



VIII. PERFORMANCE BY INCOME GROUP AND REGION

VIII.1. PERFORMANCE BY INCOME GROUP¹⁰⁶

Even if TPI results show that there is no predetermination of TPI performance by GDP per capita, the latter is still a factor with influence¹⁰⁷. At the geographical level, countries are influenced by the performance of their neighbours and closest partners. For this reason, the performance by groupings per income or regional groups proves informative on the relative performance, in addition to the global rankings.

This year, four countries changed categories of income group: Romania from high-income to upper middle-income; Indonesia and Iran from upper middle-income to lower middle-income; and Moldova rose to the upper middle-income from the lower middle-income.

TABLE 14 shows the performance by income group, following the World Bank classification. High-income countries reflect the overall rankings of the TPI. Among upper middle-income countries, Romania, Bulgaria and Albania top the ranking, participating actively in EU policies, either as a Member State or as a candidate country. However, it is worth noting that Romania was previously in the high-income group.

TABLE 14: Ranking by income group

Rank	INCOME GROUPS					
	TPI (HIGH INCOME)		UPPER MIDDLE INCOME		LOWER MIDDLE INCOME	
Country	Score	Country	Score	Country	Score	
1	Switzerland	78.4	Romania	61.2	Indonesia	56.5
2	Denmark	78.4	Bulgaria	59.3	Tunisia	53.6
3	Ireland	75.9	Albania	58.5	Morocco	53.3
4	Netherlands	73.6	North Macedonia	56.7	Philippines	52.1
5	United Kingdom	73.3	Thailand	55.1	Algeria	52.1

■ Transition leader [75-100] ■ Strong transition [65-75] ■ Good transition [55-65] ■ Moderate transition [45-55]

Source: European Commission, Transitions Performance Index 2021.

106 The World Bank defines income groups based on GNI per capita as calculated using the World Bank Atlas method: lower middle-income economies are defined as those with a GNI per capita between USD 1 045 and USD 4 095 in 2020; upper middle-income economies are those with a GNI per capita between USD 4 096 and USD 12 695; high-income economies are those with a GNI per capita of USD 12 695 or more. The TPI does not include low-income economies, defined as those with a GNI per capita of USD 1 045 or less.

107 See discussion in Section IX.1.

108 Together with Egypt, Jordan and Lebanon.

Among lower middle-income countries, Indonesia (which was previously among the upper middle-income countries), Tunisia and Morocco top the ranking. These three countries, in the context of the Euro-Mediterranean partnership¹⁰⁸, have signed Association Agreements with the EU. Although focused on trade, these agreements are part of the partnership framework that aims at fostering political, security, cultural, human as well as economic and financial cooperation, including regulatory convergence.

In the group of upper middle-income countries, the progress rate of the TPI over a decade is the same as in the group of high-income countries (+5.3%). Lower middle-income countries are also progressing in their transitions (+3.8% on average), but less than the other income groups.

Strong progress rates among middle-income countries show that transitions performance can also go together with catching up economies: 11 out of 20 upper middle-income countries, Armenia, China, Moldova, Russia, Serbia, Colombia, Montenegro, Georgia, Thailand, Romania, and Turkey all have progress rates above 5%; among the 12 lower-middle-income countries, this is the case of Indonesia (10.1%) and Vietnam (6.1%). All countries are confronted with the same global challenges that require efforts to pursue the transitions. Transition is then a concept that goes beyond Europe's priorities.



TABLE 15: The Americas TPI ranking and pillar scores

RANK		COUNTRY	2020 TRANSITIONS SCORES					PROGRESS	ESG GAP
REGION	TPI	NAME	TPI	ECONOMIC	SOCIAL	ENVIRONMENTAL	GOVERNANCE	2011-2020	(% OF TPI)
1	41	Chile	55.9	39.9	62.0	51.4	69.9	1.9%	35.7%
2	43	Canada	55.0	60.9	77.1	26.4	72.7	0.5%	-13.4%
3	45	United States	54.2	68.2	62.5	36.1	61.7	3.3%	-32.2%
4	55	Colombia	50.8	30.1	54.9	69.7	37.6	6.5%	51.0%
5	59	Argentina	49.8	39.8	57.9	51.2	49.3	3.4%	25.1%
6	65	Mexico	48.3	36.2	55.9	61.7	33.0	2.8%	31.4%
7	68	Brazil	43.8	33.0	48.3	52.6	36.5	-3.4%	30.8%

■ Transition leader [75-100] ■ Strong transition [65-75] ■ Good transition [55-65] ■ Moderate transition [45-55] ■ Weak transition [0-45]

Notes: (1) 'ESG gap (% of TPI)' refers to the difference between the sum of the social, environmental, and governance (ESG) pillar weighted scores and the economic pillar score, as a percentage of the TPI score, in 2020. (2) 'Progress 2011-20' refers to the percentage growth of TPI scores from 2011 to 2020.

Source: European Commission, Transitions Performance Index 2021.

VIII.2. PERFORMANCE BY REGION

The Americas

The seven countries of the American continent lag behind in terms of TPI scores compared to other regions of the world. Leading in the Americas in the global TPI ranking, Chile performs at the lower end of the countries in good transition (**TABLE 15**). Canada and the United States, despite being leaders or strong performers in two pillars and one pillar respectively, stand in the moderate performer group, mostly because of their weak performance in the Environmental transition. In Latin America, after Chile, Colombia, Argentina and Mexico follow in moderate transition with progress rates ranging between 6.5% in Colombia, ranked 55, and 2.8% in Mexico, ranked 65. The situation is more worrisome for Brazil, ranked 68, with an overall decline over the decade (-3.4%) and weak performance in the Economic and Governance transitions.

Only Canada is in the leader group in the Social transition. In the Environmental transition, Colombia and Mexico lead with strong and good performances respectively. In the Economic transition, Canada and the United States

stand apart in good and strong transition respectively. In Governance, Chile and Canada are in strong transition, followed by the United States in good transition. This implies all countries not named show, in the respective pillar, moderate or weak performances.

South-East Asia and the Pacific

In contrast, in South-East Asia and the Pacific, the top seven countries together form a pack of good performers (**TABLE 16**). Japan exhibits a strong transition, followed by South Korea, New Zealand, Singapore, Australia, Indonesia and Thailand in good transition. All made important progress over the decade, except for Singapore (-2.9%), Australia (merely 2.5% progress) and New Zealand (2.9%) Thailand is a newcomer in this performer group. For the high-income countries in the upper end of the TPI, the Environmental transition is the main weakness: South Korea, New Zealand, Singapore and Australia are all weak performers.

TABLE 16: South-East Asia and Pacific TPI ranking and scores

RANK		COUNTRY	2020 TRANSITIONS SCORES					PROGRESS	ESG GAP
REGION	TPI	NAME	TPI	ECONOMIC	SOCIAL	ENVIRONMENTAL	GOVERNANCE	2011-2020	(% OF TPI)
1	17	Japan	67.5	62.2	81.4	58.8	72.6	6.4%	9.8%
2	28	South Korea	62.5	75.4	75.4	37.6	76.7	5.5%	-25.8%
3	33	New Zealand	60.9	55.8	78.0	36.7	85.1	2.9%	10.4%
4	35	Singapore	59.4	72.3	62.0	42.2	71.1	-2.9%	-27.1%
5	38	Australia	56.8	55.6	77.9	28.1	80.9	2.5%	2.6%
6	40	Indonesia	56.5	29.5	60.6	64.3	63.9	10.1%	59.6%
7	42	Thailand	55.1	42.3	71.1	56.7	50.4	5.9%	29.0%
8	47	Malaysia	53.3	49.7	61.6	46.0	59.9	4.7%	8.5%
9	51	Philippines	52.1	26.8	55.1	70.3	44.7	3.7%	60.7%
10	54	Vietnam	51.6	33.4	71.0	53.0	48.6	6.1%	44.1%
11	60	China	49.5	52.1	68.2	34.9	52.7	7.6%	-6.7%
12	63	India	48.9	27.4	47.7	58.1	54.1	4.6%	55.1%

■ Transition leader [75-100] ■ Strong transition [65-75] ■ Good transition [55-65] ■ Moderate transition [45-55] ■ Weak transition [0-45]

Notes: (1) 'ESG gap (% of TPI)' refers to the difference between the sum of the social, environmental, and governance (ESG) pillar weighted scores and the economic pillar score, as a percentage of the TPI score, in 2020. (2) 'Progress 2011-20' refers to the percentage growth of TPI scores from 2011 to 2020.

Source: European Commission, Transitions Performance Index 2021.



TABLE 17: Middle East and Africa TPI ranking and scores

RANK		COUNTRY	2020 TRANSITIONS SCORES					PROGRESS	ESG GAP
REGION	TPI	NAME	TPI	ECONOMIC	SOCIAL	ENVIRONMENTAL	GOVERNANCE	2011-2020	(% OF TPI)
1	29	Israel	62.3	64.0	72.7	48.9	71.5	9.9%	-3.4%
2	46	Tunisia	53.6	34.2	55.7	62.1	55.5	4.3%	45.3%
3	48	Morocco	53.3	34.0	47.5	67.4	53.7	4.1%	45.3%
4	50	United Arab Emirates	53.2	53.7	73.9	31.8	65.9	10.0%	-1.4%
5	52	Algeria	52.1	33.6	59.6	62.6	46.4	-4.3%	44.4%
6	62	Egypt	49.4	34.0	50.7	61.0	44.3	3.5%	38.9%
7	66	Saudi Arabia	46.4	57.0	39.8	36.1	57.6	6.5%	-28.5%
8	67	Kenya	45.8	18.7	58.5	57.4	41.0	4.3%	73.8%
9	70	Nigeria	43.4	20.8	48.3	66.1	25.9	2.0%	65.1%
10	71	Iran	40.8	33.3	44.9	44.9	37.8	2.9%	23.1%
11	72	South Africa	39.4	36.5	30.0	46.4	39.6	4.3%	9.2%

■ Transition leader [75-100] ■ Strong transition [65-75] ■ Good transition [55-65] ■ Moderate transition [45-55] ■ Weak transition [0-45]

Notes: (1) 'ESG gap (% of TPI)' refers to the difference between the sum of the social, environmental, and governance (ESG) pillar weighted scores and the economic pillar score, as a percentage of the TPI score, in 2020. (2) 'Progress 2011-20' refers to the percentage growth of TPI scores from 2011 to 2020.

Source: European Commission, Transitions Performance Index 2021.

As for the remaining countries in the region, Malaysia, the Philippines, Vietnam, China and India are all in moderate transition, with strength in Social transition for Vietnam and China and in Environmental transition for the Philippines, and weakness in Economic transition for the Philippines, Vietnam and India, in Environmental transition for China, and in Governance for the Philippines.

Middle East and Africa

In the Middle East and Africa, Israel tops the group and is the only country in good transition followed by Tunisia, Morocco, the United Arab Emirates, Algeria, Egypt, Saudi Arabia and Kenya, which are in moderate transition (TABLE 17). All countries show good progress, except for Algeria (-4.3%). Apart from Israel and Saudi Arabia, top performers in the region suffer from the slow pace of their economic

adaptation to the transition process. Saudi Arabia and Kenya are both among the moderate performers but with rather opposite profiles; while Saudi Arabia performs well in the Economic and Governance transitions, Kenya shows good performance in the Social and Environmental transitions.

Nigeria, Iran and South Africa are among weak performers, with a commendable good performance in environmental performance for Nigeria. These three countries are globally the lowest performers in the TPI.

Non-EU Europe and Central Asia

In non-EU Europe and Central Asia, which includes 15 countries, European countries dominate the scores, with Switzerland in the leaders' group (TABLE 18). The proximity to the European Union seems to be decisive in that orientation

TABLE 18: Non-EU Europe and Central Asia TPI ranking and scores

RANK		COUNTRY	2020 TRANSITIONS SCORES					PROGRESS	ESG GAP
REGION	TPI	NAME	TPI	ECONOMIC	SOCIAL	ENVIRONMENTAL	GOVERNANCE	2011-2020	(% OF TPI)
1	1	Switzerland	78.4	79.8	82.9	71.7	83.0	4.2%	-2.3%
2	5	United Kingdom	73.3	58.2	77.1	78.0	75.7	5.2%	25.6%
3	8	Norway	71.3	67.3	85.8	54.2	86.8	5.0%	7.1%
4	31	Iceland	61.2	67.2	89.7	28.7	79.1	2.6%	-12.2%
5	37	Albania	58.5	28.9	70.2	73.3	52.2	4.9%	63.3%
6	39	North Macedonia	56.7	33.7	61.7	63.3	61.8	9.4%	50.7%
7	44	Armenia	54.2	33.1	66.2	55.6	59.6	7.7%	48.6%
8	49	Georgia	53.2	29.8	61.8	56.0	61.1	5.9%	55.1%
9	53	Turkey	51.9	47.1	53.5	55.6	49.3	5.2%	11.6%
10	56	Moldova	50.6	41.4	65.8	46.8	51.3	7.5%	22.8%
11	57	Bosnia and Herzegovina	50.4	31.4	58.0	52.0	57.3	2.8%	47.2%
12	58	Montenegro	49.9	31.1	60.0	49.9	57.0	6.5%	47.1%
13	61	Serbia	49.4	37.5	63.4	42.8	57.1	6.9%	30.2%
14	64	Ukraine	48.5	40.3	70.5	42.7	45.7	4.6%	21.2%
15	69	Russia	43.7	41.0	66.8	35.5	38.7	7.5%	7.6%

■ Transition leader [75-100] ■ Strong transition [65-75] ■ Good transition [55-65] ■ Moderate transition [45-55] ■ Weak transition [0-45]

Notes: (1) 'ESG gap (% of TPI)' refers to the difference between the sum of the social, environmental, and governance (ESG) pillar weighted scores and the economic pillar score, as a percentage of the TPI score, in 2020. (2) 'Progress 2011-20' refers to the percentage growth of TPI scores from 2011 to 2020.

Source: European Commission, Transitions Performance Index 2021.



(see Chapter II for a discussion of the EU performance). It also shows the heterogeneity of this group, with countries from the three income categories. From the governance perspective, these countries also are in different democratic phases.

This regional group includes all EU associated countries, as well as the United Kingdom (formerly EU, ranked 5) and Russia, at the bottom in the region, ranked 69th.

After Norway in position 8, there is a jump of 23 positions to Iceland, Albania and North Macedonia, among good performers, and to Armenia, Georgia and Turkey in moderate transition with scores above the world average.

The remaining countries are all ranked below the world average in moderate or weak transition, showing, however, progress rates above the world average of 4.3% (except for Bosnia-Herzegovina with 2.8%), suggesting catching-up effects. They show weak performances across the board in Economic transition and a pattern of imbalance, as shown by relatively high levels of ESG gap, with Environmental transition as the weakest link. Moldova, Ukraine and Russia show a strong performance in Social transition, and Bosnia and Herzegovina, Montenegro and Serbia show good performance levels in the Social and Governance transitions.