

# Countries' Risk Classification

# Countries' Risk Classification

amfori BSCI

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The risk classification of countries relies on the Worldwide Governance

**The risk classification of countries relies on the Worldwide Governance Indicators, being aggregate indicators of governance 1996-2018. These determine the level of risks related to governance in sourcing countries.**

## Governance Indicators

There are 6 dimensions of governance identified by the World Bank:

1. Voice and Accountability (VA) – capturing 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 a free media.
2. Political Stability and Absence of Violence/Terrorism (PV) – capturing perceptions of the likelihood that the government will be destabilized or overthrown by unconstitutional or violent means, including politically-motivated violence and terrorism.
3. Government Effectiveness (GE) – capturing perceptions of the quality of public services, the quality of the civil service and the degree of its independence from political pressures, the quality of policy formulation and implementation, and the credibility of the government's commitment to such policies.
4. Regulatory Quality (RQ) – capturing perceptions of the ability of the government to formulate and implement sound policies and regulations that permit and promote private sector development.
5. Rule of Law (RL) – capturing perceptions of the extent to which agents have confidence in and abide by the rules of society and in particular the quality of contract enforcement, property rights, the police, the courts, as well as the likelihood of crime and violence.
6. Control of Corruption (CC) – capturing perceptions of the extent to which public power is exercised for private gain, including both petty and grand forms of corruption, as well as 'capture' of the state by elites and private interests.

Full interactive access to the aggregate indicators and the underlying source data, is available at [www.govindicators.org](http://www.govindicators.org)

Worldwide Governance Indicators update incorporates revisions to data for previous years, and so this data release supersedes data from all previous releases.

The 2018 Worldwide Governance Indicators were published by the Worldbank on the 21<sup>st</sup> September 2019 and extracted on the 23<sup>rd</sup> September 2019 for use in this Countries' Risk Classification.

## Application

For the purpose of amfori BSCI, countries are classified in two different categories:

**Risk countries:** Countries with WGI average rating between 0-60 or three or more individual dimensions rated below 60.

**Low-risk countries:** Countries with WGI average rating higher than 60 and no more than two individual dimensions rated below 60.

An additional call-out is made for **Most Severe Risk countries:** countries with WGI average rating below 3 or at least two individual dimensions rated below 1.

This classification supports amfori BSCI participants in their human rights' due diligence approach to define their priorities in terms of monitoring, capacity building and stakeholder engagement. An additional tool, the [Country Due Diligence tool](#), is available to provide more specific information on sustainability issues, which are not reflected in the classification below.

It is up to each amfori BSCI participant to define its own due diligence approach. amfori shall not be held responsible for any action or omission deriving from the way amfori BSCI participants decide to use this classification.

## Validity

This countries' risk classification version 2020 enters into force on 1 January 2020. It overrules amfori BSCI list of Risk countries version 2019 and will remain valid until the next version.

## Risk Countries

Country	Overall risk	Voice and Accountability	Political Stability & Absence of Violence	Government Effectiveness	Regulatory Quality	Rule of Law	Control of Corruption
	2018	2018	2018	2018	2018	2018	2018
Afghanistan	8.0	20.7	0.5	7.7	10.6	4.3	4.3
Albania	51.2	53.2	58.6	57.7	63.5	39.4	35.1
Algeria	22.7	21.7	18.6	37.0	8.2	22.1	28.4
Angola	18.3	22.7	34.8	13.9	13.0	13.9	11.5
Argentina	51.8	67.0	46.7	54.8	42.3	45.7	54.3
Armenia	46.0	40.4	30.5	51.4	62.5	48.6	42.8
Azerbaijan	27.6	7.9	21.0	49.0	37.0	29.3	21.6
Bahrain	45.5	10.8	17.1	59.6	67.8	66.3	51.4
Bangladesh	21.2	27.6	13.8	21.6	19.2	28.4	16.8
Belarus	34.1	11.8	58.1	40.4	26.0	19.2	49.0
Belize	39.4	61.1	46.2	30.3	26.4	20.2	51.9
Benin	39.9	57.6	41.9	32.7	38.9	26.9	41.3
Bolivia	29.4	44.3	38.1	39.9	15.9	9.6	28.8
Bosnia and Herzegovina	36.7	37.4	31.0	28.4	45.2	46.6	31.7
Brazil	42.2	60.6	31.9	36.1	39.9	44.2	40.4
Bulgaria	59.9	59.1	60.5	63.0	72.6	53.4	51.0
Burkina Faso	35.4	43.8	13.3	31.3	36.1	34.6	53.4
Burundi	7.6	5.4	7.6	8.2	13.5	5.8	5.3
Cambodia	25.0	13.8	51.4	32.2	32.7	11.1	8.7
Cameroon	15.0	18.2	8.6	19.7	20.2	12.5	11.1
Central African Republic	6.9	14.8	2.9	2.9	6.7	3.8	10.6
Chad	8.1	8.4	8.1	6.7	11.5	7.2	6.7
China	42.8	8.9	36.7	69.7	48.1	48.1	45.7
Colombia	44.8	52.7	17.6	50.0	65.4	38.5	44.7
Comoros	20.3	33.0	39.0	3.8	11.1	12.0	22.6
Cuba	37.4	9.9	67.6	44.7	6.3	35.1	61.1
Djibouti	23.1	11.3	41.4	17.3	24.5	17.3	26.4
Dominican Republic	42.0	51.2	47.6	39.4	50.5	38.9	24.5
Democratic Republic of the Congo	5.1	7.4	4.8	5.8	5.8	2.9	3.8
Ecuador	35.2	47.3	43.3	42.8	16.3	28.8	32.7
Egypt	23.7	13.3	11.9	30.8	17.8	37.5	30.8
El Salvador	36.9	48.3	33.3	36.5	53.8	19.7	29.8
Equatorial Guinea	11.6	2.5	43.8	9.6	4.8	6.7	2.4
Eritrea	7.3	0.5	24.8	2.4	1.9	5.3	9.1
Ethiopia	23.8	16.3	9.5	29.3	13.9	36.5	37.5
Eswatini	32.0	12.3	35.2	25.0	29.8	45.2	47.1
Fiji	58.4	54.7	71.0	62.5	44.7	50.0	67.3

	Overall risk	Voice and Accountability	Political Stability & Absence of Violence	Government Effectiveness	Regulatory Quality	Rule of Law	Control of Corruption
Country	2018	2018	2018	2018	2018	2018	2018
Gabon	23.3	22.2	37.7	18.8	16.9	24.6	19.8
Gambia	35.7	38.4	44.8	27.4	28.4	36.1	38.9
Ghana	53.5	68.0	47.1	46.2	50.0	56.7	52.9
Greece	61.8	75.4	50	65.9	64.4	59.1	55.8
Guatemala	27.9	35.5	27.1	23.6	45.7	13.5	22.1
Guinea	17.3	26.1	16.7	16.3	21.6	9.1	13.9
Guinea Bissau	13.3	29.1	21.9	7.2	9.6	8.7	3.4
Guyana	43.4	56.7	41.0	41.8	32.2	41.8	46.6
Haiti	14.3	26.6	23.3	1.4	8.7	15.9	9.6
Honduras	27.7	31.5	26.7	27.9	34.6	16.3	29.3
India	48.4	60.1	14.8	63.9	46.6	55.3	49.5
Indonesia	46.5	52.2	27.6	59.1	51.0	42.8	46.2
Iran	18.3	12.8	11.0	37.5	7.7	25.0	15.9
Iraq	8.6	21.2	1.4	9.1	9.1	3.4	7.2
Ivory Coast	33.1	37.9	15.7	31.7	46.2	30.8	36.5
Jordan	49.4	28.1	31.4	57.2	58.7	60.6	60.6
Kazakhstan	41.3	15.8	45.7	54.3	60.1	35.6	36.1
Kenya	31.2	35.0	12.4	38.9	43.8	38.0	19.2
Kuwait	48.7	30.5	52.4	49.5	54.3	60.1	45.2
Kyrgyzstan	26.7	34.0	25.2	28.8	38.0	17.8	16.3
Kosovo	39.9	24.3	38.0	41.3	40.4	35.6	36.6
Lao People's Democratic Republic	24.0	4.4	60.0	24.5	20.7	18.8	15.4
Lebanon	23.2	32.0	7.1	26.0	38.5	23.6	12.0
Lesotho	39.3	50.7	38.6	18.3	33.2	41.3	53.8
Liberia	23.9	43.3	40.0	8.7	14.4	16.8	20.2
Madagascar	23.0	36.5	28.1	11.1	23.7	21.2	14.9
Malawi	31.5	42.4	34.3	22.1	25.5	39.9	25
Maldives	33.1	30.0	50.5	35.1	33.7	31.7	17.3
Mali	22.8	36.9	5.2	15.4	30.8	21.6	26.9
Marshall Islands	48.2	87.7	77.6	6.3	10.1	52.9	54.8
Mauritania	23.1	24.1	22.4	22.6	19.7	26.4	23.1
Mexico	37.6	45.8	25.7	47.6	60.6	27.4	18.8
Micronesia (Federal States of)	62.5	87.7	94.8	48.1	14.9	53.8	75.5
Moldova	37.4	40.9	32.9	35.6	51.9	37.0	26.0
Mongolia	52.8	57.1	74.3	45.7	54.8	44.7	39.9
Montenegro	56.9	50.2	51.0	58.2	65.9	57.7	58.2
Morocco	41.7	29.6	33.8	46.6	42.8	49.5	47.6
Mozambique	22.0	32.5	19.0	17.8	24.0	14.4	24.0
Myanmar	19.1	23.6	10.5	12.5	22.6	15.4	30.3
Nauru	49.5	71.4	63.3	50.5	52.9	25.5	33.7
Nepal	27.4	39.4	23.8	16.8	23.1	33.7	27.4
Nicaragua	18.2	18.7	18.1	19.2	25.0	14.9	13.0
Niger	25.3	31.0	11.4	20.2	27.9	30.3	31.3

	Overall risk	Voice and Accountability	Political Stability & Absence of Violence	Government Effectiveness	Regulatory Quality	Rule of Law	Control of Corruption
Country	2018	2018	2018	2018	2018	2018	2018
Nigeria	17.0	33.5	4.3	14.9	17.3	18.3	13.5
North Macedonia	49.7	45.3	39.5	55.8	71.6	43.8	42.3
Oman	57.3	19.7	68.6	60.1	64.9	68.3	62.5
Palau	61.5	87.7	77.6	52.4	55.8	62.0	33.7
Pakistan	22.5	25.6	3.3	26.9	27.4	27.9	23.6
Panama	54.6	68.5	56.2	51.9	66.3	52.4	32.2
Papua New Guinea	28.0	48.8	22.9	24.0	31.3	23.1	17.8
Paraguay	37.9	49.3	42.4	34.1	48.6	32.2	20.7
Peru	45.8	55.2	37.1	44.2	71.2	32.7	34.6
Philippines	40.2	47.8	12.9	55.3	56.7	34.1	34.1
Puerto Rico	63.6	64.0	59.0	47.1	79.3	73.1	59.1
Republic of the Congo	13.6	15.3	29.5	10.1	7.2	11.5	7.7
Romania	56.1	61.6	48.6	43.3	67.3	63.5	52.4
Russia	28.8	19.2	29.0	51.0	31.7	20.7	21.2
Rwanda	53.4	17.2	52.9	62.0	59.1	58.2	71.2
São Tomé and Príncipe	41.4	51.7	64.3	26.4	18.3	26.0	61.5
Saudi Arabia	46.2	5.9	28.6	64.9	53.4	58.7	65.9
Serbia	50.0	46.3	49.5	56.7	56.2	49.0	41.8
Senegal	49.1	55.7	42.9	42.3	49.5	47.6	56.7
Seychelles	63.0	54.2	69.5	71.2	47.6	59.6	76.0
Sierra Leone	28.3	38.9	44.3	11.5	15.4	22.6	37.0
Solomon Islands	43.2	65.0	57.1	13.5	18.8	47.1	57.7
South Africa	57.1	70.4	36.2	66.3	61.5	51.0	57.2
State of Palestine	31.6	23.2	6.7	20.7	57.2	33.2	48.6
Sri Lanka	46.4	46.8	40.5	45.2	47.1	55.8	43.3
Sudan	5.5	3.0	5.7	4.3	3.8	10.6	5.8
Suriname	43.6	58.1	49.0	25.5	28.8	51.9	48.1
Tajikistan	10.6	4.9	20.0	12.0	12.5	7.7	6.3
Tanzania	30.3	34.5	26.2	21.2	29.3	31.3	39.4
Thailand	43.6	20.2	19.5	66.8	59.6	54.8	40.9
East Timor	33.6	59.6	56.7	15.9	21.2	10.1	38.5
Togo	22.8	27.1	14.3	13.0	26.9	29.8	25.5
Tonga	60.4	66.5	79.5	58.7	37.5	64.9	55.3
Trinidad and Tobago	55.5	67.5	54.8	60.6	55.3	50.5	44.2
Tunisia	44.4	53.7	16.2	48.6	35.6	56.3	56.3
Turkey	37.9	25.1	10.0	53.8	52.4	42.3	43.8
Turkmenistan	13.0	1.0	45.2	14.4	2.9	6.3	8.2
Tuvalu	61.3	87.7	97.6	23.1	30.3	70.7	58.7
Uganda	29.9	28.6	21.4	29.8	41.8	43.3	14.4
Ukraine	29.3	44.8	6.2	38.5	44.2	24.0	18.3
Uzbekistan	18.9	6.4	35.7	33.7	12.0	13.0	12.5
Vanuatu	54.2	66.0	75.2	34.6	34.1	64.4	50.5
Vietnam	40.9	9.4	53.8	53.4	36.5	54.3	38.0
Zambia	37.7	36.0	53.3	33.2	35.1	40.9	27.9
Zimbabwe	11.7	16.7	20.5	10.6	4.3	8.2	10.1

## Low Risk Countries

	Overall risk	Voice and Accountability	Political Stability & Absence of Violence	Government Effectiveness	Regulatory Quality	Rule of Law	Control of Corruption
Country	2018	2018	2018	2018	2018	2018	2018
Andorra	90.3	83.3	97.6	98.6	85.1	90.9	86.5
Antigua and Barbuda	64.7	69.5	70.5	52.9	66.8	65.4	63.5
Aruba	86.6	91.6	95.7	80.3	77.9	87.0	87.0
Australia	92.5	95.6	82.9	92.8	98.1	92.8	92.8
Austria	90.9	93.1	81.0	90.9	91.3	97.6	91.3
The Bahamas	70.8	73.4	78.6	71.6	61.1	57.2	83.2
Barbados	76.9	84.2	81.4	68.8	72.1	65.9	88.9
Belgium	83.7	94.1	59.5	83.7	86.1	88.5	90.4
Bhutan	68.1	49.8	88.6	67.3	39.4	71.6	91.8
Botswana	71.1	62.6	83.3	65.4	68.8	68.8	77.9
Brunei	72.1	24.6	91.9	87.0	74.5	75.0	79.8
Canada	93.1	96.1	84.8	94.7	93.8	94.7	94.7
Cape Verde	67.6	79.8	71.9	64.4	43.3	67.8	78.4
Cayman Islands	77.5	64.0	90.0	85.6	80.8	76.4	68.3
Chile	80.0	82.3	61.4	81.7	88.9	83.7	81.7
Costa Rica	70.7	84.7	62.4	67.8	69.2	69.2	70.7
Croatia	66.5	64.5	73.8	69.2	68.3	63.0	60.1
Cyprus	75.8	80.8	64.8	77.9	81.3	76.0	74.0
Czech Republic	80.3	78.3	87.1	78.4	87.0	81.7	69.2
Denmark	94.5	98.0	82.4	97.1	94.2	96.6	98.6
Dominica	67.7	74.4	89.0	40.9	57.7	74.0	70.2
Estonia	84.8	89.7	66.2	84.6	91.8	86.5	89.9
Finland	96.1	98.5	81.9	99.0	97.1	100.0	100.0
France	82.1	88.2	51.9	91.8	83.7	88.9	88.0
French Guiana	83.2	91.6	63.8	89.4	87.5	85.6	81.3
Georgia	64.0	56.2	30.0	74.0	83.2	63.9	76.4
Germany	89.4	95.1	66.7	93.3	94.7	91.3	95.2
Greenland	89.5	91.6	100.0	76.9	89.9	94.2	84.1
Grenada	60.7	65.5	85.2	43.8	40.4	62.5	66.8
Hong Kong	87.1	62.1	74.8	98.1	100.0	95.2	92.3
Hungary	67.8	58.6	73.3	70.2	73.1	72.1	59.6
Iceland	93.3	94.6	96.7	91.3	90.4	93.3	93.8
Ireland	90.3	92.1	86.2	89.9	92.8	89.9	90.9
Italy	67.5	81.8	57.6	68.3	73.6	61.5	62.0
Israel	69.6	70.0	15.2	86.1	86.5	80.8	79.3
Jamaica	60.3	69.0	62.9	70.8	63.0	46.2	50.0
Japan	88.4	80.3	88.1	94.3	88.0	90.4	89.4
Jersey, Channel Islands	87.5	91.6	93.3	87.5	75.5	94.2	82.7

	Overall risk	Voice and Accountability	Political Stability & Absence of Violence	Government Effectiveness	Regulatory Quality	Rule of Law	Control of Corruption
Country	2018	2018	2018	2018	2018	2018	2018
Kiribati	62.1	87.7	86.7	41.3	22.1	69.7	64.9
South Korea	77.3	73.9	65.2	84.1	82.2	86.1	72.1
Latvia	74.2	74.9	61.0	79.8	85.6	79.3	64.4
Liechtenstein	94.1	92.6	98.1	95.2	90.9	92.3	95.7
Lithuania	77.1	77.8	72.9	80.8	82.7	79.8	68.8
Luxembourg	96.1	96.6	96.2	95.7	95.2	95.7	97.1
Macao	78.8	42.9	92.9	85.6	93.3	81.3	76.9
Malaysia	64.9	41.4	54.3	81.3	74.0	74.5	63.9
Malta	83.1	83.7	93.8	78.8	88.5	82.2	71.6
Mauritius	75.1	72.4	79.0	77.4	81.7	76.9	63.0
Namibia	60.9	63.1	68.1	56.3	51.4	61.1	65.4
Netherlands	93.9	97.0	78.1	96.6	99.0	96.2	96.2
New Zealand	98.1	99.5	99.0	93.8	98.6	98.1	99.5
Norway	96.8	100.0	90.5	97.6	95.7	99.5	97.6
Poland	72.1	71.9	65.7	75.0	78.4	66.8	74.5
Portugal	84.8	88.7	89.5	86.5	78.8	85.1	80.3
Qatar	63.6	14.3	69.0	74.5	70.7	75.5	77.4
Samoa	73.3	72.9	91.4	73.6	49.0	77.9	75.0
Singapore	89.4	41.9	98.6	100.0	99.5	97.1	99.0
Slovakia	72.9	76.8	72.4	75.5	76.0	70.2	66.3
Slovenia	80.2	79.3	80.0	83.2	75.0	82.7	80.8
Spain	75.1	82.8	55.2	79.3	80.3	80.3	72.6
St. Kitts and Nevis	71.5	77.3	70.0	72.6	70.2	71.2	67.8
St. Lucia	71.6	75.9	85.7	61.5	63.9	72.6	69.7
St. Vincent and the Grenadines	70.4	76.4	76.2	61.5	62.0	67.3	78.8
Sweden	94.7	97.5	80.5	96.2	97.6	98.6	98.1
Switzerland	97.7	99.0	95.2	99.5	96.6	99.0	96.6
Taiwan	83.0	78.8	75.7	88.5	89.4	83.2	82.2
United Arab Emirates	70.1	17.7	71.4	90.4	79.8	77.4	83.7
United Kingdom	85.2	93.6	48.1	88.0	96.2	91.8	93.3
United States	84.3	81.3	61.9	92.3	92.3	89.4	88.5
Uruguay	80.1	89.2	87.6	73.1	69.7	73.6	87.5

## Incomplete Risk Classification Ratings

A total of eight (8) countries could not be assigned with an updated Risk Classification Rating, as no data is available for one or more dimensions.

	Overall risk	Voice and Accountability	Political Stability & Absence of Violence	Government Effectiveness	Regulatory Quality	Rule of Law	Control of Corruption
Country	2018	2018	2018	2018	2018	2018	2018
Anguilla	no data	no data	94.3	76.4	77.4	51.4	86.5
Bermuda	no data	no data	91.0	88.9	77.4	78.8	86.5
Guam	no data	no data	67.1	63.5	58.2	88.0	86.5
Martinique	no data	no data	84.3	82.7	85.1	78.8	86.5
Monaco	no data	71.4	99.5	no data	no data	no data	no data
Réunion	no data	no data	55.7	82.7	85.1	84.6	73.6
San Marino	no data	87.7	77.6	no data	no data	no data	no data
Virgin Islands (U.S.)	no data	no data	84.3	76.4	77.4	84.6	73.6

## Country Name Change

Macedonia has officially changed its name to North Macedonia in 2019, which is also reflected in the United Nations Member States list.

## Most Severe Risk Countries

The most severe Risk Countries are countries with a WGI average rating below 3 or at least two individual dimensions rated below 1.

	Overall risk	Voice and Accountability	Political Stability & Absence of Violence	Government Effectiveness	Regulatory Quality	Rule of Law	Control of Corruption
Country	2018	2018	2018	2018	2018	2018	2018
North Korea	7.4	0.0	32.4	5.3	0.0	4.8	1.9
Somalia	1.6	3.4	3.8	1.0	1.0	0.5	0.0
Libya	2.9	6.9	1.9	1.9	1.4	2.4	2.9
South Sudan	1.4	1.5	2.4	0.0	2.4	1.4	0.5
Syria	2.0	2.0	1.0	3.4	3.4	1.0	1.4
Venezuela	4.9	10.3	9.0	4.8	0.5	0.0	4.8
Yemen	2.1	3.9	0.0	0.5	5.3	1.9	1.0

Most Severe Risk Countries present a higher risk of human right violations perpetrated against workers. At the same time, extremely poor governance and political instability may hinder amfori members from pursuing reasonable due diligence in their supply chains in those countries: monitoring and capacity building activities might not be possible.

amfori members should aim to:

- Assess if they have direct or indirect business linkages with Most Severe Risk Countries (e.g. for specific components or commodities);
- Consult the Country Due Diligence Tool and identify critical risks on social, environmental and trade issues

- Alert sourcing department and / or suppliers on the critical risks and collect information on any risk prevention practices in place
- If need arises, contact the amfori Secretariat for support on policy advocacy and stakeholder engagement.

## Risk Classification Changes

Four (4) countries have seen a change in its classification while five (5) countries have seen significant change in either their overall rating or in individual dimensions without a change in classification. Six (6) countries are high risk country even though their overall score is higher than 60, because three (3) or more of their indicators have a score lower than 60.

Please find more details below per country and some explanation as to what could have influenced this change.

## Countries that went from Risk to Low Risk

- Jamaica
- Kiribati
- Malaysia

### Jamaica

*Jamaica's overall score has been increasing over the years and is for the first time no longer considered as a Risk Country. The improvement of the indicator Political Stability and Absence of Violence & Terrorism have had the largest impact on Jamaica's total rating*

- ✦ The bipartisan parliamentary democracy is stable but participation in elections has declined over recent decades, translating a lack of trust in the Jamaican institutions.
- ✦ High unemployment rate is one of the most important issues in Jamaica. Employment policies are dependant of economic growth, which has been very low in the last decade.
- ✦ Jamaica's high crime rate and violent crimes are another important issue, which is exacerbated by the ties between elected representatives and organised criminals. A state emergency was declared in 2018 to tackle violence, since then murder rate has dropped by 21%.

### Kiribati

*Kiribati is for the first time not considered as a risk country after the improvement of the score of all indicators. There are still large risks identified in the indicators: Government Effectiveness and Regulatory Quality.*

- ✦ Kiribati is a combination of 32 atolls, and reef islands, and one coral island. The main issues the country faces are a shortage of skilled workers, weak infrastructure and remoteness from international markets
- ✦ Most of the economy is dominated by the public sector, through ongoing infrastructure projects. Foreign aid contributes to one third of the government's finances.

### Malaysia

*Malaysia's overall score has increased by 4.8 points since last year, moving away from the 60 points, limit to become a Risk Country. Voice & Accountability and Political stability & absence of violence are two indicators still considered as a risk, but Control of Corruption is no longer scored below 60 so Malaysia becomes a Low Risk country.*

- ✦ Malaysian's democracy is authoritarian, limiting political competition by restricting the freedom of speech and the right of assembly. Nevertheless, the opposition is present in the federal parliament and at state level and even won the last elections in 2018, for the first time.

- ✦ Freedom of expression is constitutionally guaranteed but restricted in practice. NGOs must be approved and registered by the government, which has in the past refused or revoked registrations for political reasons.
- ✦ Judicial independence is compromised by an extensive executive influence. Arbitrary or politically motivated verdicts are common.
- ✦ Allegations of torture and abuse in prison custody, including deaths, continue. Prisons are overcrowded and dangerous.
- ✦ The Malaysian constitution defines the state as secular, but Islam has considerable influence on the Malaysian legal system and the country's political institutions. Non-Muslims are not able to build houses or worship as easily as Muslims.
- ✦ Malaysia does not take part to the 1951 Refugee Convention, although the new government has committed to ratify the convention. Over 170 000 refugees and asylum seekers are living in the country.

## Countries that went from Low Risk to Risk

### Puerto Rico

*Puerto Rico's overall result continues to lower now reaching 63.62. The indicators Political Stability & Absence of Violence, Government Effectiveness and Control of Corruption are considered as a risk.*

- ✦ Protests erupted in July 2019 leading to the resignation of Governor Rosselló and other government officials. The protests were exacerbated by corruption charges against members of the administration
- ✦ Puerto Rico declared bankruptcy in 2015 and efforts to restructure the economy are ongoing but the U.S. territory still faces fiscal challenges and a lack of economic competitiveness.
- ✦ After the hurricane Maria causing the death of nearly 3000 people and \$94 billion of damages two years ago, the reconstruction was slow and tourism is still weak, making the economy recovery slower.

## Countries which have seen a significant change in rating, but have not changed classification

- Gambia
- Grenada
- Nicaragua
- Tonga
- Venezuela

### Gambia

*Although the Gambia remains a risk country, its overall score has increased by 12 points in the last 3 years, making one of the biggest changes of this year's Country Risk Classification. The overall result is 35.66, similar to the overall risk 5 years ago.*

- ✦ The 2016 presidential election resulted in the surprise victory of candidate Adama Barrow, after over 20 years of ruling by President Jammeh. A transparent and peaceful parliamentary election followed in 2017.
- ✦ Since the elections fundamental rights such as the right of assembly, association, speech have improved, exiled journalists and human rights defenders returned, and political prisoners were released.
- ✦ Regulatory reforms have lowered the corporate taxes and eased access to land to rebuild investors' confidence. More generally the economy is benefiting from the democratisation, through agriculture, trade and tourism.
- ✦ Rule of law remains weak, undermined by weak protection of propriety rights and corruption remains a critical problem. A high unemployment rate remains, and growing debt is crippling the growth of the economy.
- ✦ Although Gambia along with South Africa and Burundi decided to withdraw from the International Criminal Court in 2016, the new president has requested to re-join the Court.

## Grenada

*Grenada is a Low Risk country, but the overall score has been going down in the last couple of years and is now at 0.7 points from becoming a Risk country. Government Effectiveness and Regulatory Quality are the two indicators with the lowest scores.*

- ✦ Grenada is a parliamentary democracy, with fair and impartial elections, but an unbalanced size of constituencies has resulted in unequal voting power among citizens.
- ✦ All propositions to reform the Constitution in 2016 were rejected in a referendum with a very low turnout. After the elections in 2018, the lack of opposition in the House of Representatives created concerns and three former ministers were appointed to Senate.
- ✦ Corruption remains a prominent issue in Grenada, despite safeguards enshrined in the Prevention of Corruption Act (2007) and the Integrity in Public Life Act (2007). More anti-corruption rules were proposed in the Constitutional reform in 2016 but were all rejected.
- ✦ The Constitution protects the right of worker to form and join unions and to strike. 'Essential workers' may strike too, but this right is limited by compulsory arbitration to resolve disputes. The definition of essential workers is more extensive than the list of services considered as essential by the International Labour Organisation (ILO).
- ✦ The Constitution prohibits gender discrimination but in practice discrimination remains common, so does violence against women and children. LGBT people face significant societal discrimination. An amendment to the Constitution to protect the equal treatment of people in Grenada was rejected in the 2016 referendum.

## Nicaragua

*Nicaragua's overall risk score has been going down for years, but suddenly lost 10 points this year. All indicators are very low.*

- ✦ President Ortega was elected in 2006 and was re-elected for a third time in 2016, in an election that is considered by international observers as unfair and not free. Ortega circumvented a constitutional prohibition on re-election. His party secured the majority in Congress in 2016, enabling institutional reforms reinforcing the control of Ortega government over the political and economic system.
- ✦ The Electoral Council has barred political parties and removed opposition.
- ✦ In 2018 a nationwide anti-government protest movement was violently opposed by national police and armed pro-government groups resulting in 300 dead, over 2000 injured and hundreds of arrests.
- ✦ Inequalities were deepened by breaches of economic, social and cultural rights resulting in protests against austerity measures.
- ✦ Violence and insecurity make Nicaragua the country with of the highest murder rates in the world.

## Tonga

*All the indicators' scores are improving but Tonga remains a Risk Country because of Government Effectiveness, Regulatory Quality and Control of Corruption.*

- ✦ Tonga is a constitutional monarchy with a prime minister backed by mostly elected parliament since 2010. However, the king retains important powers including the authority to veto legislation, dissolve the parliament and appoint judicial officials.
- ✦ The constitution protects equality before the law. However, women face discrimination, in laws governing land and inheritance.
- ✦ Politicians often sue media, exposing them to the risk of heavy fines. In these conditions, journalists say they are forced to censor themselves due to the threat of bankruptcy.
- ✦ Public sector dominates the market which slows economic dynamism.
- ✦ The judicial system is inefficient and lacks transparency.
- ✦ Tonga was hit by Cyclone Gita in 2018, the worst storm to hit Tonga in 60 years.

## Venezuela

*With an overall score of 4.91, Venezuela is a Most Severe Risk country. The score has gone down by 40% in the last 3 years and almost none of the indicators score over 10.*

- ✦ President Maduro, Chavez's successor, established a repressive autocratic dictatorship in 2017 and institutions collapsed for not being able to function under the new regime. The presidential election was profoundly flawed, with the ban of opposition candidates and voter intimidation.
- ✦ The economy collapsed by creating hyperinflation and a humanitarian crisis the left millions of people struggling to meet their basic needs, such as food, medicine and consumer goods. Inflation has reached 1 million percent at the end of 2018, creating a scarcity of imported goods.
- ✦ Civil rights are constitutionally guaranteed and are largely respected. However, the weakness of the judiciary curtails the state's ability to respond to violations of these rights.

## Special note for other risk countries with an overall score above 60

- Greece
- Micronesia (Federal States of)
- Palau
- Seychelles
- Tuvalu

### Greece

*Greece became a Risk Country in 2018 when its overall risk fell to 58.06. The score has increased in the last 2 years to 61.74 but Greece is still considered as a Risk Country because 3 of the 6 indicators are below 60.*

- ✦ The eight-year Greek debt crisis formally ended in 2018 but the government still faces an enormous level of general government debt. Macroeconomic stability has been restored and fiscal measures have been adopted for the economy but there are still many measures to take to transform the country
- ✦ The judiciary is independent but also inefficient and slow. Tax corruption and evasion is a serious problem in Greece, representing a high risk for companies.
- ✦ In March 2016, The European Union and Turkey have concluded an agreement, limiting the number of refugees arriving in Greece, but North Macedonia closed its south border the same month, leaving a substantial number of migrants blocked in Greece. The officials struggled to process asylum claims in a timely manner.

### Micronesia (Federal States of)

*Micronesia's overall score is slightly lower than last year and three of the six indicators are considered as a risk, namely Government Effectiveness, Regulatory Quality and Rule of Law.*

- ✦ Corruption is one of the main sources of public discontent with frequent complaints of misuse of public resources. The governmental entities combatting corruption are independent and fairly effective apart from a few reportedly corrupt officials.
- ✦ Basic standards for working conditions are implemented but migrant workers remain vulnerable to exploitive labour practices.
- ✦ The judiciary system is constitutionally independent but slow and underfunded.
- ✦ Setting up private business is difficult due to a poorly developed regulatory infrastructure. The public sector is Micronesia's largest employer.

## Palau

*Although Palau's overall score is improving, Palau remains a Risk Country because of the indicators Government Effectiveness, Regulatory quality, Rule of Law and Control of Corruption.*

- ✦ The United States and Palau have concluded the Compact of Free association since Palau's independence in 1994, enabling close military and economic relations with the US.
- ✦ The judiciary is independent and has integrity. Freedom of assembly is protected by the constitution and non-governmental organizations operate freely.
- ✦ High official politicians have faced corruption charges in recent years, and several have been convicted. In 2017, the Finance minister reiterated the government's ethics rules and a whistle blower protection policy.
- ✦ In October 2018, the European removed Palau from its list of tax havens due to the policies the government has promised to take.
- ✦ No gross human rights' abuses were identified in 2018 but there are human rights concerns such as assuring rights of children, addressing gender-based violence and tackling human trafficking, especially human trafficking of foreigners.
- ✦ The tourism sector boosts Palau's economy.

## Seychelles

*Seychelles' overall score is continuing to improve and although three indicators are still scored below 60, they are also improving over the years. The indicators considered as risk are Voice & Accountability, Regulatory Quality and Rule of Law.*

- ✦ During the presidential election in 2015, narrowly re-electing the President Michel, claims of harassment and intimidation of candidates and allegations of vote buying were made. However, in 2016, an opposition coalition won the election for the National Assembly, increasing political pluralism and leading to the resignation of the President.
- ✦ In 2016, the National Assembly passed an anticorruption law establishing the first independent anticorruption commission in the country, and strengthened the legal framework to fight corruption, but only a few investigations have followed.
- ✦ Journalists often self-censor themselves and newspapers often take political sides, so reporting is often biased.
- ✦ Seychelles does not have enough judges and has to bring judges from abroad. The government controls the contracts of the expatriates, impartiality of non-Seychellois judges is therefore compromised.
- ✦ There are many bureaucratic and procedural hurdles to set up a company and the labour market is not fully developed.
- ✦ Migrant workers lack certain legal protections and remained vulnerable to abuses, particularly in the Seychelles International Trade Zone.

## Tuvalu

*Tuvalu's overall score is improving but remains a Risk country because following indicators still demonstrate a risk: Government Effectiveness, Regulatory Quality and Control of Corruption.*

- ✦ Tuvalu is a parliamentary democracy, holding regular, competitive elections.
- ✦ In July 2017, an election was held to replace the former Prime minister Ielemia, removed from Parliament in 2016 after a corruption conviction. The legitimacy of the vote was disputed, as Ielemia's conviction had been overturned and he was challenging his removal in the courts.
- ✦ Ongoing problems include a lack of anti-discrimination laws to protect women and LGBT people.
- ✦ A move to add two seats to parliament reserved for women was considered as part of a constitutional review process set to conclude in 2019.
- ✦ The highest point of Tuvalu being at only 4.5m above sea level and so Tuvalu's politicians campaign against climate change.
- ✦ There are no streams or rivers so collecting water is essential. Increasing salination of the soil threatens traditional subsistence farming.

**Sources:**

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