 (18)	63 (19)	55 (20)	55 (19)	61 (17)	50 (12)	57 (21)	59 (19)	22 (24)	40 (25)
China	56 (10)	50 (12)	78 (23)	42 (14)	65 (24)	78 (24)	64 (20)	51 (17)	60 (20)	49 (13)	48 (21)
Iran	73 (17)	52 (14)	74 (22)	64 (23)	46 (9)	63 (20)	68 (22)	49 (16)	61 (21)	26 (23)	45 (22)
Egypt	70 (16)	70 (23)	72 (21)	67 (24)	51 (16)	62 (18)	60 (17)	41 (14)	62 (22)	38 (19)	49 (18)
Türkiye	74 (18)	80 (24)	79 (24)	51 (19)	50 (13)	66 (21)	77 (24)	61 (22)	67 (23)	39 (18)	44 (23)
DR Congo	85 (25)	80 (25)	51 (11)	75 (25)	62 (23)	75 (23)	74 (23)	41 (13)	68 (24)	20 (25)	49 (20)
Russia	75 (19)	51 (13)	80 (25)	63 (22)	57 (21)	83 (25)	82 (25)	66 (23)	70 (25)	32 (22)	43 (24)

Source: Author's calculations from V-Dem v16, World Bank WGI and WDI, WID and IMF WEO data (see Source_Register in the workbook). Rank 1 = least pathology / strongest.

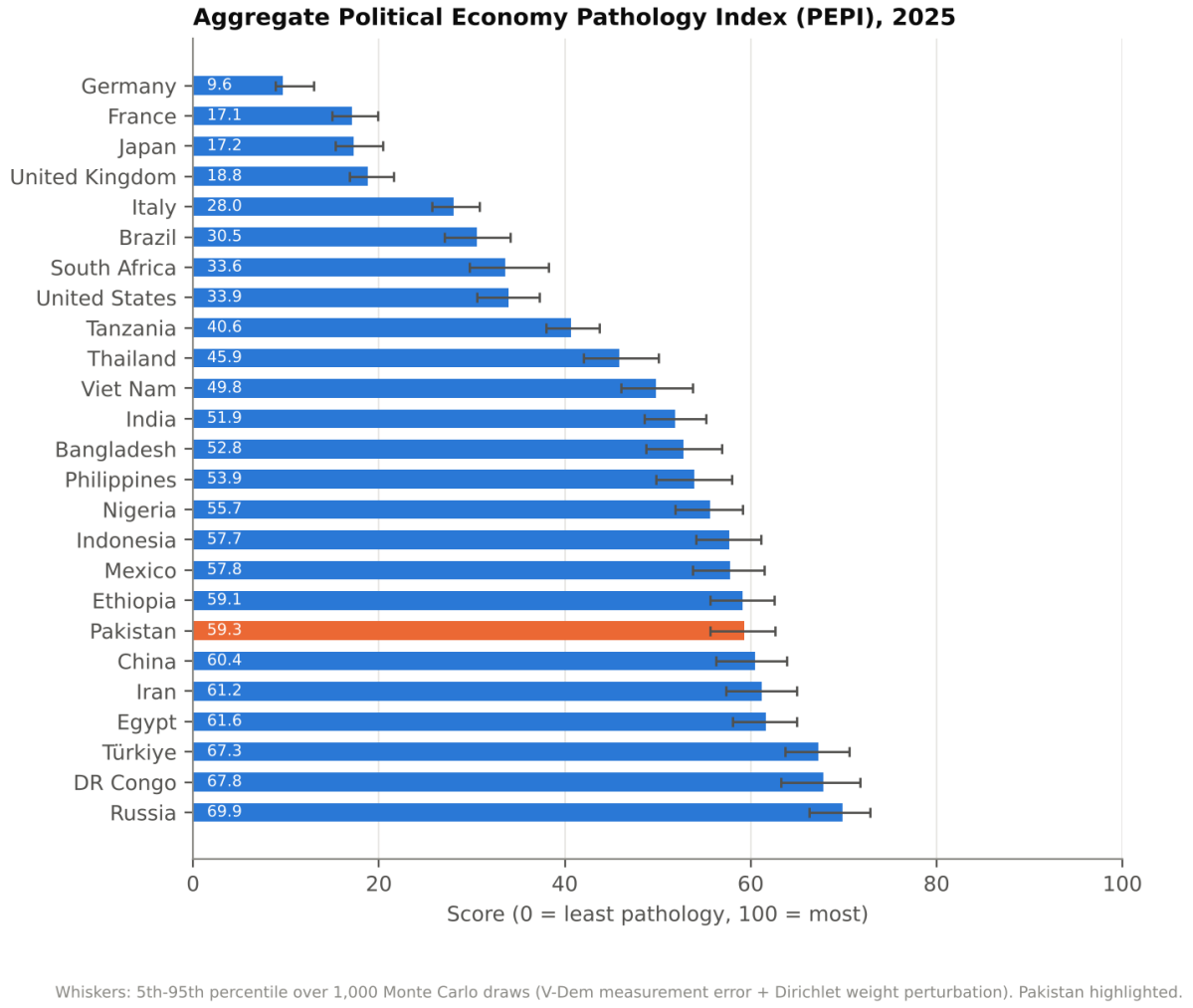
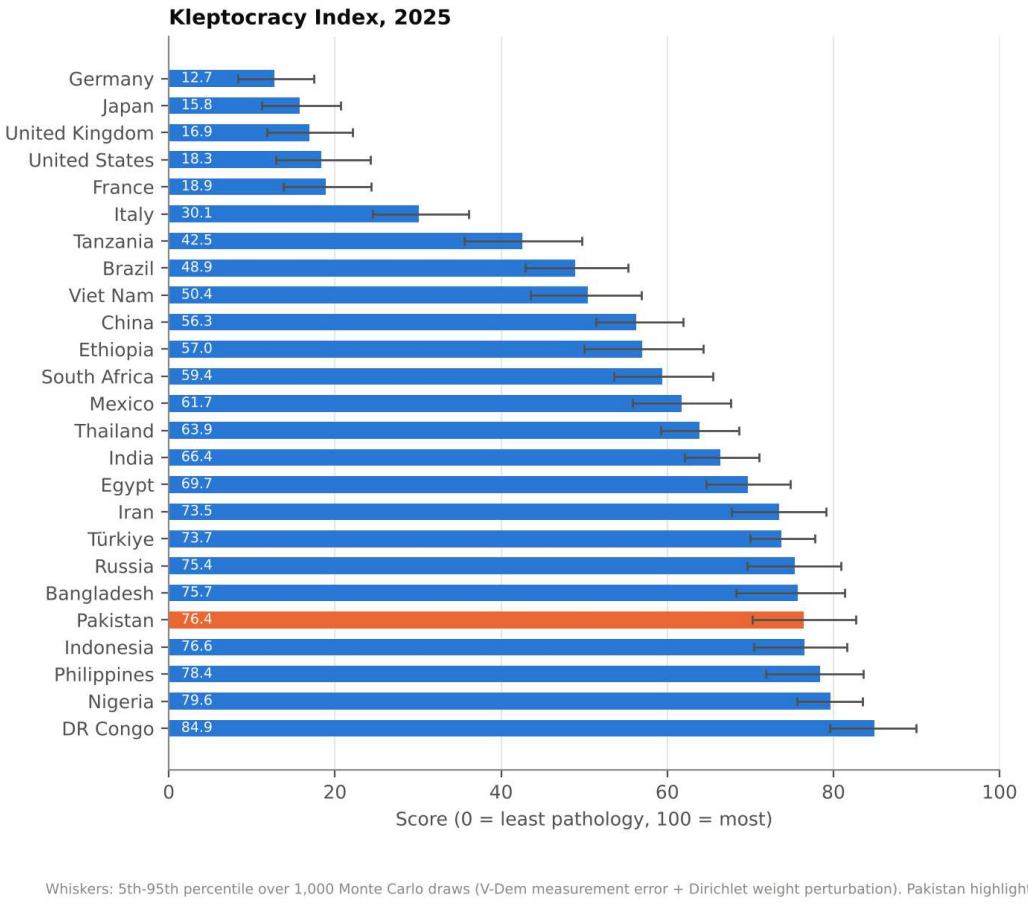


Figure 7. Aggregate PEPI 2025 with 90% Monte Carlo intervals

Source: Author's calculations; data from V-Dem v16, World Bank WGI/WDI, WID and IMF WEO.



Whiskers: 5th-95th percentile over 1,000 Monte Carlo draws (V-Dem measurement error + Dirichlet weight perturbation). Pakistan highlighted.

Figure 8. Kleptocracy Index, 2025, with 90% Monte Carlo intervals

Source: Author's calculations; data from V-Dem v16, World Bank WGI/WDI, WID and IMF WEO.

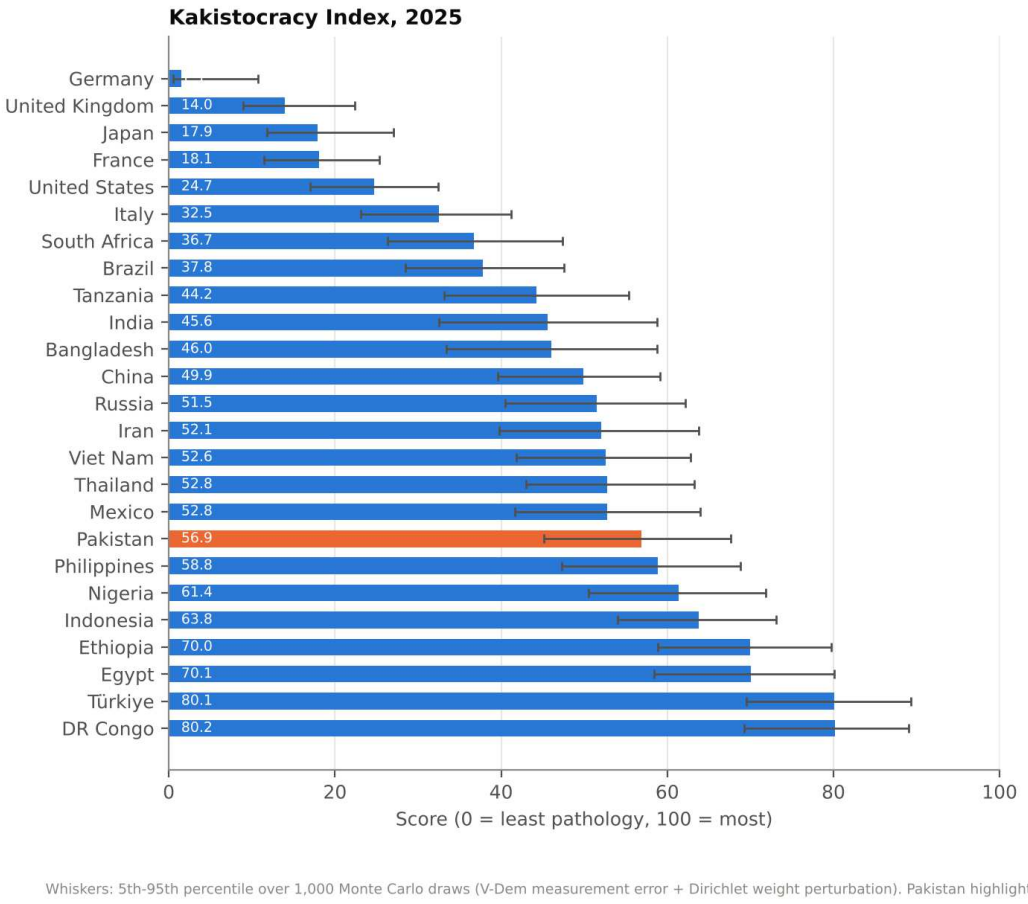


Figure 9. Kakistocracy Index, 2025, with 90% Monte Carlo intervals

Source: Author's calculations; data from V-Dem v16, World Bank WGI/WDI, WID and IMF WEO.

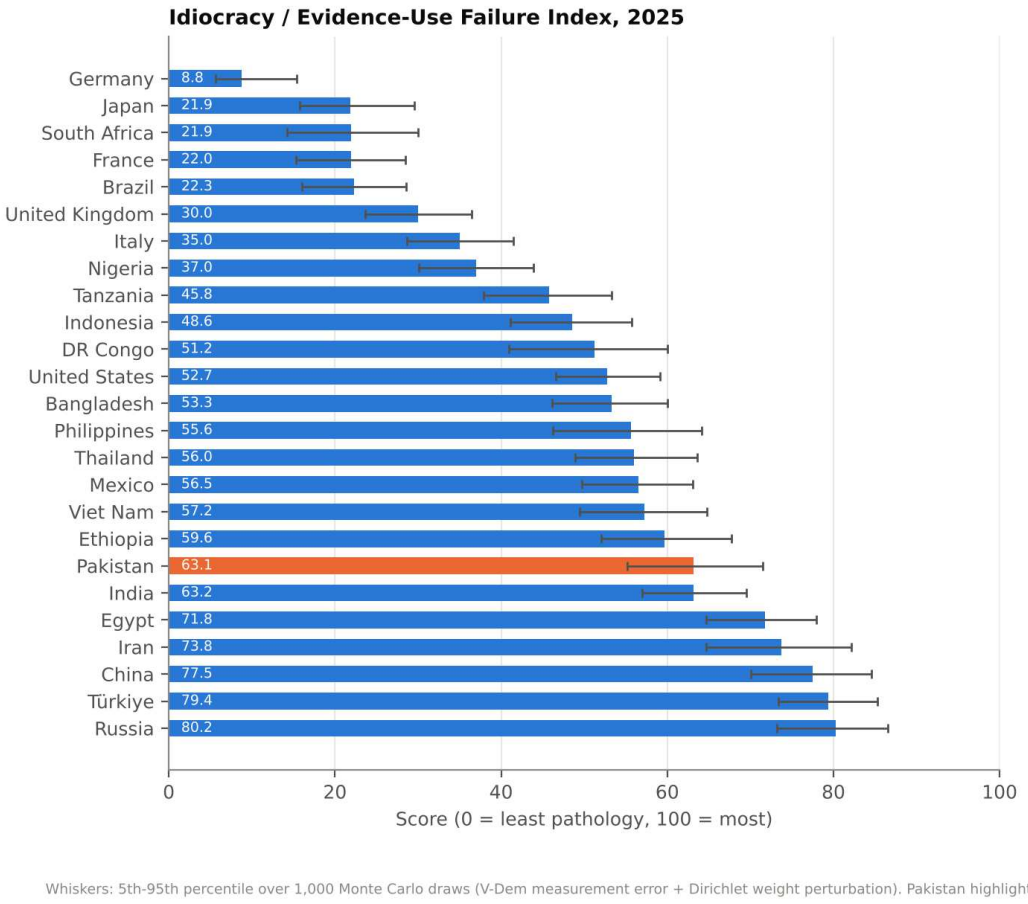


Figure 10. Idiocracy / Evidence-Use Failure Index, 2025, with 90% Monte Carlo intervals

Source: Author's calculations; data from V-Dem v16, World Bank WGI/WDI, WID and IMF WEO.

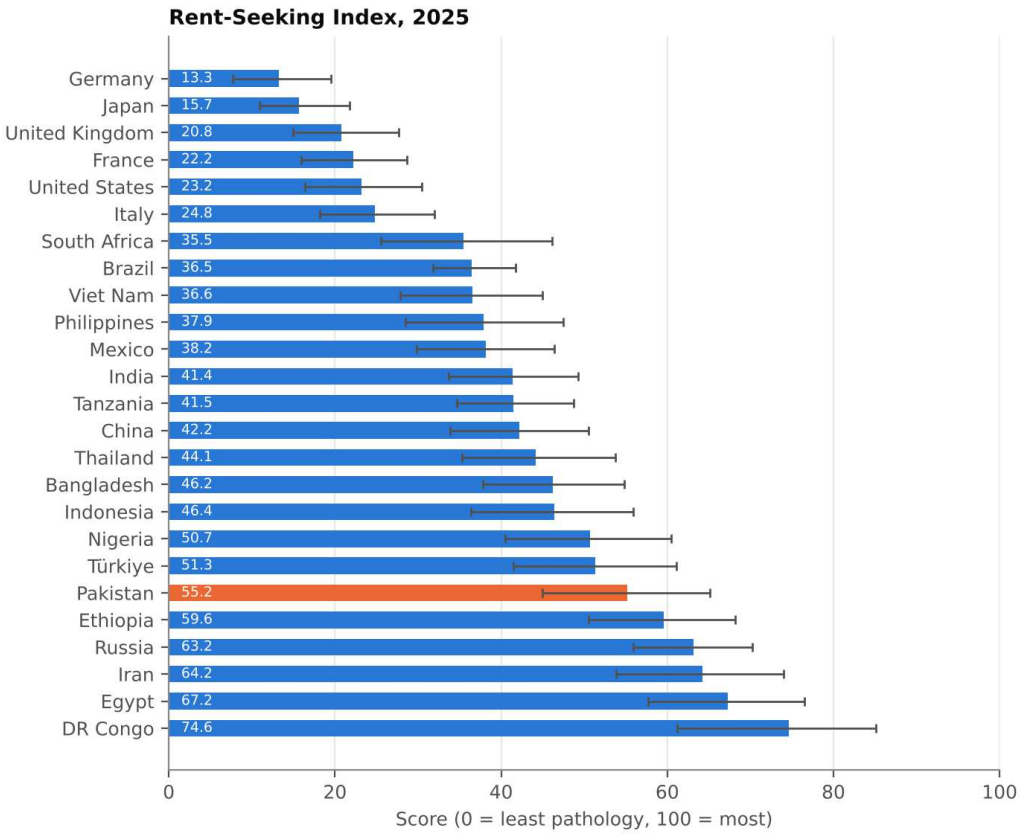
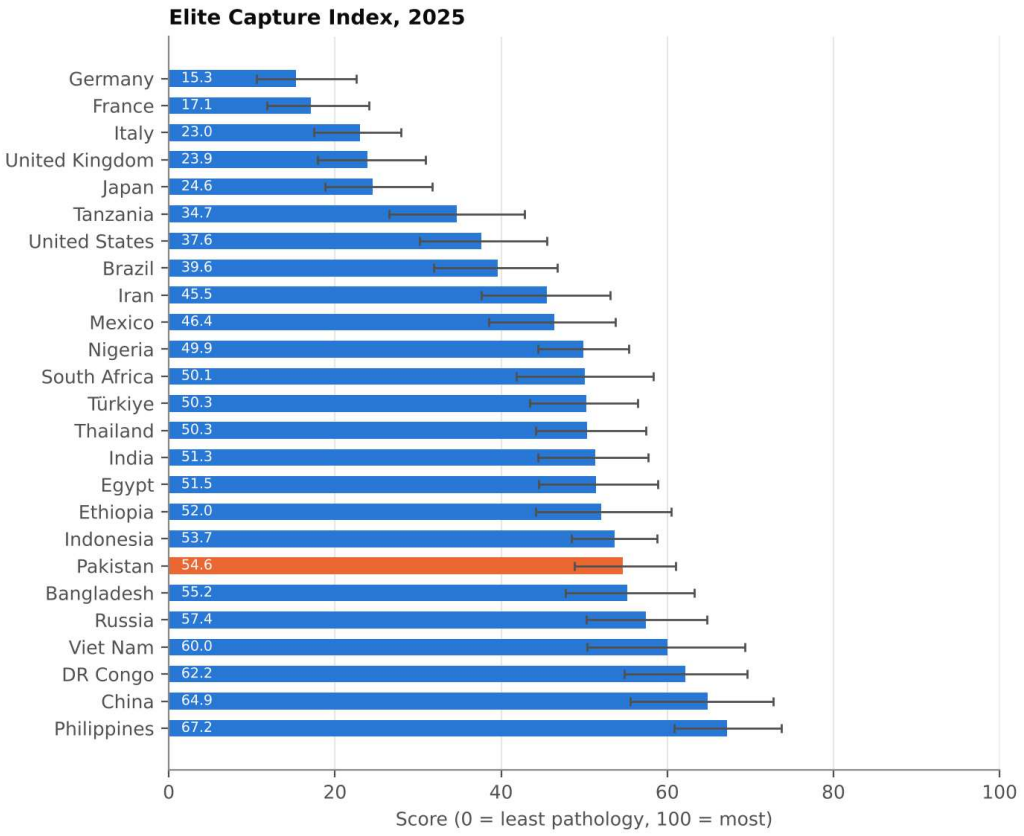


Figure 11. Rent-Seeking Index, 2025, with 90% Monte Carlo intervals

Source: Author's calculations; data from V-Dem v16, World Bank WGI/WDI, WID and IMF WEO.



Whiskers: 5th-95th percentile over 1,000 Monte Carlo draws (V-Dem measurement error + Dirichlet weight perturbation). Pakistan highlighted.

Figure 12. Elite Capture Index, 2025, with 90% Monte Carlo intervals

Source: Author's calculations; data from V-Dem v16, World Bank WGI/WDI, WID and IMF WEO.

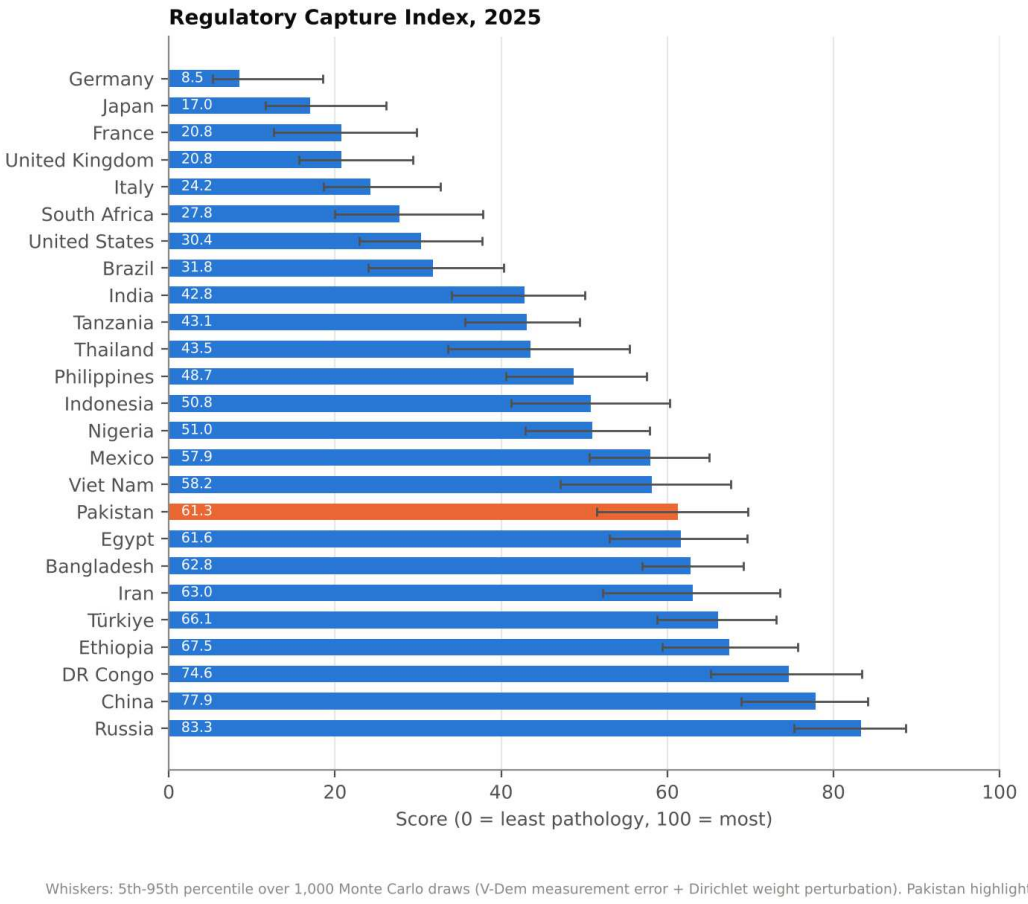


Figure 13. Regulatory Capture Index, 2025, with 90% Monte Carlo intervals

Source: Author's calculations; data from V-Dem v16, World Bank WGI/WDI, WID and IMF WEO.

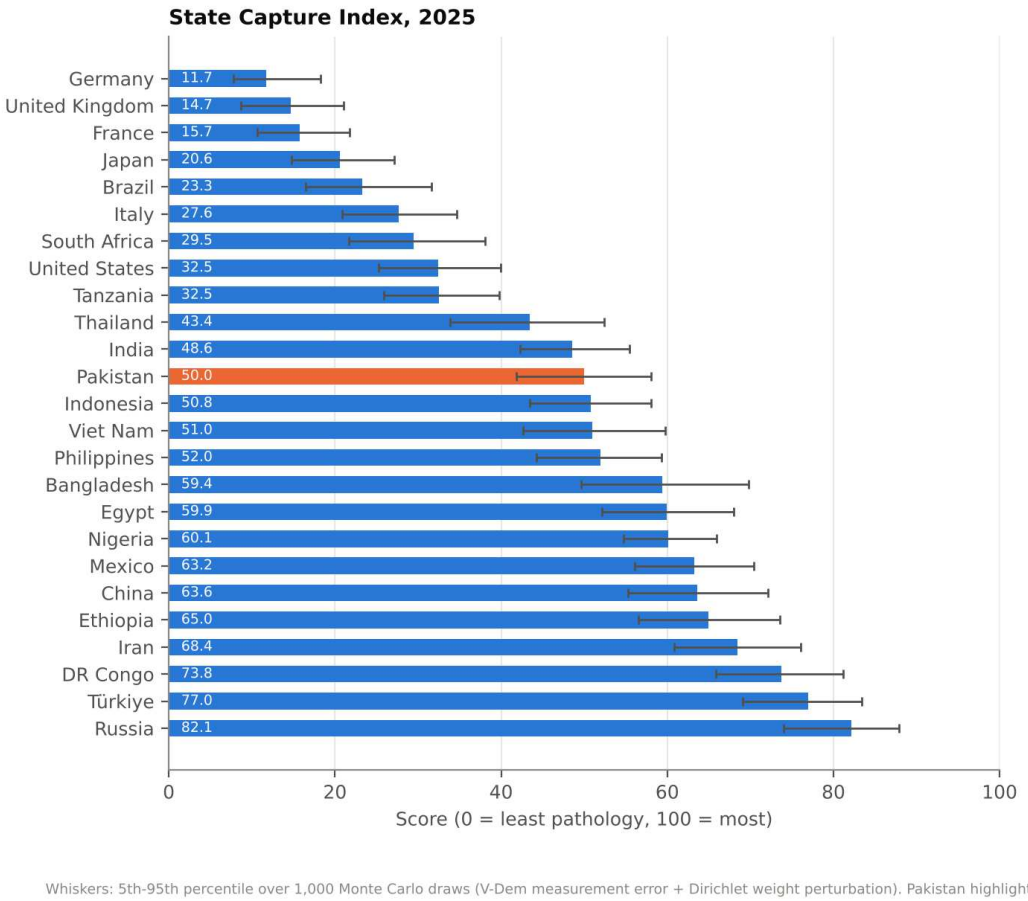


Figure 14. State Capture Index, 2025, with 90% Monte Carlo intervals

Source: Author's calculations; data from V-Dem v16, World Bank WGI/WDI, WID and IMF WEO.

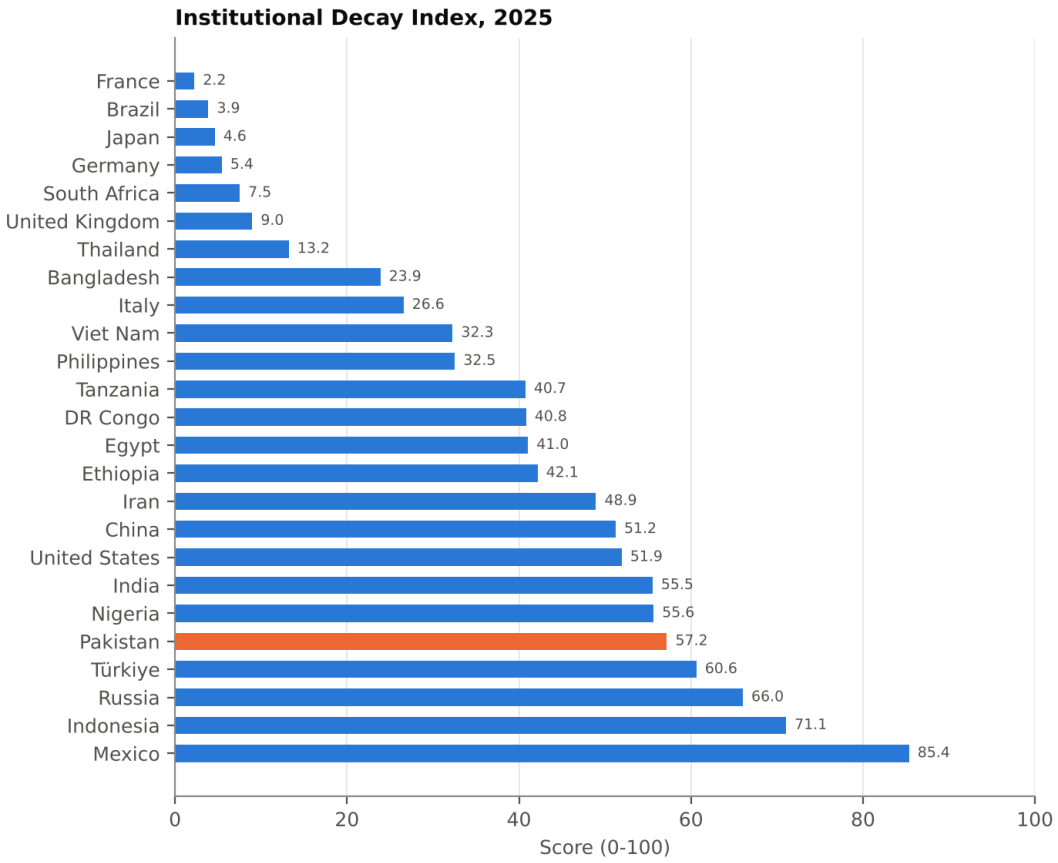


Figure 15. Institutional Decay Index, 2025

Source: Author's calculations; data from V-Dem v16, World Bank WGI/WDI, WID and IMF WEO.

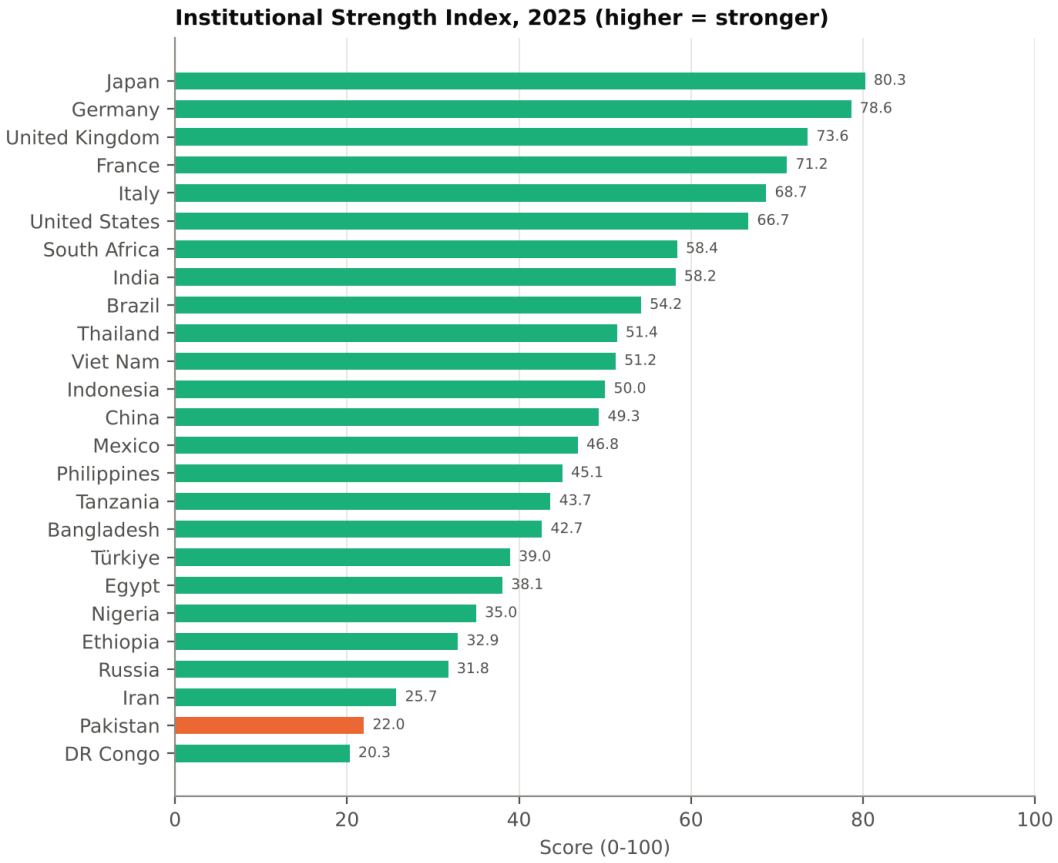


Figure 16. Institutional Strength Index, 2025

Source: Author's calculations; data from V-Dem v16, World Bank WGI/WDI, WID and IMF WEO.

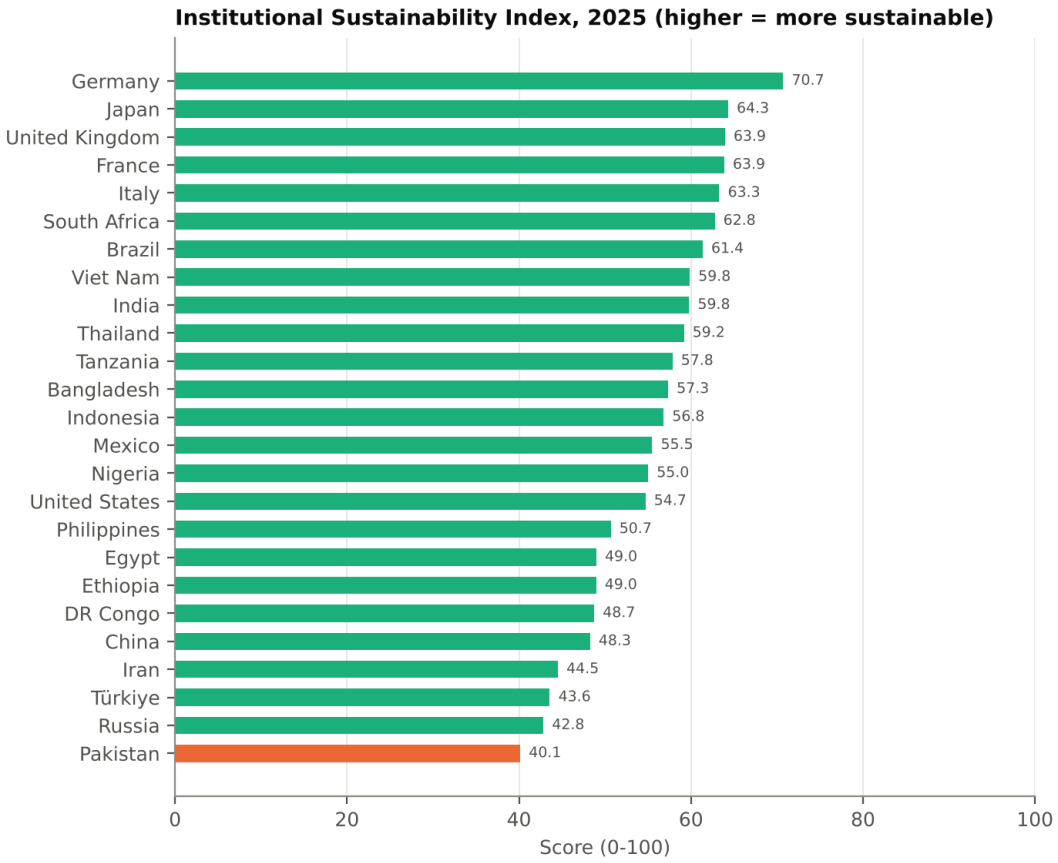


Figure 17. Institutional Sustainability Index, 2025

Source: Author's calculations; data from V-Dem v16, World Bank WGI/WDI, WID and IMF WEO.

11.1 Improving, deteriorating and stable countries

Countries are classified by the change in PEPI over 2015–2025 using a transparent threshold of ±5 points, which exceeds the typical width of a country's Monte Carlo interval. Figure 18 and Table 11 show the result.

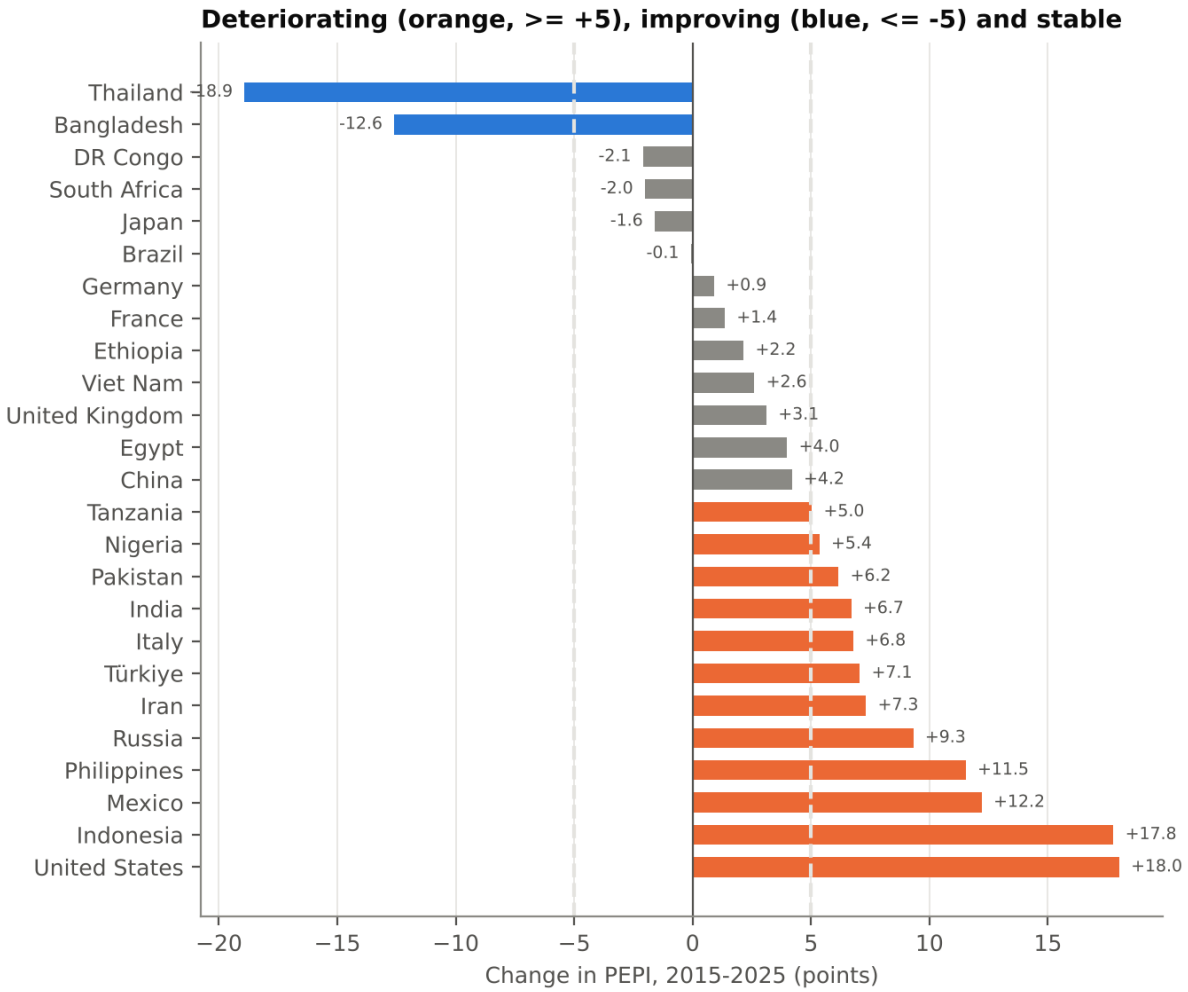


Figure 18. Change in PEPI, 2015–2025

Source: Author's calculations; data from V-Dem v16, World Bank WGI/WDI, WID and IMF WEO.

Table 11. PEPI trajectory and classification

Country	2000	2015	2025	Δ 2015–25	Δ 2000–25	PEPI class (2015–25)	ISI class (2015–25)
United States	16.7	15.9	33.9	+18.0	+17.2	Deteriorating	Deteriorating
Indonesia	41.0	39.9	57.7	+17.8	+16.7	Deteriorating	Stable
Mexico	39.2	45.5	57.8	+12.2	+18.5	Deteriorating	Stable
Philippines	45.5	42.4	53.9	+11.5	+8.4	Deteriorating	Deteriorating
Russia	55.9	60.6	69.9	+9.3	+14.0	Deteriorating	Deteriorating
Iran	49.8	53.9	61.2	+7.3	+11.3	Deteriorating	Stable
Türkiye	40.1	60.2	67.3	+7.1	+27.2	Deteriorating	Deteriorating
Italy	21.9	21.2	28.0	+6.8	+6.1	Deteriorating	Stable
India	36.8	45.2	51.9	+6.7	+15.0	Deteriorating	Stable
Pakistan	56.1	53.2	59.3	+6.2	+3.3	Deteriorating	Stable
Nigeria	54.0	50.3	55.7	+5.4	+1.6	Deteriorating	Stable
Tanzania	39.0	35.6	40.6	+5.0	+1.6	Deteriorating	Stable
China	55.1	56.2	60.4	+4.2	+5.3	Stable	Stable
Egypt	60.4	57.6	61.6	+4.0	+1.2	Stable	Stable
United Kingdom	15.1	15.6	18.8	+3.1	+3.6	Stable	Stable
Viet Nam	51.2	47.2	49.8	+2.6	-1.4	Stable	Stable
Ethiopia	57.2	57.0	59.1	+2.2	+1.9	Stable	Stable
France	15.9	15.8	17.1	+1.4	+1.3	Stable	Stable

Country	2000	2015	2025	Δ 2015–25	Δ 2000–25	PEPI class (2015–25)	ISI class (2015–25)
Germany	7.8	8.7	9.6	+0.9	+1.8	Stable	Stable
Brazil	35.2	30.6	30.5	-0.1	-4.7	Stable	Stable
Japan	20.7	18.8	17.2	-1.6	-3.5	Stable	Stable
South Africa	32.0	35.6	33.6	-2.0	+1.5	Stable	Stable
DR Congo	71.5	69.9	67.8	-2.1	-3.8	Stable	Stable
Bangladesh	54.3	65.4	52.8	-12.6	-1.5	Improving	Stable
Thailand	42.5	64.8	45.9	-18.9	+3.5	Improving	Stable

Source: Author's calculations from V-Dem v16, World Bank WGI and WDI, WID and IMF WEO data (see Source_Register in the workbook). Threshold ±5 points (editable in workbook).

12. Country profiles and commentary

This chapter presents a one-page profile for each of the 25 countries in population order. Each profile shows the eight-dimension radar for 2025 against the sample median, the PEPI, ISI and INSI trajectories since 2000, and the change in each dimension between 2015 and 2025, followed by a data summary and an interpretive commentary. Contextual events are cited to help interpret movements in the indices; they are not inputs to the indices, which are calculated only from the source data.

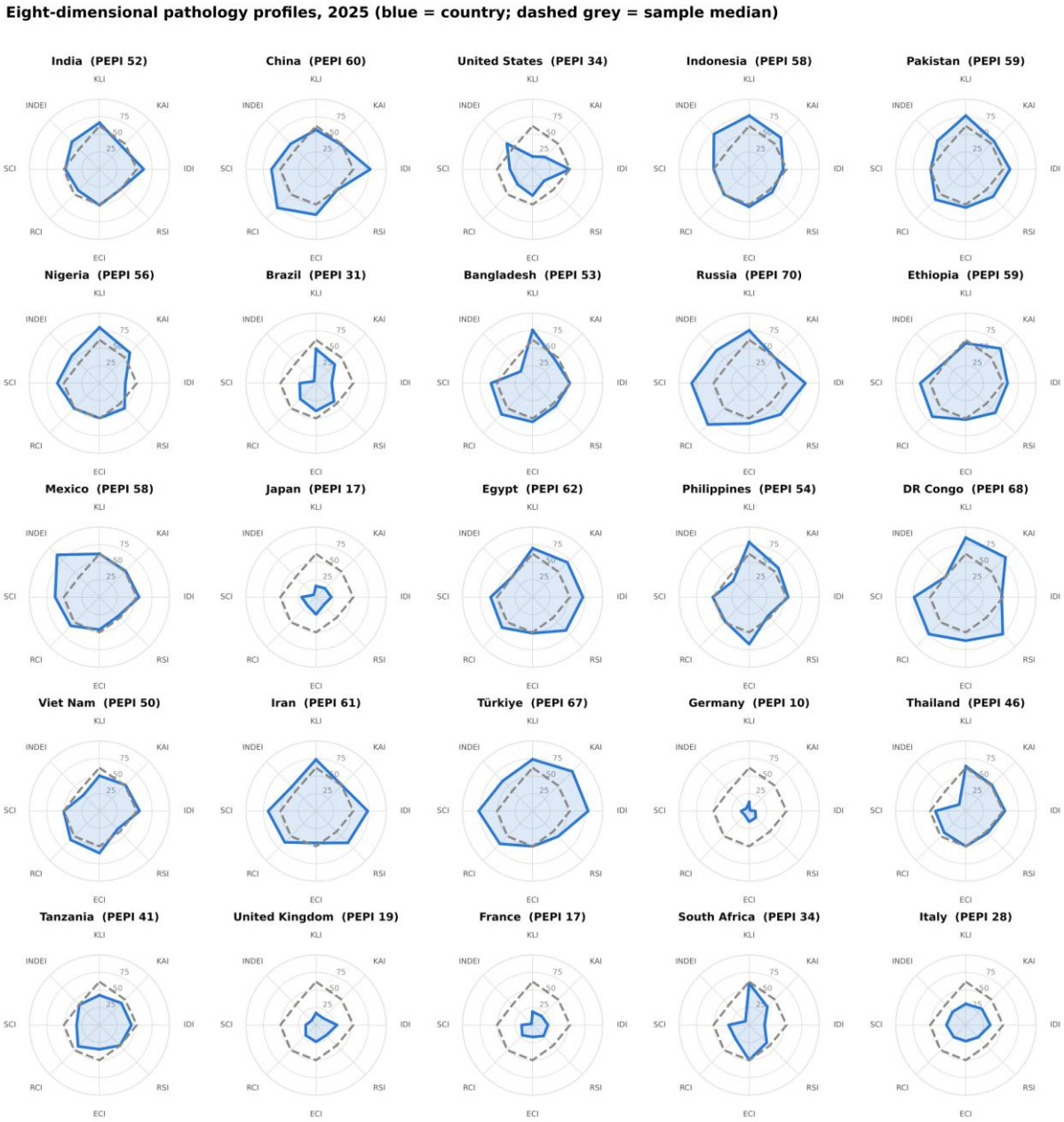


Figure 19. Eight-dimension pathology profiles of all 25 countries, 2025

Source: Author's calculations; data from V-Dem v16, World Bank WGI/WDI, WID and IMF WEO.

12.1 India

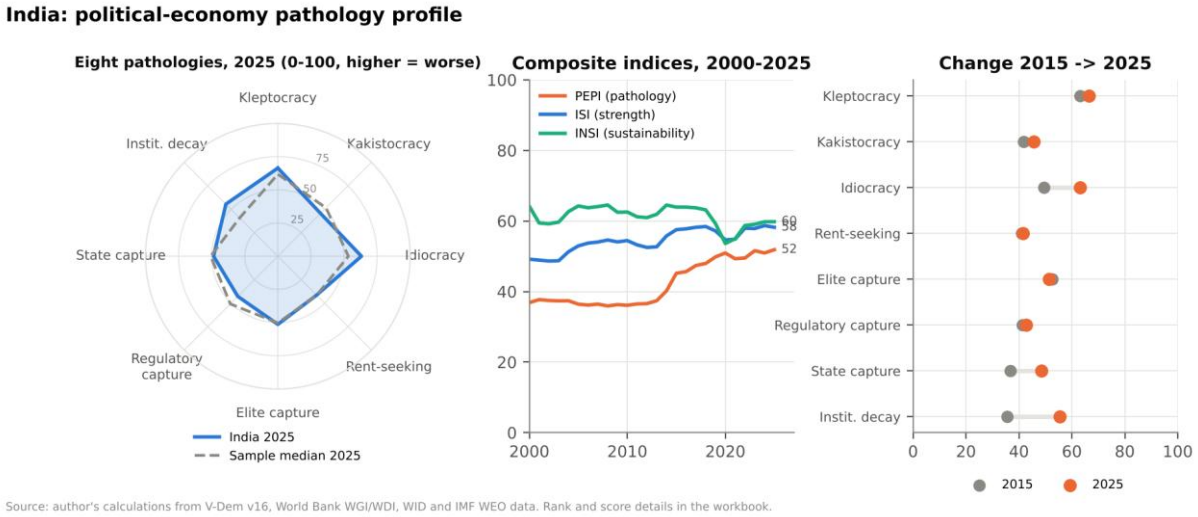


Figure 20. India: pathology profile

Source: Author's calculations; data from V-Dem v16, World Bank WGI/WDI, WID and IMF WEO.

Data summary. PEPI 51.9 in 2025 (rank 12 of 25; 90% Monte Carlo rank interval 11–14), compared with 36.8 in 2000 and 45.2 in 2015 (deteriorating over 2015–2025). Highest dimensions: Kleptocracy (66, rank 15) and Idiocracy / Evidence-Use Failure (63, rank 20); lowest: Rent-Seeking (41). Institutional strength 58 (rank 8; 49 in 2000); sustainability 60 (rank 9). Decay quality base Q = 52, change -7.8 over five years and -17.4 over ten.

Commentary. India's profile is that of a capable state with weakening constraints. Its Institutional Strength Index is the eighth highest in the sample, carried by improving government effectiveness and fiscal capacity, yet its aggregate pathology score has risen by about fifteen points since 2000, almost all of it after 2014. The deterioration is concentrated in the evidence-use (IDI) and state-capture (SCI) dimensions and in the decay index, whose ten-year component reflects the sharp fall in V-Dem's measures of judicial and legislative constraints and accountability; V-Dem has classified India as an electoral autocracy since its 2021 assessment. Kleptocracy remains the single highest dimension, consistent with persistent perceived corruption in legislatures and the lower bureaucracy. The policy implication is that India's binding constraint is less administrative capacity than the independence of the institutions that check executive discretion: courts, the legislature, statistical agencies and the media.

12.2 China

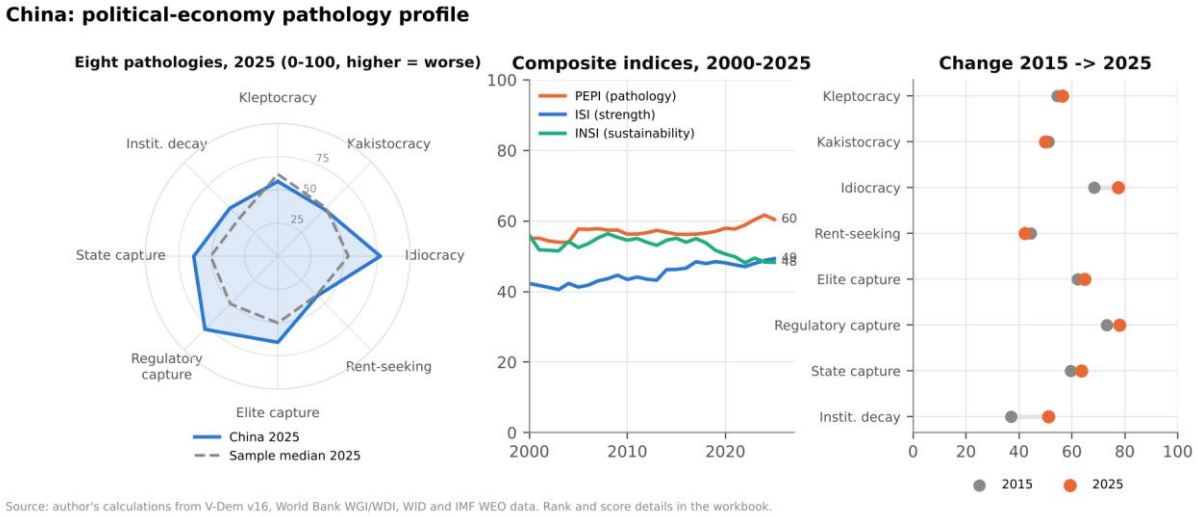


Figure 21. China: pathology profile

Source: Author's calculations; data from V-Dem v16, World Bank WGI/WDI, WID and IMF WEO.

Data summary. PEPI 60.4 in 2025 (rank 20 of 25; 90% Monte Carlo rank interval 15–22), compared with 55.1 in 2000 and 56.2 in 2015 (stable over 2015–2025). Highest dimensions: Regulatory Capture (78, rank 24) and Idiocracy / Evidence-Use Failure (78, rank 23); lowest: Rent-Seeking (42). Institutional strength 49 (rank 13; 42 in 2000); sustainability 48 (rank 21). Decay quality base Q = 10, change -3.8 over five years and -6.5 over ten.

Commentary. China combines a moderate kleptocracy score with the highest evidence-use, elite-capture and regulatory-capture scores outside Russia. The relatively favourable kleptocracy ranking is consistent with the large anti-corruption campaign launched in 2012, which expert coders and perception surveys register, but the campaign operates through party discipline rather than independent courts, so it does not lower state-capture or regulatory-capture scores. The quality base for the decay index is among the lowest in the sample because judicial and legislative constraints on the executive are minimal by design; the decay index is therefore driven by level weakness rather than by recent decline. Institutional strength is moderate (government effectiveness is high, voice and accountability very low). China illustrates why the eight dimensions must be read together: high administrative capacity can coexist with closed decision-making, and the indices measure the latter, not growth performance.

12.3 United States

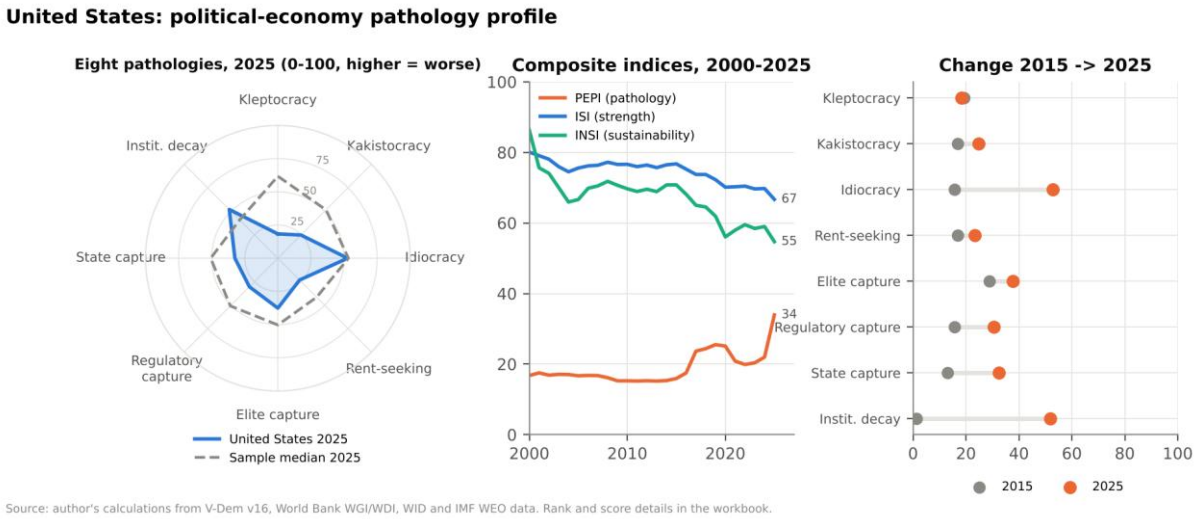


Figure 22. United States: pathology profile

Source: Author's calculations; data from V-Dem v16, World Bank WGI/WDI, WID and IMF WEO.

Data summary. PEPI 33.9 in 2025 (rank 8 of 25; 90% Monte Carlo rank interval 6–8), compared with 16.7 in 2000 and 15.9 in 2015 (deteriorating over 2015–2025). Highest dimensions: Idiocracy / Evidence-Use Failure (53, rank 12) and Institutional Decay (52, rank 18); lowest: Kleptocracy (18). Institutional strength 67 (rank 6; 80 in 2000); sustainability 55 (rank 16). Decay quality base Q = 79, change -11.2 over five years and -17.7 over ten.

Commentary. The United States records the largest pathology increase in the sample over the last decade: PEPI roughly doubled from about 16 in 2015 to 34 in 2025, moving it from the advanced-economy cluster towards the middle of the distribution. The increase is concentrated in evidence-use failure, state capture and, above all, institutional decay, which scores in the upper half of the sample because V-Dem's 2025 codings record a steep contraction of legislative and judicial constraints on the executive and of accountability in the first year of the second Trump administration. Kleptocracy and kakistocracy remain low by international standards. Two cautions apply: the 2025 observations reflect one year of expert coding and may be revised, and the decay index is designed to respond to rapid declines, so it will fall again if the quality base stabilises. The Institutional Sustainability Index is pulled down by a negative strength trend and by general government debt above 120 per cent of GDP.

12.4 Indonesia

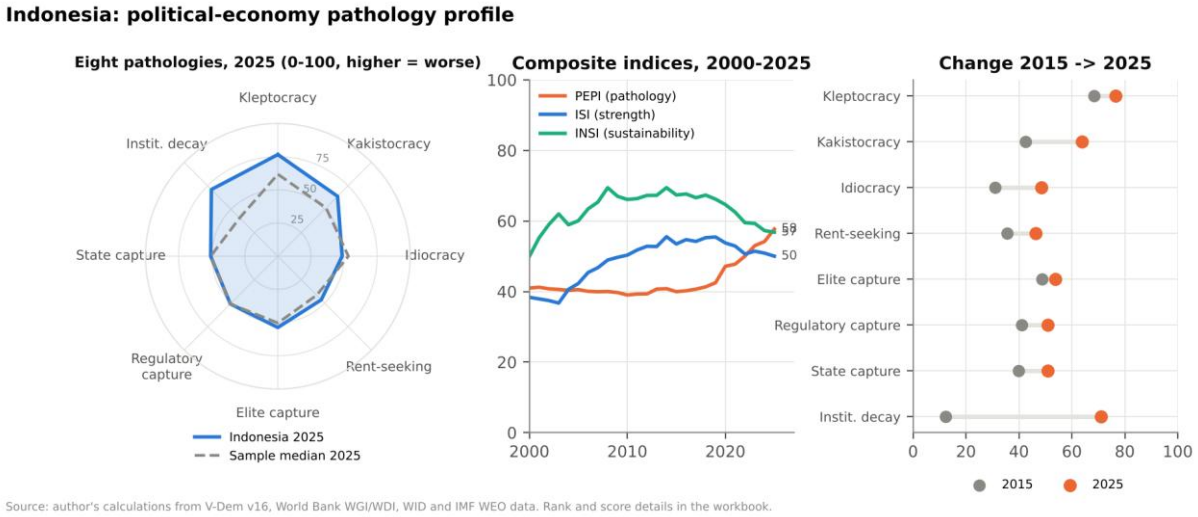


Figure 23. Indonesia: pathology profile

Source: Author's calculations; data from V-Dem v16, World Bank WGI/WDI, WID and IMF WEO.

Data summary. PEPI 57.7 in 2025 (rank 16 of 25; 90% Monte Carlo rank interval 14–20), compared with 41.0 in 2000 and 39.9 in 2015 (deteriorating over 2015–2025). Highest dimensions: Kleptocracy (77, rank 22) and Institutional Decay (71, rank 24); lowest: Rent-Seeking (46). Institutional strength 50 (rank 12; 38 in 2000); sustainability 57 (rank 13). Decay quality base Q = 51, change -12.9 over five years and -21.4 over ten.

Commentary. Indonesia shows one of the sharpest deteriorations in the sample. PEPI rose from about 40 in 2015 to 58 in 2025, and the decay index is the second highest of the 25 because the quality base lost more than twenty points over ten years. Kakistocracy rose by more than twenty points, signalling weaker merit criteria in appointments and more clientelism. Widely reported developments in this period include the 2019 revision of the anti-corruption commission (KPK) law, which reduced the commission's independence, and the 2023 Constitutional Court ruling on candidate age that enabled the outgoing president's son to stand for vice-president. Kleptocracy is high and close to Pakistan's. Indonesia's fiscal position remains strong, which keeps its sustainability index in the middle of the distribution despite the institutional slide.

12.5 Pakistan

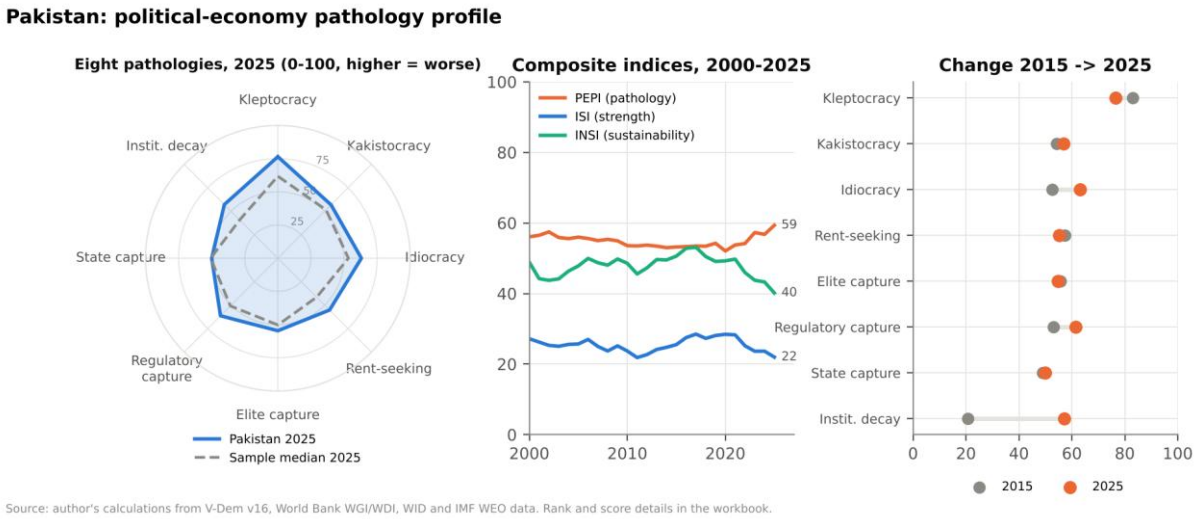


Figure 24. Pakistan: pathology profile

Source: Author's calculations; data from V-Dem v16, World Bank WGI/WDI, WID and IMF WEO.

Data summary. PEPI 59.3 in 2025 (rank 19 of 25; 90% Monte Carlo rank interval 16–22), compared with 56.1 in 2000 and 53.2 in 2015 (deteriorating over 2015–2025). Highest dimensions: Kleptocracy (76, rank 21) and Idiocracy / Evidence-Use Failure (63, rank 19); lowest: State Capture (50). Institutional strength 22 (rank 24; 27 in 2000); sustainability 40 (rank 25). Decay quality base Q = 42, change -11.7 over five years and -8.9 over ten.

Commentary. Pakistan ranks 19th on aggregate pathology but 24th on institutional strength and last on institutional sustainability. The gap is informative: Pakistan's pathology profile is close to the lower-middle-income peer median, but its state capacity, rule of law and political stability are weaker than almost every other country in the sample, and the five-year trend in strength is negative. Kleptocracy (76) and regulatory capture (61) are the highest dimensions; the decay index rose by more than thirty-five points since 2015, driven by a five-year fall in judicial constraints, legislative constraints and accountability that coincides with the disputed 2024 elections and the constitutional amendments of 2024–25 that restructured judicial appointments and the apex courts. Chapter 18 analyses Pakistan in detail.

12.6 Nigeria

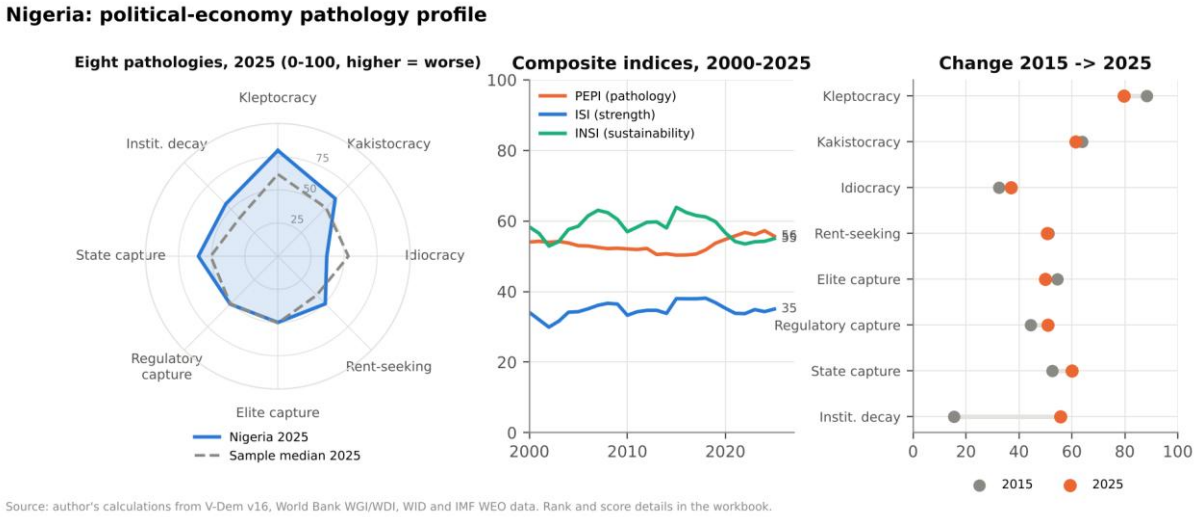


Figure 25. Nigeria: pathology profile

Source: Author's calculations; data from V-Dem v16, World Bank WGI/WDI, WID and IMF WEO.

Data summary. PEPI 55.7 in 2025 (rank 15 of 25; 90% Monte Carlo rank interval 13–18), compared with 54.0 in 2000 and 50.3 in 2015 (deteriorating over 2015–2025). Highest dimensions: Kleptocracy (80, rank 24) and Kakistocracy (61, rank 20); lowest: Idiocracy / Evidence-Use Failure (37). Institutional strength 35 (rank 20; 34 in 2000); sustainability 55 (rank 15). Decay quality base Q = 47, change -8.5 over five years and -14.6 over ten.

Commentary. Nigeria has the second-highest kleptocracy score in the sample, reflecting entrenched executive and legislative corruption and weak control of corruption, while its evidence-use score is comparatively favourable (rank 8), because deliberative indicators such as consultation and reasoned justification are coded as moderate for a competitive, if flawed, electoral system. Aggregate pathology has drifted up slowly since 2015. The decay index (56) reflects a ten-year erosion of accountability and judicial constraints rather than a recent collapse. Institutional strength is low (rank 20), held down by political instability and violence and weak government effectiveness. The fiscal component of sustainability is favourable only because public debt is low relative to GDP; low revenue mobilisation is a constraint not captured by the debt ratio.

12.7 Brazil

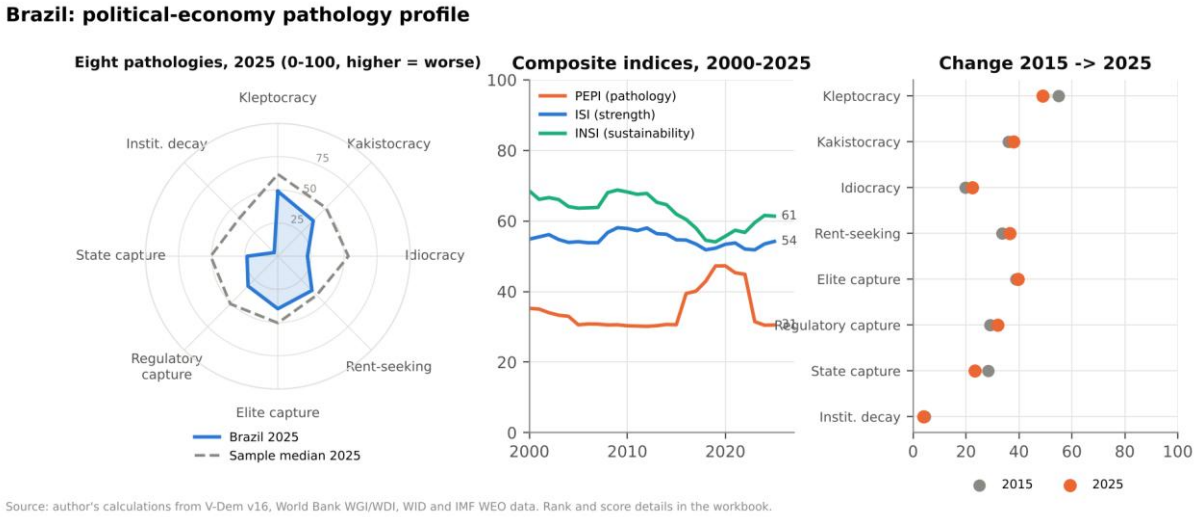


Figure 26. Brazil: pathology profile

Source: Author's calculations; data from V-Dem v16, World Bank WGI/WDI, WID and IMF WEO.

Data summary. PEPI 30.5 in 2025 (rank 6 of 25; 90% Monte Carlo rank interval 5–7), compared with 35.2 in 2000 and 30.6 in 2015 (stable over 2015–2025). Highest dimensions: Kleptocracy (49, rank 8) and Elite Capture (40, rank 8); lowest: Institutional Decay (4). Institutional strength 54 (rank 9; 55 in 2000); sustainability 61 (rank 7). Decay quality base Q = 90, change +15.7 over five years and +1.0 over ten.

Commentary. Brazil follows a V-shaped trajectory: PEPI rose from about 30 in 2015 to 47 in 2020, then fell back to 30.5 in 2025, below its 2000 level. The reversal coincides with the 2022 change of government and the judicial accountability process that followed the 8 January 2023 attacks on federal institutions, culminating in the 2025 conviction of the former president. The quality base rose by nearly sixteen points in five years, so Brazil records almost no decay. Kleptocracy (49) remains its highest dimension and ranks only eighth, a reminder that institutional recovery at the level of checks and balances does not by itself resolve legislative and bureaucratic corruption. Institutional strength is in the upper-middle range; sustainability ranks seventh.

12.8 Bangladesh

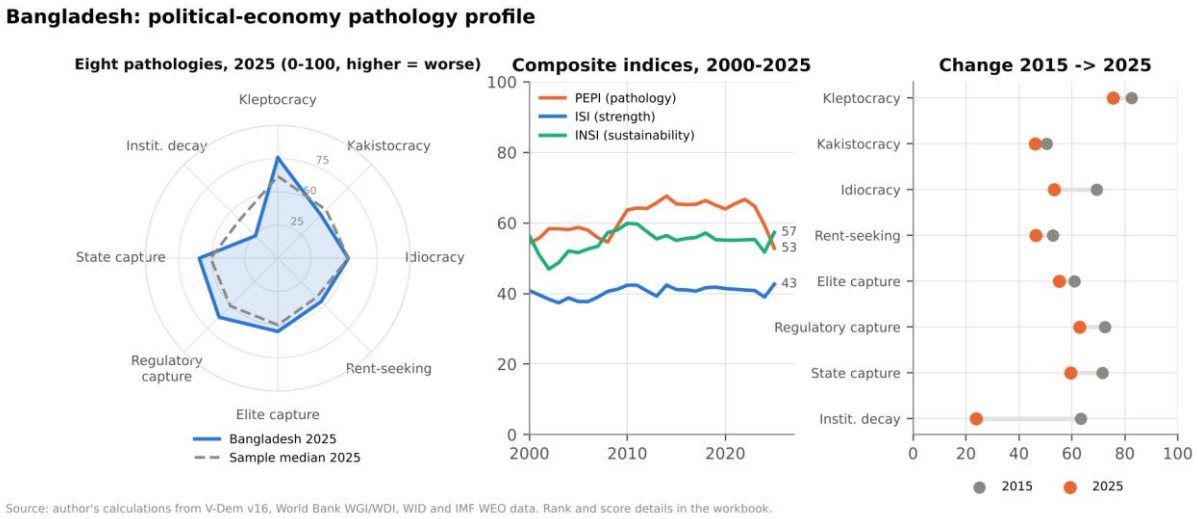


Figure 27. Bangladesh: pathology profile

Source: Author's calculations; data from V-Dem v16, World Bank WGI/WDI, WID and IMF WEO.

Data summary. PEPI 52.8 in 2025 (rank 13 of 25; 90% Monte Carlo rank interval 11–16), compared with 54.3 in 2000 and 65.4 in 2015 (improving over 2015–2025). Highest dimensions: Kleptocracy (76, rank 20) and Regulatory Capture (63, rank 19); lowest: Institutional Decay (24). Institutional strength 43 (rank 17; 41 in 2000); sustainability 57 (rank 12). Decay quality base Q = 40, change +21.1 over five years and +20.4 over ten.

Commentary. Bangladesh is the clearest improver in 2024–25: PEPI fell by about twelve points from its 2015 peak, every pathology dimension improved over the decade, and the quality base rose by more than twenty points in five years. These changes reflect the end of the Awami League government in August 2024 and the interim administration's restoration of some judicial and media freedoms. The improvement should be read cautiously. Parliament was dissolved in 2024, so legislative indicators are missing for 2024–25 and the affected indices are computed on reduced coverage (flagged in the workbook); kleptocracy and regulatory capture remain high; and the February 2026 election falls outside the data window. The sustainability index (57) is supported by a low debt ratio.

12.9 Russia

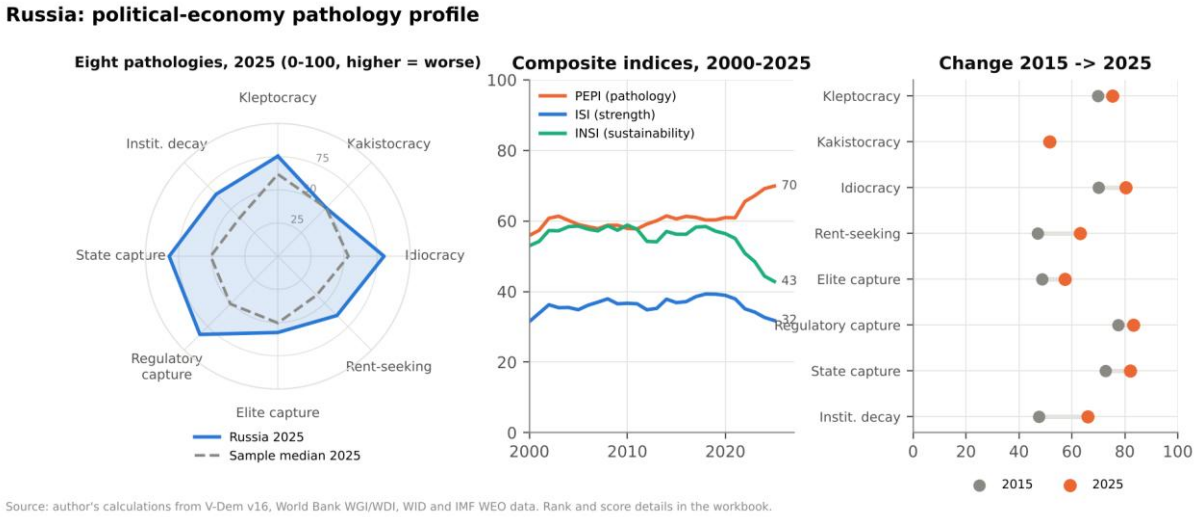


Figure 28. Russia: pathology profile

Source: Author's calculations; data from V-Dem v16, World Bank WGI/WDI, WID and IMF WEO.

Data summary. PEPI 69.9 in 2025 (rank 25 of 25; 90% Monte Carlo rank interval 23–25), compared with 55.9 in 2000 and 60.6 in 2015 (deteriorating over 2015–2025). Highest dimensions: Regulatory Capture (83, rank 25) and State Capture (82, rank 25); lowest: Kakistocracy (51). Institutional strength 32 (rank 22; 31 in 2000); sustainability 43 (rank 24). Decay quality base Q = 10, change -8.6 over five years and -10.6 over ten.

Commentary. Russia has the highest aggregate pathology in the sample (69.9) and ranks last on evidence-use failure, regulatory capture and state capture. The Monte Carlo interval places it between 23rd and 25th, so its position at the bottom of the distribution is robust to measurement error and weighting. Pathology rose most sharply after 2020, in the period of constitutional amendments that reset presidential term limits and of the full-scale invasion of Ukraine, which brought wartime censorship and further centralisation. The quality base is among the lowest in the sample. Institutional strength is low and falling, and the sustainability index is held up only by a low public-debt ratio.

12.10 Ethiopia

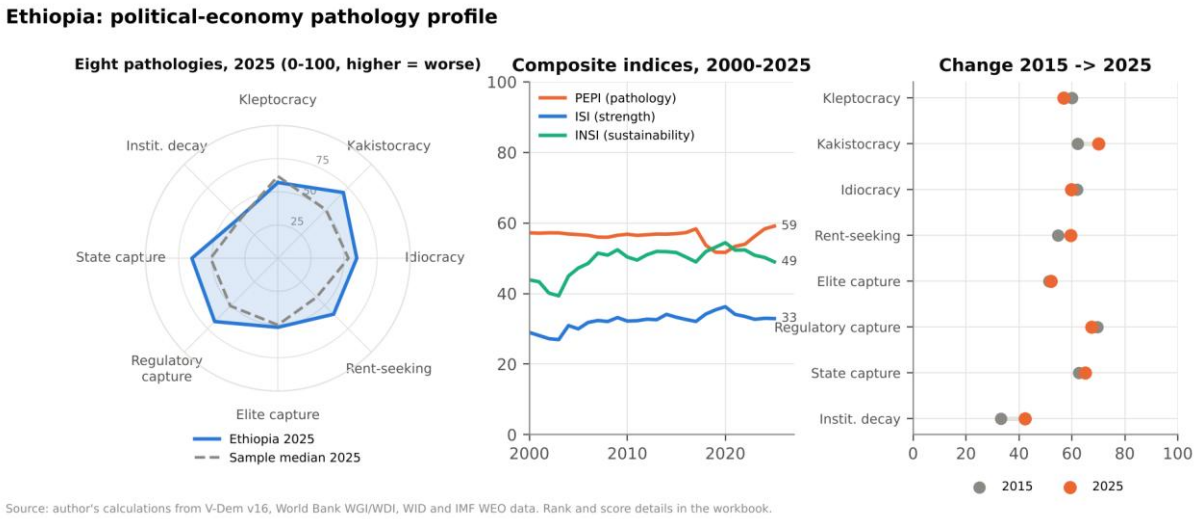


Figure 29. Ethiopia: pathology profile

Source: Author's calculations; data from V-Dem v16, World Bank WGI/WDI, WID and IMF WEO.

Data summary. PEPI 59.1 in 2025 (rank 18 of 25; 90% Monte Carlo rank interval 15–22), compared with 57.2 in 2000 and 57.0 in 2015 (stable over 2015–2025). Highest dimensions: Kakistocracy (70, rank 22) and Regulatory Capture (67, rank 22); lowest: Institutional Decay (42). Institutional strength 33 (rank 21; 29 in 2000); sustainability 49 (rank 19). Decay quality base Q = 25, change -6.1 over five years and +1.3 over ten.

Commentary. Ethiopia's trajectory is a reversal of a reform opening. PEPI dipped to about 52 in 2020, following the political liberalisation that began in 2018, but rose to 59 by 2025 after the 2020–22 war in Tigray and continuing conflict in Amhara and Oromia. Kakistocracy is the highest dimension (70) together with regulatory and state capture (65–68), indicating politicised appointment criteria and a weak separation between party, state and regulatory functions. The decay index (42) combines a weak level with a moderate five-year decline. Institutional strength (33) is among the lowest, depressed by political instability and violence.

12.11 Mexico

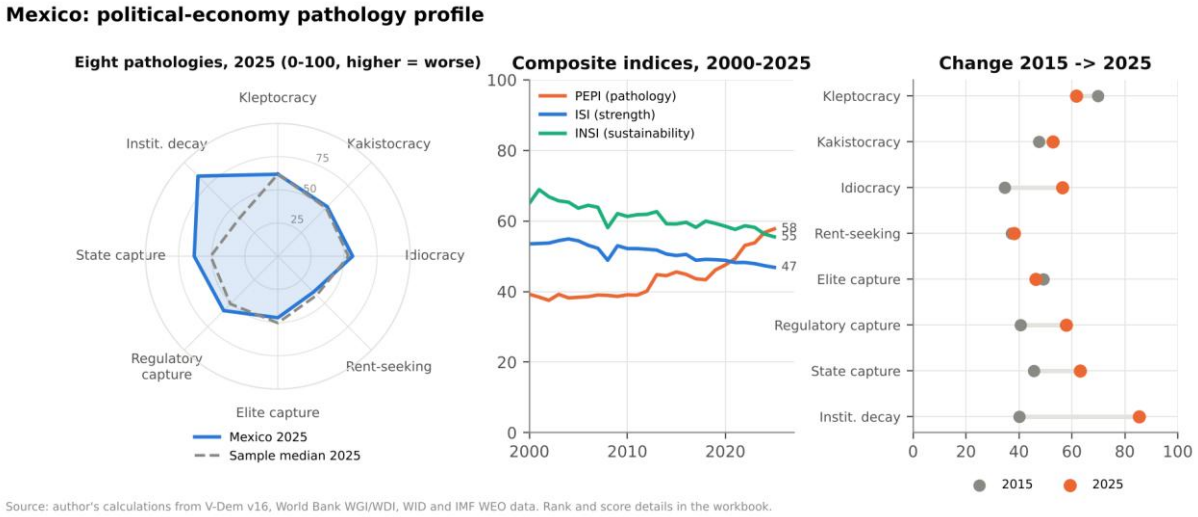


Figure 30. Mexico: pathology profile

Source: Author's calculations; data from V-Dem v16, World Bank WGI/WDI, WID and IMF WEO.

Data summary. PEPI 57.8 in 2025 (rank 17 of 25; 90% Monte Carlo rank interval 14–21), compared with 39.2 in 2000 and 45.5 in 2015 (deteriorating over 2015–2025). Highest dimensions: Institutional Decay (85, rank 25) and State Capture (63, rank 19); lowest: Rent-Seeking (38). Institutional strength 47 (rank 14; 54 in 2000); sustainability 55 (rank 14). Decay quality base Q = 37, change -19.9 over five years and -25.1 over ten.

Commentary. Mexico has the highest Institutional Decay Index in the sample (85): its quality base fell by about twenty points in five years and twenty-five in ten, so both decline components are at the maximum. State capture and regulatory capture rose by 17–18 points since 2015. The timing matches the 2024 constitutional reforms that introduced the popular election of judges (first held in June 2025) and abolished several autonomous regulatory and oversight bodies, including the transparency institute and the competition and telecommunications regulators, whose functions moved into ministries. These changes bear directly on the regulatory-capture and state-capture constructs. Kleptocracy fell over the decade, which shows that the indices do not move together mechanically.

12.12 Japan

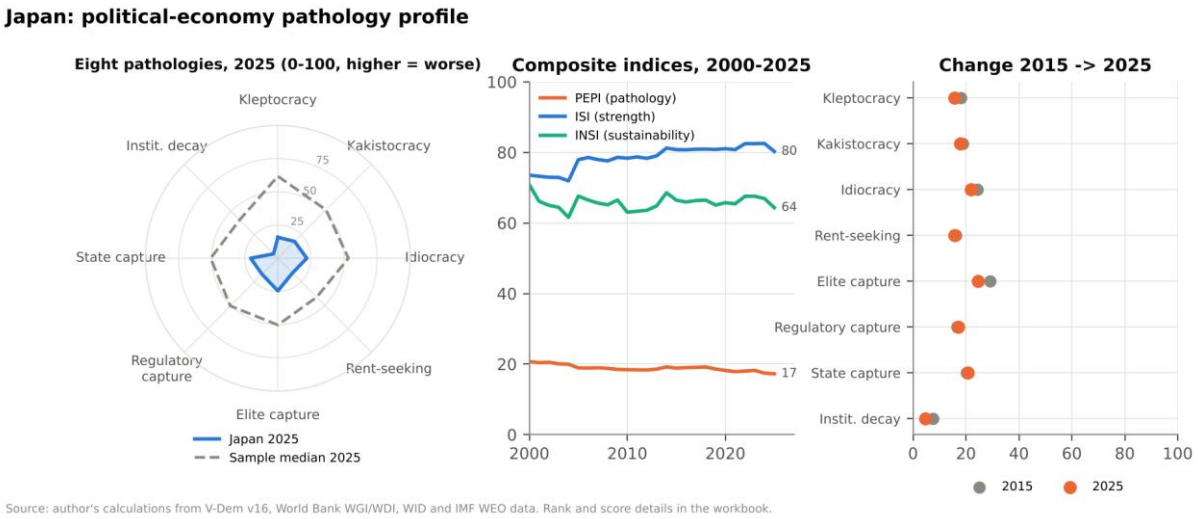


Figure 31. Japan: pathology profile

Source: Author's calculations; data from V-Dem v16, World Bank WGI/WDI, WID and IMF WEO.

Data summary. PEPI 17.2 in 2025 (rank 3 of 25; 90% Monte Carlo rank interval 2–4), compared with 20.7 in 2000 and 18.8 in 2015 (stable over 2015–2025). Highest dimensions: Elite Capture (25, rank 5) and Idiocracy / Evidence-Use Failure (22, rank 2); lowest: Institutional Decay (5). Institutional strength 80 (rank 1; 74 in 2000); sustainability 64 (rank 2). Decay quality base Q = 90, change -0.1 over five years and -0.4 over ten.

Commentary. Japan ranks first on institutional strength and in the lowest-pathology group on every dimension, with a narrow Monte Carlo rank interval (2nd–4th on PEPI). Its pathology scores have been stable or slightly falling since 2000. Japan's only weak component is fiscal space: general government debt far above 150 per cent of GDP gives a fiscal-space score of zero, which lowers its sustainability index to 64, second in the sample. This illustrates the design choice that sustainability is not a renamed strength score: a country with strong institutions can still carry fiscal risks to institutional continuity.

12.13 Egypt

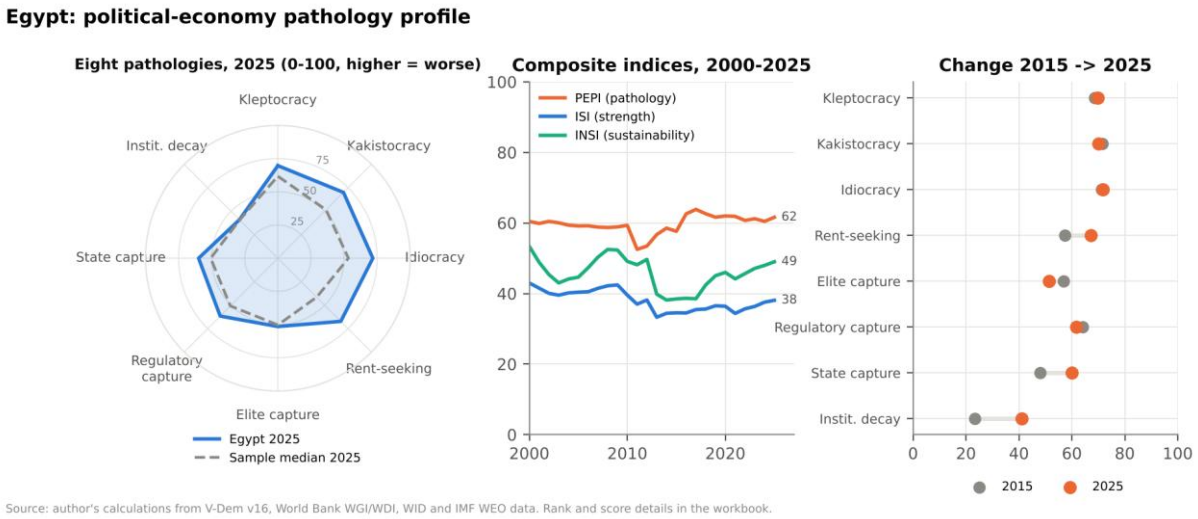


Figure 32. Egypt: pathology profile

Source: Author's calculations; data from V-Dem v16, World Bank WGI/WDI, WID and IMF WEO.

Data summary. PEPI 61.6 in 2025 (rank 22 of 25; 90% Monte Carlo rank interval 17–22), compared with 60.4 in 2000 and 57.6 in 2015 (stable over 2015–2025). Highest dimensions: Idiocracy / Evidence-Use Failure (72, rank 21) and Kakistocracy (70, rank 23); lowest: Institutional Decay (41). Institutional strength 38 (rank 19; 43 in 2000); sustainability 49 (rank 18). Decay quality base Q = 33, change -2.0 over five years and -8.6 over ten.

Commentary. Egypt ranks 22nd on aggregate pathology, with high kakistocracy (70), evidence-use failure (72) and rent-seeking (67, rank 24). The rent-seeking score reflects particularistic allocation, purchased favours and a large state and military footprint in the economy. State capture rose by about twelve points since 2015, a period that includes the 2019 constitutional amendments that extended presidential terms and enlarged presidential influence over judicial appointments. The decay index (41) is driven mostly by the level of weakness: the quality base fell sharply after 2012 and has continued to erode gradually, so the five-year decline component is small.

12.14 Philippines

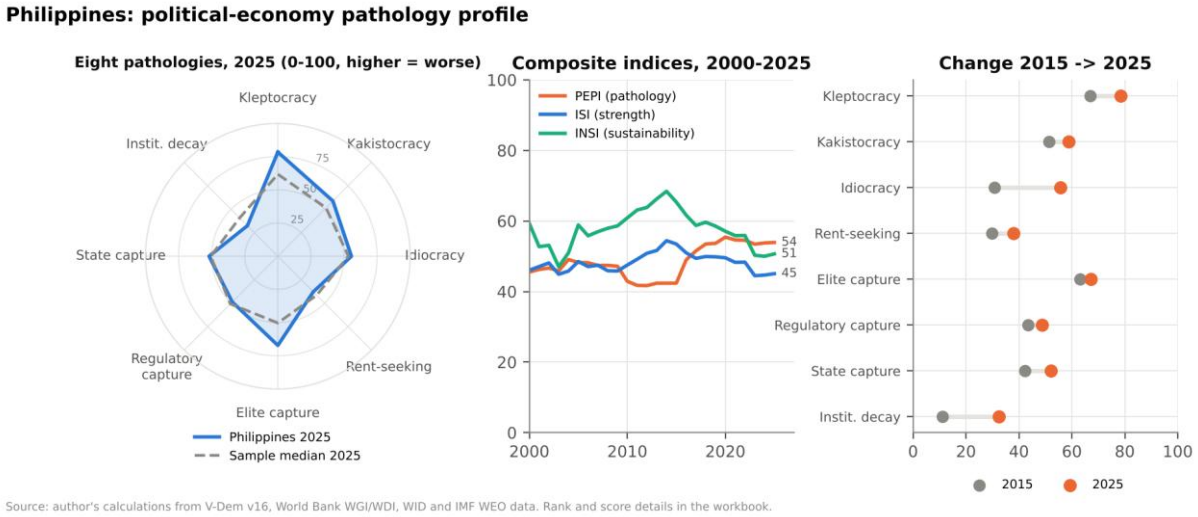


Figure 33. Philippines: pathology profile

Source: Author's calculations; data from V-Dem v16, World Bank WGI/WDI, WID and IMF WEO.

Data summary. PEPI 53.9 in 2025 (rank 14 of 25; 90% Monte Carlo rank interval 12–17), compared with 45.5 in 2000 and 42.4 in 2015 (deteriorating over 2015–2025). Highest dimensions: Kleptocracy (78, rank 23) and Elite Capture (67, rank 25); lowest: Institutional Decay (33). Institutional strength 45 (rank 15; 46 in 2000); sustainability 51 (rank 17). Decay quality base Q = 59, change +3.6 over five years and -13.4 over ten.

Commentary. The Philippines has the highest elite-capture score in the sample (67), consistent with the persistence of political dynasties, clientelistic party linkages and highly concentrated political influence. Pathology rose from about 42 in 2015 to 55 in 2020, a period marked by the anti-drug campaign and pressure on the media, and has stayed close to that level since 2022. Kleptocracy (78) ranks 23rd. The quality base lost about thirteen points over ten years but recovered slightly in the last five, so the decay index is moderate (33). Institutional strength has fallen back to its 2000 level.

12.15 DR Congo

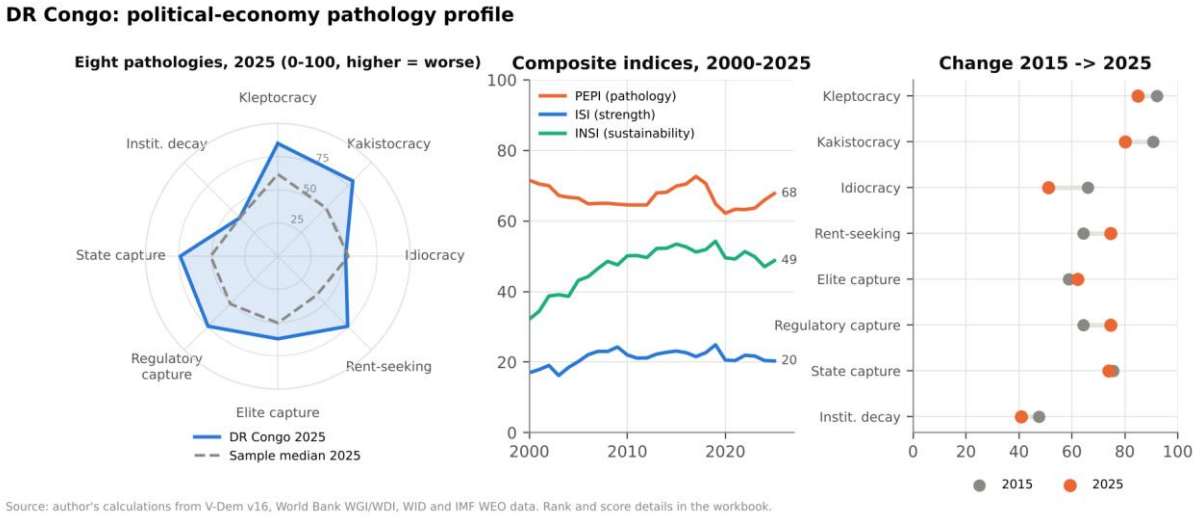


Figure 34. DR Congo: pathology profile

Source: Author's calculations; data from V-Dem v16, World Bank WGI/WDI, WID and IMF WEO.

Data summary. PEPI 67.8 in 2025 (rank 24 of 25; 90% Monte Carlo rank interval 23–25), compared with 71.5 in 2000 and 69.9 in 2015 (stable over 2015–2025). Highest dimensions: Kleptocracy (85, rank 25) and Kakistocracy (80, rank 25); lowest: Institutional Decay (41). Institutional strength 20 (rank 25; 17 in 2000); sustainability 49 (rank 20). Decay quality base Q = 24, change -5.3 over five years and +0.2 over ten.

Commentary. The Democratic Republic of the Congo ranks last on kleptocracy, kakistocracy and rent-seeking and has the lowest institutional strength in the sample (20). Its aggregate pathology (68) is second highest and its Monte Carlo rank interval (23rd–25th) is narrow. The pattern is one of predatory extraction around mineral wealth combined with a state that lacks fiscal capacity and territorial control, including in the east, where armed conflict escalated in 2025. The decay index is moderate because the quality base was already low and has changed little in ten years: decay presupposes something to decay from. The sustainability index (49) is propped up by low public debt, which here reflects limited borrowing capacity rather than fiscal strength.

12.16 Viet Nam

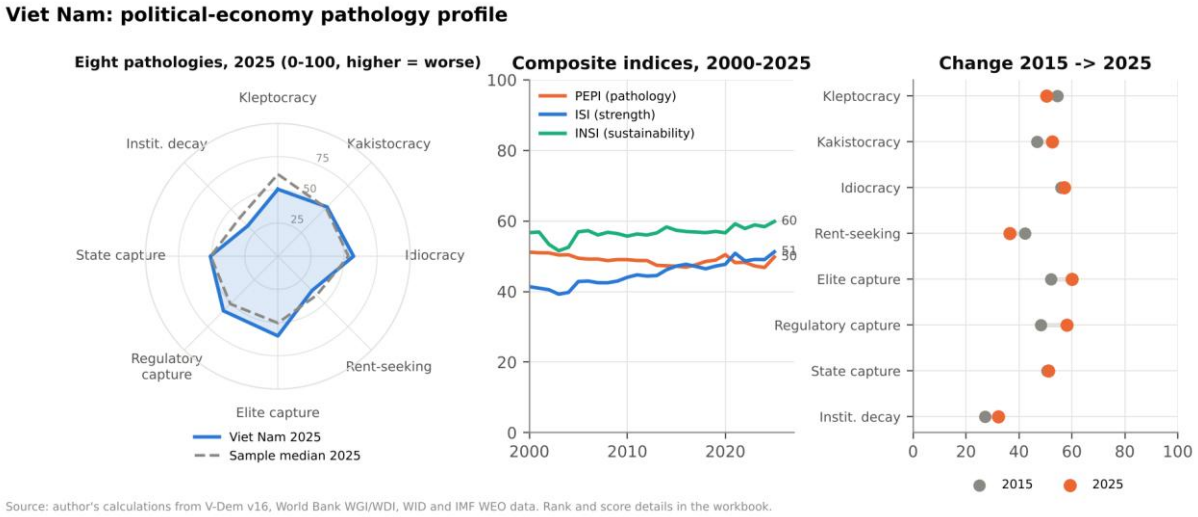


Figure 35. Viet Nam: pathology profile

Source: Author's calculations; data from V-Dem v16, World Bank WGI/WDI, WID and IMF WEO.

Data summary. PEPI 49.8 in 2025 (rank 11 of 25; 90% Monte Carlo rank interval 10–13), compared with 51.2 in 2000 and 47.2 in 2015 (stable over 2015–2025). Highest dimensions: Elite Capture (60, rank 22) and Regulatory Capture (58, rank 16); lowest: Institutional Decay (32). Institutional strength 51 (rank 11; 41 in 2000); sustainability 60 (rank 8). Decay quality base Q = 29, change +2.7 over five years and -3.3 over ten.

Commentary. Viet Nam occupies the middle of the distribution (PEPI 50) with a profile typical of a one-party developmental state: comparatively low kleptocracy and rent-seeking (ranks 9–10), but high elite capture and regulatory capture and a very low quality base for checks and balances. Institutional strength rose by ten points since 2000, one of the largest gains in the sample, which together with a positive trend and moderate debt gives it the eighth-highest sustainability score. The anti-corruption campaign intensified after 2016 and is reflected in a modest fall in kleptocracy; as in China it operates through the party rather than independent institutions.

12.17 Iran

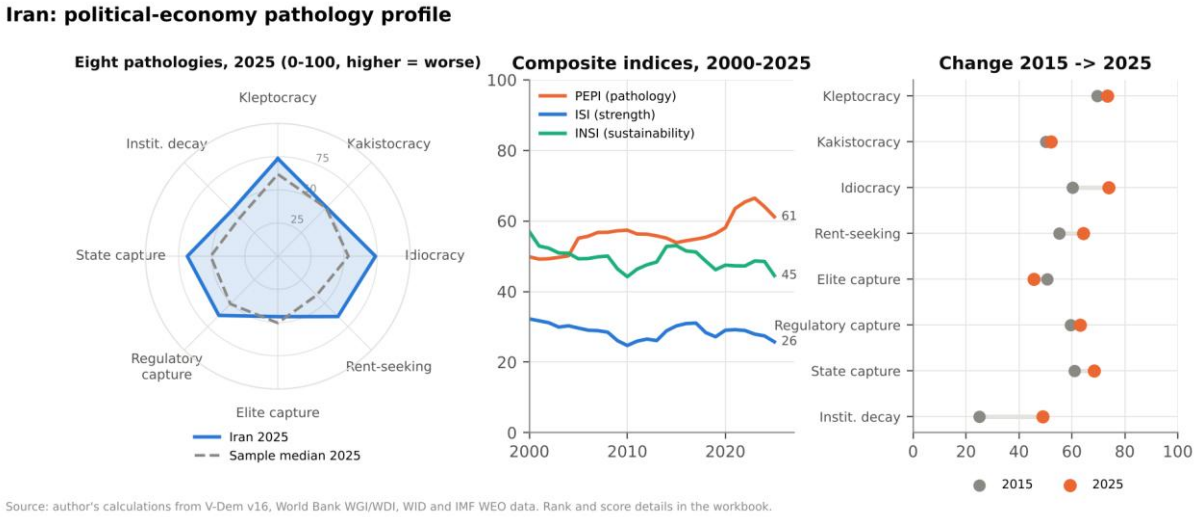


Figure 36. Iran: pathology profile

Source: Author's calculations; data from V-Dem v16, World Bank WGI/WDI, WID and IMF WEO.

Data summary. PEPI 61.2 in 2025 (rank 21 of 25; 90% Monte Carlo rank interval 17–22), compared with 49.8 in 2000 and 53.9 in 2015 (deteriorating over 2015–2025). Highest dimensions: Idiocracy / Evidence-Use Failure (74, rank 22) and Kleptocracy (73, rank 17); lowest: Elite Capture (46). Institutional strength 26 (rank 23; 32 in 2000); sustainability 45 (rank 22). Decay quality base Q = 28, change -4.6 over five years and -9.3 over ten.

Commentary. Iran ranks 21st on aggregate pathology, with high evidence-use failure (74), rent-seeking (64) and state capture (68). Rent-seeking is driven by particularistic allocation and a large role for state-linked and parastatal foundations in the economy, which international sanctions have reinforced by channelling trade through politically connected intermediaries. The decay index (49) combines a low quality base with a ten-year decline that includes the repression of the 2022 protests. Institutional strength is very low (rank 23). Elite capture is moderate by the index's construction, partly because the top-10 per cent income share is lower than in many middle-income countries; this is a reminder that income concentration is only one of five elite-capture components.

12.18 Türkiye

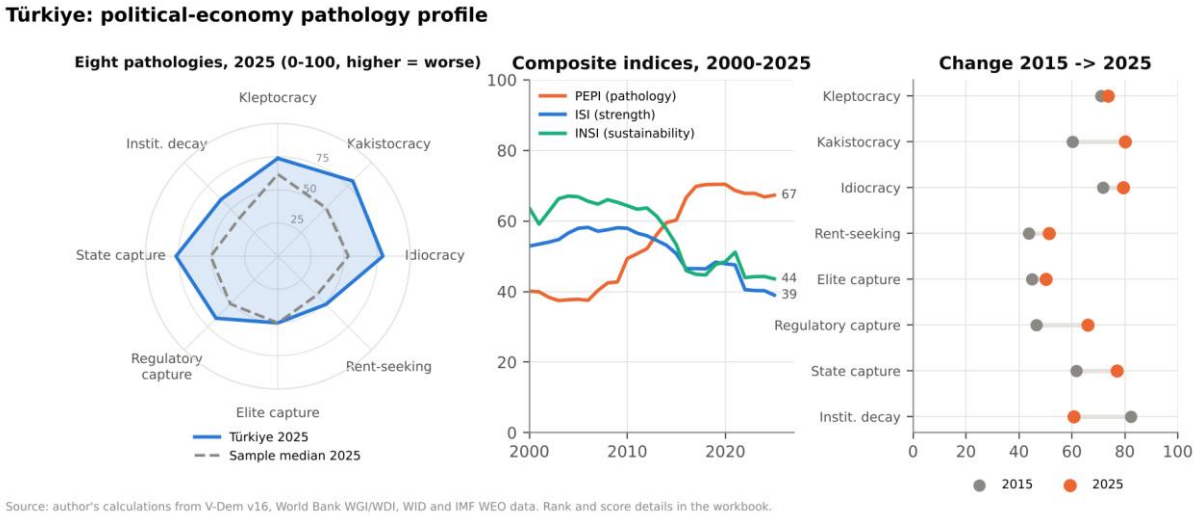


Figure 37. Türkiye: pathology profile

Source: Author's calculations; data from V-Dem v16, World Bank WGI/WDI, WID and IMF WEO.

Data summary. PEPI 67.3 in 2025 (rank 23 of 25; 90% Monte Carlo rank interval 23–25), compared with 40.1 in 2000 and 60.2 in 2015 (deteriorating over 2015–2025). Highest dimensions: Kakistocracy (80, rank 24) and Idiocracy / Evidence-Use Failure (79, rank 24); lowest: Elite Capture (50). Institutional strength 39 (rank 18; 53 in 2000); sustainability 44 (rank 23). Decay quality base Q = 21, change -0.6 over five years and -23.3 over ten.

Commentary. Türkiye shows the largest cumulative deterioration of any country since 2000: PEPI rose from about 40 to 70 in 2020 and stands at 67 in 2025. Kakistocracy (80) is second only to the DR Congo, reflecting the post-2016 purges of the civil service, judiciary and military and the politicisation of appointments under the presidential system adopted in 2017. Evidence-use failure, regulatory capture and state capture are all in the bottom five. The decay index (61) is now driven by the ten-year decline and the low level; the five-year decline is small because most erosion had occurred by 2020. Further measures in 2025, including the detention of the opposition mayor of Istanbul, fall within the latest observations.

12.19 Germany

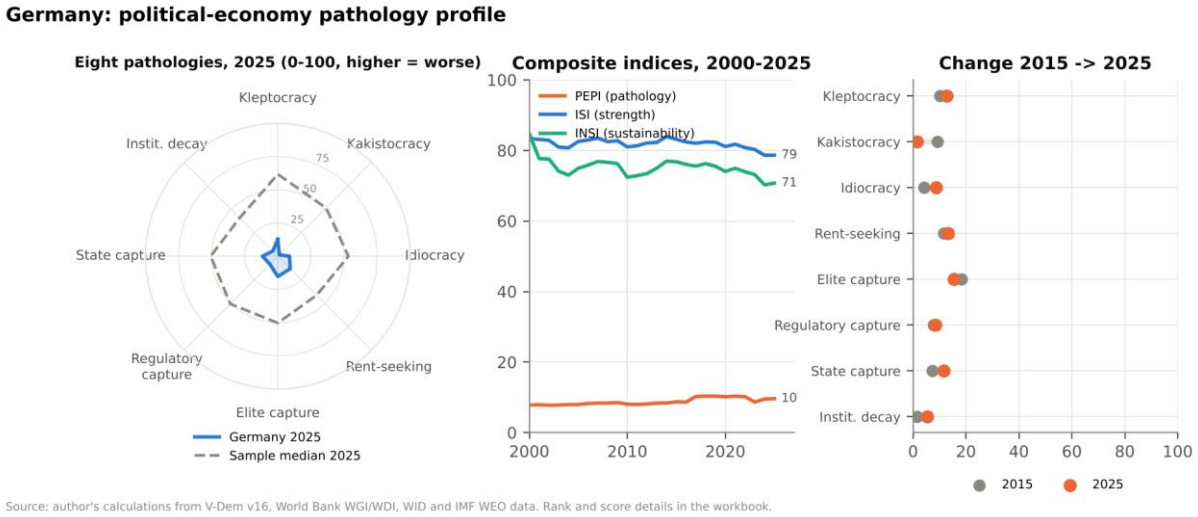


Figure 38. Germany: pathology profile

Source: Author's calculations; data from V-Dem v16, World Bank WGI/WDI, WID and IMF WEO.

Data summary. PEPI 9.6 in 2025 (rank 1 of 25; 90% Monte Carlo rank interval 1–1), compared with 7.8 in 2000 and 8.7 in 2015 (stable over 2015–2025). Highest dimensions: Elite Capture (15, rank 1) and Rent-Seeking (13, rank 1); lowest: Kakistocracy (2). Institutional strength 79 (rank 2; 83 in 2000); sustainability 71 (rank 1). Decay quality base Q = 96, change -0.6 over five years and -2.1 over ten.

Commentary. Germany has the lowest aggregate pathology (9.6) and the lowest score on every static dimension, with a Monte Carlo rank interval of exactly first. It ranks first on sustainability and second on institutional strength. Pathology has risen marginally since 2000, mostly in evidence-use and state-capture indicators, but remains far below all other countries. Germany serves as the benchmark against which the distance of the other 24 countries can be read; the indices do not imply that German institutions are free of rent-seeking or regulatory capture, only that measured conditions for them are the most constrained in this sample.

12.20 Thailand

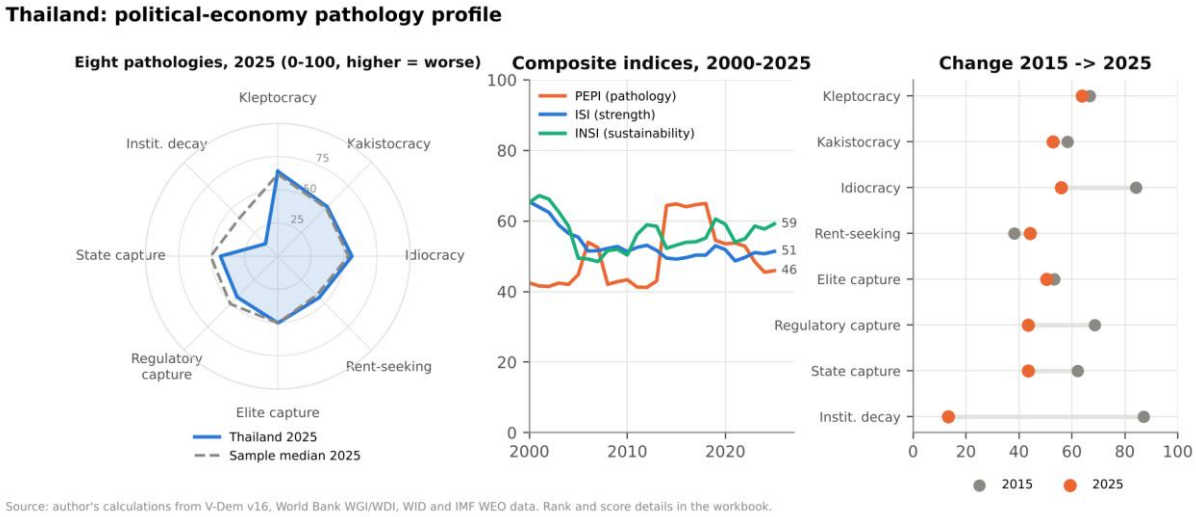


Figure 39. Thailand: pathology profile

Source: Author's calculations; data from V-Dem v16, World Bank WGI/WDI, WID and IMF WEO.

Data summary. PEPI 45.9 in 2025 (rank 10 of 25; 90% Monte Carlo rank interval 10–11), compared with 42.5 in 2000 and 64.8 in 2015 (improving over 2015–2025). Highest dimensions: Kleptocracy (64, rank 14) and Idiocracy / Evidence-Use Failure (56, rank 15); lowest: Institutional Decay (13). Institutional strength 51 (rank 10; 65 in 2000); sustainability 59 (rank 10). Decay quality base Q = 67, change +12.2 over five years and +34.8 over ten.

Commentary. Thailand's PEPI peaked at about 65 in 2015, the year after the 2014 military coup, and has fallen to 46 as elected government returned after 2019. The quality base rose by about thirty-five points in ten years, so its decay index is low. Kleptocracy (64) remains the highest dimension. The improvement is partial and fragile: after the 2023 election the winning party was prevented from forming a government and was later dissolved by the Constitutional Court, and two prime ministers were removed by the same court in 2024 and 2025. These episodes show up as persistent weakness in state capture and kakistocracy rather than as renewed decay.

12.21 Tanzania

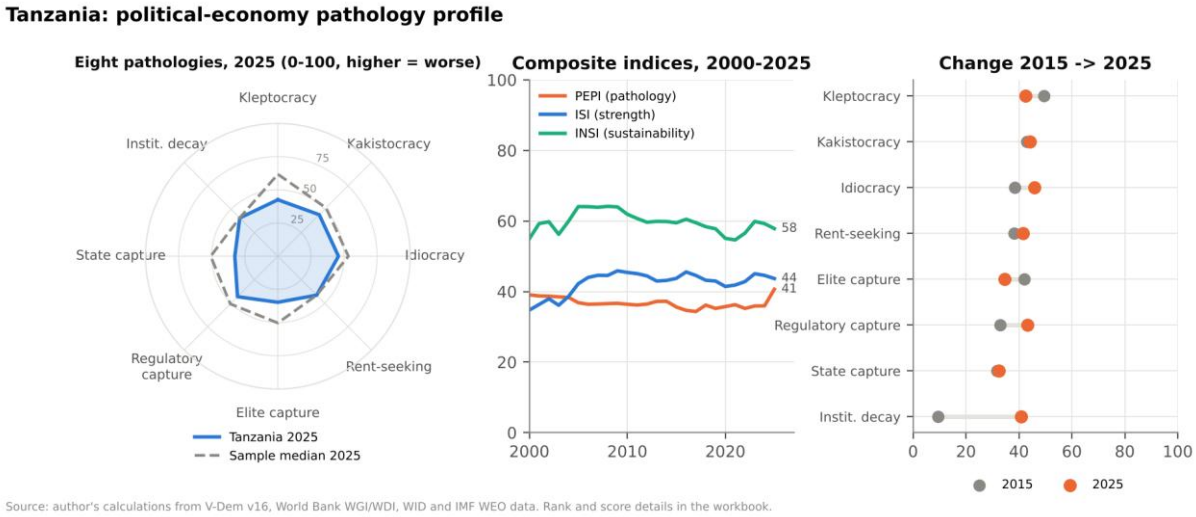


Figure 40. Tanzania: pathology profile

Source: Author's calculations; data from V-Dem v16, World Bank WGI/WDI, WID and IMF WEO.

Data summary. PEPI 40.6 in 2025 (rank 9 of 25; 90% Monte Carlo rank interval 9–9), compared with 39.0 in 2000 and 35.6 in 2015 (deteriorating over 2015–2025). Highest dimensions: Idiocracy / Evidence-Use Failure (46, rank 9) and Kakistocracy (44, rank 9); lowest: State Capture (33). Institutional strength 44 (rank 16; 35 in 2000); sustainability 58 (rank 11). Decay quality base Q = 67, change -8.0 over five years and -9.7 over ten.

Commentary. Tanzania has a comparatively moderate pathology profile (PEPI 41, rank 9), with low elite capture and state capture, but the trend is adverse: PEPI rose by about five points since 2020 and the decay index (41) reflects a five-year decline in accountability and judicial and legislative constraints. Regulatory capture rose by ten points since 2015. The latest year includes the exclusion of the main opposition party from the October 2025 general election. Institutional strength is in the lower half (rank 16) but has improved since 2000; its sustainability index (58) benefits from a positive long-run strength trend and moderate debt.

12.22 United Kingdom

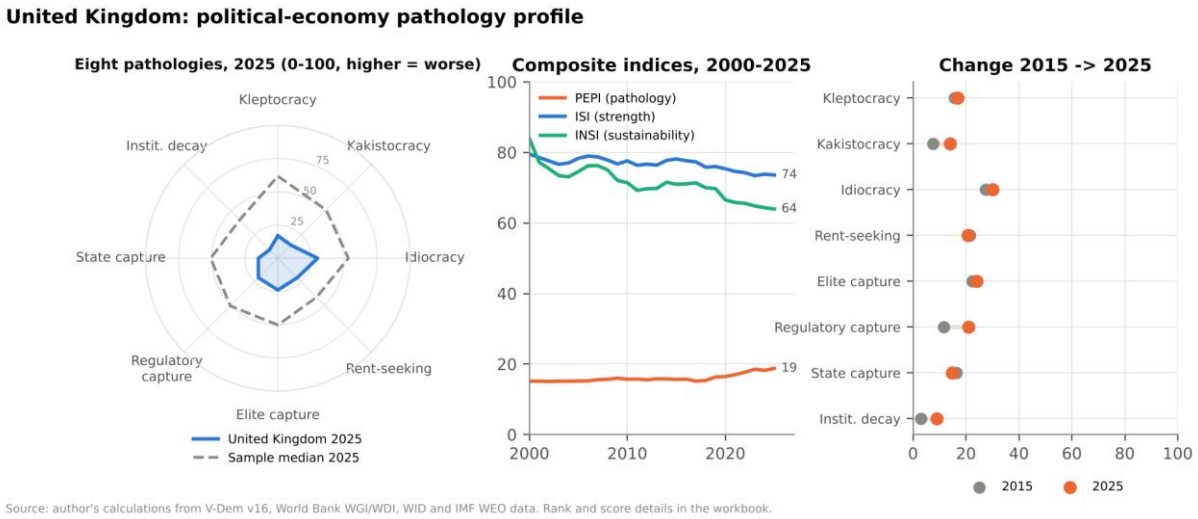


Figure 41. United Kingdom: pathology profile

Source: Author's calculations; data from V-Dem v16, World Bank WGI/WDI, WID and IMF WEO.

Data summary. PEPI 18.8 in 2025 (rank 4 of 25; 90% Monte Carlo rank interval 2–4), compared with 15.1 in 2000 and 15.6 in 2015 (stable over 2015–2025). Highest dimensions: Idiocracy / Evidence-Use Failure (30, rank 6) and Elite Capture (24, rank 4); lowest: Institutional Decay (9). Institutional strength 74 (rank 3; 80 in 2000); sustainability 64 (rank 3). Decay quality base Q = 92, change -2.0 over five years and -1.6 over ten.

Commentary. The United Kingdom is in the lowest-pathology group (PEPI 18.8, rank 4) with small increases since 2015 in regulatory capture and kakistocracy, the latter reflecting expert coding of appointment practices in the 2019–22 period. The decay index is low. Institutional strength is third in the sample but has drifted down since 2000. Its sustainability index (64) is lowered by public debt near 100 per cent of GDP and a mildly negative strength trend.

12.23 France

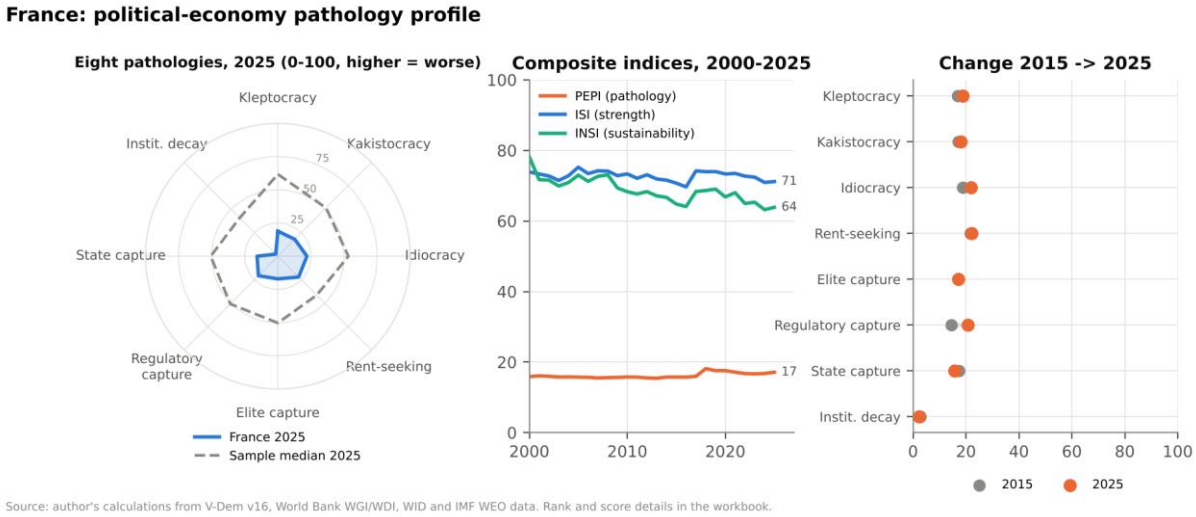


Figure 42. France: pathology profile

Source: Author's calculations; data from V-Dem v16, World Bank WGI/WDI, WID and IMF WEO.

Data summary. PEPI 17.1 in 2025 (rank 2 of 25; 90% Monte Carlo rank interval 2–4), compared with 15.9 in 2000 and 15.8 in 2015 (stable over 2015–2025). Highest dimensions: Rent-Seeking (22, rank 4) and Idiocracy / Evidence-Use Failure (22, rank 4); lowest: Institutional Decay (2). Institutional strength 71 (rank 4; 74 in 2000); sustainability 64 (rank 4). Decay quality base Q = 94, change +2.0 over five years and +1.3 over ten.

Commentary. France ranks second on aggregate pathology (17.1) and has the lowest decay index in the sample, its quality base having risen slightly. All dimensions lie between 16 and 22. Institutional strength is fourth. As with Japan and the United Kingdom, the main sustainability risk is fiscal: debt above 110 per cent of GDP produces a low fiscal-space score. The indices do not capture the governmental instability since 2024, which affects policy continuity but not the institutional constraints that V-Dem and WGI measure.

12.24 South Africa

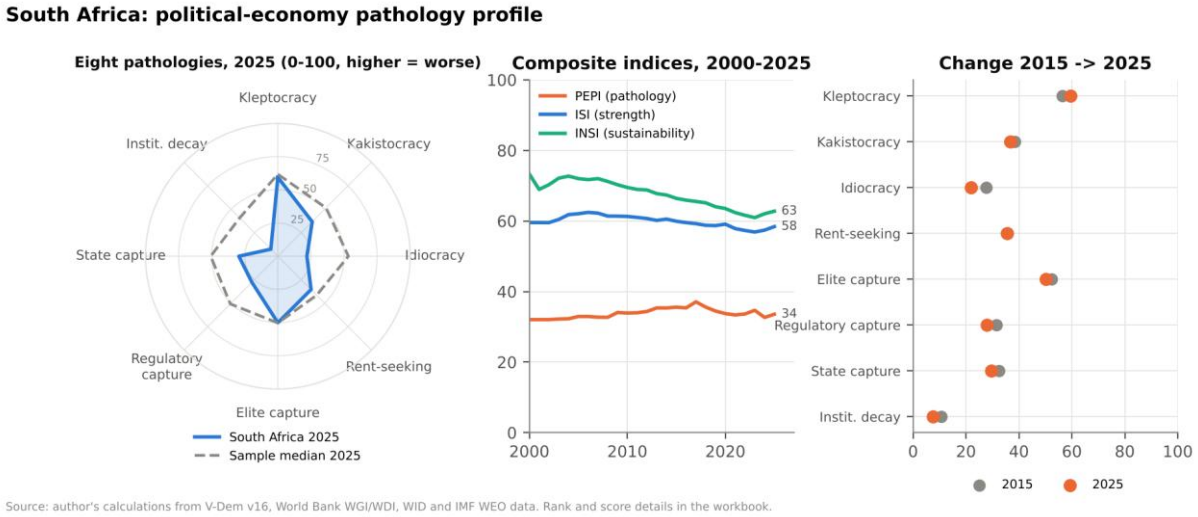


Figure 43. South Africa: pathology profile

Source: Author's calculations; data from V-Dem v16, World Bank WGI/WDI, WID and IMF WEO.

Data summary. PEPI 33.6 in 2025 (rank 7 of 25; 90% Monte Carlo rank interval 6–8), compared with 32.0 in 2000 and 35.6 in 2015 (stable over 2015–2025). Highest dimensions: Kleptocracy (59, rank 12) and Elite Capture (50, rank 12); lowest: Institutional Decay (8). Institutional strength 58 (rank 7; 60 in 2000); sustainability 63 (rank 6). Decay quality base Q = 81, change +0.8 over five years and +0.1 over ten.

Commentary. South Africa is the clearest illustration of differentiated pathology. Its kleptocracy score (59, rank 12) is much higher than its scores on evidence use (22, rank 3), regulatory capture and state capture (28–29). This matches the country's history: the 'state capture' period of 2009–2018 was documented by the Zondo Commission and checked by courts, the Public Protector, the media and parliament, so the institutions that constrain rule-making survived even though corruption in the executive and public sector was extensive. The decay index is low because the quality base has been stable. Institutional strength is seventh and sustainability sixth.

12.25 Italy

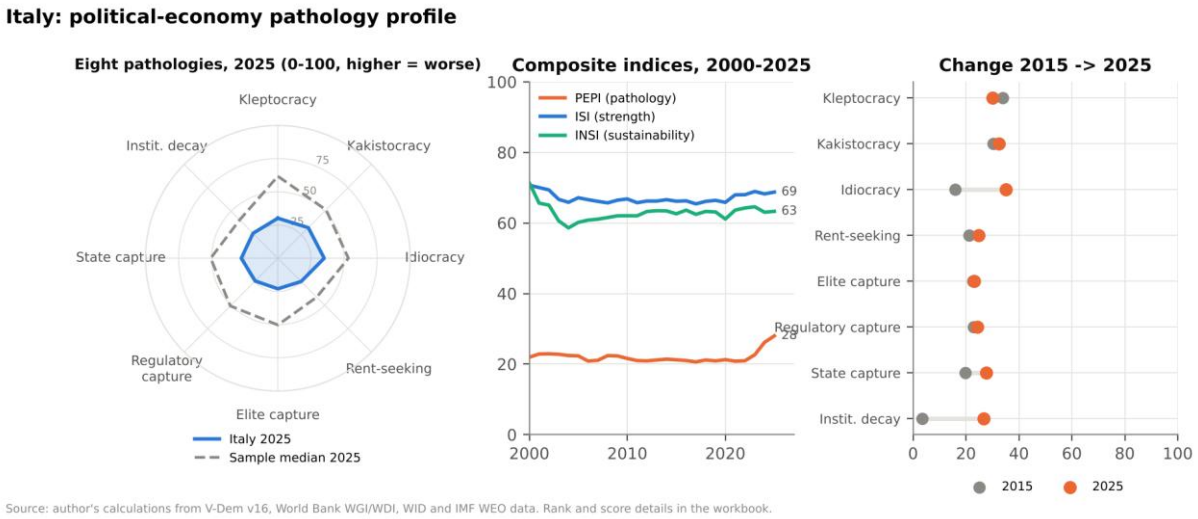


Figure 44. Italy: pathology profile

Source: Author's calculations; data from V-Dem v16, World Bank WGI/WDI, WID and IMF WEO.

Data summary. PEPI 28.0 in 2025 (rank 5 of 25; 90% Monte Carlo rank interval 5–6), compared with 21.9 in 2000 and 21.2 in 2015 (deteriorating over 2015–2025). Highest dimensions: Idiocracy / Evidence-Use Failure (35, rank 7) and Kakistocracy (33, rank 6); lowest: Elite Capture (23). Institutional strength 69 (rank 5; 71 in 2000); sustainability 63 (rank 5). Decay quality base Q = 85, change -6.3 over five years and -6.5 over ten.

Commentary. Italy remains in the lower-pathology group (PEPI 28, rank 5) but records a rise of about seven points in 2021–25, concentrated in evidence-use failure (+19 since 2015), state capture and institutional decay. The decay index (27) reflects a six-point fall in the quality base over five years. Kleptocracy (30) is the highest in Western Europe. Italy's sustainability index is constrained by public debt above 130 per cent of GDP, which gives it the second-lowest fiscal-space score in the sample after Japan.

13. Overall commentary on the 25 countries

Across the 25 most populous countries the eight indices describe a single dominant gradient with distinctive profiles along it. The first principal component of the eight indices explains about 82 per cent of their pooled variance, and countries that score high on one pathology usually score high on others. This common factor is substantive (extractive incentives, closed decision-making and weak accountability reinforce each other) but it also reflects shared measurement: most indicators come from the same expert-coding system. The profiles nevertheless differ in informative ways. South Africa combines high kleptocracy with low state capture; China and Viet Nam combine moderate kleptocracy with high regulatory and elite capture; the Philippines stands out on elite capture; Mexico and Indonesia on recent decay.

Four groups emerge in 2025. The low-pathology group (Germany, France, Japan, the United Kingdom, Italy) has PEPI below 30 and strong, if slowly declining, institutional strength. A middle group (Brazil, South Africa, the United States, Tanzania, Thailand) lies between 30 and 46, with the United States the only member that entered the group from below in the last decade. A large upper-middle group (Viet Nam, India, Bangladesh, the Philippines, Nigeria, Indonesia, Mexico, Ethiopia, Pakistan) lies between 50 and 60. The high-pathology group (China, Iran, Egypt, Türkiye, the DR Congo, Russia) lies above 60.

The direction of change is predominantly negative. Between 2015 and 2025 PEPI rose by five points or more in twelve countries, fell by five or more in two (Bangladesh and Thailand), and was stable in the rest. The median PEPI rose from 45.5 to 52.8 (and from 41.0 in 2000). The deterioration is broad-based across regime types and income levels, and it is led by the dimensions that measure constraints on executive power: evidence-use failure, state capture and institutional decay. Kleptocracy, by contrast, is stable or improving in more countries than it is worsening. The pattern is consistent with the 'autocratisation' literature, which finds that contemporary institutional erosion operates mainly through the gradual weakening of courts, legislatures and information environments rather than through coups.

Institutional strength and pathology are strongly related in levels (the Spearman correlation between ISI and PEPI in 2025 is −0.89), but they are not the same measurement. Pakistan, Nigeria and Iran have much lower strength than their pathology alone would predict; India and Viet Nam have higher strength. Sustainability adds a further layer: fiscal space and trend reorder countries within each group, so that Japan and Italy are less sustainable than their strength suggests and Viet Nam and Bangladesh more so.

The relationship between pathology and growth is weak once country and year fixed effects are included. Within countries, year-to-year changes in pathology do not predict year-to-year changes in per-capita growth in this sample, and no index passes the extreme-bounds test. Higher pathology is associated with lower subsequent foreign direct investment and, less precisely, lower investment, and with a subsequent decline in institutional strength. These are associations among 25 countries over 25 years and should not be read as causal effects; the absence of a within-country growth effect is consistent with the view that institutions shape long-run income levels more than annual growth, and that rapid-growth autocracies (China, Viet Nam) and slow-growth democracies coexist in the sample.

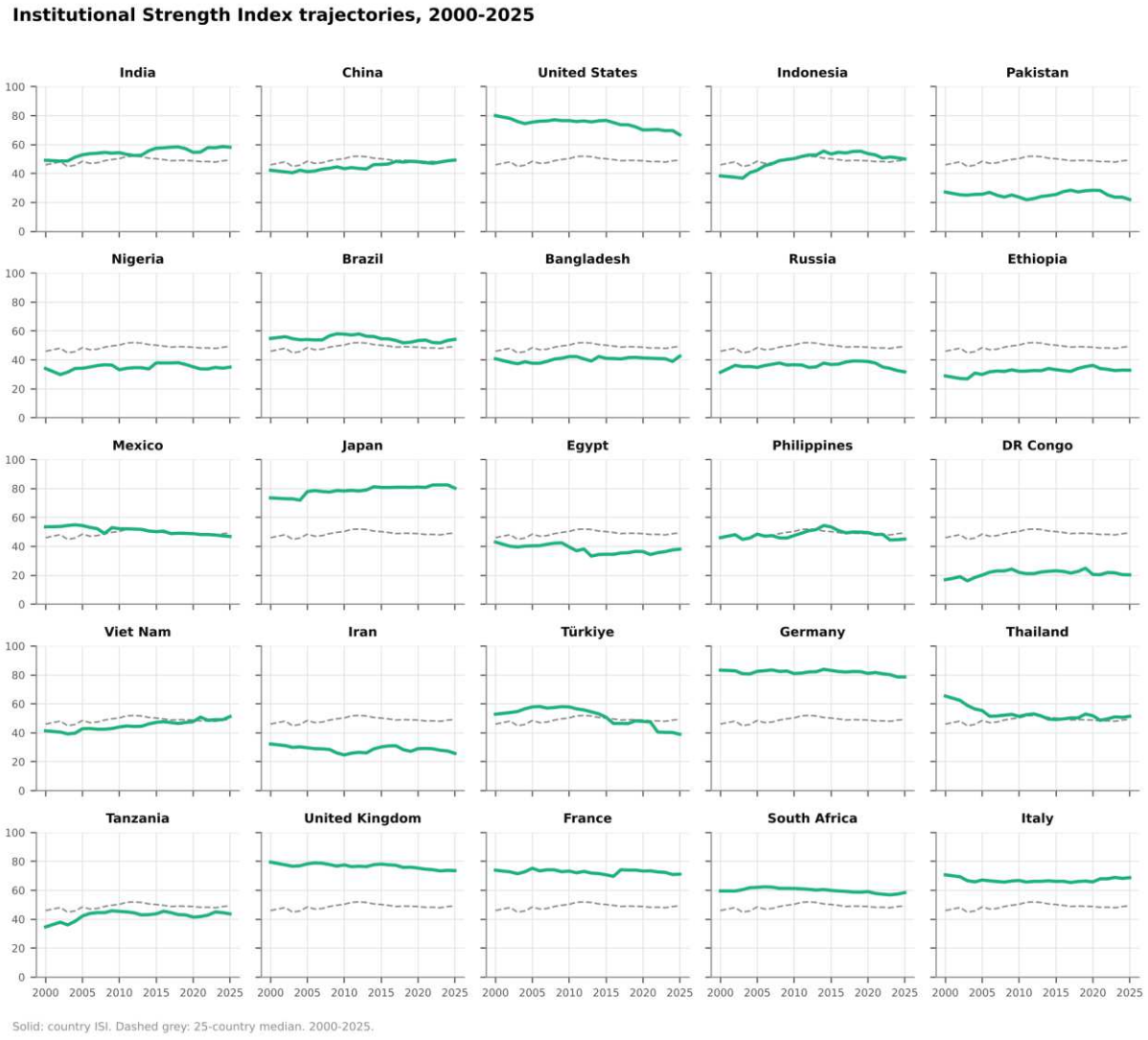


Figure 45. Institutional Strength Index trajectories, 2000–2025

Source: Author's calculations; data from V-Dem v16, World Bank WGI/WDI, WID and IMF WEO.

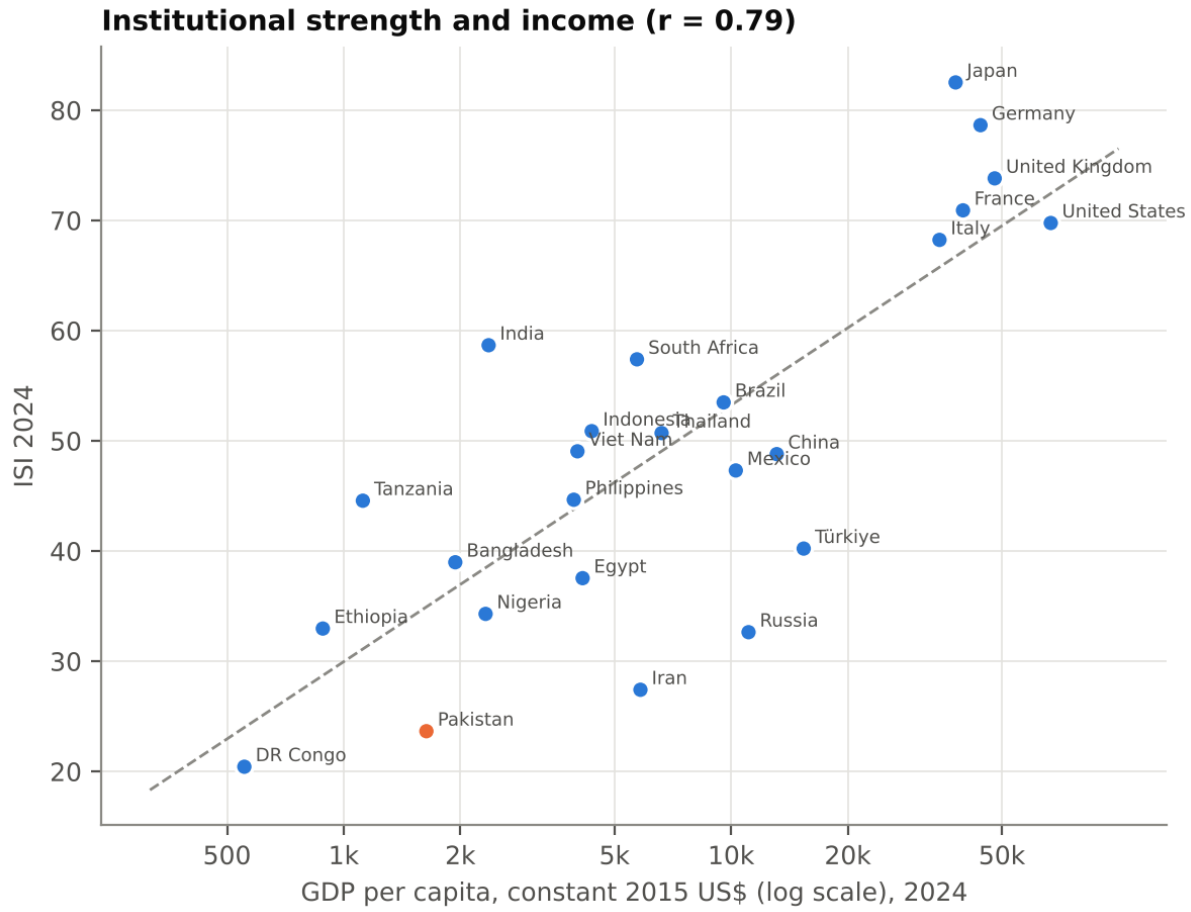


Figure 46. Institutional strength and GDP per capita, 2024

Source: Author's calculations; data from V-Dem v16, World Bank WGI/WDI, WID and IMF WEO.

14. Econometric methodology

The panel covers 25 countries over 2001–2025 (T = 25). The baseline specification (Model A) regresses per-capita GDP growth on lagged PEPI with country and year fixed effects:

$$Growth(c,t) = \beta_0 + \beta_1 \cdot PEPI(c,t-1) + \gamma' X(c,t) + \mu(c) + \lambda(t) + \varepsilon(c,t) \quad (9)$$

X contains lagged log GDP per capita (convergence), gross fixed capital formation, trade openness, inflation (log(1 + π)), the age-dependency ratio, gross secondary enrolment (human capital; interior gaps interpolated) and natural-resource rents (available to 2021, which limits the full specification to 2001–2021). Standard errors are clustered by country; with 25 clusters inference is approximate. The same specification is estimated for investment, FDI and labour-productivity growth. Model A3 uses non-overlapping five-year averages with PEPI measured at the start of each period, which reduces business-cycle noise and reverse causality from short-run growth shocks.

Model B replaces PEPI with the eight indices and reports variance inflation factors. Model C regresses INSI on lagged pathologies; because INSI and INDEI share the V-Dem accountability index, Model C2 uses a non-overlapping outcome (the WGI government-effectiveness and rule-of-law average) and excludes INDEI. Model D estimates dynamic specifications: least-squares dummy-variable models with a lagged dependent variable (the Nickell (1981) bias is of order 1/T ≈ 4% with T = 25) and an Anderson–Hsiao (1981) first-difference instrumental-variable estimator. Difference and system GMM (Arellano & Bond, 1991; Blundell & Bond, 1998) are not used as the main estimator: with N = 25 and T = 25 the instrument count grows quadratically with T and quickly exceeds the number of cross-sectional units,

weakening the Hansen test and biasing estimates towards OLS (Roodman, 2009). Model E tests unit roots country by country and estimates a mean-group error-correction model (Pesaran & Smith, 1995); a pooled mean-group estimator (Pesaran et al., 1999) would require homogeneous long-run coefficients that the country estimates do not support. Model F tests nonlinearity with a quadratic term and a grid-searched threshold (Hansen, 1999), reported as exploratory. Model G, causal identification, is discussed but not estimated (Section 15.6).

15. Empirical results

15.1 Pathology and economic performance (Model A)

Table 12. Model A: pathology and economic performance (two-way fixed effects)

Model	Dependent	Regressor	β	SE	p	N	R^2 within
A: TWFE, PEPI(t-1)	growth	PEPI(t−1)	0.033	0.027	0.235	420	0.109
A: TWFE, PEPI(t-1)	inv	PEPI(t−1)	-0.102	0.054	0.062	420	0.170
A: TWFE, PEPI(t-1)	fdi	PEPI(t−1)	-0.039	0.015	0.011	420	0.094
A: TWFE, PEPI(t-1)	prod_g	PEPI(t−1)	0.044	0.029	0.129	420	0.054
A2: TWFE parsimonious (to 2025)	growth	PEPI(t−1)	0.026	0.030	0.390	625	0.032
A3: 5-yr averages, PEPI at period start	growth	PEPI(t−1)	0.027	0.028	0.338	117	0.276
A4: 5-yr averages, ISI at period start	growth	ISI(t−1)	0.007	0.036	0.857	117	0.258

Source: Author's calculations from V-Dem v16, World Bank WGI and WDI, WID and IMF WEO data (see Source_Register in the workbook). Country-clustered SEs. growth = GDP pc growth (%); inv = GFCF % GDP; fdi = FDI net inflows % GDP; prod_g = labour-productivity growth (%).

H2 is not supported for growth. Within countries, lagged PEPI has a small and statistically insignificant coefficient on per-capita growth (β = 0.033, p = 0.24), and the result holds with five-year averages and in the parsimonious specification to 2025. A one-standard-deviation within-country change in PEPI (about five points) would imply a change in growth of less than 0.2 percentage points even at the point estimate. Higher pathology is, however, associated with lower subsequent FDI inflows (β = -0.039 per PEPI point, p = 0.011): a ten-point rise in PEPI is associated with FDI about 0.4 percentage points of GDP lower. The association with fixed investment is negative and borderline (β = -0.102, p = 0.062).

The weak growth result is consistent with the literature's view that institutions determine long-run income levels more than annual growth rates, and with the sample's composition: fast-growing countries with high pathology (China, Viet Nam, Bangladesh, India) offset slow-growing advanced economies with low pathology, and fixed effects remove the cross-country level differences where institutions matter most. Figure 47 shows the cross-country pattern for investment and FDI.

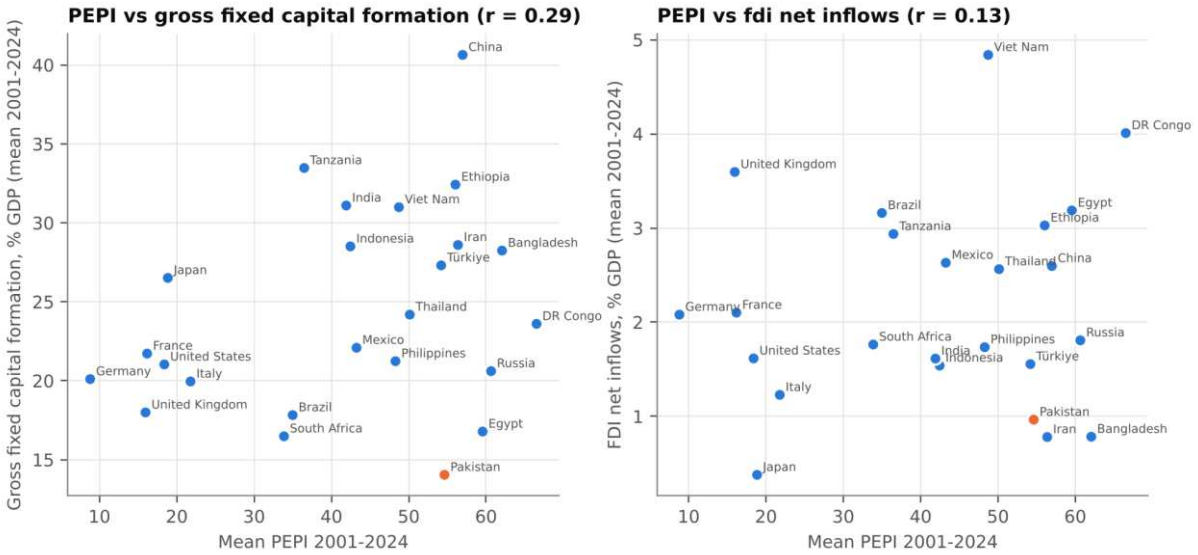


Figure 47. Mean PEPI and mean investment and FDI, 2001–2024

Source: Author's calculations; data from V-Dem v16, World Bank WGI/WDI, WID and IMF WEO.

15.2 Eight-dimensional specification (Model B)

Table 13. Model B: GDP per-capita growth on the eight indices (t−1)

Index	β	SE	p	VIF (within)
KLI	0.020	0.072	0.781	3.7
KAI	0.053	0.053	0.315	4.1
IDI	-0.034	0.035	0.330	3.8
RSI	-0.196	0.074	0.008	2.2
ECI	0.026	0.046	0.569	1.3
RCI	-0.019	0.062	0.765	4.7
SCI	0.001	0.077	0.995	7.4
INDEI	0.040	0.029	0.172	4.3

Source: Author's calculations from V-Dem v16, World Bank WGI and WDI, WID and IMF WEO data (see Source_Register in the workbook).

When the eight indices enter jointly their coefficients are individually imprecise and several have unexpected signs, a typical symptom of collinearity among related constructs. Variance inflation factors computed on within-transformed data are moderate, but the within-country variation in each index is small relative to its cross-country variation, so the data cannot separate the indices' growth effects. This reinforces the conclusion of Chapter 9: the indices are informative as profiles but are not separately identifiable as growth determinants in a 25-country panel.

15.3 Institutional sustainability and persistence (Models C and D)

Table 14. Models C and D: sustainability, strength and dynamics

Model	Dependent	Regressor	β	SE	p	N
C: TWFE, INSI on eight indices (t-1)	INSI	KLI(t−1)	-0.060	0.111	0.590	625
C: TWFE, INSI on eight indices (t-1)	INSI	KAI(t−1)	-0.207	0.071	0.004	625
C: TWFE, INSI on eight indices (t-1)	INSI	IDI(t−1)	-0.036	0.051	0.479	625
C: TWFE, INSI on eight indices (t-1)	INSI	RSI(t−1)	-0.050	0.106	0.639	625
C: TWFE, INSI on eight indices (t-1)	INSI	ECI(t−1)	-0.147	0.103	0.153	625
C: TWFE, INSI on eight indices (t-1)	INSI	RCI(t−1)	-0.272	0.122	0.026	625
C: TWFE, INSI on eight indices (t-1)	INSI	SCI(t−1)	0.017	0.105	0.875	625
C: TWFE, INSI on eight indices (t-1)	INSI	INDEI(t−1)	0.015	0.020	0.453	625

Model	Dependent	Regressor	β	SE	p	N
C2: non-overlapping (WGI GE+RL outcome, INDEI excluded)	ISI_wgi	KLI(t−1)	-0.170	0.125	0.175	625
C2: non-overlapping (WGI GE+RL outcome, INDEI excluded)	ISI_wgi	KAI(t−1)	-0.103	0.059	0.084	625
C2: non-overlapping (WGI GE+RL outcome, INDEI excluded)	ISI_wgi	IDI(t−1)	0.072	0.043	0.096	625
C2: non-overlapping (WGI GE+RL outcome, INDEI excluded)	ISI_wgi	RSI(t−1)	-0.105	0.075	0.159	625
C2: non-overlapping (WGI GE+RL outcome, INDEI excluded)	ISI_wgi	ECI(t−1)	0.047	0.133	0.726	625
C2: non-overlapping (WGI GE+RL outcome, INDEI excluded)	ISI_wgi	RCI(t−1)	-0.383	0.099	0.000	625
C2: non-overlapping (WGI GE+RL outcome, INDEI excluded)	ISI_wgi	SCI(t−1)	0.105	0.126	0.405	625
D1: dynamic LSDV (growth)	growth	growth(t−1)	0.134	0.056	0.017	555
D1: dynamic LSDV (growth)	growth	PEPI(t−1)	0.015	0.018	0.411	555
D2: dynamic LSDV (ISI persistence)	ISI	ISI(t−1)	0.832	0.026	0.000	625
D2: dynamic LSDV (ISI persistence)	ISI	PEPI(t−1)	-0.064	0.028	0.020	625
D3: Anderson-Hsiao IV (first differences, ISI(t-2) instrument)	dISI	dISI(t−1)	1.060	0.126	0.000	600
D3: Anderson-Hsiao IV (first differences, ISI(t-2) instrument)	dISI	dPEPI(t−1)	0.086	0.045	0.054	600

Source: Author's calculations from V-Dem v16, World Bank WGI and WDI, WID and IMF WEO data (see Source_Register in the workbook).

H3 receives support. In the dynamic model of institutional strength (D2), strength is highly persistent ($\rho = 0.83$) and lagged PEPI has a negative and significant coefficient ($\beta = -0.064$, $p = 0.020$): a ten-point higher PEPI is followed by ISI about 0.6 points lower the following year, cumulating to roughly 3.8 points in the long run ($\beta/(1 - \rho)$). The Anderson–Hsiao estimate does not confirm the result ($\beta = 0.086$, $p = 0.05$), but its first-stage F-statistic of 5.9 indicates a weak instrument, so it carries little weight. In Model C, lagged kakistocracy ($\beta = -0.21$, $p = 0.004$) and regulatory capture ($\beta = -0.27$, $p = 0.03$) are associated with lower subsequent sustainability, while the other indices are insignificant. In the non-overlapping specification C2, regulatory capture is strongly associated with subsequently lower WGI government effectiveness and rule of law ($\beta = -0.38$, $p < 0.001$). This last result must be read with care: RCI contains the WGI regulatory-quality estimate, which draws on many of the same perception sources as the outcome, so part of the association is shared measurement rather than an institutional effect.

15.4 Long-run relationships (Model E)

Country-by-country ADF tests fail to reject a unit root in the level of PEPI for 100% of countries and reject it in first differences for 80%, so PEPI behaves as a highly persistent, near-integrated series over 25 years; with $T = 25$ the tests have low power. The mean-group error-correction model finds stabilising adjustment in 20 of 25 countries (mean error-correction coefficient -0.106), but the mean short-run effect of PEPI changes on income growth is not distinguishable from zero ($t = 0.85$) and the long-run coefficients are dispersed across countries. The evidence does not support a homogeneous long-run relationship between pathology and income within countries over this horizon.

15.5 Nonlinearity (Model F)

H4 is not supported. The quadratic specification for annual changes in ISI has coefficients of $\beta = -0.101$ ($p = 0.12$) on PEPI and 0.090 ($p = 0.13$) on $PEPI^2/100$, and the grid-searched threshold (PEPI ≈ 42) produces no significant change in slope. Deterioration in strength is not detectably faster at high levels of pathology in this sample.

15.6 Causal identification (Model G)

None of the estimates above identifies a causal effect. Pathology and performance are jointly determined, measurement error is correlated across indices, and the sample offers no clean natural experiment. Plausible designs for future work include event studies around discrete institutional shocks visible in the data (the 2014 coup and 2019 elections in Thailand, Bangladesh's 2024 transition, Mexico's 2024 judicial reform, Türkiye's 2017 constitutional change), synthetic-control comparisons using a larger donor pool than 25 countries, and instruments based on external shocks to rents such as commodity-price windfalls. These would require the full V-Dem universe of about 180 countries rather than the present sample.

16. Robustness and sensitivity

16.1 Weighting and aggregation

Figure 48 compares PEPI ranks under five weighting and aggregation schemes. The maximum rank shift for any country is 1 places; 25 of 25 countries move by at most one place. Germany, France, Japan and the United Kingdom occupy the top four places and Russia the last place under every scheme; the Spearman correlation between the baseline and each alternative is at least 0.997.

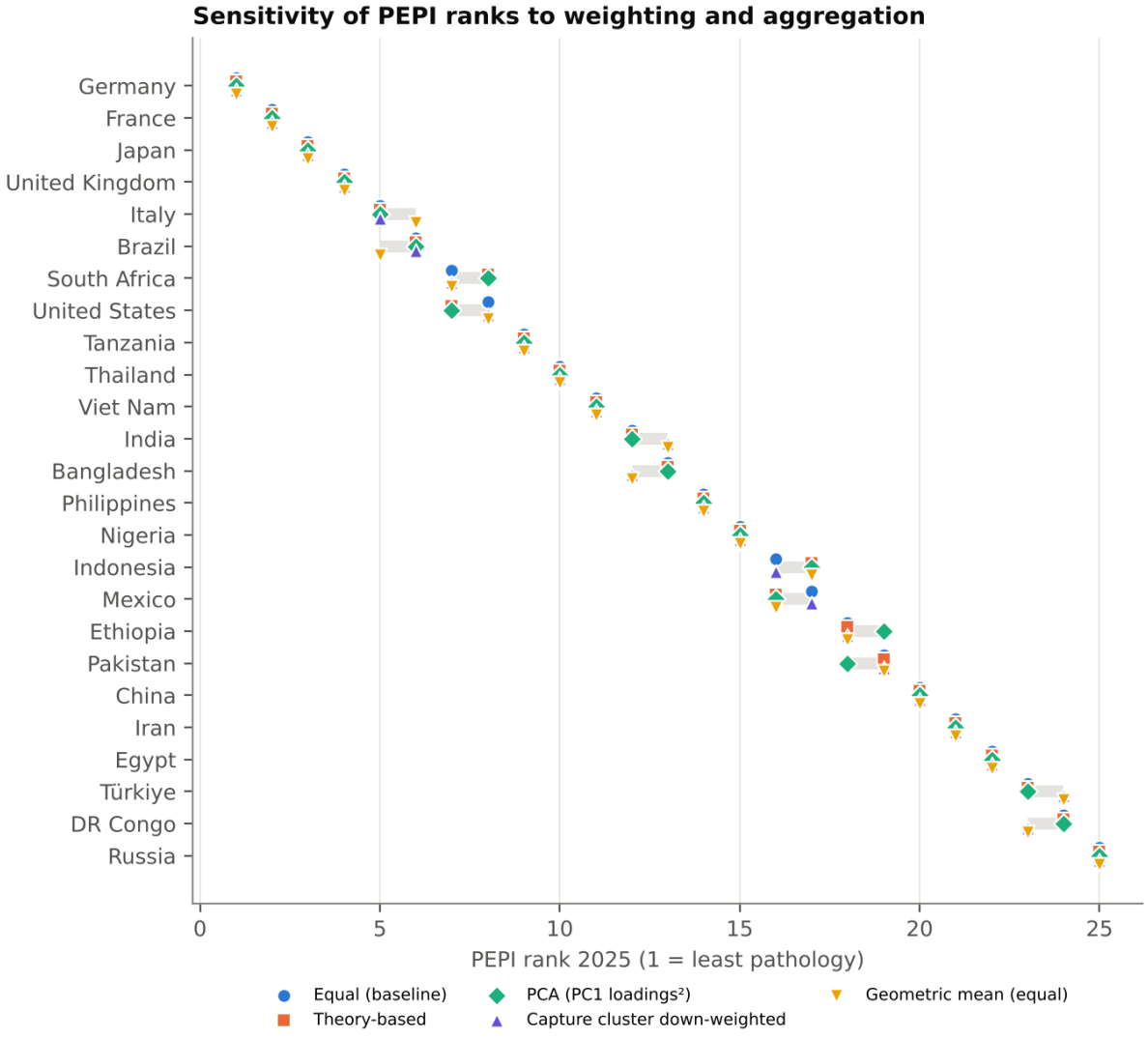


Figure 48. Sensitivity of PEPI ranks to weighting and aggregation, 2025

Source: Author's calculations; data from V-Dem v16, World Bank WGI/WDI, WID and IMF WEO.

16.2 Normalisation

Table 15. Normalisation sensitivity of PEPI ranks, 2025

Alternative normalisation	Spearman ρ vs baseline	Max rank shift
Sample min-max (pooled 2000-25)	0.998	1
Z-score (pooled)	0.988	4
Within-year percentile rank	0.985	5

Source: Author's calculations from V-Dem v16, World Bank WGI and WDI, WID and IMF WEO data (see Source_Register in the workbook).

16.3 Leave-one-out

Dropping any single indicator leaves the 2025 ranking of its index highly correlated with the baseline (minimum Spearman $\rho = 0.896$, for power distributed by socioeconomic position in ECI). Dropping any single index from PEPI yields $\rho \geq 0.981$ and a maximum rank shift of 4 places; the most influential dimensions are evidence-use failure and decay, which are also the least correlated with the rest. The rent-seeking index is the most sensitive to its composition, because its four indicators are the least inter-correlated.

Table 16. Leave-one-indicator-out and leave-one-dimension-out tests, 2025

Index	Dropped	Label	Spearman ρ	Max rank shift
KLI	KL1	Executive corruption index	0.981	4
KLI	KL2	Public-sector corruption index	0.984	3
KLI	KL3	Legislative corrupt activities	0.986	3
KLI	KL4	Judicial corruption decision	0.985	3
KLI	KL5	Control of Corruption (WGI)	0.996	1
KAI	KA1	Merit criteria: state administration appointments	0.982	5
KAI	KA2	Merit criteria: armed forces appointments	0.948	5
KAI	KA3	Rigorous and impartial public administration	0.990	3
KAI	KA4	Clientelism index	0.934	7
IDI	ID1	Reasoned justification of policy	0.988	3
IDI	ID2	Range of consultation	0.993	2
IDI	ID3	Respect for counterarguments	0.978	3
IDI	ID4	Government dissemination of false information (domestic	0.988	3
IDI	ID5	Academic freedom index	0.971	4
RSI	RS1	Particularistic vs public-goods spending	0.919	8
RSI	RS2	Public-sector corrupt exchanges (bribes for favours)	0.963	5
RSI	RS3	State ownership / control of the economy	0.965	6
RSI	RS4	Tariff rate, applied, weighted mean, all products (%)	0.974	4
ECI	EC1	Power distributed by socioeconomic position	0.896	9
ECI	EC2	Power distributed by social group	0.925	8
ECI	EC3	Party linkages (programmatic vs clientelistic)	0.951	7
ECI	EC4	Disclosure of campaign donations	0.950	6
ECI	EC5	Top 10% pre-tax national income share	0.975	5
RCI	RC1	Transparent laws with predictable enforcement	0.985	3
RCI	RC2	Regulatory Quality (WGI)	0.976	5
RCI	RC3	Lower-court independence	0.985	4
RCI	RC4	Legislature questions officials in practice	0.957	5
SCI	SC1	Regime corruption index	0.978	3
SCI	SC2	High-court independence	0.978	4
SCI	SC3	Government compliance with the judiciary	0.977	5
SCI	SC4	Executive respects the constitution	0.991	3
SCI	SC5	Legislature investigates the executive	0.985	2
ISI	IS1	Government Effectiveness (WGI)	0.994	2

Index	Dropped	Label	Spearman ρ	Max rank shift
ISI	IS2	Rule of Law (WGI)	0.994	2
ISI	IS3	Voice and Accountability (WGI)	0.980	4
ISI	IS4	Political Stability / Absence of Violence (WGI)	0.995	1
ISI	IS5	State fiscal capacity	0.990	2
PEPI	KLI	leave-one-dimension-out	0.992	2
PEPI	KAI	leave-one-dimension-out	0.996	2
PEPI	IDI	leave-one-dimension-out	0.982	4
PEPI	RSI	leave-one-dimension-out	0.993	2
PEPI	ECI	leave-one-dimension-out	0.994	2
PEPI	RCI	leave-one-dimension-out	0.992	3
PEPI	SCI	leave-one-dimension-out	0.993	2
PEPI	INDEI	leave-one-dimension-out	0.981	4

Source: Author's calculations from V-Dem v16, World Bank WGI and WDI, WID and IMF WEO data (see Source_Register in the workbook).

16.4 Measurement uncertainty

The Monte Carlo analysis perturbs every V-Dem estimate within its 68% credible interval and draws indicator and index weights from Dirichlet distributions centred on equal weights (1,000 draws). The median width of the 90% PEPI rank interval is 2 places; Germany's interval is exactly first and Russia's lies between 23rd and 25th. Countries in the dense middle of the distribution (scores 50–62) have the widest intervals, so their exact ranks should not be over-interpreted; Pakistan's interval is 16–22.

16.5 Extreme-bounds analysis

For each index the growth regression was re-estimated with all 64 combinations of six 'doubtful' controls (investment, trade, inflation, dependency, enrolment, resource rents), always including lagged log income and fixed effects. Table 17 reports the statistics required by the research design. Leamer's (1983) criterion, that the extreme bounds (β ± 2 SE across all specifications) exclude zero, is not met by any index. The share of specifications with the expected sign and significance at 5 per cent is zero for all eight pathology indices and PEPI; for ISI and INSI the coefficient always has the expected positive sign and is significant in about a third of specifications. The 60 per cent sign-and-significance threshold is a researcher-defined descriptive benchmark, not a statistical rule; by either criterion, no pathology index is a robust within-country predictor of annual growth (Figure 49).

Table 17. Extreme-bounds analysis: growth on index(t−1), 64 specifications each

Index	Exp.	Mean β	SD β	Mean ± 2SD	Exp. sign	Sig. 5%	Sign & sig.	Extreme bounds	Leamer robust
KLI	-	-0.005	0.018	[-0.042, 0.032]	58%	0%	0%	[-0.160, 0.112]	No
KAI	-	0.039	0.013	[0.013, 0.064]	0%	41%	0%	[-0.041, 0.126]	No
IDI	-	0.000	0.009	[-0.019, 0.019]	53%	0%	0%	[-0.073, 0.069]	No
RSI	-	-0.075	0.042	[-0.160, 0.010]	92%	0%	0%	[-0.278, 0.196]	No
ECI	-	0.019	0.018	[-0.017, 0.055]	17%	0%	0%	[-0.106, 0.175]	No
RCI	-	0.006	0.014	[-0.023, 0.035]	44%	0%	0%	[-0.106, 0.127]	No
SCI	-	0.027	0.009	[0.008, 0.045]	0%	0%	0%	[-0.046, 0.113]	No
INDEI	-	0.019	0.003	[0.012, 0.025]	0%	38%	0%	[-0.010, 0.048]	No
PEPI	-	0.031	0.015	[0.001, 0.060]	2%	11%	0%	[-0.064, 0.130]	No
ISI	+	0.069	0.024	[0.020, 0.117]	100%	31%	31%	[-0.079, 0.194]	No
INSI	+	0.058	0.018	[0.022, 0.093]	100%	33%	33%	[-0.038, 0.157]	No

Source: Author's calculations from V-Dem v16, World Bank WGI and WDI, WID and IMF WEO data (see Source_Register in the workbook).

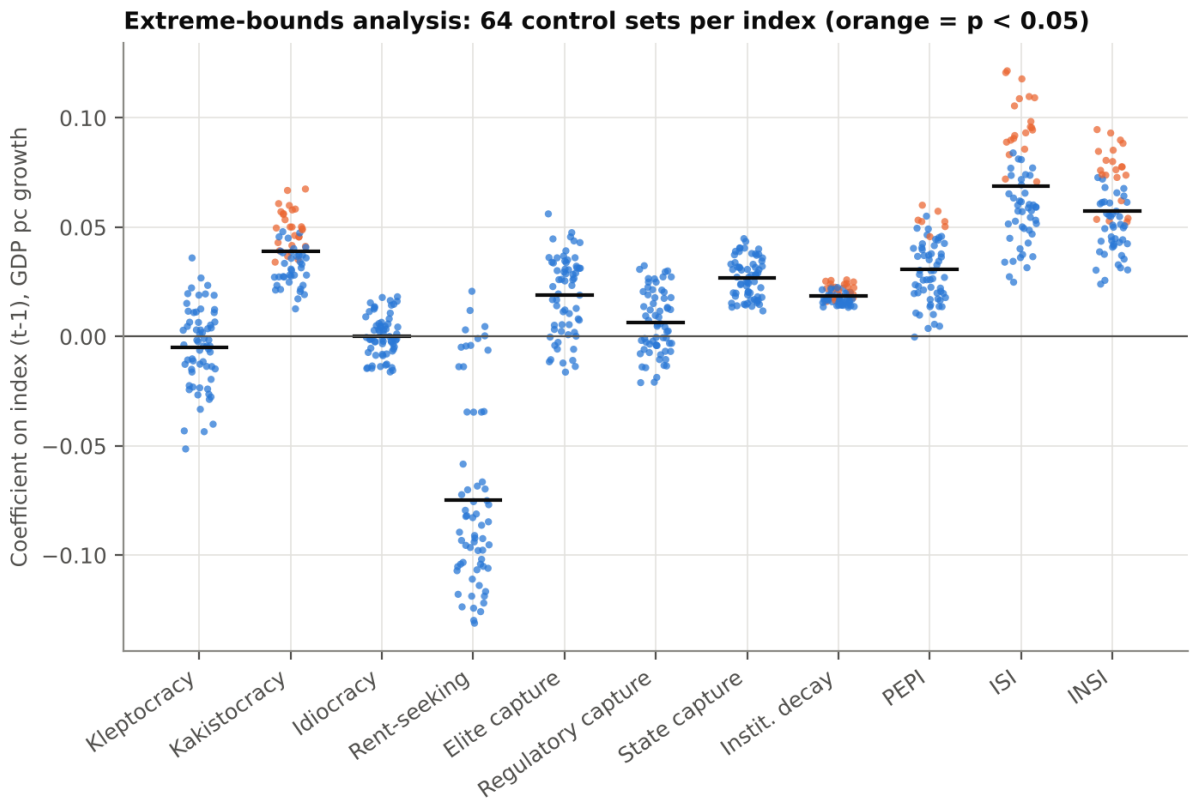


Figure 49. Distribution of coefficients across 64 specifications per index

Source: Author's calculations; data from V-Dem v16, World Bank WGI/WDI, WID and IMF WEO.

17. Institutional sustainability

INSI combines current strength with its trend, stability, accountability and fiscal space. Its Spearman correlation with ISI in 2025 is 0.88, high but well below one, and the reordering is substantive (H5 supported). The United States falls from 6th on strength to 16th on sustainability because of a sharply negative strength trend and high debt; China (13th to 21st) and Türkiye (18th to 23rd) also lose places. Bangladesh (17th to 12th), Tanzania (16th to 11th), Nigeria (20th to 15th) and Viet Nam (11th to 8th) gain because of positive or stable trends and low debt. Japan, Italy, France and the United Kingdom keep high ranks but have very low fiscal-space components, so their sustainability scores are well below their strength scores. Pakistan is last: its strength is low and falling, its accountability component has weakened since 2018, and fiscal space is moderate.

Table 18. Institutional Sustainability Index and its components, 2025

Country	INSI	Rank	ISI	ISI rank	Trend	Stability	Account.	Fiscal
Germany	71	1	79	2	38	85	93	58
Japan	64	2	80	1	47	92	87	0
United Kingdom	64	3	74	3	40	85	85	32
France	64	4	71	4	45	85	92	23
Italy	63	5	69	5	61	87	85	9
South Africa	63	6	58	7	46	91	82	48
Brazil	61	7	54	9	51	90	86	38
Viet Nam	60	8	51	11	64	84	31	80
India	60	9	58	8	60	85	54	44
Thailand	59	10	51	10	52	88	61	57
Tanzania	58	11	44	16	56	86	56	67

Country	INSI	Rank	ISI	ISI rank	Trend	Stability	Account.	Fiscal
Bangladesh	57	12	43	17	55	91	47	72
Indonesia	57	13	50	12	36	80	61	73
Mexico	55	14	47	14	41	90	58	59
Nigeria	55	15	35	20	46	82	66	76
United States	55	16	67	6	29	75	79	17
Philippines	51	17	45	15	28	76	59	61
Egypt	49	18	38	19	59	88	29	42
Ethiopia	49	19	33	21	41	87	37	71
DR Congo	49	20	20	25	46	86	44	86
China	48	21	49	13	57	92	5	34
Iran	45	22	26	23	36	84	29	76
Türkiye	44	23	39	18	13	62	36	84
Russia	43	24	32	22	26	72	16	89
Pakistan	40	25	22	24	29	76	50	51

Source: Author's calculations from V-Dem v16, World Bank WGI and WDI, WID and IMF WEO data (see Source_Register in the workbook).

The decay index provides the dynamic complement. Figure 50 decomposes INDEI into its level and decline components. Mexico, Indonesia, Russia and Türkiye have the highest decay scores but for different reasons: Mexico and Indonesia because of rapid recent decline from a moderate level, Russia and Türkiye because of a very low level combined with continuing erosion. The United States has the highest decline components of any high-level country.

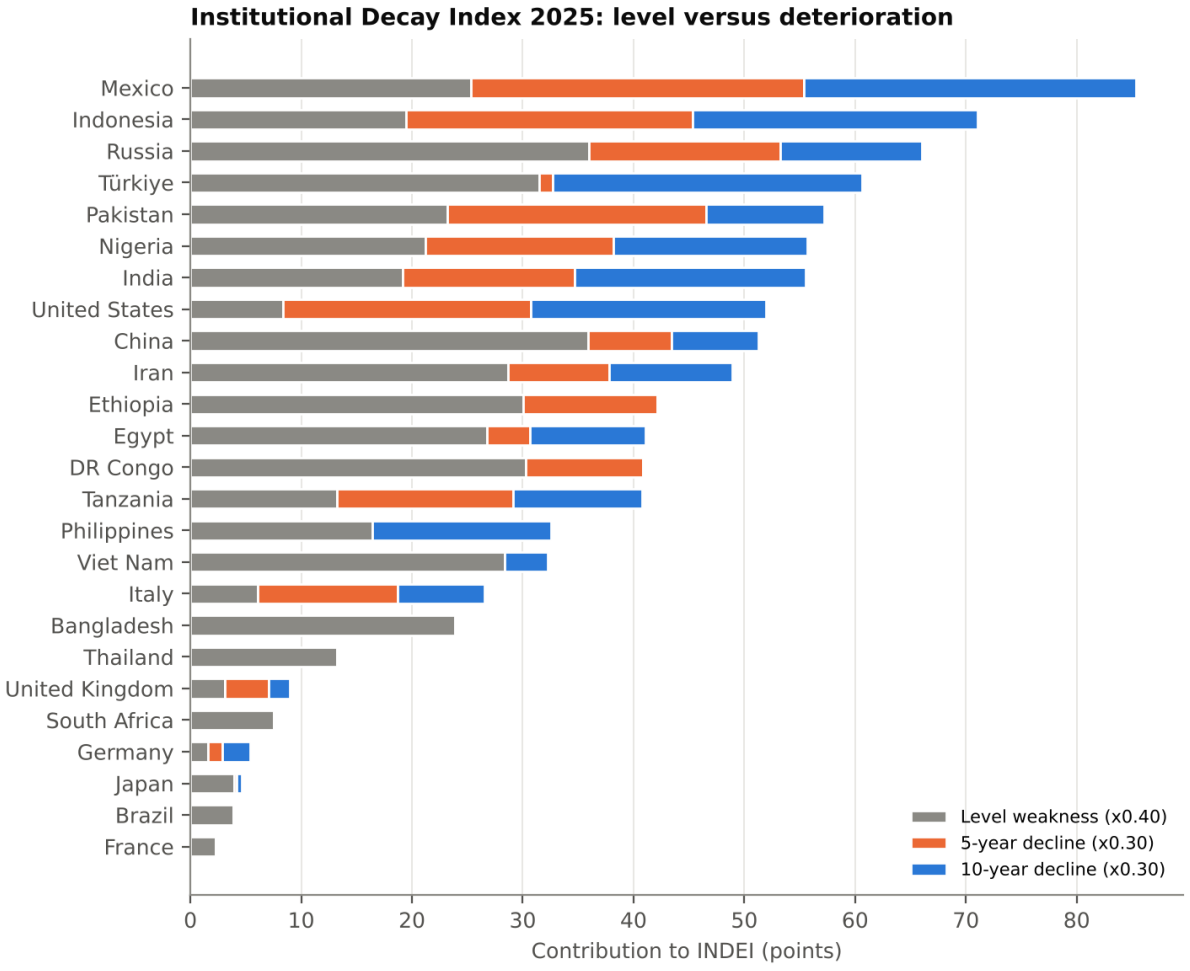


Figure 50. Institutional Decay Index 2025: level versus deterioration

Source: Author's calculations; data from V-Dem v16, World Bank WGI/WDI, WID and IMF WEO.

18. Pakistan case study

Pakistan is compared with seven peers chosen for regional proximity (India, Bangladesh, Iran, China), comparable income and Muslim-majority populations with large states (Indonesia, Egypt, Türkiye) and comparable hybrid-regime histories (Bangladesh, Egypt, Türkiye). The comparison is descriptive; no performance was assumed before the data were analysed.

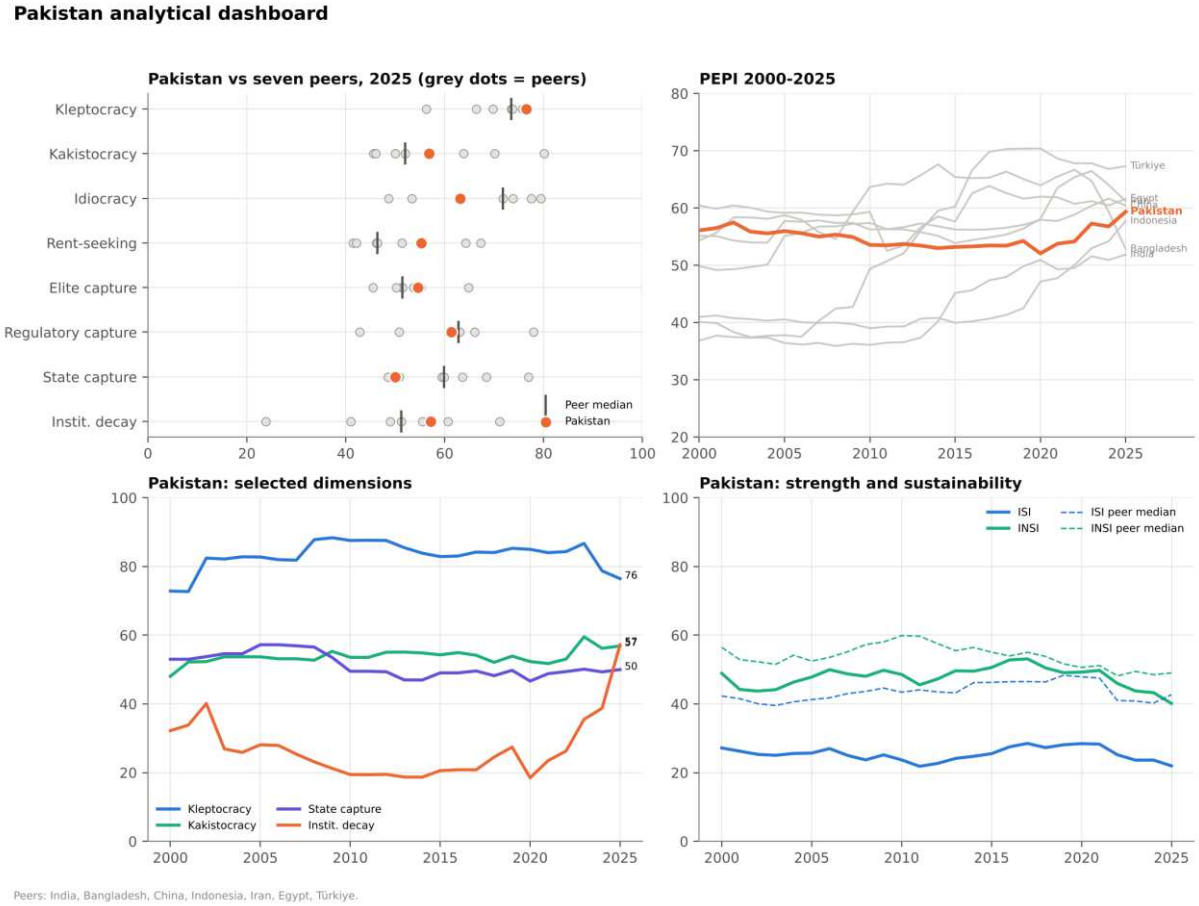


Figure 51. Pakistan analytical dashboard

Source: Author's calculations; data from V-Dem v16, World Bank WGI/WDI, WID and IMF WEO.

Table 19. Pakistan and peers, 2025

Index	Pakistan	India	Bangladesh	China	Indonesia	Iran	Egypt	Türkiye	Peer median	PAK vs median	PAK rank /8
KLI	76.4	66	76	56	77	73	70	74	73.5	Worse	7
KAI	56.9	46	46	50	64	52	70	80	52.1	Worse	5
IDI	63.1	63	53	78	49	74	72	79	71.8	Better	3
RSI	55.2	41	46	42	46	64	67	51	46.4	Worse	6
ECI	54.6	51	55	65	54	46	51	50	51.5	Worse	6
RCI	61.3	43	63	78	51	63	62	66	62.8	Better	3
SCI	50.0	49	59	64	51	68	60	77	59.9	Better	2
INDEI	57.2	56	24	51	71	49	41	61	51.2	Worse	6
PEPI	59.3	52	53	60	58	61	62	67	60.4	Better	4
ISI	22.0	58	43	49	50	26	38	39	42.7	Worse	8
INSI	40.1	60	57	48	57	45	49	44	49.0	Worse	8

Source: Author's calculations from V-Dem v16, World Bank WGI and WDI, WID and IMF WEO data (see Source_Register in the workbook).

18.1 Findings

Aggregate pathology. Pakistan's PEPI (59.3) is close to the peer median (60.4) and has followed a U-shaped path: it declined slowly from 56.1 in 2000 to a low of 52.1 in 2020, the period of three successive elected governments, and has risen by about seven points since, most of it in 2023–25.

Kleptocracy is Pakistan's highest dimension (76, rank 21). Legislative and judicial corruption are coded among the worst in the sample. Interestingly, V-Dem's executive-corruption indicator improved markedly in 2024–25, which lowers KLI relative to 2015; this reflects expert assessments of executive bribery and embezzlement and should be monitored for revision. Regulatory capture (61) has risen by eight points since 2015, driven by lower-court dependence and opaque, unpredictable enforcement. Evidence-use failure (63) rose by eleven points, driven mainly by a sharp deterioration in academic freedom after 2022.

Institutional decay is the dimension that changed most. INDEI rose from 21 in 2015 to 57 in 2025. The quality base fell by about twelve points in five years: V-Dem's judicial-constraints index fell by about a third between 2020 and 2025 and the legislative-constraints index by a similar proportion, while the accountability index weakened. The timing coincides with the post-2022 political crisis, the disputed February 2024 elections and the constitutional amendments of 2024–25 that changed the procedure for judicial appointments and restructured the apex courts. These are contextual observations; the index registers the expert-coded consequences for judicial and legislative constraints, not the amendments themselves.

Institutional strength is Pakistan's binding weakness. ISI (22) is the second lowest in the sample, above only the DR Congo, and has fallen from 28 in 2020. The weakest components are political stability and absence of violence (normalised score near 10 of 100), state fiscal capacity (which fell sharply after 2021) and voice and accountability. Government effectiveness and rule of law are weak but not extreme. Sustainability (40) is the lowest of the 25 because low strength combines with a negative trend, declining stability and weakening accountability; fiscal space is moderate (general government debt about 73 per cent of GDP in 2025).

Comparison with peers. Pakistan scores worse than the peer median on kleptocracy, kakistocracy, rent-seeking, elite capture and decay, better on state capture and evidence-use failure, and close to the median on regulatory capture. Its distinguishing feature is not an extreme pathology on any single dimension but the combination of moderately high pathology on most dimensions with very weak capacity, which leaves less institutional slack to absorb shocks than India, Indonesia or Bangladesh have.

18.2 Institutional reform matrix for Pakistan

Table 20 links each measured weakness to the responsible institutions, implementation requirements, indicators that would show progress in the indices (so that reform can be tracked with the same instrument) and expected outcomes. The matrix is a framework for discussion; sequencing and political feasibility require country-specific deliberation.

Table 20. Institutional reform matrix for Pakistan

Weakness (index)	Responsible institutions	Implementation requirements	Measurable indicators	Expected outcomes
Judicial and legislative constraints (INDEI, SCI)	Parliament; Judicial Commission of Pakistan; Supreme and Federal Constitutional Courts; Law & Justice Commission	Transparent, criteria-based judicial appointments with published reasons; security of tenure; strengthened committee system and Public Accounts Committee powers	V-Dem judicial and legislative constraints (QB2, QB3); compliance with courts (SC3); legislative investigation (SC5)	Lower decay score; restored checks on executive discretion

Weakness (index)	Responsible institutions	Implementation requirements	Measurable indicators	Expected outcomes
Kleptocracy (KLI)	Auditor-General of Pakistan; NAB / FIA; FBR; SECP; Parliament	Public, verified asset declarations for senior officials; beneficial-ownership registry with public access; timely publication and follow-up of audit reports	Legislative and judicial corruption (KL3, KL4); WGI control of corruption (KL5)	Reduced impunity; higher credibility of anti-corruption enforcement
Kakistocracy (KAI)	Establishment Division; FPSC and provincial PSCs; ministries	Competitive, merit-based recruitment and promotion at senior grades; fixed tenure for key posts; reduced ad hoc and contract appointments	Merit appointment criteria (KA1, KA2); impartial administration (KA3); clientelism (KA4)	Professional, continuous administration
Regulatory capture (RCI)	NEPRA, OGRA, PTA, SECP, State Bank, Competition Commission of Pakistan	Statutory independence with fixed-term boards; cooling-off (revolving-door) rules; mandatory publication of decisions, reasons and consultations	Transparent and predictable enforcement (RC1); regulatory quality (RC2); lower-court independence (RC3)	Predictable regulation; investment and FDI response
Rent-seeking (RSI)	Ministry of Finance; FBR; PPRA; Ministry of Commerce; SIFC	Sunset reviews of tax expenditures and SRO-based exemptions; e-procurement (e-PADS) for all public entities with open contract data; tariff rationalisation	Particularistic spending (RS1); bribes for favours (RS2); tariff (RS4)	Lower privilege-based income; fiscal savings
Elite capture (ECI)	Election Commission of Pakistan; Parliament; FBR	Enforced disclosure of party and campaign finances; audit of party accounts; progressive taxation of untaxed income and property	Campaign-donation disclosure (EC4); power by socioeconomic position (EC1)	Broader access to policymaking
Evidence-use failure (IDI)	Planning Commission; Pakistan Bureau of Statistics; PIDE; HEC; universities	Statutory independence of statistics; mandatory regulatory impact assessment for major rules; protection of academic freedom; publication of evaluations	Reasoned justification (ID1); consultation (ID2); academic freedom (ID5)	Better-quality policy and faster correction of errors
Institutional strength and sustainability (ISI, INSI)	Federal and provincial governments; FBR; NFC	Broaden the tax base (income and property) to raise fiscal capacity; protect development spending; conflict-reduction and service delivery in insecure regions	State fiscal capacity (IS5); political stability (IS4); government effectiveness (IS1)	Positive strength trend; greater resilience to shocks

Source: Author. Indicators refer to codes in Table 5 so that progress can be tracked with the workbook.

19. Comparative institutional reform lessons

The 25-country record offers four lessons. First, recovery is possible and can be rapid when constraints are restored: Brazil's PEPI fell by seventeen points between 2020 and 2025 and Thailand's by nineteen between 2015 and 2025 as courts, legislatures and elections reasserted control over the executive. Bangladesh's 2024–25 improvement is a further, still provisional, example. In each case improvement in decay and state capture came first and kleptocracy changed little, which suggests that restoring constraints is a precondition for, not a substitute for, anti-corruption reform.

Second, anti-corruption campaigns run through party or executive discipline (China, Viet Nam) can lower measured kleptocracy without lowering state capture or regulatory capture, because they do not create independent enforcement. Third, South Africa shows that strong courts, an independent auditor and a free press can contain state capture even when executive corruption is extensive: its state-capture score is less than half its kleptocracy score. Fourth, deterioration is mostly gradual and legal in form. The steepest declines (Türkiye, Mexico, Indonesia, India, the United States) were driven by changes to appointment rules, judicial structures and oversight bodies enacted through legislative or constitutional channels, which is why the decay index monitors constraints over five- and ten-year windows rather than discrete events.

20. Policy recommendations

Recommendations are organised by reform area and differentiated by income group (Table 21). The common principle is to match the reform to the dominant pathology in a country's profile rather than to apply a uniform governance agenda.

Table 21. Policy recommendations by income group

Reform area	Low-income economies	Emerging economies	Advanced economies
Civil-service meritocracy	Competitive entry exams; protect basic payroll integrity (biometric payroll)	Merit-based senior appointments; fixed tenure; performance management	Guard against politicisation of senior posts; transparent appointment commissions
Public financial accountability	Basic budget transparency; external audit independence; PEFA assessments	Timely audit follow-up; parliamentary PAC powers; open budget data	Fiscal councils; spending reviews; tax-expenditure reporting
Judicial independence	Secure tenure and budgets for courts	Criteria-based appointment commissions with published reasoning	Protect court jurisdiction from executive restructuring
Regulatory autonomy	Separate policy, regulation and ownership functions	Statutory independence; fixed-term boards; cooling-off rules	Transparency of lobbying; conflict-of-interest registers
Competition policy	Remove licensing monopolies; simplify entry	Empowered competition authority; review of state-owned enterprise privileges	Merger control and digital-market oversight
Political-finance transparency	Basic disclosure of party income	Real-time donation disclosure with audit	Spending caps; disclosure of third-party campaign spending
Procurement reform	E-procurement for major contracts	Universal e-procurement; open contracting data standard	Beneficial-ownership checks on all suppliers
Evidence-based policymaking	Invest in statistical capacity	Mandatory RIA; independent statistics office	Independent evaluation units; sunset clauses
Institutional learning and evaluation	Donor-funded evaluations institutionalised	National evaluation policy; public evaluation registry	Ex-post review of major laws
Anti-corruption safeguards	Asset declarations for top officials	Verified, public declarations; beneficial-ownership registry	Whistle-blower protection; enforcement of foreign-bribery laws
Legislative oversight and citizen accountability	Committee resources; question time	Committee investigative powers; access-to-information laws	Protection of independent media and civil society
Institutional resilience	Conflict prevention; protection of core services	Fiscal buffers; continuity rules for administration	Constitutional safeguards against erosion of constraints

Source: Author, drawing on the evidence in Chapters 11–19 and on Andrews et al. (2017), Mungiu-Pippidi (2015) and World Bank (2017).

For low-income countries in the sample (Ethiopia, the DR Congo), the binding constraint is capacity, so reforms should start with the basics of payroll, budget and audit integrity and avoid institutional designs that exceed implementation capacity (Andrews et al., 2017). For emerging economies with rising decay (India, Indonesia, Mexico, Pakistan, the Philippines, Türkiye), the priority is protecting the institutions that constrain the executive: appointment procedures for judges and regulators, legislative oversight, statistical independence and media freedom. For advanced economies (and the United States in particular), the indices point to the vulnerability of constraints that depend on norms rather than enforceable rules.

21. Conclusion

This study shows that eight political-economy pathologies can be measured separately, transparently and reproducibly for the 25 most populous countries from existing comparable data, with two important caveats: regulatory capture and evidence-use failure can only be approximated with proxies, and all indices share a strong common factor that partly reflects shared measurement. The indices are robust to weighting, normalisation and measurement error.

Four substantive conclusions follow. First, institutional pathology increased across the sample between 2015 and 2025, and the increase is driven by the erosion of constraints (decay, state capture, evidence-

use failure) rather than by corruption. Second, pathology and strength are related but distinct: countries such as Pakistan, Nigeria and Iran have much weaker capacity than their pathology alone would suggest. Third, within countries pathology does not robustly predict annual growth but does predict lower FDI and subsequent weakening of institutional strength, consistent with institutions acting slowly on long-run outcomes. Fourth, Pakistan's main weaknesses are institutional strength and sustainability, with rapid institutional decay since 2022; the reform matrix links each weakness to measurable indicators so that progress can be tracked with the same instrument.

21.1 Limitations

- Expert-coded and perception-based indicators measure assessed conditions, not quantities such as stolen wealth or numbers of incompetent appointees.
- Measurement errors are correlated across indices because most indicators come from V-Dem; this inflates inter-index correlations.
- The most recent year (2025) reflects one year of expert coding and may be revised in future V-Dem releases.
- RCI and IDI are experimental proxies; sector-level regulatory data and regulatory-impact-assessment quality data are not available for all 25 countries annually.
- With 25 countries, panel inference is approximate and causal identification is not achieved.
- The GDP-based and combined samples (B and C) specified in the research design are not computed in this release.

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Appendix A. Data dictionary

Table 22. Data dictionary: dimension, source variable, coverage and notes

Code	Indicator	Dimension	Variable	Years	Cov.	Notes
KL1	Executive corruption index	Executive corruption	v2x_execorr	1990–2025	100%	V-Dem aggregate of executive bribery and embezzlement; 0-1
KL2	Public-sector corruption index	Public-sector corruption and theft	v2x_pubcorr	1990–2025	100%	V-Dem aggregate of public-sector bribery and theft; 0-1
KL3	Legislative corrupt activities	Diversion through the legislature	v2lgcrrpt	1990–2025	98%	Latent scale; higher raw = less corruption
KL4	Judicial corruption decision	Impunity / judicial corruption	v2jucorrdc	1990–2025	100%	Latent scale; higher raw = less corruption
KL5	Control of Corruption (WGI)	Financial accountability (perception)	GOV_WGI_CC.EST	1996–2025	100%	Perception composite, not a measure of stolen wealth
KA1	Merit criteria: state administration appointments	Merit-based recruitment	v2stcritrecadm	1990–2025	98%	Higher raw = appointments by skills and merit
KA2	Merit criteria: armed forces appointments	Politicisation of appointments	v2stcritapparm	1990–2025	98%	Higher raw = merit
KA3	Rigorous and impartial public administration	Professionalism of public administration	v2clrspct	1990–2025	100%	Higher raw = more impartial
KA4	Clientelism index	Patronage and clientelism	v2xnp_client	1990–2025	100%	0-1; higher = more clientelistic

Code	Indicator	Dimension	Variable	Years	Cov.	Notes
ID1	Reasoned justification of policy	Transparency of policy reasoning	v2dlreason	1990–2025	100%	Higher raw = elites justify positions with reasoned arguments
ID2	Range of consultation	Use of evidence and consultation	v2dlconslt	1990–2025	100%	Higher raw = broader consultation
ID3	Respect for counterarguments	Mechanisms for correcting policy errors	v2dlcountr	1990–2025	100%	Higher raw = counterarguments acknowledged
ID4	Government dissemination of false information (domestic)	Integrity of public information	v2smgovdom	2000–2025	100%	Higher raw = government rarely spreads false information; series starts 2000
ID5	Academic freedom index	Research and analytical ecosystem	v2xca_academ	1990–2025	100%	0-1; higher = more academic freedom
RS1	Particularistic vs public-goods spending	Preferential allocation of public spending	v2dlencmps	1990–2025	100%	Higher raw = public goods; lower = particularistic
RS2	Public-sector corrupt exchanges (bribes for favours)	Discretionary licensing / purchased favours	v2excrptps	1990–2025	100%	Higher raw = rare; also a sub-component of KL2 (overlap documented)
RS3	State ownership / control of the economy	Politically allocated economic concessions	v2clstown	1990–2025	100%	Higher raw = less state control; state ownership is not rent-seeking per se
RS4	Tariff rate, applied, weighted mean, all products (%)	Trade protection benefiting concentrated interests	TM.TAX.MRCH.WM.AR.ZS	1990–2025	98%	Coverage ends 2022
EC1	Power distributed by socioeconomic position	Unequal political influence	v2pepwrses	1990–2025	100%	Higher raw = power more equal across income groups
EC2	Power distributed by social group	Concentration of political power	v2pepwrsoc	1990–2025	100%	Higher raw = more equal
EC3	Party linkages (programmatic vs clientelistic)	Clientelism and preferential allocation	v2psprlnks	1990–2025	100%	Higher raw = programmatic
EC4	Disclosure of campaign donations	Campaign-finance transparency	v2eldonate	1990–2025	100%	Higher raw = enforced disclosure
EC5	Top 10% pre-tax national income share	Economic concentration	sptincj992_p90p100	1990–2025	100%	Share (0-1); never used alone as evidence of capture; coverage ends 2024
RC1	Transparent laws with predictable enforcement	Transparency and predictability of regulatory decisions	v2cltrnslw	1990–2025	100%	Higher raw = transparent and predictable
RC2	Regulatory Quality (WGI)	Quality of regulation	GOV_WGI_RQ.EST	1996–2025	100%	Perception composite
RC3	Lower-court independence	Neutral adjudication of regulatory disputes	v2juncind	1990–2025	100%	Higher raw = more independent
RC4	Legislature questions officials in practice	Oversight of regulators and agencies	v2lgqstexp	1990–2025	98%	Higher raw = routine questioning
SC1	Regime corruption index	State-business collusion / sectional advantage	v2xnp_regcorr	1990–2025	100%	0-1; higher = more regime corruption
SC2	High-court independence	Judicial capture	v2juhcind	1990–2025	100%	Higher raw = independent
SC3	Government compliance with the judiciary	Executive capture of rule enforcement	v2jucomp	1990–2025	100%	Higher raw = complies
SC4	Executive respects the constitution	Executive capture of rules	v2exrescon	1990–2025	100%	Higher raw = respects
SC5	Legislature investigates the executive	Undue influence over legislation	v2lgotovst	1990–2025	99%	Higher raw = would investigate
IS1	Government Effectiveness (WGI)	Government effectiveness	GOV_WGI_GE.EST	1996–2025	100%	Higher = stronger

Code	Indicator	Dimension	Variable	Years	Cov.	Notes
IS2	Rule of Law (WGI)	Rule of law	GOV_WGI_RL.EST	1996–2025	100%	Higher = stronger
IS3	Voice and Accountability (WGI)	Accountability	GOV_WGI_VA.EST	1996–2025	100%	Higher = stronger
IS4	Political Stability / Absence of Violence (WGI)	Implementation environment	GOV_WGI_PV.EST	1996–2025	100%	Higher = stronger
IS5	State fiscal capacity	State capacity	v2stfisccap	1990–2025	98%	Higher = taxes income/property effectively
QB1	Rule of law index	Rule of law	v2x_rule	1990–2025	100%	0-1
QB2	Judicial constraints on the executive	Judicial independence / checks	v2x_jucon	1990–2025	100%	0-1
QB3	Legislative constraints on the executive	Checks and balances	v2xlg_legcon	1990–2025	99%	0-1
QB4	Accountability index	Vertical, horizontal and diagonal accountability	v2x_accountability	1990–2025	100%	Interval scale
NS1	General government gross debt (% of GDP)	Fiscal continuity	GGXWDG_NGDP	1990–2025	99%	Higher debt = less fiscal space

Appendix B. PEPI by country, 2000–2025

Table 23. PEPI by country and year, 2000–2025

Country	00	01	02	03	04	05	06	07	08	09	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25
India	37	38	37	37	37	36	36	36	36	36	36	36	37	37	40	45	46	47	48	50	51	49	49	52	51	52
China	55	55	54	54	54	58	58	58	57	57	56	56	57	57	57	56	56	56	57	57	58	58	59	60	62	60
United States	17	17	17	17	17	17	17	17	16	15	15	15	15	15	15	16	17	24	24	26	25	21	20	20	22	34
Indonesia	41	41	41	41	40	41	40	40	40	40	39	39	39	41	41	40	40	41	41	42	47	48	50	53	54	58
Pakistan	56	56	57	56	56	56	56	55	55	55	54	53	54	53	53	53	53	53	53	54	52	54	54	57	57	59
Nigeria	54	54	54	54	54	53	53	52	52	52	52	52	52	50	51	50	50	51	52	54	55	56	57	56	57	56
Brazil	35	35	34	33	33	31	31	31	31	31	30	30	30	30	31	31	39	40	43	47	47	45	45	31	30	31
Bangladesh	54	56	58	58	58	59	58	56	55	59	64	64	64	66	68	65	65	65	66	65	64	65	67	65	59	53
Russia	56	57	61	61	60	59	58	58	59	59	58	58	59	60	61	61	61	61	60	60	61	61	66	67	69	70
Ethiopia	57	57	57	57	57	57	56	56	56	56	57	56	57	57	57	57	57	58	54	52	52	53	54	56	58	59
Mexico	39	38	37	39	38	38	39	39	39	39	39	39	40	45	44	46	45	44	43	46	48	49	53	54	57	58
Japan	21	20	21	20	20	19	19	19	19	18	18	18	18	19	19	19	19	19	19	19	18	18	18	18	17	17
Egypt	60	60	60	60	59	59	59	59	59	59	59	53	53	57	59	58	63	64	63	62	62	62	61	61	60	62
Philippines	46	46	47	46	49	48	48	47	47	47	43	42	42	42	42	42	49	52	53	54	55	55	55	53	54	54
DR Congo	72	70	70	67	67	66	65	65	65	65	65	65	65	68	68	70	70	73	71	65	62	63	63	64	66	68
Viet Nam	51	51	51	50	50	49	49	49	49	49	49	49	49	47	47	47	47	48	49	49	50	48	48	47	47	50
Iran	50	49	49	50	50	55	56	57	57	57	57	56	56	56	55	54	54	55	55	56	58	64	65	66	64	61
Türkiye	40	40	38	37	38	38	38	40	42	43	49	51	52	56	60	60	67	70	70	70	70	69	68	68	67	67
Germany	8	8	8	8	8	8	8	8	8	9	8	8	8	8	8	9	9	10	10	10	10	10	10	9	10	10
Thailand	42	42	41	42	42	45	54	52	42	43	43	41	41	43	64	65	64	65	65	54	54	54	53	48	45	46
Tanzania	39	39	39	38	38	37	36	36	37	37	36	36	36	37	37	36	35	34	36	35	36	36	35	36	36	41
United Kingdom	15	15	15	15	15	15	15	16	16	16	16	16	16	16	16	16	16	15	15	16	16	17	18	19	18	19
France	16	16	16	16	16	16	16	15	16	16	16	16	16	15	16	16	16	16	18	18	18	17	17	17	17	17
South Africa	32	32	32	32	32	33	33	33	33	34	34	34	34	35	35	36	35	37	36	34	34	33	34	35	33	34
Italy	22	23	23	23	22	22	21	21	22	22	22	21	21	21	21	21	21	21	21	21	21	21	21	23	26	28

Source: Author's calculations from V-Dem v16, World Bank WGI and WDI, WID and IMF WEO data (see Source_Register in the workbook). Column headers are two-digit years.

Table 24. ISI by country and year, 2000–2025

Country	00	01	02	03	04	05	06	07	08	09	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25
India	49	49	49	49	51	53	54	54	55	54	54	53	52	53	56	58	58	58	58	57	55	55	58	58	59	58
China	42	42	41	41	42	41	42	43	44	45	43	44	43	43	46	46	47	48	48	48	48	48	47	48	49	49
United States	80	79	78	76	75	76	76	76	77	77	77	76	76	76	76	77	75	74	74	72	70	70	70	70	70	67
Indonesia	38	38	37	37	41	42	45	47	49	50	50	52	53	53	56	53	55	54	55	55	54	53	51	51	51	50
Pakistan	27	26	25	25	26	26	27	25	24	25	24	22	23	24	25	26	27	28	27	28	28	28	25	24	24	22
Nigeria	34	32	30	32	34	34	35	36	37	36	33	34	35	35	34	38	38	38	38	37	35	34	34	35	34	35
Brazil	55	55	56	55	54	54	54	54	57	58	58	57	58	56	56	55	55	53	52	52	53	54	52	52	53	54
Bangladesh	41	40	38	37	39	38	38	39	41	41	42	42	41	39	42	41	41	41	42	42	41	41	41	41	39	43
Russia	31	34	36	35	35	35	36	37	38	37	37	37	35	35	38	37	37	39	39	39	39	38	35	34	33	32
Ethiopia	29	28	27	27	31	30	32	32	32	33	32	32	33	33	34	33	33	32	34	35	36	34	33	33	33	33
Mexico	54	54	54	54	55	54	53	52	49	53	52	52	52	52	51	50	51	49	49	49	49	48	48	48	47	47
Japan	74	73	73	73	72	78	79	78	78	79	78	79	78	79	81	81	81	81	81	81	81	81	82	82	83	80
Egypt	43	42	40	40	40	40	40	41	42	42	40	37	38	33	34	35	34	35	36	37	36	34	36	36	38	38
Philippines	46	47	48	45	46	48	47	47	46	46	47	49	51	52	54	53	51	49	50	50	50	48	48	44	45	45
DR Congo	17	18	19	16	18	20	22	23	23	24	22	21	21	22	23	23	23	22	23	25	21	20	22	22	20	20
Viet Nam	41	41	41	39	40	43	43	42	42	43	44	45	44	45	46	47	48	47	46	47	48	51	49	49	49	51
Iran	32	32	31	30	30	30	29	29	28	26	25	26	27	26	29	30	31	31	28	27	29	29	29	28	27	26
Türkiye	53	53	54	55	57	58	58	57	58	58	58	57	56	54	53	51	46	46	46	48	48	48	41	40	40	39
Germany	83	83	83	81	81	83	83	83	82	83	81	81	82	82	84	83	82	82	82	82	81	82	81	80	79	79
Thailand	65	64	62	59	56	55	51	52	52	53	51	53	53	52	49	49	50	50	50	53	52	49	50	51	51	51
Tanzania	35	36	38	36	39	42	44	45	45	46	45	45	44	43	43	44	46	45	43	43	41	42	43	45	45	44
United Kingdom	80	79	78	77	77	78	79	79	78	77	78	76	77	76	78	78	78	77	76	76	75	75	74	73	74	74
France	74	73	73	71	73	75	73	74	74	73	73	72	73	72	72	71	70	74	74	74	73	73	73	72	71	71
South Africa	60	60	60	60	62	62	62	62	61	61	61	61	61	60	61	60	60	59	59	59	59	58	57	57	57	58
Italy	71	70	69	67	66	67	67	66	66	66	67	66	66	66	67	66	66	65	66	66	66	68	68	69	68	69

Source: Author's calculations from V-Dem v16, World Bank WGI and WDI, WID and IMF WEO data (see Source_Register in the workbook).

Appendix C. Reproducibility

- **Workbook:** Political_Economy_Eight_Indices_2000_2025.xlsx (30 sheets, about 163,000 formulas). Change weights or bounds on Weights and Norm_Params; all indices, ranks, dashboards and the audit log recalculate.
- **Code:** Reproducibility_Code_and_Documentation.zip contains the Python scripts (spec.py, compute.py, analysis.py, charts.py, build_excel.py, report_content.py and the document renderer), the raw data extracts and a README with the run order.
- **Run order:** fetch data → compute.py → analysis.py → charts.py → build_excel.py → report_content.py → render. The random seed for the Monte Carlo is fixed (20251026).
- **Software:** Python 3.13 with pandas, numpy, scipy, statsmodels 0.14, linearmodels 7, matplotlib, openpyxl; LibreOffice for recalculation; Node docx for the Word document.