

## EU Enlargement and Institutional Quality: How Far Away is Albania from the EU Member States?

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### **Abstract**

The quality of institutions – meaning the quality of contract enforcement, property rights, shareholder protection, and the like - plays a substantial role in the process of European integration and in determining its outcomes. Institutional quality defines the laws of a society by establishing an efficient legal system, effective regulations of the financial sector, and peace and democracy. These notions constitute the fundamental values of the European Union member states.

The main purpose of this paper is to determine the role of institutional quality in the process of European Union enlargement, analyze the progress of Albanian institutional development, and assess its deficiencies in the framework of European integration.

The main objectives of this study are:

- To determine the role of institutional development in the European integration process.
- To review the Albania's steps towards European Union integration.
- To assess the progress and challenges of institutional development in Albania in the context of the Copenhagen criteria.
- To estimate the quality of institutions in Albania based on three dimensions – legislative, administrative, and judicial, and to use the institutional development in European Union member states as a benchmark, in order to reveal Albania's institutional deficits.
- To draw and assess policy implications and recommendations for improving institutional quality in Albania in order to converge with that of European Union member states.

The evaluation of the dimensions of institutional development in Albania will cover six governance indicators: voice and accountability, political instability and violence, government effectiveness, regulatory quality, rule of law, and control of corruption. The assessment of these aspects in comparison with European Union member states will shed light on Albania's road towards integration in the European Union. Data for this study has been obtained mainly from the World Bank and will cover the period from 1996 until the present.

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## *Introduction*

The European Union (EU) plays a major role in promoting economic development and stability for the member states and it is the final goal for the other developing non-member states. However, the journey to reach the destination is not quite simple. Countries that want to join the EU must satisfy the Copenhagen criteria that were formulated in 1993 and consists of economic, political and legal standards. The Copenhagen criteria for EU membership insure a certain level of institutional development. In this sense, institutional development has a crucial role in new and potential member countries by determining the success of both the catching-up of developing European countries and the deepening of the European integration process. It appears to be as well the main obstacle and challenge for the potential member countries, in particular for Albania, which is in the queue for entry into the EU. Albania has been partner of the Stability Pact for South Eastern Europe (SEE) and the EU Stabilisation and Association process for the Western Balkans since the beginning, and submitted its application for EU membership on April of 2009. According to the Progress Report of 2009, presented by the Commission of the European Communities (CEC), Albania has faced challenges and has made significant progress in many aspects, but unfortunately, it has certain deficiencies in institutional development. In this context, a key question is raised: how far away is Albania from the European Union member states? This paper investigates the progress of institutional development in Albania in the context of European Union framework and reveals the divergences in development between EU member states and Albania. Institutional quality is aggregated to three dimensions:

- Legislative Institutions
  - Voice and accountability, which refer to the perceptions of the extent to which a country's citizens are able to participate in selecting their government, as well as freedom of expression, freedom of association, and freedom of the press.

- Political stability and absence of violence, measured by the likelihood that the government would be destabilized by unconstitutional or violent means, including terrorism.
  
- Administrative Institutions
  - Government effectiveness, measured by the quality of public services, the capacity of the civil service and its independence from political pressures, and the quality of policy formulation.
  - Regulatory quality, measured by the ability of the government to provide sound policies and regulations that enable and promote private sector development.
  
- Judicial Institutions
  - Rule of law, measured by the extent to which agents have confidence in and abide by the rules of society, including the quality of property rights, the police, and the courts, as well as the risk of crime.
  - Control of corruption, measured by the extent to which official positions are used for private gain, including both petty and grand forms of corruptions, as well as elite “capture” of the state.

This benchmark allows us to analyze the current state of development in Albania, and helps us to provide some policy proposals on how to build a strong institutional development in Albania in order to converge with the EU standards. Data for this study are mainly obtained from the World Bank and cover the period from 1996 until the present, whereas the progress of Albania’s institutional

development in the framework of European integration is provided by Albania 2009 Progress Report prepared by the Commission of the European Communities.

### *I. Does Institutional Development Really Matter for the European Integration Process?*

Institutional development serves as a threshold condition for entry into the EU. Potential candidate countries must demonstrate institutional stability as a guarantee for a democratic and lawful order, and respect for human rights and protection of minorities - political criteria (Hammermann and Schweickert, 2005, November). In addition, they must successfully implement the Community legislation into national legislation, and adopt the aims of the political, economic, and monetary union - legal criteria (Hammermann and Schweickert, 2005, November). Finally, the candidates must have established a functional market economy, as well the capability to operate in the EU competitive market - economic criteria (Hammermann and Schweickert, 2005, November). These so-called Copenhagen criteria for EU membership insure a certain level of institutional development. Nonetheless, why is it necessary for EU to demand institutional quality as a precondition?

The EU is a highly integrated economic and political entity. If one of the member states runs into trouble, others will be affected as well. Member states are closely bound together and countries with very different backgrounds will join the EU. It is considerably important for the EU to ensure that new member states uphold the principles and the values to which the EU and its members are committed. Hence, institutional quality criterion is a useful tool to satisfy this demand.

In addition, enlargement poses a threat to decline the willingness of members to agree on common policies due to the heterogeneous preferences and/or economic fundamentals. In this respect, the rule of law plays a decisive role in governing a further deepening of integration in Europe (Langhammer, 2002; Pelkmans, 2000). This will become even more important in the final stage of the completion of the single market. An efficient single market requires choosing

between mutual recognition of regulations or, if this would lead to excessive regulatory competition in a larger EU, abounding national regulation in favour of centralized regulation at the level of the EU (Tabellini 23, p67). Therefore, it is reasonable for the EU to demand institutional convergence, which can be expected to make the EU more homogeneous both economically and politically and, thereby, to decline the costs of decision-making.

Besides the benefits to the EU, the institutional quality requirement may enable a state to more firmly enact stable democratic laws and institutions of its own.

## *II. Albania's Marathon in the EU Integration Process*

Albania's integration into the EU has to be understood as a process, evolving step-by-step. Each step has to be implemented properly. Progress achieved on the first step will enable the country to better perform in fulfilling the requirements of the second step and so on. In the course of the process, Albania will have to implement fundamental and far-reaching reforms. This would enable the country to fully participate in European integration, including rights and obligations. Such reforms are not only required by the European Union, but urgently needed for Albania as well. Reforms will enhance trust in the Albanian economy and the political system. Experiences of the countries that have just entered the EU demonstrate that the transformation of the economic and political system has remarkably benefited from EU association and pre-accession strategies. Anyway, what are the steps of Albania toward EU integration?

Albania is a potential candidate country for EU accession following the Thessaloniki European Council of June 2003. On 18 February 2008, the Council adopted a new European partnership with Albania. The Stabilization and Association Agreement (SAA) with the country was signed on 12 June 2006 and entered into force on 1 April 2009. It supersedes the Interim Agreement on trade and trade-related aspects, which entered into force in December 2006. The EU-Albania visa facilitation agreement entered into force in January 2008 while the readmission agreement entered into force in 2006. Albania submitted its application for EU membership on 28 April 2009.

Albania has profited from the EU autonomous trade measures since 2000. Albania's trade with the EU expanded with the additional preferences granted following the entry into force of the Interim Agreement in December 2006. The EU is Albania's main trade partner and in 2007, trade with the EU reached 74.5% of Albania's total trade. Albania's exports and imports totaled €0.6 billion and € 1.8 billion respectively, corresponding to 8.5% and 25.7% of GDP. Both imports and exports increased, but the gap between imports and exports widened resulting in a higher trade deficit, despite a higher growth rate of exports. Inward processing, particularly textiles and garments, and footwear represents the main volume of Albanian exports to the EU. In 2006, foreign direct investment (FDI) stocks amounted to approximately € 1.07 billion with the EU-27 accounting for about 79% of all inflows. (World Bank Indicators)

Some important dates are represented below in Albania's journey towards European integration:

**1992** - Trade and Co-operation Agreement between the EU and Albania. Albania becomes eligible for funding under the EU's Pare program.

**1997** - Regional Approach. The EU Council of Ministers establishes political and economic conditionality for the development of bilateral relations.

**1999** - Albania benefits from Autonomous Trade Preferences with the EU.

**1999** - The EU proposes the new Stabilization and Association Process (SAP) for five countries of South-East Europe, including Albania.

**June 2000** - Feira European Council states that all the SAP countries are "potential candidates" for EU membership.

**November 2000** - Zagreb Summit launches the Stabilization and Association Process (SAP) for five countries of South-East Europe, including Albania

**2000** - Extension of duty-free access to the EU market for products made in Albania.

**2001** - The Commission recommends the undertaking of negotiations on SAA with Albania. The Goteborg European Council invites the Commission to present draft negotiating directives for the negotiation of a SAA.

**2001** - First year of the Community Assistance for Reconstruction, Development and Stabilization (CARDS) program specifically designed for the Stabilization and Association Process countries.

**October 2002** - Negotiating Directives for the negotiation of a SAA with Albania are adopted in October.

**January 2003** - Commission President Romano Prodi officially launches the negotiations for a SAA between the EU and Albania.

**June 2003** - The Stabilization and Association Process (SAP) is confirmed at the Thessaloniki European Council as the EU policy for the Western Balkans. The EU perspective for these countries is confirmed (countries participating in the SAP are eligible for EU accession and may join the EU once they are ready).

**June 2004** – Council decision on a first European Partnership for Albania.

**January 2006** - Council decision on a revised European Partnership for Albania.

**May 2006** - Entry into force of the EC-Albania readmission agreement.

**June 2006** – The signing of the Stabilization and Association Agreement (SAA) at the General Affairs and External Relations Council in Luxembourg.

**December 2006** - Entry into force of the Interim Agreement.

**January 2007** - Entry into force of the new instrument for Pre-Accession Assistance (IPA).

**May 2007** - Adoption of the Multi-Annual Indicative Planning Document (MIPD) 2007-2009 for Albania under the IPA.

**September 2007** – The signing of a visa facilitation agreement between Albania and the EU.

**18 October 2007** - Albania signs the IPA Framework Agreement.

**January 2008** - The visa facilitation agreement enters into force.

**22 January 2008** -Albania and the EC sign the Financing Agreement for the instrument for Pre-Accession Assistance (IPA) 2007 National Program.

**18 February 2008** - Council decision on a revised European partnership for Albania.

**March 2008** - Visa liberalization dialogue launched.

**June 2008** - The European Commission presents a road map identifying specific requirements for visa liberalization with Albania.

**1 April 2009** - Entry into force of the Stabilization and Association Agreement (SAA).

**28 April 2009** - Albania submits its application for EU membership.

**15 April 2010** - Albania delivers replies to the Commission's Questionnaire.

**27 May 2010** - The European Commission adopted a proposal enabling citizens of Albania and Bosnia and Herzegovina to travel to Schengen countries without needing a short-term visa.

Apparently, Albania has a long way to reach the destination of EU membership. However, as a German expression says: “der Weg ist das Ziel”, meaning that “the road is the goal”, let us hope for the goal.Top

### *III. The Performances and Challenges of Albania's Institutional Development in the Framework of EU Integration*

Albania has strengthened its relationship with the EU by participating in the Stabilization and Association Process and as well by being part of the Stability Pact for SEE. Albania's European integration is a process evolving step-by-step. Albania submitted its application for EU membership on April 2009, and obviously, its etalon is the EU standard. It is considerably important for Albania to meet the Copenhagen criteria in order to be part of the EU. Albania has made progress in addressing some of the EU priorities, but still faces challenges in many others. How well has Albanian institutional development performed in the framework of EU integration?



### *A. Political Criteria*

Albania has made progress on strengthening democracy and the rule of law. Tangible progress took place on voter registration and in the legal framework. Electoral reform was completed and a new Electoral Code adopted in time for the elections. Although the positive assessment of last elections (28 June 2009) by the Organization for Security and Co-operation in Europe (OSCE), Office for Democratic Institutions and Human Rights (ODHIR) and the Parliamentary Assembly of the Council of Europe (PACE), the post-electoral phases is dramatically degenerated in the actual political crisis. (Commission of the European Communities). The political vulnerability will hamper notably the integration of Albania, since Europe will not be happy to pay for our mess. Hence, the political dialogue, a key European Partnership priority, needs to get back on track.

Albania has made some progress in strengthening its government structures to coordinate European integration. Nevertheless, further strengthening of capacity and strategic planning remain necessary. In the area of public administration, appointments in violation of the civil service continued, mainly using temporary contracts. The lack of transparency and accountability in appointments remain a key European Partnership priority to be addressed. Significant efforts are needed to establish an independent, efficient, impartial and merit-based civil service.

Little progress has been made in reforming the judicial system. Despite the establishment of the private bailiff system, a comprehensive reform strategy remains to be adopted. The adoption of major legislative acts on the functioning of the High Court of Justice and the administrative courts is pending. Overall, the judiciary functions poorly because of political pressure, intimidation, and widespread corruption. It is significantly important to satisfy this key European Partnership requirement by securing the independence, transparency and efficiency of the judicial system.

Corruption constitutes the most dramatic failure of the Albanian government. The government has made efforts to prevent and fight corruption by implementing the anti-corruption strategy and action plan, but apparently, the force

of corruption is enormous. It has created so much uncertainty for entrepreneurs: almost one-half of private firms admit to paying bribes to public officials and they can never be sure when the bribe is enough or whether the corrupt official will keep coming back again to demand more money. The most common forms of corruption in Albania are theft of public assets and the fact that the majority of public jobs are “purchased.” It is necessary to strengthen the country’s coordination in the fight against corruption. Furthermore, it is urgent to foster the public interest instead of the politicians’ and to build political will to support this development.

Some progress has continued regarding human rights and protection of minorities, where the legal framework is broadly in place. However, shortcomings and difficulties in the enforcement of the legislation are as well present in some fields. For example, limitations are witnessed in the press, where the two main political parties have a very strong influence on the majority of the media outlets in Albania. In addition, consolidation of property rights, a very important European Partnership requirement, has shortcomings. Land valuation maps have been completed for the whole country, but the corruption in the judicial system impedes their right implementation. Furthermore, in addition to efforts made regarding the protection of minorities, it is substantially essential to develop and clarify the legal framework on minority protection.

### *B. Legal Criteria*

Albania has made progress in approximating its national legislation with European standards. Considerable progress is witnessed in the free movement of goods, consumer protection, in taxation, in the area of competition, in public procurement, intellectual property rights, and sectoral policies. However, enforcement capacity needs to be strengthened.

The progress experienced in the field of justice, freedom and security, is uneven. Hence, in the framework of the visa liberalisation dialogue, steps have been taken to fulfil the benchmark set in the visa liberalisation roadmap, but the efforts to combat organised crime and drug trafficking are insufficient mainly because of the corrupted practices. There has been little progress on social policies and employment. In spite of the budget increase, occupational health and safety

standards remain poor, and the capacity for inspection of labour standards is still weak.

Regarding adoption of the aims of the political, economic, and monetary union, Albania appears to play a contractive role in maintaining regional stability and promoting close relations with other Western Balkan and neighbouring EU countries. The country has participated actively in regional cooperation, including the South East European Cooperation Process (SEECP), the Regional Cooperation Council (RCC) and the Central European Free Trade Agreement (CEFTA).

### *C. Economic Criteria*

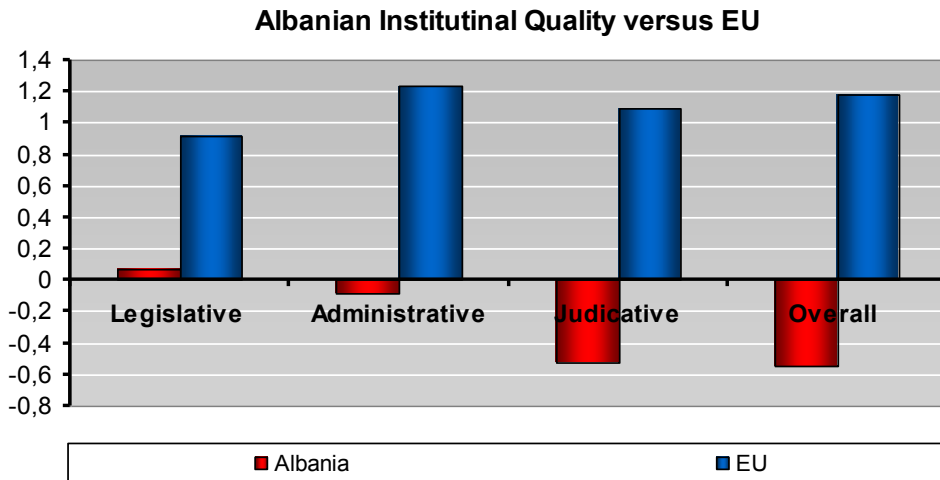
Albania's economic performance has improved significantly. Privatization has been one of the main objectives of the government, with decline in the level of state ownership in economy, especially in the energy and telecommunication sectors. In addition, the reform on tax administration has raised the overall degree of tax compliance, and has helped to decline informal economy. The deep global economic crisis was felt in Albania testing the macroeconomic balances. Bank of Albania pursued a prudent monetary policy by cutting the key interest rate by one percentage point and increasing liquidity injection. (Bank of Albania) In the time when the world experienced a sharp decline in economic growth, Albania witnessed moderate economic growth. However, it should be admitted that the relatively low exposure of Albania's financial system to international financial institutions, and to products that instigated the financial crises, has served up to the present as a shield for the Albanian economy. Anyway, Albanian current account to GDP has abruptly deteriorated from -10.38% in 2007 to -14.026% in 2009 (Kose, Prasa, Rogoff, and Wei, 2006, August).

In most general terms, this means that Albania has outlays on imports that are larger than its receipts from exports. This negative cash flow has to be financed by inflows of foreign capital, which in the current global situation risks vulnerability. It is evident that poor infrastructure, legal uncertainty, widespread corruption and informal economy hamper seriously the business climate in Albania.

#### IV. Great Deficiency-Less Opportunity?

According to the above analysis, Albanian institutional development seems to be deficient in comparison with the EU standard. Although much effort has been made on meeting the Copenhagen criteria, the discrepancy exists and the question is how deep this divergence is, and does it mean less opportunity for Albanian's dream to join the EU soon?

To quantify institutional deficiency we calculated the simple averages based on three dimensions: legislative, administrative, judicative and the overall institutional development in the case of Albania and EU member states. The graph below shows a clear pattern of Albanian Institutional quality index in comparison with the EU countries (see Appendix for detailed data for Albania and each EU member state).



Source: World Bank. *Governance Matters 2009*

Obviously, as it was expected from the performance of Albania's institutional development, judicial and administrative institutions performed worse compared with the legislative ones. The overall Albanian governance score is -0.545, constituting a dramatically deep deficiency compared with that of the EU, which stands at 1.182. The EU benchmark stands so far away and it is not a good sign or

best opportunity for Albania. The Albanian government widely proclaims that the country is close to gaining EU membership; however, membership seems to be a long marathon until the end of this journey.

### *Conclusions and Recommendations*

Institutional development represents a major precondition, which must be satisfied by potential member countries that intend to gain membership in the great European family. Hence, member candidates are required to fulfil a series of political, legal, and economic criteria, commonly known as the Copenhagen criteria. Achieving these threshold conditions, on one hand will help make the EU more homogeneous both economically and politically, thus decreasing the costs of decision-making, and on the other hand will enable states to more firmly establish stable democratic laws and institutions of their own.

Albania, as a potential candidate member, has made progress in some fields of political, legal and economic criteria by harmonizing its national legislation with European standards, coordinating its government structure in align with European integration, increasing regional cooperation and fulfilling many other requirements. However, widespread corruption, politicization of the public sector, and the lack of the enforcement of judicial decisions hamper the overall institutional quality and impedes the EU integration. It is evident that a good legal framework without enforcement translates into nothing. This is obviously the considerable gap of institutional quality between Albania and EU member states, which is created by the dramatically negative performance of administrative and judicial institutions. Hence, Albanian membership in the EU does not seem to be as close as the government proclaims, which is so much desired by the entire Albanian society. But, what can be done to accomplish this dream?

First, it is significantly important to insure the independence, transparency and efficiency of judicial institutions. Second, considerable efforts are needed to establish an independent, effective, impartial and merit-based civil service. Third, clarifying the legal framework on minority protection is another important task that must be satisfied. Finally, strengthening regional collaboration in combating

organised crime and drug trafficking, and deepening economic cooperation with neighbours will be another real route to national, as well as regional stability and growth. Now the question is on how can these goals be accomplished? The key to success is building the political will to support institutional development and to protect the public's interest instead of the interest of the politicians.

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**Appendix: Governance Indicators over 2008**

Source: World Bank. Governance Matters 2009

Governance Indicators	Albania		Standard Error	Austria		Standard Error	Belgium		Standard Error	Bulgaria		Standard Error	Cyprus		Standard Error
	Percentile Rank (0-100)	Governance Score (-2.5 to +2.5)		Percentile Rank (0-100)	Governance Score (-2.5 to +2.5)		Percentile Rank (0-100)	Governance Score (-2.5 to +2.5)		Percentile Rank (0-100)	Governance Score (-2.5 to +2.5)		Percentile Rank (0-100)	Governance Score (-2.5 to +2.5)	
Voice and Accountability	51.4	+0.13	0.13												
Political Stability	45.5	+0.01	0.23												
Government Effectiveness	44.5	-0.34	0.19												
Regulatory Quality	57.0	+0.16	0.16												
Rule of Law	32.5	-0.60	0.14												
Control of Corruption	39.1	-0.45	0.13												
Governance Indicators	Percentile Rank (0-100)	Governance Score (-2.5 to +2.5)	Standard Error	Percentile Rank (0-100)	Governance Score (-2.5 to +2.5)	Standard Error	Percentile Rank (0-100)	Governance Score (-2.5 to +2.5)	Standard Error	Percentile Rank (0-100)	Governance Score (-2.5 to +2.5)	Standard Error	Percentile Rank (0-100)	Governance Score (-2.5 to +2.5)	Standard Error
Voice and Accountability	93.8	+1.36	0.16	94.7	+1.37	0.16	94.7	+1.37	0.16	65.9	+0.60	0.12	77.9	+0.99	0.16
Political Stability	95.7	+1.30	0.21	69.4	+0.61	0.21	69.4	+0.61	0.21	58.9	+0.39	0.20	64.6	+0.52	0.22
Government Effectiveness	93.8	+1.71	0.20	88.6	+1.36	0.20	88.6	+1.36	0.20	58.3	+0.10	0.17	85.3	+1.25	0.21
Regulatory Quality	94.2	+1.64	0.21	92.3	+1.48	0.21	92.3	+1.48	0.21	73.4	+0.75	0.16	87.4	+1.25	0.23
Rule of Law	99.0	+1.92	0.15	89.0	+1.38	0.15	89.0	+1.38	0.15	51.2	-0.12	0.12	84.2	+1.03	0.17
Control of Corruption	93.7	+1.82	0.17	90.3	+1.35	0.17	90.3	+1.35	0.17	52.2	-0.17	0.12	82.6	+1.04	0.20



Governance Indicators	Czech Republic			Denmark			Estonia			Finland		
	Percentile Rank (0-100)	Governance Score (-2.5 to +2.5)	Standard Error	Percentile Rank (0-100)	Governance Score (-2.5 to +2.5)	Standard Error	Percentile Rank (0-100)	Governance Score (-2.5 to +2.5)	Standard Error	Percentile Rank (0-100)	Governance Score (-2.5 to +2.5)	Standard Error
Voice and Accountability	82.2	+1.02	0.13	98.1	+1.48	0.16	83.2	+1.03	0.13	97.1	+1.48	0.16
Political Stability	78.9	+0.93	0.20	82.3	+1.00	0.21	67.0	+0.57	0.20	97.1	+1.36	0.21
Government Effectiveness	82.5	+1.07	0.17	99.5	+2.19	0.20	84.4	+1.15	0.17	98.1	+1.95	0.20
Regulatory Quality	82.1	+1.09	0.16	98.6	+1.86	0.21	91.8	+1.47	0.16	93.7	+1.58	0.21
Rule of Law	77.0	+0.85	0.12	99.5	+1.92	0.15	84.7	+1.05	0.12	97.6	+1.87	0.15
Control of Corruption	66.7	+0.37	0.12	99.0	+2.32	0.17	79.2	+0.94	0.12	100.0	+2.34	0.17

Governance Indicators	France			Germany			Greece			Hungary		
	Percentile Rank (0-100)	Governance Score (-2.5 to +2.5)	Standard Error	Percentile Rank (0-100)	Governance Score (-2.5 to +2.5)	Standard Error	Percentile Rank (0-100)	Governance Score (-2.5 to +2.5)	Standard Error	Percentile Rank (0-100)	Governance Score (-2.5 to +2.5)	Standard Error
Voice and Accountability	90.4	+1.24	0.14	92.8	+1.34	0.14	73.6	+0.88	0.15	78.4	+1.00	0.13
Political Stability	67.5	+0.58	0.20	85.6	+1.08	0.20	56.9	+0.32	0.20	67.9	+0.59	0.20
Government Effectiveness	90.0	+1.54	0.19	93.4	+1.65	0.19	70.6	+0.56	0.19	73.0	+0.66	0.17
Regulatory Quality	87.0	+1.25	0.20	91.3	+1.46	0.20	74.9	+0.81	0.20	87.9	+1.26	0.16
Rule of Law	90.0	+1.40	0.14	93.3	+1.72	0.15	73.2	+0.75	0.15	76.1	+0.82	0.12
Control of Corruption	91.3	+1.43	0.15	93.2	+1.77	0.15	60.9	+0.10	0.15	72.5	+0.55	0.12

Governance Indicators	Ireland			Italy			Latvia			Lithuania		
	Percentile Rank	Governance Score	Standard Error	Percentile Rank	Governance Score	Standard Error	Percentile Rank	Governance Score	Standard Error	Percentile Rank	Governance Score	Standard Error
	(0-100)	(-2.5 to +2.5)		(0-100)	(-2.5 to +2.5)		(0-100)	(-2.5 to +2.5)		(0-100)	(-2.5 to +2.5)	
Voice and Accountability	95.2	+1.40	0.15	76.4	+0.96	0.14	73.1	+0.86	0.14	72.1	+0.85	0.13
Political Stability	88.5	+1.16	0.20	60.3	+0.41	0.20	59.3	+0.40	0.22	72.2	+0.73	0.20
Government Effectiveness	91.9	+1.61	0.19	66.4	+0.39	0.19	70.1	+0.56	0.19	71.6	+0.64	0.17
Regulatory Quality	99.0	+1.91	0.20	78.7	+0.95	0.20	81.2	+1.07	0.17	85.0	+1.14	0.16
Rule of Law	94.3	+1.74	0.15	62.2	+0.43	0.14	71.3	+0.73	0.13	67.5	+0.58	0.12
Control of Corruption	92.3	+1.76	0.15	62.3	+0.13	0.15	64.7	+0.29	0.13	63.3	+0.18	0.12

Governance Indicators	Luxembourg			Malta			Netherlands			Poland		
	Percentile Rank	Governance Score	Standard Error	Percentile Rank	Governance Score	Standard Error	Percentile Rank	Governance Score	Standard Error	Percentile Rank	Governance Score	Standard Error
	(0-100)	(-2.5 to +2.5)		(0-100)	(-2.5 to +2.5)		(0-100)	(-2.5 to +2.5)		(0-100)	(-2.5 to +2.5)	
Voice and Accountability	98.6	+1.50	0.16	88.9	+1.21	0.17	99.0	+1.53	0.16	72.6	+0.86	0.13
Political Stability	100.0	+1.52	0.24	95.2	+1.30	0.26	80.4	+0.95	0.21	73.7	+0.79	0.20
Government Effectiveness	92.4	+1.65	0.22	85.8	+1.26	0.24	95.7	+1.86	0.20	68.2	+0.48	0.17
Regulatory Quality	96.1	+1.71	0.22	85.5	+1.17	0.26	97.1	+1.75	0.21	73.9	+0.77	0.16
Rule of Law	96.2	+1.82	0.17	91.4	+1.59	0.19	94.7	+1.76	0.15	65.1	+0.49	0.12
Control of Corruption	95.2	+2.02	0.19	81.6	+1.01	0.23	97.1	+2.19	0.17	67.6	+0.38	0.12

Governance Indicators	Portugal			Romania			Slovakia			Slovenia		
	Percentile Rank	Governance Score	Standard Error	Percentile Rank	Governance Score	Standard Error	Percentile Rank	Governance Score	Standard Error	Percentile Rank	Governance Score	Standard Error
	(0-100)	(-2.5 to +2.5)		(0-100)	(-2.5 to +2.5)		(0-100)	(-2.5 to +2.5)		(0-100)	(-2.5 to +2.5)	
Voice and Accountability	88.0	+1.19	0.15	59.1	+0.48	0.12	75.0	+0.89	0.14	81.7	+1.02	0.14
Political Stability	84.2	+1.05	0.20	56.0	+0.30	0.21	78.5	+0.92	0.21	84.7	+1.07	0.21
Government Effectiveness	82.0	+1.05	0.19	50.2	-0.14	0.18	77.3	+0.76	0.18	82.9	+1.09	0.18
Regulatory Quality	84.1	+1.12	0.20	67.6	+0.53	0.16	84.5	+1.14	0.16	75.4	+0.81	0.16
Rule of Law	83.7	+1.02	0.15	53.6	-0.05	0.12	67.0	+0.52	0.13	82.3	+0.91	0.13
Control of Corruption	83.1	+1.08	0.15	57.0	-0.06	0.12	68.6	+0.43	0.13	79.7	+0.95	0.13

Governance Indicators	Spain			Sweden			United Kingdom		
	Percentile Rank	Governance Score	Standard Error	Percentile Rank	Governance Score	Standard Error	Percentile Rank	Governance Score	Standard Error
	(0-100)	(-2.5 to +2.5)		(0-100)	(-2.5 to +2.5)		(0-100)	(-2.5 to +2.5)	
Voice and Accountability	86.5	+1.12	0.14	99.5	+1.53	0.14	92.3	+1.33	0.14
Political Stability	42.6	-0.03	0.20	88.0	+1.13	0.20	65.6	+0.56	0.20
Government Effectiveness	80.1	+0.99	0.19	98.6	+1.99	0.19	94.3	+1.74	0.19
Regulatory Quality	88.4	+1.27	0.20	95.7	+1.68	0.20	98.1	+1.79	0.20
Rule of Law	85.2	+1.16	0.14	98.1	+1.90	0.15	92.3	+1.68	0.15
Control of Corruption	84.5	+1.18	0.15	97.6	+2.24	0.15	92.8	+1.77	0.15