

CGGI 2025: Financial Stewardship and Global Influence & Reputation are key challenges for governments globally

[Singapore, May 15] – The <u>2025 Chandler Good Government Index (CGGI)</u> highlights the challenges and successes of good governance amid a year of major political transitions. Below are seven key highlights from the 2025 CGGI:

[below to be developed into an infographic]

- Singapore retains its top position for the third consecutive year (2023-2025) with Nordic countries completing the top 5 (in rank order: Denmark, Norway, Finland, Sweden), maintaining their strong reputation for governance excellence.
- For the first time, the UAE breaks into the Top 10 and is also the only Middle Eastern country in the Top 20. The country is also the biggest improver globally, with a remarkable climb from 28th in 2021 to 9th in 2025, largely driven by strides made in the Financial Stewardship and Strong Institutions pillars.
- The US is one of two G7 countries not ranked within the Top 20, placing 23rd this year. Its performance in the CGGI was significantly pulled down by its weaker performance in the Financial Stewardship pillar, which looks at areas such as spending efficiency and country budget surplus.
- Although higher income countries tend to perform better in the CGGI, several developing countries buck the trend. Some of these countries include Vietnam, Jordan and Rwanda, who perform markedly better than peers in the same income groups.
- China is ranked 41st in 2025, and is one of only five countries to have achieved consistent year-on-year score improvements since 2021, reflecting a steady and positive momentum.
- Financial Stewardship recorded the largest decline across most countries over the past
 five years, highlighting a critical governance challenge. This suggests a need for
 governments to prioritise the management of national debt and spending, and improve
 spending efficiency.
- Global Influence and Reputation saw a steep decline in the past year, which point towards an erosion in governments' capabilities to effectively sustain diplomatic networks and nurture international partnerships.

Now in its fifth edition, the CGGI ranks 120 countries – with seven new countries added this year – based on government capabilities and effectiveness across 35 indicators grouped around seven pillars: Leadership & Foresight, Robust Laws & Policies, Strong Institutions, Financial Stewardship, Attractive Marketplace, Global Influence & Reputation, and Helping People Rise. Published by

the Chandler Institute of Governance (CIG), the Index serves as a crucial benchmark for policymakers, investors, and citizens in building stronger nations for the next generation.

"Government capabilities matter. This year's results continue to show a strong relationship between government capabilities and a country's attainment of outcomes that are important for individuals' lives and livelihoods, such as education, employment and health," said CIG Managing Director (Strategy & Research), Kenneth Sim. "Our data also shows a strong correlation between three capabilities – the rule of law, regulatory governance and ethical leadership – and countries' overall performance on the CGGI. Keeping these fundamental principles of governance in mind becomes even more important today, when governments from over the world are undertaking high-stakes and high-visibility moves to improve government efficiency and cut red tape."

The Global "Governance Gap" persists - the better improve while the weaker decline

The CGGI data suggests that there is a growing "Governance Gap", where top improvers tend to be countries that are already performing well, while the biggest decliners tend to be countries that are already struggling. On average, the top half of countries that were ranked in the CGGI 2021 has improved over the last five years, whereas the average score for countries from the bottom half has declined. Put simply, the best are getting better, while the weaker are falling further behind.

0.68 0.66 Countries ranked 1-52 in 2021 0.44 0.42 0.42 0.42 2021 2022 2023 2024 2024 2025

The governance gap is also evident across geographies. East Asia stands out as the region with the greatest overall improvement, with gains in every pillar except one; all East Asian countries, except Mongolia, are also ranked within the top half of the Index. In contrast, Sub-Saharan Africa, which has been the weakest performing region since 2021, has continued to decline. South Asia – also one of the weakest regions – has seen the largest decline over the last five years. Nearly all countries from both regions are also ranked in the bottom half of the Index, emphasising the widening "Governance Gap" globally.

Financial Stewardship is a key challenge globally

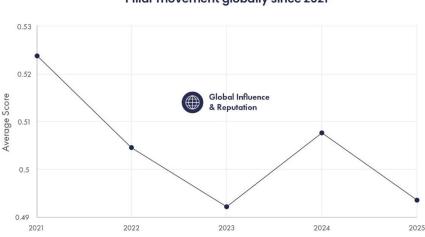
Financial Stewardship recorded the largest decline across most countries over the past five years, highlighting a critical governance challenge. Globally, the average score in this pillar has dropped consistently and significantly every year since the CGGI was launched in 2021. Out of 104 countries that were included in CGGI 2021, only 26 countries have improved in this pillar between 2021 to 2025.

Notably, Country Budget Surplus recorded the worst score decline within Financial Stewardship between 2021 to 2025. This coincides with struggles of governments worldwide to recover from the fiscal shocks imposed by the global pandemic. Among other things, the impact from significant regional conflicts like the Ukraine-Russian war, and elevated interest rates on high levels of government debt, have compounded the fiscal burdens on governments.

Among the most affected is the United States, which stands as one of two G7 nations not ranked in the Top 20. The US' overall scores were pulled down significantly by poorer performance in the Financial Stewardship pillar, especially in the spending efficiency indicator, where the US ranked 115 out of 120 countries. This could partly explain the impetus for high-stakes and high-visibility moves to improve government efficiency and reducing red tape in the country.

Global Influence & Reputation sees sharpest decline

Average country scores in the Global Influence & Reputation pillar declined most sharply in the past year—more than in any other CGGI pillar—continuing a broader downward trend over the past five years.



Pillar movement globally since 2021

This data points to early signs of erosion in governments' capabilities to effectively sustain diplomatic networks and nurture international partnerships. This does not bode well for the future. In light of more recent attempts to redefine the rules and norms for international engagements, including through the use of tariff and other barriers, governments will need stronger capabilities than ever before, to strike win-win partnerships and to shape the external context for the well-being of their own people.

Signs for optimism: More than double the number of countries saw improvements in scores compared to those that declined

However, there are reasons to be optimistic. Between CGGI 2024 and CGGI 2025, more than double the number of countries saw improvements in their CGGI scores (73) compared to those that declined (33). This is a welcome change compared to the previous year, where the number of countries that declined outpaced those which improved.

This shift can be partially attributed to improvements in the Strong Institutions pillar, which looks at the capabilities of governments in areas like Coordination and Implementation, and the Quality of Bureaucracy.

Besides the UAE, which breaks into the top 10 for the first time in 2025, many of the biggest improvers in the CGGI are countries not often highlighted by global media as leaders in governance. Notably, these improvers are also not limited to wealthier nations with more resources to invest in building government capabilities – countries like Mongolia, Vietnam, and Jordan have made significant strides. This demonstrates that meaningful progress is possible regardless of a country's income level.

Good Government is not built in a day

The CGGI reinforces that government capabilities remain critical to the effectiveness and efficiency of government performance. Countries that commit to strengthening key capabilities are laying the groundwork for sustained national success. Strengthening government capabilities is not a luxury—but a recipe for future success.

About Chandler Institute of Governance (CIG) – CIG is an international non-profit organisation headquartered in Singapore. CIG works with governments worldwide to build the capabilities for a strong and efficient public sector through training programmes, hands-on projects and partnerships, and knowledge creation and sharing.

About Chandler Good Government Index (CGGI) – The CGGI measures the capabilities and effectiveness of 120 countries and serves as a crucial benchmark for government practitioners globally. It is the world's most comprehensive index of effective national government. The CGGI has been intentionally designed to be a practical tool that provides governments with insights that allow them to their accurately benchmark their performance against other nations, and identify opportunities for progress.

Note to the editor:

- For more information on the Chandler Good Government Index 2025, [hyperlink)
- Previous report (CGGI 2024): [link]
- Digital assets/infographic: [link]

• **Methodology:** The CGGI methodology is reviewed from time to time to ensure that it remains relevant and up-to-date. Several methodology updates were implemented this year, such as the addition of new indicators and revision of the imputation process for enhanced reliability. For more details, please refer to CGGI's Technical Annex (link).

Media Contact:

Yi Ting Koh Melissa Leung Ryan Lim

<u>YiTing.Koh@Chandlerinstitute.org</u> Melissa.Leung@edelman.com

Ryan.Lim@edelman.com

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