



# III. GLOBAL PERFORMANCE



European  
Commission

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The TPI aims at becoming a compass used to monitor the capacity of countries to face global challenges with the goal to achieve a fair and sustainable prosperity for citizens and future generations.

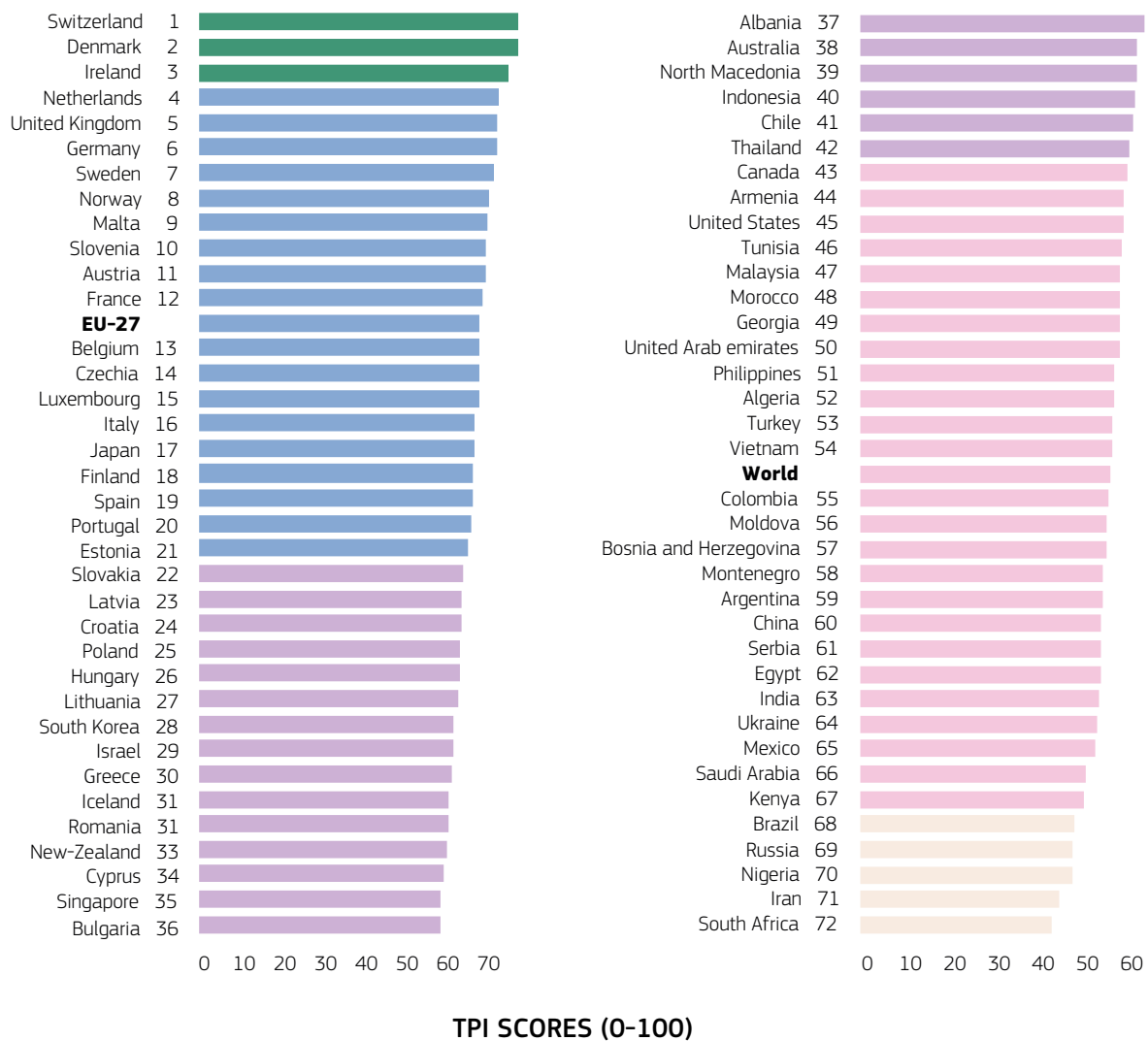
Global challenges require global responses. Designed with a 'beyond GDP' approach and using international comparable data, its global dimension constitutes one of the main added values of the TPI to help increase dialogue and citizens' involvement on a global scale.

## III.1. TPI PERFORMANCE

### TPI ranking and scores

Score ranges of identical width define the five performance groups (FIGURE 7). The results show a typical normal distribution, with 3 countries as leaders, 18 as strong performers, including the EU-27, and 21 as good performers, 25 as moderate performers, including the world average, and 5 in weak transition.

FIGURE 7: TPI ranking and transition groups (2020)



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

Source: European Commission, Transitions Performance Index 2021.



TABLE 3: Top 5 TPI pillar scores

TOP 5	TRANSITIONS							
	ECONOMIC		SOCIAL		ENVIRONMENTAL		GOVERNANCE	
Rank	Country	Score	Country	Score	Country	Score	Country	Score
1	Switzerland	79.8	Iceland	89.7	United Kingdom	78.0	Norway	86.8
2	Ireland	76.1	Slovenia	85.9	Malta	74.4	New Zealand	85.1
3	South Korea	75.4	Norway	85.8	Italy	73.8	Luxembourg	85.0
4	Denmark	73.4	Denmark	85.5	Albania	73.3	Denmark	84.0
5	Sweden	73.0	Netherlands	84.8	Denmark	73.1	Sweden	83.7

■ Transition leader [75-100] ■ Strong transition [65-75]

Source: European Commission, Transitions Performance Index 2021.

The overall strong position of EU-27 countries is noteworthy (see Chapter II)<sup>22</sup>.

Switzerland's performance is outstanding, with the country leading the ranking for the entire 2011 to 2020 period with a balanced performance in the four dimensions. Switzerland also leads in Economic transition, while Iceland is at the top of the ranking in Social transition, the United Kingdom in Environmental transition and Norway in Governance transition (TABLE 3).

#### Progress over the 2011-2020 decade

The world exhibited overall moderate progress from 2011 to 2020, but with significant differences in relative scores and trends, confirming the difficulty of the transition challenge (TABLE 4).

The countries that registered the highest gains over the period are Croatia (13.5%), Greece (11.0%) and Estonia (10.8%).

Progress is far from being solely a catching-up effect for the countries with a low TPI score in 2011. Most of the 72 countries covered by the TPI have improved their performance, on average by 4.3%<sup>23</sup>, except for Algeria (-4.3%), Brazil (-3.4%) and Singapore (-2.9%), whose performance has receded. Hungary has had a stable score over that period (-0.2%).

FIGURE 8 shows that progress is not predetermined by the starting points (weak R2 of 0.0454). Some leaders or strong performers have made outstanding progress, such as Ireland, which is now in leader position, and the EU-27 as a whole (with growth over 4.9%).

But significant progress is also noticeable in countries that belong to the other groups of performers (FIGURE 9).

#### Performance in the four transitions

Pillar performance shows that no country is among the leaders in all four dimensions, which implies there is room for progress for all (TABLE 5). Only Denmark manages to be in the top 5 for the TPI in each pillar, without leading any of them.

Some countries achieve leadership in some pillars, even if they do not rank at the top of the TPI; conversely, some countries lag in some pillars despite their overall good performance in TPI scores. This illustrates the specific nature of each pillar and the specificities of each country. While the public benefits from progress in each dimension, some countries may take advantage of their strengths to make progress on their relative weaknesses<sup>24</sup>. The TPI country profiles show weak points where catching-up is recommended to avoid imbalances, which would destroy the economic and social consensus needed to support the global transition process.

22 Transition groups are transition leader (scores equal to or above 75); strong transition (scores between 65 and 75); good transition (scores between 55 and 65); moderate transition (scores between 45 and 55); and weak transition (scores below 45).

23 Refer to Appendix IV - Technical notes for details on the computation of the country aggregates EU-27 (27 current Member States, considered over the entire 2011-2020 period) and the world (which includes only the 72 countries considered in the TPI). The arithmetic average progress is 6.5%, and the average progress weighted by population is 6.9%, notably due to the weight of China.

24 The TPI being based on a reduced number of indicators, the strengths and weaknesses it points to need to be further analysed by a wider set of indicators in each dimension, based on existing large dashboards and expert views.



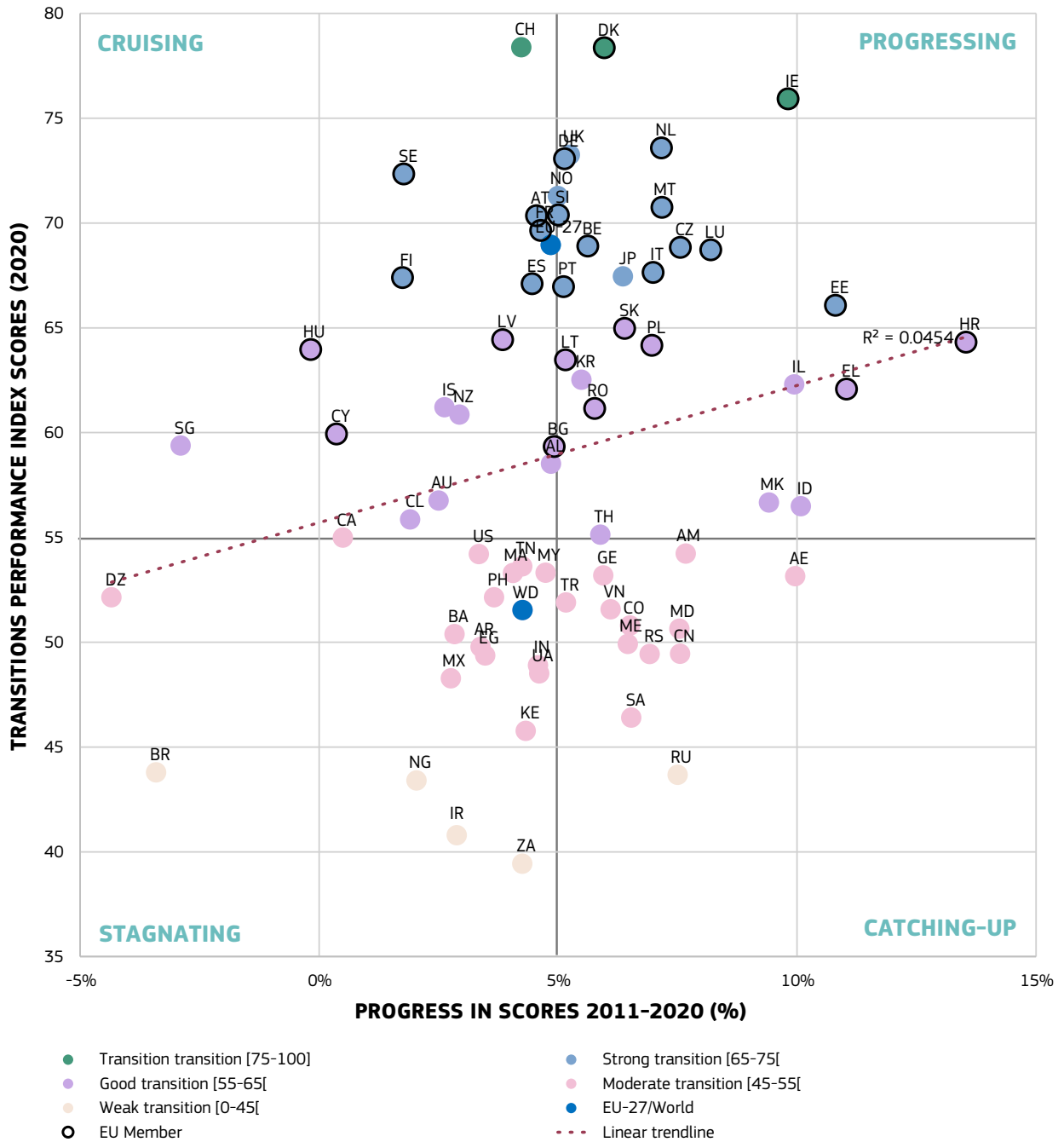
TABLE 4: TPI scores and progress (2011-2020)

RANK	CODE	COUNTRY NAME	PROGRESS		2011-2020 TPI SCORES								
			2011-20	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
1	CH	Switzerland	4.2%	78.4	78.5	78.1	78.0	77.4	76.9	76.5	75.4	75.7	75.2
2	DK	Denmark	6.0%	78.4	78.3	77.3	76.9	77.1	76.7	75.6	74.9	74.7	73.9
3	IE	Ireland	9.8%	75.9	75.3	74.9	74.6	74.0	74.4	71.2	69.2	69.1	69.1
4	NL	Netherlands	7.2%	73.6	73.6	73.0	72.1	71.3	70.6	70.3	69.8	69.1	68.7
5	UK	United Kingdom	5.2%	73.3	73.6	73.1	72.6	72.1	71.8	71.3	70.2	69.8	69.6
6	DE	Germany	5.1%	73.1	73.4	72.9	71.9	70.9	70.8	70.7	69.7	69.6	69.5
7	SE	Sweden	1.8%	72.3	72.5	71.7	71.8	71.2	71.5	71.3	71.2	71.4	71.1
8	NO	Norway	5.0%	71.3	71.0	69.7	69.4	68.8	68.7	69.3	68.5	69.3	67.9
9	MT	Malta	7.2%	70.7	71.9	71.2	70.7	70.2	70.2	68.4	67.8	64.5	66.0
10	SI	Slovenia	5.0%	70.4	70.5	69.3	68.8	68.5	67.5	67.8	67.9	67.6	67.0
11	AT	Austria	4.6%	70.4	70.8	70.6	69.8	69.6	69.4	69.4	68.5	68.0	67.3
12	FR	France	4.6%	69.6	70.0	69.4	68.4	67.7	67.1	67.7	67.5	67.0	66.6
<b>EU-27 European Union</b>			4.9%	69.0	69.0	68.4	67.9	67.5	67.2	67.2	66.5	66.2	65.8
13	BE	Belgium	5.6%	68.9	69.4	68.3	67.7	67.4	66.9	67.0	66.2	66.0	65.2
14	CZ	Czechia	7.6%	68.8	68.9	68.2	67.8	67.2	66.7	66.3	65.0	64.3	64.0
15	LU	Luxembourg	8.2%	68.7	68.3	68.1	67.9	67.6	66.6	66.3	65.7	64.8	63.5
16	IT	Italy	7.0%	67.6	67.8	67.2	66.7	66.3	65.1	65.5	64.9	63.8	63.2
17	JP	Japan	6.4%	67.5	67.4	67.0	66.7	66.0	65.9	65.4	64.6	63.7	63.4
18	FI	Finland	1.7%	67.4	67.5	67.2	67.8	67.3	67.5	67.5	66.8	66.9	66.2
19	ES	Spain	4.5%	67.1	67.4	66.2	66.0	65.7	64.8	65.0	64.7	64.4	64.2
20	PT	Portugal	5.1%	67.0	67.2	66.3	65.8	65.6	64.8	64.7	63.9	63.7	63.7
21	EE	Estonia	10.8%	66.1	65.9	63.1	62.4	61.7	62.0	60.4	59.1	60.1	59.6
22	SK	Slovakia	6.4%	65.0	65.1	64.1	63.5	63.9	63.9	63.2	62.0	62.0	61.1
23	LV	Latvia	3.8%	64.4	64.3	64.0	63.8	63.8	63.7	63.4	63.4	62.4	62.1
24	HR	Croatia	13.5%	64.3	64.9	64.5	63.0	63.0	62.5	62.4	60.5	57.2	56.7
25	PL	Poland	7.0%	64.2	64.2	63.2	62.9	63.1	63.3	63.0	61.6	61.0	60.0
26	HU	Hungary	-0.2%	64.0	64.0	63.8	63.3	63.8	63.6	64.5	64.4	64.4	64.1
27	LT	Lithuania	5.2%	63.5	63.6	63.2	62.1	61.6	61.5	61.8	61.2	60.6	60.4
28	KR	South Korea	5.5%	62.5	62.6	62.3	61.6	60.8	60.3	60.3	59.8	59.6	59.3
29	IL	Israel	9.9%	62.3	62.6	62.2	61.9	61.2	60.2	60.0	58.5	57.1	56.7
30	EL	Greece	11.0%	62.1	60.9	59.8	59.2	58.8	58.3	57.7	57.1	55.6	55.9
31	IS	Iceland	2.6%	61.2	61.5	60.5	60.8	61.4	60.8	60.5	60.5	60.4	59.6
32	RO	Romania	5.8%	61.2	61.6	61.4	61.1	60.7	59.0	58.7	58.3	57.4	57.8
33	NZ	New Zealand	2.9%	60.9	61.2	61.0	60.6	59.9	59.4	59.2	58.8	58.8	59.1
34	CY	Cyprus	0.4%	59.9	60.6	60.2	60.8	59.7	59.2	59.0	59.4	58.4	59.7
35	SG	Singapore	-2.9%	59.4	59.9	60.5	59.9	60.1	59.9	60.1	60.5	60.7	61.2
36	BG	Bulgaria	4.9%	59.3	59.3	58.6	58.1	57.8	57.2	58.0	57.7	56.9	56.6
37	AL	Albania	4.9%	58.5	58.4	58.5	58.0	57.6	57.2	55.0	55.4	56.1	55.8
38	AU	Australia	2.5%	56.8	56.9	57.0	56.8	56.3	55.8	55.8	55.8	55.6	55.4
39	MK	North Macedonia	9.4%	56.7	56.8	56.5	54.5	54.6	54.3	54.2	53.8	52.3	51.8
40	ID	Indonesia	10.1%	56.5	56.3	55.9	55.1	55.0	54.1	53.9	52.8	52.0	51.3
41	CL	Chile	1.9%	55.9	56.0	56.1	55.6	55.9	56.6	56.6	55.2	55.4	54.8
42	TH	Thailand	5.9%	55.1	55.0	54.2	53.8	53.1	52.7	52.1	52.2	51.9	52.1
43	CA	Canada	0.5%	55.0	55.5	55.5	55.5	55.5	54.7	54.8	54.6	54.8	54.7
44	AM	Armenia	7.7%	54.2	53.8	52.2	51.4	50.7	50.3	50.5	50.9	50.6	50.4
45	US	United States	3.3%	54.2	54.8	54.7	55.0	54.3	53.8	53.3	53.1	53.2	52.5
46	TN	Tunisia	4.3%	53.6	53.7	53.5	53.3	54.0	53.9	53.5	53.1	52.6	51.4
47	MY	Malaysia	4.7%	53.3	53.4	53.1	52.7	51.7	51.7	51.6	50.8	51.2	50.9
48	MA	Morocco	4.1%	53.3	52.7	52.5	51.5	52.0	52.1	52.6	51.6	51.8	51.2
49	GE	Georgia	5.9%	53.2	53.6	53.6	54.2	54.8	52.7	51.9	51.2	50.9	50.2
50	AE	United Arab Emirates	10.0%	53.2	53.5	53.4	51.8	49.9	50.0	50.6	49.7	49.3	48.3
51	PH	Philippines	3.7%	52.1	52.8	53.2	52.3	52.0	51.6	52.1	51.6	50.8	50.3
52	DZ	Algeria	-4.3%	52.1	52.4	52.7	52.7	52.4	52.3	53.1	53.6	53.8	54.5
53	TR	Turkey	5.2%	51.9	51.7	51.7	50.6	50.1	50.9	50.7	50.6	49.5	49.4
54	VN	Vietnam	6.1%	51.6	51.6	51.5	51.4	51.0	50.3	50.2	49.8	49.4	48.6
<b>WD World</b>			4.3%	51.5	51.6	51.6	51.4	51.0	50.7	50.4	50.0	49.7	49.4
55	CO	Colombia	6.5%	50.8	50.7	51.8	51.3	50.0	49.5	48.1	47.3	48.6	47.7
56	MD	Moldova	7.5%	50.6	50.5	49.7	50.2	49.0	49.1	49.4	49.2	47.5	47.1
57	BA	Bosnia and Herzegovina	2.8%	50.4	50.2	50.4	50.3	50.2	49.9	50.2	50.0	49.1	49.0
58	ME	Montenegro	6.5%	49.9	50.5	50.1	49.4	48.0	48.2	48.4	49.1	48.2	46.9
59	AR	Argentina	3.4%	49.8	49.4	49.8	50.1	48.9	48.2	47.7	47.8	48.2	48.1
60	CN	China	7.6%	49.5	49.1	49.4	48.9	48.5	48.2	47.7	47.2	46.4	46.0
61	RS	Serbia	6.9%	49.4	49.2	49.1	48.8	47.8	47.7	48.2	47.2	47.2	46.2
62	EG	Egypt	3.5%	49.4	49.3	48.7	47.7	48.5	48.2	48.3	48.3	48.5	47.7
63	IN	India	4.6%	48.9	48.9	48.8	48.9	48.7	48.1	47.6	47.4	47.0	46.8
64	UA	Ukraine	4.6%	48.5	48.1	47.8	47.4	46.5	46.3	46.3	47.0	47.0	46.4
65	MX	Mexico	2.8%	48.3	48.6	48.4	48.4	48.6	48.6	48.3	47.5	47.5	47.0
66	SA	Saudi Arabia	6.5%	46.4	46.3	46.2	45.4	44.8	44.4	44.7	45.3	45.0	43.6
67	KE	Kenya	4.3%	45.8	45.8	45.9	45.9	46.1	45.8	45.7	44.8	44.1	43.9
68	BR	Brazil	-3.4%	43.8	44.1	43.9	43.3	43.6	44.0	44.6	44.7	44.7	45.3
69	RU	Russia	7.5%	43.7	43.3	43.0	42.7	41.9	41.7	41.2	41.2	40.7	40.6
70	NG	Nigeria	2.0%	43.4	43.4	44.1	44.1	43.9	44.0	43.4	42.9	42.5	42.5
71	IR	Iran	2.9%	40.8	40.7	40.8	40.9	40.3	39.2	39.1	39.1	39.3	39.7
72	ZA	South Africa	4.3%	39.4	39.5	39.0	38.9	39.3	39.4	38.6	38.6	38.2	37.8

■ Transition leader [75-100] ■ Strong transition [65-75] ■ Good transition [55-65] ■ Moderate transition [45-55] ■ Weak transition [0-45]  
 Note: 'Progress 2011-20' refers to the percentage growth of TPI scores from 2011 to 2020.  
 Source: European Commission, Transitions Performance Index 2021.



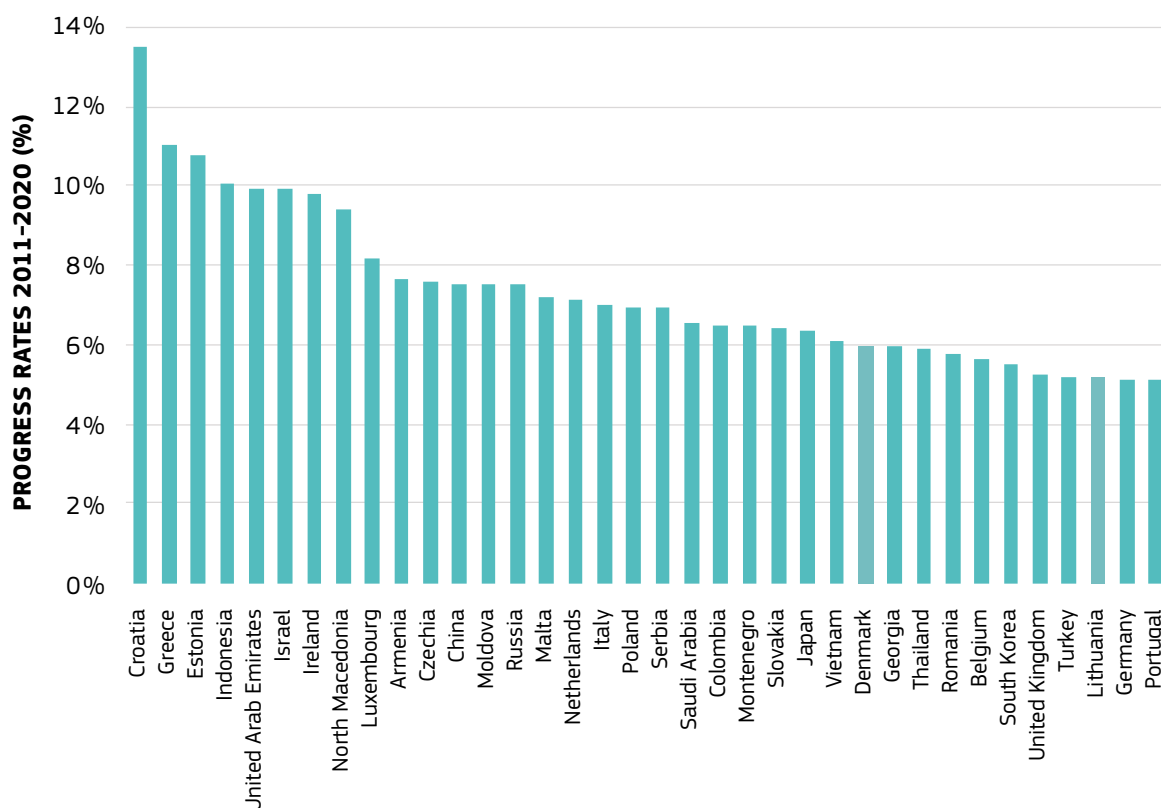
FIGURE 8: TPI scores and 2011-2020 progress grid



Source: European Commission, Transitions Performance Index 2021.



FIGURE 9: TPI progress rates 2011-2020 (36 best performers)



Source: European Commission, Transitions Performance Index 2021.

**Transition leaders and strong performers**

Countries among the TPI leader and strong transition groups are also among leading and strong performers in the Social and Governance transitions. This seems to validate the assessment of the report by the Parliamentary Assembly of the Council of Europe:

*‘Democracy is important for sustainable economic development – from respect for human rights, the rule of law, social justice and solidarity to transparency and accountability in public affairs, through the independence of the judiciary, freedom of the press and the firm rejection of “cronyism”, corruption and business crime.’<sup>25</sup>*

The relationship between the TPI and the Economic and Environmental transitions is more complex. The performance under the Environmental transition is less correlated with the overall TPI than the other pillars. Although there is a strong mandate and urgency for environmental policies, this could mean that the Environmental transition is still well behind the other three transitions and that additional policy efforts are needed to ‘bend the curves’ on each of the four sub-pillars.

At the global level, the United Kingdom, Malta, Slovenia, France, Czechia, Italy, Japan and Estonia have room for improving their Economic transition performance as also indicated by the gap analysis below.

**Good performers**

Regarding the Economic transition, South Korea is a leader followed by Iceland and Singapore as strong performers. In this dimension, the weak scores of Romania, Bulgaria, Albania, North Macedonia, Indonesia, Chile and Thailand are worrying. Eight other countries are in moderate Economic transition, showing room for improvement.

Regarding the Environmental transition, no country in this group ranks among the leaders. However, the strong performances of Latvia, Croatia, Hungary, Greece, Romania and Albania are noticeable, especially for Albania, which shows that a strong performance in Environmental transition is achievable despite a weak performance in Economic transition.

25 Committee on Economic Affairs and Development, Parliamentary Assembly of Council of Europe, Doc 8458.



TABLE 5: TPI scores in the four transitions

COUNTRY		INCOME GROUP		2020 TRANSITIONS SCORES					ESG GAP	PROGRESS
RANK	NAME	RANK	GROUP	TPI	ECONOMIC	SOCIAL	ENVIRONMENTAL	GOVERNANCE	(% OF TPI)	2011-20
1	Switzerland	1	H	78.39	79.8	82.9	71.7	83.0	-2.3%	4.2%
2	Denmark	2	H	78.36	73.4	85.5	73.1	84.0	7.9%	6.0%
3	Ireland	3	H	75.93	76.1	78.3	72.3	79.0	-0.3%	9.8%
4	Netherlands	4	H	73.58	66.7	84.8	64.7	82.5	11.7%	7.2%
5	United Kingdom	5	H	73.26	58.2	77.1	78.0	75.7	25.6%	5.2%
6	Germany	6	H	73.07	70.7	82.0	65.0	79.1	4.0%	5.1%
7	Sweden	7	H	72.34	73.0	84.3	57.0	83.7	-1.1%	1.8%
8	Norway	8	H	71.29	67.3	85.8	54.2	86.8	7.1%	5.0%
9	Malta	9	H	70.74	55.7	80.1	74.4	70.1	26.5%	7.2%
10	Slovenia	10	H	70.39	62.5	85.9	60.9	77.7	14.1%	5.0%
11	Austria	11	H	70.35	70.2	80.6	59.1	78.0	0.3%	4.6%
12	France	12	H	69.65	58.9	81.0	66.8	73.2	19.3%	4.6%
	EU-27		H	68.96	61.1	77.5	65.0	74.0	14.3%	4.9%
13	Belgium	13	H	68.90	67.9	81.6	59.1	73.3	1.9%	5.6%
14	Czechia	14	H	68.84	60.4	83.9	59.0	77.3	15.3%	7.6%
15	Luxembourg	15	H	68.73	69.3	75.5	52.9	85.0	-1.1%	8.2%
16	Italy	16	H	67.64	56.7	70.2	73.8	65.7	20.2%	7.0%
17	Japan	17	H	67.45	62.2	81.4	58.8	72.6	9.8%	6.4%
18	Finland	18	H	67.40	68.2	84.1	47.9	80.7	-1.6%	1.7%
19	Spain	19	H	67.11	54.2	74.7	65.4	73.7	24.1%	4.5%
20	Portugal	20	H	66.96	50.3	76.9	66.4	73.1	31.1%	5.1%
21	Estonia	21	H	66.07	56.4	79.2	53.9	80.3	18.3%	10.8%
22	Slovakia	22	H	64.97	50.1	80.9	60.2	70.9	28.7%	6.4%
23	Latvia	23	H	64.44	47.9	72.2	68.4	66.0	32.2%	3.8%
24	Croatia	24	H	64.32	45.6	72.0	67.6	68.7	36.5%	13.5%
25	Poland	25	H	64.17	52.5	74.1	59.7	71.8	22.7%	7.0%
26	Hungary	26	H	63.96	53.0	75.3	66.2	60.5	21.4%	-0.2%
27	Lithuania	27	H	63.48	52.3	71.7	61.6	68.4	22.0%	5.2%
28	South Korea	28	H	62.53	75.4	75.4	37.6	76.7	-25.8%	5.5%
29	Israel	29	H	62.31	64.0	72.7	48.9	71.5	-3.4%	9.9%
30	Greece	30	H	62.08	45.2	70.9	65.5	63.8	34.0%	11.0%
31	Iceland	31	H	61.21	67.2	89.7	28.7	79.1	-12.2%	2.6%
32	Romania	1	UM	61.16	42.2	66.0	65.3	66.6	38.7%	5.8%
33	New Zealand	32	H	60.86	55.8	78.0	36.7	85.1	10.4%	2.9%
34	Cyprus	33	H	59.94	47.6	79.2	51.6	66.1	25.8%	0.4%
35	Singapore	34	H	59.38	72.3	62.0	42.2	71.1	-27.1%	-2.9%
36	Bulgaria	2	UM	59.34	40.8	65.3	61.2	66.7	39.1%	4.9%
37	Albania	3	UM	58.52	28.9	70.2	73.3	52.2	63.3%	4.9%
38	Australia	35	H	56.76	55.6	77.9	28.1	80.9	2.6%	2.5%
39	North Macedonia	4	UM	56.67	33.7	61.7	63.3	61.8	50.7%	9.4%
40	Indonesia	1	LM	56.49	29.5	60.6	64.3	63.9	59.6%	10.1%
41	Chile	36	H	55.86	39.9	62.0	51.4	69.9	35.7%	1.9%
42	Thailand	5	UM	55.13	42.3	71.1	56.7	50.4	29.0%	5.9%
43	Canada	37	H	54.99	60.9	77.1	26.4	72.7	-13.4%	0.5%
44	Armenia	6	UM	54.23	33.1	66.2	55.6	59.6	48.6%	7.7%
45	United States	38	H	54.21	68.2	62.5	36.1	61.7	-32.2%	3.3%
46	Tunisia	2	LM	53.62	34.2	55.7	62.1	55.5	45.3%	4.3%
47	Malaysia	7	UM	53.32	49.7	61.6	46.0	59.9	8.5%	4.7%
48	Morocco	3	LM	53.30	34.0	47.5	67.4	53.7	45.3%	4.1%
49	Georgia	8	UM	53.19	29.8	61.8	56.0	61.1	55.1%	5.9%
50	United Arab Emirates	39	H	53.15	53.7	73.9	31.8	65.9	-1.4%	10.0%
51	Philippines	4	LM	52.15	26.8	55.1	70.3	44.7	60.7%	3.7%
52	Algeria	5	LM	52.15	33.6	59.6	62.6	46.4	44.4%	-4.3%
53	Turkey	9	UM	51.90	47.1	53.5	55.6	49.3	11.6%	5.2%
54	Vietnam	6	LM	51.57	33.4	71.0	53.0	48.6	44.1%	6.1%
	World		UM	51.54	45.4	59.4	53.4	47.6	14.9%	4.3%
55	Colombia	10	UM	50.80	30.1	54.9	69.7	37.6	51.0%	6.5%
56	Moldova	11	UM	50.65	41.4	65.8	46.8	51.3	22.8%	7.5%
57	Bosnia and Herzegovina	12	UM	50.39	31.4	58.0	52.0	57.3	47.2%	2.8%
58	Montenegro	13	UM	49.92	31.1	60.0	49.9	57.0	47.1%	6.5%
59	Argentina	14	UM	49.77	39.8	57.9	51.2	49.3	25.1%	3.4%
60	China	15	UM	49.45	52.1	68.2	34.9	52.7	-6.7%	7.6%
61	Serbia	16	UM	49.44	37.5	63.4	42.8	57.1	30.2%	6.9%
62	Egypt	7	LM	49.36	34.0	50.7	61.0	44.3	38.9%	3.5%
63	India	8	LM	48.90	27.4	47.7	58.1	54.1	55.1%	4.6%
64	Ukraine	9	LM	48.51	40.3	70.5	42.7	45.7	21.2%	4.6%
65	Mexico	17	UM	48.28	36.2	55.9	61.7	33.0	31.4%	2.8%
66	Saudi Arabia	40	H	46.40	57.0	39.8	36.1	57.6	-28.5%	6.5%
67	Kenya	10	LM	45.77	18.7	58.5	57.4	41.0	73.8%	4.3%
68	Brazil	18	UM	43.79	33.0	48.3	52.6	36.5	30.8%	-3.4%
69	Russia	19	UM	43.67	41.0	66.8	35.5	38.7	7.6%	7.5%
70	Nigeria	11	LM	43.41	20.8	48.3	66.1	25.9	65.1%	2.0%
71	Iran	12	LM	40.79	33.3	44.9	44.9	37.8	23.1%	2.9%
72	South Africa	20	UM	39.43	36.5	30.0	46.4	39.6	9.2%	4.3%

■ 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. A negative ESG gap suggests an economic capacity to do more in the ESG agenda. (2) 'Progress 2011-20' refers to the percentage growth of TPI scores between 2011 and 2020. (1) Income groups are high income (H), upper-middle income (UM) and lower-middle income (LM).

Source: European Commission, Transitions Performance Index 2021.



Unfortunately, scores are less satisfactory for South Korea, Iceland, New Zealand, Singapore and Australia, which all perform weakly under Environmental transition despite leader or strong positions in other pillars, and are demonstrations of unbalanced profiles. These high-income countries denote a persisting gap between policy choices and global trends, with growth models slow to shift on a large scale to adapt to a sustainable economy. This may have long-term adverse effects not only in terms of resilience and adaptation to society's demands, but also in terms of competitiveness, and raise concerns about a global level playing field.

The Social and Governance transitions show an overall good performance, confirming the link mentioned above, with Iceland, New Zealand and Slovakia, Hungary and Cyprus leading in Social transition.

#### *Moderate and weak performers*

Among moderate performers, nine countries achieve lead or strong performances in at least one pillar: the United States in Economic transition; Armenia, Canada, China, Moldova, Ukraine, the United Arab Emirates and Vietnam in Social transition; Colombia, Morocco and the Philippines and in Environmental transition, and Canada and the United Arab Emirates in Governance transition. Canada's score is driven by a particularly weak performance in Environmental transition.

Among weak performers, two countries achieve strong performances: Russia in Social transition and Nigeria in Environmental transition.

### III.2. PROGRESS OVER TIME

TPI scores and rankings should not be compared to last year's edition because the conceptual framework is slightly different this year with the addition of three new indicators (**TABLE 6**). Rankings can also be impacted by updates in metrics and or sources for the indicators that were already included in last year's edition. The TPI is backcasted by ten years every year precisely to avoid this mistake and to depict trends in a manner that is as thorough as possible.

In addition, scores represent absolute performance and are comparable from one year to the other because goalposts are used, contrary to most composite indicators that use annual min-max normalization. Last but not least, ranks, which represent relative performance, are also comparable because the index is calculated for the same 72 countries calculated in last year's TPI and there are few missing data points<sup>26</sup>.

The largest part of the changes in rankings compared to the last edition is explained by the new framework in use; changes due to different progress trends are limited.

This year's TPI shows that two countries have progressed to leader positions over the decade: Denmark and Ireland (**TABLE 7**). Similarly, seven countries have progressed to strong transition: Czechia, Luxembourg, Italy, Japan, Spain, Portugal, and Estonia. Four countries have progressed to good transition: North Macedonia, Indonesia, Chile and Thailand. Two countries have progressed to moderate transition: Saudi Arabia and Kenya. All show above average progress rates, except for Chile (with 1.9%), which stands out with a trend of declining scores since 2014.

<sup>26</sup> Contrary to most composite indicators that have different samples of countries from one year to the other and several missing data points.



TABLE 6: Changes in rankings – 2021 compared to 2020

RANK 2020	COUNTRY NAME	2021 TPI		2020 TPI		2021 TPI		2020 TPI		Effect in ranks	
		2020	2019	2019	2020	2019	2019	2020	Performance	Model	
1	Switzerland	78.4	78.5	81.4	1	1	1	0	0		
2	Denmark	78.4	78.3	77.4	2	2	2	0	0		
3	Ireland	75.9	75.3	74.0	3	3	5	0	2		
4	Netherlands	73.6	73.6	76.5	4	4	3	0	-1		
5	United Kingdom	73.3	73.6	75.0	5	5	4	0	-1		
6	Germany	73.1	73.4	72.3	6	6	9	0	3		
7	Sweden	72.3	72.5	73.8	7	7	6	0	-1		
8	Norway	71.3	71.0	72.8	8	9	7	1	-2		
9	Malta	70.7	71.9	72.4	9	8	8	-1	0		
10	Slovenia	70.4	70.5	70.4	10	11	13	1	2		
11	Austria	70.4	70.8	71.0	11	10	11	-1	1		
12	France	69.6	70.0	70.6	12	12	12	0	0		
	<b>EU-27</b>	69.0	69.0	68.8	12	13	17	1	4		
13	Belgium	68.9	69.4	70.3	13	13	14	0	1		
14	Czechia	68.8	68.9	67.7	14	14	17	0	3		
15	Luxembourg	68.7	68.3	71.1	15	15	10	0	-5		
16	Italy	67.6	67.8	68.8	16	16	16	0	0		
17	Japan	67.5	67.4	70.0	17	19	15	2	-4		
18	Finland	67.4	67.5	67.5	18	17	19	-1	2		
19	Spain	67.1	67.4	67.6	19	18	18	-1	0		
20	Portugal	67.0	67.2	65.8	20	20	20	0	0		
21	Estonia	66.1	65.9	63.3	21	21	27	0	6		
22	Slovakia	65.0	65.1	65.0	22	22	21	0	-1		
23	Latvia	64.4	64.3	64.2	23	24	23	1	-1		
24	Croatia	64.3	64.9	64.0	24	23	24	-1	1		
25	Poland	64.2	64.2	63.6	25	25	26	0	1		
26	Hungary	64.0	64.0	62.8	26	26	28	0	2		
27	Lithuania	63.5	63.6	63.8	27	27	25	0	-2		
28	South Korea	62.5	62.6	64.5	28	29	22	1	-7		
29	Israel	62.3	62.6	62.7	29	28	29	-1	1		
30	Greece	62.1	60.9	60.5	30	33	34	3	1		
31	Iceland	61.2	61.5	61.8	31	31	30	0	-1		
32	Romania	61.2	61.6	58.9	32	30	35	-2	5		
33	New Zealand	60.9	61.2	61.2	33	32	33	-1	1		
34	Cyprus	59.9	60.6	61.6	34	34	31	0	-3		
35	Singapore	59.4	59.9	61.6	35	35	32	0	-3		
36	Bulgaria	59.3	59.3	56.7	36	36	37	0	1		
37	Albania	58.5	58.4	56.2	37	37	39	0	2		
38	Australia	56.8	56.9	58.3	38	38	36	0	-2		
39	North Macedonia	56.7	56.8	54.7	39	39	42	0	3		
40	Indonesia	56.5	56.3	53.5	40	40	44	0	4		
41	Chile	55.9	56.0	53.3	41	41	45	0	4		
42	Thailand	55.1	55.0	52.7	42	43	46	1	3		
43	Canada	55.0	55.5	55.8	43	42	40	-1	-2		
44	Armenia	54.2	53.8	47.5	44	45	57	1	12		
45	United States	54.2	54.8	56.7	45	44	38	-1	-6		
46	Tunisia	53.6	53.7	51.1	46	46	48	0	2		
47	Malaysia	53.3	53.4	54.1	47	49	43	2	-6		
48	Morocco	53.3	52.7	51.5	48	51	47	3	-4		
49	Georgia	53.2	53.6	49.9	49	47	50	-2	3		
50	United Arab Emirates	53.2	53.5	55.3	50	48	41	-2	-7		
51	Philippines	52.1	52.8	48.3	51	50	54	-1	4		
52	Algeria	52.1	52.4	50.2	52	52	49	0	-3		
53	Turkey	51.9	51.7	48.7	53	53	52	0	-1		
54	Vietnam	51.6	51.6	47.6	54	54	56	0	2		
	<b>World</b>	51.5	51.6	49.7	55	54	51	-1	-3		
55	Colombia	50.8	50.7	48.2	55	55	55	0	0		
56	Moldova	50.6	50.5	47.3	56	57	59	1	2		
57	Bosnia and Herzegovina	50.4	50.2	43.3	57	58	66	1	8		
58	Montenegro	49.9	50.5	48.4	58	56	53	-2	-3		
59	Argentina	49.8	49.4	46.3	59	59	61	0	2		
60	China	49.5	49.1	49.4	60	62	51	2	-11		
61	Serbia	49.4	49.2	47.4	61	61	58	0	-3		
62	Egypt	49.4	49.3	46.2	62	60	62	-2	2		
63	India	48.9	48.9	45.9	63	63	63	0	0		
64	Ukraine	48.5	48.1	44.3	64	65	65	1	0		
65	Mexico	48.3	48.6	45.3	65	64	64	-1	0		
66	Saudi Arabia	46.4	46.3	46.5	66	66	60	0	-6		
67	Kenya	45.8	45.8	41.9	67	67	69	0	2		
68	Brazil	43.8	44.1	43.2	68	68	67	0	-1		
69	Russia	43.7	43.3	42.9	69	70	68	1	-2		
70	Nigeria	43.4	43.4	36.1	70	69	72	-1	3		
71	Iran	40.8	40.7	40.4	71	71	70	0	-1		
72	South Africa	39.4	39.5	36.3	72	72	71	0	-1		

■ Transition leader [75-100] ■ Strong transition [65-75] ■ Good transition [55-65] ■ Moderate transition [45-55] ■ Weak transition [0-45]  
 Notes: '2021 TPI' refers to the model used in the 2021 edition; '2020 TPI' refers to the model used in the 2020 edition. In green/red leave-out ranks that improve/fall by three or more positions.  
 The second row of titles refers to the corresponding year in data.  
 Source: European Commission, Transitions Performance Index 2021.



**TABLE 7: Countries changing performance groups or with negative progress over the decade**

COUNTRY			PROGRESS	2011-2020 TPI SCORES									
RANK	CODE	NAME	2011-20	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
2	DK	Denmark	6.0%	78.4	78.3	77.3	76.9	77.1	76.7	75.6	74.9	74.7	73.9
3	IE	Ireland	9.8%	75.9	75.3	74.9	74.6	74.0	74.4	71.2	69.2	69.1	69.1
14	CZ	Czechia	7.6%	68.8	68.9	68.2	67.8	67.2	66.7	66.3	65.0	64.3	64.0
15	LU	Luxembourg	8.2%	68.7	68.3	68.1	67.9	67.6	66.6	66.3	65.7	64.8	63.5
16	IT	Italy	7.0%	67.6	67.8	67.2	66.7	66.3	65.1	65.5	64.9	63.8	63.2
17	JP	Japan	6.4%	67.5	67.4	67.0	66.7	66.0	65.9	65.4	64.6	63.7	63.4
19	ES	Spain	4.5%	67.1	67.4	66.2	66.0	65.7	64.8	65.0	64.7	64.4	64.2
20	PT	Portugal	5.1%	67.0	67.2	66.3	65.8	65.6	64.8	64.7	63.9	63.7	63.7
21	EE	Estonia	10.8%	66.1	65.9	63.1	62.4	61.7	62.0	60.4	59.1	60.1	59.6
39	MK	North Macedonia	9.4%	56.7	56.8	56.5	54.5	54.6	54.3	54.2	53.8	52.3	51.8
40	ID	Indonesia	10.1%	56.5	56.3	55.9	55.1	55.0	54.1	53.9	52.8	52.0	51.3
41	CL	Chile	1.9%	55.9	56.0	56.1	55.6	55.9	56.6	56.6	55.2	55.4	54.8
42	TH	Thailand	5.9%	55.1	55.0	54.2	53.8	53.1	52.7	52.1	52.2	51.9	52.1
66	SA	Saudi Arabia	6.5%	46.4	46.3	46.2	45.4	44.8	44.4	44.7	45.3	45.0	43.6
67	KE	Kenya	4.3%	45.8	45.8	45.9	45.9	46.1	45.8	45.7	44.8	44.1	43.9
22	SK	Slovakia	6.4%	65.0	65.1	64.1	63.5	63.9	63.9	63.2	62.0	62.0	61.1
43	CA	Canada	0.5%	55.0	55.5	55.5	55.5	55.5	54.7	54.8	54.6	54.8	54.7
45	US	United States	3.3%	54.2	54.8	54.7	55.0	54.3	53.8	53.3	53.1	53.2	52.5
26	HU	Hungary	-0.2%	64.0	64.0	63.8	63.3	63.8	63.6	64.5	64.4	64.4	64.1
35	SG	Singapore	-2.9%	59.4	59.9	60.5	59.9	60.1	59.9	60.1	60.5	60.7	61.2
52	DZ	Algeria	-4.3%	52.1	52.4	52.7	52.7	52.4	52.3	53.1	53.6	53.8	54.5
68	BR	Brazil	-3.4%	43.8	44.1	43.9	43.3	43.6	44.0	44.6	44.7	44.7	45.3

■ Transition leader [75-100] ■ Strong transition [65-75] ■ Good transition [55-65] ■ Moderate transition [45-55] ■ Weak transition [0-45]  
 Notes: 'Progress 2011-20' refers to the percentage growth of TPI scores from 2011 to 2020.  
 Source: European Commission, Transitions Performance Index 2021.

The scores of countries near the cut off scores for performance groups (45, 55, 65 and 75 over 100) should also be interpreted with care, as minor changes from one year to the other might impact these shifts; three countries at some point reached an upper performance group, retroceding nonetheless in recent years. Slovakia made great progress over the decade (6.4%). The country's 2020 decline might well be a statistical anomaly due to the imputation of missing data points with last observations carried forward. Canada, in turn, shows clear signs of stagnation (0.5% progress). Lastly, the United States had a progress rate of 3.3% over the decade, achieving constant progress from 2011 to 2017, reaching the good transition group in 2017 (4.9%), but with negative progress at -1.5% in 2020 compared to 2017.

Even more worrisome, four countries had negative progress rates in their TPI scores over the decade: Hungary, Singapore, Algeria and Brazil. Brazil degraded from moderate to weak performance, despite some progress in 2018 and 2019.

### III.3. THE ENVIRONMENTAL-SOCIAL-GOVERNANCE (ESG) TRANSITION GAP

The relationship between the Economic transition and the three other transitions is complex. In business literature, ESG stands for 'environmental, social, and governance'. These non-financial factors are crucial for measuring the sustainability and stakeholder impact of a company or business, in contrast to focusing solely on shareholder profits. A similar perspective has been applied at the country level in the TPI with the ESG transition gap (TABLE 5)<sup>27</sup>.

ESG transition gaps indicate, independently of the positioning on the TPI ranking, the extent to which an increased effort in Economic transition is particularly needed. Countries with a positive ESG transition gap need to do more on Economic transition. In contrast, countries with pronounced negative gaps are not sufficiently using their economic resources to speed up progress in the three other pillars.

27 The ESG transition gap is computed as the difference between the weighted average of the Social, Environmental, and Governance transition scores and the Economic transition score, divided by the TPI score.

**TABLE 8: Countries with negative ESG gaps**

COUNTRY		COUNTRY		2020 TRANSITIONS SCORES					ESG GAP	PROGRESS
RANK	NAME	RANK	NAME	TPI	ECONOMIC	SOCIAL	ENVIRONMENTAL	GOVERNANCE	(% OF TPI)	2011-20
45	United States	38	H	54.21	68.2	62.5	36.1	61.7	-32.2%	3.3%
66	Saudi Arabia	40	H	46.40	57.0	39.8	36.1	57.6	-28.5%	6.5%
35	Singapore	34	H	59.38	72.3	62.0	42.2	71.1	-27.1%	-2.9%
28	South Korea	28	H	62.53	75.4	75.4	37.6	76.7	-25.8%	5.5%
43	Canada	37	H	54.99	60.9	77.1	26.4	72.7	-13.4%	0.5%
31	Iceland	31	H	61.21	67.2	89.7	28.7	79.1	-12.2%	2.6%
60	China	15	UM	49.45	52.1	68.2	34.9	52.7	-6.7%	7.6%
29	Israel	29	H	62.31	64.0	72.7	48.9	71.5	-3.4%	9.9%
1	Switzerland	1	H	78.39	79.8	82.9	71.7	83.0	-2.3%	4.2%
18	Finland	18	H	67.40	68.2	84.1	47.9	80.7	-1.6%	1.7%
50	United Arab Emira	39	H	53.15	53.7	73.9	31.8	65.9	-1.4%	10.0%
15	Luxembourg	15	H	68.73	69.3	75.5	52.9	85.0	-1.1%	8.2%
7	Sweden	7	H	72.34	73.0	84.3	57.0	83.7	-1.1%	1.8%
3	Ireland	3	H	75.93	76.1	78.3	72.3	79.0	-0.3%	9.8%

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

Note: (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. A negative ESG gap suggests an economic capacity to do more in the ESG agenda. (2) 'Progress 2011-20' refers to the percentage growth of TPI scores from 2011 to 2020.

Source: European Commission, Transitions Performance Index 2021.

With this gap analysis, it is possible to identify countries having a policy mix that allows them to perform better in the TPI given their economic resources. To avoid a potentially biased interpretation resulting from low levels of Economic transition, **TABLE 9** presents the ranking of the top 10 transition gaps for countries with leader, strong or good performance in the Economic transition.

For a proper interpretation for a given country, ESG transition gaps need to be considered jointly with the overall TPI score:

- It is preferable to have a high TPI score and a balanced profile (ESG transition gap around 0%). The negative gaps of Switzerland and Ireland, both with leader or strong performances in all four pillars, are therefore of no particular concern (**TABLE 8**).
- In the case of an unbalanced profile, then it is better to do more on ESG, given the economic clout; 27 countries show positive gaps above 30%, mostly those classified

as emerging or developing countries. It is also the case of ten countries with leader, strong or good performances in Economic transition, such as Japan, New Zealand and the United Kingdom, as well as seven of the EU-27 countries and the EU-27 with 14.3% (**TABLE 9**). For these ten countries the efficiency in the use of Economic transition efforts for the benefit of the other transitions should be especially high.

- The worst combination is getting a low or moderate TPI score with a pronounced negative ESG transition gap score as is the case in Canada, Iceland, Saudi Arabia, Singapore, South Korea and the United States, all with negative ESG gaps below -10% (**TABLE 8**).

It is reasonable to think that the specifiers of policy mixes related to the Economic transition may explain the contribution to increased TPI performance; it is the role of policy analysis to scrutinise these policies.



TABLE 9: Top 10 positive ESG gap for leaders, strong or good performers in Economic transition

ESG GAP TOP 10	SCORES			ESG GAP
	TPI	ECONOMIC TRANSITION	ESG WEIGHTED AVERAGE	(% OF TPI)
1 MT Malta	70.7	55.7	74.5	26.5%
2 UK United Kingdom	73.3	58.2	77.0	25.6%
3 IT Italy	67.6	56.7	70.4	20.2%
4 FR France	69.6	58.9	72.3	19.3%
5 EE Estonia	66.1	56.4	68.5	18.3%
6 CZ Czechia	68.8	60.4	71.0	15.3%
<b>EU-27 European Union</b>	69.0	61.1	70.9	14.3%
7 SI Slovenia	70.4	62.5	72.4	14.1%
8 NL Netherlands	73.6	66.7	75.3	11.7%
9 NZ New Zealand	60.9	55.8	62.1	10.4%
10 JP Japan	67.5	62.2	68.8	9.8%

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

Note: 'ESG gap (% of TPI)' refers to the difference between the sum of the Social, Environmental and Governance (ESG) pillars weighted scores and the Economic pillar score, as a percentage of the TPI score in 2020.

Source: European Commission, Transitions Performance Index 2021.

