FREEDOM HOUSE

NATIONS IN TRANSIT 2013

DEMOCRATIZATION

FROM

CENTRAL EUROPE

TO

EURASIA

NATIONS IN TRANSIT 2013

Nations in Transit 2013

Democratization from Central Europe to Eurasia

Edited by Sylvana Habdank-Kołaczkowska

Freedom House
New York ▪ Washington, D.C.

Rowman and Littlefield
Lanham ▪ Boulder ▪ New York ▪ Toronto ▪ Oxford

FREEDOM HOUSE
Published in the United States of America.

Freedom House, Inc.
120 Wall Street, New York, NY 10005 USA
1301 Connecticut Avenue, NW, Washington, D.C., 20036 USA
http://www.freedomhouse.org

Copyright © 2014 Freedom House

(cc) This work is licensed under a Creative Commons Attribution-Noncommercial-Share Alike 3.0 license.
http://creativecommons.org/licenses/by-nc-sa/3.0/
Published 2013
Printed in the United States

ISBN–10: 1442231181
ISBN–13: 9781442231184

Freedom House gratefully acknowledges the U.S. Agency for International Development, whose generous support made the production of this volume possible.

Library of Congress Cataloging-in-Publication Data Available

Typography: Judit Kovács • Createch Ltd.

The paper used in this publication meets the minimum requirements of American National Standard for Information Sciences—Permanence of Paper for Printed Library Materials, ANSI/NISO Z39.48-1992.

Contents

Acknowledgements 7

Methodology 11

Country Reports 11

Ratings and Scores 12

Checklist of Questions 13

Democracy Score 20

Ratings and Democracy Score Guidelines 21

Research Team and Data Sources 25

Nations in Transit 2013:

Authoritarian Aggression and the Pressures of Austerity

Sylvana Habdank-Kołaczkowska 27

Tables 41

Table 1. Nations in Transit 2013: Ratings and Democracy Scores Summary 41

Table 2. Electoral Process: Ratings History and Regional Breakdown 42

Table 3. Civil Society: Ratings History and Regional Breakdown 43

Table 4. Independent Media: Ratings History and Regional Breakdown 44

Table 5. National Democratic Governance: Ratings History and Regional Breakdown 45

Table 6. Local Democratic Governance: Ratings History and Regional Breakdown 46

Table 7. Judicial Framework & Independence: Ratings History & Regional Breakdown 47

Table 8. Corruption: Ratings History and Regional Breakdown 48

Table 9. Democracy Score: Ratings History and Regional Breakdown 49

Table 10. Democracy Score: 2013 Rankings by Regime Type 50

Country Reports

Albania ▪ *Gledis Gjipali* 51

Armenia ▪ *Alexander Iskandaryan* 71

Azerbaijan ▪ 95

Belarus ▪ *Alexei Pikulik, Dzianis Melyantsou, et al.* 113

Bosnia-Herzegovina ▪ *Dino Jahić* 135

Bulgaria ▪ *Georgy Ganev, Daniel Smilov,* and *Antoinette Primatarova* 157

Croatia ▪ *Petar Dorić* 177

Czech Republic ▪ *Jeremy Druker* 195
Estonia ▪ *Vello Pettai* and *Martin Mölder* 215
Georgia ▪ *Paul Rimple* 229
Hungary ▪ *Balázs Áron Kovács* 251
Kazakhstan ▪ *Bhavna Dave* 273
Kosovo ▪ *Krenar Gashi* 293
Kyrgyzstan ▪ *Erica Marat* 313
Latvia ▪ *Juris Dreifelds* 333
Lithuania ▪ *Kaetana Leontjeva* 353
Macedonia ▪ *Ljubica Grozdanovska Dimishkovska* 371
Moldova ▪ *Stanislav Secrieru* 391
Montenegro ▪ *Daliborka Uljarević* and *Stevo Muk* 413
Poland ▪ *Natalia Letki* and *Maciej A. Górecki* 431
Romania ▪ *Andrea Wagner, Bogdan Iancu,* and *Valentina Dimulescu* 451
Russia ▪ *Robert W. Orttung* 473
Serbia ▪ *Dragana Pećo* 497
Slovakia ▪ *Grigorij Mesežnikov, Miroslav Kollár,* and *Martin Bútora* 515
Slovenia ▪ *Damjan Lajh* 535
Tajikistan ▪ 553
Turkmenistan ▪ *Annette Bohr* 571
Ukraine ▪ *Oleksandr Sushko* and *Olena Prystayko* 593
Uzbekistan ▪ *Sarah Kendzior* 613

Freedom House Board of Trustees 632
About Freedom House 633

Acknowledgements

Nations in Transit 2013 could not have been completed without the contributions of numerous Freedom House staff and consultants. This study was also made possible by the generous support of the U.S. Agency for International Development.

Freedom House is grateful to the authors for their painstaking efforts to provide clear, concise, and informed analysis of the dramatic changes occurring in the countries under study. They are: Paul Rimple, Annette Bohr, Stanislav Secrieru, Bhavna Dave, Valentina Dimulescu, Petar Dorić, Juris Dreifelds, Jeremy Druker, Krenar Gashi, Georgi Ganev, Gledis Gjipali, Ljubica Grozdanovska, Bogdan Iancu, Alexander Iskandaryan, Natalia Letki, Maciej A. Górecki, Dino Jahić, Miroslav Kollár, Balázs Áron Kovács, Damjan Lajh, Kaetana Leontjeva, Erica Marat, Dzianis Melyantsou, Grigorij Mesežnikov, Martin Mölder, Stevo Muk, Robert Orttung, Sarah Kendzior, Dragana Peco, Vello Pettai, Alexei Pikulik, Olena Prystayko, Daniel Smilov, Oleksandr Sushko, Daliborka Uljarević, Michal Vašečka, and Andrea Wagner.

A number of distinguished scholars and regional experts served on this year's academic oversight committees and ratings board. They are: Audrey Alstadt of the University of Massachusetts, Amherst (United States); Kristie D. Evenson of Split (Croatia); Charles Gati of Johns Hopkins University, Washington, D.C. (United States); Mark Kramer of Harvard University (United States); Rajan Menon of the City University of New York, New York (United States); Alexander Motyl of Rutgers University, Newark (United States); and Susan Woodward of the Graduate Center of City University of New York (United States).

For their for their valuable comments on specific reports, Freedom House also thanks: David Aprasidze and Archil Abashidze of Ilia State University (Georgia); Margarita Balmaceda of the John C. Whitehead School of Diplomacy and International Relations, Seton Hall University (United States); Nadia Bojadjieva of Plovdiv University (Bulgaria); Keith Brown of Brown University (United States); Sally Brown-Micova of the London School of Economics (United Kingdom);

Elizabeth Celms; Lenard J. Cohen of Simon Fraser University, Vancouver (Canada); William Crowther Bernd Fischer of Indiana University, Fort Wayne (United States); Payam Foroughi; Conor O'Dwyer of the University of Florida (United States); Joerg Forbrig of the German Marshall Fund of the United States, Berlin (Germany); Gerard Gallucci of the University of Pittsburgh (United States); Farid Guliyev at Jacobs University, Bremen (Germany); Henry Hale of George Washington University, Washington, D.C. (United States); Gábor Halmai of the ELTE Faculty of Social Sciences, Budapest (Hungary); Sean Hanley of University College London (United Kingdom); Olexiy Haran of the University of Kyiv-Mohyla Academy (Ukraine); Vlastimil Havlík of Masaryk University, Brno (Czech Republic); Aida Hozić of the University of Florida (United States); Jasna Jelisić; Valts Kalniņš of the Center for Public Policy Providus, Riga (Latvia); Charles Kovács of Hid Radio Zrt, Budapest (Hungary); Olesea Kovali-Stamate; Frances Millard of the University of Essex, Colchester (United Kingdom); Sergiu Mişcoiu of Babeş-Bolyai University, Cluj-Napoca (Romania); Patrick Moore, formerly of Radio Free Europe, Bonn (Germany); Naz Nazar; Andrej Nosko of the Central European University and the Open Society Foundations Think Tank Fund, Budapest (Hungary); Alena Panikova of the Open Society Foundation (Slovakia); Bruce Pannier; Yevgenya (Jenny) Paturyan of the American University of Armenia, Yerevan (Armenia); Vjeran Pavlaković of the University of Rijeka (Croatia), Tsveta Petrova at the Harriman Institute at Columbia University, New York (United States); Misha Savic; Oxana Shevel of Tufts University (United States); Yervand Shirinyan of the Open Society Foundations, Budapest (Hungary); Olga Shumylo-Tapiola of the Carnegie Endowment for International Peace, Brussels (Belgium); Allan Sikk of the School of Slavonic and East European Studies at the University College London (United Kingdom); Daniela Sirinic of the Central European University, Budapest (Hungary); David J. Smith of the University of Glasgow (Scotland); Gavin Slade at the University of Oxford (United Kingdom); Aneta Spendzharova of Maastricht University, Maastricht (The Netherlands); Maria Spirova of Leiden University (The Netherlands); Noah Tucker; Lloyd Tudyk; Syuzanna Vasilyan; Ramūnas Vilpišauskas of the Institute of International Relations and Political Science (IIRPS) at Vilnius University (Lithuania); Christopher Walker of the National Endowment for Democracy (NED), Washington, D.C. (United States); Jonathan Wheatley of the Freie Universität Berlin (Germany); and Sharon Wolchik of the Elliott School of International Affairs, The George Washington University, Washington, D.C. (United States).

Many Freedom House staff devoted time and energy toward the development of this project. Sylvana Habdank-Kołaczkowska served as the project director and editor in chief of the study, assisted by research analyst Katherin Machalek. Tyler Roylance provided essential editorial support. Vytis Jurkonis, Sofya Orlosky, and Nate Schenkkan gave extremely helpful feedback on a number of drafts. Interns Dawes Cooke, Zselyke Csaky, and Alessandra Pina provided valuable research and administrative assistance.

Freedom House would also like to thank Judit Kovács of Createch Ltd., who was responsible for the design and layout of this book. Eleeza Agopian, Adam Cardais, Seyward Darby, Dallas DeForest, Sarah Repucci, Jocelyn Rice, and Timothy Spence also provided important editorial assistance. Freedom House extends gratitude to all who assisted with *Nations in Transit 2013*.

Methodology

Nations in Transit 2013 measures progress and setbacks in democratization in 29 countries from Central Europe to Central Asia. This volume, which covers events from January 1 through December 31, 2012, is an updated edition of surveys published in 2012, 2011, 2010, 2009, 2008, 2007, 2006, 2005, 2004, 2003, 2002, 2001, 2000, 1998, 1997, and 1995.

Country Reports

The country reports in *Nations in Transit 2013* follow an essay format that allowed the report authors to provide a broad analysis of the progress of democratic change in their country of expertise. Freedom House provided them with guidelines for ratings and a checklist of questions covering seven categories: electoral process, civil society, independent media, national democratic governance, local democratic governance, judicial framework and independence, and corruption. Starting with the 2005 edition, Freedom House introduced separate analysis and ratings for national democratic governance and local democratic governance to provide readers with more detailed and nuanced analysis of these two important subjects. Previous editions included only one governance category. The ratings for all categories reflect the consensus of Freedom House, the Nations in Transit advisers, and the report authors.

Each country report is organized according to the following:

- **National Democratic Governance.** Considers the democratic character and stability of the governmental system; the independence, effectiveness, and accountability of legislative and executive branches; and the democratic oversight of military and security services.

- **Electoral Process.** Examines national executive and legislative elections, electoral processes, the development of multiparty systems, and popular participation in the political process.

- **Civil Society.** Assesses the growth of nongovernmental organizations (NGOs), their organizational capacity and financial sustainability, and the legal and political environment in which they function; the development of free trade unions; and interest group participation in the policy process.

- **Independent Media.** Addresses the current state of press freedom, including libel laws, harassment of journalists, and editorial independence; the emergence of a financially viable private press; and internet access for private citizens.

- **Local Democratic Governance.** Considers the decentralization of power; the responsibilities, election, and capacity of local governmental bodies; and the transparency and accountability of local authorities.

- **Judicial Framework and Independence.** Highlights constitutional reform, human rights protections, criminal code reform, judicial independence, the status of ethnic minority rights, guarantees of equality before the law, treatment of suspects and prisoners, and compliance with judicial decisions.

- **Corruption.** Looks at public perceptions of corruption, the business interests of top policymakers, laws on financial disclosure and conflict of interest, and the efficacy of anticorruption initiatives.

Ratings and Scores

For all 29 countries in *Nations in Transit 2013*, Freedom House—in consultation with the report authors, a panel of academic advisers, and a group of regional expert reviewers—has provided numerical ratings in the seven categories listed above. The ratings are based on a scale of 1 to 7, with 1 representing the highest and 7 the lowest level of democratic progress.

The ratings follow a quarter-point scale. Minor to moderate developments typically warrant a positive or negative change of a quarter point (0.25), while significant developments warrant a half point (0.50). It is rare for any category to fluctuate more than a half point in a single year.

The ratings process for *Nations in Transit 2013* involves four steps:

1. Authors of individual country reports suggests preliminary ratings in all seven categories covered by the study, ensuring that substantial evidence is provided where a score change is proposed.
2. Each draft report is then sent to several regional expert reviewers, who provide comment on both the score change and the quality of its justification in the report's text.

3. Over the course of a two-day meeting, Freedom House's academic advisory board discusses and evaluates all ratings.
4. Report authors are given the opportunity to dispute any revised rating that differs from the original by more than 0.50 points. Final editorial authority for the ratings rests with Freedom House.

Nations in Transit does not rate governments per se, nor does it rate countries based on governmental intentions or legislation alone. Rather, a country's ratings are determined by considering the practical effect of the state and nongovernmental actors on an individual's rights and freedoms.

Nations in Transit ratings, which should not be taken as absolute indicators of the situation in a given country, are valuable for making general assessments of how democratic or authoritarian a country is. They also allow for comparative analysis of reforms among the countries examined and for analysis of long-term developments in a particular country.

Nations in Transit 2013 Checklist of Questions

National Democratic Governance

1. Is the country's governmental system democratic?
   - Does the Constitution or other national legislation enshrine the principles of democratic government?
   - Is the government open to meaningful citizen participation in political processes and decision-making in practice?
   - Is there an effective system of checks and balances between legislative, executive, and judicial authority?
   - Does a freedom of information act or similar legislation ensure access to government information by citizens and the media?
   - Is the economy free of government domination?

2. Is the country's governmental system stable?
   - Is there consensus among political groups and citizens on democracy as the basis of the country's political system?
   - Is stability of the governmental system achieved without coercion, violence, or other abuses of basic rights and civil liberties by state or non-state actors?
   - Do citizens recognize the legitimacy of national authorities and the laws and policies that govern them?
   - Does the government's authority extend over the full territory of the country?

- Is the governmental system free of threats to stability such as war, insurgencies, and domination by the military, foreign powers, or other powerful groups?

3. Is the legislature independent, effective, and accountable to the public?
   - Does the legislature have autonomy from the executive branch?
   - Does the legislature have the resources and capacity it needs to fulfill its lawmaking and investigative responsibilities? (consider financial resources, professional staffs, democratic management structures, etc.)
   - Do citizens and the media have regular access to legislators and the legislative process through public hearings, town meetings, published congressional records, etc.?
   - Do legislative bodies operate under effective audit and investigative rules that are free of political influence?
   - Does the legislature provide leadership and reflect societal preferences by providing a forum for the peaceful and democratic resolution of differences?

4. Is the executive branch independent, effective, and accountable to the public?
   - Is the executive branch's role in policy making clearly defined vis-à-vis other branches of government?
   - Does the executive branch have the resources and capacity it needs to formulate and implement policies?
   - Do citizens and the media have regular access to the executive branch to comment on the formulation and implementation of policies?
   - Does a competent and professional civil service function according to democratic standards and practices?
   - Do executive bodies operate under effective audit and investigative rules that are free of political influence?
   - Does the executive branch provide leadership and reflect societal preferences in resolving conflicts and supporting democratic development?

5. Are the military and security services subject to democratic oversight?
   - Does the Constitution or other legislation provide for democratic oversight and civilian authority over the military and security services?
   - Is there sufficient judicial oversight of the military and security services to prevent impunity?
   - Does the legislature have transparent oversight of military and security budgets and spending?

- Do legislators, the media, and civil society groups have sufficient information on military and security matters to provide oversight of the military and security services?
- Does the government provide the public with accurate and timely information about the military, the security services, and their roles?

Electoral Process

1. Is the authority of government based upon universal and equal suffrage and the will of the people as expressed by regular, free, and fair elections conducted by secret ballot?
2. Are there fair electoral laws, equal campaigning opportunities, fair polling, and honest tabulation of ballots?
3. Is the electoral system free of significant barriers to political organization and registration?
4. Is the electoral system multiparty based, with viable political parties, including an opposition party, functioning at all levels of government?
5. Is the public engaged in the political life of the country, as evidenced by membership in political parties, voter turnout for elections, or other factors?
6. Do ethnic and other minority groups have sufficient openings to participate in the political process?
7. Is there opportunity for the effective rotation of power among a range of different political parties representing competing interests and policy options?
8. Are the people's choices free from domination by the specific interests of power groups (the military, foreign powers, totalitarian parties, regional hierarchies, and/or economic oligarchies)?
9. Were the most recent national legislative elections judged free and fair by domestic and international election-monitoring organizations?
10. Were the most recent presidential elections judged free and fair by domestic and international election-monitoring organizations?

Civil Society

1. Does the state protect the rights of the independent civic sector?
2. Is the civil society vibrant? (Consider growth in the number of charitable, nonprofit, and nongovernmental organizations; improvements in the quality of performance of civil society groups; locally led efforts to increase philanthropy and volunteerism; the public's active participation in private

voluntary activity; the presence of effective civic and cultural organizations for women and ethnic groups; the participation of religious groups in charitable activity; or other factors.)

3. Is society free of excessive influence from extremist and intolerant nongovernmental institutions and organizations? (Consider racists, groups advocating violence or terrorism, xenophobes, private militias and vigilante groups, or other groups whose actions threaten political and social stability and the transition to democracy.)
4. Is the legal and regulatory environment for civil society groups free of excessive state pressures and bureaucracy? (Consider ease of registration, legal rights, government regulation, fund-raising, taxation, procurement, and access-to-information issues.)
5. Do civil society groups have sufficient organizational capacity to sustain their work? (Consider management structures with clearly delineated authority and responsibility; a core of experienced practitioners, trainers, and the like; access to information on NGO management issues in the native language; and so forth.)
6. Are civil society groups financially viable, with adequate conditions and opportunities for raising funds that sustain their work? (Consider sufficient organizational capacity to raise funds; option of nonprofit tax status; freedom to raise funds from domestic or foreign sources; legal or tax environment that encourages private sector support; ability to compete for government procurement opportunities; ability to earn income or collect cost recovery fees.)
7. Is the government receptive to policy advocacy by interest groups, public policy research groups, and other nonprofit organizations? Do government officials engage civil society groups by inviting them to testify, comment on, and influence pending policies or legislation?
8. Are the media receptive to civil society groups as independent and reliable sources of information and commentary? Are they positive contributors to the country's civic life?
9. Does the state respect the right to form and join free trade unions?
10. Is the education system free of political influence and propaganda?

Independent Media

1. Are there legal protections for press freedom?
2. Are journalists, especially investigative reporters, protected from victimization by powerful state or non-state actors?
3. Does the state oppose onerous libel laws and other excessive legal penalties for "irresponsible" journalism?

4. Are the media's editorial independence and news-gathering functions free of interference from the government or private owners?
5. Does the public enjoy a diverse selection of print and electronic sources of information, at both the national and local level, that represent a range of political viewpoints?
6. Are the majority of print and electronic media privately owned and free of excessive ownership concentration?
7. Is the private media's financial viability subject only to market forces (that is, is it free of political or other influences)?
8. Is the distribution of newspapers privately controlled?
9. Are journalists and media outlets able to form their own viable professional associations?
10. Does society enjoy free access to and use of the internet, is diversity of opinion available through online sources, and does government make no attempt to control the internet?

Local Democratic Governance

1. Are the principles of local democratic government enshrined in law and respected in practice?
   - Does the Constitution or other national legislation provide a framework for democratic local self-government?
   - Have substantial government powers and responsibilities been decentralized in practice?
   - Are local authorities free to design and adopt institutions and processes of governance that reflect local needs and conditions?
   - Do central authorities consult local governments in planning and decision-making processes that directly affect the local level?

2. Are citizens able to choose their local leaders in free and fair elections?
   - Does the Constitution or other national legislation provide for local elections held on the basis of universal, equal, and direct suffrage by secret ballot?
   - Do local governments derive their power on the basis of regular, free, and fair local elections (either through direct election or through election by local assemblies or councils)?
   - Are free and fair local elections held at regular intervals and subject to independent monitoring and oversight?
   - Do multiple candidates representing a range of views participate in local elections and in local government bodies?

- Are voters' choices in local elections free from domination by power groups such as national political parties, central authorities, economic oligarchies, etc?
- Are citizens engaged in local electoral processes, as evidenced by party membership, voter turnout, or other factors?

3. Are citizens ensured meaningful participation in local government decision-making?
   - Do local governments invite input from civil society, business, trade unions, and other groups on important policy issues before decisions are made and implemented?
   - Do local governments initiate committees, focus groups, or other partnerships with civil society to address common concerns and needs?
   - Are individuals and civil society groups free to submit petitions, organize demonstrations, or initiate other activities that influence local decision-making?
   - Do women, ethnic groups, and other minorities participate in local government?
   - Do the media regularly report the views of local civic groups, the private business sector, and other nongovernmental entities about local government policy and performance?

4. Do democratically elected local authorities exercise their powers freely and autonomously?
   - Do central authorities respect local decision-making authority and independence?
   - Are local governments free to pass and enforce laws needed to fulfill their responsibilities?
   - Do local authorities have the right to judicial remedy to protect their powers?
   - Do local governments have the right to form associations at the domestic and international level for protecting and promoting their interests?

5. Do democratically elected local authorities have the resources and capacity needed to fulfill their responsibilities?
   - Are local governments free to collect taxes, fees, and other revenues commensurate with their responsibilities?
   - Do local governments automatically and regularly receive resources that are due from central authorities?

- Do local governments set budgets and allocate resources free of excessive political influences and central controls?
- Are local authorities empowered to set staff salaries, staff size and staffing patterns, and is recruitment based on merit and experience?
- Do local governments have the resources (material, financial, and human) to provide quality services, ensure a safe local environment, and implement sound policies in practice?

6. Do democratically elected local authorities operate with transparency and accountability to citizens?
   - Are local authorities subject to clear and consistent standards of disclosure, oversight, and accountability?
   - Are local authorities free from domination by power groups (economic oligarchies, organized crime, etc) that prevent them from representing the views and needs of the citizens who elected them?
   - Are public meetings mandated by law and held at regular intervals?
   - Do citizens and the media have regular access to public records and information?
   - Are media free to investigate and report on local politics and government without fear of victimization?

Judicial Framework and Independence

1. Does the constitutional or other national legislation provide protections for fundamental political, civil, and human rights? (Includes freedom of expression, freedom of conscience and religion, freedom of association, and business and property rights.)
2. Do the state and nongovernmental actors respect fundamental political, civil, and human rights in practice?
3. Is there independence and impartiality in the interpretation and enforcement of the constitution?
4. Is there equality before the law?
5. Has there been effective reform of the criminal code/criminal law? (Consider presumption of innocence until proven guilty, access to a fair and public hearing, introduction of jury trials, access to independent counsel/public defender, independence of prosecutors, and so forth.)
6. Are suspects and prisoners protected in practice against arbitrary arrest, detention without trial, searches without warrants, torture and abuse, and excessive delays in the criminal justice system?
7. Are judges appointed in a fair and unbiased manner, and do they have adequate legal training before assuming the bench?

8. Do judges rule fairly and impartially, and are courts free of political control and influence?
9. Do legislative, executive, and other governmental authorities comply with judicial decisions, and are judicial decisions effectively enforced?

Corruption

1. Has the government implemented effective anticorruption initiatives?
2. Is the country's economy free of excessive state involvement?
3. Is the government free from excessive bureaucratic regulations, registration requirements, and other controls that increase opportunities for corruption?
4. Are there significant limitations on the participation of government officials in economic life?
5. Are there adequate laws requiring financial disclosure and disallowing conflict of interest?
6. Does the government advertise jobs and contracts?
7. Does the state enforce an effective legislative or administrative process—particularly one that is free of prejudice against one's political opponents—to prevent, investigate, and prosecute the corruption of government officials and civil servants?
8. Do whistleblowers, anticorruption activists, investigators, and journalists enjoy legal protections that make them feel secure about reporting cases of bribery and corruption?
9. Are allegations of corruption given wide and extensive airing in the media?
10. Does the public display a high intolerance for official corruption?

Democracy Score

Freedom House introduced a Democracy Score—a straight average of the ratings for all categories covered by *Nations in Transit*—beginning with the 2004 edition. Freedom House provided this aggregate for comparative and interpretive purposes of evaluating progress and setbacks in the countries under study.

> ***Background note:*** In the years before the 2004 edition, Freedom House used two aggregate scores to assist in the analysis of reform in the countries covered by the *Nations in Transit* study. These were *Democratization* (average of electoral process, civil society, independent media, and governance) and *Rule of Law* (average of corruption and constitutional, legislative, and judicial framework). Analysis showed a high level of correlation between the previous scoring categories and the Democracy Score.

For *Nations in Transit 2013*, Freedom House once again uses the Democracy Score. Based on the Democracy Score and its scale of 1 to 7, Freedom House defined the following regime types:

Democracy Score	Regime Type
1–2	Consolidated Democracy
3	Semi-consolidated Democracy
4	Transitional Government or Hybrid Regime
5	Semi-consolidated Authoritarian Regime
6–7	Consolidated Authoritarian Regime

Ratings and Democracy Score Guidelines

Beginning with the 2006 edition, the following guidelines were used to assist Freedom House staff and consultants in determining the ratings for electoral process; civil society; independent media; national democratic governance; local democratic governance; judicial framework and independence; and corruption. Based on the aggregate Democracy Scores, the descriptions are intended to explain generally the conditions of democratic institutions in the different regime classifications.

1.00–2.99 Consolidated Democracies

1.00–1.99 Countries receiving a Democracy Score of 1.00–1.99 closely embody the best policies and practices of liberal democracy.

- The authority of government is based on universal and equal suffrage as expressed in regular, free, and fair elections conducted by secret ballot. Elections are competitive, and power rotates among a range of different political parties.
- Civil society is independent, vibrant, and sustainable. Rights of assembly and association are protected and free of excessive state pressures and bureaucracy.
- Media are independent, diverse, and sustainable. Freedom of expression is protected, and journalists are free from excessive interference by powerful political and economic interests.
- National and local governmental systems are stable, democratic, and accountable to the public. Central branches of government are independent, and an effective system of checks and balances exists. Local authorities exercise their powers freely and autonomously of the central government.

- The judiciary is independent, impartial, timely, and able to defend fundamental political, civil, and human rights. There is equality before the law, and judicial decisions are enforced.
- Government, the economy, and society are free of excessive corruption. Legislative framework, including strong conflict-of-interest protection, is in place so that journalists and other citizens feel secure to investigate, provide media coverage of, and prosecute allegations of corruption.

2.00–2.99 Countries receiving a Democracy Score of 2.00–2.99 closely embody the best policies and practices of liberal democracy. However, challenges largely associated with corruption contribute to a slightly lower score.

- The authority of government is based on universal and equal suffrage as expressed in regular, free, and fair elections conducted by secret ballot. Elections are competitive, and power rotates among a range of different political parties.
- Civil society is independent, vibrant, and sustainable. Rights of assembly and association are protected and free of excessive state pressures and bureaucracy.
- Media are independent, diverse, and sustainable. Freedom of expression is protected, and journalists are free from excessive interference by powerful political or economic interests.
- National and local governmental systems are stable, democratic, and accountable to the public. Central branches of government are independent, and an effective system of checks and balances exists. Local authorities exercise their powers freely and autonomously of the central government.
- The judiciary is independent, impartial, and able to defend fundamental political, civil, and human rights. There is equality before the law, and judicial decisions are enforced, though timeliness remains an area of concern.
- While government, the economy, and society are increasingly free of corruption, implementation of effective anticorruption programs may be slow and revelations of high-level corruption may be frequent.

3.00–3.99 Semi-Consolidated Democracies

Countries receiving a Democracy Score of 3.00–3.99 are electoral democracies that meet relatively high standards for the selection of national leaders but exhibit some weaknesses in their defense of political rights and civil liberties.

- The authority of government is based on universal and equal suffrage as expressed in regular elections conducted by secret ballot. While elections are typically free, fair, and competitive, irregularities may occur. Power rotates among a range of different political parties.

- Civil society is independent and active. Rights of assembly and association are protected. However, the organizational capacity of groups remains limited and dependence on foreign funding is a barrier to long-term sustainability. Groups may be susceptible to some political or economic pressure.
- Media are generally independent and diverse, and freedom of expression is largely protected in legislative framework and in practice. However, special interests—both political and economic—do exert influence on reporting and editorial independence and may lead to self-censorship. While print media are largely free of government influence and control, electronic media are not.
- National and local systems of government are stable and democratic. While laws and structures are in place to promote government transparency and accountability, implementation is lacking. The system of checks and balances may be weak, and decentralization of powers and resources to local self-governments incomplete.
- The framework for an independent judiciary is in place. However, judicial independence and the protection of basic rights, especially those of ethnic and religious minorities, are weak. Judicial processes are slow, inconsistent, and open to abuse.
- Corruption is widespread and state capacities to investigate and prosecute corruption are weak. Efforts to combat the problem produce limited results.

4.00–4.99 Transitional or Hybrid Regimes

Countries receiving a Democracy Score of 4.00–4.99 are typically electoral democracies that meet only minimum standards for the selection of national leaders. Democratic institutions are fragile and substantial challenges to the protection of political rights and civil liberties exist. The potential for sustainable, liberal democracy is unclear.

- National elections are regular and competitive, but substantial irregularities may prevent them from being free and fair. Government pressure on opposition parties and candidates may be common.
- Civil society is independent and growing, and rights of assembly and association are generally protected. However, philanthropy and volunteerism are weak, and dependence on foreign funding is a barrier to long-term sustainability. Democratically oriented NGOs are the most visible and active groups, especially during election seasons, and may be subject to government pressure.
- Media are generally independent and diverse. Legislative framework to protect media may be in place but is not matched by practice. Special

interests—both political and economic—exert influence on reporting and editorial independence, and may lead to self-censorship. Harassment of and pressure on journalists may occur.

- National and local systems of government are weak and lacking in transparency. While the balance of power is fragile, a vocal yet fractionalized opposition may be present in parliament. Governance may remain highly centralized. Local self-government is not fully in place, with some local or regional authorities owing allegiance to the central authorities who appointed them.
- The judiciary struggles to maintain its independence from the government. Respect for basic political, civil, and human rights is selective, and equality before the law is not guaranteed. In addition to the judiciary being slow, abuses occur. Use of torture in prisons may be a problem.
- Corruption is widespread and presents a major impediment to political and economic development. Anticorruption efforts are inconsistent.

5.00–5.99 Semi-Consolidated Authoritarian Regimes

Countries receiving a Democracy Score of 5.00–5.99 attempt to mask authoritarianism or rely on external power structures with limited respect for the institutions and practices of democracy. They typically fail to meet even the minimum standards of electoral democracy.

- While national elections may be held at regular intervals and contested by opposition parties and candidates, they are marred by irregularities and deemed undemocratic by international observers. Public resources and state employees are used to guarantee incumbent victories. Political power may change hands, yet turnovers in the executive are well orchestrated and may fail to reflect voter preferences.
- Power is highly centralized, and national and local levels of government are neither democratic nor accountable to citizens. Meaningful checks on executive power do not exist, and stability is achieved by undemocratic means.
- Space for independent civil society is narrow. While governments encourage nongovernmental organizations that perform important social functions, they are hostile to groups that challenge state policy. Institutional weaknesses and insufficient funding, save international support, also contribute to the limited impact of politically oriented groups.
- While independent media exist, they operate under government pressure and risk harassment for reporting that is critical of the regime. Investigative reporting on corruption and organized crime is especially risky. Harsh libel laws sustain a culture of self-censorship. Most media, particularly radio and television, are controlled or co-opted by the state.

- The judiciary is restrained in its ability to act independently of the executive, and equality before the law is not guaranteed. The judiciary is frequently co-opted as a tool to silence opposition figures and has limited ability to protect the basic rights and liberties of citizens.
- State involvement in the economic sector is sizable and corruption is widespread. Efforts to combat corruption are usually politically motivated.

6.00–7.00 Consolidated Authoritarian Regimes

Countries receiving a Democracy Score of 6.00–7.00 are closed societies in which dictators prevent political competition and pluralism and are responsible for widespread violations of basic political, civil, and human rights.

- Elections serve to reinforce the rule of dictators who enjoy unlimited authority for prolonged periods of time. Pro-governmental parties and candidates dominate elections, while an independent opposition is typically barred from seeking office. Rotations of executive power are unlikely absent death or revolution.
- Power is highly centralized, and the country's national and local governmental systems are neither democratic nor accountable to the public.
- Civil society faces excessive government restrictions and repression. A formal state ideology, or cult of personality, may dominate society and serve to justify the regime.
- Freedom of expression is stifled, and independent media are virtually nonexistent. Media are typically state-owned or controlled by individuals connected to the regime. Censorship is pervasive, and repression for independent reporting or criticism of the government is severe.
- The rule of law is subordinate to the regime, and violations of basic political, civil, and human rights are widespread. Courts are used to harass members of the opposition.
- Corruption and state involvement in the economy are excessive. Allegations of corruption are usually intended to silence political opponents of the regime.

Research Team and Data Sources

Freedom House developed the initial survey and subsequent editions after consultations with the U.S. Agency for International Development. Freedom House staff members and consultants researched and wrote the country reports. Consultants are regional or country specialists recommended by recognized authorities. The research team used a wide variety of sources in writing the reports,

including information from nongovernmental organizations, multilateral lending institutions and other international organizations, local newspapers and magazines, and select government data.

The economic and social data contained in the country header pages of the 2013 edition were provided by The World Bank, *World Development Indicators 2013* (Washington, D.C.: World Bank, April 2013).

Nations in Transit 2013:

Authoritarian Aggression and the Pressures of Austerity

Sylvana Habdank-Kołaczkowska

Autocratic regimes in Eurasia fought energetically to keep the threat of democratic change at bay in 2012. Their invariable response to new domestic pressures and the ongoing political ferment in the Middle East was to strike more vigorously at perceived adversaries, whether advocates of striking oil workers, dissident bloggers, religious nonconformists, environmental activists, human rights defenders, or the leaders of opposition parties. In some cases, governments with established records of repression introduced new and arguably redundant measures to further constrain dissent, having already engaged in years of censorship, subjugated the justice system, and in some contexts resorted to violence. As a result, governance institutions in the region's autocracies grew more dysfunctional, less independent, and more prone to corruption.

In this grim environment, Russia served as vanguard and model. With the return of Vladimir Putin to the presidency, Russian authorities ratcheted up policies designed to intimidate members of the political opposition and activists in civil society organizations. While previous measures have sought to obstruct or constrain Russian civil society, the new round of initiatives were designed to neuter or eliminate any groups that dealt even tangentially with political or public-policy matters. In waging war against civil society, Putin was aided by the control over the legislature, the media, and the judiciary that he had already achieved during his 13 years as the country's paramount leader.

A similar pattern predominated among Russia's autocratic neighbors, with civil society activists singled out for especially harsh treatment. Kazakhstan cracked down on labor and opposition activists for allegedly organizing and inciting violence in Zhanaozen in December 2011 and used their convictions to justify banning opposition media outlets, while the regimes in Azerbaijan, Tajikistan, and Belarus stepped up their persecution of perceived enemies through existing legal

and extralegal mechanisms. Indeed, the 2013 edition of *Nations in Transit* shows a troubling deterioration in conditions for civil society activity across Eurasia, with 5 of the region's 12 countries registering declines in that category. Two additional countries, Uzbekistan and Turkmenistan, continued to earn the survey's worst possible rating—7, on a scale of 1 to 7—for civil society. Two countries in the Balkans and Central Europe, Kosovo and Hungary, also suffered deterioration on this indicator, suggesting a broader problem. Across all categories, 17 of the survey's 29 countries registered net declines for the year, compared with just 6 that made net improvements.

In Central Europe, a public backlash against unpopular austerity measures destabilized several governments in 2012, testing the durability of democratic institutions. Despite frequent government changes and heightened political polarization, most states in the region were able to respond to mounting pressure without significantly straying from core democratic norms. In Romania, however, the new coalition government approved in May treated public dissatisfaction with President Traian Băsescu and his party as a mandate to entrench its own rule and browbeat critical media outlets. Throughout the region, public demonstrations against economic hardships overlapped with demands for greater government accountability and transparency, a reaction to persistent corruption and influence peddling. Slovakia and Estonia both received downgrades in their corruption scores to reflect backsliding in this area. Numerous graft scandals notwithstanding, the Czech Republic registered a score improvement on judicial framework and independence due to an increase in the anticorruption activity of the state prosecutor's office. The only other country in the survey to earn an improved rating for its judicial framework was Hungary, where Constitutional Court rulings struck down several problematic laws during the year, mitigating the previous year's fairly steep downgrade.

The fresh decline in Hungary's civil society rating came as new evidence substantiated the perception that public funds are being used to support civic groups linked to the government by ideology or personal ties. Meanwhile, the administration of Prime Minister Viktor Orbán continued to defend the controversial reorganization and restaffing of Hungary's media, data protection, and judicial oversight bodies, making minor concessions to international pressure even as it drafted legislation that seeks to regulate additional dimensions of political and social activity. It is worth noting that several legal provisions nullified by the Constitutional Court during this report's 2012 coverage period have been reinstated in 2013, via constitutional amendment.

Corruption in the Balkan states appears to be deepening, despite pressure from the European Union (EU) and international lending institutions to strengthen judicial independence and produce verdicts in high-profile cases. Across the region, political interests and personal connections between government and business regularly influence public tender and privatization procedures. Judicial institutions are overburdened and subject to political interference. And journalists—particularly those covering organized crime and corruption—face political

pressure, intimidation, and attacks. As evidence of these problems mounted, three countries—Albania, Bosnia and Herzegovina, and Kosovo—earned downgrades on corruption. Kosovo's other decline, on civil society, stemmed from new legislation that allowed the central bank to convert nonprofit microfinance institutions into private businesses without preserving a previous requirement that such dissolved entities' assets be redistributed to other nonprofit groups. The change meant that some €100 million in accumulated capital could be removed from the civil society sector and handed to private shareholders.

Notable Trends

- **Assault on Civil Society:** Autocratic regimes that experienced mass protests in 2011 took steps to prevent further demonstrations during 2012, adopting restrictive new legislation and systematically employing repressive tactics. Russia, Kazakhstan, Belarus, Azerbaijan, and Tajikistan all received downgrades in the survey's civil society category as a result of increased pressure and new legal constraints on public assembly, religious activity, and nongovernmental organizations (NGOs). Conditions for civil society also declined in Hungary and Kosovo during the year.

- **Electoral Gains in Georgia and Armenia, Abuses in Russia and Ukraine:** While neighboring Azerbaijan aggressively stifled political opposition, Georgia and Armenia conducted parliamentary elections under new electoral laws that emphasized equal access to campaign resources and media coverage. Some abuse of administrative resources and polling-day violations persisted, but overall competitiveness improved, and both votes yielded more representative legislatures. For the first time, the Armenian National Congress, which had formerly denounced all government institutions, won seats in Armenia's National Assembly and began participating in parliamentary politics. In Georgia, a coalition of former opposition parties led by billionaire Bidzina Ivanishvili won a dramatic victory, resulting in independent Georgia's first peaceful transfer of power through elections. By contrast, parliamentary elections in Ukraine were marred by large-scale abuse of administrative resources, opaque campaign finances, and bribery. Over 400 candidates were rejected ahead of the vote, half of them on the basis of minor technical infractions. Earlier in the year, Vladimir Putin returned to the Russian presidency following a deeply flawed election that was roundly condemned by international monitors. Putin, who has served as prime minister or president since 1999, is now scheduled to be in office through 2018, at which point he is eligible to run for another six-year term.

- **Signs of Strain in Central Europe:** Pressure from the EU and other international institutions to implement harsh austerity measures and public frustration with persistent corruption contributed to frequent government changes in the new EU member states. In this region, only three countries made advances in any *Nations in Transit* categories, and seven experienced declines. A new government in Romania took rapid steps to consolidate its power over state institutions, triggering a political crisis that adversely affected the country's media environment. Media freedom also declined in Bulgaria and Poland, while Slovakia slid backward on judicial independence and corruption. Estonia received its first ratings downgrade in four years due to evidence of political corruption. In two exceptions to this trend, the state prosecutor's office in the Czech Republic showed a renewed commitment to pursuing high-profile corruption investigations, and the political environment in Latvia benefited from new campaign finance legislation and the reduced influence of politically connected business magnates.

- **Persistent Corruption in the Balkans:** Critical reforms stalled in all Balkan states in 2012, despite pressing EU deadlines for Croatia and Serbia. Albania's multiyear ratings decline continued as Prime Minister Sali Berisha and his ruling Democratic Party consolidated power over state institutions and used their influence in the judicial system to secure acquittals in highly publicized corruption cases. In Kosovo, in addition to the new legislation on nonprofit microfinance groups, a mysterious death highlighted the severity of corrupt practices in privatization deals. Meanwhile, authorities in Bosnia and Herzegovina's two main entities, long distracted by political stalemate and ongoing challenges to the legitimacy of central institutions, proved unable or unwilling to address growing evidence of widespread graft or pursue cases against leading politicians, a striking number of whom have been implicated in corruption.

REGIONAL FINDINGS

Eurasia

The recent wave of crackdowns on civil society activity in Eurasia is alarming in its scope and ferocity, but it is in some ways the predictable continuation of a pattern that has been apparent for well over a decade. All 12 states in the region now perform worse in *Nations in Transit* than they did 15 years ago. The executive authorities in most of these countries have progressively coopted or demolished potential threats to their monopoly on power, including judicial autonomy, legislative oversight, formal political opposition, a politically independent business community, and

critical mass media. Civil society organizations, to the extent that were still allowed to operate, represented one of the last links in this chain.

In **Russia**, after months of protests and public discontent surrounding his decision to return to the presidency, Vladimir Putin went on the offensive with a series of legislative measures that increased penalties for unauthorized political demonstrations, created new mechanisms for internet censorship, expanded the definition of treason, recriminalized slander, and restricted the ability of NGOs to raise funds. The U.S. Agency for International Development (USAID) and the UN Children's Fund (UNICEF) both left Russia under government pressure in the fall of 2012, as did a number of U.S.- and EU-based nonprofits. In the spring of 2013, the election watchdog Golos, which played a key role in exposing massive fraud in Russia's most recent parliamentary and presidential elections, became the first organization to be fined under a new 2012 law for failing to register as a "foreign agent."

Growing authoritarianism in **Ukraine** has yet to result in explicit targeting of NGOs or new restrictions on public assembly. However, extensive NGO monitoring of parliamentary elections in October did not prevent the rampant abuse of administrative resources, nontransparent campaign financing, and biased media coverage in favor of the ruling Party of Regions. After the party nevertheless failed to secure the supermajority needed to pass constitutional amendments, President Viktor Yanukovych pushed through a controversial law allowing constitutional amendments via referendum. Two of the government's most outspoken opponents, former prime minister Yuliya Tymoshenko and former interior minister Yuriy Lutsenko, remained behind bars at year's end following a series of politically motivated prosecutions. Lutsenko was pardoned in April 2013 following appeals by numerous international officials.

The democracy gap between **Azerbaijan** and its Caucasian neighbors continued to grow in 2012. The peaceful and more inclusive elections in Georgia and Armenia contrasted sharply with the brutal suppression of public gatherings in the run-up to the Eurovision song contest in Baku, and the introduction of huge fines for anyone participating in unauthorized rallies in the country. Meanwhile, investigative reports by foreign media exposed the enormous personal assets of President Ilham Aliyev's family, prompting legal amendments that protect the secrecy of corporate ownership structures and further limit journalists' ability to uncover corruption. When Hungarian authorities made a surprising decision to repatriate former Azerbaijani army officer Ramil Safarov, who had been imprisoned for brutally murdering an Armenian officer while training in Budapest in 2004, the government in Baku gave him a hero's welcome and immediately set him free, thereby halting any progress in Azerbaijan's negotiations with Armenia over the disputed territory of Nagorno-Karabakh.

Widespread harassment of dissidents and another set of egregiously fraudulent elections caused the EU to renew its sanctions against **Belarus** for another year in October 2012. Already the worst performer in the *Nations in Transit* survey outside of Central Asia, Belarus received a second consecutive downgrade on civil

society as the regime of President Alyaksandr Lukashenka escalated its disruption of organized and independent activism before parliamentary elections in September. After the elections, in which the opposition was once again denied even a single seat, the prominent human rights organization Platforma was dissolved, and the human rights center Viasna was evicted from its offices in connection with the 2011 sentencing of its director, Ales Bialatski. When a plane from Sweden dropped teddy bears bearing messages in support of freedom of expression over Minsk in early July, irate Belarusian authorities expelled the Swedish ambassador for being "too supportive of human rights."

While continuing to invest heavily in boosting its image abroad, the government of **Kazakhstan** has also worked more aggressively to quash perceived threats to the regime since 2010. Legislation signed into law in January 2012 imposed harsh penalties on individuals who "influence public and individual consciousness" through the distribution of "unreliable" information "to the detriment of national security." Authorities also aggressively pursued charges against those they held responsible for the Zhanaozen oil workers' strike and the related violence that erupted in December 2011. In June 2012, 34 Zhanaozen residents and labor activists were found guilty of "organizing mass disorders"; in October, opposition leader Vladimir Kozlov and two other defendants were convicted of "inciting social hatred" that led to the violence. The latter conviction was used to ban the Alga political party and a number of opposition media outlets on the basis of their "extremism."

Tajikistan's civil society rating worsened due to a multiyear trend of relentless harassment aimed at independent religious leaders and Islamic groups. During 2012, the government shut down a number of mosques, installed surveillance equipment in others, and closely monitored the activities of various religious figures. Although libel was decriminalized in July, Tajikistan earned a downgrade in independent media—its second in two years—amid a dramatic increase in censorship of online media and social-networking sites. This was particularly evident in the wake of a large-scale military operation in the Gorno-Badakhshan Autonomous Province. Tajikistan's media environment can still be considered relatively open by regional standards, but the events of the last two years suggest that the gap between Tajikistan and its more autocratic neighbors is narrowing.

Uzbekistan and **Turkmenistan** have bottomed out on most *Nations in Transit* indicators, including protections for civil society. The entrenched regimes in both states have long since eradicated meaningful political opposition and driven out or imprisoned independent journalists. In Uzbekistan, human rights activists and devout Muslims are frequent targets of brutal attacks by the authorities. In Turkmenistan, nearly all functioning NGOs either support the government or receive direct government funding. A presidential decree issued there in January 2013 created a state commission to supervise all foreign-funded projects and tightly restrict access to outside money for "legal and physical entities" in the country.

The only Central Asian state that did not pursue an active policy of limiting independent social, religious, or political activity in 2012 was **Kyrgyzstan**, where

most NGOs have operated more freely since the violent overthrow of President Kurmanbek Bakiyev in 2010. In 2012, the country's overall democracy rating improved for the third consecutive year as a result of competitive local elections that brought significant gains to new parties. The score change made Kyrgyzstan the first state in Central Asia to rise out of the category of consolidated authoritarian regimes. Notwithstanding valuable improvements in electoral process and media freedom, the country still suffers from pervasive corruption and a judicial system that is susceptible to political influence and disproportionately targets ethnic Uzbeks.

Just three other countries in Eurasia registered score improvements in 2012. Improved elections under a new electoral code in **Georgia** ushered in a historic victory for the opposition Georgian Dream movement, despite evidence that new campaign finance legislation was used overwhelmingly to target the party. **Armenia**'s parliamentary elections in May also resulted in a more representative legislature, though by year's end the two main opposition parties' unexplained decision not to field candidates for the 2013 presidential race had dashed hopes of a truly competitive contest. The country received a score improvement in this year's survey due to an improved media environment in the run-up to the parliamentary vote and a significant decline in the number of defamation suits. In **Moldova**, the election of a president in March ended a 30-month deadlock over the office that had obstructed governance at the national level. The country also received a small improvement in its corruption rating thanks to the new interior minister's aggressive efforts to eliminate corruption in law enforcement and the promotion of e-governance to reduce opportunities for bribery and petty fraud.

New EU States

The countries of Central and Eastern Europe that joined the EU in 2004 and 2007 perform well on most *Nations in Transit* democracy indicators, but their lingering weaknesses have been exacerbated by the economic crisis that began in 2008 and related pressure on governments to impose unpopular austerity measures. Most of these countries have experienced or narrowly avoided either early changes in government or snap parliamentary elections in the last two years. While they demonstrate political accountability and peaceful rotation of power, such disruptions have stalled progress on reforms and prevented several states from further consolidating their other democratic institutions. Seven of the survey's 10 EU member states experienced net declines in their democracy scores—four more than last year. The only countries to receive net ratings improvements for 2012 were the Czech Republic and Latvia. These are also the only countries whose democracy scores have registered overall improvement since they joined the EU.

Frustration with austerity measures has heightened the public's sensitivity to corruption scandals, which erupt regularly in most Central European states despite solidly designed anticorruption legislation and institutions. In the **Czech Republic**, support for the government of Prime Minister Petr Nečas plummeted

as higher taxes and budget cuts competed for media attention against a string of corruption cases and infighting between the three parties of the ruling coalition. A total of 12 ministers had resigned by year's end, many of them over accusations of corruption or dubious financial dealings in their past. In some respects, however, these revelations can be viewed as positive developments, as they reflect an increase in activity by the state prosecutor's office—traditionally the weakest link in the country's judicial system—and what appears to be a renewed commitment to pursuing high-profile investigations. The country's record on such cases in 2012 earned it a quarter-point improvement in the *Nations in Transit* rating for judicial framework and independence.

In **Slovakia**, the emergence of corruption allegations, some of them dating back several years, further eroded public support for center-right parties that were in power at the beginning of the year. Snap parliamentary elections were held in March 2012, after Prime Minister Iveta Radičová's government lost a confidence vote tied to approval for a eurozone bailout fund in late 2011. The elections brought a sweeping victory to Robert Fico's leftist Direction–Social Democracy party, which campaigned on promises to ease austerity measures and root out corruption. The latter goal did not materialize in 2012, as key cases dragged on without resolution. More disturbingly, government-backed legislative proposals under discussion at year's end included a bill that would weaken transparency in public procurement, already a major source of corruption in the country. In addition to its downgrade on the corruption indicator, Slovakia's rating for judicial framework and independence declined as a result of the unchecked influence of Supreme Court chairman Štefan Harabin, who interfered throughout the year in the election of judges to the Judicial Council, the principal organ of self-governance within the judiciary.

In January 2012, thousands of protesters took to the streets of Bucharest, calling for the ouster of **Romania**'s political leadership due to harsh austerity policies and long-standing allegations of systemic corruption. The center-right government, led by the Democratic Liberal Party (PDL), was forced to resign, and a new center-left government headed by the Social Democratic Party took a series of widely criticized steps to consolidate its power over state institutions after assuming office in May. It replaced the ombudsman, the only official with the authority to challenge government decrees before the Constitutional Court; issued an emergency order to limit the Constitutional Court's powers; replaced the PDL leaders of both chambers of parliament; and passed a motion to suspend the PDL-allied president, Traian Băsescu, pending an ultimately unsuccessful referendum on his impeachment. The year's political turmoil exposed the fragility of media freedom in Romania. Journalists covering the January protests faced violence and harassment, and government officials exhibited hostility toward independent outlets while seeking to use legislation to influence the dissemination of information. The strain placed on Romania's democratic institutions during the year yielded ratings downgrades on national democratic governance and independent media.

In both Slovakia and Romania, pressure by international lenders to introduce unpopular policies has allowed political leaders who resist or defy international

advice to position themselves as defenders of the public interest, and to tar their domestic opponents as quasi-treasonous. But the most prominent example of this phenomenon may be **Hungary**, whose *Nations in Transit* ratings have weakened more since EU accession than any other member state, with the largest declines in 2010 and 2011. Under the leadership of Prime Minister Viktor Orbán, the conservative Fidesz party has used its parliamentary supermajority to increase political control over a number of key institutions, most notably the judiciary and the media regulator. It has also adopted a new constitution that places policies on culture, religion, morality, and the economy, including issues such as public debt and pensions, under the category of "cardinal law," meaning relevant legislation needs a two-thirds majority to pass. In effect, the changes make it exceedingly difficult for any future government to alter the structures and policies established by Fidesz. Meanwhile, the ruling party has continued to alter the constitution at will to suit its short-term needs. With downgrades in civil society and local democratic governance in 2012, Hungary's overall democracy score is edging closer to the barrier between consolidated democracies and those classified as "semiconsolidated," a category that includes Bulgaria, Romania, and the better-performing Balkan states. However, Hungary also earned an improvement in 2012, in recognition of Constitutional Court rulings that pushed back against some of the more questionable legislative changes introduced in 2011 and 2012.

Bulgaria formed a new government in May 2013 after the country's largest protests in 16 years forced early elections, but the low turnout reflected citizens' deep frustration with economic hardship and the entire political class. With multiple downgrades in judicial independence, independent media, and national democratic governance, Bulgaria's overall democracy score has declined almost twice as much as Romania's since the two countries joined the EU in 2007. In 2012, the independence of Bulgaria's media sphere deteriorated further as ownership became more concentrated and leading outlets accused each other of corrupt dealings with the government, tax fraud, and other crimes. The economic crisis has battered media revenues, increasing their dependence on government advertising and politically connected owners. Journalists in Bulgaria continue to face the threat of physical violence, often in response to investigations that imperil powerful business interests or seek to expose organized crime.

Poland also received a downgrade on independent media in 2012. Polish news outlets remain pluralistic and free, but they are deeply partisan, a tendency that is also visible in media regulation bodies. In 2012, the National Council of Radio and Television refused to grant a concession to TV Trwam, an ultraconservative station linked to the country's main opposition party, Law and Justice. Dubious legal decisions, such as the criminal sentencing of a website creator for defaming the president, demonstrated flaws in the country's protections for freedom of expression. Poland was the only country in the EU to avoid a recession throughout the worst of the global economic crisis, but its economy slowed in 2012, and the popularity of Prime Minister Donald Tusk's government sagged as it pushed an agenda of unpopular, long-postponed reforms. In October, Tusk sought and won

a parliamentary vote of confidence in a bid to reassert his legitimacy in the face of heavy criticism.

Estonia suffered its first ratings downgrade in four years in 2012. Its score for corruption, which had improved in 2010, returned to its previous level after the state prosecutor's office dropped an investigation into money laundering that implicated the justice minister, indicating a growing level of influence peddling in Estonian politics. Estonia retains the second-highest democracy score in the *Nations in Transit* survey. In the study's best-performing country, **Slovenia**, allegations of corruption against senior politicians and an unpopular austerity package fed a surge of public protests that spread across the country in the spring of 2012. While freedoms of assembly and expression were generally respected, some of the protests turned violent. In February 2013, the government collapsed for the second time in less than two years due to unrest over austerity measures.

Latvia's corruption rating improved in 2012 for the second year in a row as a result of increased regulation of political party financing, the shrinking influence of so-called oligarchs in Latvian politics, and the improved performance of the country's main anticorruption agency. Neighboring **Lithuania** continues to score well on most *Nations in Transit* indicators, but it suffered a downgrade on electoral process in 2012 due to a record-breaking number of incidents of voter fraud in the October 2012 parliamentary elections.

Balkans

The process of EU accession has motivated important reforms in the western Balkans and provided a formal mechanism that gauges each country's progress toward fully democratic institutions and a functioning market economy. However, the prevailing conclusion among Freedom House's regional experts is that the implementation of reforms essential to rule of law—particularly those underpinning the independence of the judiciary—has been incomplete, perfunctory, and undermined by a lack of political will. The ratings of the region's best performers, Croatia and Serbia, have shown very little movement in the last three years, and none at all in 2012. Meanwhile, four other countries—Albania, Bosnia and Herzegovina, Kosovo, and Macedonia—have registered troubling declines.

Over the last five years, **Albania** has shown the region's largest ratings declines across nearly every indicator. This trend continued in 2012, as Prime Minister Berisha and his Democratic Party removed perceived opponents from key positions and replaced them with new appointees. In January, a landmark bribery and abuse-of-power case against one of the prime minister's key allies ended in an acquittal when the Supreme Court ruled that the video evidence of the crime could not be authenticated. One year earlier, the footage in question had triggered major antigovernment demonstrations in which four protesters were shot and killed by security forces.

The acquittal is symptomatic of a culture of impunity that persists to varying degrees in all of the western Balkan states, even those that perform reasonably well

on other governance indicators. Across the region, public tenders lack transparency and accountability, with political interests and personal connections between government and business actors regularly interfering in bidding procedures. Judicial institutions are overburdened and subject to political influence. Journalists—particularly those covering organized crime and corruption—face political pressure, intimidation, and attacks. In **Croatia**, the public's jubilant reaction to the sentencing of former prime minister Ivo Sanader in November spoke to a frustration with the perceived immunity of Croatia's political elite to punishment in connection with murky procurement deals and the flawed privatizations of the 1990s. Croatia has made greater strides in pursuing high-level convictions than any other state in the region, resulting in a half-point improvement on corruption since 2009, but sentences like the one against Sanader remain extremely rare.

The same is true in **Serbia**, where the government has yet to establish a track record of systematically investigating and prosecuting corruption, especially in high-profile cases. Notwithstanding these shortcomings, Serbia was awarded EU candidacy in March 2012 after making progress in negotiations with Kosovo over customs and other technical issues. Neither Serbia nor **Montenegro** registered ratings changes in 2012. **Macedonia** received a downgrade on judicial framework and independence after alarming violations in a prominent murder investigation and blatant political pressure on the courts by the health minister cast serious doubt on the prospects for comprehensive judicial reforms and anticorruption efforts.

Since late 2010, political stalemate in **Bosnia and Herzegovina** has undermined effective governance at the national level and impeded reforms linked to EU and NATO membership. One of the country's two constituent entities, the Republika Srpska, continues to deny the legitimacy of central government institutions. Meanwhile, widespread graft is becoming increasingly evident, abetted by the weakness of anticorruption agencies and a dearth of political will to encourage effective investigations, prosecutions, and convictions. Monitoring of public spending has been problematic for years, as auditors face constant political pressure, and the institutions they audit routinely reject their findings. Politicians at all levels are often implicated in corrupt activities, but they are rarely tried or sentenced. At least two high-level corruption cases ended in acquittals in 2012. A downgrade in the corruption category in this year's survey marks Bosnia and Herzegovina's fifth consecutive net ratings decline.

The rising visibility of corruption has failed to inspire more energetic or substantive antigraft efforts in **Kosovo**, where the authorities have focused on establishing new institutions rather than implementing an existing anticorruption strategy. The mysterious suicide of the head of Kosovo's Privatization Agency—and a note he left describing political pressure for privatization bids—bolstered widespread distrust of national authorities' role in the privatization process. In April, the head of the government's task force against corruption, Nazmi Mustafi, was arrested on suspicion of misconduct. Later in the year, two senior officials of the Ministry of Internal Affairs were accused of bribery. Kosovo's rating for judicial framework and independence improved in 2011 as a result of court reforms, but

events in 2012 suggested that these changes have not addressed fundamental weaknesses in the country's justice system. Kosovo received a downgrade for the year on corruption, in addition to its score decline on civil society.

Conclusion: Tolerating Repression

In 2014, Russia will host the Winter Olympics, the first time it has hosted an Olympiad since the dissolution of the Soviet Union. The games will take place in Sochi, a resort town in Russia's restive North Caucasus region. Much has been made of the event's significance for President Putin's popularity and Russia's image abroad, of the tremendous cost and corruption associated with city development efforts, and of the decision to hold the games so close to the sites of relatively recent terrorist attacks and the disputed territory of Abkhazia. The more fundamental question of why authoritarian Russia was awarded the privilege of hosting the world's most important sporting event has receded into the background, as it did in 2008, when the Summer Olympics were held in China. In sports, such occurrences are becoming increasingly common. Belarus will host the 2014 International Ice Hockey Federation championship. In 2012, Ukraine cohosted the European soccer tournament, though some European officials refused to attend the matches in protest of former prime minister Tymoshenko's incarceration.

Athletic events are not the only arena where despotic regimes can act as benevolent hosts to international competitions. When Azerbaijan was selected to host the 2012 Eurovision song contest, the country's beleaguered political opposition sought to harness the media attention on Baku and direct it toward human and political rights violations under the Aliyev regime. In a sense, they succeeded, as their protests resulted in dozens of arrests on trumped-up charges, followed by allegations of ill-treatment in custody. Illegal evictions in the capital that began in 2011 continued in 2012 to make way for the construction of the contest venue. Months after the Eurovision crackdown, Azerbaijan hosted the 2012 Internet Governance Forum, a summit dedicated to the free exchange of ideas on the vitality, security, and stability of the internet.

More unsettling is the degree of acceptance that illiberal regimes have won in the context of international forums and organizations explicitly linked to diplomatic, security, and democratization goals. In 2010, Kazakhstan became the first former Soviet republic to chair the Organization for Security and Cooperation in Europe (OSCE), a body whose mandate includes the promotion of human rights, freedom of the press, and fair elections—concepts for which President Nursultan Nazarbayev's regime shows blithe contempt. Russia is one of five permanent members of the UN Security Council and a leading member of at least half a dozen other influential international bodies, and the Kremlin has used these positions to block unified global action that might set precedents detrimental to its own impunity, as with the crisis in Syria.

This report has presented evidence of a consistent deterioration of democratic institutions across Eurasia over the past decade or more. The decline in democratic standards is pervasive, affecting the conduct of elections, freedom of expression and the press, government transparency, judicial independence, and the ability of citizens to band together in free association to seek change. The recent surge of new laws and policies aimed at suppressing civil society activism is indicative of a methodical authoritarian march from one institution to another, with the ultimate goal of neutralizing all potential sources of opposition and criticism.

As the report makes clear, the countries of Central Europe, the Baltics, and the Balkans have faced serious challenges in recent years. The repercussions of the European economic crisis have been felt by some new EU states, while others continue to grapple with ineffective government and endemic corruption. These problems must be addressed urgently and in a sustained manner if further backsliding and more intractable difficulties are to be avoided.

But the overarching message of *Nations in Transit* is the steady decline in Eurasia. Although there are glimmers of hope in a few countries, public life in the region is most often dominated by manipulated elections, a propagandistic media, a legal system that serves the leadership, and puppet opposition parties.

Pushing for change in authoritarian settings can be an extraordinarily daunting proposition given the increasingly sophisticated and thorough methods of control that have been embraced by aspiring presidents-for-life. However, the world's democracies are not without levers of influence, and there is much they could do to alter authoritarian behavior and encourage beleaguered dissidents. At the most basic level, they could begin by ceasing to treat repressive regimes as normal governments with popular mandates, and choosing not to reward them with the privilege of hosting sporting events, songfests, and global conferences.

Most importantly, democracies must recognize that the negative trends in the region are not a temporary phenomenon, but the outcome of determined efforts by increasingly brazen and tough-minded leaders to remain in power, whatever the cost to their societies, for the indefinite future. As recent events in the Middle East and the region's own history indicate, the damage caused by this sustained repression, if left unchecked, could continue to cripple institutions and pose risks for the wider world long after the current rulers have passed from the scene.

Overview of Ratings Changes

Electoral Process

- ↓ 2 declines: Lithuania, Ukraine
- ↑ 1 improvement: Georgia

Civil Society

- ↓ 7 declines: Azerbaijan, Belarus, Hungary, Kazakhstan, Kosovo, Russia, Tajikistan

Independent Media

- ↓ 4 declines: Bulgaria, Poland, Romania, Tajikistan
- ↑ 1 improvement: Armenia

National Democratic Governance

- ↓ 2 declines: Albania, Romania
- ↑ 2 improvements: Georgia, Moldova

Local Democratic Governance

- ↓ 2 declines: Albania, Hungary
- ↑ 1 improvement: Kyrgyzstan

Judicial Framework and Independence

- ↓ 2 declines: Slovakia, Macedonia
- ↑ 2 improvements: Czech Republic, Hungary

Corruption

- ↓ 6 declines: Albania, Azerbaijan, Bosnia and Herzegovina, Estonia, Kosovo, Slovakia
- ↑ 2 improvements: Latvia, Moldova

Democracy Score

- ↓ 17 declines: Albania, Azerbaijan, Belarus, Bosnia and Herzegovina, Bulgaria, Estonia, Hungary, Kazakhstan, Kosovo, Lithuania, Macedonia, Poland, Romania, Russia, Slovakia, Tajikistan, Ukrainee
- ↑ 6 improvements: Armenia, Czech Republic, Georgia, Kyrgyzstan, Latvia, Moldova

Tables

Table 1. Nations in Transit 2013

Ratings and Democracy Score Summary

Country	EP	CS	IM	NGOV	LGOV	JFI	CO	DS
Albania	4.25	3.00	4.00	5.00	3.50	4.75	5.25	4.25
Armenia	5.75	3.75	5.75	5.75	5.75	5.50	5.25	5.36
Azerbaijan	7.00	6.25	6.75	6.75	6.50	6.50	6.75	6.64
Belarus	7.00	6.50	6.75	6.75	6.75	7.00	6.25	6.71
Bosnia	3.25	3.50	4.75	5.50	4.75	4.25	4.75	4.39
Bulgaria	2.00	2.50	4.00	3.50	3.00	3.25	4.00	3.18
Croatia	3.25	2.50	4.00	3.50	3.75	4.25	4.00	3.61
Czech Republic	1.25	1.75	2.50	2.75	1.75	1.75	3.25	2.14
Estonia	1.75	1.75	1.50	2.25	2.50	1.50	2.50	1.96
Georgia	4.75	3.75	4.25	5.50	5.50	5.00	4.50	4.75
Hungary	2.25	2.25	3.50	3.50	2.75	2.50	3.50	2.89
Kazakhstan	6.75	6.25	6.75	6.75	6.50	6.50	6.50	6.57
Kosovo	5.00	4.00	5.75	5.75	4.75	5.50	6.00	5.25
Kyrgyzstan	5.50	4.75	6.25	6.50	6.25	6.25	6.25	5.96
Latvia	1.75	1.75	1.75	2.25	2.25	1.75	3.00	2.07
Lithuania	2.00	1.75	2.00	2.75	2.50	1.75	3.50	2.32
Macedonia	3.25	3.25	4.75	4.25	3.75	4.25	4.00	3.93
Moldova	4.00	3.25	5.00	5.50	5.75	4.50	5.75	4.82
Montenegro	3.25	2.75	4.25	4.25	3.25	4.00	5.00	3.82
Poland	1.25	1.50	2.50	2.50	1.75	2.50	3.25	2.18
Romania	3.00	2.50	4.25	4.00	3.00	3.75	4.00	3.50
Russia	6.75	5.50	6.25	6.50	6.00	6.00	6.50	6.21
Serbia	3.25	2.25	4.00	3.75	3.50	4.50	4.25	3.64
Slovakia	1.50	1.75	2.75	2.75	2.50	3.00	3.75	2.57
Slovenia	1.50	2.00	2.25	2.00	1.50	1.75	2.25	1.89
Tajikistan	6.50	6.25	6.25	6.25	6.00	6.25	6.25	6.25
Turkmenistan	7.00	7.00	7.00	7.00	6.75	7.00	6.75	6.93
Ukraine	4.00	2.75	4.00	5.75	5.50	6.00	6.00	4.86
Uzbekistan	7.00	7.00	7.00	7.00	6.75	7.00	6.75	6.93
Average	**3.99**	**3.58**	**4.50**	**4.70**	**4.30**	**4.43**	**4.82**	**4.33**
Median	**3.25**	**3.00**	**4.25**	**5.00**	**3.75**	**4.50**	**4.75**	**4.25**

NOTES: The ratings are based on a scale of 1 to 7, with 1 representing the highest level of democratic progress and 7 the lowest. The 2013 ratings reflect the period 1 January through 31 December 2012.

The Democracy Score is an average of ratings for Electoral Process (EP); Civil Society (CS); Independent Media (IM); National Democratic Governance (NGOV); Local Democratic Governance (LGOV); Judicial Framework and Independence (JFI); and Corruption (CO).

Table 2. Electoral Process

Ratings History and Regional Breakdown

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	Change
New EU Members											
Bulgaria	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	2.00	2.00	
Czech Rep.	2.00	2.00	2.00	1.75	1.75	1.50	1.50	1.25	1.25	1.25	
Estonia	1.50	1.50	1.50	1.50	1.50	1.50	1.75	1.75	1.75	1.75	
Hungary	1.25	1.25	1.25	1.75	1.75	1.75	1.75	1.75	2.25	2.25	
Latvia	1.75	1.75	1.75	2.00	2.00	2.00	2.00	1.75	1.75	1.75	
Lithuania	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	2.00	▼
Poland	1.50	1.75	1.75	2.00	2.00	2.00	1.75	1.50	1.25	1.25	
Romania	2.75	2.75	2.75	2.75	2.75	2.50	2.75	2.75	3.00	3.00	
Slovakia	1.50	1.25	1.25	1.50	1.50	1.50	1.75	1.50	1.50	1.50	
Slovenia	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	
Average	**1.73**	**1.73**	**1.73**	**1.83**	**1.83**	**1.78**	**1.83**	**1.73**	**1.80**	**1.83**	
Median	**1.63**	**1.75**	**1.75**	**1.75**	**1.75**	**1.75**	**1.75**	**1.75**	**1.75**	**1.75**	
The Balkans											
Albania	3.75	3.75	3.50	4.00	4.00	3.75	3.75	4.00	4.25	4.25	
Bosnia	3.50	3.25	3.00	3.00	3.00	3.00	3.25	3.25	3.25	3.25	
Croatia	3.25	3.00	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	
Macedonia	5.25	4.75	4.75	4.75	4.50	4.50	4.25	4.50	5.00	5.00	
Yugoslavia	3.50	3.00	3.25	3.25	3.25	3.50	3.25	3.25	3.25	3.25	
Serbia	3.50	3.25	3.50	3.50	3.25	3.25	3.25	3.25	3.25	3.25	
Montenegro	3.50	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	
Kosovo	3.75	3.46	3.50	3.57	3.50	3.50	3.46	3.54	3.64	3.64	
Average	**3.50**	**3.25**	**3.25**	**3.25**	**3.25**	**3.25**	**3.25**	**3.25**	**3.25**	**3.25**	
Median	**3.75**	**3.50**	**3.25**	**3.25**	**3.25**	**3.25**	**3.25**	**3.25**	**3.25**	**3.25**	
Non-Baltic Former Soviet States											
Armenia	5.75	5.75	5.75	5.75	5.50	5.75	5.75	5.75	5.75	5.75	
Azerbaijan	6.00	6.25	6.50	6.50	6.50	6.75	6.75	7.00	7.00	7.00	
Belarus	6.75	7.00	7.00	7.00	7.00	6.75	6.75	7.00	7.00	7.00	
Georgia	5.25	4.75	4.75	4.50	4.75	5.25	5.25	5.00	5.00	4.75	▲
Kazakhstan	6.50	6.50	6.50	6.50	6.75	6.75	6.75	6.75	6.75	6.75	
Kyrgyzstan	6.00	6.00	5.75	5.75	6.00	6.00	6.25	6.00	5.50	5.50	
Moldova	4.00	4.00	3.75	3.75	3.75	4.00	4.25	4.00	4.00	4.00	
Russia	5.50	6.00	6.25	6.50	6.75	6.75	6.75	6.75	6.75	6.75	
Tajikistan	5.75	6.00	6.25	6.50	6.50	6.50	6.50	6.50	6.50	6.50	
Turkmenistan	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	
Ukraine	4.25	3.50	3.25	3.00	3.00	3.50	3.50	3.50	3.75	4.00	▼
Uzbekistan	6.75	6.75	6.75	6.75	7.00	7.00	7.00	7.00	7.00	7.00	
Average	**5.79**	**5.79**	**5.79**	**5.79**	**5.88**	**6.00**	**6.04**	**6.02**	**6.00**	**6.00**	
Median	**5.88**	**6.00**	**6.25**	**6.50**	**6.50**	**6.63**	**6.63**	**6.63**	**6.63**	**6.63**	

NOTES: The ratings are based on a scale of 1 to 7, with 1 representing the highest level of democratic progress and 7 the lowest. The 2013 ratings reflect the period 1 January through 31 December 2012.

Table 3. Civil Society
Ratings History and Regional Breakdown

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	Change
New EU Members											
Bulgaria	3.00	2.75	2.75	2.50	2.50	2.50	2.50	2.50	2.50	2.50	
Czech Rep.	1.50	1.50	1.50	1.50	1.25	1.50	1.75	1.75	1.75	1.75	
Estonia	2.00	2.00	2.00	2.00	1.75	1.75	1.75	1.75	1.75	1.75	
Hungary	1.25	1.25	1.25	1.50	1.50	1.75	1.75	2.00	2.00	2.25	▼
Latvia	2.00	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	
Lithuania	1.50	1.50	1.50	1.75	1.75	1.75	1.75	1.75	1.75	1.75	
Poland	1.25	1.25	1.25	1.50	1.25	1.50	1.50	1.50	1.50	1.50	
Romania	2.50	2.25	2.25	2.25	2.25	2.50	2.50	2.50	2.50	2.50	
Slovakia	1.25	1.25	1.25	1.50	1.50	1.75	1.75	1.75	1.75	1.75	
Slovenia	1.50	1.75	1.75	2.00	2.00	2.00	2.00	2.00	2.00	2.00	
Average	**1.78**	**1.73**	**1.73**	**1.83**	**1.75**	**1.88**	**1.90**	**1.93**	**1.93**	**1.95**	
Median	**1.50**	**1.63**	**1.63**	**1.75**	**1.75**	**1.75**	**1.75**	**1.75**	**1.75**	**1.75**	
The Balkans											
Albania	3.50	3.25	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	
Bosnia	3.75	3.75	3.75	3.50	3.50	3.50	3.50	3.50	3.50	3.50	
Croatia	3.00	3.00	2.75	2.75	2.75	2.75	2.75	2.50	2.50	2.50	
Kosovo	4.25	4.00	4.25	4.25	4.00	4.00	3.75	3.75	3.75	4.00	▼
Macedonia	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	
Montenegro	2.75	2.50	3.00	3.00	2.75	2.75	2.75	2.75	2.75	2.75	
Serbia	2.75	2.75	2.75	2.75	2.75	2.75	2.50	2.25	2.25	2.25	
Average	**3.32**	**3.21**	**3.25**	**3.21**	**3.14**	**3.14**	**3.07**	**3.00**	**3.00**	**3.04**	
Median	**3.25**	**3.25**	**3.00**	**3.00**	**3.00**	**3.00**	**3.00**	**3.00**	**3.00**	**3.00**	
Non-Baltic Former Soviet States											
Armenia	3.50	3.50	3.50	3.50	3.50	3.75	3.75	3.75	3.75	3.75	
Azerbaijan	4.50	4.75	5.00	5.25	5.25	5.50	5.75	5.75	6.00	6.25	▼
Belarus	6.75	6.75	6.75	6.50	6.50	6.25	6.00	6.00	6.25	6.50	▼
Georgia	3.50	3.50	3.50	3.50	3.50	3.75	3.75	3.75	3.75	3.75	
Kazakhstan	5.50	5.50	5.75	5.75	5.50	5.50	5.75	5.75	6.00	6.25	▼
Kyrgyzstan	4.50	4.50	4.50	4.50	4.50	4.75	5.00	4.75	4.75	4.75	
Moldova	4.00	4.00	4.00	3.75	3.75	3.75	3.50	3.25	3.25	3.25	
Russia	4.50	4.75	5.00	5.25	5.50	5.75	5.75	5.50	5.25	5.50	▼
Tajikistan	5.00	4.75	5.00	5.00	5.50	5.75	6.00	6.00	6.00	6.25	▼
Turkmenistan	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	
Ukraine	3.75	3.00	2.75	2.75	2.75	2.75	2.75	2.75	2.75	2.75	
Uzbekistan	6.50	6.50	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	
Average	**4.92**	**4.88**	**4.98**	**4.98**	**5.02**	**5.13**	**5.17**	**5.10**	**5.15**	**5.25**	
Median	**4.50**	**4.75**	**5.00**	**5.13**	**5.38**	**5.50**	**5.75**	**5.63**	**5.63**	**5.88**	

NOTES: The ratings are based on a scale of 1 to 7, with 1 representing the highest level of democratic progress and 7 the lowest. The 2013 ratings reflect the period 1 January through 31 December 2012.

Table 4. Independent Media
Ratings History and Regional Breakdown

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	Change
New EU Members											
Bulgaria	3.50	3.50	3.25	3.50	3.50	3.75	3.75	3.75	3.75	4.00	▼
Czech Rep.	2.25	2.00	2.00	2.25	2.25	2.25	2.50	2.50	2.50	2.50	
Estonia	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	
Hungary	2.25	2.50	2.50	2.50	2.50	2.50	2.75	3.25	3.50	3.50	
Latvia	1.50	1.50	1.50	1.50	1.75	1.75	1.75	1.75	1.75	1.75	
Lithuania	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	2.00	2.00	
Poland	1.75	1.50	1.75	2.25	2.25	2.00	2.25	2.25	2.25	2.50	▼
Romania	3.75	4.00	4.00	3.75	3.75	3.75	4.00	4.00	4.00	4.25	▼
Slovakia	2.25	2.25	2.25	2.25	2.50	2.75	3.00	3.00	2.75	2.75	
Slovenia	1.75	1.50	1.75	2.00	2.25	2.25	2.25	2.25	2.25	2.25	
Average	**2.23**	**2.20**	**2.23**	**2.33**	**2.40**	**2.43**	**2.55**	**2.60**	**2.63**	**2.70**	
Median	**2.00**	**1.88**	**1.88**	**2.25**	**2.25**	**2.25**	**2.38**	**2.38**	**2.38**	**2.50**	
The Balkans											
Albania	3.75	4.00	3.75	3.75	3.75	3.75	4.00	4.00	4.00	4.00	
Bosnia	4.25	4.00	4.00	4.00	4.25	4.50	4.50	4.75	4.75	4.75	
Croatia	3.75	3.75	3.75	4.00	3.75	4.00	4.00	4.00	4.00	4.00	
Kosovo	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.75	5.75	5.75	
Macedonia	4.25	4.25	4.25	4.25	4.25	4.25	4.25	4.50	4.75	4.75	
Montenegro	3.25	3.25	3.25	3.50	3.75	3.75	4.00	4.25	4.25	4.25	
Serbia	3.50	3.25	3.25	3.50	3.75	3.75	4.00	4.00	4.00	4.00	
Average	**4.04**	**4.00**	**3.96**	**4.07**	**4.14**	**4.21**	**4.32**	**4.46**	**4.50**	**4.50**	
Median	**3.75**	**4.00**	**3.75**	**4.00**	**3.75**	**4.00**	**4.00**	**4.25**	**4.25**	**4.25**	
Non-Baltic Former Soviet States											
Armenia	5.25	5.50	5.50	5.75	5.75	6.00	6.00	6.00	6.00	5.75	▲
Azerbaijan	5.75	6.00	6.00	6.25	6.25	6.75	6.75	6.75	6.75	6.75	
Belarus	6.75	6.75	6.75	6.75	6.75	6.75	6.50	6.75	6.75	6.75	
Georgia	4.00	4.25	4.25	4.00	4.25	4.25	4.25	4.25	4.25	4.25	
Kazakhstan	6.50	6.50	6.75	6.75	6.75	6.50	6.75	6.75	6.75	6.75	
Kyrgyzstan	6.00	5.75	5.75	5.75	6.00	6.25	6.50	6.50	6.25	6.25	
Moldova	5.00	5.00	5.00	5.25	5.50	5.75	5.75	5.50	5.00	5.00	
Russia	5.75	6.00	6.00	6.25	6.25	6.25	6.25	6.25	6.25	6.25	
Tajikistan	5.75	6.00	6.25	6.25	6.00	6.00	5.75	5.75	6.00	6.25	▼
Turkmenistan	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	
Ukraine	5.50	4.75	3.75	3.75	3.50	3.50	3.50	3.75	4.00	4.00	
Uzbekistan	6.75	6.75	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	
Average	**5.83**	**5.85**	**5.83**	**5.90**	**5.92**	**6.00**	**6.00**	**6.02**	**6.00**	**6.00**	
Median	**5.75**	**6.00**	**6.00**	**6.25**	**6.13**	**6.25**	**6.38**	**6.38**	**6.25**	**6.25**	

NOTES: The ratings are based on a scale of 1 to 7, with 1 representing the highest level of democratic progress and 7 the lowest. The 2013 ratings reflect the period 1 January through 31 December 2012.

Table 5. National Democratic Governance Ratings History and Regional Breakdown

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	Change
	GOV	GOV	NGOV	NGOV	NGOV	NGOV	NGOV	NGOV	NGOV	NGOV	
New EU Members											
Bulgaria	3.75	3.50	3.00	3.00	3.00	3.25	3.25	3.50	3.50	3.50	
Czech Rep.	2.25	2.50	2.50	3.00	2.75	2.75	2.75	2.75	2.75	2.75	
Estonia	2.25	2.25	2.25	2.25	2.25	2.25	2.25	2.25	2.25	2.25	
Hungary	2.50	2.00	2.00	2.25	2.25	2.50	2.50	3.00	3.50	3.50	
Latvia	2.25	2.25	2.00	2.00	2.00	2.50	2.50	2.25	2.25	2.25	
Lithuania	2.50	2.50	2.50	2.50	2.50	2.75	2.75	2.75	2.75	2.75	
Poland	2.00	2.50	2.75	3.25	3.50	3.25	3.25	2.75	2.50	2.50	
Romania	3.75	3.50	3.50	3.50	3.75	3.75	4.00	3.75	3.75	4.00	▼
Slovakia	2.25	2.00	2.00	2.25	2.50	2.75	3.00	2.75	2.75	2.75	
Slovenia	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	
Average	**2.55**	**2.50**	**2.45**	**2.60**	**2.65**	**2.78**	**2.85**	**2.78**	**2.80**	**2.83**	
Median	**2.25**	**2.38**	**2.38**	**2.38**	**2.50**	**2.75**	**2.75**	**2.75**	**2.75**	**2.75**	
The Balkans											
Albania	4.25	4.25	4.00	4.25	4.25	4.25	4.50	4.75	4.75	5.00	▼
Bosnia	5.00	4.75	4.75	4.75	5.00	5.00	5.25	5.25	5.50	5.50	
Croatia	3.75	3.50	3.50	3.50	3.25	3.50	3.50	3.50	3.50	3.50	
Kosovo	6.00	5.75	5.75	5.75	5.50	5.25	5.50	5.75	5.75	5.75	
Macedonia	4.00	4.00	3.75	3.75	4.00	4.00	4.00	4.00	4.25	4.25	
Montenegro	4.00	4.50	4.50	4.50	4.25	4.25	4.25	4.25	4.25	4.25	
Serbia	4.00	4.00	4.00	3.75	4.00	4.00	3.75	3.75	3.75	3.75	
Average	**4.43**	**4.39**	**4.32**	**4.32**	**4.32**	**4.32**	**4.39**	**4.46**	**4.54**	**4.57**	
Median	**4.00**	**4.25**	**4.00**	**4.25**	**4.25**	**4.25**	**4.25**	**4.36**	**4.25**	**4.25**	
Non-Baltic Former Soviet States											
Armenia	4.75	5.00	5.00	5.25	5.25	5.75	5.75	5.75	5.75	5.75	
Azerbaijan	5.75	6.00	6.00	6.00	6.00	6.25	6.50	6.50	6.75	6.75	
Belarus	6.50	6.75	7.00	7.00	7.00	6.75	6.75	6.75	6.75	6.75	
Georgia	5.75	5.50	5.50	5.50	5.75	6.00	6.00	5.75	5.75	5.50	▲
Kazakhstan	6.25	6.50	6.75	6.75	6.75	6.75	6.75	6.75	6.75	6.75	
Kyrgyzstan	6.00	6.00	6.00	6.00	6.25	6.50	6.75	6.50	6.50	6.50	
Moldova	5.50	5.75	5.75	5.75	5.75	5.75	6.00	5.75	5.75	5.50	▲
Russia	5.25	5.75	6.00	6.00	6.25	6.50	6.50	6.50	6.50	6.50	
Tajikistan	5.75	6.00	6.25	6.25	6.25	6.25	6.25	6.25	6.25	6.25	
Turkmenistan	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	
Ukraine	5.25	5.00	4.50	4.75	4.75	5.00	5.00	5.50	5.75	5.75	
Uzbekistan	6.25	6.50	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	
Average	**5.83**	**5.98**	**6.06**	**6.10**	**6.17**	**6.29**	**6.35**	**6.33**	**6.38**	**6.33**	
Median	**5.75**	**6.00**	**6.00**	**6.00**	**6.25**	**6.38**	**6.50**	**6.50**	**6.50**	**6.50**	

NOTES: The ratings are based on a scale of 1 to 7, with 1 representing the highest level of democratic progress and 7 the lowest. The 2013 ratings reflect the period 1 January through 31 December 2012.

Starting with the 2005 edition, Freedom House introduced separate ratings for National Democratic Governance and Local Democratic Governance. Previous editions included only one Governance category.

Table 6. Local Democratic Governance
Ratings History and Regional Breakdown

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	Change
	GOV	GOV	LGOV	LGOV	LGOV	LGOV	LGOV	LGOV	LGOV	LGOV	
New EU Members											
Bulgaria	3.75	3.50	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	
Czech Rep.	2.25	2.00	2.00	1.75	1.75	1.75	1.75	1.75	1.75	1.75	
Estonia	2.25	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	
Hungary	2.50	2.25	2.25	2.25	2.25	2.50	2.50	2.50	2.50	2.75	▼
Latvia	2.25	2.50	2.50	2.50	2.25	2.25	2.25	2.25	2.25	2.25	
Lithuania	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	
Poland	2.00	2.00	2.00	2.25	2.25	2.00	1.75	1.75	1.75	1.75	
Romania	3.75	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	
Slovakia	2.25	2.25	2.00	2.00	2.25	2.50	2.50	2.50	2.50	2.50	
Slovenia	2.00	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	
Average	2.55	2.40	2.33	2.33	2.33	2.35	2.33	2.33	2.33	2.35	
Median	2.25	2.38	2.38	2.38	2.25	2.50	2.50	2.50	2.50	2.50	
The Balkans											
Albania	4.25	3.25	2.75	2.75	2.75	2.75	3.00	3.25	3.25	3.50	▼
Bosnia	5.00	4.75	4.75	4.75	4.75	4.75	4.75	4.75	4.75	4.75	
Croatia	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75	
Kosovo	6.00	5.50	5.50	5.50	5.50	5.25	5.00	5.00	4.75	4.75	
Macedonia	4.00	4.00	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75	
Montenegro	4.00	3.50	3.50	3.25	3.25	3.25	3.25	3.25	3.25	3.25	
Serbia	4.00	3.75	3.75	3.75	3.75	3.75	3.50	3.50	3.50	3.50	
Average	4.43	4.07	3.96	3.93	3.93	3.89	3.86	3.89	3.86	3.89	
Median	4.00	3.75	3.75	3.75	3.75	3.75	3.50	3.75	3.75	3.75	
Non-Baltic Former Soviet States											
Armenia	4.75	5.50	5.50	5.50	5.50	5.50	5.50	5.75	5.75	5.75	
Azerbaijan	5.75	6.00	6.00	6.00	6.00	6.25	6.25	6.50	6.50	6.50	
Belarus	6.50	6.50	6.50	6.50	6.75	6.75	6.75	6.75	6.75	6.75	
Georgia	5.75	6.00	5.75	5.50	5.50	5.50	5.50	5.50	5.50	5.50	
Kazakhstan	6.25	6.25	6.25	6.25	6.25	6.25	6.25	6.25	6.50	6.50	
Kyrgyzstan	6.00	5.75	6.25	6.25	6.50	6.50	6.50	6.50	6.50	6.25	▲
Moldova	5.50	5.75	5.75	5.75	5.75	5.75	5.75	5.75	5.75	5.75	
Russia	5.25	5.75	5.75	5.75	5.75	5.75	5.75	6.00	6.00	6.00	
Tajikistan	5.75	5.75	5.75	5.75	6.00	6.00	6.00	6.00	6.00	6.00	
Turkmenistan	7.00	7.00	7.00	7.00	6.75	6.75	6.75	6.75	6.75	6.75	
Ukraine	5.25	5.25	5.25	5.25	5.25	5.25	5.25	5.50	5.50	5.50	
Uzbekistan	6.25	6.25	6.75	6.75	6.75	6.75	6.75	6.75	6.75	6.75	
Average	5.83	5.98	6.04	6.02	6.06	6.08	6.08	6.17	6.19	6.17	
Median	5.75	5.88	5.88	5.88	6.00	6.13	6.13	6.13	6.25	6.13	

NOTES: The ratings are based on a scale of 1 to 7, with 1 representing the highest level of democratic progress and 7 the lowest. The 2013 ratings reflect the period 1 January through 31 December 2012.

Starting with the 2005 edition, Freedom House introduced separate ratings for National Democratic Governance and Local Democratic Governance. Previous editions included only one Governance category.

Table 7. Judicial Framework and Independence

Ratings History and Regional Breakdown

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	Change
New EU Members											
Bulgaria	3.25	3.25	3.00	2.75	2.75	3.00	3.00	3.00	3.25	3.25	
Czech Rep.	2.50	2.50	2.25	2.00	2.00	2.25	2.00	2.00	2.00	1.75	▲
Estonia	1.75	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	
Hungary	1.75	1.75	1.75	1.75	1.75	1.75	2.00	2.25	2.75	2.50	▲
Latvia	2.00	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	
Lithuania	1.75	1.75	1.50	1.75	1.75	1.75	1.75	1.75	1.75	1.75	
Poland	1.50	2.00	2.25	2.25	2.50	2.25	2.50	2.50	2.50	2.50	
Romania	4.25	4.00	4.00	3.75	4.00	4.00	4.00	4.00	3.75	3.75	
Slovakia	2.00	2.00	2.00	2.25	2.50	2.75	3.00	2.75	2.75	3.00	▼
Slovenia	1.75	1.50	1.50	1.50	1.50	1.75	1.75	1.75	1.75	1.75	
Average	**2.25**	**2.20**	**2.15**	**2.13**	**2.20**	**2.28**	**2.33**	**2.33**	**2.38**	**2.35**	
Median	**1.88**	**1.88**	**1.88**	**1.88**	**1.88**	**2.00**	**2.00**	**2.13**	**2.25**	**2.13**	
The Balkans											
Albania	4.25	4.50	4.25	4.00	4.00	4.25	4.25	4.25	4.75	4.75	
Bosnia	4.50	4.25	4.00	4.00	4.00	4.00	4.00	4.25	4.25	4.25	
Croatia	4.50	4.50	4.25	4.25	4.25	4.25	4.25	4.25	4.25	4.25	
Kosovo	6.00	5.75	5.75	5.75	5.75	5.75	5.75	5.75	5.50	5.50	
Macedonia	4.00	3.75	3.75	3.75	4.00	4.00	4.00	4.00	4.00	4.25	▼
Montenegro	4.25	4.25	4.25	4.25	4.00	4.25	4.00	4.00	4.00	4.00	
Serbia	4.25	4.25	4.25	4.25	4.50	4.50	4.50	4.50	4.50	4.50	
Average	**4.54**	**4.46**	**4.36**	**4.32**	**4.36**	**4.43**	**4.39**	**4.43**	**4.46**	**4.50**	
Median	**4.25**	**4.25**	**4.25**	**4.25**	**4.00**	**4.25**	**4.25**	**4.25**	**4.25**	**4.25**	
Non-Baltic Former Soviet States											
Armenia	5.00	5.25	5.00	5.00	5.25	5.50	5.50	5.50	5.50	[illegible]	
Azerbaijan	5.50	5.75	5.75	5.75	5.75	5.75	6.25	6.25	6.50	6.50	
Belarus	6.75	6.75	6.75	6.75	6.75	6.75	6.75	6.75	7.00	7.00	
Georgia	4.50	5.00	4.75	4.75	4.75	4.75	4.75	5.00	5.00	5.00	
Kazakhstan	6.25	6.25	6.25	6.25	6.25	6.00	6.25	6.25	6.50	6.50	
Kyrgyzstan	5.50	5.50	5.50	5.50	6.00	6.00	6.00	6.25	6.25	6.25	
Moldova	4.50	4.75	4.50	4.50	4.50	4.50	4.75	4.50	4.50	4.50	
Russia	4.75	5.25	5.25	5.25	5.25	5.50	5.50	5.75	6.00	6.00	
Tajikistan	5.75	5.75	5.75	5.75	6.00	6.25	6.25	6.25	6.25	6.25	
Turkmenistan	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	
Ukraine	4.75	4.25	4.25	4.50	4.75	5.00	5.00	5.50	6.00	6.00	
Uzbekistan	6.50	6.25	6.75	6.75	6.75	7.00	7.00	7.00	7.00	7.00	
Average	**5.56**	**5.65**	**5.63**	**5.65**	**5.75**	**5.83**	**5.93**	**6.00**	**6.13**	**6.13**	
Median	**5.50**	**5.63**	**5.63**	**5.63**	**5.88**	**5.88**	**6.13**	**6.25**	**6.25**	**6.25**	

NOTES: The ratings are based on a scale of 1 to 7, with 1 representing the highest level of democratic progress and 7 the lowest. The 2013 ratings reflect the period 1 January through 31 December 2012.

This category was called Constitutional, Legislative, & Judicial Framework in editions before 2005.

Table 8. Corruption
Ratings History and Regional Breakdown

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	Change
New EU Members											
Bulgaria	4.25	4.00	3.75	3.75	3.50	4.00	4.00	4.00	4.00	4.00	
Czech Rep.	3.50	3.50	3.50	3.50	3.25	3.25	3.25	3.25	3.25	3.25	
Estonia	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.25	2.25	2.50	▼
Hungary	2.75	2.75	3.00	3.00	3.00	3.25	3.50	3.50	3.50	3.50	
Latvia	3.50	3.50	3.25	3.00	3.00	3.25	3.25	3.50	3.25	3.00	▲
Lithuania	3.50	3.75	4.00	4.00	3.75	3.75	3.50	3.50	3.50	3.50	
Poland	2.50	3.00	3.25	3.00	3.00	2.75	3.25	3.25	3.25	3.25	
Romania	4.50	4.25	4.25	4.00	4.00	4.00	4.00	4.00	4.00	4.00	
Slovakia	3.25	3.00	3.00	3.25	3.25	3.25	3.75	3.50	3.50	3.75	▼
Slovenia	2.00	2.00	2.25	2.25	2.25	2.50	2.50	2.50	2.25	2.25	
Average	**3.23**	**3.23**	**3.28**	**3.23**	**3.15**	**3.25**	**3.35**	**3.33**	**3.28**	**3.30**	
Median	**3.38**	**3.25**	**3.25**	**3.13**	**3.13**	**3.25**	**3.38**	**3.50**	**3.38**	**3.38**	
The Balkans											
Albania	5.25	5.25	5.25	5.00	5.00	5.00	5.00	5.00	5.00	5.25	▼
Bosnia	4.75	4.50	4.25	4.25	4.25	4.50	4.50	4.50	4.50	4.75	▼
Croatia	4.75	4.75	4.75	4.75	4.50	4.50	4.50	4.25	4.00	4.00	
Kosovo	6.00	6.00	6.00	6.00	5.75	5.75	5.75	5.75	5.75	6.00	▼
Macedonia	5.00	5.00	4.75	4.75	4.50	4.25	4.00	4.00	4.00	4.00	
Montenegro	5.25	5.25	5.25	5.50	5.25	5.00	5.00	5.00	5.00	5.00	
Serbia	5.00	5.00	4.75	4.50	4.50	4.50	4.50	4.25	4.25	4.25	
Average	**5.14**	**5.11**	**5.00**	**4.96**	**4.82**	**4.79**	**4.75**	**4.68**	**4.64**	**4.75**	
Median	**5.00**	**5.00**	**4.75**	**4.75**	**4.50**	**4.50**	**4.50**	**4.59**	**4.50**	**4.75**	
Non-Baltic Former Soviet States											
Armenia	5.75	5.75	5.75	5.75	5.75	5.50	5.50	5.50	5.25	5.25	
Azerbaijan	6.25	6.25	6.25	6.25	6.25	6.50	6.50	6.50	6.50	6.75	▼
Belarus	5.75	6.00	6.25	6.25	6.25	6.00	6.00	6.00	6.25	6.25	
Georgia	6.00	5.75	5.50	5.00	5.00	5.00	5.00	4.75	4.50	4.50	
Kazakhstan	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50	
Kyrgyzstan	6.00	6.00	6.00	6.00	6.25	6.25	6.50	6.25	6.25	6.25	
Moldova	6.25	6.25	6.00	6.00	6.00	6.00	6.00	6.00	6.00	5.75	▲
Russia	5.75	5.75	6.00	6.00	6.00	6.25	6.50	6.50	6.50	6.50	
Tajikistan	6.25	6.25	6.25	6.25	6.25	6.25	6.25	6.25	6.25	6.25	
Turkmenistan	6.25	6.50	6.75	6.75	6.75	6.75	6.75	6.75	6.75	6.75	
Ukraine	5.75	5.75	5.75	5.75	5.75	5.75	5.75	5.75	6.00	6.00	
Uzbekistan	6.00	6.00	6.50	6.50	6.50	6.50	6.75	6.75	6.75	6.75	
Average	**6.04**	**6.06**	**6.13**	**6.08**	**6.10**	**6.10**	**6.17**	**6.13**	**6.13**	**6.13**	
Median	**6.00**	**6.00**	**6.13**	**6.13**	**6.25**	**6.25**	**6.38**	**6.25**	**6.25**	**6.25**	

NOTES: The ratings are based on a scale of 1 to 7, with 1 representing the highest level of democratic progress and 7 the lowest. The 2013 ratings reflect the period 1 January through 31 December 2012.

Table 9. Democracy Score

Ratings History and Regional Breakdown

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	Change
New EU Members											
Bulgaria	3.25	3.18	2.93	2.89	2.86	3.04	3.04	3.07	3.14	3.18	▼
Czech Rep.	2.33	2.29	2.25	2.25	2.14	2.18	2.21	2.18	2.18	2.14	▲
Estonia	1.92	1.96	1.96	1.96	1.93	1.93	1.96	1.93	1.93	1.96	▼
Hungary	1.96	1.96	2.00	2.14	2.14	2.29	2.39	2.61	2.86	2.89	▼
Latvia	2.17	2.14	2.07	2.07	2.07	2.18	2.18	2.14	2.11	2.07	▲
Lithuania	2.13	2.21	2.21	2.29	2.25	2.29	2.25	2.25	2.29	2.32	▼
Poland	1.75	2.00	2.14	2.36	2.39	2.25	2.32	2.21	2.14	2.18	▼
Romania	3.58	3.39	3.39	3.29	3.36	3.36	3.46	3.43	3.43	3.50	▼
Slovakia	2.08	2.00	1.96	2.14	2.29	2.46	2.68	2.54	2.50	2.57	▼
Slovenia	1.75	1.68	1.75	1.82	1.86	1.93	1.93	1.93	1.89	1.89	
Average	**2.29**	**2.28**	**2.27**	**2.32**	**2.33**	**2.39**	**2.44**	**2.43**	**2.45**	**2.47**	
Median	**2.10**	**2.07**	**2.11**	**2.20**	**2.20**	**2.27**	**2.29**	**2.23**	**2.24**	**2.25**	
The Balkans											
Albania	4.13	4.04	3.79	3.82	3.82	3.82	3.93	4.04	4.14	4.25	▼
Bosnia	4.29	4.18	4.07	4.04	4.11	4.18	4.25	4.32	4.36	4.39	▼
Croatia	3.83	3.75	3.71	3.75	3.64	3.71	3.71	3.64	3.61	3.61	
Kosovo	5.50	5.32	5.36	5.36	5.21	5.14	5.07	5.18	5.18	5.25	▼
Macedonia	4.00	3.89	3.82	3.82	3.86	3.86	3.79	3.82	3.89	3.93	▼
Montenegro	3.83	3.79	3.89	3.93	3.79	3.79	3.79	3.82	3.82	3.82	
Serbia	3.83	3.75	3.71	3.68	3.79	3.79	3.71	3.64	3.64	3.64	
Average	**4.20**	**4.10**	**4.05**	**4.06**	**4.03**	**4.04**	**4.04**	**4.07**	**4.09**	**4.13**	
Median	**4.00**	**3.89**	**3.82**	**3.82**	**3.82**	**3.82**	**3.79**	**3.82**	**3.89**	**3.93**	
Non-Baltic Former Soviet States											
Armenia	5.00	5.18	5.14	5.21	5.21	5.39	5.39	5.43	5.39	5.36	▲
Azerbaijan	5.63	5.86	5.93	6.00	6.00	6.25	6.39	6.46	6.57	6.64	▼
Belarus	6.54	6.64	6.71	6.68	6.71	6.57	6.50	6.57	6.68	6.71	▼
Georgia	4.83	4.96	4.86	4.68	4.79	4.93	4.93	4.86	4.82	4.75	▲
Kazakhstan	6.25	6.29	6.39	6.39	6.39	6.32	6.43	6.43	6.54	6.57	▼
Kyrgyzstan	5.67	5.64	5.68	5.68	5.93	6.04	6.21	6.11	6.00	5.96	▲
Moldova	4.88	5.07	4.96	4.96	5.00	5.07	5.14	4.96	4.89	4.82	▲
Russia	5.25	5.61	5.75	5.86	5.96	6.11	6.14	6.18	6.18	6.21	▼
Tajikistan	5.71	5.79	5.93	5.96	6.07	6.14	6.14	6.14	6.18	6.25	▼
Turkmenistan	6.88	6.93	6.96	6.96	6.93	6.93	6.93	6.93	6.93	6.93	
Ukraine	4.88	4.50	4.21	4.25	4.25	4.39	4.39	4.61	4.82	4.86	▼
Uzbekistan	6.46	6.43	6.82	6.82	6.86	6.89	6.93	6.93	6.93	6.93	
Average	**5.67**	**5.74**	**5.78**	**5.79**	**5.84**	**5.92**	**5.96**	**5.97**	**5.99**	**6.00**	
Median	**5.65**	**5.72**	**5.84**	**5.91**	**5.98**	**6.13**	**6.18**	**6.16**	**6.18**	**6.23**	

NOTES: The ratings are based on a scale of 1 to 7, with 1 representing the highest level of democratic progress and 7 the lowest. The 2013 ratings reflect the period 1 January through 31 December 2012.

The Democracy Score is an average of ratings for Electoral Process (EP); Civil Society (CS); Independent Media (IM); National Democratic Governance (NGOV); Local Democratic Governance (LGOV); Judicial Framework and Independence (JFI); and Corruption (CO).

Table 10. Democracy Score
2013 Rankings by Regime Type

Consolidated Democracies (1.00–2.99)	
Slovenia	1.89
Estonia	1.96
Latvia	2.07
Czech Republic	2.14
Poland	2.18
Lithuania	2.32
Slovakia	2.57
Hungary	2.89

Semi-Consolidated Democracies (3.00–3.99)	
Bulgaria	3.18
Romania	3.50
Croatia	3.61
Serbia	3.64
Montenegro	3.82
Macedonia	3.93

Transitional Governments or Hybrid Regimes (4.00–4.99)	
Albania	4.25
Bosnia and Herzegovina	4.39
Georgia	4.75
Moldova	4.82
Ukraine	4.86

Semi-Consolidated Authoritarian Regimes (5.00–5.99)	
Kosovo	5.25
Armenia	5.36
Kyrgyzstan	5.96

Consolidated Authoritarian Regimes (6.00–7.00)	
Russia	6.21
Tajikistan	6.25
Kazakhstan	6.57
Azerbaijan	6.64
Belarus	6.71
Turkmenistan	6.93
Uzbekistan	6.93
Uzbekistan	6.93

NOTES: The ratings are based on a scale of 1 to 7, with 1 representing the highest level of democratic progress and 7 the lowest. The 2013 ratings reflect the period 1 January through 31 December 2012.

Albania

by Gledis Gjipali

Capital:	Tirana
Population:	3.2 million
GNI/capita, PPP:	US$8,820

Source: The data above are drawn from the World Bank's *World Development Indicators 2013.*

Nations in Transit Ratings and Averaged Scores

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Electoral Process	3.75	3.75	3.50	4.00	4.00	3.75	3.75	4.00	4.25	4.25
Civil Society	3.50	3.25	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Independent Media	3.75	4.00	3.75	3.75	3.75	3.75	4.00	4.00	4.00	4.00
Governance*	4.25	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
National Democratic Governance	n/a	4.25	4.00	4.25	4.25	4.25	4.50	4.75	4.75	5.00
Local Democratic Governance	n/a	3.25	2.75	2.75	2.75	2.75	3.00	3.25	3.25	3.50
Judicial Framework and Independence	4.25	4.50	4.25	4.00	4.00	4.25	4.25	4.25	4.75	4.75
Corruption	5.25	5.25	5.25	5.00	5.00	5.00	5.00	5.00	5.00	5.25
Democracy Score	4.13	4.04	3.79	3.82	3.82	3.82	3.93	4.04	4.14	4.18

** Starting with the 2005 edition, Freedom House introduced separate analysis and ratings for national democratic governance and local democratic governance to provide readers with more detailed and nuanced analysis of these two important subjects.*

NOTE: The ratings reflect the consensus of Freedom House, its academic advisers, and the author(s) of this report. The opinions expressed in this report are those of the author(s). The ratings are based on a scale of 1 to 7, with 1 representing the highest level of democratic progress and 7 the lowest. The Democracy Score is an average of ratings for the categories tracked in a given year.

Executive Summary

Over the course of two decades of democratic transition, Albania has made some progress toward Euro-Atlantic integration, becoming a member of the North Atlantic Treaty Organization (NATO) in 2009 and applying in the same year to join the European Union (EU).

In the fall of 2012, the European Commission gave the country's stalled EU accession bid new momentum by recommending that Albania be granted candidate status. After two years of feuding, the two main political parties had recently cooperated in adopting important reform laws that required a parliamentary supermajority to pass, such as amendments to the civil and criminal codes, the electoral code, and a law on immunity for judges and legislators. However, due to continued partisan deadlock on three other key pieces of legislation, along with a lack of tangible results regarding the implementation of earlier legal reforms, the EU ultimately decided not to grant candidate status to Albania in 2012.

Interior Minister Bujar Nishani was elected president by the parliament on 11 June. He was endorsed by a simple majority of lawmakers from Prime Minister Sali Berisha's Democratic Party (PD) and allied factions, without a consensual process or the cross-party support advocated by the EU and the international community. Nishani subsequently replaced a number of security and judicial officials who had clashed with the Berisha government.

Nationalistic rhetoric has become more common among political parties, especially on the right, generating objections in neighbouring countries as well as from Albania's strategic international partners.

National Democratic Governance. Following the political and institutional conflicts of 2011, the year 2012 featured a consolidation of power by Berisha and the PD, which removed perceived opponents from key positions and replaced them with its own appointees. Despite making progress on some relevant legislative reforms, Albania was denied EU candidate status for the third year in a row. Overall economic indicators worsened as a result of troubled efforts to privatize key companies and weak foreign direct investment. A Czech firm that bought the formerly state-owned power distribution company threatened to leave the country due to financial problems, which it claimed were caused by Albanian authorities. *Albania's national democratic governance rating declines from 4.75 to 5.00.*

Electoral Process. With the 2013 general elections approaching, the electoral code was amended with the consensus of both the PD and the opposition Socialist Party (PS), though smaller parties were not included in the negotiations. Few

technical novelties were introduced, despite calls for reform by international bodies and the smaller parties. A new Central Election Committee was constituted, with members proposed by the PD and PS. However, several legal deadlines for preelection preparations were breached toward the end of the year, raising doubts about whether the voting could be conducted as scheduled. *Albania's electoral process rating remains unchanged at 4.25.*

Civil Society. The civil society sector in Albania remains relatively weak in several respects, including organizational capacity, internal democratic governance, public trust, and influence in policymaking. The sector's performance is also compromised by unclear tax and financial regulations, increasing challenges regarding financial sustainability, and poor cooperation and coordination among different groups. Civil society outside the capital remains especially underdeveloped. Labor unions are also weak, and both the authorities and private companies are typically hostile to organizing and collective-bargaining efforts. Nevertheless, there were some signs of a rise in civic activism during 2012, particularly on the rights of former political prisoners, the improvement of working conditions for miners, waste import policies, and the rights of LGBT (lesbian, gay, bisexual, and transgender) people. *Albania's civil society rating remains unchanged at 3.00.*

Independent Media. Freedom of expression is legally guaranteed and freely exercised in the country, though the media sector lacks both a clear legal framework and self-regulatory mechanisms. The number of media operators has increased along with internet penetration, but this has not automatically resulted in more diverse or high-quality content. Due to the more stable political environment in 2012, there were no major confrontations between the authorities and journalists. Legal changes early in the year abolished imprisonment as a penalty for criminal defamation, though the provision had rarely been used. The only international media group present in Albania, Germany's WAZ, sold its stakes to a local partner in August and withdrew from the Albanian market. *Albania's independent media rating remains unchanged at 4.00.*

Local Democratic Governance. Local governments are weak, fragmented, and subject to political manipulation by the central government, compromising their ability to function and provide basic services. The transfer of funds to local governments from the central budget continued to decline in 2012. Meanwhile, restrictive borrowing policies make it almost impossible for local governments to diversify their funding sources with loans. During 2012, the government enacted changes to budget legislation that allowed the Ministry of Finance to block financial transfers to already struggling local governments, creating a further check on local autonomy. Regional governments led by the political opposition suffered disproportionally from the resulting loss of funds. *Albania's rating for local democratic governance worsens from 3.25 to 3.50.*

Judicial Framework and Independence. Albania's judicial institutions continued to suffer from political pressure and interference in 2012. The general prosecutor, Ina Rama, was removed through a contentious legal interpretation on the length of her term, and a new one was appointed. Rama had repeatedly investigated senior government figures accused of corruption and other abuses, earning the enmity of the prime minister. Three out of nine members of the Constitutional Court have finished their mandates but are still holding office. Some legal reforms affecting the judicial system were approved by the parliament during the year, while other key laws are still pending. Enforcement of court decisions remains weak, particularly by state institutions. The motives and perpetrators behind the 2011 assassination of a judge in the city of Vlora were still unknown. *Albania's judicial framework and independence rating remains unchanged at 4.75.*

Corruption. Although anticorruption efforts are a key component of Albania's EU integration requirements, they continue to yield poor results due to a lack of political will and institutional enforcement. Citing insufficient evidence, the Supreme Court in January acquitted former deputy prime minister Ilir Meta of corruption charges, bringing an end to a notorious case that had set off violent opposition protests a year earlier. Later in the year, similar charges against former economy minister Dritan Prifti were also dropped. A scandal involving the forging of a university diploma for the son of an Italian politician revealed weak inspections in the country's educational system. As evidence of impunity for high-level corruption mounts, *Albania's corruption rating declines from 5.00 to 5.25.*

Outlook for 2013. The conduct of elections in past years has heavily affected political and institutional developments in the country. The existing hostile political climate and failure to progress in the EU integration process is a direct result of the disputed 2009 electoral process. The next general elections, scheduled for 23 June 2013, will be a crucial test for Albanian democracy and the functioning of core institutions. The recent increase in nationalist rhetoric could accelerate during the campaign. No other relevant developments are expected in the first half of the year, as the approaching elections will monopolize the public sphere. A new government will be mandated in September, when the new parliament begins its four-year term.

Main Report

National Democratic Governance

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
n/a	4.25	4.00	4.25	4.25	4.25	4.50	4.75	4.75	5.00

Following the political and institutional conflicts of 2011, the year 2012 featured a consolidation of power by Prime Minister Sali Berisha and his ruling Democratic Party (PD), which removed perceived opponents from key positions and replaced them with its own appointees.

The parliament functioned regularly and passed some relevant legislative reforms with the consent of both major political parties, partly overcoming the partisan gridlock of past years. The reforms addressed a number of the 12 key priorities set by the European Union (EU). However, this progress was not enough for the European Council to grant Albania candidate status. In December 2012, Albania's application was denied for the third year in a row, mainly due to a lack of results from adopted legislation and the refusal of the opposition Socialist Party (PS) to pass the three remaining bills related to the EU priorities.

The election of Interior Minister Bujar Nishani of the PD for a five-year term as president on 11 June enabled the other important appointments later in the year. He was chosen by the parliamentary majority without the consensus or cross-party support advocated by the EU and the international community. The PD demonstrated a lack of political will to include the opposition in the selection process. At the same time, the opposition chose not to endorse the first two candidates proposed by the ruling coalition, who were not directly linked to the majority. As a result, the first three voting sessions, which required a qualified majority, failed. Nishani was elected during the fourth voting session, which required only a simple majority. As Albania is a parliamentary republic, the president has few executive powers, but he does have an important role in appointments to the judiciary and security services.

In August, Nishani dismissed Bahri Shaqiri as head of the State Information Service (SHISH), Albania's intelligence agency. Since the president has no obligation to justify such decisions, no explanation was given. However, after the violent antigovernment protests of 21 January 2011, Prime Minister Sali Berisha had publicly accused Shaqiri of participating in a coup conspiracy with the opposition, then president Bamir Topi, and general prosecutor Ina Rama, among others. The new SHISH chief, Visho Ajazi Lika, had served as deputy minister of innovation in Berisha's cabinet.[1]

In the fall, Nishani also moved to appoint a new general prosecutor. The parliamentary majority claimed that Rama's mandate expired in November 2012, five years after her appointment, while the opposition argued that her term ended in May 2013, five years after the revised law on the office, which replaced the life mandate with a five-year term, came into force. Rama's predecessors were similarly

discharged through speedy, unclear procedures, which the Constitutional Court had deemed unconstitutional,[2] but no legal remedies had since been undertaken. Rama did not file a complaint in response to her dismissal when her replacement, Adriatik Llalla, was appointed by the president on 3 December.

The year 2012 marked the centennial of the establishment of the modern state of Albania. Many celebratory activities were organized in Albania and among ethnic Albanians in Kosovo and Macedonia. An increased level of nationalistic rhetoric adopted by some smaller political parties and organizations during 2012 had a spillover effect on mainstream parties and the government. Statements made by the prime minister during the centennial celebrations drew negative reactions from neighboring countries, with the representatives of Macedonia and Greece canceling their participation in the ceremonies. Albania has often been praised for having good relations with its neighbors, and such incidents could endanger the support of international partners.

The economic situation remained stable during 2012, although macroeconomic indicators worsened as a result of troubled efforts to privatize key companies and weak foreign direct investment. The privatization of the state oil company Albetrol was uncertain at year's end, since the bidding consortium did not pay the financial guarantee before the required deadline. The formerly state-owned power distribution company bought by the Czech firm CEZ was suffering significant financial problems during the year. CEZ blamed its losses on low rates set by the Albanian Energy Regulation Authority (ERE) and the nonpayment of utility bills by Albanian government entities.[3] Albania's state-owned electricity producer, KESH, claimed that CEZ in turn had failed to pay it large sums of money during the year. ERE fined CEZ and was reviewing its distribution license. Given its large stake in the energy market, CEZ's possible departure from Albania would require the intervention of the government and would have a negative effect on the state budget. Public debt was already high in 2012; Albania breached its public debt ceiling of 60 percent of gross domestic product (GDP) during the year.[4] However, in December 2012 the parliament passed a government-proposed bill that abolished the legal threshold for public debt. In addition to the country's existing financial difficulties, the measure was apparently motivated by the expectation of increased public spending ahead of the general elections scheduled for June 2013.

Economic growth was weak, with real GDP shrinking by 0.2 percent in the first quarter of 2012.[5] The return of migrant workers from Greece has affected the economy and businesses. Some improvements in the regulatory framework continued; the payment of company taxes was made easier through the abolition of the vehicle tax and the promotion of electronic tax filing. However, due to stagnation in many categories and better performance by other countries, Albania's ranking in the World Bank's *Doing Business Report 2013* actually worsened to 85, from 82 in the 2012 edition.[6]

Property rights continue to be an issue of high concern for the country's development. The government has adopted a formal strategy to address the problem, but efforts to produce concrete results have moved at a slow pace. The

strategy acknowledges that because the financial cost of the process has not yet been determined,[7] it cannot provide a clear timeframe for the full restitution of property rights. Moreover, the process, ongoing since 2006, of legalizing illegally occupied properties in exchange for a fee has financially burdened the state budget. In a recent adjudication, the European Court of Human Rights instructed the Albanian government to "reconsider increasing the cost-share borne by the legalization applicants to the extent that it would be capable of matching the financial compensation paid to former owners."[8]

Electoral Process

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
3.75	3.75	3.50	4.00	4.00	3.75	3.75	4.00	4.25	4.25

The contentious 2009 elections led to more than two years of political deadlock, stalling overdue electoral reforms and exacerbating conflicts between state institutions. With general elections approaching in 2013, the urgency of election reform resurfaced and the two largest parties in parliament—the PD and the opposition PS—engaged in serious negotiations on revising the electoral code. The process was closely watched by the EU, which has established improving the country's legislative framework to meet European standards as one of the 12 key priorities for Albania to receive candidate country status.

After several rounds of negotiations, the PD and PS reached an agreement on amendments to the electoral code in July. Although the changes were praised by the international community, smaller opposition parties complained that the amendments lacked broad consensus. Excluded from the negotiations, these parties met separately and prepared suggestions that they hoped the two biggest parties would consider, though these attempts usually proved unsuccessful. One of the proposals that was rejected by the PD and PS concerned the representation deficit of smaller parties in Albania's regional proportional representation system, which favors the two major parties.

Ultimately, the existing electoral system remained largely unchanged, with the exception of a few technical novelties. The new code provides for the testing of two new electronic systems for voter identification and counting ballots in two regions during the next elections in 2013. Nevertheless, many of the key recommendations from local and international organizations were addressed, though some suggestions—such as shifting the control and administration of elections from the political parties to politically neutral bodies—were not integrated.

The parliament confirmed the election of a new Central Elections Commission (CEC) in October after missing the legal deadline set by the revised code. The head of the CEC, like his predecessor, is affiliated with the ruling Democratic Party. The former head of CEC, who was often accused by the opposition of biased decision-making, was appointed deputy minister of interior.

Other delays in preparing for the elections raised concerns about whether the voting would be conducted in accordance with international standards. The installation of new technologies planned for use in the elections got off to a late start, and the new CEC proved unable to implement changes to the distribution of mandates in the parliament based on population data provided from the Interior Ministry because opposition members of CEC objected to large discrepancies in the available data. The 2011 census results count less than 3 million citizens residing in the country, while the civil registry—from which voter lists are generated—registered around 4 million. Since Albanians living abroad are only able to vote inside Albania and there is no special register for expatriates, opposition parties claimed there were numerous opportunities for inaccuracies in the voter lists. After the CEC failed to achieve a qualified majority vote on the matter, the decision was referred to the Assembly, which decided to keep the same mandate assignment that was in place during the 2009 elections.

In the past, political parties largely disregarded gender quotas, despite the existence of financial penalties for violators. In 2012, a coalition of NGOs advocating for gender equality pushed for a firmer provision in the revised electoral law that would require a 30 percent female quota for candidate lists and increase fines for parties that do not comply.

For the first time in Albania, the CEC approved a request by citizens for a national referendum, but due to bureaucratic delays, the vote has been postponed until 2014. Initiated by a coalition of NGOs and activists called Alliance Against Waste Import, the referendum challenges several articles of a law approved by the government in November 2011 allowing the import of nonhazardous waste into the country for commercial processing. Proponents of the referendum complained that the CEC had pulled out all the stops to delay its implementation-- taking 17 days to process the initial request and surpassing the 90-day deadline for validating signatures. Although the CEC ultimately approved the request for the referendum in June, by the end of the year, the commission had yet to send to it to the Constitutional Court for approval. The court needs 60 days to review the request before it passes it to the president, who sets a date for the referendum within 45 days. Since the law prohibits referendums from occurring 6 months before or after an election, even if the CEC submits the request to the court in January 2013, the vote cannot take place until the following year. Activists criticized the CEC for arbitrarily delaying the referendum and compromising mechanisms of direct democracy enshrined in the electoral code, claiming the incident set a dangerous precedent.[9]

Civil Society

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
3.50	3.25	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00

The civil society sector in Albania continues to be weak and struggles to find public space in a highly politicized environment. Political infighting has dominated

public debate and left little room for other actors to contribute to the country's development. However, a wider range of civil society figures have become more active in demanding greater inclusion in the consultation process and in opposing government policies. There were some signs of a rise in civic activism during 2012, particularly on the rights of former political prisoners, the improvement of working conditions for miners, waste import policies, and the rights of LGBT (lesbian, gay, bisexual, and transgender) people.

Access to information represents a persistent challenge in Albania. The Ministry of Justice committed to amending the law "On the Right to Information for Official Documents" and the Ministry for Innovation and ICT pledged to draft a special law "On Notice and Consultation" in April 2012 that will regulate a structured consultation processes with a range of partners, including civil society actors and economic and social interest groups.[10] However, both pieces of legislation were still in progress at the end of the year.

Civil Society Organizations (CSOs) have limited activity outside the capital. All CSOs must register at the Court of Tirana District, which complicates the activities of those organizations working in the regions. Networks of organizations are rare and largely inefficient. Overall, most organizations have limited interaction with the groups of society they strive to represent. Since the public still associates CSOs with compulsory activities organized under the communist regime, many Albanians refrain from engaging or supporting civil society activities. The state does not proactively encourage volunteering.[11]

As the pool of international donors shrinks, financial sustainability is becoming an increasingly pressing issue for many CSOs. Organizations often follow donor-driven agendas and dedicate a large share of their capacities to grant-making rather than pursuing their own organizational goals. International donors have increasingly made their funding conditional on the receipt of co-support from central or local state institutions, reducing the ability of CSOs to remain impartial government watchdogs. Attempts to diversify funding through for-profit activities are also difficult because of a lack of legislative regulation and unclear taxing procedures. Albania lags behind other countries in the region in the creation of legislation for regulating charitable donations from individuals or companies. The state-funded Agency for the Support of Civil Society (ASCS) issued its fourth call for proposals in late 2012, and but organizations were only given two months to prepare their applications.[12] The agency's calls for proposals usually cover an eclectic range of priorities and the process of defining them is unclear. Funding is frequently awarded to unknown CSOs; watchdog organizations and movements campaigning against government policies are unlikely to receive support from the agency.

In 2012, there was a modest rise in civic activism related to environmental issues and LGBT rights. In spring 2012, the Alliance Against Waste Import raised public awareness about the adoption of a draft law on Integrated Waste Management that approved the import of nonhazardous waste. After state institutions were unresponsive to the groups advocacy efforts, the alliance presented over 60,000 signatures in support of a referendum to revoke the law to the Central Elections

Committee, initiating procedures for a public vote on the issue. Amid counter protests from religious communities and public disapproval, LGBT organizations held several public rallies to commemorate the International Day Against Homophobia on 17 May 2012.

In September, the Association of Former Politically Persecuted Persons (AFPPs) initiated a hunger strike, demanding monetary compensation for those imprisoned by the communist regime in accordance with accordingly with legislation passed in 2007. While several representatives of the international community visited the strikers to hear their grievances, the Albanian government appeared indifferent to the strike until October when two demonstrators set fire to themselves. A few weeks later, one of the men who committed self-immolation, Lirak Bejko, died from the resulting burns. The government accused the strikers of political motives and said the strike was being exploited by the opposition for political gain. On 17 October a court ruled the strike illegal and ordered the protesters to end the strike.[13] The police proceeded to block off the area where the hunger strike was taking place, isolating the strikers from the public. Shortly after, on 22 October, the remaining AFPPs called off the strike without receiving the compensation demanded from the government.

Trade Unions in Albania are weak and nearly absent from the public sphere. Labor inspections are extremely rare and legal proceedings in defense of rights of workers and trade unions often take years to resolve.[14] The government and private companies are generally hostile to trade unions, discouraging many workers from joining them. Key principles of social dialogue are frequently breached and unions are not actively involved in collective bargaining. During 2012, The Union of Mineworkers, one of the few truly active unions, fought energetically against government and private companies, demanding better pensions, salaries, and working conditions as well as proper application of the concession contract with the Albanian Chrome company, which was awarded after a hunger strike at the Bulqiza mine in 2011. In October 2012, two workers reportedly died at the mine due to unsafe conditions.[15]

Independent Media

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
3.75	4.00	3.75	3.75	3.75	3.75	4.00	4.00	4.00	4.00

Freedom of expression is legally guaranteed and freely exercised in the country, though the media sector lacks both a clear legal framework and self-regulatory mechanisms. The number of media operators has increased along with internet penetration, but this has not automatically resulted in more diverse or higher-quality content. Due to the more stable political environment in 2012, there were no major confrontations between the authorities and journalists. Authorities dropped the controversial charges raised against four well-known journalists, whom

the prime minister accused of attempting a coup d'état during the demonstrations of 21 January 2011.

Seven years after Prime Minister Fatos Nano committed to decriminalizing libel in 2005, defamation remains a criminal offense. However, Albanian authorities passed reforms to the civil and criminal codes in March and February 2012, abolishing prison time as a punishment and limiting the fines that may be imposed if charges are brought to court. In the last few years, fines have not been issued in defamation cases lodged by public officials. Defamation cases against journalists have been on the decline in recent years as politicians increasingly opt to sue their each other, rather than the media.

The financial viability of media in Albania relies heavily on the private funds of their owners and advertising revenues. Major media outlets, especially television channels and newspapers, are owned by construction or oil companies and generate unreliable advertisement revenues. Media depend on coveted advertising contracts from state institutions, which are typically awarded to media that provide favorable coverage of the government, leaving few truly independent outlets. In September, members of parliament from the opposition PS accused the Minister of Transport Sokol Olldashi of buying $800,000 in advertising space from a newspaper own by members of his own party and from other media closely linked with the government.[16] In return, the Olldashi denounced the leader of the opposition, Edi Rama, for having bought ads in pro-opposition media when he was the Mayor of Tirana. The opposition filed a deposition with the prosecutor's office to investigate the ministry's officials on allegations of abuse of office.

Foreign investment in Albania's media sector is weak. Until 2012, the German company WAZ was the only international media group with holdings in Albania. In 2010, WAZ's director Bodo Hombach announced that WAZ intended to withdraw from the Balkans, complaining that abuse of power and the collusion between governments and oligarchs had hampered the media group's business operations.[17] WAZ finally sold its remaining 67 percent stake in Media Vizion in August, ending its business in the country.

The National Council of Radio and Television (NCRT) is the main body responsible for regulating public and private radio and television in Albania. As the members of the council are elected by the Assembly via a simple majority vote, the body is perceived as politically biased, leading media professionals and NGOs to demand the reform of the law regulating appointments to the council. The adoption of the law on Audiovisual Media Services, which will harmonize broadcasting regulations with European legislation, was delayed again in 2012 because members of parliament could not reach consensus on a formula for appointing members to the new regulatory bodies created under the new law.[18] Albanian Radio and Television (ART) and the Albanian Telegraphic Agency (ATA) are the only public media in the country. Both maintain a strong bias in favor of the government. Politically charged content and outdated technology has reduced their popularity with the public, increasing their reliance on funding from the state budget.

Several media organizations and unions exist, but they have had little influence on working conditions, editorial freedom, or relations between journalists and media owners. A large majority of journalists work without formal contracts. The salaries of media workers are not standardized according to their roles and some media routinely delay the disbursement of payment to their employees. In 2012, the Albanian Union of Journalists staged a protest in support of the Albanian journalist Marin Mema, who was refused entry into neighboring Greece as a result of his investigative reports on the fate of ethnic Albanians expelled from Greece during World War II. South East Europe Media Organisation (SEEMO) also expressed concerns calling for Greek authorities to investigate violations of the free movement of journalists committed by its border authorities, citing an incident in 2011 when a Macedonian journalist was also prevented from entering into the country.

In May 2012, the government adopted a new strategy for switching from analog to digital broadcasting as well as an action plan for its practical implementation. Although the digitization process began in 2004, subsequent deadlines were not met, making it impossible to complete the transfer by 2012 as originally planned. The new strategy resets the final deadline for June 2015. However, concerns about successfully completing the transfer by this date remain high as authorities have yet to start implementing the new strategy and resolving problems surrounding the unlicensed use of several frequencies by high-definition broadcasters remains an open question.[19]

Investigative journalisms remains weak in Albania, though increased online and regional platforms have provided a new space for its development. According to the OSCE, an incomplete legal framework, ongoing financial difficulties for media owners, and political pressure as well as poor working conditions for journalists continue to thwart the growth of investigative reporting in Albania.[20]

Local Democratic Governance

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
n/a	3.25	2.75	2.75	2.75	2.75	3.00	3.25	3.25	3.50

The legal framework for local government in Albania is based on the principles of democracy, decentralization, and autonomy. However, in reality, local governments are weak, fragmented, and subject to political manipulation by the central government. Continuous internal migration and emigration have left many local units with too few inhabitants and too little revenue to provide basic services. By 2012, most Albanian local governments were heavily in debt to the electricity supplier CEZ. The government responded to pressure from CEZ with legislation that further undermines local government autonomy.

Local government is divided into 373 directly elected local units made up of 65 municipalities in urban areas and 308 rural communes. The mayors of municipalities and communes are directly elected through a majority system, while

their representative councils are elected through a proportional, closed-list system. A second layer of local government is made up of 12 largely powerless administrative units called *qarku,* or counties. Counties are governed by councils made up of representatives of communes and municipalities and their elected heads.

Financially, local administrative units find themselves increasingly dependent on the central government. Badly-needed infrastructure development depends on central government investment, which is determined through a grant application process with unclear criteria. A committee headed by the prime minister evaluates all applications, usually on the basis of party loyalty. Local authorities have no say in the amount or placement of central government investments.

According to a report by the United States Agency for International Development, the transfer of funds to Albania's local governments from the central budget is declining, even relative to neighboring countries with comparable expenses and revenues.[21] Meanwhile, restrictive borrowing policies make it extremely difficult for local governments to diversify their funding sources and reduce their dependence on the central government. The 2008 Law on Local Government Borrowing allows local governments to seek loans for financing infrastructure projects, but secondary legislation and more recent administrative regulations have effectively prevented them from doing so.[22] In November 2012, the central government increased its own ability to borrow, removing an existing cap on national public debt.

In September 2012, the Albanian government rushed through a legislative amendment allowing the Ministry of Finance to block funding transfers from central to local government budgets. The law, which imposes yet another check on the autonomy of local government, was passed partly in order to address Albanian local governments' unpaid utilities and mounting indebtedness to CEZ. The exact amount of their debt accumulated is a subject of some disputed between the government and CEZ, but the figure legally owed at year's end was 1.3 billion LEK ($13 million USD). At several points during the year, the ministry exercised this power when local government units failed to pay their utility bills. The ministry withheld funds usually allocated for local utilities and transferred them directly to electricity distributor CEZ. As a result, some already struggling local governments found themselves forced to downsize; some even threatened to close down temporarily, having no alternative sources of funding.

The transfer of water utilities to local governments, once touted as a positive example of decentralization, has also turned out to be very problematic. Beginning in 2007, the central government unilaterally assigned shared ownership of water utilities to local government units, despite these units' reluctance to manage utility companies they knew were not financially viable. According to a 2011 report by the World Bank, responsibility for these utility companies is a major burden on local government, as very few of the companies can fully cover operation and maintenance costs out of their internal revenues.[23] The lion's share of local government debt to CEZ derives from water utilities.

Political forces continued to vie for control of local councils long after the May 2011 elections, hampering the normal functioning of local institutions.

Political gridlock delayed or blocked several municipal councils from approving 2012 budgets. Conflicts between the opposition and ruling party are particularly prevalent in regional councils at the county level. Representatives of different political parties have switched sides, creating new majorities and replacing previously elected officials in a legally questionable manner. In Fier county, several court battles are ongoing, including one dispute between two would-be council leaders, neither of which recognizes the other's authority. As regional councils have no real power, the struggles for their leadership appear to be merely an exercise in political muscle-flexing.

Judicial Framework and Independence

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
4.25	4.50	4.25	4.00	4.00	4.25	4.25	4.25	4.75	4.75

While the Albanian constitution provides the foundation for a well-functioning and independent judicial system, it has demonstrated chronic weaknesses resulting from political polarization and pressures, decreasing financial support, and the persistence of corruption. Albania's judicial institutions continue to suffer from political pressure and interference in 2012 in appointments to the Supreme Court and the High Council and the controversial dismissal of the general prosecutor, who was known for going after high level officials on corruption charges.

Three out of nine members of the Constitutional Court have finished their mandates but are still holding office because parliament refused then president Bamir Topi's proposals for new appointees.[24] In response to a request from members of parliament, the Constitutional Court ruled in June 2011 that both the president and parliamentary assembly must agree on selection criteria for appointments to the Constitutional Court and High Court. In July, the Constitutional Court upheld the decision of the parliament to reject the nominees, ruling that it did not affect the president's competencies.[25] Following the judgment, Justice Petrit Plloci resigned from the court, citing his disagreement with the seemingly limitless extension of judges' mandates. Plloci's departure leaves only eight judges in the nine-seat court with the next round of appointments not scheduled until the spring of 2013. With cross-party support, the parliament finally approved the appointment of Justice Artan Zeneli to the last remaining vacancy on the Supreme Court in late July. Parliament's refusal to approve Topi's presidential nominees was one manifestation of the long political battle between the former president and Prime Minister Berisha that proved highly destructive for the functioning of Albanian institutions. A parliamentary committee began reviewing amendments in October that would introduce clear, merit-based criteria for approving appointments in line with EU recommendations, but these had not been adopted by year's end.

In August, the former head of the Agency for the Restitution and Compensation of Property Elvis Cefa was appointed vice president of the High Council of Justice (HCJ),[26] replacing Kreshnik Spahiu. Spahiu resigned in February after the

ruling majority accused him of abuse of office and set up a parliamentary inquiry committee to investigate his allegedly illegal political activities in connection with a nationalistic organization. The general prosecutor, Ina Rama, was removed in November through a contentious legal interpretation on the length of her term. Former inspector general Adriatik Llalla was appointed as her replacement in December. Rama had repeatedly investigated senior government figures accused of corruption and other abuses, earning the enmity of the prime minister.

Some legal reforms affecting the judicial system were approved by the parliament during the year, despite frequent attempts from the opposition to block a qualified majority by abstaining from the vote. The constitution was amended through a qualified majority vote, limiting the immunity of high-level officials (including judges) and allowing for their investigation and criminal prosecution without prior authorization. Whether the change will lead to a greater number of investigations and convictions of top officials remains to be seen. As part of a bipartisan push to make progress on judicial reform, the parliament passed laws defining clear regulations for the National Judicial Conference, lawyers, and administrative courts. The latter provides for the establishment of a dedicated chamber for administrative cases at the Supreme Court, but hinges on the adoption of other reforms that were still pending at year's end. The opposition has refused to provide the qualified majority for the remaining reforms until a court decision concerning the election of the Head of Council in Fier Qark has been executed.

The lack of adherence to legal deadlines has delayed the publication of court decisions for civil and criminal cases, which in some cases has led to grave consequences. In September, the head commissioner of Shijak was killed in the line of duty by a previous offender, who had been released on murder charges due to a judge's failure to publish a decision in time for the prosecution to appeal the case. The judge was dismissed for neglecting to submit over 60 case files in a timely manner,[27] and his trial on charges of abusing public office is ongoing.

No progress was made during the year in the investigation of the assassination of Skerdilajd Konomi, a judge known for his independence and professionalism, in the city of Vlora in 2011. Although the case is regarded as a top priority for both the prosecution and police, the motives and perpetrators behind the crime remain unknown. Konomi's assassination was the second attempt on the life of a judge in the last two years and the first one to succeed.

A decision in the case related to the deadly explosion of an ammunition-dismantling factory in the village of Gërdec in March 2008 was delivered by a first instance court in March. Of the 29 people accused, 5 were given prison sentences of more than 5 years, while the others received lesser sentences or were acquitted.[28] Families of those killed in the blast were angered by the withdrawal of murder charges against 3 of the defendants. Because the case has been dragged out for years, the detention periods were already exhausted by the end of the trail. Therefore, the indicted have been released until a final decision is delivered by a court of appeals.

The trial of four members of the Republican Guard for the shooting of four protestors during the events of 21 January 2011 is ongoing. Due to the complexity

of the case and the weight of political pressure on investigators, the prosecutor's office requested that the Federal Bureau of Investigation of the United States conduct scientific analysis of the evidence. A parliamentary inquiry committee that was established in 2011 by the parliamentary majority, but boycotted by the opposition has neither continued its investigation nor produced a report on the case. The international community has continuously called for a fair investigation and warned against undue political interference in the trail.[29]

Corruption

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
5.25	5.25	5.25	5.00	5.00	5.00	5.00	5.00	5.00	5.25

Corruption is widespread in many sectors in Albania, posing a major obstacle to the country's development and democratization. Despite the fact that the EU considers fighting corruption a key priority for Albania's integration, anticorruption efforts have yielded weak results due to a lack of political will and institutional enforcement. The implementation of Albania's 2011–13 Anticorruption Action Plan continued in 2012 without proper monitoring or follow-up. The year witnessed acquittals in two extremely prominent cases of high-level corruption, demonstrating the inability of the judicial system to withstand political influence and punish graft. Albania's ranking in Transparency International's Corruption Perception Index for 2012 fell from 95 to 113, the lowest rating in Europe and far below other countries in the region.[30]

Members of Albania's Supreme Court are proposed by the president of the republic and appointed by a simple majority in parliament. The Supreme Court acts as a first instance court for high officials, including members of the national assembly. This arrangement allows the ruling majority to appoint judges unlikely to rule against them in corruption cases. In September, members of the national assembly finally reached cross-party consensus on a constitutional amendment limiting immunity for members of parliament and judges. However, the level of political influence on the judiciary remains such that it is difficult to predict the impact of the change. In December 2012 President Nishani replaced Prosecutor General Ina Rama, who had brought a number of corruption cases against senior government officials. A number of low-to-middle–ranking officials were arrested during the year, but no new top-level prosecutions had been initiated at year's end.

In January 2012, citing a lack of evidence, the Supreme Court dismissed charges against Ilir Meta, who had resigned as deputy prime minister in 2011 after a video showed him discussing acts of corruption in connection with the tender on a hydropower plant.[31] The video, which had been released to the media in January 2011 by a member of Meta's own party, led to a major demonstration that ended in dozens of injuries and four deaths. On the eve of the Meta verdict, media reported that Prime Minister Berisha was having dinner at Meta's home, in a show of

support. The next day, the Supreme Court ruled unanimously that the authenticity of the incriminating video could not be verified, despite authentication reports by international experts. All charges against Meta were dropped.[32]

In a parallel case against former economy minister Dritan Prifti, the court ruled in September that another incriminating video was inadmissible, leading prosecutors to drop the charges. Footage of Prifti apparently splitting a bribe with a colleague had been discovered by the prosecution in the process of authenticating Meta's video (stored on the same computer).[33] The dismissal of these two, widely publicized cases sent a signal that high-level officials are still above the law, even in the face of convincing evidence.

The culture of impunity in Albania is not confined to the government sphere or to public institutions. In spring, it was revealed that the son of prominent Italian politician Umberto Bossi had received a degree from the private Kristal University in Tirana without knowing the Albanian language or having attended any courses. The fraud was uncovered by Italian prosecutors, rather than as the result of an Albanian investigation, and the only employee of Kristal University charged with wrongdoing in an Albanian court was the university archivist, who had apparently forged the documents.

Poor transparency and access to information greatly complicate efforts to monitor corruption, though some progress in this area was visible in 2012. Efforts to enhance transparency through the development of e-government initiatives continued in 2012, but have yet to be finalized. The harmonization of data on investigations and attempts at improved institutional coordination constitute other positive developments. The Supreme State Audit agency played a more proactive role in inspections and corruption investigations during the year, bringing 40 criminal cases against 125 public administration officials in 2012—double the total number of charges brought between 2009 and 2011.[34]

▮ Author: Gledis Gjipali

Gledis Gjipali is Executive Director of European Movement in Albania, a Tirana-based, non-profit think tank dedicated to the democratization and European integration of the country.

---

1 Besar Likmeta, "Albania opposition pans nomination of new spy chief," Balkan Insight, 13 August 2012, http://www.balkaninsight.com/en/article/albania-opposition-pans-nominations-of-new-spy-chief.

2 Albanian Constitutional Court, "Vendim Nr. 76 Gjykates Kushtetuese" [Decision No. 76 of the Constitutional Court], 8 April 2002, http://www.alb-net.com/pipermail/albsa-info/2002-April/002898.html.

3 "CEZ: Trouble in Albania," *Financial Times*, 26 November 2012, http://blogs.ft.com/beyond-brics/2012/11/26/cez-trouble-in-albania/#axzz2FUxviuwf.

4 The World Bank Group, *South East Europe: Regular Economic Report No. 3* (Washington, DC: The World Bank Group, 18 December 2012), 23.

5 "Albania," *Economist Intelligence Unit*, August 2012, http://www.eiu.com/index.asp?layout=RKCountryVW3&country_id=880000288.

6 The World Bank Group, *Doing Business 2013* (Washington, DC: The World Bank Group, 2013), 39, http://www.doingbusiness.org/~/media/GIAWB/Doing%20Business/Documents/Annual-Reports/English/DB13-full-report.pdf.

7 Government of Albania Department of Strategy and Donor Coordination, *Strategjia Ndërsektoriale: Reforma Në Fushën e Të Drejtave Të Pronësisë* [Intersectorial Strategy: Reform in the Area of Property Rights] (Tirana: Government of Albania, 27 June 2012), http://www.dsdc.gov.al/dsdc/pub/strategjia_reforma_ne_fushe_e_te_drejtave_te_pronesise_1192_1.pdf.

8 European Court of Human Rights, "Case of Manushaqe Puto and Others V. Albania," 31 July 2012, paragraph 115, http://hudoc.echr.coe.int/sites/eng/pages/search.aspx?i=001-112529.

9 "Albania Waste Referendum Ruling Outrages Greens," Balkan Insight, 4 September 2012, http://www.balkaninsight.com/en/article/albania-court-decision-on-referendum-raises-eyebrows.

10 The Republic of Albania, Ministry for Innovation and ICT, *Action Plan*, Open Government Partnership Initiative, April 2012, pg. 4.

11 United States Agency for International Development (USAID), *2011 Albania SCO Sustainability Index* (Washington, DC: USAID, June 2012): 3.

12 "Call for Applications," Website of the Agency for the Support to Civil Society, accessed 30 October 2012, www.amshc.gov.al/web/thirrje/.

13 "Albanian court tells former political prisoners to end 26-day hunger strike over compensation," FoxNews, 17 October 2012, http://www.foxnews.com/world/2012/10/17/albanian-court-tells-former-political-prisoners-to-end-26-day-hunger-strike/#ixzz2XMOsf78c

14 International Trade Union Confederation (ITUC), *Annual Survey of Violations of Trade Union Rights: Albania* (Brussels: ITUC, 2012), http://survey.ituc-csi.org/Albania.html?edition=336.

15 "Two Miners Dead in the Accident at Bulqiza," *Albanian Screen*, 29 October 2012, http://news.albanianscreen.tv/pages/news_detail/49751/ENG

16 "SP: Government, 800,000 USD for pro-government media," Top Channel, 21 September 2012, http://www.top-channel.tv/english/artikull.php?id=7127.

17 "WAZ sells stake in Albania's Vizion Plus," Balkan Insight, 23 august 2012, http://www.balkaninsight.com/en/article/waz-sells-stake-in-albania-s-vizion-plus-tv.

18 Ilda Londo, "Parliamentary Media Commission Completes Discussion of Audiovisual Media Services Bill," IRIS Legal Observations of the European Audiovisual Observatory, March 2013, http://merlin.obs.coe.int/iris/2013/3/article8.en.html.

19 European Commission, *Albania 2012 Progress Report* (Brussels: European Commission, 10 October 2012): 39, http://ec.europa.eu/enlargement/pdf/key_documents/2012/package/al_rapport_2012_en.pdf.

20 OSCE Representative on Freedom of the Media, "Economic, political interests and poor legal implementation hinder free press in Albania, says OSCE media freedom representative," news release, 7 June 2012, http://www.osce.org/fom/91144.

21 USAID Planning and Local Governance Project (PLGP), *White Paper on Fiscal Decentralization in Albania* (Washington, DC: USAID, 4 October 2012), XI, http://www.plgp.

al/plgp/images/pdf-files/White%20Paper%20on%20Fiscal%20Decentralization%20-%20English%20-Final%20Oct4.pdf .

22 Ibid, 60.

23 The World Bank Group, *Decentralization and Service Delivery in Albania: Governance in the Water Sector* (Washington, DC: The World Bank Group, August 2011), 8, http://siteresources.worldbank.org/INTALBANIA/Resources/Water_English.pdf.

24 The Constitutional Court declared the end of three judges' terms on 28 April 2010 and 24 May 2010. See Constitutional Court decision no. 41, dated 19 July 2012.

25 Constitutional Court decision no. 41, dated 19 July 2012.

26 The High Council of Justice is in charge of judicial appointments, performance evaluation and undertaking disciplinary measures for judges.

27 High Council of Justice press release, dated 7 December 2012.

28 Decision No. 10 of the Tirana District Court, dated 12 March 2012. Case file available at http://www.gjykatatirana.gov.al/.

29 European Commission, *Albania 2012 Progress Report* (Brussels: European Commission, 10 October 2012): 13, http://ec.europa.eu/enlargement/pdf/key_documents/2012/package/al_rapport_2012_en.pdf.

30 Transparency International, *2012 Corruption Perception Index* (Berlin: Transparency International, 2012), http://cpi.transparency.org/cpi2012/.

31 European Forum for Democracy and Solidarity, "Ilir Meta acquitted from charges, opposition protests court ruling," 18 January 2012, http://www.europeanforum.net/news/1324/ilir_meta_acquitted_from_charges_opposition_protests_court_ruling.

32 Supreme Court, Decision, No. 8, dated 24 January 2012.

33 Supreme Court, Decision, No. 6, dated 21 September 2012; and Besar Likmeta, "A specter is haunting the Balkans: the specter of corruption," *Foreign Policy*, 6 December 2012, http://transitions.foreignpolicy.com/posts/2012/12/06/a_specter_is_haunting_the_balkans_the_specter_of_corruption.

34 Supreme State Audit, "Annual Report 2012," December 2012.

Armenia

by Alexander Iskandaryan

Capital:	Yerevan
Population:	3.1 million
GNI/capita, PPP:	US$6,100

Source: The data above are drawn from the World Bank's *World Development Indicators 2013.*

Nations in Transit Ratings and Averaged Scores

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Electoral Process	5.75	5.75	5.75	5.75	5.50	5.75	5.75	5.75	5.75	5.75
Civil Society	3.50	3.50	3.50	3.50	3.50	3.75	3.75	3.75	3.75	3.75
Independent Media	5.25	5.50	5.50	5.75	5.75	6.00	6.00	6.00	6.00	5.75
Governance*	4.75	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
National Democratic Governance	n/a	5.00	5.00	5.25	5.25	5.75	5.75	5.75	5.75	5.75
Local Democratic Governance	n/a	5.50	5.50	5.50	5.50	5.50	5.50	5.75	5.75	5.75
Judicial Framework and Independence	5.00	5.25	5.00	5.00	5.25	5.50	5.50	5.50	5.50	5.50
Corruption	5.75	5.75	5.75	5.75	5.75	5.50	5.50	5.50	5.25	5.25
Democracy Score	5.00	5.18	5.14	5.21	5.21	5.39	5.39	5.43	5.39	5.36

** Starting with the 2005 edition, Freedom House introduced separate analysis and ratings for national democratic governance and local democratic governance to provide readers with more detailed and nuanced analysis of these two important subjects.*

NOTE: The ratings reflect the consensus of Freedom House, its academic advisers, and the author(s) of this report. The opinions expressed in this report are those of the author(s). The ratings are based on a scale of 1 to 7, with 1 representing the highest level of democratic progress and 7 the lowest. The Democracy Score is an average of ratings for the categories tracked in a given year.

Executive Summary

The first years following Armenia's independence from the USSR in 1991 were extremely turbulent. War with neighboring Azerbaijan, an energy crisis, and a transportation blockade that left landlocked Armenia with just two open borders—one with war-torn Georgia and the other with Iran—all contributed to the country's economic collapse in the early 1990s. In the mid-90s, Armenia began to recover economically but the unresolved territorial conflict and blockade by Azerbaijan and Turkey remain to this day.

Abrupt economic restructuring and a decline in living standards in Armenia's post-Soviet economy have caused social frustration and political apathy. Excessive overlap between political and economic interests in Armenia has depleted public trust in political elites, as has their record of rigged elections and corrupt administrative practices. Results of every national election since 1995 have been challenged by the opposition, which, as a result, does not recognize the legitimacy of Armenia's parliament, president, or constitution, and remains personality-driven and passive between elections. Mass postelection protests in spring 2008 evoked a violent response from the authorities, leaving 10 protesters dead and hundreds wounded.

In May 2012, Armenia conducted its first national polls since the postelection unrest of 2008. The elections were also the first to take place under a new electoral code, which lifted administrative restrictions on campaigning and regulated media to ensure balanced coverage of all parties during the campaign period. Nevertheless, vote-buying and voter intimidation remained extremely prevalent. All major political forces won seats in the new parliament, thus enhancing the legitimacy of the legislature as a representative body. However, the unexplained decision of the two main opposition parties not to field candidates for the 2013 presidential race dashed hopes of a truly competitive political environment.

National Democratic Governance. As a result of the parliamentary elections in May, all leading political forces gained representation in Armenia's parliament. Nevertheless, the events of the year reinforced the dominance of the ruling Republican Party of Armenia. Dubious tax evasion charges were brought against a serious challenger to the incumbent president in the run-up to presidential elections in early 2013. The so-called Safarov affair and border skirmishes threatened to derail peace negotiations with Azerbaijan over the disputed Nagorno-Karabakh territory. Armenia made some progress towards European integration, signing a visa facilitation agreement with the European Union (EU) that will enter into force in 2013. *Armenia's national democratic governance rating remains unchanged at 5.75.*

Electoral Process. Although parliamentary elections in May 2012 showed notable improvements in balanced media coverage and effective campaigning by all parties, vote-buying and voter intimidation remained extremely prevalent. For the first time, the Armenian National Congress, which had formerly denounced all government institutions, won seats in the legislature and began participating in parliamentary politics. However, the impact of increased pluralism in the legislature was called into question when major opposition parties announced that they would not field candidates in next year's presidential elections. *Armenia's electoral process rating remains unchanged at 5.75.*

Civil Society. Armenia's civil society is active and diverse. In 2012, the number of nongovernmental organizations continued to grow, with public campaigns widening in scope and increasingly focusing on human rights and abuse of power. However, despite certain gains, civil society initiatives did not always succeed in changing government policy. *Armenia's civil society rating remains unchanged at 3.75.*

Independent Media. The reach of print media remains limited and major television stations are typically co-opted by incumbent political forces. Nevertheless, media monitoring reports concluded that all leading parties had had equal access to media coverage in the run-up to the May elections. The television station A1+, which had been denied a license for years, returned to the airwaves via Armnews TV. Due to the persistence of journalists, authorities proved more responsive to freedom of information requests in 2012. The year saw a slight decline in the number of defamation suits. Online news sources are increasingly diverse and operate freely. *Armenia's independent media rating improves from 6.00 to 5.75.*

Local Democratic Governance. While nominally independent, Armenia's self-governed communities remain weak and underfunded. Local elections throughout the country in 2012 were peaceful and orderly but the involvement of the political opposition was low. *Armenia's local democratic governance rating remains unchanged at 5.75.*

Judicial Framework and Independence. The government launched large-scale reforms affecting law enforcement and the criminal justice system in mid-2012, but the impact of the changes could not be gauged at year's end. The judiciary remains dependent on the executive branch and human rights violations occur regularly. *Armenia's judicial framework and independence rating remains unchanged at 5.50.*

Corruption. Corruption remains a major concern in Armenian society. Several corruption scandals emerged in 2012 involving low-level as well as senior officials. The government adopted several anticorruption measures and some corruption cases were even brought to court. However, in the absence of more systemic anticorruption efforts, *Armenia's corruption remains unchanged at 5.50.*

Outlook for 2013. Incumbent president Serzh Sargsyan will easily win the 2013 election in the absence of strong competition, and the ruling party will preserve its patronage over the state administration. The year 2013 will show the first results of key ongoing reforms in the sphere of justice and steps towards European integration. Economic growth will remain fragile: Armenia's domestic market is small, making it strongly dependent on external market prices for Armenia's exports. The peace process around Nagorno-Karabakh will stagnate as a consequence of the 2012 Safarov case.

Main Report

National Democratic Governance

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
n/a	5.00	5.00	5.25	5.25	5.75	5.75	5.75	5.75	5.75

Armenia's political system operates on the basis of consensus among elite groups that control economic and political resources. Society has little leverage over legislative processes or political decision-making; consequently, trust in governing institutions is very low. Election results are regularly challenged by the opposition, which is personality-driven and passive between elections. Postelection unrest is a common occurrence, with the events of 2008 representing a dramatic escalation in both the scale of protests and the brutality of the government's response. Since 2007, the incumbent Republican Party of Armenia (HHK) has progressively asserted greater control over state institutions.

Parliamentary elections in May marked the first national poll since 2008. For the first time since the mid-1990s, all major political parties won seats in parliament—including the Armenian National Congress (Hayastani Azgayin Kongres, HAK), a coalition of 13 opposition parties and the force behind the 2008 postelection protests. Following a dialogue with the government that began in 2011, the HAK agreed to take part in the election and accept its mandates, thus moving its political engagement from the streets to the legislature. The inclusion of the HAK contributed to a more pluralistic parliament and the unusual absence of street rallies following the election. The ruling coalition—comprised of the HHK and the much smaller Rule of Law party (Orinats Yerkir Kusaktsutyun, OEK)—has 75 mandates, while the four parties of the opposition have 56 mandates between them.

Just prior to the May vote, the Prosperous Armenia Party (Bargavaj Hayastan Kusaktsutyun, BHK) left the ruling coalition, prompting speculation that it would put forward a credible challenger to the incumbent in presidential elections scheduled for early 2013. As a former coalition partner, BHK enjoyed large public support, coming in second with 30 percent of the vote (compared to 44 percent won by the ruling HHK). In October, HAK spokesman Levon Zurabyan suggested his party might cooperate with the BHK, although there was disagreement within the HAK on this matter.[1] Media widely speculated that BHK would nominate former minister of foreign affairs and BHK member of parliament (MP) Vardan Oskanian as its candidate. Oskanian's Civilitas Foundation was charged with money laundering in October and the ruling majority in parliament voted to strip Oskanian of his parliamentary immunity so that he could testify in the case. Oskanian claimed the charges were an attempt to dissuade him or any other BHK candidate from running against incumbent president Serzh Sargsyan in 2013. The

ombudsman, the Parliamentary Assembly for the Council of Europe (PACE), and the United States Embassy to Armenia expressed concern that the case against Oskanian threatened democracy in Armenia.[23] With Oskanian under investigation, only two serious contenders remained—the leader of BHK, Gagik Tsarukyan, and Armenia's first president and leader of the HAK, Levon Ter-Petrosyan. In mid-December, both leaders announced that their parties would neither nominate nor support any candidates for president.[4]

Armenia's political system operates on the basis of consensus among elite groups that Armenia remains an extremely poor country. With the start of global recession, the segment of the population living in poverty rose from 27.5 percent in 2008 to 35 percent in 2011.[5] However, gross domestic product (GDP) increased by 7.2 percent in 2012, even more than the 4.2 percent predicted by the government.[6] Armenia's *Doing Business* ratings improved dramatically in 2012, rising from 50 to 32 as a result of improvements in the sphere of taxation, new legal protections for investors, and procedures for getting electricity.[7] However, foreign investment declined in the first half of 2012, mostly due to the end of major investment projects in communications and mining.[8]

There was no progress in the resolution of the territorial dispute over Nagorno-Karabakh in 2012. Relations with Azerbaijan were further complicated by border skirmishes that occurred throughout the year, claiming several lives on both sides. Another setback came when Hungary extradited convicted axe-murderer Ramil Safarov, a former army officer serving a life sentence for murdering an Armenian student during a NATO-sponsored English course in Budapest in 2004. Upon arrival in Baku, Azerbaijani President Ilham Aliyev pardoned Safarov and honored him with a hero's welcome. Several rallies protesting his extradition were held in Yerevan, calling for domestic and international denunciation of Hungary's actions. Armenia subsequently severed diplomatic relations with Hungary. The European Union (EU) Ministry for Foreign Affairs, the U.S. Department of State, and U.S. president Barack Obama asked Hungary to explain its decision to send Safarov home and voiced concern that Safarov's pardon could derail ongoing reconciliation efforts.[9] The presidents of Armenia and Azerbaijan signed only one joint statement regarding Nagorno-Karabakh in 2012[10] and held no further meetings after the Safarov scandal. In November, however, the Armenian government expressed its commitment to continuing negotiations[11].

Armenia made some progress towards European integration in 2012 and is in negotiations with the EU to establish an Association Agreement by summer 2013. At an October meeting of the Armenia-EU Cooperation Committee in Brussels, representatives from the Armenian government and the European Commission concluded that Armenia is advancing along all dimensions of EU cooperation, including preparations for the establishment of a Deep and Comprehensive Free Trade Area and economic integration.[12] In December, Armenia signed a visa-facilitation agreement with the EU that will enter into force in 2013.[13]

Electoral Process

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
5.75	5.75	5.75	5.75	5.50	5.75	5.75	5.75	5.75	5.75

In May, Armenia held its first national elections since the postelection violence of 2008. The elections were also the first to take place under a new electoral code that lifted administrative restrictions on campaigning and regulated media to ensure balanced coverage of all parties during the campaign period.[14] Debates between party representatives were televised and opportunities for free and paid television advertising were generally equal and transparent.[15] Nevertheless, as in previous years, elections in 2012 were marred by systemic fraud. While observers noted a decline in ballot-stuffing, other violations such as vote-buying and voter intimidation and falsification were more prevalent.[16]

The Armenian parliament is elected using a mixed system: 90 mandates are filled via party lists, and 41 by majority vote. In past elections, the ruling party has used administrative resources to recruit local leaders into its ranks, giving it the upper hand in majoritarian districts. In an effort to mitigate this unfair advantage, two opposition parties in parliament—Dashnaktsutyun and Heritage—submitted a draft bill in early 2012 proposing the conversion of all majoritarian districts to the proportional system. On 29 February, the ruling coalition rejected the bill, arguing that a fully proportional system would greatly reduce local representation in the country's many isolated, mountainous regions.

In an effort to increase transparency, Armenia's Central Electoral Commission (CEC) posted voter lists online ahead of the May elections. The finalized list contained 2,522,906 voters,[17] an increase from the 2,370,781 counted in 2008.[18] Members of the opposition insisted the numbers had been falsified to benefit the ruling party. Voter turnout was similar to previous elections at around 60 percent. However, a comparison of registered voters with actual population data suggests that this figure may have been suppressed by more than 30 percent due to artificially inflated voter lists.[19]

The elections were observed by an international mission of the Organization for Security and Cooperation in Europe/Office for Democratic Institutions and Human Rights (OSCE/ ODIHR), PACE, and the European Parliament (EP), with 350 observers from 42 countries, including 41 long-term observers and experts.[20] There were also observers from the International Foundation for Electoral Systems and other bodies. The presence of foreign observers is believed to have significantly reduced the number of polling station violations.[21] International observers were also joined by a record-breaking 31,541 local observers from 54 organizations, representing 16 observers for each of Armenia's 1,945 precincts.[22] Individual voters were able to report electoral violations on domestic websites like iDitord, Irazek, and Ditaket as well as on the #iditord Twitter channel. A total of 1,107 election day violations were reported on iDitord, including 384 cases of vote-buying or voter intimidation, 151 errors in voter lists, and 175 instances of illegal campaigning.[23]

Historically, poverty and political apathy have made the Armenian electorate vulnerable to vote-buying. According to reports by media and political parties, bribes averaging $30 each were widely handed out in exchange for the commitment to vote for a particular party.[24] Most such reports implicated the HHK, BHK, and OEK. Many reports indicated that BHK and OEK also handed out non-monetary bribes or "gifts" in the form of tractors, jars of jam, chocolates, coffee, wine, and fruit juice. Despite widespread reports of such violations and investigations into 279 such reports, the CEC only initiated 15 lawsuits. In one case, BHK member Armen Matevosyan was found guilty of bribing four families with amounts ranging from 10,000 to 35,000 drams ($25–$85), and given a conditional sentence of 3 years.[25]

As a result of the election, 6 out of 9 parties or blocs passed the 7 percent threshold required to enter parliament, compared to 5 out of 23 in 2007. The HHK won an absolute majority, with 69 out of 131 seats.[26] Prosperous Armenia received 37 seats. The HAK, which had previously rejected all government institutions, entered the legislature for the first time, with 7 seats. This development briefly raised hopes that BHK leader Gagik Tsarukyan and HAK leader Levon Ter-Petrosyan could act as serious challengers to President Sargsyan's reelection in the 2013 presidential elections. However, in December, both the BHK and the HAK suddenly announced they would not field presidential candidates, reconfirming the dominance of the HHK and nearly guaranteeing a win for the incumbent.

In accordance with the new electoral code, every fifth candidate on all party lists in May was a woman; however, the target of achieving 20 percent female representation in parliament was not met because all but two winners in 41 local constituencies were men. Several women who did win seats gave up their mandates.[27]

Civil Society

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
3.50	3.50	3.50	3.50	3.50	3.75	3.75	3.75	3.75	3.75

Armenia's civil society is vibrant and the number of registered organizations is growing. Between 2011 and 2012, the number of nongovernmental organizations (NGOs) registered in Armenia grew by 8 percent, reaching a total of 4,746, including 3,924 public organizations and 822 foundations.[28] However, just over 10 percent of these are believed to be active.

Civil society campaigns launched by established NGOs and citizen initiatives increased in visibility and scope during the year. One of the campaigns that received the most attention began in response to the beating of three army physicians by the guards of Harsnakar, a restaurant owned by leading businessman and ruling party MP Ruben Hayrapetyan. One of the physicians, Vahe Avetyan, died in the hospital from his injuries. Rallies organized by NGOs and widespread media coverage led to the arrest and charging of seven perpetrators. Although Hayrapetyan was not among those charged, he resigned from the parliament and publicly expressed his

regret for the incident. Demonstrations gathering over a thousand people demanded that Hayrapetyan be charged as accessory to the crime because he was ultimately responsible for the actions of his guards while they were on duty and had led them to believe his high connections would protect them from punishment.[29]

At least 5,000 ethnic Armenians from Syria applied for Armenian passports after the outbreak of violence in their country in spring 2011.[30] They were granted Armenian citizenship via an expedited procedure but received little other assistance from the authorities. In response to pressure from NGOs and the media, in 2012 the Armenian government began providing greater assistance to refugees, helping them find jobs, pursue education, and receive compensation for travel costs.[31] Numerous citizen initiatives continue advocating for Armenia's Syria refugees, including the NGO Coordination Center for Syrian-Armenian Issues, established in October 2012.

As in 2011, many civil society campaigns focused on environmental concerns and urban conservationism. In February, activists from a number of groups launched a campaign to stop the erection of kiosks in Mashtots Park in central Yerevan, arguing that the law prohibits construction in municipal green space.[32] Sit-ins and rallies in the park continued for three months. In May, President Sargsyan visited the site and called upon the mayor's office to meet protesters' demands, whereupon the kiosks were removed and the park refurbished. The president's interference in the matter was criticized as a campaign move in preparation for the parliamentary elections. Civil society actors stressed that the decision to protect Mashtots Park should have been based on the law, not the will of one man.[33]

A long-running campaign to protect the northwestern region of Teghut from deforestation and other environmental damage associated with mining continued in 2012. However, potential revenues from mining in Teghut are so high that the government has little incentive to heed public protests. The Armenian Copper Company, part of Vallex Group, will begin exploiting the Teghut copper and molybdenum mine in 2013. The mining site includes over 1,500 hectares of forested land.[34]

Another environmental campaign from 2012 sought to block the expansion of the Amulsar goldmine in southeastern Armenia, which environmental NGOs like Ecolur argued would damage the region's unique natural environment. Citizens of Jermuk, a resort town 12 kilometers away from Amulsar, expressed particular concern at the potential impact of nearby open-pit mining on their mineral springs.[35] Public hearings on 30 July at the Ministry of Nature Protection brought together environmental and mining experts with representatives of the mining company (Geoteam), Jermuk municipality, NGOs, media, and neighboring villages, but no understanding was reached.[36] In August 2012 the Ministry of Nature Protection issued Geoteam a license, claiming that all environmental concerns had been addressed in the licensing agreement, a fact contested by protesters.[37]

The year 2012 witnessed a number of crimes and protests apparently motivated by homophobia. In the early morning hours of 8 May, a gay-friendly rock club in central Yerevan was firebombed, causing damages assessed at $7,500. Two young

Iranian citizens arrested in connection with the crime were reportedly bailed out by representatives of the Dashnaktsutyun party, who spoke favorably of the bombing, as did Eduard Sharmazanov, an MP for HHK.[38] On 24 May, the U.S. Embassy in Armenia called the attack a crime against sexual minorities and called upon Armenian law enforcement to adopt a zero-tolerance policy towards hate crimes.[39]

On 21 May, a Cultural Diversity march was held in Yerevan by the Women's Resource Center and PINK, a group supporting lesbian, gay, bisexual, and transgender (LGBT) rights. Some media labeled the event "gay parade in disguise." Although there is no official ban on gay pride parades in Armenia, one has yet to take place there. A group of young men, including from the nationalist youth group Hayazn, staged a counter-protest with posters saying "Keep your kids away" and "Say 'no' to perversions." They attempted to disrupt the march but police intervened in order to prevent clashes between the two groups.[40] In October, Hayazn also obstructed the screening of *Parada,* a film by Srđan Dragojević about LGBT rights in Serbia. Three screenings, funded by the EU delegation and the German Embassy to Armenia, were announced, but protests from Hayazn led all of the venues to back out due to concerns of mass disorder and potential property damage.

Independent Media

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
5.25	5.50	5.50	5.75	5.75	6.00	6.00	6.00	6.00	5.75

Print media in Armenia are diverse. The online community is growing rapidly and the internet is becoming an increasingly reliable platform for independent information and opinions. However, television remains by far the most popular medium for news and entertainment, and political bias in broadcast media is heavy. Campaign coverage in 2012 was significantly more balanced than in previous election cycles.

A poll conducted in April revealed that 96 percent of Armenians receive information from television, 30 percent from the internet, and 20 percent from both print press and radio.[41] Over 29 percent of the national audience watches news programs on the country's leading television stations, most of which are strongly influenced by the government.[42] In September, the television station A1+, which has been denied a broadcasting license since it was banned from the airwaves on political grounds in 2002, reached an agreement with Armnews TV to broadcast a daily 20-minute news show on its frequency.[43]

Media monitoring organizations reported that Armenian television stations, including the public broadcaster, provided comparatively balanced coverage in the run-up to the May parliamentary elections.[44] Monitoring reports in April and May by the National Committee for Television and Radio (NCTV)—a body of 8 members appointed alternately by the president and parliament of Armenia—concluded that the election's six leading parties had received nearly equal coverage in major media.[45] The Yerevan Press Club, a local NGO, reported that the ruling

party received slightly more attention than its competitors, but still assessed 97 percent of election coverage as "neutral."[46] NCTV recorded a few violations of campaign coverage rules, fining the BHK-affiliated television station Kentron a million dram (or approximately $2,500) for airing political advertising for BHK on the eve of the election.[47] The committee decided against prosecuting Kentron and Yerkir TV for other violations, concluding that they had not affected the overall neutrality of campaign coverage.[48]

Expanding internet penetration in Armenia has been accompanied by a growing number of online television stations.[49] Traditional media increasingly make use of online social platforms and blogs.[50] Some regional and local television stations also have channels on YouTube.[51] According to a 2012 poll, 20 percent of Armenians turned to social media for political news in the run-up to the election.[52] Armenia has over 340,000 active Facebook users, making up 11.5 percent of the population,[53] a threefold growth over two years.[54] The cost of internet access continued to decrease in Armenia due to higher market competition. According to the International Telecommunications Union, the cost of a fixed-broadband internet connection went down by 35 percent in 2011.[55]

Although libel was decriminalized in 2010, some print and online media have faced civil defamation suits that endangered their financial sustainability. In the past, both Reporters Without Borders and Human Rights Watch have singled out defamation suits as the main concern for freedom of speech in Armenia. However, the number of such cases declined in 2012. Ten defamation suits were filed between January and September 2012, down from 25 in the same period in 2011.[56] A case filed by former president Robert Kocharyan against the newspaper *Hraparak* in 2011 was dropped in February when the paper published a retraction of the statements it had published about Kocharyan.[57] On 28 June, a court ordered the nationalist organization Mek Azg (one nation) to pay a symbolic fine and publish apologies to the three civic activists it had defamed using Facebook.[58]

Abuse of journalists remains relatively common in Armenia. According to the Committee for Protection of Freedom of Expression, in the first nine months of 2012, there were 4 instances of violence against journalists and 25 instances of intimidation (including lawsuits and fines), compared to 3 and 33 respectively during the same period in 2011.[59] In one case of intimidation, Hayk Gevorkyan, a reporter for the leading opposition paper *Haykakan Zhamanak,* was detained in February for having allegedly committed a hit-and-run on 13 January. Gevorkyan claimed the case had been fabricated and was retaliation for articles he had written criticizing the police.[60] After three days in detention, public pressure led to Gevorkyan's release. The subsequent investigation revealed that the hit-and-run had never taken place and the case was thrown out in July.[61]

Government bodies appeared more responsive to freedom of information requests in 2012. On 28 September, the Freedom of Information Center of Armenia (FOICA) awarded prizes to government agencies for having the most informative websites and quickest responses to information requests. For the first time, no single agency was handed the "rusted lock" award for poor performance, which, according

to FOICA, was the result of pressure applied by journalists organizations as well as greater cooperation on the part of the authorities.[62] In the World Economic Forum's *Global Competitiveness Report 2012–2013,* Armenia's government was ranked 16th out of 144 countries with respect to freedom of information.[63]

Local Democratic Governance

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
n/a	5.50	5.50	5.50	5.50	5.50	5.50	5.75	5.75	5.75

Armenia is subdivided into 10 regions and 915 communities. Regional governors administer the regions, while self-government bodies manage the communities. Each community has a representative body called the Council of Aldermen, with 5–15 members, and an executive body led by the community head, who is equivalent to a mayor. Aldermen and community heads are elected via public ballot for three-year terms. Community heads are accountable to the Council of Aldermen, which can approve laws, although implementation procedures are often lacking. While aldermen and community heads are nominally independent, in practice the centrally appointed regional governors have significant political and financial influence over local leaders. Little authority is left to local governance bodies, which often lack transparency, accountability, a clear understanding of the division of powers, and adequate human resources.

Despite constitutional amendments in 2005 that consolidated the independence of local self-governance bodies, no improvements have been visible in practice. The scarcity of local funding is a key concern of the self-governance system, especially in small communities. Because community budgets are funded by local taxes with modest subsidies from the central government, local taxes are too small to enable small communities to implement meaningful projects. Since 2009, the Ministry of Territorial Administration has been making plans to merge communities in order to increase their financial and managerial potential. On 10 November 2011, the government adopted a concept for the enlargement of communities and began planning practical steps for reducing the number of communities to about 200. The project has been on the table for two years and was still under consideration at the end of 2012. A bill to amend the Law on Local Governance was drafted in June based on the Additional Utrecht Protocol to the European Charter of Local Governance. The bill aims to strengthen citizen participation in the management of their communities by allowing them to partake in Council of Aldermen meetings.[64]

Mayoral and alderman elections were the primary focus of local politics in 2012. In February, a close mayoral race in Hrazdan city pitted Aram Danielyan of the HHK against a strong opposition candidate, HAK member and former Hrazdan mayor Sassoon Mikaelyan, a veteran of the Karabakh war who had spent three years in jail following the 2008 postelection unrest. When Mikaelyan received only 47 percent of the vote, his campaign headquarters alleged fraud. However, Mikaelyan did not file an appeal. Observers reported no significant irregularities on

the day of the vote, though some instances of vote-buying were reported by media in the lead-up to the election.[65]

Local elections held throughout the country on 9 and 23 September were more competitive and orderly than in previous years. Voter turnout was high, exceeding 50 percent in most communities.[66] However, the number of observers was much smaller than at parliamentary elections in May, including only about 1,000 local observers and 20 international observers from the Council of Europe (CoE) Congress of Local and Regional Authorities.[67] The latter noted that although the elections had met international standards, there had been many reports of vote-buying.[68]

HHK emerged from the 2012 local elections with nearly the same dominant position it holds on the national level. Of the nearly 4,800 candidates who stood in local polls, over 1,440 came from HHK. Of the 644 newly elected mayors, 404 (or 62.7 percent) represent the HHK. Just 55 (8.5 percent) are members of the BHK and 31 (4.8 percent) hail from Dashnaktsutyun.[69] The HAK and Heritage party remained traditionally passive in local elections, fielding fewer than 10 candidates each, a fact noted with regret by the Mission of the CoE Congress of Local and Regional Authorities.[70] Just 142 (22 percent) of the newly elected mayors are without party affiliation. Some candidates, including many women, retracted their candidacy right before the elections.[71] As a result, elections in about one-third of the communities ended up with just one candidate.

In Armenia's second largest city, Gyumri, the HHK decided against supporting the incumbent mayor, HHK member Vardan Ghukasyan, reportedly due to his ties to criminal circles.[72] Ghukasyan left the HHK and did not run in the election. In the absence of a strong candidate from its own party, the HHK put its support behind BHK member Samvel Balasanyan, who eventually won.[73] In late August, Ghukasyan's son was involved in a shootout, allegedly while trying to interfere with Balasanyan's campaign.[74]

Provincial governor posts are distributed among the ruling coalition based on quotas. When BHK exited the ruling coalition, the governors of Vayots Dzor and Gehgarkunik provinces representing the BHK were dismissed and replaced with HHK members Edgar Ghazaryan, the dean of the Faculty of Management at the State University of Economics, and Rafik Grigoryan, the head of the Parliamentary Commission for Local Self-Governance.

Judicial Framework and Independence

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
5.00	5.25	5.00	5.00	5.25	5.50	5.50	5.50	5.50	5.50

Attempts at judicial reform since 2007 have not succeeded in reducing the dependence of the prosecutor's office and court system on the executive branch. Human rights organizations regularly report abuses of power, corruption, and politically motivated actions by prosecuting bodies and courts. In August 2012,

media reported that the National Security Service (NSS) was investigating claims that judges, including one member of the Court of Appeals, had accepted bribes.[75] In 2012, the rate of acquittal in Armenian criminal courts was just 1.6 percent.[76] Public trust in the court system in 2012 was 16 percent.[77]

A number of investigations and court decisions during the year were suggestive of manipulation by political authorities. In July, four opposition activists arrested in 2011 for fighting with police were given prison sentences ranging from two to six years each. The HAK, Heritage, and a number of public activists condemned the sentences as disproportionate and organized public demonstrations in protest, without result.[78]

In late May, the NSS launched a money-laundering investigation against the Civilitas Foundation, a Yerevan-based nonprofit founded by onetime foreign minister Vartan Oskanian. In 2012, Oskanian left the board of Civilitas to serve in the parliament as a member of BHK. At the time of the investigation, he was widely expected to run for president in 2013. On 23 July, a first instance court rejected Civilitas's attempt to appeal the launch of the investigation. In response to a request from the Prosecutor's Office, the Armenian parliament voted in October to strip Oskanian of his parliamentary immunity, allowing law enforcement authorities to formally charge him with fraud.[79] Oskanian is accused of misappropriating some $1.4 million donated to Civilitas by an American philanthropist. The donor, however, has not presented any claims to Oskanian or Civilitas. The case was ongoing at year's end.

Armenia's judicial bodies are frequently criticized for turning a blind eye to human rights abuses by law enforcement authorities. In May 2012, the United Nations (UN) Committee against Torture (CAT) considered the Armenian government's third periodic report on compliance of state legislation and policies with the UN Convention against Torture. A number of civil society organizations, including the International Federation for Human Rights (FIDH) and its member organization in Armenia, Civil Society Institute (CSI), submitted alternative reports documenting regular abuses.[80] In its concluding statement, the CAT expressed serious concern over routine use of torture and ill-treatment of suspects in police custody, especially to extract confessions. It also pointed out the absence or inadequacy of key legal protections for detainees, including access to a lawyer, the right to notify relatives, and the right to a speedy trial.[81]

When Justice Minister Hrayr Tovmasyan was appointed in 2011, he announced plans for a large-scale reform of the justice system, focusing on efficiency, impartiality, and transparency. In July 2012, a strategic program of legal and judicial reforms for the 2012–16 period was approved by President Sargsyan.[82] Planned reforms will include changes to the criminal code, decriminalizing some activities and reducing sentences for others; the introduction of a probation system; clearer division of power between various parts of the system; reduced trial lengths; and ensured access to defense attorneys and legal aid. There are also plans to digitalize many services and concentrate them in one agency. As an indicator of the efficiency of the reform, public trust in the justice system will be measured twice every year.[83] By December

BEST AVAILABLE COPY

2012, the following components of the reform had been launched: a new system for training and appointing judges; training for probation officers; the drafting of a new Criminal Code and a new law on the prosecution service; research into the causes for slow trials; and the drafting of amendments to the Administrative Procedure Code. Both the ombudsman and the European Commission have voiced support for the planned reforms.[84]

Although the prison population of Armenia is small, penitentiaries are overcrowded and a number of inmates have died as a result of poor prison conditions.[85] A new facility is being built in Armavir city and due to open in 2013.[86] In September, some of the staff of Vardashen and Nubarashen prisons were fired or disciplined for poorly fulfilling of their duties.[87]

Corruption

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
5.75	5.75	5.75	5.75	5.75	5.50	5.50	5.50	5.25	5.25

Corruption remains a major concern in Armenian society. Anticorruption measures adopted by the government in 2011 and 2012 have led to improvements in some areas but no breakthrough was visible in 2012. Measurable corruption levels are declining at a slow pace. In a 2012 survey by the World Economic Forum, corruption was named by 16.9 percent of respondents as the most problematic factor affecting business,[88] down from to 19.9 percent in 2011.[89] According to the CRRC Caucasus Barometer, 6 percent of households reported paying a bribe in 2012, unchanged from 2011.[90] Among respondents who consider corruption a normal practice, 29 percent reported having paid bribes, but even among those who consider bribery unacceptable, 5 percent still said they had paid a bribe in 2011. These figures show that corruption opportunities are numerous and in some cases bribing is the only way to get things done.

The main anticorruption institutions of the Armenian government are the Anti-Corruption Council, headed by the prime minister, and the Anti-Corruption Strategy Monitoring Commission. The body responsible for monitoring finances of government institutions is the Chamber of Control (CoC), whose members are appointed by the Parliament. In its 2011 annual report (released in March 2012), the CoC described gross violations in state procurement due to inefficient, nontransparent, and discriminatory bidding procedures. The CoC report also documented large-scale misuse of funds by the Forestry Unit affiliated with the Ministry for Agriculture.[91] On 29 September, a CoC investigation led to the arrest of the former head of the State Social Security Service, Vazgen Khachikyan, who allegedly embezzled over $600,000 using a complicated scheme involving thousands of false beneficiaries. By year's end, another 42 individuals had been charged in connection with the case and 10 of them had been arrested, including the head of the Department of Pensions, Ashot Abrahamyan, and the former head of the Service of Social Payments, Hovhannes Grigoryan. In its 2012 Annual Report,

the CoC revealed numerous violations of protocol related to government spending in fields ranging from urban development and road construction to educational projects.[92]

The total number of corruption cases brought against public officials decreased to 465 in the period between January and November 2012, compared to 566 during the same period in 2011.[93] Public officials arrested on corruption charges in 2012 included the vice-governor of Kotayk province, Levon Mikaelyan, who was apprehended for accepting a bribe of $100. A subsequent investigation revealed that Mikaelyan had accepted bribes on previous occasions.[94] On 9 September, the head of the consular department of the Ministry for Foreign Affairs (MFA), Hakob Hadji-Hakobyan, was detained on charges of soliciting bribes from Armenian citizens abroad in exchange for quickly processing their applications for travel documents.[95] Other MFA officials were reportedly detained later in connection with the case.[96] In October, a senior executive from the mayor's office in Vanadzor was arrested for accepting a bribe of $1,100, which an investigation revealed was not his first.[97]

A high-profile case from 2011 concluded in May 2012, when a Yerevan court sentenced former Road Police Chief Margar Ohanyan to six years in prison for large-scale embezzlement. Ohanayan and three others were charged with conspiring to siphon off gasoline for personal gain.[98]

Lax oversight of goods procurement in the Armenian military also made headlines in 2012 when it was discovered that frozen buffalo meat imported from India was being served to soldiers in lieu of the locally supplied, fresh beef for which the defense budget pays. The ensuing investigation led to the arrest of Albert Ohanjanyan, the director of the meat factory responsible for the fraud, and the dismissal of the deputy head of the Army General Staff, Arshaluys Paytyan. Several army personnel, including Paytyan, were interrogated in connection with the scandal, but none had been arrested at year's end.[99] Ohanjanyan has been charged with fraud and misappropriation. Ohanjanyan has made threats to "tell the whole truth" if he is forced to testify.[100]

Beginning in 2011, steps were taken to create a new legal framework that would reduce opportunities for corruption by minimizing exchanges between citizens and bureaucrats. The State Cadastre of Land and Real Estate was fully reformed in accordance with these priorities in 2012. Since January 2012, client requests have been processed by service offices, ruling out all contact with territorial divisions of the cadastre. A new information technology system was put in place at the cadaster level, and real estate assessment was outsourced to licensed private contractors, further reducing contact between officials and customers.[101] A similar strategy was adopted in the vehicle insurance sector.[102] Insurance companies must now conclude and file all contracts in digital format, a timely measure since 70 percent of the complaints filed to the finance ombudsman in the first half of 2012 were against insurance companies.[103] A new law on income tax adopted in 2012 comes into force in January 2013, requiring that all tax reports be submitted in digital format and reducing the complexity of the tax system, which has previously been abused by tax officials. The efficiency of these and other measures remains to be seen.

Antimonopoly fines increased in 2012. The State Commission for Protection of Economic Competition fined the Catherine Group, a fertilizer import company, approximately $26,000 for allegedly abusing its position in the market by raising prices.[104] Armenia's largest network of pharmacies, Natalie Pharm, was fined about $130,000 in June for predatory pricing.[105] However, most of Armenia's largest commodity-based monopolies remain immune to fines. Some markets, especially food, are heavily monopolized, sometimes by just one importer.

▮ AUTHOR: ALEXANDER ISKANDARYAN

Alexander Iskandaryan is the director of the Caucasus Institute, a think tank and educational center in Yerevan, Armenia. He also lectures and publishes on politics, democracy, and political transition.

---

1 "Controversy between Nikol Pashinyan and Levon Zurabyan grows," Iragir.am, 18 October 2012, http://www.iragir.am/engsrc/country27748.html.

2 "US Ambassador: Oskanian case bad for justice and democracy in Armenia," Tert.am, 10 October 2012, http://www.tert.am/en/news/2012/10/10/john-heffern/.

3 "PACE seriously concerned over Oskanian case - Armenian delegates," Tert.am, 9 October 2012, http://www.tert.am/en/news/2012/10/09/pace-oskanian/.

4 "Tsarukyan will not run for President," Armenpress.am, 12 December 2012, http://armenpress.am/eng/news/702435/tsarukyan-will-not-run-for-president.html; and "Former President Ter-Petrossian will not run in Armenian election," Radio Free Europe/Radio Liberty (RFE/RL), 25 December 2012, http://www.rferl.org/content/ter-petrossian-not-contesting-presidential-election-armenia/24808538.html.

5 National Statistical Service of the Republic of Armenia, *Social Snapshot and Poverty in Armenia* (Yerevan: National Statistical Service, 28 November 2012), 41, http://www.armstat.am/file/article/poverty_2012e_2.pdf.

6 "Prime-minister: Armenia's economic growth at 7.2% in 2012." ARKA.am, 28 February, 2013. http://mail.arka.am/en/news/economy/prime_minister_armenia_s_economic_growth_at_7_2_in_2012/

7 The World Bank Group, *Doing Business 2012: Armenia* (Washington, DC: The World Bank Group, 2013), http://www.doingbusiness.org/data/exploreeconomies/armenia/.

8 Ministry of Justice (MOJ) State Register, Иностранные инвестиции *в* январе–июне *2012* года [Foreign Investments in January–June 2012], http://www.armstat.am/file/article/sv_07_12r_420.pdf.

9 Office of the Press Secretary of the United States White House, "Statement by NSC Spokesman Tommy Vietor on Azerbaijan's Decision to Pardon Ramil Safarov," news release, 31 August 2012, http://www.whitehouse.gov/the-press-office/2012/08/31/statement-nsc-spokesman-tommy-vietor-azerbaijan-s-decision-pardon-ramil-.

10 Office of the President of Russia, "Совместное заявление Президентов Азербайджанской Республики, Республики Армения и Российской Федерации по нагорно-карабахскому урегулированию от 23 января 2012 года" [Joint Statement by the Presidents of Azerbaijan, Armenia and the Russian Federation on the Nagorno-Karabakh conflict], news release, 23 January 2012, http://news.kremlin.ru/ref_notes/1135.

11 Statement of the Organization for Security and Cooperation in Europe (OSCE) Minsk Group Co-Chairs, 8 November 2012, http://www.osce.org/mg/97469.

12 "There is an essential progress in all spheres of Armenia-EU cooperation," Armenpress.am, 11 October 2012, http://armenpress.am/eng/news/695992/there-is-an-essential-progress-in-all-spheres-of-armenia-eu-cooperation.html.

13 "The EU and Armenia signed a visa facilitation agreement," Mediamax.am, 17 December 2012, http://www.mediamax.am/en/news/society/6502/.

14 Anna Barseghyan, "Armenian election coverage improves," IWPR.net, 2 May 2012, http://iwpr.net/report-news/armenian-election-coverage-improves.

15 OSCE Office for Democratic Institutions and Human Rights (OSCE/ODIHR), *OSCE/ODIHR Final Report on Armenia's Parliamentary Elections Recommends Steps to Improve Integrity of Election Process* (Yerevan: OSCE/ODIHR, 7 May 2012), http://www.osce.org/odihr/elections/91692.

16 Policy Forum Armenia, *Armenia's 2012 Parliamentary Election* (Yerevan: Policy Forum Armenia, December 2012), 3, http://www.pf-armenia.org/sites/default/files/documents/files/PFA%20-%20Report%2012.12%20web.pdf.

17 Central Electoral Commission of the Republic of Armenia (CEC), *Information on participants voting in proportional electoral system in the National Assembly Elections of RA on 6 May 2012* (Yerevan: CEC, May 2012), http://res.elections.am/images/doc/masnak06.05.12p_en_.pdf

18 OSCE/ODIHR, *Final Report of the OSCE/ODIHR Election Observation Mission on the 19 February 2008 Presidential Election in the Republic of Armenia* (Warsaw: 30 May 2008), 6, http://www.osce.org/odihr/elections/armenia/32115.

19 Ibid, 19.

20 "IOM: Elections were peaceful but there were also cases of interference in the election process," Mediamax.am, 7 May 2012, http://m.mediamax.am/en/news/99/4921.

21 Policy Forum Armenia, *Armenia's 2012 Parliamentary Election* (Yerevan: Policy Forum Armenia, December 2012), 3, http://www.pf-armenia.org/sites/default/files/documents/files/PFA%20-%20Report%2012.12%20web.pdf.

22 CEC, *The List of International Organizations Carrying out Election Observation Mission on May 6, 2012 Election to the RA National Assembly* (Yerevan: CEC, 6 May 2012), http://res.elections.am/images/doc/dit06.05.12m_en.pdf.

23 iDitord, "Մինչ այս պահը գրանցվել է 1107 հաղորդագրություն" [Up to this point 1107 messages registered], news release, https://iditord.org/2012-parliamentary-elections/.

24 "Electoral bribes in Abovyan reach AMD 25000," Panorama.am, 4 April 2012, http://www.panorama.am/en/politics/2012/04/04/hzh1

25 "BHK member admits his guilt," A1Plus, 30 August 2012, http://www.a1plus.am/en/politics/2012/08/30/armen-matevosyan

26 Policy Forum Armenia, *Armenia's 2012 Parliamentary Election* (Yerevan: Policy Forum Armenia, December 2012), 3, http://www.pf-armenia.org/sites/default/files/documents/files/PFA%20-%20Report%2012.12%20web.pdf.

27 Three women on the party list of BHK who were eligible to get mandates but did not were Tamara Poghosyan, Hripsime Avetisyan, and Marine Bogdanyan.

28 Ministry of Justice State Register, Ամփոփ տվյալներ իրավաբանական անձանց պետական միասնական գրանցամատյանում առկա իրավաբանական անձանց և անհատ ձեռնարկատերերի վերաբերյալ [Summary Data of Legal Entities and Individual Entrepreneurs] (Yerevan: Ministry of Justice State Register), http://armstat.am/file/article/sv_06_10a_150.pdf.

29 "В Армении адвокаты по делу о смерти Аветяна заявляют о нарушениях в ходе следствия" [In Armenia lawyers on Avetyan's case report about violations during investigation], Kavkazskiy Uzel, 27 August 2012, http://www.kavkaz-uzel.ru/articles/211767/.

30 Tamada Tales, "Syrian-Armenians in Search of New Homes in the Caucasus," EurasiaNet.org, 17 July 2012, http://www.eurasianet.org/node/65669.

31 "Armenia: An uncertain 'homecoming' for Syria's diaspora," EurasiaNet.org, 31 July 2012, http://www.eurasianet.org/node/65728.

32 Naira Hayrumyan. "Experts: Armenian oligarchy's fate at stake in Mashtots Park," ArmeniaNow.com, 2 April 2012, http://armenianow.com/society/environment/37004/yerevan_mashtots_park_pavilions_dismantling.

33 Siranuysh Papyan, "Struggle between 'form' and 'Law'," Lragir.am, 2 May 2012, http://www.lragir.am/engsrc/interview26021.html.

34 "The Exploitation of the Teghut Mine will have disastrous consequences," Hetq.am, 6 March 2012, http://hetq.am/eng/articles/11561/.

35 "Mayor of Jermuk says no to Amulsar gold mine," Hetq.am, 17 March 2012, http://hetq.am/eng/news/11953/mayor-of-jermuk-says-no-to-amulsar-gold-mine.html.

36 "Public hearings on project documents of Amulsar gold open mine expansion," Aarhus.am, 30 July 2012, http://www.aarhus.am/index.php?option=com_content&view=article&id=1039:public-hearings-on-project-documents-of-amulsar-gold-open-mine-expansion&catid=10:news-en&Itemid=532&lang=en.

37 Ibid.

38 Karine Lonesyan, "Gay rights under attack in Armenia," IWPR.net, 25 May 2012, http://iwpr.net/report-news/gay-rights-under-attack-armenia.

39 Embassy of the United States, "U.S. Embassy Statement on Violence against Minorities," official release, 24 May 2012, http://armenia.usembassy.gov/news052412.html.

40 Gayane Abrahamyan, "Armenia: A blurry line in Yerevan between hate crime and defense of 'national interests,'" EurasiaNet.org, 21 May 2012, http://www.eurasianet.org/node/65436.

41 European Friends of Armenia, *Poll: Last Assessment of the Pre-Electoral Armenia* (Brussels: European Friends of Armenia, April 2012), http://www.eufoa.org/uploads/Poll_28.04.2012_EN.pdf.

42 "Նախորդ շաբաթվա ընթացքում Հայաստանում առավելագույնը դիտված 50 հեռուստահաղորդումները" [50 most-viewed TV shows in Armenia during last week], Tert.am, 17 October 2012, http://tert.am/am/news/2012/10/17/top-50-programmes/.

43 "Ayb-Fe on Armnews channel," A1plus.am, 4 September 2012, http://www.a1plus.am/en/social/2012/09/04/uxix-eter.

44 Anna Barseghyan, "Armenian election coverage improves," IWPR.net, 2 May 2012, http://iwpr.net/report-news/armenian-election-coverage-improves.

45 TV and Radio State Committee, ՀՌԱՀ մետադիտարկման արդյունքները և եզրակացությունը վերջնական եթերային հեռարձակում իրականացնող հեռուստաընկերությունների, ռադիոընկերությունների կողմից 2012թ. մայիսի 6-ի Ազգային ժողովի ընտրությունների նախընտրական քարոզչության սահմանված կարգի պահպանման վերաբերյալ [TRSC's Monitoring Results and Conclusions on the Maintenance of the 6 May 2012 Parliamentary Elections' Pre-Election Campaign Regulations by Broadcasting Television and Radio] (Yerevan: TV and Radio State Committee), http://www.tvradio.am/uploads/0814.pdf.

46 Yerevan Press Club, *Отчет по мониторингу освещения вещательными СМИ Армении Выборов в Национальное Собрание РА 6 мая 2012* [Report on Monitoring of the Broadcasting Media Coverage of the Parliamentary Elections on 6 May 2012] (Yerevan: Yerevan Press Club, 2012), http://www.ypc.am/upload/YPC%20Monitoring_Second%20Stage_April%208-%20May%204,%202012_rus.pdf.

47 "Armenian Kentron TV channel staff is really frightened but for other reason," Lurer.com, 12 May 2012, http://lurer.com/?p=22716&l=en.

48 "НКТР 'помиловала' 'Кентрон' и 'Еркир медиа,'" [National Committee on TV and Radio pardoned "Kentron" and "Yerkir Media"], Armtoday.info, 18 May 2012, http://www.armtoday.info/default.asp?Lang=_Ru&NewsID=66346.

49 Popular Armenian online TV stations include asekose.am, slaq.am, lurer.com, a1plus.am, webtv.am, hottv.am, civilnet.am.

50 Armenian media heavily relying on information from blogs and social networks include lurer.com, blognews.am, emedia.am, epress.am.

51 For a list of live streaming Armenian broadcasters and YouTube channels, see http://www.armenia.tv/.

52 European Friends of Armenia, *Poll: Last Assessment of the Pre-Electoral Armenia.*

53 Social Bakers, *Facebook Statistics by Country*, http://www.socialbakers.com/facebook-statistics/page-3/.

54 Social Bakers, *Armenia Facebook Statistics*, http://www.socialbakers.com/facebook-statistics/armenia.

55 International Telecommunication Union (ITU), *Measuring the Information Society* (Geneva: ITU, 2012), 77, 89, http://www.itu.int/ITUD/ict/publications/idi/material/2012/MIS2012_without_Annex_4.pdf.

56 Committee to Protect Freedom of Expression (CPFE), *CPFE Annual Report 2012* (Yerevan: CPFE, April 2012), http://khosq.am/en/reports/annual-report-2012/.

57 Yerevan Press Club, *YPS Weekly Newsletter* (Yerevan: Yerevan Press Club, 17–23 February 2012), http://www.ypc.am/bulletin/ln/en/t/45348.

58 Information Disputes Council, *Opinion on the Verdict of the General Jurisdiction Court of Ajapnyak and Davitashen Administrative Districts of Yerevan issued on 28.06.2012, On the Court Case filed by Daniel Ioannisyan, Bayandur Poghosyan and Hasmik Simonyan vs "Mek Azg" Party* (Yerevan: Information Disputes Council, 7 September 2012), 3, http://www.ypc.am/upload/Facebook_September%207_2012_eng.pdf.

59 CPFE, *CPFE Quarterly Report (April–June 2012) On the Situation with Freedom of Speech and Violations of Rights of Journalists and Media in Armenia* (Yerevan: CPFE, July 2012), http://khosq.am/en/reports/cpfe-quarterly-report-april-june-2012/.

60 "Journalist Accuses Armenian Police of Framing Him," GroundReport.com, 13 February 2012, http://www.groundreport.com/World/Journalist-Accuses-Armenian-Police-of-Framing-Him/2944246.

61 Irina Hovhannisyan, "Главный редактор газеты 'Айкакан жаманак' не удовлетворен закрытием возбужденного против него дела" [Editor-in-chief of "Haikakan Zhamanak" unsatisfied with the closure of the case], Azatutyuan.am, 9 July 2012, http://rus.azatutyun.am/content/article/24640967.html.

62 "Впервые за 10 лет номинации ЦСИ за открытость информации ни одна структура в Армении не получила 'ржавый замок'" [For the first time in 10 years CFI nomination for the transparency of information history none of the Armenian structures received a "Rusty Lock"], Novosti-Armenia, 28 September 2012, http://www.newsarmenia.ru/society/20120928/42725571.html.

63 Klaus Schwab, ed., *The Global Competitiveness Report 2012–2013* (Geneva: World Economic Forum, 2012), 93, http://www3.weforum.org/docs/WEF_GlobalCompetitivenessReport_2012-13.pdf.

64 Ministry of Territorial Administration of RA, Հայաստանի Հանրապետության օրենքը 'Տեղական ինքնակառավարման մասին' Հայաստանի Հանրապետության օրենքում լրացումներ կատարելու մասին [On Making Supplements to the Law on "Local Governance"] (Yerevan: Ministry of Territorial Administration), http://www.mta.gov.am/files/docs/333.pdf.

65 "Final results: Incumbent mayor beats opposition candidate Sasun Mikaelyan in Hrazdan elections," Epress.am, 13 February 2012, http://www.epress.am/en/2012/02/13/final-results-incumbent-mayor-beats-opposition-candidate-sasun-mikaelyan-in-hrazdan-elections.html.

66 CEC, Տեղեկատվություն 2012թ. սեպտեմբերի -9ի տեղական ինքնակառավարման մարմինների ընտրություններին քվեարկության մասնակիցների վերաբերյալ [Information on 9 September 2012 Local Governance Elections Participants] (Yerevan: CEC, 9 September 2012), http://res.elections.am/images/doc/masnak09.09.12.pdf; and CEC, Տեղեկատվություն 2012թ. սեպտեմբերի 23-ի տեղական ինքնակառավարման մարմինների ընտրություններին քվեարկության մասնակիցների վերաբերյալ [Information on 23 September 2012 Local Governance Elections Participants] (Yerevan: CEC, 23 September 2012), http://res.elections.am/images/doc/masnak23.09.12.pdf.

67 CEC, *The List of domestic NGOs carrying out election observation mission of September 23, 2012 Elections to the RA Local Self-Government* (Yerevan: CEC, 23 September 2012), http://res.elections.am/images/doc/dit23.09.12e.pdf.

68 "CoE: Armenian parties lacked engagement at local governance elections," PanArmenian.net, 24 September 2012, http://www.panarmenian.net/eng/news/124298/.

69 Arpi Harutyunyan, "Ruling party set to sail through assembly elections since opponents say they're holding off for bigger things," IWPR.net, 7 September 2012, http://iwpr.net/report-news/armenian-opposition-opts-out-local-polls.

70 "CoE: Armenian parties lacked engagement at local governance elections," PanArmenian.net, 24 September 2012, http://www.panarmenian.net/eng/news/124298/.

71 CEC, *Information on Community Leader Elections* (Yerevan: CEC, 9 September 2012), http://res.elections.am/images/doc/09.09.12e.xls; and CEC, *Information on Community Leader Elections* (Yerevan: CEC, 23 September 2012), http://res.elections.am/images/doc/23.09.12e.xls.

72 "VardanGhukasyan's son wanted," Lurer.com, 29 August 2012, http://lurer.com/?p=37906&l=en; and "Գլխի՞ց են բռնելու" [Will they hold him by the head?], Armtimes.com, 23 October 2012, http://www.armtimes.com/37237.

73 CEC, *To the Head of Community (Shirak-Gyumri) Elections* (Yerevan: CEC, 9 September 2012), http://www.elections.am/selfgovernmentbodies/election-25048/.

74 "Vardan Ghukasyan's Son Wanted," Lurer.com, 29 August 2012, http://lurer.com/?p=37906&l=en.

75 "Hraparak: NSS examining complaints against judges," Panorama.am, 7 August 2012, http://www.panorama.am/en/press/2012/08/07/hraparak3/?sw.

76 U.S. Department of State, *Armenia 2012 Human Rights Report* (Washington, DC: 2012), 11, http://www.state.gov/documents/organization/204468.pdf.

77 CRRC Caucasus Barometer 2012, http://www.crrccenters.org/caucasusbarometer/datasets/.

78 "'The case is faked-up,' assures the lawyer commenting the complaint he lodged with the Court of Appeal," Hra.am, 21 July 2012, http://www.hra.am/en/point-of-view/2012/07/21/activists.

79 "Parliament Clears Way For Oskanian's Prosecution," Azatutyun.am (RFE/RL Armenian service), 2 October 2012, http://www.azatutyun.am/content/article/24726726.html.

80 "Joint open letter to the President of Armenia—From words to acts: Putting an end to torture and ill-treatments in Armenia," Fidh.org, 26 October 2012, http://www.fidh.org/Joint-Open-Letter-to-the-President-12341.

81 Council of Europe (CoE), *Report to the Armenian Government on the visit to Armenia carried out by the European Committee for the Prevention of Torture and Inhuman or Degrading Treatment or Punishment (CPT) from 5 to 7 December 2011* (Strasbourg: CoE, 3 October 2012), http://www.cpt.coe.int/documents/arm/2012-23-inf-eng.pdf.

82 "Armenian President signs confirms strategic program on judiciary system reforms," ArmTown.com, 2 July 2012, http://www.armtown.com/news/en/nws/20120702/111927/.

83 MOJ, Ռազմավարական ծրագիր ՀՀ իրավական և դատական բարեփոխումների *2012–2016*թթ [Program for Judicial and Legal Reform in Armenia for 2012–2016] (Yerevan: MOJ, 2012), http://www.justice.am/storage/files/improvements/improvements_5091018222_753.pdf.

84 "Armenian ombudsman backs justice reforms," Tert.am, 26 July 2012, http://tert.am/en/news/2012/07/26/karen-andreasyan/; and European Commission, "European Commission allocates new funding for judicial reform and economic integration in Armenia," news release, 28 August 2012, http://europa.eu/rapid/press-release_IP-12-918_en.htm.

85 The number of inmate deaths was 37 in 2010, 26 in 2011, and 17 in the first half of 2012. See International Center for Prison Studies, *World Prison Brief—Armenia*, http://www.prisonstudies.org/info/worldbrief/wpb_country.php?country=120.

86 "Armenian Justice Minister Hrayr Tovmasyan attends Armavir jail construction," Panarmenian.net, 8 October 2012, http://www.panarmenian.net/eng/photoset/all/3034.

87 MOJ news releases: "Կարգապահական տույժ եւ խիստ նկատողություն՝ 'Վարդաշեն' և 'Նուբարաշեն' ՔԿՀ-ների երեք աշխատակիցների նկատմամբ" [Disciplinary Penalty and Severe Reprimand to the three Employees of 'Varbashen' and 'Nubarashen' Districts], 19 September 2012, http://www.moj.am/article/522; "Նախարարի հրամանները" [Orders of the Minister], 7 September 2012, http://www.moj.am/article/488; "Ծառայողական պարտականությունները ոչ պատշաճ կատարելու համար ազատվել են աշխատանքից" [For a Non Proper Fullfilment of Official Duties the Following Personel Has Been Dismissed], 18 October 2012, http://www.moj.am/article/547; and "Ժամանակավորապես դադարեցվել է 'Դատապարտյալների հիվանդանոց' ՔԿՀ-ի պետի լիազորությունները" [Head of the 'Hospital of Convicts' Temporarily Suspended], 19 September 2012, http://www.moj.am/article/524.

88 Klaus Schwab, ed., *The Global Competitiveness Report 2012–2013*, 92.

89 Klaus Schwab, ed., *The Global Competitiveness Report 2011–2012* (Geneva: World Economic Forum, 2011), 100, http://www3.weforum.org/docs/WEF_GCR_Report_2011-12.pdf.

90 CRRC Caucasus Barometers 2011 and 2012. http://www.crrccenters.org/caucasusbarometer/datasets/.

91 Chamber of Control (CoC) of Republic of Armenia, *2011 Annual Report* (Yerevan: CoC, 2012), http://www.coc.am/files/year_reports/Arm_11_5_2012_13_38_42_dbtqvwbw.doc.

92 CoC, *2012 Annual Report* (Yerevan: CoC, 2013), http://www.coc.am/YearReportsEng.aspx?ReportYear=2012.

93 MOJ State Register, "Violations of Law," http://www.armstat.am/file/article/sv_08_12a_520.pdf.

94 "Deputy Governor arrested for bribery," A1plus.am, 13 July 2012, http://www.a1plus.am/en/social/2012/07/13/arrest.

95 "MFA official arrested on bribery charges," A1plus.am, 10 September 2012, http://www.a1plus.am/en/official/2012/09/10/agn.

96 "Ժողովուրդ. ԱԳՆ-ից էլի ձերբակալվածներ կան" [Zhojovurd: More people arrested in MFA], Armlur.am, 11 September 2012, http://www.armlur.am/index.php?page=article&id=32441.

97 "Armenia's Vanadzor Municipality official caught while taking bribe," Tert.am, 4 October 2012, http://www.tert.am/en/news/2012/10/04/bribe/?sw.

98 "Guilty of gasoline theft—Court sentences former traffic police chief Ohanyan to 6 years," Hetq.am, 30 May 2012, http://hetq.am/eng/print/14996/.

99 Ruzanna Stepanyan, "Минобороны расследует дело о злоупотреблениях в сфере поставок" [Ministry of Defence is investigating a case of abuses in supplies], Azatutyun.am, 18 September 2012, http://rus.azatutyun.am/content/article/24712212.html.

100 "Director of Kapan Meat Company ready to share truth," Lragir.am, 19 October 2012, http://www.lragir.am/engsrc/country27773.html.

101 "Elimination of direct contacts between Armenian Cadastre's officers and clients lessens corruption risks," Arka.am, 6 March 2012, http://arka.am/en/news/economy/elimination_of_direct_contacts_between_armenian_cadastre_s_officers_and_clients_lessens_corruption_r/.

102 "В Армении договоры ОСАГО будут заключаться исключительно электронным способом" [OSAGO car insurance contracts in Armenia will be exclusively electronic], News.am, 1 September 2012, http://news.am/rus/news/119137.html.

103 "Armenian financial ombudsman's office helped clients to offset over AMD 76 million in 2012's 1Q," Armbanks.am, 9 October 2012, http://www.armbanks.am/en/2012/10/09/42178/.

104 "Armenian fertilizer importing company 'Catherine Group' was fined in the amount of 10 million drams," Lurer.com, 24 January 2012, http://lurer.com/?p=10083&l=en.

105 "MP Aleksanyan's Natali Pharm Gets Fined 50 Million AMD," Hetq.am, 11 June 2012, http://hetq.am/eng/news/15393/.

Azerbaijan

Capital: Baku
Population: 9.2 million
GNI/capita, PPP: US$8,950

Source: The data above are drawn from the World Bank's *World Development Indicators 2013.*

Nations in Transit Ratings and Averaged Scores

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Electoral Process	6.00	6.25	6.50	6.50	6.50	6.75	6.75	7.00	7.00	7.00
Civil Society	4.50	4.75	5.00	5.25	5.25	5.50	5.75	5.75	6.00	6.25
Independent Media	5.75	6.00	6.00	6.25	6.25	6.75	6.75	6.75	6.75	6.75
Governance*	5.75	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
National Democratic Governance	n/a	6.00	6.00	6.00	6.00	6.25	6.50	6.50	6.75	6.75
Local Democratic Governance	n/a	6.00	6.00	6.00	6.00	6.25	6.25	6.50	6.50	6.50
Judicial Framework and Independence	5.50	5.75	5.75	5.75	5.75	5.75	6.25	6.25	6.50	6.50
Corruption	6.25	6.25	6.25	6.25	6.25	6.50	6.50	6.50	6.50	6.75
Democracy Score	5.63	5.86	5.93	6.00	6.00	6.25	6.39	6.46	6.57	6.64

** Starting with the 2005 edition, Freedom House introduced separate analysis and ratings for national democratic governance and local democratic governance to provide readers with more detailed and nuanced analysis of these two important subjects.*

NOTE: The ratings reflect the consensus of Freedom House, its academic advisers, and the author(s) of this report. The opinions expressed in this report are those of the author(s). The ratings are based on a scale of 1 to 7, with 1 representing the highest level of democratic progress and 7 the lowest. The Democracy Score is an average of ratings for the categories tracked in a given year.

Executive Summary

Azerbaijan is ruled by an authoritarian regime characterized by intolerance for dissent and disregard for civil liberties and political rights. When President Heydar Aliyev came to power in 1993, he secured a ceasefire in Azerbaijan's war with Armenia and established relative domestic stability, but he also instituted a Soviet-style, vertical power system based on patronage and the suppression of political dissent. Ilham Aliyev succeeded his father in 2003, continuing and intensifying the most repressive aspects of his father's rule. Since then, the inflow of significant oil revenues has fueled presidential patronage, strengthened the state's security apparatus, and partially subdued both domestic and foreign criticism of the regime.

The popular Eurovision Song Contest, which Baku hosted in May 2012, gave citizens an opportunity to shine a global spotlight on their government's contempt for basic democratic and human rights practices. Independent civil society organized highly visible protests and campaigns in the run-up to the event. The state responded with mass arrests and new violations of due process, despite appeals by human rights organizations, European institutions, and international media. Throughout the year, the government detained political opponents, activists, and journalists, usually on bogus or exaggerated criminal charges. It also enacted legislation increasing fines and jail terms for participation in unauthorized public events.

It did all this with the aid of a compliant judiciary and a legislature in which the President's New Azerbaijan Party (YAP) is the only party with more than three seats. Throughout the year, policymaking lacked public input and permitted the regime to consolidate power. Court proceedings targeted regime critics and violated their basic legal rights. Only superficial efforts were made to include opposition parties in the political environment. The country's approach to corruption also worsened, with new legislation limiting access to information and an ambivalent response from the government to a scandal implicating high-level officials in electoral bribery.

Negotiations to resolve the Nagorno-Karabakh conflict, which has resulted in nearly one million Azerbaijani refugees and internally displaced persons (IDPs), did not progress. The violation of a ceasefire in June resulted in casualties, and the regime ignored international concern when it promoted an army officer convicted of murdering an Armenian counterpart. The country's military budget also continued to grow, reaching $4.4 billion in 2012, up from $3.12 billion in 2011.

National Democratic Governance. The government of Azerbaijan maintained its authoritarian rule in 2012 through a system of political patronage fed by oil revenues and premised on repressive measures that stifle political dissent. Public

protests against human rights abuses, including in the lead-up to Baku's hosting of Eurovision, garnered unprecedented attention and support for democratic reforms in Azerbaijan. The government, however, responded with brutal crackdowns, arrests, and undemocratic trials. The regime also took no steps to liberalize the work of the parliament, which remained dominated by Aliyev loyalists. A continued decline in oil production and weak GDP growth signaled that the regime's reliance on income from natural resources to amass and retain power is fleeting. Owing to continued authoritarian methods of rule, *Azerbaijan's national democratic governance rating remains unchanged at 6.75.*

Electoral Process. Since the adoption of the country's constitution in 1995, elections in Azerbaijan have been marred by fraud, violations of freedom of assembly, restrictions on opposition candidates, and voter intimidation. In 2012, the government retained recent legal amendments that lifted the term limit on the presidency, reduced the length of election cycles, and withdrew state financing from campaigns. The government introduced public financing for political parties in 2012, but the deliberately unequal distribution of these new resources ensures that opposition parties will get minimal support. Presidential elections in 2013 are likely to follow the same course, as recent polls and favor the Aliyev regime. Due to persistent legal restrictions and electoral misconduct that reinforce the ruling party's power over polls, *Azerbaijan's electoral process rating remains unchanged at 7.00.*

Civil Society. The legal environment for Azerbaijan's civil society, long characterized by violations of expression, assembly, and other rights, worsened in 2012. Authorities crushed protests organized in the lead-up to Eurovision in May and continued to suppress public demonstrations throughout the year. The parliament passed provisions that increased fines for participation in unauthorized rallies, while the government arrested numerous regime opponents on fabricated or exaggerated legal charges. These developments confirmed that Azerbaijan's regime remains firmly resistant to democratic reforms that would open up public space for genuine political debate. Owing to increased restrictions on freedom of assembly, *Azerbaijan's civil society rating declines from 6.00 to 6.25.*

Independent Media. The regime's systematic suppression of independent broadcast, print, and online media has effectively silenced public debate. Attacks on media in 2012 took the form of physical abuse and smear campaigns against journalists, criminal charges of defamation and libel against outlets and reporters, tight regulation of television and radio, and increasing restrictions on internet use and online expression. These flagrant abuses of press freedoms occurred despite international criticism of the country's media environment in the run-up to Eurovision and Baku's hosting of the Internet Governance Forum (IGF) in November. Owing to the persistently repressive nature of the country's media environment despite global concern, *Azerbaijan's independent media rating remains unchanged at 6.75.*

Local Democratic Governance. Azerbaijan's constitution provides for local self-governance, but in reality, municipalities function as arms of the executive branch. Municipalities are seriously underfunded and lack meaningful responsibilities or decision-making authority. In 2012, a presidential decree significantly broadened the local responsibilities of state authorities and extended their control over the local structures of national ministries. The decree ran contrary to the values of the European Charter for Local Self Government, which Azerbaijan has ratified. Protests in the city of Guba led the government to fire one of its own appointees, though police used excessive force against protesters and authorities subsequently arrested journalists in connection with the unrest. Owing to the continued subordination of local structures to the Aliyev regime, *Azerbaijan's local democratic governance rating remains unchanged at 6.50.*

Judicial Framework and Independence. In 2012, the judiciary remained a tool for carrying out the regime's political will. The selection of judges is neither independent nor objective, and a lack of professionalism in the courts fuels corruption. The number of politically motivated court decisions is high, resulting in the convictions of political opponents, journalists, and human rights defenders on trumped-up or false criminal charges. In addition, cases are rife with procedural irregularities that reveal pervasive disrespect for the basic legal rights of defendants. Owing to the executive's control of the judiciary and the large number of politically motivated court decisions, *Azerbaijan's judicial framework and independence rating remains at 6.50.*

Corruption. Azerbaijan has consistently ranked among the world's most corrupt countries, with wealth from the state's massive oil exports creating huge opportunities for graft. Because critical institutions, including the media and judiciary, are largely subservient to the president and ruling party, government officials are rarely held accountable for corruption. Investigative reports published by foreign media in early 2012 revealed that President Ilham Aliyev and his immediate family control huge assets, including monopolies in the economy's most lucrative sectors. A few months later, President Aliyev signed a series of legal amendments allowing companies' organizational structures and ownership to remain secret. The release of a video showing a member of the parliament engaging in electoral bribery set off a national scandal. Due to the indifference of authorities to widespread graft and government efforts to further reduce transparency in the country's commercial sector, *Azerbaijan's corruption rating declines from 6.50 to 6.75.*

Outlook for 2013. Although, thanks to biased election laws and a tightly controlled campaign and polling structure, President Aliyev will almost certainly win reelection in October 2013, the legitimacy of his regime will continue to erode, making it increasingly dependent on the state oil fund, which is projected to post a deficit. Salaries and pensions will remain too low to meet the population's needs in the face of rising commodity prices. Public dissent will continue to mount,

with the opposition becoming more united ahead of the elections. The regime's probable strategy for dealing with such threats is reflected in a significant increase in allocations to law enforcement bodies in the 2013 budget.

Main Report

National Democratic Governance

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
n/a	6.00	6.00	6.00	6.00	6.25	6.50	6.50	6.75	6.75

Although the separation of powers is guaranteed by the constitution, in reality the executive branch fully dominates both the legislature and the judiciary. The 125-seat Milli Majlis (parliament) is a rubber-stamp body with no oversight or public debate function. The country's top-down governance system operates through patronage networks, which extend well into the country's regions, where they control local self-government structures. In 2012, President Ilham Aliyev continued to strengthen his system of control and patronage by supporting loyal bureaucrats while simultaneously suppressing dissent and denying basic freedoms in various spheres of public life.

Neither of the country's largest opposition parties, Musavat and Popular Front, was awarded any seats after the fraudulent parliamentary elections of 2010.[1] The parliament remains dominated by the New Azerbaijan Party (YAP), in power since the election of former president Heydar Aliyev in 1993. Presidential power is not subject to any sort of independent audit or public monitoring. The creation of the ombudsperson's office in 2001 was a positive step, but the office's lack of independence gives it limited capacity. Without public hearings, town meetings, or TV broadcasts of parliamentary sessions, the Azerbaijani public has little ability to directly influence or even criticize legislative processes.

Azerbaijan's natural resource wealth, which fueled vast GDP growth in the mid-2000s, has helped assure the stability of the executive's control over the country. Economic power is largely concentrated among the president, his family, and a small group of oligarchs, creating a dangerous convergence of political and economic interests. The constitution does not allow members of the parliament, cabinet ministers, or judges to own businesses, but there is no such provision regarding the president or the relatives of government officials. In addition to benefits accrued from oil sales, investigative articles published in early 2012 revealed business dealings by the president's family in the gold industry and in the construction of Baku's Crystal Hall, the 2012 Eurovision Song Contest venue.

Critics have argued that Azerbaijan's wealth and location, critical for transnational pipelines and other transportation projects, have lent it geopolitical significance at the expense of due criticism for illiberal practices. As a result, they say, the government feels emboldened to continue cracking down on dissent. In 2012, the government stepped up its suppression of perceived regime threats, even as popular campaigns surrounding the Eurovision contest, a high-profile public relations investment meant to burnish Azerbaijan's international image, drew global attention to the regime's human rights record. Major outlets, such as the British

Broadcasting Corporation (BBC), *The New York Times*, and *Der Spiegel*, published articles and video segments highlighting the country's poor governance.[2]

Despite a lack of democratic reforms in 2012, sluggish economic development harbingered future cracks in the status quo. The regime is heavily dependent on oil revenues, but falling barrel prices and a significant downturn in oil production have led to a dramatic decrease in GDP growth, down to less than 5 percent from over 30 percent as recently as 2006.[3] Although President Aliyev has blamed international companies and institutions for this decline, it is clearly linked to bureaucratic inefficiency, weak legal institutions, corruption in cross-border transactions, and monopolistic interests that continue to hinder investment in non-oil sectors of the economy. Given its weak economic performance and failure to enhance non-oil sectors, Azerbaijan continued in 2012 to use its oil fund, which is meant to preserve revenues for future generations, to ensure the state budget. Transfers from the fund increased to $12.538 billion from $11.64 billion in 2011.[4] The 2013 budget, passed in November, projected taking $14.5 billion from the fund, enough for the fund to post a deficit.[5] Due to its economic difficulties and mismanagement of the budget, Azerbaijan has yet to gain admittance to the World Trade Organization (WTO), despite new talks held in 2012. The country dropped one ranking in the World Bank's "Doing Business" survey of countries, showing zero regulatory reforms.[6]

Peace in the breakaway Nagorno-Karabakh region proved fragile in 2012, straining the government's claim that it provides national stability. A ceasefire between Azerbaijan and Armenia was violated on 5 June with casualties on both sides.[7] Political tensions again escalated on 31 August with the extradition from Hungary of Ramil Safarov, an Azerbaijani army officer, followed by President Aliyev's immediate pardon and promotion of Safarov to the rank of major. In 2006, Safarov was convicted of murdering an Armenian army officer with an axe during a language course in Budapest sponsored by the North Atlantic Treaty Organization (NATO). The president's pardon and promotion of Safarov drew unanimous condemnation from the European Union (EU) and United States because of its potentially negative impact on the Nagorno-Karabakh peace process.[8]

Electoral Process

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
6.00	6.25	6.50	6.50	6.50	6.75	6.75	7.00	7.00	7.00

Azerbaijan's constitution and election laws stipulate equal voting rights for all citizens and regular rotations of power through free and fair elections via secret ballot. Nearly every Azerbaijani election since independence has fallen short of these promises. Improvements in the technical aspects of polling have been completely offset by a narrowing of the space for political competition, limits on freedom of expression and assembly, unequal campaigning opportunities, and restrictions on the participation of opposition candidates.

Many problems in Azerbaijan's elections have come under fire from international organizations, including the Organization for Security and Cooperation in Europe (OSCE) and the Council of Europe (CoE). Among these problems are the regime's exploitation of power and resources during campaigns and voting, as well as the lack of political balance on electoral commissions, which are dominated by the YAP. Voter intimidation, carousel voting, crackdowns on protesters, vote buying, and ballot stuffing are all common. The regime regularly uses legal and policy manipulation to marginalize opposition candidates, who also struggle with a lack of funds and the country's broadly repressive political environment. A series of recent legislative changes have strengthened the regime's position, including a 2009 constitutional amendment eliminating presidential term limits and 2010 amendments to the Election Code that reduced the length of election cycles and eliminated state financing for campaigns. Official statistics show voter turnout over 70 percent in the last two presidential elections,[9] but Azerbaijan's record of abuses in elections has soured the population on the value of polls, leading to minimal public engagement with the electoral process.

Based on recommendations from the CoE Venice Commission, in April 2012 Azerbaijan's parliament adopted legislative amendments that introduced public funding for political parties. However, the impact of these changes will be limited, as only 10 percent of the funding in question is to be distributed among those parties that received 3 or more percent of the vote but did not gain representation in parliament during the last elections, and parliamentary factions will receive no funding at all.[10] In response to the Venice Commission's criticism, the government did withdraw one legal provision proposed in an October 2011 draft that would have raised the number of members required to register a party from 1,000 to 5,000.[11]

In the current context, the presidential election in 2013 will likely see no substantial improvement in campaigning and voting conditions. There are two coalitions of parties that could challenge the regime's grasp on power: the Public Chamber, which unites leading opposition parties and nongovernmental organizations (NGOs), and the Advisory Council of Democratic Forces (ACDF), which unites smaller opposition parties. Possible consolidation of these actors along with new forces like bloggers, youth movements, and segments of the business and cultural elite may be the best hope for enhancing public participation in the election, drawing international attention to Azerbaijan's struggling democracy, and rattling the regime's confidence.

Civil Society

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
4.50	4.75	5.00	5.25	5.25	5.50	5.75	5.75	6.00	6.25

Azerbaijan's independent civil society has long been limited by a lack of resources and various legal restrictions on freedom of expression and assembly. The environment

for independent activity worsened in 2012, as authorities clamped down on antigovernment protests and arrested numerous regime critics or opponents on fabricated or exaggerated legal charges. In November, the parliament also passed legal provisions that increased fines for participation in unauthorized rallies. The tightening of control over civil society overshadowed minor positive developments, such as the release of some political prisoners, and confirmed that Azerbaijan's government is wholly resistant to democratic reforms that would liberalize the country's civil society environment.

Throughout the year, police suppressed popular protests and rallies by regime critics. Initially, many of these were tied to the Eurovision contest in May, which civil society hoped would draw international attention to Azerbaijan's poor democratic credentials and human rights abuses. Most notable was the Sing for Democracy campaign led by the Human Rights Club, a Baku-based NGO, in partnership with the Germany-based Institute for Media, Democracy, and Cultural Exchange (IDEM) with support from other international NGOs, such as Human Rights Watch and Amnesty International. On 23 May, Sing for Democracy hosted a "public walk" on a boulevard in Baku without government interference. Just two days later, however, on the eve of the Eurovision final, police arrested 70 protestors participating in a flash rally. Three of the detainees were brought before a court and sentenced to six days in jail, while nine others were fined.[12]

Protests continued after Eurovision, resulting in further arrests and police brutality. On 20 October, law enforcement used excessive force to disperse youth opposition activists calling for the dissolution of parliament at a protest in downtown Baku. Dozens of people were arrested, and many were sentenced to ten days of detention. On the same day, police gathered at the headquarters of the opposition party Musavat and detained political activists.[13]

In addition to crushing protests, the government continued its practice of harassing and punishing individual activists. It did this by levying heavy penalties for petty or false administrative offenses, publishing defamatory articles against NGO members, and intimidating activists and, in some cases, their families. On 11 May, Ilgar Rzayev, an outspoken government critic whose home had been demolished by the government in March and whose brother was an activist with the independent Institute for Peace and Democracy, was arrested for drug possession. He was sentenced to two years in prison in August.[14] In June, Mehman Huseynov, media coordinator for Sing for Democracy and brother of that campaign's leader, was arrested on charges of hooliganism. Other activists arrested by the government included the coordinator of the NGO Kura Civil Society, Oktay Gulaliyev, who had helped expose corruption in the allocation of aid to areas affected by the 2010 Kura River flood, and Zaur Gurbanli, who was active in the "Sing for Democracy" campaign and N!DA youth movement. Gurbanli was released after being held incommunicado for two days and serving a 15-day sentence for resisting arrest.[15]

Authorities also enhanced legal restrictions to further stifle civil society activities. In early November, the Milli Majlis adopted new amendments to the Law on Freedom of Assembly, the Criminal Code, and the Code of Administrative Offenses that significantly increased penalties for organizing and participating in

unsanctioned public meetings and rallies. NGOs can now be fined up to about $38,000 for organizing unauthorized meetings or rallies and individual participants could be sentenced to up to 15 days in detention.[16]

These new restrictions joined existing legal hurdles that Azerbaijani NGOs were already forced to navigate. The Ministry of Justice, which oversees civil society organizations, frequently refuses organizations' applications for registration or delays their accreditation by months or years. The ministry also has the right to dissolve an NGO after issuing it two warning letters within one year, and organizations must report all financial grants within one month of receipt. Independent organizations must also compete with a growing number of government-organized nongovernmental organizations (GONGOs), which receive substantial funding from the President's Council on State Support to NGOs. Moreover, a resolution passed by the Cabinet of Ministers in March 2011 obliges foreign NGOs seeking registration to first reach an agreement with the government on their planned activities, as well as demonstrate respect for "national moral values" and refrain from engaging in "religious and political propaganda."[17] The exact definitions of these terms remain ambiguous, giving the government a wide purview to reject the presence of foreign NGOs.

Amid the ongoing crackdown on free expression and assembly, the government demonstrated its benevolence by releasing a number of political prisoners. On the eve of U.S. Secretary of State Hillary Clinton's visit to Baku in early June, blogger and former opposition candidate Bakhtiyar Hajiyev, who had been sentenced in May 2011 to two years in prison on charges of evading military service, was released. A few weeks after Clinton's visit, during which she called for the release of opposition figures, President Aliyev pardoned 66 prisoners, including 9 activists arrested during the dispersal of protests in April 2011.[18] In June, the CoE adopted a resolution urging the Azerbaijan government to resolve the cases of more than 80 political prisoners still behind bars. The resolution was based on a report by Christoph Strässer, a special rapporteur for the CoE, who has been denied a visa to Azerbaijan since his appointment in 2009.[19] Aliyev released dozens more prisoners in an annual amnesty on 26 December, including a handful of activists. Many regime critics and political opponents, including human rights defenders, journalists, and political organizers, remained locked up at the end of the year.

Independent Media

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
5.75	6.00	6.00	6.25	6.25	6.75	6.75	6.75	6.75	6.75

Azerbaijan's legislative framework guarantees freedom of thought, speech, and information. In practice, authorities regularly use violence, intimidation, and criminal laws to stifle public debate and silence dissenting voices. In the run-up to Eurovision, international and domestic human rights organizations urged the event's organizer, the European Broadcasting Union (EBU), to publically criticize

Azerbaijan's poor record on media rights. The EBU, which pledges to respect freedom of expression, agreed to host a workshop on the issue in early May. However, regime critics were frustrated when the event did not produce any commitments from the government to liberalize the country's repressive media landscape, thus allowing the status quo to persist.

Journalists working in Azerbaijan face regular threats, violence, and legal intimidation. According to the Institute for Reporters' Freedom and Safety (IRFS), an Azerbaijani NGO, in the first half of 2012 alone, more than 32 journalists and their relatives faced violence on 23 occasions.[20] Etimad Budagov, a photographer for the Turan Information Agency, was kicked and knocked down while covering a protest of the Ministry of Transportation; *Azadliq* newspaper correspondent Seymur Hazi, was kidnapped, beaten, and dumped by unknown assailants; and Idrak Abbasov, a reporter for the newspaper *Ayna-Zerkalo*, was beaten by state oil company representatives while filming the demolition of houses near an oil field. In March, investigative journalist Khadija Ismayilova, who published a series of articles about the business dealings of the president's family, became the target of a smear campaign by the authorities, who attempted to blackmail Ismayilova with a sexually explicit video obtained via a hidden camera in her bedroom. Numerous journalists and bloggers remained imprisoned in 2012, and no progress was made in investigating the murders of newspaper writers Elmar Huseynov, killed in 2005, or Rafiq Tagi, killed in 2011.

Authorities often use libel and defamation charges to intimidate or silence journalists. Libel remains a criminal offense, punishable by exorbitant fines and imprisonment. According to the Media Rights Institute, 17 defamation suits were brought against media outlets or journalists in just the first three months of 2012.[21] Later in the year, one of the leading opposition newspapers, *Azadliq*, was reportedly on the verge of shutting down due to high court fines. On 31 July, the newspaper *Yeni Musavat* was fined $64,000 in a suit initiated by Gilan Gabala Cannery LLC, a company led by a government minister, and on 4 September, the newspaper *Gundam khabar* was ordered to pay $12,700 in defamation damages to Anar Mammadov, the son of the transportation minister.[22]

The government also continued to strictly regulate media operations and, in many instances, interfere in independent outlets' activities. The president appoints members of the National Television and Radio Council, which oversees media licensing and frequently denies approval to independent outlets. Some foreign media, such as Radio Free Europe/Radio Liberty (RFE/RL), the BBC, and Voice of America (VOA), have been banned from national stations since 2009. In 2012, the government replaced the kiosks of Qasid and Qaya, private companies that distribute independent newspapers. The replacement risked preventing sales of these newspapers and in turn diminishing the country's freedom of mass media. Although according to a December 2010 law, the country's human rights ombudsperson could question these and other actions as violations of press freedoms, the office's dependence on the president, who nominates candidates then elected by the parliament, raises doubts about its capacity to fulfill its duty to the media.

The newest frontier of the government's control of media is the internet. Although the high cost of online access in Azerbaijan is an obstacle to widespread public use, the internet remains an important alternative news source for the country's urban population. Recognizing this, authorities have increasingly manipulated the medium, aided by the fact that state-run Delta Telecom dominates the market, providing connectivity to more than 90 percent of users.[23] A number of individuals have also been arrested for their online activities, beginning with bloggers and youth activists Emin Milli and Adnan Hajizade in 2009. In February 2012, IRFS received a warning letter from the Ministry of Justice for disseminating "biased" information about the situation in the autonomous region on Nahkchivan on the website Nakhchivan.org.az, after which the organization also learned of authorities' efforts to halt use of its domain name.[24] In March, authorities arrested Vugar Gonagov and Zaur Guliyev, executive director and editor-in-chief of Khayal TV, for posting a speech on YouTube in which a regional official in Guba insulted his constituents, prompting local protests. If convicted of violating public order and abusing their authority, both Gonagov and Guliyev face several years in prison.

On the eve of the annual Internet Governance Forum (IGF) organized by the United Nations (UN) and held in Baku in November 2012, Amnesty International issued a report drawing attention to Azerbaijan's violations of internet freedoms, including government surveillance and restrictive legislation.[25] In contrast to the spirit of the IGF but in keeping with the regime's past actions, authorities endeavored to prevent domestic groups dedicated to freedom of expression from participating in the forum or distributing reports about online restrictions.

Local Democratic Governance

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
n/a	6.00	6.00	6.00	6.00	6.25	6.25	6.50	6.50	6.50

The constitution of Azerbaijan provides for local self-governance, which is carried out through elected municipal authorities and local bodies of the state administration. Azerbaijan also ratified the European Charter of Local Self Government in 2002, which grants municipalities substantial responsibilities and decision-making authority. In practice, however, municipalities serve as arms of the country's executive branch, a reality reinforced in 2012 by a new presidential decree limiting local power.

The patterns of governance at the local level in Azerbaijan mirror those at the higher levels of administration. Municipal authorities align themselves with local branches of state administration, which are extensions of the ruling party and its structure. These provide access to and further distribute patronage, also ensuring electoral victory for individuals at the municipal level who comply with the ruling party's wishes. A presidential decree issued on 6 June granted local executive authorities virtually all the functions of municipal or regional governments, including the right to appoint and dismiss the representatives of local branches of

central ministries and to maintain schools and other public buildings. A low level of state transfers to local coffers and ineffective tax structures make all branches of local government financially dependent on central authorities in Baku.

In 2006, a national association of municipalities was created, but to date, the body has existed largely as a formality. In 2009, the Milli Majlis reduced the number of municipalities in Azerbaijan to 1,766,[26] to which an EU committee responded by expressing regret that Azerbaijan did not make a simultaneous reduction in the number of local authorities working for the state administration.

In March 2012, protests erupted in the city of Guba after a video appeared online showing the regional government head, Rauf Habibov, making offensive comments about his constituency. Signaling growing frustration with local authorities, protesters demanded the resignation of Habibov, a presidential appointee. In a rare example of government redress, Habibov was, in fact, dismissed. However, the use of excessive force against protesters and criminal charges against the journalists allegedly responsible for putting Habibov's speech online disabused onlookers of any notion that the government was becoming more responsive to their demands. No other government appointees were removed due to public pressure in 2012.

As specified in the constitution, the region of Nakhchivan enjoys a high level of autonomy in contrast to other parts of the country, with a division of powers among the local parliament, the Cabinet of Ministers, and a court system. However, the region's political system is also characterized by a high level of repressiveness and a lengthy record of human rights violations. In 2012, officials in the region continued to suppress protests that broke out in the village of Nehram over a lack of water for irrigation and other social problems. In February, a Nakhchivan court sentenced Nehram resident and political activist Zeynal Bagirzade to seven-and-a-half years in prison for allegedly committing fraud. In May, the prison term was reduced to a probationary sentence.[27] On 15 August, however, farmland in Nehram owned by Bagirzade was illegally raided by municipal head Tofiq Abutalibov. Reportedly, Abutalibov called Bagirzade a traitor.[28]

Judicial Framework and Independence

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
5.50	5.75	5.75	5.75	5.75	5.75	6.25	6.25	6.50	6.50

Despite occasional demonstrations of independence, Azerbaijan's courts are largely tools of the regime, which uses them to protect its own business and political interests. The heavy influence of the executive branch undermines the judiciary's capacity to provide for citizens' equality before the law and impartially interpret and enforce the constitution. In addition to political interference, courts are plagued by a lack of professionalism.

Fundamental to the judiciary's flaws is an entrenched structure of control, patronage, and corruption. Judges are selected on the basis of exams, a complicated process that lacks external monitoring to ensure fairness. Once they have succeeded

at exams and in training, judicial candidates are put forward by the Judicial-Legal Council, chaired by the justice minister, and then appointed by the president or the parliament, depending on the court. Given the council and the parliament's allegiance to the ruling government, there are no safeguards against political favoritism permeating the selection process. Moreover, courts are financed from the state budget, but the salaries of judges are low, which feeds into widespread corruption once judges are employed.

The courts are widely recognized as instruments for executing political orders, which typically target political opponents and human rights defenders. In the summer of 2012, the Baku prosecutor's office initiated a case regarding the alleged poisoning of former president Abulfaz Elchibey, even as Elchibey's family criticized the investigation. Ali Kerimli, leader of the opposition Popular Front, was implicated in the case, and his bodyguard was arrested. The prosecutor summoned several opposition leaders to testify, including Mirmahmud Miralioglu, head of one wing of the Popular Front. These events occurred as the Public Chamber, a coalition of NGOs and opposition parties of which Kerimli is a key member, was planning antigovernment protests, including against the YAP's upcoming nomination of Aliyev for a third term as president. The case is expected to go forward in 2013 and be used as a means of pressuring opposition leaders on the eve of the presidential election.

Broadly speaking, cases against regime critics are characterized by questionable charges and procedural irregularities that violate the basic legal rights of accused individuals. In 2012, lawyer Bakhtiyar Mammadov, who had been representing the owners of homes that the government illegally demolished in Baku's Flag Square to make room for a Eurovision venue, was kept in pretrial detention for three months based on charges of fraud and extortion brought against him at the end of the previous year. When Mammadov's ordered detention time lapsed, his lawyer petitioned for his release, but a Baku judge said the court could keep Mammadov "at its own initiative."[29] Mammadov remained in indefinite detention throughout 2012, despite the fact that the individual whom Mammadov allegedly sought to extort said he had never met the defendant. In another case, Nigar Yagublu, an activist and member of Musavat's youth branch, was ordered into pretrial detention for a car accident that resulted in the death of a passenger.

The ill-treatment of suspects in pre-trial detention continued in 2012. Human rights defender and chair of the NGO Kur, Oqtay Gulaliyev, was reportedly beaten by officials of the Sabirabad region police department and denied medical care after being detained on 8 April on charges of "hooliganism." Twelve days later, while still in custody, he was further charged with "active resistance to orders from the authorities" and "incitement of mass riots and violence towards citizens." Gulaliyev was released on bail two months after his original arrest, but the criminal charges against him still stand.[30] Another suspect who saw charges against him radically escalate while in pre-trial detention was Hilal Mammadov, the editor of the Talysh-language newspaper *Tolyshi sado* (Voice of Talysh). Mammadov was originally detained on 21 June on drug possession charges, which were replaced 15 days

later by charges of high treason and inciting national, racial, and religious hatred.[31] He remained at the Kurdakhany investigative detention facility at year's end.[32]

Corruption

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
6.25	6.25	6.25	6.25	6.25	6.50	6.50	6.50	6.50	6.75

Azerbaijan has consistently ranked among the world's most corrupt countries,[33] with wealth from the country's massive oil exports creating huge opportunities for graft. Because critical institutions, including the media and judiciary, are largely subservient to the president and ruling party, government officials are rarely held accountable for corruption. A series of investigative reports published in 2012 revealed the "privatization" of Azerbaijan's assets by the Aliyev family, apparently prompting legislation to further obscure company ownership.

In early 2012, the world's largest food company, Nestle, severed all trade with Azerbaijan, reportedly due to corruption in the national customs authority. The company allegedly refused to pay bribes and evade tax payments to secure its business in the country. Transparency in business and ownership structures suffered another setback in June, when the government pushed through legal amendments that severely limited public access to information about the ownership and financial assets of commercial entities. The changes drew international criticism, but government representatives defended them as necessary to protect businesses and allow them to grow.

The June amendments were believed to be, at least in part, responses to a series of investigative reports published in 2012 on the corrupt business dealings and prodigious wealth of President Aliyev's family. The series of journalistic investigative reports published by Radio Free Europe/Radio Liberty described the "privatization" of Azerbaijan's major assets by Aliyev's wife and daughters. In addition to their telecom and banking firms and their property in Dubai, the president's family were reported to be major shareholders in Azerbaijan's gold mining industry[34] and the main subcontractor in the construction of the $134 million Eurovision contest venue.[35]

Corruption in Azerbaijan extends well beyond business into politics, tainting a wide array of purportedly democratic processes. In September 2012, Elshad Abdullayev, the former rector of the now-defunct International University (ABU), began releasing a series of secretly recorded videos of corrupt dealings between government officials. The most widely circulated of these featured Abdullayev's negotiations with Gular Akhmedova, a member of the parliament, and her assistant, Sevinj Babayeva, over the million-dollar purchase of a guaranteed parliamentary mandate ahead of the 2005 elections.[36] The video also implicates Ramiz Mehdiyev, who is the head of the state anticorruption commission and one of Azerbaijan's most powerful politicians. Following the release of the tape and the launch of an official investigation, Akhmedova lost her parliamentary mandate and was excluded

from membership in the YAP. Babayeva fled to Turkey, where she died under suspicious circumstances. Almost no other officials were detained or questioned in connection with Abdullayev's videos. An opposition protest held on 17 November in the wake of the video's release, in which participants called for the president's resignation and the dissolution of the parliament, was countered by police, who arrested some 30 people.[37] In an interview with Trend.az, a representative of the presidential administration, Ali Hasanov, warned the political opposition not to spin Abdullayev's videos as an indictment of the Aliyev regime: "It is illogical to blame the authorities for someone's actions."[38]

In September, the president approved the National Action Plan to Combat Corruption for 2012–15, along with the National Plan to Promote Open Government. The government had announced similar changes in early 2011, possibly in an effort to avoid protests influenced by the energy and successes of the Arab Spring. Despite some small reforms, such as the introduction of a hotline for reporting corruption, the plan never produced notable results. Azerbaijan also joined the Extractive Industries Transparency Initiative (EITI) in 2003, a seemingly important move toward transparency in the oil industry. However, the government has since continued to syphon off oil revenues for its own enrichment, use the state oil fund as a budgetary lifeline, and exclude civil society from participation in the fund's management. The lack of transparency in the spending and distribution of oil revenues has strengthened political patronage, one of the critical building blocks of the regime's stability. Complicity in this system can ensure high salaries (as established by presidential decree) and kickbacks for select public officials, while incomes for most civil servants remain very low. No public servants have declared their official incomes as required by the Anticorruption Law of July 2004.

---

1 Clifford Levy, "Azerbaijan: Ruling Party Takes Majority of Seats in Elections," *The New York Times*, 8 November 2010, http://www.nytimes.com/2010/11/09/world/asia/09briefs-AZERBAIJAN.html.

2 Rebecca Vincent, "When the music dies: Azerbaijan one year after Eurovision," Al Jazeera, 19 May 2013, http://www.aljazeera.com/indepth/opinion/2013/05/201351969069791 6.html.

3 The World Bank Group, *World Development Indicators: Azerbaijan* (Washington, DC: The World Bank Group, 2013), http://databank.worldbank.org/data/views/reports/tableview.aspx.

4 Center for Economic & Social Development "$1 billion oil money each month," 31 October 2012, http://cesd.az/new/2012/10/1-billion-oil-money-for-each-month/.

5 Shahin Abbasov, "Azerbaijan: Less Oil, More Dependence on Oil Money," EurasiaNet.org, 30 November 2012, http://www.eurasianet.org/node/66242.

6 The World Bank Group, *Doing Business 2013: Smarter Regulations for Small and Medium-Size Enterprises* (Washington, DC: The World Bank Group, October 2012), http://www.doingbusiness.org/reports/global-reports/doing-business-2013.

7 "Parliamentary official: Violation of the ceasefire by Armenia negatively affects negotiation process," Trend.az, 7 June 2012, http://en.trend.az/news/karabakh/2035035.html.

8 Ellen Barry, "A Pardon Reignites Azerbaijan-Armenia Tensions," *The New York Times*, 4 September 2012, http://www.nytimes.com/2012/09/05/world/europe/pardon-reignites-azerbaijan-armenia-tensions.html.

9 Institute for Democracy and Electoral Assistance, "Voter Turnout for Azerbaijan," 5 October 2011, http://www.idea.int/vt/countryview.cfm?id=17.

10 Group of States Against Corruption (GRECO) and the Council of Europe, *Compliance Report on Azerbaijan: Incriminations (ETS 173 and 191, GPC 2): Transparency of Party Funding*, (Strasbourg: GRECO, 19 October 2012), http://www.coe.int/t/dghl/monitoring/greco/evaluations/round3/GrecoRC3(2012)12_Azerbaijan_EN.pdf.

11 The CoE monitoring committee report observed with satisfaction that "the provision increasing the number of members required for party registration from 1,000 to 5,000 was dropped in the final text." Parliamentary Assembly of the Council of Europe (PACE), *The Honoring of Obligations and Commitments by Azerbaijan (Doc.13084)* (Brussels: PACE, 20 December 2012), 18, http://assembly.coe.int/ASP/Doc/XrefViewPDF.asp?FileID=19243&Language=en.

12 Human Rights Watch, "Azerbaijan: Peaceful Protest Crushed Ahead of Eurovision Final," news release, 29 May 2012, http://www.hrw.org/news/2012/05/29/azerbaijan-peaceful-protest-crushed-ahead-eurovision-final.

13 Human Rights Watch, "Azerbaijan: Peaceful Rallies Forcibly Dispersed," news release, 22 October 2012, http://www.hrw.org/news/2012/10/22/azerbaijan-peaceful-rallies-forcibly-dispersed.

14 Council of Europe (CoE) Committee on Legal Affairs and Human rights of the Parliamentary Assembly, *The follow-up to the issue of political prisoners in Azerbaijan. Addendum to Doc. 13079* (Strasbourg: CoE, 22 January 2013), http://assembly.coe.int/ASP/XRef/X2H-DW-XSL.asp?fileid=19317&lang=EN.

15 IFEX, "Blogger arrested in Azerbaijan, held incommunicado for two days," 4 October 2012, http://www.ifex.org/azerbaijan/2012/10/04/blogger_arrested_held_incommunicado/.

16 United Nations Office of the High Commissioner for Human Rights (OHCHR), *REFERENCE: AL G/SO 214 (67-17) Assembly & Association (2010-1) G/SO 214 (107-9) AZE 5/2012*, 10 December 2012, https://spdb.ohchr.org/hrdb/23rd/public_-_AL_Azerbaijan_10.12.12_(5.2012).pdf.

17 Human Rights House, "Right to freedom of assembly in Azerbaijan: call for an opinion from the Venice Commission," 8 April 2011, http://humanrightshouse.org/Articles/16237.html.

18 "Azerbaijani President amnesties 66 inmates, including political prisoners," Radio Free Euope/Radio Liberty (RFE/RL), 22 June 2012, http://www.rferl.org/content/azerbaijan-president-pardons-66-inmates-including-9-political-prisoners/24623273.html.

19 Article 19, "Azerbaijan: Council of Europe adopts resolution on political prisoners," 26 June 2012, http://www.article19.org/resources.php/resource/3351/en/azerbaijan:-council-of-europe-adopts-resolution-on-political-prisoners.

20 Institute for Reporters Freedom and Safety (IRFS), *Azerbaijan Critical Voices in Danger—Semi-annual Azerbaijan Freedom of Expression Report: 1 January–1 July 2012* (Baku: IRFS, August 2012), http://www.ifex.org/azerbaijan/2012/08/16/irfs_freedom_of_expression_report.pdf.

21 Human Rights Watch (HRW), "Azerbaijan: Concerns Regarding Freedom of the Media and Freedom of Expression," news release, 2 November 2012, http://www.hrw.org/news/2012/11/02/azerbaijan-concerns-regarding-freedom-media-and-freedom-expression.

22 IFEX, "Journalists at risk in Azerbaijan's prisons, newspapers face persecution," 6 September 2012, http://www.ifex.org/azerbaijan/2012/09/06/journalists_at_risk/.

23 Open Net Initiative, "Azerbaijan country profile," 17 November 2010, http://opennet.net/research/profiles/azerbaijan.

24 IRFS, *Azerbaijan Critical Voices in Danger.*

25 Amnesty International, *Azerbaijan: Human Rights Abuses Placed under the E-Spotlight* (London: Amnesty International, 29 October 2012), http://www.amnesty.org/en/library/asset/EUR55/018/2012/en/2a95de61-81f8-4f00-b689-669272325588/eur550182012en.html.

26 A. Huseynbala, "Azerbaijan adopts law to reduce number of municipalities," Trend.az, 29 May 2009, http://www.turkishweekly.net/news/78725/-azerbaijan-adopt-law-to-reduce-number-of-municipalities.html.

27 "Nakhichevan court replaces Bagirzade's prison for conditional punishment," Caucasian Knot, 14 May 2012, http://www.eng.kavkaz-uzel.ru/articles/21021/.

28 "FERMERİN ƏKİN SAHƏLƏRİ ƏLİNDƏN ALINIR" [Farmer's arable plots are expropriated], Nakhchivan.org.az, 16 August 2012, http://www.nakhchivan.org.az/az/news/1180-fermern-kn-sahlr-lndn-alinir

29 HRW, "Questionnaire: On the use of legislation, including criminal legislation, to regulate the activities and work of human rights defenders," submission to OHCHR, 20 June 2013, http://www.ohchr.org/Documents/Issues/Defenders/Answers/NGOs/Global/Global_HRW.pdf.

30 "Azerbaijan: Fears for human rights defender Oqtay Gulaliyev, as his detention and ill treatment continue," Frontline Defenders, 8 June 2012, http://www.frontlinedefenders.org/node/18602.

31 "Azerbaijani newspaper editor is charged with treason," RFE/RL, 4 July 2012, http://www.rferl.org/content/azerbaijani-talysh-newspaper-editor-charged-with-treason/24634998.html.

32 Institute for Reporters' Safety (IRFS), Azerbaijan's critical voices struggling for survival: 2012 Annual Report on Freedom of Expression in Azerbaijan (Baku: IRFS, 2012), http://www.osce.org/odihr/101410.

33 Simon Rogers, "*Corruption Index 2012* from Transparency International: find out how countries compare," *The Guardian*, 5 December 2012, http://www.guardian.co.uk/news/datablog/2012/dec/05/corruption-index-2012-transparency-international.

34 Nushabe Fatullayeva and Khadija Ismayilova, "Azerbaijani Government Awarded Gold Field Rights," RFE/RL, 3 May 2012, http://www.rferl.org/content/azerbaijan_goldfield_contract_awarded_to_presidents_family/24569192.html.

35 Khadija Ismayilova, "Azerbaijan's President Family Benefits from Eurovision Hall Construction," RFE/RL, 9 May 2012, http://www.rferl.org/content/azerbaijan_first_family_build_eurovision_arena/24575761.html.

36 "Silence is Gold," Turan Analytical Service, 29 December 2012, http://www.contact.az/docs/2012/Analytics/122900023326en.htm.

37 "Azerbaijan police crack down on opposition protest," Reuters, 17 November 2012, http://news.yahoo.com/azerbaijan-police-crack-down-opposition-protest-132844702.html.

38 "Ali Hasanov: Anyone who breaks the law must be punished," Today.az, 1 October 2012, http://www.today.az/news/politics/113167.html.

Belarus

by Alexei Pikulik, Dzianis Melyantsou et al.

Capital: Minsk
Population: 9.5 million
GNI/capita, PPP: US$14,460

Source: The data above are drawn from the World Bank's *World Development Indicators 2013.*

Nations in Transit Ratings and Averaged Scores

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Electoral Process	6.75	7.00	7.00	7.00	7.00	6.75	6.75	7.00	7.00	7.00
Civil Society	6.75	6.75	6.75	6.50	6.50	6.25	6.00	6.00	6.25	6.50
Independent Media	6.75	6.75	6.75	6.75	6.75	6.75	6.50	6.75	6.75	6.75
Governance*	6.50	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
National Democratic Governance	n/a	6.75	7.00	7.00	7.00	6.75	6.75	6.75	6.75	6.75
Local Democratic Governance	n/a	6.50	6.50	6.50	6.75	6.75	6.75	6.75	6.75	6.75
Judicial Framework and Independence	6.75	6.75	6.75	6.75	6.75	6.75	6.75	6.75	7.00	7.00
Corruption	5.75	6.00	6.25	6.25	6.25	6.00	6.00	6.00	6.25	6.25
Democracy Score	6.54	6.64	6.71	6.68	6.71	6.57	6.50	6.57	6.68	6.71

** Starting with the 2005 edition, Freedom House introduced separate analysis and ratings for national democratic governance and local democratic governance to provide readers with more detailed and nuanced analysis of these two important subjects.*

NOTE: The ratings reflect the consensus of Freedom House, its academic advisers, and the author(s) of this report. The opinions expressed in this report are those of the author(s). The ratings are based on a scale of 1 to 7, with 1 representing the highest level of democratic progress and 7 the lowest. The Democracy Score is an average of ratings for the categories tracked in a given year.

Executive Summary

Belarus exists under a consolidated authoritarian regime. Since coming to power in 1994, President Alyaksandr Lukashenka has relied on external economic rents to maintain his social contract with the population, providing sustained social welfare in exchange for public loyalty. These rents, mostly from Russia, have come in the form of oil and gas subsidies, as well as special conditions in regional customs agreements and support in deterring international pressure to implement democratic reforms.

When Russia began to withdraw its massive energy subsidies in 2007, Belarus was forced to court the support of the European Union (EU) by marginally improving media freedoms or sporadically loosening restrictions on political and civil society actors. However, the severe crackdown on independent political and social activity that followed the December 2010 presidential election terminated any hopes of a more sustained political thaw. Since the beginning of Belarus's economic crisis, public support for the regime has eroded in tandem with the state's ability to deliver modest welfare. As citizens' confidence in the regime declines, the state increasingly relies on the security apparatus to maintain its power.

State harassment of Belarus's civil society activists and the political opposition intensified in the run-up to parliamentary elections in September 2012, which resulted in a predictable landslide victory for parties allied with Lukashenka. Relations with the EU deteriorated still further during the year when attempts to pressure Belarus into respecting human rights led to the expulsion of several European ambassadors. The exposure of Belarus's "solvents" scheme did not impede continued economic assistance from Russia.

National Democratic Governance. The defining features of President Lukashenka's autocratic regime remained constant during the year with no genuine breakthrough in political liberalization. Faced with the threat of continued economic problems in 2013, Lukashenka sought to preempt a mass exodus of labor to Russia by issuing a decree that required woodworkers to get permission from their employers before quitting their jobs. The regime also reshuffled key positions in the security apparatus, replacing traditional hard-liners with more moderate figures. *Belarus's national democratic governance rating remains unchanged at 6.75.*

Electoral Process. Elections in Belarus are largely an administrative formality, conducted to validate the selection of progovernment candidates. Legislation fails to protect such basic tenets of free and fair elections as equal campaigning opportunities, representation of all political parties in the country's electoral

commission, and transparent vote counting. Following a boycott by some major opposition parties, not a single opposition candidate was elected in September's parliamentary elections, which were condemned by international observers as neither free nor fair. *Belarus's rating for electoral process remains unchanged at 7.00.*

Civil Society. In 2012, Belarusian activists and civil society organizations endured heightened repression by the authorities. Nongovernmental organizations faced legal harassment, resulting in the closure of the offices of two prominent human rights organizations. During the parliamentary election campaign, authorities denied international election monitors entry visas. Two apparently innocent citizens were arbitrarily detained in connection with the investigation into a stunt orchestrated by a Swedish advertising agency in support of freedom of expression in Belarus. Belarusian activists involved in similar prodemocracy demonstrations faced fines and jail time. Owing to the regime's growing intolerance for all forms of criticism, *Belarus's civil society rating deteriorates from 6.25 to 6.50.*

Independent Media. The regime continued its systematic suppression of media freedom in 2012. Pressure on both domestic and foreign journalists intensified in the run-up to parliamentary elections in September, and authorities began targeting moderators of online social networks affiliated with the opposition. Due to a last-minute ruling of the Central Electoral Commission, campaign speeches that contained language advocating for a boycott were censored and state-run media denied airtime to some opposition candidates. *Belarus's independent media rating remains at 6.75.*

Local Democratic Governance. Local officials have extensive responsibilities in carrying out government programs, especially in the areas of health, administration, and infrastructure. However, they are often underfunded due to the lack of local revenue sources. State authorities tend to be more attentive to local level initiatives than to national opposition movements, but engagement is usually limited to diffusing conflicts. *Belarus's local democratic governance rating remains at 6.75.*

Judicial Framework and Independence. The legal system in Belarus continues to be subordinated to the president, with courts playing the role of punitive bodies executing the president's will against political opponents. In 2012, there were numerous politically motivated court decisions against government critics. Amendments to Belarusian legislation expanded the definition of terrorism to include civil and political activity aimed at destabilizing the regime. Two men convicted of carrying out the Minsk subway bombings in 2011 were executed after a faulty trial. *Belarus's rating for judicial framework and independence remains at 7.00.*

Corruption. Belarus's economy remains dominated by the public sector, and the vast discretionary power of bureaucrats to regulate economic activities creates ample opportunities for extortion. Although a few anticorruption cases targeting

high-ranking bureaucrats emerged during the year, no genuine effort was made to address the systemic causes of corruption. After getting caught by Russian authorities, Belarus officially agreed to end the longstanding practice of exporting Russian crude relabeled as "solvents." Although Belarus slightly improved its rank in the World Bank's 2013 *Doing Business* report, a number of administrative barriers for business remain, particularly unequal economic conditions for public versus private entities. *Belarus's corruption rating remains at 6.25.*

Outlook for 2013. With $3.1 billion of external debt to repay and an unresolved oil dispute with Russia, Belarus's financial situation will be precarious in 2013. The government will face increasing internal pressure to follow through on its economic promises. As an insurance policy, Lukashenka may attempt to restore relations with the West by introducing half-hearted liberalization and democratization efforts, as he has in the past. If Belarus chooses this option, the repressive measures against civil society, the political opposition, and the media that have increased in recent years are likely to subside slightly in 2013.

Main Report

National Democratic Governance

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
n/a	6.75	7.00	7.00	7.00	6.75	6.75	6.75	6.75	6.75

The constitution of the Republic of Belarus, amended in a controversial referendum in 1996, established a system of unlimited presidential authority over the executive branch, local administrations, and the security apparatus. Presidential decrees overrule laws adopted by the parliament and regulate the activities of the Constitutional Court. The president appoints and removes regional and local governors, all judges (except for the chairman of the Supreme Court), half of the Constitutional Court, half of the Central Election Commission (CEC), and 8 out of 64 members of the Council of the Republic (the upper house of the parliament). A constitutional referendum in 2004 removed the last check on presidential powers by waiving presidential term limits.

Lukashenka's regime has maintained power by redistributing external economic rents obtained from Russia—including energy subsidies and privileged access to the Russian market—in exchange for domestic political support. With up to 70 percent of the population employed by the state, the government was able to purchase loyalty by bailing out insolvent sectors of state-owned economic enterprises, inflating salaries when expedient, and spending heavily on welfare services. After the flow of rents from Russia drastically declined in 2007, Belarus reluctantly courted support from Europe, resulting in the appearance of brief periods of political thaw. However, the harsh government crackdown on the opposition following the 2010 presidential elections brought an end to any illusions of genuine liberalization.

Rampant inflation and the reckless devaluation of the Belarusian ruble sent the country spiraling into an economic crisis in 2011. In 2012, a series of billion-dollar loans from international funding agencies and the fraudulent reselling of imported Russian oil temporarily alleviated Belarus's financial difficulties, though finding opportunities for gross domestic product growth in the country's controlled economy remained problematic. Despite some international assistance, the average salary in Belarus stayed dismally low in 2012. Wages are higher in Russia and many other neighboring countries in Eastern Europe, where about 14 percent of Belarus's workforce has already sought out employment.[1] In order to preempt a mass exodus of labor, in November Lukashenka issued a decree requiring woodworkers to get permission from their employers in order to resign from their current positions.[2] The order, which could be extended to include other professions, has been criticized for reintroducing serfdom in the country.[3]

As economic troubles strain public support for the regime, the government increasingly relies on state security apparatuses to suppress growing discontent.

In 2012, government agencies made an example of several prominent critics and perceived enemies of the regime. In January, a municipal court in Minsk confirmed a 4.5-year prison sentence for the president of the Viasna Human Rights Center, Ales Bialiatski, who was convicted of tax fraud in 2011 for financing the organization's activities from foreign bank accounts. The sentence also called for the confiscation of Viasna's property and the closure of its offices. The state media campaign against the Belarusian Association of Journalists (BAJ) also continued in 2012.

Campaigning for the September parliamentary elections began in early 2012, but with the electoral environment already tightly controlled and the opposition divided on campaign strategy, authorities were able to avoid the kind of mass demonstrations it had encountered after the 2010 presidential elections. Although the former presidential candidate Andrei Sannikau and his campaign team member Dzmitry Bandarenka were pardoned in April, twelve major opposition figures remained behind bars throughout the parliamentary elections. The continued incarceration of potential candidates and an unfair campaign environment led several opposition groups to call for an election boycott.

The regime reshuffled several government positions in August, replacing a few traditional hard-liners with more moderate figures. Vladimir Makei, known for his pragmatic attitude toward the West, was appointed minister of foreign affairs in August. Makei's former position at the head of the presidential administration was filled by Andrei Kobyakov, Belarus's former ambassador to Russia and a moderate supporter of free market solutions. Vadim Zaicev, the KGB leader most associated with violent suppression of postelection unrest in December 2010, was replaced in November by General Valery Vakulchik, a perceived moderate. Weeks later, Lukashenka made it clear that these personnel changes signaled no substantive shift in the character of his regime, giving a series of notorious interviews in which he sarcastically referred to himself as a dictator.[4]

Belarus's already poor relations with the European Union (EU) deteriorated in 2012. In late February, EU foreign ministers imposed a travel ban and asset freeze against over 200 Belarusian politicians and officials accused of serious human rights violations. Outraged, Lukashenka responded by expelling Belarus's EU and Polish ambassadors.[5] The EU, in turn, responded by recalling the remainder of its diplomats. After a Swedish advertising firm dropped teddy bears toting freedom-of-expression messages over Minsk, Belarusian authorities also expelled the Swedish Ambassador for being "too supportive of human rights."[6] In an apparent last-ditch effort to convince the EU to lift restrictions on Belarus, the regime released two more political prisoners—Sergei Kovalenko and Paviel Syramalotau—in the week following the September parliamentary elections.[7] However, ongoing and widespread harassment of government critics led the EU to extend the sanctions in October, delaying opportunities for strengthening its ties with Belarus for another year.

Electoral Process

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
6.75	7.00	7.00	7.00	7.00	6.75	6.75	7.00	7.00	7.00

Although Belarus's recently amended electoral legislation meets most international standards, it fails to protect such basic tenets of free and fair elections as equal campaigning opportunities, representation of all political parties in election commissions, and transparent vote counting. Under these circumstances, elections are largely an administrative formality, though the political opposition does use them as an opportunity to rally support and criticize the regime. Parliamentary elections in September 2012 were conducted in an atmosphere of fear and sustained harassment of opposition activists, and resulted in a predictable landslide victory for pro-Lukashenka parties.

Changes introduced into the electoral code in 2010 and 2011 created regulations for appointing members to electoral commissions, organizing campaign events, and financing campaign activities through private funding. The amendments were made in line with recommendations of the Organization for Security and Cooperation in Europe (OSCE) and recognized as improvements. Nevertheless, Belarus's electoral framework retains a number of shortcomings, particularly the absence of effective mechanisms for processing complaints and appeals.

In the past, political parties were required to maintain a local presence in any constituency where they wished to nominate a candidate, a rule that restricted many opposition parties from proposing candidates outside major cities. With this restriction removed under the new code, more than half of the candidates for the September 2012 parliamentary elections were party nominees, rather than independents—a significant increase compared to the last legislative elections in 2008.[8] Unregistered public associations such as the Tell the Truth and For Freedom opposition movements were permitted to propose their candidates as independents with the support of 1,000 voter signatures.

Nevertheless, voters' choices remained limited, as district election commissions (DECs) rejected the candidacies of nearly one in four candidates, mostly those nominated by pro-opposition parties or associations. DECs approved only 13 out of 25 candidates nominated by Tell the Truth; in Minsk, the movement only managed to register one candidate. Similarly, the candidacies of a number of prominent politicians—including the leader of the For Freedom movement, Alexander Milinkevich, and former defense minister and member of the United Civil Party, General Pavel Kazlouski—were refused. Although the rules regulating the selection of members to serve on DECs requires that at least one-third of the members come from political parties or other public associations, most of these members were chosen from progovernment parties and opposition parties made up less than 1 percent of the commissions. Candidates were typically disqualified due to technicalities related to signature verification, a process which observers were prevented from monitoring, deepening suspicion that candidate registration was subject to political bias.

During the campaign season, administrative resources were used to benefit progovernment candidates. State media focused primarily on procedural aspects of the elections, giving very little coverage to individual candidates. The continued imprisonment of political prisoners who were arrested following the 2010 presidential election and distrust in the political process led several opposition parties to campaign for an election boycott. Ultimately, only four major forces—the Belarus Christian Democrats, United Civic Party, European Belarus, and the Belarusian Popular Front—followed through on this initiative. While acknowledging faults in the electoral process, For Freedom, Belarus Social Democratic Party Hramada, and Tell the Truth chose to participate in the elections, attempting to make use of the newly acquired opportunities provided by the revisions to the electoral code. Boycott supporters distributing campaign materials in the street regularly clashed with police and law-enforcement bodies and were subject to arrest, fines, and imprisonment.[9]

Irregularities marred the verification of voting data and in some cases, elections commissions flagrantly violated legal procedures. Although few discrepancies were noted in the documentation of early voting,[10] final results on election day varied widely: official figures reported a voter turnout of 74.6 percent,[11] while a poll from the Independent Institute of Socio-Economic and Political Studies recorded only 66.4 percent[12] and some opposition activists claimed less than 40 percent.[13] On multiple occasions, election commissions refused to provide information to observers on the number of registered voters at polling stations. The election monitoring organization Human Rights Defenders for Free Elections reported a lack of transparency in the tabulation of votes, with its estimates differing from the data provided by the DECs. Independent observers recounted that representatives of the DEC ignored their remarks about the need to properly seal the ballot boxes.

Ultimately, the official results confirmed a landslide victory for candidates loyal to President Lukashenka. Not one opposition candidate managed to secure a seat in the parliament.

Civil Society

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
6.75	6.75	6.75	6.50	6.50	6.25	6.00	6.00	6.25	6.50

In 2012, Belarus's activists and civil society organizations endured heightened repression at the hands of the authorities. The government arbitrarily detained two apparently innocent citizens in connection with "teddy bear bombers" stunt in July and Belarusian activists involved in similar prodemocracy demonstrations faced fines and jail time. During the parliamentary election campaign, authorities denied international election monitors entry visas. The offices of prominent human rights groups were closed and NGOs continue to face denial of registration.

In response to the expansion of the EU's travel ban in February, Belarus expelled the EU and Polish ambassadors from Minsk and restricted international travel for

some 40 opposition politicians, civil society activists, independent journalists, and analysts. The limitations were removed after members of civil society appealed to the courts and relevant administrative bodies, but some public figures encountered ongoing harassment via additional checks imposed by the Ministry of Taxes and Duties.

In summer 2012, authorities arrested and detained two apparently innocent Belarusian citizens for their alleged connection to a stunt conducted by two employees of the Swedish advertising agency Studio Total. On 4 July, the two Swedes illegally crossed the Lithuanian-Belarusian border by plane, dropping hundreds of teddy bears with freedom-of-speech slogans attached. Initially, Belarus's Ministry of Defense denied that the flight had ever taken place, but when freelance journalist Anton Suryapin published photos online confirming the incident, authorities arrested him as well as Sergei Basharimov, a real estate agent who had been contacted by Studio Total about renting an apartment in Minsk before the incident took place. Both were charged with organizing illegal immigration, though there was no evidence linking either to the organization of the stunt. Public statements from the KGB indicated that their detention was intended to coerce the Swedish company into sending the pilots of the plane to Belarus for questioning.[14] Though Swedish authorities refused to cooperate, Suryapin and Basharimov were released on bail after a month in detention. The charges against them were still pending at year's end.[15]

Studio Total's operation was inspired by another demonstration staged in February by activist Pavel Vinogradov, who placed stuffed animals carrying placards calling for freedom of expression and criticizing police brutality in a flowerbed in front of the government's headquarters in Minsk. He was sentenced to ten days' administrative detention. In August, police detained two journalists, Yulija Doroshkevich and Irina Kozlik, for photographing themselves holding teddy bears in support of free speech in Belarus. Authorities considered the act of taking the photos equivalent to organizing an "unauthorized rally" and both were fined 3 million Belarusian rubles ($360).[16]

Amidst its appeals to end EU sanctions against Belarus, the regime allowed antigovernment activists to peacefully celebrate Freedom Day on 25 March and released two prominent political prisoners, Andrei Sannikau and Dzmitry Bandarenka, in April. However, authorities quickly returned to their usual tactics, escalating reprisals against independent political analysts in the run-up to the parliamentary elections in September. Among those targeted was the academic director of the Belarusian Institute for Strategic Studies (BISS) Aleksei Pikulik, who was arrested on 31 May for "hooliganism" just outside his apartment in Minsk.[17] Editor-in-chief of the cultural studies journal *Arche* and member of BAJ Valerka Bulhakau was arrested at a release event for his book, *Sovietization of Western Belarus*. Facing possible legal action on charges of extremism and the illegal distribution of literature, Bulhakau fled the country in November.[18]

The regime interfered with civil society initiatives to monitor the elections, preventing a number of international observers from entering Belarus due to

arbitrary visa complications. OSCE election observers from Germany and Lithuania were denied entry visas with no explanation from Belarusian authorities.[19] Foreign members of the International Federation of Liberal Youth were detained and forced to leave the country for unspecified violations of visa rules.[20] Authorities also cracked down on the distribution of campaign materials, banning opposition activists from organizing street protests and handing out leaflets advocating their activities.[21] Numerous activists involved in the ongoing Tell the Truth campaign were arrested in the weeks before election day and sentenced to administrative detention.[22]

After the elections, the regime continued to detain activists on political grounds, often on spurious charges backed by little or no evidence. In November, Andrey Haydukou, the leader of the obscure Union of Young Intellectuals, was arrested by the KGB on charges of treason for apparently joking about receiving project funding from the CIA. Although another activists, Ilya Bahdanau, detained in connection with the case was released on recognizance, Haydukou remained in detention at the end of the year and very little information had been revealed about his case.[23]

Legal harassment of nongovernmental organizations (NGOs) intensified with the closure of the offices of two prominent organizations in 2012. In October, a Minsk court ruled to liquidate the human rights center Platforma for allegedly failing to fulfill reporting requirements and having an office located at a different address than was stated in its registration documents.[24] In late November, leading Belarusian human rights organization Viasna was evicted from its premises in connection with the sentence imposed on its chair, the vice-president of the International Federation for Human Rights, Ales Bialiatski.[25] Amnesty International called the move a blatant violation of Belarus's international human rights obligations.[26]

In June, the House of Representatives approved amendments to the code of administrative offenses, introducing higher fines for conducting public opinion polls that are not sanctioned by the state-run Commission for Public Opinion Surveys. The law appears to be another step towards restricting research on public opinion in Belarus; in 2002, the state established the commission in order to monitor the production and results of opinion polls. Social scientists believe that the state is concerned that independent opinion surveys will contradict its official propaganda, especially regarding election exit polls, and compromise the regime's legitimacy.[27] Officially only one research institute—the Independent Institute of Socio-Economic and Political Studies (IISEPS)—conducts regular social surveys and has consequently run up against continuous problems with the authorities.

Attempts to organize the country's civil society groups yielded mixed results during 2012. In November, the National Platform of the Eastern Partnership Civil Society Forum (EaP CSF), an association of more than 50 Belarusian NGOs that had participated in the EU's regional forum, adopted a development plan for 2012–14 that set goals and priorities and described the structure and procedures of the grouping. However, a number of member organizations rejected the new development concept because it separated the Belarusian National Platform from the EU-sponsored forum and set broader goals, some of which were political in nature. Such internal disputes and the failure to establish functioning working

groups damaged the platform's appeal among NGOs, leading them to focus on their individual activities.

In March, the EU launched the European Dialogue for Modernization (EDM)[28] with Belarus, creating another platform for communication and cooperation among various civil society organizations, businesses, and authorities. The EDM has the potential to build managerial capacity and expertise in the civil society sector and expand the pool of human resources for developing and implementing modernization programs, but its goals remain unclear and the dialogue between stakeholders is troubled by a lack of finances and cooperation from Belarusian authorities. Furthermore, the government's poor relations with the EU leave little hope for an immediate breakthrough in these European reform initiatives.

Independent Media

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
6.75	6.75	6.75	6.75	6.75	6.75	6.50	6.75	6.75	6.75

The Belarusian government tightly restricts media freedom and state-controlled media outlets engage in progovernment propaganda. In response to the opposition's campaign to withdraw from parliamentary elections in September, the CEC ruled to forbid opposition candidates from using their allotted television and radio airtime to advocate for a boycott. Although the decision contradicted the amendments to the electoral code that guarantee candidates greater access to the media, campaign speeches that contained language advocating for a boycott were censored and state-run media denied airtime to some opposition candidates.

Pressure on both domestic and foreign journalists intensified in the run-up to parliamentary elections, with BAJ registering 15 arbitrary detentions of journalists.[29] A week before the elections, plainclothes officers forcefully arrested a group of Belarusian and foreign journalists at a rally for the Tell the Truth initiative. Four reporters from Germany and Sweden who had obtained accreditation to cover the elections were denied visas and two Swedish journalists were forced to wait for their visas for 16 hours upon arrival at the airport. After covering the elections, Australian journalist Amos Roberts was detained at the Minsk airport and his camera and equipment were confiscated.

During the election period, authorities also began targeting activists using social networks to campaign against the government. Several moderators of antigovernment groups on the VKontakte social network were detained in late August, including the administrators of Liapis Trubetskoy—Free Concert in Minsk and *Nadoyel nam etot Lukashenka* (We are sick of Lukashenka). A week later, Oleg Shamruk, the creator of the latter, was detained in Vitebsk.[30] Sergei Bespalyi, a moderator for another online group affiliated with the opposition, fled the country in fear of arrest after authorities searched his apartment and confiscated his computer.[31]

According to the Ministry of Information, as of April 2012 there were 1,411 print media outlets registered in Belarus.[32] About three-fourths are privately owned, but the market for news remains dominated by state-run publications. Official statistics show that a growing number of new private print media were registered during the first half of 2012, but as the majority of nonstate media confine themselves to entertainment and apolitical content, this increase was not reflected in a greater abundance of new independent resources covering sociopolitical issues. Only those publications that are distributed by the state-monopolized press distributors Belposhta and Sayuzdruk are widely available in subscription catalogues and news kiosks. In 2012, the independent newspapers *Novy Chas* and *Borisovskie Novosti* were excluded from distribution by the state-monopolies, limiting their circulation significantly.

Independent media are often subject to harassment and intimidation from the authorities through the issuing of legal warnings. Belarusian media legislation allows the Ministry of Information to order the closure of a media outlet after only two legal warnings, which may be given for minor editorial mistakes. Authorities admonished the newspaper *Inform-Progulka* for allegedly publishing false information about the number of employees at one of the companies that was founded when a large group of members left the official trade union in February. In 2012, at least 13 journalists from across the country received warnings from the KGB and the prosecutor's office for cooperating with foreign media without proper accreditation.

In more extreme cases, detention is also used as an intimidation tactic against members of the media. A correspondent for the independent broadcaster European Radio for Belarus, Pavel Sverdlov, was arrested for swearing in public 15 days after publishing of a news report on the insufficient security measures in the subway after the April 2011 terrorist attack.[33] According to BAJ, more than 20 journalists were detained in 2012 without any legal justification.[34]

In an effort to control the information flowing in and out of the country, the activities of foreign journalists are sometimes restricted within Belarus. In March, a camera crew from the Swedish SVT channel was detained in Minsk while attempting to film an interview with an activist from the "silent protests." During the same month, law enforcement apprehended a crew from the Estonian TV3 channel filming a segment for a program on missing persons. A number of prominent Belarusian journalists and editors of independent media were also temporarily preventing from traveling abroad after Belarusian authorities issued travels bans on media and civil society actors in response to EU sanctions in February.

Libel remains a criminal offense in Belarus and journalists frequently face high fines and imprisonment for criticizing the president or his regime. During 2012, three criminal cases were brought against journalists. After being convicted of libel in 2011, a correspondent for the Polish daily *Gazeta Wyborcza*, Andrzej Poczobut, was again accused in June 2012 of insulting President Lukashenka in several online articles. In August, Nikolai Petrushenko, a journalist for *Vitebsky Kurier* and an

independent candidate in parliamentary elections in September, was charged with insulting a state official one day after his candidate registration was finalized.

Most citizens still have fairly free access to the internet and online media. However, authorities continue to use informal means, such as the withdrawal of advertising contracts and distributed denial of service (DDoS) attacks, to control popular independent sites. During the preelection period, an opposition website used for campaigning for the election boycott, Boikot.info, was subjected to a DDoS attack.[35] Due to restrictions imposed by the state telecommunications company in 2011, many of the sites of major opposition or civil society organizations, such as those of Belarusian Partisan and Charter'97, are no longer accessible in government agencies or educational institutions. Internet penetration in Belarus grew by 23 percent in 2012.[36] Despite the government's capacity to exert stricter controls over the internet, its interference with online communications during the year was selective and limited.

A number of independent media radio stations—Radio Racyja, European Radio for Belarus, Belsat, Radio Free Europe/Radio Liberty—avoid state censorship by broadcasting from outside Belarus.

Local Democratic Governance

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
n/a	6.50	6.50	6.50	6.75	6.75	6.75	6.75	6.75	6.75

Heads of Belarus's regional and district administrations are directly appointed by President Lukashenka. Local officials have extensive responsibilities in carrying out central government programs, especially in the areas of health, administration, and infrastructure; only a few services, such as institutions of higher education and medical clinics, are directly administered by central government bodies. However, local governments are often underfunded due to the lack of local revenue sources.

The state maintains a highly centralized system of local governance, shaped by the coexistence of soviets (councils) and executive committees on every governance level—regional, district, and village council. Although executive committees are the nominally authoritative organs of the soviets, in practice they rarely consult the opinion of their respective councils; Lukashenka removed the subordination of the executive committees to the soviets in 1994. Executive committees function as formal bureaucracies that are loyal to the regime without any strong political affiliation or accountability to their local communities. In 2012, local administrations were completely unresponsive to frustration of local residents about the delayed implementation of visa-free border agreements with Lithuania and Poland, making no appeals to higher authorities on their behalf.

The most recent election of the members of local soviets (People's Deputies) took place in April 2010. Local officials and directors of state enterprises dominate these positions.[37] Of the 21,000 soviet deputies throughout the country, only 10 are members of the political opposition. Yet, within the soviets, opposition members

are permitted to freely express diverging viewpoints. Although the outspokenness of a few opposition members of the soviets may give the appearance of the regime's greater tolerance for criticism at the local level, critics warn that this may be a disguised strategy for monitoring and containing complaints before they reach national political discourse. Although People's Deputies have limited power, they have a recognized status in local politics, granting them access to local municipal bodies and state organizations.

State authorities tend to be more attentive to local level initiatives than to national opposition movements, but engagement is usually limited to diffusing conflicts. Beginning in January 2011, local residents began protesting the construction of an industrial park by the Chinese government in Belarus's Smaliavichy District, near Minsk.[38] Residents complained they were never properly informed of the plans to build the park and worried about its environmental repercussions. In early 2012, the protests gained momentum and with the support of the opposition Tell the Truth movement, opponents of the park lobbied for a local referendum on the issue. At that point, the government finally responded by issuing a number of assurances. However, the regime stopped short of allowing a public vote and ultimately continued cooperating with the Chinese government on the building of the park.

Progovernment political forces dominate local government, while opposition groups have a weak presence outside of Minsk and few political developments or events take place outside the capital. In general, the opposition concentrates its activities almost exclusively on the national level; rallying for changed from the top down, beginning with the office of the president and the national governing bodies. Relations between opposition parties and their own regional structures are problematic, with internal disagreements over party loyalty and whether regional members are bound by decisions made by central party organs.

Judicial Framework and Independence

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
6.75	6.75	6.75	6.75	6.75	6.75	6.75	6.75	7.00	7.00

Due to the absence of checks and balances in the Belarusian political system, the judicial branch lacks genuine independence, undermining the rule of law. Judges and prosecutors regularly defer decision-making to the executive branch for fear of jeopardizing their careers. In 2012, there were numerous politically motivated court decisions against opponents of the government, parliament voted to expand the definition of terrorism to include civil and political activities that seek to challenge the regime, and the alleged Minsk subway bombers were executed despite evidence of a faulty trial.

Sometime in early March 2012, Dmitry Konovalov and Vladislav Kovalev were executed for allegedly carrying out a bomb attack on the Minsk metro in

April 2011. On 17 March 2012, the Kovalev family received a letter from the Supreme Court of Belarus confirming their son's execution. The executions of both Kovalev and Konovalov were confirmed the same evening on state television. The two men had been convicted in November 2011 in a highly publicized trial that many human rights defenders criticized for lacking conclusiveness and due legal process.[39]

Months before the executions, the Kovalev family filed a complaint to the United Nations Human Rights Committee, claiming that the trial was fraudulent due to Kovalev's forced confession. The committee responded by asking the government of Belarus to postpone his execution until it had time to issue a decision in the case. In November, eight months after Kovalev was executed, the committee found Belarus guilty of violating his right to a fair trial, the presumption of innocence, and the prohibition of torture, and demanded that the government compensate Kovalev's family and disclose the site of his remains.[40] The government ignored the committee's conclusions.

In Belarus, the power to release political prisoners and absolve criminal liability belongs solely to the president. Political inmates are often tortured and harassed into asking the president for a pardon. Former presidential candidate Andrei Sannikau and his advisor Dzmitry Bandarenka were released in April 2012 after being reportedly coerced into admitting their guilt and petitioning President Lukashenka for their release. Civic activist Sergei Kovalenko was released in September allegedly under the same conditions. On rare occasions, political prisoners are pardoned without a formal appeal. Between September and October 2011, a number of political prisoners were reportedly granted early release as a result of a deal between President Lukashenka and Bulgarian foreign minister Nikolay Mladenov, in which Lukashenka promised to release all political prisoners by the beginning of October. Lukashenka denied that such an agreement ever existed and halted the release of all political prisoners until April 2012. Twelve political prisoners remained behind the bars during 2012; nearly all of them reported pressure to appeal for a presidential pardon.

Human rights defenders widely consider the penalties imposed on political prisoners to be unfair and excessive.[41] In November, the United Nations Working Group on Arbitrary Detention (WGAD) ruled that the detention of Viasna chairman Ales Bialiatski was arbitrary and contradicted the Universal Declaration on Human Rights and the International Covenant on Civic and Political Rights, calling for his release and due compensation.[42]

Political prisoners are harshly punished for alleged violations of prison rules, sometimes with a prolongation of their sentence. Former presidential candidate Mikalai Statkevich was placed in solitary confinement for 10 days in June, where he was deprived of sleep and warm clothing, for refusing to share a cell with a dangerous inmate.[43] In August, human rights groups condemned the decision of Belarusian authorities to extend the sentence of the leader of the youth opposition organization Young Front, Zmitser Dashkevich, for another year due to his "repeated failure to obey prison authorities."[44]

The size and number of pretrial detention facilities and prisons are inadequate for Belarus's large prison population.[45] After Russia, Belarus has the highest inmate population per 100,000 citizens in Europe.[46] Due in part to overcrowding in prisons, mass amnesties occur frequently. The country's 12th mass amnesty took place in July 2012 with the early release of about 7,500 prisoners.[47] Occasional riots and cases of self-inflicted violence are reported among inmates, but authorities rarely acknowledge the credibility of such reports.

Representatives of human rights organizations and the regime's political opponents are regularly targeted for administrative arrest, usually on dubious charges ranging from swearing in public to disorderly conduct of which conviction is all but guaranteed. In the run-up to parliamentary elections in September, social network administrators faced a series of administrative penalties for their antigovernment activism online. In response to the expanded EU sanctions, Belarus temporarily reinstated the Soviet-era practice of preventing key opponents, including human rights activists, from leaving the country.

Belarus does not have a human rights ombudsman. Although the country is a state party to the Optional Protocol to the International Covenant on Civil and Political Rights, law enforcement agencies regularly ignore communications from the UN Human Rights Committee regarding individual complaints and do not take measures to implement the committee's recommendations.

In November, the parliament passed controversial amendments to the laws on countering terrorism and extremism, expanding the definition of terrorism to include social and political activities aimed at destabilizing the regime and empowering the army to carry out counter operations. Despite ambiguities in the laws, the Constitutional Court positively reviewed the drafts, confirming their full conformity with the constitution.[48]

Corruption

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
5.75	6.00	6.25	6.25	6.25	6.00	6.00	6.00	6.25	6.25

Belarus's legal framework addresses the issue of corruption and contains a test for the corruption potential of draft laws planned for consideration by parliament. In 2003, the government of Belarus issued the State Program on the Struggle against Crime and Corruption, an action plan mandatory for all government bodies. Nevertheless, Belarus's economy remains dominated by the public sector, and the vast discretionary power of bureaucrats to regulate economic activities creates ample opportunities for extortion. This is especially true in sectors dominated by excessive regulation, such as trade, exports, and petrochemicals.[49] In addition, the process of privatizing state property suffers from a lack of transparency.

During the first half of 2012, Belarus intensified its long-standing practice of labeling Russian-imported oil as "solvents" and reselling it to Europe. The

scheme allowed the regime to bypass export tariffs to Russia as the Customs Union agreements did not tax the export of petroleum byproducts. By the summer, Belarus's unusual budget surplus and continued projected growth for 2013 led Russian authorities to grow suspicious. In July, Russia exposed the scheme, significantly reducing oil supplies to the country and demanding that Belarus pay an estimated $1.5 billion in compensation for its losses.[50] Although Belarusian Prime Minister Mikhail Myasnikovich gave assurances that Belarus had halted all exports of solvents in August, the Russian government changed the framework of the customs agreements to prevent Belarus from exploiting this loophole in the future. Although the dispute remained unresolved in 2012, it did not prevent Russia from announcing in October that it would continue to provide gas exports at a special reduced rate.[51]

The judiciary serves as a tool of the executive branch and prosecution of corruption-related activities remains selective. Corruption cases in Belarus usually have a broader agenda, such as reinforcing loyalty to the regime or eliminating wayward bureaucrats. While targets are typically low-level state functionaries, the regime brought exceptional cases against several high-ranking officials in 2012. The mayor of Gomel, Viktor Pilipets, was arrested on charges of real estate fraud in August 2012. Deputy Governor of Vitebsk Leonid Kovalev, who had been in police custody since 2011, was finally sentenced to 7 years' imprisonment for bribery in September.[52] The deputy mayor of Minsk, Igor Vasiliev, was also arrested on charges of having solicited a bribe of $500,000, apparently the largest bribe recorded in Belarus since 2007.[53] The head coach of the national athletics team was arrested on suspicion of extorting bribes from top athletes in exchange for burying positive drug test results and the misuse of sponsorship funding.[54] Yet, despite the prosecution of higher-level officials in 2012, authorities largely ignored the systemic causes of corruption, namely a lack of public oversight and transparency and the practice of recruiting state employees on the basis of loyalty.[55]

Although the overall business climate remained virtually unchanged in 2012, Belarus slightly improved its rank in the World Bank's 2013 *Doing Business* report from 60th to 58th place. The improvement was due to simplification of certain procedures (tax procedures, for example) and the ease of enforcing contracts, as well as the lowered cost of construction permits.[56] Meanwhile, the report noted a decline in the indicators measuring the ease of getting credit, protecting investors, and resolving insolvency.[57] Although the simplification of administrative procedures has caused Belarus's rank to rise steadily since 2009, a number of administrative barriers for business remain, particularly unequal economic conditions for public versus private entities.[58] Belarus also improved its standing in Transparency International's Corruption Perception Index climbing from 143rd to 123rd place.

▮ Authors: Alexei Pikulik, Dzianis Melyantsou, Elena Artsiomenka, Siarhei Bohdan, Aliaksandr Autushka-Sikorski, and Andrei Yeliseyeu

Alexei Pikulik is IMARES Professor at the European University at St. Petersburg and Academic Director of the Vilnius-based Belarusian Institute for Strategic Studies (BISS). Dzianis Melyantsou is a senior analyst at BISS. Elena Artsiomenka, Siarhei Bohdan, Aliaksandr Autushka-Sikorski, and Andrei Yeliseyeu are BISS analysts.

---

1 Alexei Pikulik, "Belarus as a Rentier-State: Co-Development of Political and Economic Institutions," (presentation at the Helsinki International Symposium on "Belarus After 15 Years of Authoritarian Rule: Assessment and Prospects," Helsinki, Finland, 18 May 2009); and Margarita Balmaceda, *Belarus Energy Strategies under Lukashenka: Turning Economics into Politics, Dependency into Power* (forthcoming book).

1 The Jamestown Foundation, "Belarus' Economic Turnaround: Is It Sustainable?" Eurasia Daily Monitor, Vol. 9, Issue 227, 12 December 2012, http://www.jamestown.org/single/?no_cache=1&tx_ttnews[tt_news]=40233&tx_ttnews[backPid]=13&cHash=1f8b387627338758e4f65d9a184a6dcf#.UcSCQJwQNQs.

2 "Lukashenko wants temporary ban on employee resignation at Bellesbumprom," Belarus Telegraph Agency, 30 November 2012, http://news.belta.by/en/news/president?id=700479.

3 "Belarus' Economic Turnaround: Is It Sustainable?"

4 Timothy Heritage and Richard Balmforth, "Belarus leader relishes reputation as dictator," Reuters, 27 November 2012, http://www.reuters.com/article/2012/11/27/us-belarus-lukashenko-idUSBRE8AQ0FK20121127.

5 Ian Traynor, "Belarus expels Polish and EU ambassadors over sanctions row," The Guardian, 28 February 2012, http://www.guardian.co.uk/world/2012/feb/28/belarus-expels-ambassadors-sanctions-row.

6 "EU Prepares 'Clear Message' For Belarus," Radio Free Europe/Radio Liberty (RFE/RL), 10 August 2012, http://www.rferl.org/content/eu-diplomats-in-crisis-talks-over-teddy-bear-incident/24672898.html.

7 Nikolaj Nielson "Belarus plays cat and mouse with EU," EUObserver.com, 28 September 2012, http://euobserver.com/foreign/117694.

8 Organization for Security and Cooperation in Europe (OSCE) Office for Democratic Institutions and Human Rights (ODIHR), *Republic of Belarus Parliamentary Elections 23 September 2012: OSCE/ODIHR Election Observation Mission Final Report* (Warsaw: OSCE/ODIHR, 14 December), 4, 6, 11, http://www.osce.org/odihr/elections/98146.

9 Human Rights House (HRH) Foundation, "Belarusian authorities against calls to boycott elections," 12 September 2012, http://humanrightshouse.org/Articles/18584.html.

10 Human Rights Center Viasna (Viasna), Датэрміновыя выбары [Early elections] (Minsk: Vyasna, 2012), http://elections2012.spring96.org/be/reports.

11 "Belarus Vote Totally Shuts Out Opposition," Radio Free Europe/Radio Liberty, 24 September 2012, http://www.rferl.org/content/belarus-election-/24717599.html.

12 "Другого народа у Брюсселя для оппозиции нет" [Brussels does not have other people for the opposition], Naviny.by, 22 October 2012, http://naviny.by/rubrics/elections/2012/10/22/ic_articles_623_179641/.

13 "По данным наблюдателей, явка не превысила %39—выборы не состоялись" [According to observers, the turnout has not exceeded 39%—Elections did not take place], *Naviny.by*, 23 September 2012, http://naviny.by/rubrics/elections/2012/09/23/ic_news_623_402067.

14 "КГБ Беларуси об организаторе 'плюшевой бомбардировки': Кромвелл и его соучастники струсили" [KGB of Belarus on the organizer of the "plush bombings": Cromwell and his associates chickened out], BelaPAN, 14 August 2012, http://belapan.com/archive/2012/08/14/568102/.

15 "10 absurd and unjust arrests of 2012," Amnesty International, 26 December 2012, http://blog.amnestyusa.org/music-and-the-arts/10-absurd-and-unjust-arrests-of-2012/.

16 "Журналистку и фотографа оштрафовали за фотосессию с плюшевыми мишками в центре Минска" [A journalist and a photographer were fined for a photo session with stuffed bears in the center of Minsk], Interfax.by, 9 August 2012, http://www.interfax.by/news/belarus/115165.

17 "Arrests, Detentions and Warnings—Belarus Civil Society Digest," Belarus Digest, 6 June 2012, http://belarusdigest.com/story/arrests-detentions-and-warnings-belarus-civil-society-digest-9526.

18 Belarusian Association of Journalists (BAJ), "Arche ex-Editor Leaves Belarus," 13 November 2012, http://baj.by/en/node/18344.

19 "Germany Summons Belarusian Ambassador Over Visa Denials," RFE/RL, 20 September 2012, http://www.rferl.org/content/germany-summons-belarus-ambassador-over-monitor-denials/24714744.html.

20 "Belarus's non-election," *The Economist*, 21 September 2012, http://www.economist.com/blogs/easternapproaches/2012/09/belarus.

21 Richard Balmforth and Andrei Makhovsky, "Lukashenko sneers at opposition boycott as Belarus votes," 23 September 2012, http://www.reuters.com/article/2012/09/23/us-belarus-election-idUSBRE88L0CD20120923.

22 HRH, "Belarusian authorities against calls to boycott elections," 12 September 2012, http://humanrightshouse.org/Articles/18584.html.

23 "Haidukou's case: two months in jail and minimum information," Udf.by, 4 January 2013, http://udf.by/english/featured-stories/72456-haidukous-case-two-months-in-jail-and-minimum-information.html.

24 HRH, "Another human rights organization is being liquidated in Belarus," 4 November 2012, http://humanrightshouse.org/Articles/18810.html.

25 Bialiatski was convicted of large-scale tax evasion in 2011 for funding the organization's activities from foreign bank accounts. Viasna has been barred from re-registering or opening a bank account in Belarus since authorities revoked its registration in 2003.

26 Amnesty International, "Belarus: Leading human rights organization evicted," 26 November 2012, http://www.amnesty.org.uk/news_details.asp?NewsID=20471.

27 "Why Belarusian Authorities Fear Public Opinion," Belarus Digest, 18 July 2012, http://belarusdigest.com/story/why-belarusian-authorities-fear-public-opinion-10053.

28 Delegation of the European Union to Belarus, "European dialogue on modernisation with Belarusian society," news release, 2012, http://eeas.europa.eu/delegations/belarus/press_corner/all_news/news/2012/european_dialogue_modernisation_en.htm.

29 BAJ, СМИ в Беларуси: Июль–Сентябрь *2012* [Media in Belarus: July–September 2012] (Minsk: Belarusian Association of Journalists, 2012), 7, http://baj.by/sites/default/files/monitoring_pdf/03(28)2012_Mass_Media_in_Belarus_RU.pdf.

30 "Internet Activism Under Siege in Belarus," *Belarus Digest*, 11 September 2012, http://belarusdigest.com/story/internet-activism-under-siege-belarus-11112.

31 "Belarus: Social media moderators are arrested," EastBook.eu, 5 September 2012, http://eastbook.eu/en/2012/09/material-en/news-en/belarus-social-media-moderators-are-arrested/.

32 Handbook on Belarus for International Journalists, "Print Media," http://belarusforjournalists.info/page_print_media.

33 "З сумкай без дагляду прапусцілі на 'Плошчы Леніна' і 'Фрунзенскай'" [3 bags went without examination on Lenin Square and Frunze," Euroradio.fm, 21 June 2012, http://euroradio.fm/report/z-sumkai-bez-daglyadu-prapustsili-na-ploshchy-lenina-i-frunzenskai-110632.

34 BAJ, СМИ в Беларуси: Апрель–Июнь *2012* [Media in Belarus: April–June 2012] (Minsk: Belarusian Association of Journalists, 2012), 7, http://baj.by/sites/default/files/monitoring_pdf/02(27)2012_Mass_Media_in_Belarus_RU_0.pdf.

35 "The website of the 'Boikot' company was subjected to DDOS attack," Charter'97.org, 17 December 2012, http://www.charter97.org/en/news/2012/7/17/55242/.

36 National Statistical Committee of the Republic of Belarus, Годовые данные: Транспорт *и* связь [Annual data: Transport and communications] (Minsk: National Statistical Committee, 2012), http://belstat.gov.by/homep/ru/indicators/transport.php.

37 Zmitser Kukhlei, "Саветы народных дырэктароў" [Councils of people's directors], *Nashe Mnenie*, 5 May 2010, http://nmnby.eu/news/express/2728.html.

38 "'Гавары праўду' збірае подпісы супраць кітайскага тэхнапарка пад Смалявічамі" ["Tell the Truth" is collecting signatures against the Chinese industrial park under Smolevichi], *Nasha Niva*, 18 February 2012, http://nn.by/?c=ar&i=68644.

39 "EU outraged after Belarus executes two men accused of Metro bombing," *The Guardian*, 18 March 2012, http://www.guardian.co.uk/world/2012/mar/18/belarus-executes-two-metro-bombing.

40 United Nations International Covenant on Civil and Political Rights, *Communication no. 2120/2011: Views adopted by the Committee at its 106th session (15 October–2 November 2012)* (New York: United Nations, 27 November 2012), www2.ohchr.org/english/bodies/hrc/docs/CaseLaw/CCPR-C-106-D-2120-2011_en.doc. Belarusian law permits the government to keep the time and place of state executions a secret; relatives of the deceased have no right to access the remains of their loved ones or knowledge of the location of their remains.

41 Viasna, "List of political prisoners," 31 January 2012, http://spring96.org/en/news/49539.

42 "Belarus: Landmark UN decision: Ales Bialiatski's detention arbitrary, release and compensation requested," FIDH, 31 January 2012, http://www.fidh.org/BELARUS-Landmark-UN-decision-Ales-12668.

43 U.S. Department of State, *2012 Human Rights Reports: Belarus* (Washington, DC: U.S. Department of State, 2013), http://www.state.gov/j/drl/rls/hrrpt/2012/eur/204263.htm.

44 "Civil activist Zmitser Dashkevich sentenced to one more year in jail," International Federation for Human Rights, 31 August 2012, http://www.fidh.org/Civil-activist-Zmitser-Dashkevich. Zmitser Dashkevich was convicted of hooliganism in 2011 and sentenced to two years in prison for his activism in the run-up to the 2010 presidential elections.

45 U.S. Department of State, *2012 Human Rights Reports: Belarus.*

46 "Беларусь—вице-чемпионка Европы по числу заключенных" [Belarus: vice-champion of Europe in the number of prisoners], Eurobelarus.info, 4 May 2012, http://eurobelarus.info/news/society/2013/05/04/belarus-vitse-chempionka-evropy-po-chislu-zaklyuchennyh.html.

47 "Амнистия 2012. Как живут те, кто готовится начать новую жизнь?" [Amnesty 2012: How are those who are preparing to start a new life?], CTV.by, 15 July 2012, http://www.ctv.by/novosti/amnistiya-2012-kak-zhivut-te-kto-gotovitsya-nachat-novuyu-zhizn.

48 Constitutional Court of the Republic of Belarus, Решение Конституттсионного Суда Республики Беларусь: 19 Октобря 2012 г. № Р-776/2012 [Decision of the Constitutional Court of the Republic of Belarus of 19 October 2012, No. R-776/2012] (Minsk: Constitutional Court, 19 October 2012), http://www.pravo.by/main.aspx?guid=3871&p0=K91200776&p1=1.

49 Alexei Pikulik, "Belarus as a rentier-state: Co-Development of Political and Economic Institutions," (presentation at the Helsinki Intetnational Symposium on "Belarus After 15 Years of Authoritarian Rule: Assessment and Prospects," Helsinki, Finland,18 May 2009); and Margarita Balmaceda, *Belarus Energy Strategies under Lukashenka: Turning Economics into Politics, Dependency into Power* (forthcoming book).

50 "Растворились почти полтора миллиарда" [Almost 1.5 billiondisappeared], *Vzglyad*, 29 October 2012, http://vz.ru/economy/2012/10/29/604794.html.

51 "Russia continues defining the scope of economic aid to Belarus," *Belarus in Focus 2012*, 02 October 2012, http://belarusinfocus.info/p/5658russia_continues_defining_the_scope_of_economic_aid_to_belarus.

52 "Former Deputy Kosinets Leonid Kovalev sentenced to 7 years in prison," Dialogue Online Newspaper, 6 September 2012, http://dyjalog.info/en/home1/78-home/146-byloha-namiesnika-kosinca-lieanida-kavaliova-asudzili-na-7-hadow-kalionii.html.

53 "Первый заместитель председателя Мингорисполкома вымогал взятку в полмиллиона долларов" [First Deputy Chairman of the Minsk City Executive Committee solicited bribes in half a million dollars], Ej.by, 25 July 2012, http://www.ej.by/news/sociaty/2012/07/25/samaya_krupnaya_vzyatka_etogo_goda_vyyavlena_v_minske.html.

54 "Арестован главный тренер национальной сборной Беларуси по легкой атлетике" [The head coach of the national team of Belarus Athletics is arrested], TUT.by, 30 May 2012, http://news.tut.by/society/291992.html.

55 "Для борьбы с коррупцией нужны независимый контроль, независимые суды и независимая пресса" [To fight corruption, independent courts, independent press and independent control are needed], Euramost.org, 7 June 2011, http://www.euramost.org/index.php?artc=14623.

56 The World Bank Group, *Doing Business 2012* (Washington, DC: The World Bank Group, 2012), 26, 69, 86, http://www.doingbusiness.org/~/media/giawb/doing%20business/documents/profiles/country/BLR.pdf.

57 The World Bank Group, *Doing Business 2012* (Washington, DC: The World Bank Group, 2012), http://www.doingbusiness.org/data/exploreeconomies/belarus/.

58 Andrei Skriba, Коррупция и теневая экономика [Corruption and the Shadow Economy] (Minsk: IPM Research Center, March 2011), http://www.research.by/webroot/delivery/files/pdp2011r03.pdf.

Bosnia-Herzegovina

by Dino Jahić

Capital:	Sarajevo
Population:	3.75 million
GNI/capita, PPP:	US$9,190

Source: The data above are drawn from the World Bank's *World Development Indicators 2013.*

Nations in Transit Ratings and Averaged Scores

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Electoral Process	3.50	3.25	3.00	3.00	3.00	3.00	3.25	3.25	3.25	**3.25**
Civil Society	3.75	3.75	3.75	3.50	3.50	3.50	3.50	3.50	3.50	**3.50**
Independent Media	4.25	4.00	4.00	4.00	4.25	4.50	4.50	4.75	4.75	**4.75**
Governance*	5.00	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	**n/a**
National Democratic Governance	n/a	4.75	4.75	4.75	5.00	5.00	5.25	5.25	5.50	**5.50**
Local Democratic Governance	n/a	4.75	4.75	4.75	4.75	4.75	4.75	4.75	4.75	**4.75**
Judicial Framework and Independence	4.50	4.25	4.00	4.00	4.00	4.00	4.00	4.25	4.25	**4.25**
Corruption	4.75	4.50	4.25	4.25	4.25	4.50	4.50	4.50	4.50	**4.75**
Democracy Score	**4.29**	**4.18**	**4.07**	**4.04**	**4.11**	**4.18**	**4.25**	**4.32**	**4.36**	**4.39**

** Starting with the 2005 edition, Freedom House introduced separate analysis and ratings for national democratic governance and local democratic governance to provide readers with more detailed and nuanced analysis of these two important subjects.*

NOTE: The ratings reflect the consensus of Freedom House, its academic advisers, and the author(s) of this report. The opinions expressed in this report are those of the author(s). The ratings are based on a scale of 1 to 7, with 1 representing the highest level of democratic progress and 7 the lowest. The Democracy Score is an average of ratings for the categories tracked in a given year.

Executive Summary

It took 16 months for political leaders in the two-entity federation of Bosnia and Herzegovina (BiH) to form a state government after the 2010 elections. Just four months later, the new government was already re-entrenched in a seemingly endless cycle of coalition creation and dissolution that upstaged all key policy goals. Preoccupied with appointing and removing people from governing positions, leaders made no headway on European Union (EU) accession requirements. The government also missed deadlines with the North Atlantic Treaty Organization (NATO) and EU related to registration of immovable military property to the state and constitutional changes to allow all citizens to run for the presidency or the House of Peoples, the upper chamber of parliament.

The balance of power in the Republika Srpska (RS) entity shifted slightly following a strong performance by opposition parties in October's municipal elections. Faced with economic problems and high unemployment, BiH took another stand-by loan from the International Monetary Fund (IMF) in October, although previous bailout loan requirements had not been implemented. Anticorruption efforts languished, with the judiciary and media remaining strongly politicized.

National Democratic Governance. Throughout 2012, an on-again, off-again political stalemate prevented effective governance at the national level and impeded progress toward EU and NATO membership goals. Personal disputes dominated politics and public discourse, overshadowing important social and economic questions. As the result of a census law adopted in February, Bosnia's first census since 1991 is expected to take place in 2013. *BiH's national democratic governance rating remains unchanged at 5.50.*

Electoral Process. Local elections in October provided a brief distraction from the ongoing political crisis at the higher levels of government. Mostly uneventful, they resulted in no major allegations of fraud, except in Srebrenica, where Serbian parties accused a Bosniak mayoral candidate of winning with votes from non-residents. Most influential incumbents won reelection, though in the RS a united opposition took many votes from the ruling Alliance of Independent Social Democrats (SNSD). The preelection period saw no advances in increasing transparency of party financing; indeed, newly adopted changes in the Law on Financing Political Parties were widely criticized for potentially encouraging corruption. *BiH's electoral process rating remains unchanged at 3.25.*

Civil Society. Nongovernmental organizations (NGOs) in BiH still have minimal influence over political decision-making at any level. NGOs were more active in

FBiH a few years ago, when they acted as a voice of dissent against several long-ruling parties; by contrast, civic activism appears to be increasing in RS, with at least one major campaign gaining momentum during the year. In 2012 most NGOs remained highly dependent on international or public funding, rendering them vulnerable to political pressure. *BiH's civil society rating remains unchanged at 3.50.*

Independent Media. Most news reporting in 2012 focused on the political stalemate and local elections. Electoral campaigning in the media began before the official campaign period, with many news outlets openly taking sides. Similar coverage continued even after the results had been published, as outlets sought to cement their good relations with various political parties. Online media are slowly gaining credibility and outpacing traditional media as a source of objective and investigative reporting. *BiH's independent media rating remains unchanged at 4.75.*

Local Democratic Governance. Financially and otherwise, local administrations remain highly dependent on entity and state-level governing bodies. Local authorities devoted most of 2012 to campaigning for the October elections, rather than meeting their existing responsibilities or fighting for greater autonomy. Even as their local economies struggle, most municipalities maintain bloated and expensive bureaucracies. One positive development in 2012 was the suspension of international supervision in the autonomous Brčko District. *BiH's local democratic governance rating remains unchanged at 4.75.*

Judicial Framework and Independence. Despite multiple reform efforts and occasional improvements, the justice system remains fragmented, slow, and ineffective. Cases are routinely left pending for years, and public confidence in the judiciary is low. EU-BiH consultations on judicial reform are underway, but the resulting recommendations are seldom applied in practice, and the judiciary faces constant political pressure. *BiH's judicial framework and independence rating remains unchanged at 4.25.*

Corruption. Although the authorities say corruption is the country's biggest problem, they are doing little to tackle it. Institutions lack the capacity or the political will to increase transparency and punish misconduct. At the state level, politicians tried to pass more comprehensive conflict of interest legislation, but even some of them admitted the draft law risked enhancing corruption, rather than reducing it, and the House of Peoples rejected it. BiH's Agency for the Prevention of Corruption and Coordination of the Fight against Corruption is still not fully operational, and the Strategy for the Fight Against Corruption has not been implemented. Due to the widespread lack of transparency and accountability in institutions and prevalence of both petty and high profile misconduct, *BiH's corruption rating worsens from 4.50 to 4.75.*

Outlook for 2013. As the political stalemate drags on, early elections in 2013 remain a possibility. BiH will probably continue missing deadlines and scheduled commitments related to EU and NATO membership, especially with regard to required constitutional changes. Politicians appear unwilling or unable to address harmonization of laws with European standards and EU-mandated reforms in public spending and other areas. Negotiations with neighboring countries about state borders must intensify since there are several unsolved issues. Croatia's imminent EU accession should force BiH to impose European hygiene standards on agricultural products or risk losing exports to one of its largest trading partners.

Main Report

National Democratic Governance

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
n/a	4.75	4.75	4.75	5.00	5.00	5.25	5.25	5.50	5.50

Under the Dayton Peace Agreement (DPA), Bosnia and Herzegovina (BiH) operates under international supervision as a loose, asymmetrical federation of autonomous entities: the centralized, Serb-dominated Republika Srpska (RS), the decentralized Federation of Bosnia and Herzegovina (FBiH), which is divided into 10 cantons with Bosniak or Croat majorities, and Brčko District, a separate administrative unit in the southeast with its own governing institutions. The stability of BiH remains dependent on the Office of the High Representative (OHR), which is responsible for the civilian implementation of the DPA, and the European Union (EU) Delegation to BiH, which guides the country towards EU accession.

BiH's complex political system includes a rotating, tripartite presidency with one Bosniak, one Serb, and one Croat representative. The Council of Ministers operates as a state-level government with nine ministries, but does not administer certain key policy areas such as industry, education, or culture. The Parliamentary Assembly of BiH comprises two houses: the House of Representatives and the House of Peoples, each representing two entities and three dominant ethnicities. Both entities have their own governments and parliaments. Each canton in FBiH has a government and a parliament.

In the RS entity, the ruling Alliance of Independent Social Democrats (SNSD) won a clear majority in the October 2010 elections, forming a government within a few months. In FBiH, by contrast, five months passed before the emergence of an unlikely governing coalition between BiH's largest predominantly Bosniak faction, the Party of Democratic Action (SDA) and the Social Democratic Party (SDP), which operates on a citizen-based (non-ethnic) platform. The coalition between these longtime rivals dissolved at all levels in June 2012, after months of political deadlock and a protracted budgetary dispute. SDP, which had won more votes than any other party in 2010, began cooperating with the Alliance for a Better Future (SBB) and two Croat Democratic Union parties, HDZ and HDZ 1990. Two smaller Croat parties and members of a previous FBiH coalition—the People's Party Work for Betterment (NSRzB) and the Croat Party of Justice (HSP)—were pushed out of the government, but without enough votes in the FBiH parliament, the new coalition was unable to oust FBiH President Živko Budimir (HSP) and reconstruct the FBiH government.

In the second half of 2012, relations between FBiH's major parties deteriorated further, effectively incapacitating entity-level politics. In June, media reported that Minister of Physical Planning Desnica Radivojević (SDA) intended to support the SDP in dismissing the supervisory and steering boards of six public companies.

This news prompted the SDA to activate Radivojević's so-called "blank" (pre-signed) resignation letter, which officials submit to their parties after elections to protect against disloyalty. President Budimir accepted the letter, but Radivojević refused to step down, and the case ended up before the FBiH Constitutional Court. The court ruled that Budimir had not violated the Constitution by accepting Radivojević's signed resignation, but that the blank resignation itself was invalid; it advised Budimir to reconsider his decision and reappoint Radivojević. Budimir waited six months before finally doing so in December—for the sake of ending the government crisis, he said.[1] Also in December, FBiH Prime Minister Nermin Nikšić (SDP) asked Budimir to dismiss eight SDA, HSP, and NSRzB ministers he claimed were hindering the government's work, but Budimir refused. The eight ministers, for their part, accused Nikšić of ignoring procedural regulations by sending the draft 2013 FBiH budget to the parliament on his own, without the approval of the whole government. The affair ended up before the Constitutional Court of FBiH, but no decision had been reached by year's end.[2]

Problems between FBiH parties spread quickly to the state level, where the process of forming a Council of Ministers after the 2010 elections took a total of 16 months. Just three months after the ministers had all been appointed, SDP and SDA broke their coalition, ushering in another period of deadlock and stagnation. The semiannual report of the BiH Center for Civic Initiatives (CCI), which monitors the efficiency of governments and assemblies at all levels of power, noted that by the end of the first three months of 2012, the Council of Ministers and Parliamentary Assembly were so behind in their planned commitments that it would take them the rest of the year just to catch up, without taking on any new projects.[3]

In October, the Parliamentary Assembly voted to dismiss two SDA ministers and one deputy minister from the Council of Ministers. Fahrudin Radončić, president of the SBB and longtime owner of the highly influential daily *Dnevni Avaz*, became minister of security.

After SDP president and BiH foreign affairs minister Zlatko Lagumdžija instructed BiH's representative in the UN General Assembly to vote in favor of condemning ongoing violence in Syria,[4] SNSD leader and RS President Milorad Dodik called for his resignation. However, in late October, the two parties put aside years of conflict, forming a coalition and agreeing to collaborate in all state institutions.[5] Their agreement for the 2012–14 period focuses broadly on EU accession and judicial and economic reform, including such specific goals as shortening administrative procedures for development projects and company registration. Although the fact that these parties are agreeing on anything is positive, some of their shared policy goals have drawn criticism. The planned introduction of closed election lists means that in the 2014 elections citizens may vote only for parties, not individual candidates. Also, if the proposed changes are implemented, ballots will be counted in small municipal committees, not a main counting center, leaving room for irregularities.[6]

The Croat member of the BiH presidency, Željko Komšić, who received more votes than his SDP in 2010, left the party in July 2012 and announced plans to

form a new one, saying the SDP was not fulfilling promises to fight crime and corruption.[7]

While political leaders spent another year attempting to oust one another, efforts with regard to EU membership stagnated. In June 2008, BiH signed a Stabilization and Association Agreement (SAA) with the EU, but at the end of 2012 the agreement was not yet in force due to unfulfilled commitments, most notably regarding constitutional changes. BiH's constitution limits representation in the tripartite state presidency and House of Peoples to Bosnia's three main ethnic groups—Croats, Serbs, and Bosniaks—effectively discriminating against Jews, Roma, and other minorities. In the 2009 Sejdić-Finci case, the European Court of Human Rights ruled that this stipulation violates the European Convention on Human Rights. In June 2012, most influential BiH politicians agreed to reform the constitution in line with the court's ruling as part of a "roadmap" of deadlines and obligations BiH must meet on its way to EU accession. However, BiH authorities missed the first of these deadlines by failing to submit the Sejdić-Finci constitutional changes to the parliament by 31 August.

Croatia is set to join the EU in 2013, which will alter BiH's relationship with a major trading partner if it does not implement certain changes. Only one of eight current BiH-Croatia border crossings will be renovated in time to meet European standards, and one more is under construction. In July, Pierre Mirel, director for the Western Balkans in the European Commission (EC) Directorate General for Enlargement, noted that BiH might no longer be able to export many agricultural products to Croatia after June 2013.[8] The BiH economy is already foundering, with more than half a million unemployed.[9]

In September, financial difficulties at all levels of governance forced BiH to make a new Stand-By Arrangement with the International Monetary Fund (IMF) worth €405.3 million through 2014.[10] BiH already secured a €1.2 billion loan from the IMF in 2009, but it was blocked after just one-third of the funds had been released when authorities failed to cut wages in the public sector and reduce social and war-related benefits.

In April 2010, the North Atlantic Treaty Organization (NATO) agreed to launch a Membership Action Plan (MAP) for Bosnia—a key step toward full membership—on the condition that all immovable military property be registered to the state of BiH and placed under the exclusive purview of the BiH defense ministry. Most influential political parties agreed to these terms in March 2012, but the changes had not been implemented at year's end. Later in the year, the SNSD leader Dodik called for the abolition of BiH's armed forces, repeating his frequent prediction that BiH will soon collapse.[11] Croat parties continued to call for the restructuring of the FBiH and a third, Croat entity.

BiH did adopt two important, EU-mandated laws in February 2012—the State Aid Law and the Census Law. The former establishes a Council for State Aid, to be funded equally from the state and entity budgets. Among other important functions, the council, whose formation was still pending at year's end, is expected to improve coordination of funds transfers for development projects. The Census

Law aims to yield the first population census since 1991. New census data will show demographic consequences of the war and affect the formation (ethnic representation) of future governing structures. The census is planned for April 2013, though in December EUROSTAT, the EU's statistical office, recommended postponing it at by least six months because statistical agencies were unprepared.[12]

Electoral Process

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
3.50	3.25	3.00	3.00	3.00	3.00	3.25	3.25	3.25	3.25

Municipal elections are held every four years in BiH, as are parliamentary elections, though they are two years apart. It has been suggested that local and national elections should be merged onto a single schedule to reduce campaigning and associated costs.

Campaigning for the October 2012 municipal elections focused on national issues, rather than local ones, especially the inability to create a stable Council of Ministers. As in previous years, party leadership participated extensively in preelection media and outreach, becoming far more visible in the campaign than the local candidates, themselves. Over 30,000 candidates competed, either as independents, coalition members, or representing one of BiH's 190 registered political parties.[13]

The Central Election Commission (CIK) butted heads with the State Court of BiH more than once in the run-up to the polls. In November, it fined the NSRzB 10,000 Convertible BiH Marks (KM), roughly €5,100, after FBiH minister of agriculture and NSRzB vice-president Jerko Ivanković-Lijanović spent KM 671,000 in taxpayer money on a national agricultural campaign with the slogan "Buy Local—Buy with Heart." According to the BiH chapter of Transparency International (TI), which filed the criminal case against the NSRzB, the slogan was intentionally reminiscent of NSRzB's official motto, "With Heart for Betterment," and therefore served as a state-financed campaign tool for Lijanović's party. However, the Court of BiH challenged the CIK's ruling, saying the link between the agriculture ministry's campaign and NSRzB's electoral slogan had not been proven, so the CIK had to repeat the investigation.[14] The CIK also attempted to block 20 self-proclaimed independents from running in October on the grounds that they were actually allied with the NSRzB, which has been accused of vote-buying in past elections and has incentive to increase its representation in local election committees. However, the State Court of BiH overruled the CIK, allowing the independents to run.

In RS, one incumbent candidate for a mayoral post was arrested and indicted three weeks before the election, for accepting bribes. Milovan Čerek, a member of the Socialist Party (SP), maintains his innocence, and his trial is ongoing. In December, a witness testified that Čerek sought a KM 10,000 donation to the SP in exchange for a favor.[15] Srđan Ljubojević, another SP member, was arrested one

month before Čerek, also on bribery charges. Ljubojević confessed and received a one-year prison sentence. The opposition claimed the arrests were politically motivated.

In November, the Parliamentary Assembly adopted changes to the Law on Financing Political Parties, despite criticism from organizations like TI. Party members are now permitted to make donations of up to KM 15,000 a year, a rule TI says parties may manipulate by registering fictive members.[16] Annual contribution limits for legal bodies and individuals also increased, while party financing violations are not prosecuted properly, according to the EC's October 2012 progress report.[17] Elections were not held in Mostar after the BiH Constitutional Court ruled that some parts of the Mostar Statute contradicted Electoral Law by not allowing voters from all city areas to choose equal numbers of city council representatives. Politicians did not reach agreement on the necessary changes before the vote.

In past elections, citizens of Srebrenica registered in the 1991 census were able to vote, regardless of their current place of residence. This allowed many Bosniak refugees to vote, and a Bosniak mayor always won. Due to electoral changes in 2012, however, only current Srebrenica residents could vote in October, angering Bosniaks and prompting them to called upon people across the country to register as Srebrenica residents. After a series of related controversies, a Bosniak candidate narrowly defeated an ethnic Serb competitor. Led by the SNSD, Serbian parties complained, but the State Court of BiH dismissed their appeal. Since Bosniaks and Serbs each got 11 representatives (plus one member of the Roma minority) in the municipal council, coalition negotiations were complicated. In December, however, the parties formed a coalition including all elected officials. The deal followed the state-level agreement between SDP and SNSD in October, illustrating the manner in which state-level politics often affect local decision-making.

Voter turnout in October was 56.36 percent,[18] compared to 55.3 percent in the 2008 local elections.[19] Despite some reported irregularities, international observers said the elections were well implemented, overall, and in keeping with Council of Europe standards.[20] Čelić residents protested the outcome of their polls, claiming the SDA candidate had bribed voters for a narrow victory over the independent. The CIK upheld the election results, but annulled those in East Drvar and Mostar East, tiny RS municipalities, because of illegally registered voters, and different candidates won a November revote. In the municipality of Krupa na Uni, war crimes suspect Gojko Kličković became mayor.

Despite being pushed out of the state-level coalition, the SDA remained strong locally, with the most mayoral (37) and municipal council positions (516). In many RS municipalities, opposition parties collaborated to weaken the SNSD, proposing joint candidates. They succeeded, as the SNSD won only 19 mayoralties, compared with 40 in 2008. Nevertheless, they took the second most council positions (387). The Serb Democratic Party (SDS) benefited from SNSD losses by winning 26 mayoralties, 10 more than in 2008. The SDP slightly outperformed 2008 with 10 mayors, but lost two of its longtime strongholds in Bihać and Novi grad Sarajevo. In its first local elections, the SBB fell short of expectations with only two mayoral

posts. The HDZ and HDZ 1990 remained strong in Croat-dominated parts of BiH, winning a total of 16 mayoralties between them.[21]

Civil Society

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
3.75	3.75	3.75	3.50	3.50	3.50	3.50	3.50	3.50	3.50

Prior to the 2010 elections, civil society organizations in BiH—and especially in FBiH—were active with get-out-the-vote campaigns and monitoring efforts. Since then, the activity of such organizations has flagged somewhat. Accusations that some of them had become complacent after realizing their goal of elevating the SDP to power in 2010 gained traction when members of several organizations subsequently joined or closely aligned with the SDP. There were no significant get-out-the-vote campaigns in 2012.

Enduring problems such as street violence once sparked regular public demonstrations in FBiH, but such activities were rare in 2012. Even when protests were organized, they were small and mostly involved particular interest groups such as former soldiers, who spent weeks outside the Parliamentary Assembly building in Sarajevo fighting for the pensions they had been promised when the authorities sent them into early retirement in 2010.[22] Protests were also organized in October when the BiH National Museum closed due to a lack of funding, but only a few people gathered. BiH cultural institutions are struggling to survive, often with unstable, ad hoc government grants as their main source of financing.

Financing is a problem for all nongovernmental organizations (NGOs), which rely on international donors and, to a lesser extent, state funds. According to the Sarajevo-based Center for Investigative Reporting, BiH institutions gave €146.7 million to NGOs between 2007 and 2011, but the real figure is higher, as only about half of the lending institutions provided data.[23] Journalists have discovered several cases of misallocation and misuse of this funding, and the FBiH Inspection Bureau has discovered that a significant number of NGOs cheat on their taxes.[24]

Some NGOs provide important analysis of the government's anticorruption efforts. However, civil society organizations rarely influence high-level policymaking; when they do, it usually takes years of lobbying and requires additional support from political parties. In 2011, RS authorities finally made legislative changes forcing banks to exhaust every option to collect repayment from debtors rather than guarantors. The FBiH Parliament adopted a related bill in September 2012.

While civil society organizations in FBiH are somewhat passive compared to two years ago, organizations and movements in RS showed signs of increased vigor and independence from local political authorities in 2012. In June, a demonstration against construction in a city park in Banja Luka escalated into a series of political protests against corruption and other pressing social issues.[25] The demonstrations lost momentum after the October elections, but some remained active at year's end, focusing mostly on environmental and local political concerns. In March, the

Center for Human Policy filed a criminal complaint against RS prime minister Aleksandar Džombić and other officials for seeking to exert influence over private media by paying them millions of KM from government budgets in the form of various grants and subsidies. The RS Special Prosecutor's Office refused to investigate the case, citing a lack of evidence.

Religious communities remain influential in everyday life and politics. In 2012, sustained pressure, including death threats, from religious hardliners led Emir Suljagić to resign from his position as the BiH minister of education for the Sarajevo cantonal government.[26] In April 2011, Suljagić alienated many religious constituents by attempting to address grade point average (GPA) inflation for students subscribing to majority religions by removing marks earned for religious education classes from their GPAs.

BiH's higher education system continues to struggle with outdated curricula heavy on theory and geared towards overproduction of professionals in law, economy, and political science. Allegations of corruption in education administration are widespread, as is the practice of ethnicity-based school segregation. While most RS schools are ethnically homogeneous, some FBiH cities follow the "two schools under one roof" policy, a form of segregation where Croat and Bosniak youth study in the same building but have separate entrances, classrooms, and curricula.

Independent Media

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
4.25	4.00	4.00	4.00	4.25	4.50	4.50	4.75	4.75	4.75

The professionalism and quality of journalism in BiH have declined in recent years. The media market is oversaturated and polarized, divided along ethnic, entity, or political lines. Freedom of speech is guaranteed but seldom exercised in pursuit of objective, unbiased reporting and criticism of governments and politicians. A September 2012 report by the Press Council of BiH and the Association of BiH Journalists found that 63.75 percent of poll respondents view political influence as the biggest factor undermining independent journalism in BiH.[27]

BiH has eight daily newspapers, seven news agencies, and more than a hundred periodicals, from news magazines to advertisements.[28] Six different journalism associations exist, but rarely cooperate or coordinate their activities. BiH's broadcast media are also diverse and complex, with 45 television and 153 radio stations.[29] One-third of television stations and almost half of radio stations are local and completely dependent on financing from local levels of power, which raises questions of objectivity.

During the 2012 municipal election campaign, many media openly promoted political parties and candidates, actively campaigning for some of them. Some journalists even sought office, themselves. One of FiH's most influential daily newspapers, *Dnevni Avaz*, openly campaigned for the SBB party led by *Avaz* founder Fahrudin Radončić (who also owned TV Alfa), as well as for SBB's coalition

partner, SDP. *Avaz* also harshly criticized SDA, the party it had promoted just as aggressively for years before SBB was founded in 2009. Though with less overt bias than *Avaz*, the daily newspaper *Oslobodjenje*, a longtime competitor of *Avaz*, also shifted the tone of its election coverage from pro-SDP to pro-SDA.

Radončić divorced his wife in May, and ownership of *Avaz* was transferred to her. The former Mrs. Radončić is supposed to pay her ex-husband KM 200 million for the company over the next three years. Many believe the company is not worth that much, and that the deal aimed to mask a conflict of interest when Radončić became BiH minister of security in November. Now Radončić enjoys the support of *Avaz*, but does not technically own it.[30] On election day, Radončić's former wife appeared with him at the polls.[31]

Whereas in FBiH most media openly choose sides between the ruling and opposition parties, only a few outlets in RS dare to criticize the ruling SNSD. They receive financial support from the RS government, which is widely understood as the price of their loyalty. From 2009 to 2011, the amount of that support was approximately KM 14.5 million.[32] Almost the same amount of RS entity money was allocated to media over the seven preceding years, but mostly to the RS News Agency (SRNA) and the public broadcaster Radio-Television of RS (RTRS). From 2009 to 2011, much more funding went to privately owned news outlets—KM 3.9 million went to five newspapers and more than half of it went to two of them, *Nezavisne novine* and *Glas Srpske*, owned by Željko Kopanja, a friend and former business partner of RS president Dodik.[33] In a February 2012 interview, Kopanja denied that his media receive money because of his friendship with Dodik or that they have a policy of repaying financial support with uncritical coverage, but added: "Probably there is, I won't say a moral obligation, but some feeling that the government has helped the company in turbulent times."[34] The RS government continued to support public and private media in 2012, with KM 1.4 million going to the SRNA in March and an additional KM 830,000 going to five private media in the first four months of the year, more than half of it to *Nezavisne novine* and *Glas Srpske*.[35]

Public broadcasters in BiH, including RTRS, the state radio and television broadcaster BHRT, and FBiH radio and television broadcaster FRTV, face political pressure. As parties vie for influence over major media, the appointment process to key oversight bodies becomes deeply politicized and often results in a stalemate. In July, the FBiH parliament attempted to circumvent normal appointment procedures by appointing a provisional steering board at FRTV.[36] In December, the House of Representatives of the FBiH parliament again appointed a temporary steering board for FRTV, but the decision was blocked in the House of Peoples. The BiH Communications Regulatory Agency (CRA), which is responsible for ensuring a competitive market, the licensing of broadcasters and telecoms, and setting licensing fees, has not had a director-general since 2007, and its council members' mandate ended in April 2009. BiH's Croatian parties continue to call for a new, Croatian-language channel to better represent the interests of ethnic Croats.

On several occasions in 2012, prominent politicians and public figures in both entities verbally threatened journalists. In June, President Dodik publicly called journalist Ljiljana Kovačević a liar and did not allow her to ask a question at a press conference. Later in the year, television reporter Sinisa Vukelic received death threats from businessman Mile Radišić.[37]

Many journalists face financial problems, often working for low salaries, without pensions, health insurance, or proper contracts. Overproduction of staff has been a problem for years because universities produce far more journalism graduates than there are jobs, and the quality of their education is also questionable.

There is more space for free, objective, and investigative reporting online than in traditional media.[38] CRA estimated there were 2,113,100 internet users in BiH at the end of 2011, slightly more than half Bosnia's population.[39] Many people use online social networks—BiH has almost 1.3 million Facebook users.[40] Twitter is not yet widespread, even compared to neighboring countries.

Digitization of BiH's media has been hampered by bureaucratic inertia and poor coordination between government bodies. BiH is missing key digitization deadlines and seems unlikely to make its goal of completing the transition by the end of 2014. For the past two years, the Ministry of Communications and Transport has been unable to select suppliers of technical equipment because the Procurement Review Body of BiH annulled the first tender in 2011 and did not make a final decision on the second one, launched in April 2012.

Local Democratic Governance

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
n/a	4.75	4.75	4.75	4.75	4.75	4.75	4.75	4.75	4.75

Cities and municipalities are the lowest level of power in BiH. Their rights are regulated by entity constitutions as guaranteed by the European Charter on Local Self-Government. RS had 60 municipalities and two cities (Banja Luka and East Sarajevo) until July 2012, when its National Assembly gave official city status to four more municipalities: Prijedor, Doboj, Bijeljina, and Trebinje. FBiH has 78 municipalities and two cities, Mostar and Sarajevo (Sarajevo itself is divided into four municipalities). FBiH also has 10 cantons, a level of power between the municipalities and FBiH entity. Their bloated bureaucracies drain budgets, and part of the discussions on constitutional reform is on reducing the number of cantons or merging some of them into regions.

The 2012 state-level political crisis trickled down as coalition shakeups led to personnel changes in several cantonal ministries. The Sarajevo Canton faced two major changes: in June, when SDA ministers were replaced with SBB members; and in September, when the SDA made a comeback, gathering support in the Cantonal Assembly for a no-confidence vote on the SDP-led government. The

government's collapse undermined public administration in the Sarajevo Canton for most of 2012.

In most cases, party leaders played a bigger role in campaigning for the October municipal elections than candidates themselves, reflecting the influence state officials wield over local politicians. Most local leaders are members of whatever political parties dominate at the state and entity level, so their loyalty is near guaranteed. Those who step out of line—or do not belong to leading parties—face many problems in acquiring financing for campaigns or local governance projects. Apart from a few major towns, local economies face high unemployment and general stagnation, and depend largely on funding from higher levels of power.

Transparency and accountability are lacking in local government. Many municipalities fail to publish budgets or important records online. Some refuse to communicate with the media, which are financially dependent upon and often owned by local authorities.

Despite stable interethnic relations in much of BiH, some cities remain divided, including Mostar, where a Croat-majority population lives in the west and Bosniaks dominate the east. In FBiH, the ethnically divided school system creates fissures locally although local governments do not dictate education policy. In April, a Mostar municipal court banned the practice of "two schools under one roof" in the towns of Stolac and Capljina, but the ruling was not implemented in 2012 due to weak political will (the Herzegovina-Neretva Canton Ministry of Education even appealed it).[41] In October, the Travnik municipal court dismissed a lawsuit on the same issue.

Brčko District is the only part of BiH that belongs to neither entity. It was under international supervision for years, which ensured the effective functioning of its institutions. In August 2012, Roderick Moore, first deputy of the High Representative for BiH and Brčko supervisor, suspended his office's mandate, leaving Brčko to local authorities because, he said, they had proved capable of running Brčko themselves. Brčko is considered a model for BiH on education, politics, the economy, and other areas.[42]

Judicial Framework and Independence

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
4.50	4.25	4.00	4.00	4.00	4.00	4.00	4.25	4.25	4.25

Laws in BiH are enforced by four separate court systems. The State Court of BiH has criminal, administrative, and appeals departments and jurisdiction over specific types of crimes, such as war crimes, financial crimes, and crimes against the state. The FBiH and RS entities have separate judicial systems, with their own constitutional and supreme courts, as well as cantonal and municipal ones in the case of FBiH, and district and "basic" (minor offense) courts in the RS. There is also a separate court system for Brčko District. The complexity of this multilayered

system leads to frequent conflicts over jurisdiction. Meanwhile, courts at all levels struggle under the weight of large case backlogs and frequent political interference. Public trust in the independence and competence of the judiciary is low.[43]

An ongoing "Structured Dialogue on Justice" between BiH authorities and the EU began in 2011 under the SAA. The dialogue aims to consolidate the judicial system and strengthen its independence, effectiveness, and accountability in accordance with EU standards.[44] In its October report, the EC noted that the dialogue had bolstered political support for the 2009–13 Justice Sector Reform Strategy, leading to better planning among stakeholders in the allocation of human and financial resources, among other benefits.[45]

Nevertheless, certain parties have continued their efforts to diminish or harness the authority of state-level judicial institutions. In February 2012, the Serb SNSD and SDS parties tried to abolish the State Court of BiH and the BiH Prosecutor's Office altogether with draft legislation that was ultimately voted down by the BiH Parliamentary Assembly. Legislative priorities agreed upon by SNSD and SDP leaders in late October and early November include shifting responsibility for appointing prosecutors from the High Judicial and Prosecutorial Council (VSTV) of BiH to state and entity-level parliaments, which will choose candidates from a list proposed by the VSTV. The parties also agreed that new VSTV members should be university professors selected by the BiH Parliamentary Assembly, rather than lawyers appointed by legal associations. International officials and many civil society organizations criticized these changes, claiming that putting council appointments in parliament's hands would only institutionalize existing political pressure on the judiciary.[46]

Although the VSTV is trying to improve the efficiency of the courts, VSTV President Milorad Novković said in April that the total case backlog across all BiH court systems is roughly 400,000, plus 1.5 million cases related to unpaid utility bills.[47] Meanwhile, the judiciary continues to address the large number of pending war crimes cases by transferring cases from the state level to courts in the entities and Brčko District. According to the EC, these courts "urgently" require improved investigative capacity and financial resources.[48]

In September 2012, the security services of BiH launched large-scale joint operations to prosecute cases of organized crime, high-profile murders and robberies, drug trafficking, tax evasion, customs fraud, and money laundering. This and other police operations slightly improved public trust in the justice system, but the trials will be telling as many past high-profile cases have ended with convictions on minor charges, or none at all. BiH signed extradition agreements with Croatia and Montenegro in November; agreements with Serbia and Macedonia are expected to follow in 2013. They are not retroactive and do not include war crimes.

Construction of a state prison, planned seven years ago, had not yet begun at year's end. Radovan Stanković, a convicted war criminal who escaped Foca prison in 2007, was apprehended in January 2012.

Corruption

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
4.75	4.50	4.25	4.25	4.25	4.50	4.50	4.50	4.50	4.75

Strong engagement by the international community and domestic NGOs, as well as considerable financial investment in anticorruption reforms, has done little to curb the pervasiveness of corruption in BiH. Any positive developments during the year stemmed from ad hoc activities, not systematic improvements backed by political will at the local level. VSTV statistics from 2011 showed that BiH courts are prosecuting fewer cases of corruption, even though the number of reported offenses is rising; only one out of five people convicted of corruption received a prison sentence.[49] There were no court verdicts in major corruption cases in 2012.

BiH politicians at every level are often implicated in corrupt activities, but they are very rarely tried or sentenced. RS president Milorad Dodik and former FBiH prime ministers Edhem Bičakčić and Nedžad Branković have all been investigated for abuse of office in the last three years, without result.[50] In 2012, HDZ party president Dragan Čović was acquitted of charges for abuse of the office while he was finance minister of FBiH.[51] Čović was originally sentenced by a the State Court in 2006, but the case was later transferred to the Cantonal Court of Sarajevo; it took two years for institutions to move material evidence from one prosecutor's office to another, a process in which some of the documents were lost.[52] In instances where low-level politicians or officials have been sentenced for corruption (or other crimes), they have often been pardoned within a few months, sometimes even before the beginning of their sentence.[53]

Without personal connections, it is almost impossible to get hired in BiH's bloated and inefficient public sector. Accusations of nepotism are frequent, but rarely addressed by the authorities. Acts of petty corruption and bribery, like giving money to public servants in exchange for favors, have become commonplace in the past few years—an issue successive governments have done nothing to address. A 2012 report by the United Nations Office on Drugs and Crime (UNODC) depicts corruption in public institutions and administration as a common practice, noting that only 2.4 percent of respondents who had experienced bribery had reported it, usually because they had benefited or thought no one would care.[54] Respondents polled by the Bulgarian Center for the Study of Democracy and the Sarajevo-based Center for Investigative Reporting noted widespread corruption in law enforcement and governmental bodies and perceived doctors, police officers, and custom officers as the most corrupt professions.[55]

Anecdotal but highly visible evidence of pervasive corruption in the healthcare sector caused a stir in March, when FBiH Health Minister Rusmir Mesihović enabled a famous musician no longer living in Sarajevo to register medical records and get a computed tomography (CT) scan in a single day, all in front of television cameras. Everyday citizens, even the seriously ill, sometimes wait months to get a CT

scan in Sarajevo. When asked for an explanation, Minister Mesihović responded that he and the musician were friends. FBiH Prime Minister Nikšić commented that such favors are standard practice in BiH, and acknowledged that even he had used them.[56]

Following a 16-month investigation by the CIK, Nikšić himself was acquitted in December 2012 of abuse-of-office charges brought against him and Deputy Prime Minister Jerko Ivanković Lijanović. The investigation concerned the appointment of Nikšić's brother and Lijanović brother's brother-in-law to governing positions in the FBiH-owned company Highways of FBiH. The CIK concluded that there was no evidence of Nikšić or Lijanović's having influenced the appointments. Even if the men had been convicted, they would have faced a maximum financial penalty of KM 5,000.

In pursuit of EU membership, BiH has adopted various international conventions on corruption, but the country's laws and legal system are not yet fully compliant. In 2009, the BiH Council of Ministers adopted a Strategy for the Fight Against Corruption that is supposed to be implemented by the end of 2014, but according to Transparency International, as of September 2012 only 2 out of 81 planned measures had been implemented in full, 32 in part, and 47 were not in any stage of implementation.[57] One explanation is that a key body responsible for the Strategy's implementation, the Agency for the Prevention of Corruption and Coordination of the Fight Against Corruption, is not yet fully operational, three years after the adoption of a law on its formation. The Parliamentary Assembly appointed a director and two deputies in July 2011—a year later than planned—but the agency did not receive full funding until 2012. The funds ultimately allocated from the state budget included salaries for 29 employees, rather than the originally planned 45, raising questions about the government's priorities.[58]

In general, the adoption and implementation of laws intended to reduce corruption have been unsatisfactory. BiH has yet to draft or adopt whistleblower protection legislation at any level; the adoption of a new Law on Public Procurement has likewise been on hold for years. Many adopted laws, meanwhile, do not function as intended, including the Law on Public Procurement, which contradicts other regulations, leading to problems in interpretation. Public tenders lack transparency and accountability, with political interests and personal connections between government and business actors regularly interfering in bidding procedures.[59]

The Law on Freedom of Access to Information (FOAI) is inadequately implemented at all levels of government, which makes uncovering corruption especially challenging and speaks to a broader transparency deficit among public institutions. FOAI laws differ on the state, FBiH, and RS levels, with only BiH law prescribing sanctions for not providing information. TI reported in September 2012 that after sending out 148 requests for information on public procurement contracts to ministries at the state and entity levels, as well as to departments of the Brčko District government, they received reponses from only 43 percent of institutions within 15 days (as prescribed by law), while another 38 percent responded only after urgent follow-up. About 20 percent of the institutions never replied at all.[60]

Bosnia's current conflict-of-interest legislation is also ineffectual and incomplete. For example, the RS version of the law says legislators of the RS National Assembly cannot be directors or members of supervisory boards of companies doing business with entity institutions, but it does not address situations when assembly members are those companies' owners, or when companies do business on another government level. Laws at other levels of governance do not fill this gap, either. In 2012, politicians at the state level tried to pass a more comprehensive conflict-of-interest law, which was adopted in the House of Representatives of the BiH Parliamentary Assembly but rejected by the House of Peoples in July. Even some MPs criticized the new law, saying it might actually have an adverse effect by prescribing weak penalties for breaches of the law and narrowing the circle of family members considered to be relevant in cases of conflict of interest to those actually sharing a household with the public figure under investigation.[61]

The monitoring of public sector spending has been problematic for years, as auditors face constant political pressure and the institutions they audit routinely reject their findings. Public prosecutors ignore such reports, even when they uncover systematic corruption and illegal practices such as hiring additional staff for jobs that should be done by regular employees, flawed public procurements tenders, or personal use of public resources such as cars or phones.

According to the EC's October 2012 progress report, BiH is not making a significant progress in fighting organized crime and remains linked to arms and drug trafficking. In September, even former members of the State Investigation and Protection Agency (SIPA) and State Border Police were arrested in connection with a high-profile sting operation targeting organized crime. Police searched a hotel owned by alleged drug lord Naser Kelmendi, but Kelmendi himself escaped in time to avoid arrest. In June, the U.S. State Department placed Kelmendi on a black list, describing him as a foreign narcotics boss. [62]

Two important trials against organized crime groups were ongoing in the BiH State Court in 2012. One is a case against two brothers, Hamdua Dacić and Haris Zornić, indicted in 2009 for drug trafficking and money laundering. The other trial, launched in 2011, concerns a network of criminals allegedly led by Zijad Turković. Turković and his purported associates are accused of crimes ranging from drug and weapons trafficking to murder and armed robbery. Seizure of illegally acquired property is slow in BiH, often due to the sluggish judiciary, enabling criminals to hide or sell assets.

▮ Author: Dino Jahić

Dino Jahić is a journalist, editor, and media trainer based in Sarajevo (BiH) and Belgrade (Serbia). He is a graduate of the Journalism department of the College of Political Science at the University of Sarajevo.

1 Dženana Halimović, "Federacija BiH: Radivojević odlučuje o većini u Vladi?" [Federation of BiH: Radivojevic deciding on the majority in the government?], Radio Slobodna Evropa, 27 December 2012, http://www.slobodnaevropa.org/content/kriza-vlasti-u-federaciji-bih-budimir-vratio-radivojevica-na-funkciju/24810269.html.

2 "Budimir ne želi smijeniti federalne minister" [Budimir does not want to dismiss FBiH ministers], Al Jazeera Balkans, 20 December 2012, http://balkans.aljazeera.com/vijesti/budimir-ne-zeli-smijeniti-federalne-ministre.

3 Center for Civic Initiatives, "Rezultati monitoringa PS i VM za prvih 6 mjeseci 2012 lošiji i od prethodnika i od susjeda" [Monitoring results of PS and VM for the first 6 months of 2012—worse than predecessors and neighbors], news release, 9 August 2012, http://cci.ba/media/1/39/157.html.

4 In deciding to vote for the resolution on Syria, Lagumdzija had the support of only one member of the tripartite state presidency. The move inspired much criticism, especially in RS, which traditionally has very good relations with Russia.

5 After the agreement, the state level coalition remained almost the the same, with SDP, SNSD, two HDZs, the Serb Democratic Party (SDS), and the SBB replacing the SDA.

6 Transparency International and other CSOs, "Reakcija organizacija civilnog društva na sporazum o programsko-projektnoj saradnji SNSD-SDP" [Reaction of CSOs on the Agreement on the Program/Project Cooperation SNSD-SDP], news release, 1 November 2012, http://ti-bih.org/5660/saopstenje-za-javnost-reakcija-organizacija-civilnog-drustva-na-sporazum-o-programsko-projektnoj-saradnji-snsd-sdp/.

7 "Gost Željko Komšić" [Guest Željko Komšić], *Dnevnik D*, Federalna Televizija, 11 October 2012, http://www.federalna.ba/bhs/vijest/45967/dnevnik-d.

8 "Mirel pozvao na dogovor vlasti s MMF-om" [Mirel called on agreement of authorities with IMF], Klix.ba, 4 July 2012, http://www.klix.ba/vijesti/bih/mirel-pozvao-na-dogovor-vlasti-sa-mmf-om/120704158.

9 "Unemployment rate increases in Bosnia and Herzegovina," Press TV, 24 October 2012, http://www.presstv.ir/detail/2012/10/24/268476/unemployment-rate-increases-in-bosnia-and-herzegovina/.

10 International Monetary Fund (IMF), "IMF Executive Board Approves €405.3 million Stand-By Arrangement for Bosnia and Herzegovina," news release, 26 September 2012, http://www.imf.org/external/np/sec/pr/2012/pr12366.htm.

11 "Pošteno s Duškom Jurišić" [Honestly with Duska Jurisic], Federalna televizija, 8 October 2012, http://www.federalna.ba/bhs/vijest/44971/08102012.

12 "Popis u aprilu 2013. bio bi beskoristan," [Census in April 2013 would be useless], RadioSarajevo.ba, 20 December 2012, http://www.radiosarajevo.ba/novost/97769/popis-u-aprilu-2013-bio-bi-beskoristan.

13 "BiH rekorder po broju političkih partija" [BiH record holder in the number of political parties], *Agencija Anadolija*, 7 September 2012, http://www.aa.com.tr/ba/rss/79324--bih-rekorder-po-broju-politickih-partija.

14 Center for Investigative Reporting (CIN), "Presuda u korist Narodne stranke Radom za boljitak" [The judgment in favor of the People's Party Work for Betterment], 23 November 2012, http://www.cin.ba/presuda-u-korist-narodne-stranke-radom-za-boljitak/.

15 "Čerek tražio novac i za Socijalističku partiju" [Cerek wanted money for Socialist Party], *Nezavisne Novine*, 26 December 2012, http://www.nezavisne.com/novosti/bih/Cerek-trazio-novac-i-za-Socijalisticku-partiju-173228.html.

16 Transparency International, "Draft on the Law on Financing of Political Parties in BiH Encourages Corruption," news release, 15 November 2012, http://ti-bih.org/en/5731/prijedlog-zakona-o-finansiranju-politickih-stranaka-bih-potice-korupciju-2/.

17 European Commission (EC), *Bosnia and Herzegovina 2012 Progress Report accompanying the document Communication from the Commission to the European Parliament and Council, Enlargement Strategy and Main Challenges 2012–2013* (Brussels: EC, October 2012), http://ec.europa.eu/enlargement/pdf/key_documents/2012/package/ba_rapport_2012_en.pdf.

18 Central Election Commission (CIK), "Odziv birača na biračkim mjestima za izbore 2012 do 19:00 sati" [Voter turnout at the polls for the 2012 elections to 19:00], news release, 7 October 2012, http://izbori.ba/Documents/Izbori2012/OdzivFinalni201219.pdf.

19 CIK, "Lokalni izbori 2008—odziv" [Local elections 2008—voter turnout], news release, 19 October 2008, http://izbori.ba/Documents/Documents/Rezultati%20izbora%2096-2002/Rezultati2008/Odzivi%20po%20izbornim%20jedinicama.pdf.

20 Statement of Amy Koopmanschap, head of the Congress of Local and Regional Authorities of the Council of Europe, 8 October 2012, http://www.sensservis.eu/index.php?option=com_content&view=article&id=46360:sarajevo-amy-koopmanschap-kongres-lokalnih-i-regionalnih-vlasti-vijea-evrope-qizbori-su-bili-d&catid=55:bih&Itemid=200 (video).

21 "Najviše načelničkih mandata na Lokalnim izborima osvojila SDA" [SDA got most mayoral posts in Local elections], Klix.ba, 22 October 2012, http://www.klix.ba/vijesti/bih/najvise-nacelnickih-mandata-na-lokalnim-izborima-osvojila-sda/121022143.

22 The issue of the unpaid pensions went unresolved in 2012, as neither state authorities nor entity-level ones stepped forward to claim responsibility.

23 CIN, "Non-profits collect millions from government budgets," 1 August 2012, http://www.cin.ba/en/budzetski-milioni-za-udruzenja/.

24 Government of FBiH, "63. Sjednica Vlade Federacije BiH" [63rd Session of the FBiH Government], news release, 9 October 2012, http://www.fbihvlada.gov.ba/bosanski/sjednica.php?sjed_id=285&col=sjed_saopcenje.

25 "'Šetači' ne smiju pred zgradu Vlade RS-a" [The Walkers are not allowed to go in front of the RS Government building], Klix.ba, 23 June 2012, http://www.klix.ba/vijesti/bih/setaci-ne-smiju-pred-zgradu-vlade-rs-a/120623067.

26 "Slučaj Suljagić i slabosti sekularizma u BiH" [Suljagic case and weaknesses of secularism in BiH], Slobodnaevropa.org, 13 February 2012, http://www.slobodnaevropa.org/content/slucaj_suljagic_iznudjene_ostavke_u_sekularnoj_bih/24482816.html.

27 Press Council of BiH and Association of BiH Journalists (BCBiH and ABiHJ), *Izvještaj u sjeni* [Report in the shadow] (Sarajevo: BCBiH and ABiHJ, 24 September 2012), http://www.bhnovinari.ba/images/stories/pdf/istrazivanja/izvjestaj_u_sjeni.pdf.

28 BCBiH, *Štampani mediji u BiH* [Print media in BiH], http://www.vzs.ba/index.php?option=com_content&view=category&id=5&Itemid=8.

29 Communications Regulatory Agency BiH (CRA), *Licences for Television and Radio Broadcasting* (Sarajevo: CRA, 1 April 2013), http://rak.ba/eng/index.php?uid=1276851773.

30 Mirsad Fazlić, "Azra Radončić, najbogatija samohrana majka u BiH" [Azra Radoncic, richest single mother in BiH], Slobodna Bosna, 22 September 2012, http://www.slobodna-bosna.ba/vijest/2485/azra_radonchic_najbogatija_samohrana_majka_u_bih.html.

31 "Radončić: Nadam se da neće biti velike izborne krađe" [Radoncic: I hope there won't be a huge elections fraud], Source.ba, 7 October 2012, http://www.source.ba/clanak/5863396/.

32 CIN, "Government millions for private news outlets in the RS," 22 February 2012, http://www.cin.ba/en/vladini-milioni-za-privatne-medije-u-rs-u/.

33 A company owned by Dodik co-founded *Nezavisne novine* in 1995, but sold its shares in 1997.

34 CIN, "Government millions for private news outlets in the RS."

35 CIN, "Vlada RS-a nastavlja finansirati privatne medije," [The RS government continues to finance the private media], 27 April 2012, http://www.cin.ba/vlada-rs-a-nastavlja-finansirati-privatne-medije/.

36 EC, *Bosnia and Herzegovina 2012 Progress Report.*

37 ABiH], "Saopštenja za javnost" [Press releases], news release, http://www.bhnovinari.ba/index.php?option=com_content&view=category&id=62&Itemid=240&lang=bs.

38 Organizations producing in-depth online reporting on conflict-of-interest issues and other topics neglected by traditional media include the Sarajevo-based Center for Investigative Reporting, as well as news sites like Capital.ba or Zurnal.info.

39 Communications Regulatory Agency BH (CRA), *Godišnji izvještaj Regulatorne agencije za komunikacije za 2011 godinu* [Annual Report of CRA for 2011] (Sarajevo: CRA, 25 May 2012), http://www.cra.ba/bih/index.php?uid=1272548129.

40 Socialbakers.com, *Bosnia and Herzegovina Facebook Statistics*, http://www.socialbakers.com/facebook-statistics/bosnia-and-herzegovina.

41 Berislav Jurić, "Ministarstvo obrazovanja HNŽ uložilo žalbu kantonalnom pravobranilaštvu i apelaciju Ustavnom sudu BiH zbog presude o ukidanju 'Dvije škole pod jednim krovom'" [Herzegovina-Neretva Canton Ministry of Education appealed to Canton Attorney's Office and to Constitutional Court of BiH because of a verdict on the abolition of 'Two schools under one roof'], Diskriminacija.ba, 2012, http://www.diskriminacija.ba/node/167.

42 Roderick Moore, "Zašto sam suspendirao superviziju za Brčko" [Why I suspended Brčko supervision], Al Jazeera Balkans, 1 June 2012, http://balkans.aljazeera.net/makale/zasto-sam-suspendirao-superviziju-za-Brčko.

43 In a joint study by the Center for the Study of Democracy (CSD) and Center for Investigative Reporting (CIN), over 41 percent of respondents listed ineffectiveness of the judicial system as one of main factors influencing the spread of corruption in the country, while over a third of them said they felt corruption is extensive among judiciary. See CSD and CIN, *Countering Corruption in Bosnia and Herzegovina: 2001–2011* (Sarajevo: CSD and CIN, 2012) http://www.csd.bg/artShow.php?id=16084.

44 EC, *Bosnia and Herzegovina 2012 Progress Report.*

45 Ibid.

46 Dženana Karabegović, "Tužioci: Dogovor Lagumdžija-Dodik zaustavlja borbu protiv kriminala i korupcije" [Prosecutors: Dodik-Lagumdzija agreement stops the fight against crime and corruption], SlobodnaEvropa.org, 6 November 2012, http://www.slobodnaevropa.org/content/tuzioci-dogovor-lagumdzija-dodik-udar-na-nezavisnost-pravosudja/24762238.html.

47 "Sudovi u BiH krcati neriješenim predmetima" [Courts in BiH are full of unsolved cases], Nezavisne Novine—SRNA, 24 April 2012, http://www.nezavisne.com/novosti/bih/Sudovi-u-BiH-krcati-nerijesnim-predmetima-138388.html.

48 EC, *Bosnia and Herzegovina 2012 Progress Report.*

49 CIN, "More Corruption, Fewer Trials," 11 June 2011, http://www.cin.ba/en/sve-vise-prijava-korupcije-sve-manje-sudenja/.

50 CIN, "Specijalno tužilaštvo obustavilo istragu protiv Milorada Dodika" [Special Prosecutor's Office suspends investigation of Milorad Dodik], 29 December 2011, http://www.cin.ba/specijalno-tuzilastvo-obustavilo-istragu-protiv-milorada-dodika/; and "Bičakčić i Branković oslobođeni optužbe" [Bičakčić and Branković acquitted], 13 October 2010, http://www.cin.ba/bicakcic-i-brankovic-oslobodeni-optuzbe/.

51 CIN, "Čović oslobođen optužbe za zloupotrebu položaja" [Čović acquitted of abuse of office charges], 7 May 2012, http://www.cin.ba/covic-osloboden-optuzbe-za-zloupotrebu-polozaja/.

52 CIN, "Nestali dokazi iz predmeta Čović-Lijanovići" [Missing evidence from the Covic-Lijanovići case], 6 March 2011, http://www.cin.ba/nestali-dokazi-iz-predmeta-covic-lijanovici/.

53 CIN, "Pardoning for Officeholders," 16 January 2011, http://www.cin.ba/en/pomilovanje-funkcionerima-radovanje/.

54 United Nations Office on Drugs and Crime (UNODC), *Corruption in Bosnia and Herzegovina—Bribery as Experienced by the Population* (Sarajevo: UNODC, 2012), http://www.unodc.org/documents/data-and-analysis/statistics/corruption/Bosnia_corruption_report_web.pdf.

55 CSD and CIN, *Countering Corruption in Bosnia and Herzegovina: 2001–2011.*

56 Nermina Šunj, "Ljekarsku uputnicu za CT Bregoviću izdaje menadžer, a do aparata ga vodi ministar zdravstva" [Manager issues CT medical referral to Bregovic, while minister of health takes him to hospital himself], *Žurnal,* 7 March 2012, http://www.zurnal.info/home/index.php?option=com_content&view=article&id=12214:ljekarsku-uputnicu-za-ct-bregoviu-izdaje-menader-a-do-aparata-ga-vodi-ministar-zdravstva-&catid=18&Itemid=27.

57 Transparency International, "Only 2,4% of anti-corruption measures have been fullfiled," news release, 8 September 2012, http://ti-bih.org/en/5482/ispunjeno-samo-24-mjera-strategije-za-borbu-protiv-korupcije/.

58 Ibid.

59 CSD and CIN, *Countering Corruption in Bosnia and Herzegovina: 2001–2011.*

60 Transparency International, "The Public Interest Has Been Ignored in the Process of Delivery of Information by the Institutions" news release, 28 September 2012, http://ti-bih.org/en/5559/javni-interes-zanemaren-u-procesu-dostavljanja-informacija-od-strane-institucija/

61 Boris Gagić, "Odbačene izmjene zakona o sukobu interesa" [Changes to Law on Conflict of Interest rejected], Al Jazeera Balkans, 25 July 2012, http://balkans.aljazeera.net/vijesti/odbacene-izmjene-zakona-o-sukobu-interesa.

62 CIN, "SIPA istražuje kriminalnu organizaciju" [SIPA Launches Investigation of Criminal Organization], 12 September 2012, http://www.cin.ba/sipa-istrazuje-zlocinacku-organizaciju/.

Bulgaria

by Georgy Ganev, Daniel Smilov, and Antoinette Primatarova

Capital: Sofia
Population: 7.3 million
GNI/capita, PPP: US$6,640

Source: The data above are drawn from the World Bank's *World Development Indicators 2013.*

Nations in Transit Ratings and Averaged Scores

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Electoral Process	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	2.00	2.00
Civil Society	3.00	2.75	2.75	2.50	2.50	2.50	2.50	2.50	2.50	2.50
Independent Media	3.50	3.50	3.25	3.50	3.50	3.75	3.75	3.75	3.75	4.00
Governance*	3.75	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
National Democratic Governance	n/a	3.50	3.00	3.00	3.00	3.25	3.25	3.50	3.50	3.50
Local Democratic Governance	n/a	3.50	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Judicial Framework and Independence	3.25	3.25	3.00	2.75	2.75	3.00	3.00	3.00	3.25	3.25
Corruption	4.25	4.00	3.75	3.75	3.50	4.00	4.00	4.00	4.00	4.00
Democracy Score	3.25	3.18	2.93	2.89	2.86	3.04	3.04	3.07	3.14	3.18

** Starting with the 2005 edition, Freedom House introduced separate analysis and ratings for national democratic governance and local democratic governance to provide readers with more detailed and nuanced analysis of these two important subjects.*

NOTE: The ratings reflect the consensus of Freedom House, its academic advisers, and the author(s) of this report. The opinions expressed in this report are those of the author(s). The ratings are based on a scale of 1 to 7, with 1 representing the highest level of democratic progress and 7 the lowest. The Democracy Score is an average of ratings for the categories tracked in a given year.

Executive Summary

In the 19 years since the collapse of communism, Bulgaria has succeeded in consolidating its system of democratic governance with a stable parliament, sound government structures, an active civil society, and a free media. A number of general, presidential, and local elections have been held freely, fairly, and without disturbance. Power has changed hands peacefully, with the country enjoying more than a decade of stable, full-term governments. In 2004, Bulgaria officially became a member of the North Atlantic Treaty Organization (NATO). On 1 January 2007, it became a full member of the European Union (EU).

These successes notwithstanding, Bulgaria's democratic institutions display a number of weaknesses. Inefficiency and graft within the judiciary are still considered a major stumbling block in the country's battle against high-level corruption and organized crime. Public trust in democratic institutions is low, and ethnic minorities face discrimination. Developments in 2012 underscored how the dominance of major media groups and infighting among their owners is undermining the country's press freedoms.

National Democratic Governance. Bulgaria's economic crisis has eaten away at the center-right GERB party's popularity since it took office in July 2009. At the time, GERB won nearly 40 percent of the vote with promises to tackle a deep recession, organized crime and graft. A new party with a chance of joining the next parliamentary session emerged in 2012, led by the country's first EU commissioner, Meglena Kuneva. Civil society, businesses, and citizens played a visible role in policy decisions, forcing an unwilling parliament to call a referendum on the future of a nuclear power plant; bringing about a smoking ban; and halting shale gas exploration and extraction. A plan to decentralize government agencies was announced, but only one agency actually moved out of Sofia in 2012. Following a suicide bombing and a negative report from the European Commission, the center-right GERB government survived a confidence vote in parliament in October. *Bulgaria's national democratic governance rating remains unchanged at 3.50.*

Electoral Process. Flawed elections in 2011 fueled a debate on revisions to the electoral code throughout 2012 to address problems such as insufficient staffing of the electoral commission and inflated voter lists. However, even with parliamentary elections scheduled for mid-2013, no agreement had been reached on key electoral reforms by year's end. The delay, coupled with the ruling party's decision to reverse a 2010 policy that had introduced preferential voting, fueled speculation by the opposition that incumbents were aiming to manipulate electoral rules in their favor.

Due to the lack of notable changes since 2011, *Bulgaria's electoral process rating remains unchanged at 2.00.*

Civil Society. Civil society has become increasingly dynamic and assertive as the result of EU support and the expansion of social networks and internet access. Examples of civil society's growing confidence in 2012 included the push for a referendum on a nuclear power plant, protests against the Forestry Act that led to a presidential veto, and the consolidation of civil society's activities for furthering judicial reform. *Bulgaria's civil society rating remains unchanged at 2.50.*

Independent Media. Bulgaria's media environment has deteriorated over the past several years, with a constant downward trend relative to other EU states. The year 2012 was marked by an escalation in "media wars" between leading media groups in the country, which accused each other of corrupt dealings with the government, tax fraud, and other criminal activities. The European Commission became involved, sending a commissioner to the country to meet with government leaders and media and strongly encouraging better protections for press freedom. There are growing concerns about the concentration of media ownership, which is exacerbated by the lack of transparency in the ownership structures of major media outlets. The financial crisis has strained media profits, increasing outlets' dependence on governmental advertising money and other favors from the state. For fear of losing stable funding, many media have become less critical of the government. Owing to the negative trends that became more pronounced in 2012, *Bulgaria's independent media rating declines from 3.75 to 4.00.*

Local Democratic Governance. The municipality remains the only level of local governance in the country. Municipalities have gained power over time but still lack sufficient resources to exercise a full measure of self-governance. EU regional development planning for the 2014–2020 fiscal period was in full swing in 2012, with a single national plan, rather than region-specific plans, being created. The regular local elections held in October 2011 were not exempt from the usual allegations of irregularities and abuses. They were also complicated by simultaneous presidential elections and the fact that they were the first elections to take place under a new election code. As a result, in several municipalities, the results were contested in court, and in four instances, courts ordered new elections (two for mayors and two for seats on local councils). These repeat elections were held in 2012 with relatively few reports of violations and turnout ranging widely. *Bulgaria's local governance rating remains unchanged at 3.00.*

Judicial Framework and Independence. The selection of new judicial leadership in 2012— considered an important opportunity to create a better environment for further judicial reform—yielded mixed results. Some appointments failed, while others dragged out past year's end. The parliament's selection of a new Supreme Judicial Countil (VSS) was much more transparent than in previous years,

exposing bias in the consideration of government candidates over civil society ones. Other appointments, including that of a Constitutional Court judge and the new prosecutor general, were tainted by a lack of integrity among candidates and political horse-trading on the part of the government. *The rating for judicial framework and independence remains unchanged at 3.25.*

Corruption. The state's institutional mechanisms for curbing corruption are well-defined, but lack of coordination between them is problematic. A new addition to this structure in 2012 was a planned Temporary Parliamentary Commission to investigate old but well-known scandals under previous governments that possibly involve large-scale corruption. Recently available data on corruption levels in Bulgaria show that the public perceived national politicians as less corrupt than in 2009, though an increasing percentage of citizens have reported paying bribes. A project connecting all cash registers in the country to the national revenue service via online data transfer was completed in 2012, as was a project to put meters in a major oil refinery to ensure compliance with tax law. A new law passed in May allowed assets to be seized through the civil courts rather than requiring a criminal conviction. *Bulgaria's corruption rating remains unchanged at 4.00.*

Outlook for 2013. The year 2013 will be dominated by the coming general elections, with the constitutional term of the present parliament ending in the summer. The performance of the ruling GERB party will be under close scrutiny, as no incumbent since 1994 has led the government for two consecutive terms. It is quite likely that a newly formed party will emerge and do well at the elections. Prolonged economic stagnation has increased pressure on some social groups, which may call for adjustments in the social policy of the state in 2013.

Main Report

National Democratic Governance

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
n/a	3.50	3.00	3.00	3.00	3.25	3.25	3.50	3.50	3.50

Bulgaria is a parliamentary republic with three branches of power and a clearly defined system of checks and balances. The National Assembly (parliament) selects the prime minister and members of the judiciary. The parliament itself is popularly elected. An independent Constitutional Court serves as a check on all branches of power. The country's constitutional and legal framework allows for the free formation of political parties and for citizens' participation in political and governance processes through elections, legislative consultations, civil society organizations, and the media.

The president of Bulgaria does not have strong, formal powers but is perceived as highly legitimate because s/he is directly elected and therefore independent of the other branches of government, providing a check on their power. The importance of the president's role was demonstrated in 2012 when President Rosen Plevneliev objected to a parliamentary nominee for the Constitutional Court on the grounds that she was corrupt. Though the president lacked veto power over the nomination, his opinion and actions ultimately blocked it.[1]

The two main political forces in Bulgaria in 2012 remained the ruling, center-right Citizens for European Development of Bulgaria (GERB), and the center-left Bulgarian Socialist Party (BSP). Other parties likely to play an important role in the 2013 parliamentary elections are the Bulgaria of the Citizens (BG) party and the Movement for Rights and Freedoms (DPS), which primarily represents the country's Turkish minority. Bulgaria's economic crisis has eaten away at GERB's popularity since the party took office in July 2009. At the time, GERB won nearly 40 percent of the vote with promises to tackle a deep recession, organized crime, and graft. In October 2012, GERB still enjoyed the approval of 31 percent of Bulgarians, but its disproval rating had reached 55 percent.[2]

By year's end, all major polling agencies were predicting that the BG party—established in 2012 and headed by the first Bulgarian commissioner in the European Commission, Meglena Kuneva—would win seats in 2013. If they are right, it will be the fourth time a newly formed party has won its way into the National Assembly.

In March, the government's decision to halt the construction of a new nuclear power plant near the town of Belene in northern Bulgaria spurred loud opposition from a coalition of political parties (BSP and the nationalist parties Ataka and the Bulgarian National Movement, or VMRO), civil society organizations, and businesses in the energy sector. The opposition mobilized more than the half-million signatures necessary to call a national referendum on the discontinued project. The referendum, the first since the end of communism, is scheduled for January 2013.[3]

For the referendum to be valid, 60 percent of the electorate must vote, which may be a high bar to pass. Furthermore, the successful petition to hold a referendum posed the question as, "Should nuclear energy be developed in Bulgaria through the building of a nuclear plant at the Belene site?" However, opponents of the plant, including GERB, argued that a referendum on a particular project would be unconstitutional. GERB's parliamentary majority thus decided to edit the question, removing any specific reference to the Belene project. The question now planned for the referendum is, "Should atomic energy be developed in Bulgaria through the building of a new atomic plant?"

The enactment of a law banning tobacco smoking in public buildings and rooms was also preceded by a lively public debate. Unlike numerous previous debates, this discussion was not heavily politicized: The arguments centered on the issues—scientific and economic evidence, and the costs and benefits of the ban for society—rather than the horse-race aspect more traditionally the focus of a political debate.

In the first half of 2012, the government announced plans to permanently move some of its administrative offices out of the capital city of Sofia in order to bring more administrative services and central government job opportunities to people in the country's regions. Despite much speculation and discussion in the media about what services would be moved and where, the only office to leave Sofia by year's end was the tourism sector of the Ministry of Economy, Energy, and Tourism, which relocated to Bulgaria's second-largest city, Plovdiv.[4] It was unclear at the turn of 2013 whether the announced goals were being achieved or whether the process of decentralization would continue.

A suicide bombing at the Burgas airport in July 2012 killed five Israeli tourists and a Bulgarian bus driver. The attack, which Israel and other observers attributed to the Lebanese Islamist militant group Hezbollah, raised questions about the effectiveness of Bulgaria's security services. Later that month, the government survived a parliamentary confidence vote that was triggered by the airport bombing and a negative EU progress report on Bulgaria's efforts to reform its judiciary and fight corruption and organized crime.

Electoral Process

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	2.00	2.00

Bulgaria's president is directly elected, and seats in parliament are apportioned based on a system of proportional representation, with a 4 percent threshold of popular votes required for a party to take seats. Since 1991, international observers have deemed all Bulgarian elections free and fair, though allegations of vote-buying and other manipulations have been common in recent years. In 2012, criticism of the previous year's elections led to inconclusive discussions on comprehensive electoral code reform.

A new electoral code adopted in 2010 combined most of Bulgaria's existing electoral laws into a single document and introduced a number of controlling mechanisms aimed at reducing election day fraud. The code also introduced a preferential voting component to local and parliamentary votes, allowing candidates to move to the top of their party's list if voters mark their name on the ballot. Residency requirements, another innovation of the new code, have been criticized for limiting the voting power of Bulgarian citizens living abroad, especially Bulgarians residing in Turkey. The first presidential and municipal elections conducted under the new electoral code took place in October 2011, resulting in an overwhelming victory for GERB, which won the presidency and numerous local races. The BSP came in second overall and lost its hold over some larger cities in the country, including Varna.

The elections of 2011 were heavily criticized by both domestic actors and international observers. The final report by the election observation mission of the Organization for Security and Cooperation in Europe (OSCE), published in January 2012, focused in particular on the following weaknesses: the lack of permanent staff at the Central Election Commission (CEC); the lack of sufficient opposition representation among the leadership of electoral commissions at all levels; electoral commissions' insufficient openness to the public; inflated voter lists, which at the moment are almost as big as the entire population of the country; and insufficient guarantees of editorial freedom in public electronic media during the campaign.[5]

The OSCE's recommendations were at the heart of the proposals in 2012 for amendments to the electoral code, which were discussed both in the parliament and under the aegis of the president. However, consensus could not be achieved on relatively minor points, such as the format of publicly accessible electoral commission meetings, preventing the adoption of comprehensive amendments to the code. It remains unclear how some of the bigger structural problems, such as the inflated voter lists, will be managed in the future.

The only tangible change by the end of the year was the controversial elimination in December of preferential voting, only two years after its introduction by the current majority and before it could be tested in parliamentary elections. Initially, preferential voting was introduced in order to give citizens greater opportunity to choose among candidates on party lists. It was abolished because opponents, namely GERB, argued that preferential voting was ineffective. However, GERB critics viewed the change as an attempt to ensure the party's victory in the 2013 races.[6] This type of policy reversal without clear justification undermines the predictability of electoral law.

A particularly sensitive problem in election campaigns is media coverage. All electoral communications are paid for by candidates and parties. This gives an advantage to parties, which are eligible to receive campaign financing from the state, while independent candidates rely on private donations to fund their campaigns. Another problem is that media advertisements are often indistinguishable from genuine journalistic content and election coverage. State-funded media are strictly

proscribed from taking sides in their coverage of the campaign—a rule introduced to ensure fairness, but which has actually scared many reporters away from in-depth election coverage. Those journalists who do cover elections often report on safe, nonpartisan issues, resulting in a disproportionate emphasis on problems like vote-buying. The efforts to revise the electoral code do not fully address these problems.

Civil Society

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
3.00	2.75	2.75	2.50	2.50	2.50	2.50	2.50	2.50	2.50

The Bulgarian constitution guarantees the right of citizens to organize freely into various types of political and civil society organizations. Civil society organizations have mushroomed in the postcommunist period, playing an important role in articulating citizens' needs and interests. The expansion of internet access and online social networks has further encouraged civil society activity, as has the EU's support for nongovernmental and grassroots associations.

Under the Non-Economic Purpose Legal Entities Act, the Bulgarian Ministry of Justice maintains a central register for entities that define themselves as acting in the public interest. By the end of 2012, there were 10,101 entries in the register, an increase of 10 percent since 2011.[7] Of these, 8,638 were associations, 1,392 were foundations, and 56 were branches of foreign-based nongovernmental organizations (NGOs). An independent web portal for NGOs, launched in 2010, contained 5,576 entries in 2012, compared to 5,302 in 2011 and 5,094 in 2010. The top five self-defined activities of organizations on the portal were education (859), social services (548), culture and art (504), economic development (360), and youth issues (330).[8]

There were no major changes in 2012 to the domestic legal, regulatory, or financial environment in which civil society operates. Registration and tax processes remained relatively simple and stable. Public benefit NGOs are not obliged to pay direct taxes and are allowed to carry out for-profit activities that do not interfere with their stated aims if these projects are registered and taxed separately.

The strength and assertiveness of civil society has in some cases made the government more responsive to its demands. The decision to hold a referendum on the Belene nuclear power plant is one example. Another is the government's decision, after a very active civil society campaign online and in the streets, not to adopt the controversial Anti-Counterfeiting Trade Agreement (ACTA) intended to combat infringement on intellectual property rights.[9] Civil society organizations involved in judicial issues and judicial professional organizations also remain active, despite the fact that government is less receptive to their concerns.[10]

Protests over environmental concerns gained momentum during the year. Environmental organizations, with the help of citizen protests, prompted a draft bill banning new construction in a seaside area with rare natural formations. In January, after weeks of public protests, Bulgaria became the second European country after

France to ban test drilling for shale gas using the controversial hydraulic-fracturing (fracking) method.[11] In June, protest rallies against the controversial new Forestry Act blocked downtown Sofia near the crossing of Eagles Bridge. The law would have enabled the construction of ski slopes and lifts in previously protected areas, removing the obligation that the status of the land be changed for this purpose. After several days of massive rallies organized by environmental NGOs via online media, Prime Minister Borisov asked President Plevneliev to impose a veto on the law. Counter-protests in the tourist towns of Bansko, Razlog and Dobrinishte, echoed the government's original position, arguing that the construction of sports facilities in Bulgarian mountains was necessary to ensure the economic development of the municipalities.[12] Nevertheless, the veto was upheld, and in late 2012, the protestors on Eagles Bridge were honored with the "Human of the Year" award from the Bulgarian Helsinki Committee.[13]

Independent Media

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
3.50	3.50	3.25	3.50	3.50	3.75	3.75	3.75	3.75	4.00

Media freedom is legally protected in Bulgaria, with citizens enjoying unrestricted access to a variety of media sources. The right to information is also enshrined in the constitution and in the Law on Access to Public Information. Nevertheless, Bulgaria has struggled to develop a strong, independent media sector. Assessments of the media environment by international organizations have chronicled a tumultuous five-year period, with a consistent downward trend relative to the performance of other EU states.[14] In 2012, the media environment continued to deteriorate, as the fight for market dominance and influence between the county's major media conglomerates intensified.

The print media market is characterized by a high number of dailies per capita and low newspaper circulation. With the exception of a few local newspapers and the official *State Gazette*, all print media in Bulgaria are privately owned, some by foreign entities. Two of the country's most popular dailies, *Trud* and *24 Chasa*, were owned by the German group Westdeutsche Allgemeine Zeitung (WAZ) until they were sold to three Bulgarian entrepreneurs in late 2010. After the sale, conflict emerged among the new owners. Despite heavy publicity of the conflict that has had a negative impact on the media's image in Bulgaria, the newspapers have remained considerably influential.

In 2009, a new player entered the print media market, the New Bulgarian Media Group (NBMG), and its hold on the media market continued to grow in 2012. It currently owns a daily (*Telegraph*) with reportedly the highest circulation in Bulgaria, although data on circulation is not entirely reliable. The group has also expanded into the electronic media market, acquiring control over TV stations and a number of other outlets. There have been persistent allegations that the group was created with loans from a bank that handles the financing of state-owned

enterprises, but these allegations have not triggered a review for unlawful state aid or illegitimate concentration by the state's anti-monopoly commission or other relevant bodies. According to its competitors, the group also controls some 80 percent of printed press distribution.[15]

The 2012 "media war," as it has been called, pitted NBMG against several other media moguls, with endless accusations of illegal behavior published and broadcast by various outlets. The intensification of the conflict raised concerns that Bulgaria's major media groups have prioritized defending their corporate interests and attacking their competitors over freedom of speech and media legitimacy.[16] In June, the network TV7, owned by NBMG, aired a series of programs accusing the owners of *Trud* and *24 Chasa,* Lyubomir Pavlov and Ognyan Donev of the Media Group Bulgaria Holding, and the owner of *Dnevnik* and *Kapital,* Ivo Prokopiev of the group Economedia, of fraud and corrupt dealings with previous governments. *Trud* and *24 Chasa* also published articles accusing NBMG magnate Irena Krasteva's son, a member of the parliament, of "shady deals" with the government.[17]

Over the summer, the Sofia prosecutor's office charged Pavlov and Donev with money laundering.[18] The proceedings were ongoing at the end of 2012, but the affair resulted in the sale of *Trud* and *24 Chasa* to new owners at the end of the year. The new owners' identities have not been fully disclosed, raising new concerns of increased media concentration. Economedia also came under serious financial pressure toward the end of the year, when Alpha Bank, which had given the media group a large loan, claimed failure for debt repayment and attempted to seize the group's assets. The issue remained unresolved at the turn of 2013, and in the context of the "media war," there was speculation that the bank's reasons for acting against Economedia were not purely financial.[19]

Rising concerns over warring media parties eventually led the European Union to become involved. In September, Neelie Kroes, the EU's digital agenda commissioner, met with Bulgaria's major media owners to discuss the state of press freedom in the country. After the meeting, she addressed a letter to Prime Minister Boyko Borisov expressing deep concern for the situation and urging him to protect transparency and pluralism in the media sector.[20] Generally, the EU has limited room to maneuver in this area, which underlines the need for more developed European standards on regulating media concentration.[21]

Electronic media are regulated through the Law on Radio and Television by the Council for Electronic Media (CEM). Although the CEM is not under government orders, parliament must approve its budget. The country's switch to digital broadcasting—and particularly the parliament's oversight of the CEM in this process—has left ample room for the influence of political and special-interest agendas. In practice, each new government introduces changes to the electronic media law and/or in the CEM, in order to have tighter control over the country's public electronic media.

Bulgaria has three national public TV channels: BNT1, BNT2, and the worldwide satellite channel TV Bulgaria. Since 2000, private commercial TV channels have also been broadcast nationwide: BTV, NovaTV, and Pro.BG.

National public television has four regional channels in Varna, Rousse, Plovdiv, and Blagoevgrad. As of 2006, there were 196 cable and satellite TV programs, and 42 towns had local TV operators and private TV channels. In addition, Bulgarian citizens have access to numerous foreign programs via satellite and cable. Despite the large number of registered programs, however, the national market for both radio and television is relatively concentrated.

Three of Bulgaria's radio stations have national coverage: Horizont and Hristo Botev of the public radio operator Bulgarian National Radio (BNR), and the private Darik. In general, Bulgaria's largest cities, especially Sofia, enjoy much greater diversity of programming than smaller cities. Just 42 of the 240 towns in the country have local radio programs, but the 9 towns with a population over 100,000 host a total of 115 local radio stations. There are also 18 radio networks which broadcast in the major towns.

The financial crisis has strained profits for most private media, making them ever more dependent on government advertising and other favors from the state. Reliance on public funds has led major media outlets to perpetuate the problem of self-censorship, as they have toned down their criticism of the government. Fortunately, the public broadcasters, especially BNR, have avoided many of the negative trends occurring in the private sector, and institutional guarantees have generally succeeded in protecting their independence. Consequently, public radio has become a major source for objective information.

Libel remains a criminal offense, punishable by a fine that rarely exceeds US$10,000. Though defamation suits remain common, the courts tend to interpret the law in favor of freedom of expression and convictions are relatively few.

Impunity for crimes against journalists remains the norm, encouraging self-censorship. In May, the vehicle of investigative journalist Lidia Pavlova of the Blagoevgrad daily Struma was set on fire. She and her family had received multiple threats in the past, and her car had been repeatedly attacked. In July, Varna-based journalist Spas Spasov received a threatening message at his home address, apparently in connection with his reporting on a construction project.

Of the few NGOs that work on media issues, the most important is the Media Development Center, which provides journalists with training and legal advice.

Local Democratic Governance

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
n/a	3.50	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00

The local democratic governance structure in Bulgaria consists only of the municipality. While the parliament may create an intermediate level of self-government—the region, as envisaged in the constitution—so far, it has chosen not to do so. In general, despite the slow tendency toward decentralization and transfer of greater powers to municipalities to shape their development and serve the needs

of their citizens, most municipalities in Bulgaria remain relatively small, poor, and dependent on the centralized national decision-making mechanisms.

There are 264 municipalities in Bulgaria, and their size in terms of population ranges from several thousand in some mountainous areas to more than a million in the capital city.[22] Besides population, municipalities in Bulgaria are also quite diverse in terms of geographical and economic characteristics. Under the constitution, the municipalities are legal entities with all respective rights and powers to own property, transact, budget, set local tax rates, and to define and set local fees and issue debt within limits specified by law. However, only recently has municipalities' capacity to acquire debt to finance specific projects and set local tax rates within limits set by the parliament been expanded, with the important spheres of budgeting and regional development still highly centralized.

This relatively simple structure comprising one national and one local level of governance is made more complex by the presence of additional actors and geographical designations. There are 28 district governors, who are directly appointed by the executive Council of Ministers and thus are local representatives of the national government. The district governors serve as communication channels through which municipalities are more likely to formulate proposals, have their voices heard, and ultimately achieve their goals. There are also six EU planning regions. A specific portion of EU structural and cohesion funds is devoted to regional development, and each region's development strategies are prepared with some involvement from the municipalities and representatives of local civil society. In 2012, the beginning of planning for regional development for the 2014–20 period provided another channel for municipalities to participate in the formulation of policies for their development. However, in this planning period, a single national program, rather than six regional programs, for development are being prepared. The old regional approach empowered local actors—such as regional development councils, district governors, and municipalities—much more than does the approach of a single national operating program, which is dominated by actors in Sofia.

Generally, municipalities have been actively involved in national policymaking on local development since Bulgaria entered the EU, which prioritizes regional and local development. When negotiating with the state and with the EU, they are represented by the National Association of Municipalities in the Republic of Bulgaria (NAMRB). An important organization in the local governance context, NAMRB provides a forum for voicing local governments' concerns and also provides a venue for sharing best practices and improving administrative capacities. A similar role is played by various nongovernment organizations specializing in aiding local governments and improving their capacity.

Local elections of 2011 were repeated in 2012 in four municipalities after courts ruled the original polls' results to be invalid.[23] Reportedly, irregularities stemmed mainly from confusion related to the implementation of a new election code and the fact that presidential elections were occurring simultaneously. Voter turnout in 2011 was relatively high at just over 50 percent;[24] turnout levels for

the follow-up municipal elections ranged from 34 to 65 percent. The follow-up elections were characterized by relatively low levels of vote-buying or other election day transgressions.

During and after the 2011 local elections, the trend toward a proliferation of relatively small, locally focused political formations that were able to enter the municipal councils and become important political stakeholders was reversed to some extent. The GERB government and its local functionaries managed a successful campaign and largely incorporated many of these local groups. The 2012 follow-up election in the municipality of Kyustendil, however, presented the opposite situation: A local group, rallying behind the mayor, defeated all major national parties by a significant margin, though with only 34 percent voter participation.[25]

Judicial Framework and Independence

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
3.25	3.25	3.00	2.75	2.75	3.00	3.00	3.00	3.25	3.25

Bulgaria's judiciary has benefited from reforms associated with EU accession, but the 2012 European Commission report found that institutional and legal improvements have not led to practical gains in efficiency or accountability. Ongoing flaws in the judicial appointment and disciplinary processes were in evidence throughout 2012. In November 2012, a judge resigned from the Constitutional Court just weeks after her appointment due to allegations of abuse of office in a prior judicial posting.

In July, the outgoing Supreme Judicial Council (VSS) dismissed Miroslava Todorova, chair of the Bulgarian Judges Association (BJA), from her position as judge at the Sofia City Court on alleged disciplinary grounds. The decicion came in the context of Interior Minister Tsvetan Tsvetanov's continued attacks against the judicial system in general and Todorova and the BJA in particular: Tsvetanov had accused Todorova, a strong critic of his ministry and the VSS, of supporting organized crime earlier in the year, prompting Todorova to bring a libel case against the minister. Todorova's dismissal was broadly seen as political revenge meant to undermine the independence of the judiciary. Bulgarian judges staged an unprecedented rally against the dismissal and called for the resignation of the VSS.[26] (The same call had been made in 2011 over the body's reportedly nepotistic appointments of personnel.) President Plevneliev also joined in the strong public criticism toward the VSS's decision.[27] At the end of the year, Todorova's supporters were awaiting a court decision on the validity of her dismissal.

The selection of new judicial leadership in 2012—including the state prosecutor and members of the VSS—was considered an important opportunity to create a better environment for further judicial reform. With the EU's next monitoring report on Bulgaria's judiciary not scheduled for release until the end of 2013, reform-minded legal NGOs took greater responsibility for closely monitoring and reporting on the nomination and election process.[28] The increased transparency of

the process revealed problematic bias in favor of government nominees. Although civil society organizations came up with highly qualified nominees for the VSS within the parliamentary quota, most of these were disregarded by the parliament. The parliament's nominees received public hearings that were broadcast in the media, including by television stations and online. The selection process stretched over two and a half months, and new VSS began its work in October.

Controversy emerged over other judicial nominees in the fall. Veneta Markovska, deputy chief of the Supreme Administrative Court, was nominated for the Constitutional Court by a group of independent MPs, though she is considered a protégé of the governing GERB party. On 31 October, she was elected by the parliament despite media allegations of corruption and abuse-of-influence against her. Among other allegations, Markovska has been Civil society and media criticism, in combination with strong pressure from the European Commission, resulted in President Plevneliev making an unexpected move.[29] When Markovska was to be sworn in, the president walked out of the ceremony and thus effectively ended her nomination.[30] An attempt to select a new candidate in place of Markovska—Galya Gugusheva, deputy head of the Special Anti-Mafia Prosecutor's Office of Appeals—also raised issues of integrity, namely her reported involvement in money-laundering, and enforced the impression that the government is involved in political horse-trading in an attempt to assure control over the judiciary.[31]

The new prosecutor general, Sotir Tsatsarov, was elected by the VSS on 20 December in another controversial procedure. Although there were two other candidates, they did not receive a vote because the VSS decided to vote on candidates in the order they were nominated. Once Tsatsarov, the first name on the list, got the necessary votes, the VSS chairman, who is the minister of justice, concluded there was no need to put the other candidates to a vote. Public support for Tsatsarov from both the prime minister and the minister of interior contributed to the widespread assumption that he was the government's candidate. Despite public criticism, President Plevneliev signed the appointment decree on 21 December.[32]

The election of a new chief of the Inspectorate of the VSS requires the support of at least two-thirds of the parliament. GERB proved unable to garner enough support for its proposed candidates in 2012.

Corruption

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
4.25	4.00	3.75	3.75	3.50	4.00	4.00	4.00	4.00	4.00

Notwithstanding its declared commitment to combating organized crime and corruption, Bulgaria continues to be criticized by international monitors for its failure to achieve tangible results in either area. It is estimated that an informal, untaxed "shadow economy" accounts for close to one-third of Bulgaria's gross domestic product.

After years of changes and continued EU monitoring of Bulgaria's progress in the fight against corruption, the country's institutional framework in this field has acquired a distinctive structure. Each branch of the government has a specialized anticorruption body, and there are inspectorates for allegations of corruption, conflicts of interest, and abuse of power. There is also a Center for Prevention and Countering Corruption and Organized Crime under the Council of Ministers, tasked with curbing corruption and providing expertise and liaisons where necessary. However, the constitutional independence of the different branches of power means that, in effect, there is no common center of command or coordination of activities for these anticorruption bodies. They also have no explicit, shared goals or expectations. Consequently, the various units can avoid responsibility for achieving results by blaming their counterparts' inactivity. Toward the end of 2012, a Temporary Parliamentary Survey Commission was elected by the parliament to investigate corruption scandals from previous governments. It is unclear how such a temporary commission can significantly contribute to fighting corruption in the country.

A leaked phone conversation implicating Prime Minister Borisov in the protection of a powerful businessman's commercial interests in 2010 haunted the government throughout 2011 and 2012. According to the weekly newspaper *Galeria*, the taped conversation features Borisov instructing Customs Agency head Vanyo Tanov to abstain from further investigation into a facility run by Mihail Mihov, the president of the Bulgarian Basketball Federation (BBF) and owner of the Ledenika brewery. The government managed the fallout in 2012 by allowing the investigation to continue and levying sanctions against Mihov, who died of a heart-attack at the end of March. So far, there have been no direct consequences for the prime minister, even after he acknowledged his "mistake" in a July interview with bloggers from Politikat.net.[33]

In 2012, two new datasets for measuring corruption became available: one using mostly survey questions on perceptions, and another using more concrete questions about corrupt activities or being pressured into corruption.[34] In the mostly perceptions-based dataset, which was gathered by the European Commission, there were decreases—some of them significant—between the latest (2011) and the previously available (2009) data.[35] According to these data, the public saw national politicians as notably less corrupt in 2011 than in 2009.[36] Respondents also appeared to see a reduction in corruption among police,[37] public education officials, and inspectors. However, the same study showed a significant increase in the number of respondents who reported being asked or expected to pay a bribe.[38] In the second study, done by the Center for the Study of Democracy in Sofia, reports of involvement in corrupt acts remained mostly the same between 2009 and 2012, with slight increases in 2012, and reports of yielding to pressure to participate in a corrupt activity. However, reports of giving bribes without pressure nearly tripled between 2010 and 2012.[39]

Two global indices of economic freedom published in 2012 reflected virtually no changes—very slight decreases and increases—in Bulgaria's composite scores,

though these measurements may be affected by the country's persistently high unemployment rate.[40]

A recent, important development in the regulation of hidden economic activity was the establishment of a real-time, online connection between all gas-station cash registers and the country's revenue agency, later followed by such connections for all cash registers in the country. This effort occurred simultaneously with the state customs agency installing measuring tools for the inflow and outflow of products at the major oil refinery in the country, to ensure compliance with tax laws. While it is probably too early to assess the full effects of these policy changes on corruption levels, data from the national revenue agency indicate that, immediately after all these connections were established, there was a 20 percent increase in declared commercial turnover, which continued and contributed to the increase in revenue in the national budget for 2012.[41]

Recovery of illegal assets is seen as a vital tool in the battle against organized crime. Under pressure from the EU, Bulgaria's parliament adopted a law in May 2012 allowing for the seizure of illegally obtained assets in the absence of a criminal conviction.[42] Prime Minister Borisov threatened to resign if the parliament—which had rejected the legislation in July 2011, citing procedural concerns and the possibility that such a law might be used to target the opposition—did so a second time. Under the law, a new commission in charge of forfeiture of criminal assets is empowered to investigate people charged with participation in organized crime, terrorism, human trafficking, money laundering, and tax evasion, among other offenses. If an investigation (not to exceed 1.5 years) reveals a discrepancy of more than €125,000 between a person's declared income and assets acquired over the previous 15 years, the panel can ask the court to confiscate all property above that amount.[43] Though the Constitutional Court ruled found no fault with the law's main provisions, concerns about certain procedural provisions and the law's potential to become a tool to pressure the political opposition remained unaddressed at year's end.

▮ Authors: Georgy Ganev, Daniel Smilov, and Antoinette Primatarova

Georgy Ganev is program director for economic research; Daniel Smilov is program director for political and legal research; Antoinette Primatarova is program director for European studies at the Center for Liberal Strategies, a nonprofit think tank based in Sofia.

1 Tsvetelia Tsolova, "Bulgaria president blocks appointment of judge suspected of graft," Reuters, 15 November 2012, http://uk.reuters.com/article/2012/11/15/uk-bulgaria-corruption-idUKBRE8AE1D620121115.

2 "Fresh Poll Confirms Bulgaria's GERB Crashing Ratings," Novinite.com, 12 October 2012, http://www.novinite.com/view_news.php?id=144080.

3 Tsvetelia Tsolova, "Bulgarians to vote on new nuclear plant after government reversal," Reuters, 24 October 2012, http://www.reuters.com/article/2012/10/24/us-bulgaria-nuclear-idUSBRE89N17R20121024.

4 "Bulgaria's Relocated Tourism Officials Start Work in Plovdiv," Novinite.com, 3 September 2012, http://www.novinite.com/view_news.php?id=142887.

5 Organization for Security and Cooperation in Europe/Office for Democratic Institutions and Human Rights (OSCE/ODIHR), *OSCE/ODIHR Limited Election Observation Mission Final Report* (Warsaw: OSCE/ODIHR, 5 January 2012), http://www.osce.org/odihr/elections/86893.

6 "Bulgaria's Ruling Party Pushes Back-Door Changes to Electoral System," Novinite.com, 13 December 2012, http://www.novinite.com/view_news.php?id=146016.

7 Ministry of Justice, Non-Profit Organizations Register, http://ngo.mjs.bg/search.aspx.

8 Informational Portal of the Nongovernmental Organizations in Bulgaria, http://www.ngobg.info/bg/index.html.

9 Shayerah Ilias, *The Proposed Anti-Counterfeiting Trade Agreement: Background and Key Issues* (Washington, D.C.: Congressional Research Service, 19 July 2012), http://www.fas.org/sgp/crs/misc/R41107.pdf.

10 European Commission, *Report from the Commission to the European Parliament and the Council, On Progress in Bulgaria under the Cooperation and Verification Mechanism* (Brussels: European Commission, 18 July 2012), http://ec.europa.eu/cvm/docs/com_2012_411_en.pdf.

11 "Bulgaria drafts law aimed against over-construction on Black Sea coast," *The Sofia Echo*, 29 February 2012, http://sofiaecho.com/2012/02/29/1777040_bulgaria-drafts-law-aimed-against-over-construction-on-black-sea-coast; "Bulgaria cancels Chevron shale gas permit," Reuters, 17 January 2012, http://www.reuters.com/article/2012/01/17/us-bulgaria-shalegas-chevron-idUSTRE80G18J20120117.

12 Polina Paunova, "Банско и Разлог организират протест срещу протеста," [Bansko and Razlog organize protests against the protests], Mediapool.bg, 16 June 2012, www.mediapool.bg/банско-и-разлог-организират-протест-срещу-протеста-news194171.html.

13 Bulgarian Helsinki Committee, "The 'Protestors on Eagle Bridge' win the 'Human of the Year' 2012 Award," news release, 10 December 2012, http://www.bghelsinki.org/en/news/bg/single/protestors-eagle-bridge-win-human-year-2012-award/.

14 See Reporters Without Borders, *Press Freedom Index 2010*, http://en.rsf.org/press-freedom-index-2010,1034.html; and Reporters Without Borders, *Press Freedom Index 2013*, http://en.rsf.org/spip.php?page=classement&id_.

15 Kristina Patrashkova, "Журналисти от Европа: Започваме разследване на медийния монопол в България!" [Journalists from Europe start an investigation into media concentration in Bulgaria], 24 Chasa, 7 April 2011, http://www.24chasa.bg/Article.asp?ArticleId=847061.

16 Медийната концентрация заплашва плурализма в България [Media concentration threatens media pluralism in Bulgaria], *Dnevnik*, 3 September 2012,

http://www.dnevnik.bg/analizi/2012/09/03/1899907_neue_zrcher_zeitung_mediinata_koncentraciia_zaplashva/.

17 Clive Leviev0Sawyer, "Bulgaria's Media Wars 1: When the ink smears," *The Sofa Globe*, 28 June 2012, http://sofiaglobe.com/2012/06/28/bulgarias-media-wars-1-when-the-ink-smears/.

18 "Pavlov and Donev charged with money laundering," Europost.bg, 15 June 2012, http://www.europost.bg/article?id=4860; "След жалбата в Брюксел смехотворно обвинение" [Ridiculous accusations follow the complaint in Brussels], *24 Chasa*, 12 June 2012, http://www.24chasa.bg/Article.asp?ArticleId=1417620.

19 "*Икономедиа* вече няма финансови задължения към Алфа банк" [*Economedia* has no financial obligations to Alpha Bank], *Dnevnik*, 21 December 2012, http://www.dnevnik.bg/bulgaria/2012/12/21/1974414_ikonomedia_veche_niama_finansovi_zaduljeniia_kum_alfa/; "Какво се случи (въпроси и отговори за историята 'Икономедиа' – Алфа банк)" [What happened (questions and answers about the story between *Economedia* and Alpha Bank)], *Dnevnik*, 9 December 2012, http://www.dnevnik.bg/bulgaria/2012/12/09/1964331_kakvo_se_sluchi_vuprosi_i_otgovori_za_istoriiata/.

20 "EU Commissioner Urges Bulgarian PM to Secure Independent Media," Novinite.com, 31 October 2012, http://www.novinite.com/view_news.php?id=144676.

21 Neelie Kroes, "Opening remarks: Meeting with Bulgarian press Sofia," speech, 20 September 2012, http://europa.eu/rapid/press-release_SPEECH-12-628_en.htm.

22 "Bulgaria's population is 7.3 million – official 2011 census results," *The Sofia Echo*, 21 July 2011, http://sofiaecho.com/2011/07/21/1126999_bulgarias-population-is-73-million-official-2011-census-results.

23 The number of lawsuits filed in different municipalities asking for invalidation of the election results was significantly higher than these four cases.

24 OSCE/ODIHR, *Limited election Observation Mission Republic of Bulgaria – Presidential and Municipal Elections, Second Round, 30 October 2011: Statement of Preliminary Findings and Conclusions* (Sofia: OSCE/ODIHR, 30 October 2011), http://www.osce.org/odihr/elections/84601.

25 "Coalition Kyustendil Wins Bulgarian Western City Elections," Novinite.com, 14 May 2012, http://www.novinite.com/view_news.php?id=139321

26 European Commission, *Report from the Commission to the European Parliament and the Council: On Progress in Bulgaria under the Cooperation and Verification Mechanism* (Brussels: European Commission, 18 July 2012), http://ec.europa.eu/cvm/docs/com_2012_411_en.pdf.

27 "Bulgarian President 'Alarmed' by Judge's Dismissal," Novinite.com, 13 July 2012, http://www.novinite.com/view_news.php?id=141230.

28 Boris Mitov, "Граждански организации поемат контрола над съдебната реформа" [Civil society organizations take over control over the judiciary reform], Mediapool.bg, 23 July 2012, http://www.mediapool.bg/grazhdanski-organizatsii-poemat-kontrola-nad-sadebnata-reforma-news195496.html.

29 "EC Warns Bulgaria about Interim Report over Judicial Election," Novinite.com, 31 October 2012, http://www.novinite.com/view_news.php?id=144657.

30 "Bulgarian President Blocks Tainted Judge's Constitution Court Bid," Novinite.com, 15 November 2012, http://www.novinite.com/view_news.php?id=145138.

31 "Bulgarian Constitution Court Candidate Linked to Money Laundering," Novinite.com, 7 December 2012, http://www.novinite.com/view_news.php?id=145840

32 "Bulgarian Judges: Chief Prosecutor Vote Was Flawed," Novinite.com, 30 December 2012, http://www.novinite.com/view_news.php?id=146427.

33 "Ex MP Demands Probe of Bulgarian PM over Wiretap Scandal," Novinite.com, 12 July 2012, http://www.novinite.com/view_news.php?id=141201.

34 European Commission and TNS Opinion & Social, *Special Eurobarometer 374: Corruption* (February 2012), http://ec.europa.eu/public_opinion/archives/ebs/ebs_374_en.pdf; and Center for the Study of Democracy (CSD), *CSD Brief No. 35: Corruption and Anti-Corruption in Bulgaria (2011–2012)* (Sofia: CSD, June 2012), http://www.csd.bg/artShow.php?id=16123.

35 This finding is further supported by the latest dynamic in the Transparency International's Corruption Perception Index for 2012, in which the country's international ranking rose by 11 places. Transparency International, *Corruption Perceptions Index 2012* (Berlin: Transparency International, 2012), http://www.transparency.org/cpi2012/results.

36 *Special Eurobarometer 374*, 49.

37 Ibid, 44.

38 Ibid, 61.

39 *CSD Brief No. 35: Corruption and Anti-Corruption in Bulgaria (2011–2012)*, 5.

40 Terry Miller, et al. *2012 Index of Economic Freedom* (Washington, DC and New York, NY: The Heritage Foundation and *Wall Street Journal*, 2012), http://www.heritage.org/index/pdf/2012/book/index_2012.pdf; and James Gwartney, Robert Lawson, and Joshua Hall, *Economic Freedom of the World: 2012 Annual Report* (Fraser Institute, 2012), http://issuu.com/econfree/docs/efw2012?e=3061790/2694487.

41 According to the Bulgarian National Revenue Agency, http://www.nap.bg/page?id=223&textMode=0&csId519cP=3&csId519nsA=2012.

42 The Law on Forfeiture of Illegally Acquired Assets

43 "New confiscation law sparks mixed reactions in Bulgaria," SETimes, 25 May 2012, http://www.setimes.com/cocoon/setimes/xhtml/en_GB/features/setimes/features/2012/05/25/feature-01.

Croatia

by Petar Dorić

Capital: Zagreb
Population: 4.4 million
GNI/capita, PPP: US$18,780

Source: The data above are drawn from the World Bank's *World Development Indicators 2013*.

Nations in Transit Ratings and Averaged Scores

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Electoral Process	3.25	3.00	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25
Civil Society	3.00	3.00	2.75	2.75	2.75	2.75	2.75	2.50	2.50	2.50
Independent Media	3.75	3.75	3.75	4.00	3.75	4.00	4.00	4.00	4.00	4.00
Governance*	3.75	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
National Democratic Governance	n/a	3.50	3.50	3.50	3.25	3.50	3.50	3.50	3.50	3.50
Local Democratic Governance	n/a	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75
Judicial Framework and Independence	4.50	4.50	4.25	4.25	4.25	4.25	4.25	4.25	4.25	4.25
Corruption	4.75	4.75	4.75	4.75	4.50	4.50	4.50	4.25	4.00	4.00
Democracy Score	3.83	3.75	3.71	3.75	3.64	3.71	3.71	3.64	3.61	3.61

** Starting with the 2005 edition, Freedom House introduced separate analysis and ratings for national democratic governance and local democratic governance to provide readers with more detailed and nuanced analysis of these two important subjects.*

NOTE: The ratings reflect the consensus of Freedom House, its academic advisers, and the author(s) of this report. The opinions expressed in this report are those of the author(s). The ratings are based on a scale of 1 to 7, with 1 representing the highest level of democratic progress and 7 the lowest. The Democracy Score is an average of ratings for the categories tracked in a given year.

Executive Summary

Croatia will join the European Union (EU) in July 2013, a milestone reflecting hard-won successes in the past two decades of democratic transition. However, events of 2012 clearly show the persistence of enormous challenges facing the government of Prime Minister Zoran Milanović, whose center-left Social Democratic Party (SDP) won 61 of 151 seats in the December 2011 parliamentary elections. Chief among these are a struggling global and national economy, compounded by the legacy of corrupt privatization and incomplete restructuring efforts. Many question whether Croatia's governing institutions are strong enough to meet current economic and social challenges.

The underperformance of rule of law institutions, in particular, is a major source of concern. The sentencing of former prime minister Ivo Sanader in November 2012 to 10 years in prison for corrupt practices is a first for the country and the region. However, the justice system as a whole is increasingly accused of selective corruption prosecutions and of operating under the strong influence of business and media interests. Domestic war crimes prosecution is still woefully slow and delivering questionable verdicts. The November reversal of the guilty sentence against two top Croatian generals at The Hague was welcomed, rather than challenged, by both the government and much of the public.

National Democratic Governance. The new government remains focused on the final push towards EU accession. However, the year saw little progress in addressing many outstanding institutional weaknesses. A sometimes-distracted leadership and uncooperative main opposition made the overall environment unconducive to successful reform. Accordingly, *Croatia's rating for national democratic governance remains unchanged at 3.25.*

Electoral Process. Croatia's January referendum on EU membership was assessed positively by monitors and resulted in a "yes" vote by over 66 percent of participants. During the year, the Ministry of Administration introduced a number of changes to electoral legislation addressing long-standing concerns, such as the out-of-date voter registry. Some of these changes are expected to be tested during the spring 2013 local elections. In the meantime, *Croatia's electoral process rating remains unchanged 3.25.*

Civil Society. Croatia's citizens increasingly respect and appreciate the civic sector's ability to advocate for their needs and interests. Reflecting two competing movements within society, civic sector organizations remain sharply divided between progressive and more conservative ideologies. The city of Split's second

gay pride parade took place under heavy police protection but without incident. *Croatia's civil society rating remains unchanged at 2.50.*

Independent Media. Citing the need to professionalize Croatia's national broadcasting network, the new government appointed a different general manager and new members of the oversight board. As print media continue to favor sensationalism over investigative reporting, most credible media outlets are now to be found online. *Croatia's independent media rating remains unchanged at 4.00.*

Local Democratic Governance. Decentralization efforts initiated in 2012 will give more power to mayors in 2013, despite the fact that local governance in Croatia's two largest cities has been particularly poor. Another proposed change seeks to address the absence of a clear legal mechanism for sanctioning mayors for poor performance. *Croatia's local democratic governance rating remains unchanged at 4.00.*

Judicial Framework and Independence. Reforms passed in the last several years have yet to produce meaningful improvements in the functioning of the judicial system. The trial surrounding the privatization of the Split-based construction company Konstruktor was indicative of the many failings still present in the system. *Croatia's rating in judicial framework and independence remains unchanged at 4.25.*

Corruption. In November, former prime minister Ivo Sanader was sentenced to 10 years in prison on corruption charges, making him the most senior official in the Balkan region to face jail time for graft. Meanwhile, the justice system as a whole is increasingly accused of selective corruption prosecutions and of operating under the strong influence of business and media interests. *Croatia's corruption rating remains unchanged at 4.00.*

Outlook for 2013. Though some citizens view EU membership as a kind of "end of history" for Croatia, events in 2012 indicate—and those in 2013 are likely to confirm—that membership will produce few tangible differences. As an EU member, Croatia will still be saddled with the baggage of inadequately reformed institutions like the judiciary that have yet to internalize transparent and democratic practices. Political will to tackle these problems exists, but it is likely that local elections and further offensives by the political opposition will dilute government efforts in 2013.

Main Report

National Democratic Governance

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
n/a	3.50	3.50	3.50	3.25	3.50	3.50	3.50	3.50	3.50

Croatia is counting down the last months before it obtains full European Union (EU) membership in July 2013. This is a notable milestone for a country that only twenty years ago emerged from a war of independence and existed under an autocratic and isolationist regime for ten years after that. However, the rapid and nontransparent transfer of economic assets following the war and the entrenchment of nationalist ideology in key state institutions such as the judiciary during the first decade of independence have yet to be fully addressed.

Since the year 2000, the EU accession agenda has been the key point of agreement among Croatia's main political actors,[1] driving numerous reform efforts. However, the last twelve months in the EU waiting room have been turbulent, due in large part to the financial crisis and years of apparent administrative mismanagement. Though the new government led by the center-left Social Democratic Party (SDP) that came to power after the December 2011 parliamentary elections continues to steer the country towards EU membership, the effectiveness of these efforts in the past year has been less than expected. To tackle the ongoing financial crisis, the state must address the legacies of bad policymaking and corrupt practices among high-level business interests, a tradition of overgenerous social provisions for major segments of society (veterans and pensioners, among others), and an ineffective, bloated administration. Many feel that the government's leadership in these areas has been weak or uneven.

The financial situation inherited by the new government in 2012 was worse than it had anticipated, leaving little space for improvisation. For at least the last eight years, HDZ-led governments had relied on loans or injections of cash through unclear financing methods, obscuring the nature and scale of their financial problems.[2]

The state of the government's finances in 2012 was compounded by what some perceived as poor leadership. After eight years in the opposition, Prime Minister Zoran Milanović's SDP found itself not fully prepared for an executive role. Even the government's most experienced economic strategist, Deputy Prime Minister Radimir Čačić of the Croatian People's Party (HNS), ended up losing more of the public's confidence than any other key government officials due to his handling of different government initiatives.[3] Čačić was also distracted during the year by an ongoing trial against him in Hungary, where he had hit and killed two people while driving in thick fog in 2010. In November, Hungarian courts sentenced Čačić to 22 months in prison, in response to which he resigned as deputy prime minister; at year's end it was still unclear how this development would affect the government's coherence and composition.

One of the first major steps taken by the new government was to publish a list of tax-delinquent companies and individuals.[4] The list confirmed rumors and suspicions that many prominent companies had collected large debts while benefiting from political protection and a privileged position in the market.[5] Rather than increasing trust in the government or bringing in lost tax revenues, the release of the so-called "list of shame" merely angered the public and put the opposition HDZ even more on the offensive. For everyday citizens struggling in a difficult economy, evidence that previous governments had allowed tycoons and economic actors close to the state to escape tax payments for decades while simultaneously cracking down on comparatively minor tax delinquency confirmed a widely held belief that Croatia's political class considers itself to be above the law. In general, the current government's efforts to "clean up" tax abuse is supported by citizens, but any resulting gains in popularity were offset by unpopular initiatives like a new property tax on weekend homes and second apartments or the discovery of excessive public spending on government vehicles.

A series of small scandals involving members of the government seemed also to weaken its moral authority during the year. In June, Minister of Environmental Protection and Nature Mirela Holy resigned amidst accusations that she had abused her power to secure a job for a colleague's spouse.[6] The fact that the allegations surfaced soon after a public disagreement between Holy and Deputy Prime Minister Čačić over the need to balance state energy investments with environmental protection measures hinted at emerging rifts within the party.

New leadership of the now-opposition HDZ party also undermined the SDP government's credibility and its ability to function effectively in 2012. In May 2012, former prime minister Jadranka Kosor was replaced as president of HDZ by Tomislav Karamarko, a seasoned political actor who began his career in the early days of President Franjo Tuđman.[7] Karamarko's more "traditional" HDZ positions have been less nationalistic than expected, but his leadership style in 2012 was nevertheless aggressive and highly resistant to compromise with "the communists" of SDP. As a result, one year into its mandate, the SDP government has been unable to rally enough parliamentary support to push through key reforms affecting the economy or even healthcare and education, which are traditionally less divisive issues in Croatia.

The government was also criticized during the year for responding slowly to efforts by local authorities and residents to stop Roma families from settling on land they had recently purchased in Northern Dalmatia, near the village of Škabrnja.[8] Critics contrasted the delayed response, apparently the result of poor judgment within the ministry of interior, with the central government's swift deployment of special police forces to break up a workers' strike on Brač island during the same period. The government was more proactive in September when Roma children were barred from a local school in the Međimurje area.[9]

The EU progress report released in October 2012 shows the complexity of the tasks facing Croatia's leadership and institutions. It is considered a fairly positive report and notes that the country is on the right track with its preparations for

membership. However, the key areas of concern are within previously negotiated chapters regarding market competition, justice, and fundamental rights—relating specifically to shipyard privatization issues; the backlog of court cases; conflicts of interest; access to information; border infrastructure and border police; migration strategy; the need to improve investment climate; and further continuation of regional cooperation and good neighborly relations.[10]

The victory of Tomislav Nikolić and his nationalist SNS party in Serbia's May 2012 elections visibly reduced enthusiasm on both sides for Serbian-Croatian bilateral efforts.[11] Awareness that Karamarko and HDZ would spin any moves towards deeper cooperation with Serbia as a weakening of principles on the part of SDP also seemed to discourage the Milanović government from taking initiative on this front. Meanwhile, Croatian president Ivo Josipović and the president of Croatia's Serbian National Council (SNC), Milorad Pupovac, became involved in a war of words as the result of corruption allegations against Josipović printed in the state-funded and SNC-published Serb minority weekly, *Novosti*.[12]

On 16 November 2012, the International Criminal Tribunal for the former Yugoslavia (ICTY) overturned its April 2011 convictions against Ante Gotovina and Mladen Markač, two Croatian generals accused of war crimes in connection with the 1995 "Operation Storm" military action. The final verdict came as a surprise to the country and the region, eliciting almost universal jubilation from Croatian citizens, as well as immediate condemnation from Serbia. Croatia's reaction to the verdict suggests a shift away from accepting responsibility for war crimes of the 1990s that does not bode well for future reconciliation efforts with Serbia or the diligent prosecution of remaining war crimes cases within the Croatian judicial system. Upon his release, General Gotovina made a number of public statements calling for peace and reconciliation—including a call for the return of the Karjina Serb population[13]—displeasing his ultranationalist compatriots.[14]

Electoral Process

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
3.25	3.00	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25

Parliamentary elections in December 2011 brought victory to the SDP, which formed a government with its preelectoral coalitional partners, the HNS and the Istrian Democratic Assembly (IDS). No elections were held in Croatia in 2012, but the country did hold a referendum on EU membership in January.

A majority of referendum participants (66.27 percent) voted for EU accession, and 33.13 percent voted against.[15] Overall turnout was low at 43 percent, but observers assessed the referendum as fair and no serious violations were reported. Referendum results reflected a split between north and south as regards expectations of EU membership. The anti-EU vote was highest in the two southern counties (*zupanije*), Dubrovačko-neretvanska (42 percent) and Splitsko-dalmatinska (40 percent), where people expect to benefit least from joining the EU; in the north,

however, where expectations and perception of EU membership are largely positive, some counties voted 70 percent in favor of accession.

Electoral changes introduced in 2012 will be applied for the first time in May 2013, when Croatia holds its second-ever direct mayoral elections, its elections for county prefects and city and county assemblies, and possibly also elections for the country's first set of 12 representatives to the European Parliament. In 2012, the government prepared for these votes by beginning to update the national voter registry, particularly in the areas near the southern border with Bosnia and Herzegovina. This long-awaited process is a major undertaking and in some cases requires police visits to confirm voter and residence data in border areas. Additional changes have been announced on the restructuring of electoral units for future parliamentary elections, but these will not be made before the end of 2013.[16]

The 2013 local elections will be the first test for the SDP-led ruling coalition. Campaigning began as early as 2012, bringing to the surface numerous divisions within the SDP itself. In Zagreb, the two leading candidates for mayor are both from SDP. One survey projects that if the election goes to a second round, it will be a close contest between incumbent mayor Milan Bandić (who was the local president of SDP for many years), and Davor Bernardić (20.4 percent), the current local president of SDP.[17] In Split, factions within the SDP are equally salient. In November, a prominent local SDP member publicly questioned the moral integrity of the SDP mayoral candidate, Ivo Baldasar.[18]

As in Zagreb, the HDZ did not have a serious candidate for the mayoral race in Split at year's end.[19] However, the most popular candidate for the race by far is an independent MP, Ivan Grubišić. He has at least 10 percent more support than SDP's Baldasar or the second runner-up, AnđelkaVisković, from Željko Kerum's Croatian Civic Party (HGS). Grubišić is a retired Catholic priest, whose liberal sermons and public statements have little in common with the Croatian brand of conservative Catholicism.

At the beginning of November, SDP had 27.3 percent support at the national level, followed by HDZ with 19.2 percent. The most popular politicians were President Josipović with 36.9 percent, followed by prime minister and SDP president Zoran Milanović, and ahead of the Labor Party's Dragutin Lesar.[20]

Civil Society

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
3.00	3.00	2.75	2.75	2.75	2.75	2.75	2.50	2.50	2.50

Citizens' awareness and support of civil society continues to grow. In a 2012 study by the Ivo Pilar Institute of Social Sciences, 59 percent of respondents agreed that NGOs have an important role in highlighting and solving problems in society. The same percentage said NGOs are more effective in their work than five years ago, and 57 percent reported that NGOs greatly improve the quality of life in their

community.[21] Declared membership in NGOs has doubled to 19 percent since 2007, with an additional 10 percent describing themselves as "active volunteers."

Ideologically and thematically, civil society and the organizations it creates are divided into two broad groups or orientations. One group identifies as socially liberal and focuses on human rights, gender issues, labor rights, and the environment. The other bloc tends to be more conservative, including organizations affiliated with the Catholic Church, war veteran associations, and ethnically defined cultural groups. The influence of more conservative organizations on government policy was perceived as very significant under HDZ-led governments, and remains substantial (if slightly reduced) under the new center-left government. In fall 2012, Education Minister Željko Jovanović came under fire from Croatia's conservative activists for attempting to institute a progressive health education curriculum they claimed would introduce homosexuality, atheism, and relativism into primary and secondary education.[22] Conservative and socially liberal blocs clashed again over the 2012 LGBT (lesbian, gay, bisexual, and transgender) pride parade in Split.[23] Unlike the previous year's festival of violence and intolerance, Split's second-ever pride parade took place under heavy police protection—900 police to protect a few hundred marchers—but without incident.[24] The city of Zagreb's 11th annual pride parade took place in June without the need for a heavy police presence.

Although conservative and socially liberal blocs disagree on most issues, some organizations—including consumer protection groups and some environmentalist ones—do manage to attract a cross-section of support. Meanwhile, some organizations from the socially liberal bloc are becoming more mainstream, as illustrated in 2012 by the appearance of a well-known feminist organization's spokesperson on the cover of Croatia's most popular women's magazine and in primetime television programming.[25] It is important to note, however, that organizations whose primary focus is the prosecution of war crimes still function primarily on the margins of society; their cause and public standing was certainly not advanced by the November ICTY ruling.

Funding remains a challenge for the civil sector, though humanitarian efforts have seen an upward trend in corporate sponsorship. With more politically charged issues, groups sometimes manage to make a strong impact without much funding. In the 2012 referendum, anti-EU organizations had none of the resources of those campaigning for EU accession, yet still managed to wage an effective visual campaign with graffiti and compelling slogans.

Independent Media

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
3.75	3.75	3.75	4.00	3.75	4.00	4.00	4.00	4.00	4.00

Croatia's national broadcasting network, Hrvatska Radio Televizija (HRT), remains the most influential news source in the country. The development of private, nationwide television stations in the past several years has forced the television

branch of HRT to commercialize, but not necessarily to improve. HRT and its components are funded from a combination of viewer subscription fees (required of all television set owners), advertising revenues, and a regular state budget allocation. This hybrid financing method has been criticized for many years, but so far the new government has made no moves towards instating a new system.

In 2012, the government took steps to increase the professionalism of HRT, which still suffers from self-censorship, poor management, and other legacies of decades-long political patronage. In early 2012 (shortly after coming to power), the new government supported some personnel changes at HRT, including the replacement of its general manager. Some feel these changes have improved the journalistic standards of the outlet. Others argue that high-level personnel changes in the public broadcaster are an expression of political patronage, rather than a commitment to improved quality. HRT's new general manager, Goran Radman, held the same position many years ago, before Croatia's war of independence.

The quality of most print media remained low in 2012. A few publications still prioritize independent investigative reporting, including the Rijeka-based daily, *Novi List*, and SNC's *Novosti*, but sensationalism and partisanship dominate the mainstream press. In the last few years, media have taken to publishing original police and investigator statements concerning ongoing anticorruption investigations. These documents are mostly published without context or regard for the integrity of ongoing investigations. Often, they appear to have been strategically leaked to promote certain political or business agendas. The authorities made a half-hearted attempt to discover the source of leaked tapes in connection with the so-called "Croatian Watergate"[26] scandal of October 2012, which drew attention to the already well-known ties between Interior Minister Ranko Ostojić and print media owner Nino Pavić.

Increased economic difficulties have compounded the problems of quality journalism. The media landscape is characterized by poor management, complex ownership structures, and a tendency of owners to use media assets for other business dealings—all of which reduce the relevance of journalistic merits or reader-appeal in determining a media venture's survival. In early 2012, Croatia's oldest daily, *Vjesnik*, which was state-owned and heavily subsidized, was forced to close down due to unmanageable debts. This was not the only paper to close, but it is significant given its links to the state and the main print distributor in Croatia, Tisak.

Media owner Ninoslav Pavić is believed to control almost half of the market,[27] but the share may well be greater, as Pavić's business partners and connections are shrouded in mystery. Some believe he maintains close ties to Ivica Todorić, the Chairman of the Board of Croatia's largest privately owned company, Agrokor, as well as twice-convicted entrepreneur Miroslav Kutle. For at least a decade, these three gentlemen were connected through privatization and post-privatization scandals relating to media, real estate, and advertising ventures, mostly through secret deals that were never publicized. Jadranka Kosor's government called a session of the National Security Council in June 2011 to discuss the lack of transparency

in national media ownership, but the current government has shown markedly less interest in the subject.

Print media and television are still the dominant information resources for the majority of the public, but internet-based journalism is growing in readership, offering a higher quality of reporting than most traditional media. A 2012 Eurostat survey reported that 66 percent of Croatian citizens have internet access,[28] while another survey from 2011 claimed 74 percent of internet users search for daily news.[29] Nevertheless, popular news portals like Index.hr[30] have been struggling to survive financially.

Local Democratic Governance

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
n/a	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75

Croatia, a country of less than 4.3 million inhabitants, maintains 426 municipalities and 20 counties (*županijas*). It has been suggested that Franjo Tuđman created this system to better control the country during the war years, but as time went on županija administration offices served primarily to consolidate the president's power and that of his party, the HDZ. Half of Croatia's 126 cities have populations of fewer than 10,000 people.[31]

Over the past decade, a stream of proposals for reorganizing this expensive and inefficient expensive system have been put forward by different experts and political parties, as well as by the EU, but the geographical shape of the country as well as local disputes between cities vying for regional city status present many political challenges. Additionally, reducing the number of municipalities is not popular among local populations. People generally prefer to have their villages called towns, as towns employ at least a few people in local administration, whereas villages do not get funding for these positions. In 2012, Regional Development and EU Funds Minister Branko Grčić advocated cutting costs by making administrative positions voluntary in the roughly 50 percent of municipalities unable to finance themselves.[32]

During the year, the government prepared decentralization plans that will shift significant power and responsibility to local mayors and county prefects (*zupans*), probably in preparation for further fiscal decentralization. Mayors elected in 2013 will have more direct responsibility for public companies supported from city budgets, including the power to name their executives. This raises the stakes in next year's mayoral races.[33] Another proposed change seeks to create a clear legal mechanism for sanctioning poor mayoral performance by giving local councils the right to oust mayors who fail to produce acceptable city budgets every year. In the event of a protracted conflict between a mayor and his or her local council, both will face early elections. Additional decentralization reforms were under consideration at year's end.

Poor performance of mayors and is a chronic weakness of city governments, even in the country's most important cities. Split city mayor Željko Kerum

notoriously spends more time on his own business projects than in his mayoral office.[34] Moreover, some of Kerum's projects represent a clear conflict of interest with his role as city administrator. Kerum's two deputies, who run the council in his absence, proved ill-equipped to deal with the failure of public services during massive snowfall in February 2012, which resulted in hundreds of injuries from people slipping on ice.[35] In 2012, over 13.5 percent of Croatia's unemployed population was based in Split county.[36] The city is even at risk of losing its status as a UNESCO World Heritage Site, due to the mayor's office's approval of controversial urban building plans within culturally protected zones.[37] Opposition members in the city council regularly attempt to oust Kerum by calling for votes of confidence against him or his policies, but cannot muster enough votes.

Although Zagreb mayor Milan Bandić is a more engaged policymaker than Kerum, he is unable to balance his city's budget.[38] Disputes between Bandić and the SDP-dominated city council disrupted politics throughout the year.

Judicial Framework and Independence

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
4.50	4.50	4.25	4.25	4.25	4.25	4.25	4.25	4.25	4.25

After a decade of judicial reform efforts, Croatia's court system remains the weakest of its institutions. Some progress is visible as a result of reform efforts and implementation. For example, administrative efficiency has increased, with the number of backlogged court cases decreasing by close to 50 percent since 2006.[39] In general, however, the system fails to demonstrate independence or initiative in handling politically sensitive cases or cases where powerful interests are at stake.

In 2012, the government advanced its goal of compatibility with EU laws by adopting a set of regulations and laws that were drafted under the previous government. In October, it made changes to the 2011 Criminal Code, the most significant of which decriminalized possession of illegal drugs for personal use. However, the legislation fails to specify the type or amount of illegal drugs to which this designation applies; these details are left for courts to decide onsite and on every specific case individually.

Political bias and corruption still pervade the court system. In some cases it has taken up to 20 years for a crime or allegation that was covered extensively in the media to result in a trial. When these cases do gain momentum, there is usually an ulterior motive, such as pleasing the public or EU observers. Some of these trials result in questionable sentences.

The system has continued to support and protect a network of "good old boys," particularly in cases and investigations of financial crime. Like many other former socialist countries, Croatia has never enjoyed a judiciary free from political patronage and influence, but there have been additional roadblocks to judicial independence in Croatia's case. Judges appointed during and after the independence war of the 1990s were often chosen on the basis of adherence to official political ideology,

which at that time was overwhelmingly ethno-nationalist in character. The legacy of this bias is still embedded in the system, and while overt ethno-nationalist bias has decreased in recent years, significant political will and judicial expertise will be required to address the decades of legal decisions based on such considerations.

In particular, the Croatian court system fails to adequately address the aftermath of a multitude of privatizations carried out in the 1990s that benefitted a small circle of individuals with government ties. These privatizations proceeded with the blessing of the judiciary but the public is now coming to understand them as a kind of legalized robbery, obscured by a blurry paper trail in the courts. The privatization of Konstruktor, at that time one of Croatia's largest construction companies, happened almost overnight in the early 1990s, resulting in huge gains for the company's top executives. However, only a minor portion of the privatization was challenged by the state prosecution. Despite the existence of a 2005 state auditing office report calling the privatization "improper," the trial that concluded in 2012 resulted in only a symbolic sentence for Konstruktor's chief executive, and no one else involved in the deal was convicted. The main defendant in the Konstruktor case, manager Željko Žderic, was amnestied because he had provided construction machinery to the Croatian army during the war.

Konstruktor was built and developed under the strong political patronage of several HDZ governments, and has won almost every public tender for large construction works in the past two decades. This, too, should prompt an investigation into unfair tender practices related to Konstruktor, for which there is ample documentation. However, the judicial system has turned a blind eye to evidence of other legal wrongdoing by the Split-based company popularly known as "the construction mafia." Former Konstruktor executive Božo Biuk has called for investigations into illegal activities by Kostruktor and its subcompanies for over a decade, though his accusations have not been investigated or verified.

Domestic war crimes prosecution remains a weak point of the judicial system, which moves slowly and displays an institutional bias in favor of ethnic Croat suspects. Political will to prosecute such crimes is low.[40] In October, five former Croatian soldiers involved in heinous acts of torture at the Kerestinec prison camp were sentenced to a combined total of eight years in prison.[41] The court case did not answer the question of how many soldiers or civilians were detained at the infamous Kerestinec detainment center, nor did it establish who had ordered their brutal mistreatment.

Corruption

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
4.75	4.75	4.75	4.75	4.50	4.50	4.50	4.25	4.00	4.00

On 20 November, former prime minister Ivo Sanader was sentenced to 10 years in prison for accepting a bribe of €5 million from the Hungarian energy group MOL in return for guaranteed rights in Croatia's state oil company INA.[42] Sanader is the most senior official in the Balkan region ever to face jail time for graft. Citizens

who a few days earlier had rejoiced in the acquittal of accused war criminals Ante Gotovina and Mladen Markač now celebrated the punishment of an economic crime, and many complained that the sentence against Sanader should have been harsher.

The EU accession process has transformed Croatia's fight against corruption into a high-profile project. While the EU acknowledges Croatia's progress in anticorruption efforts, it also identifies corruption and the judiciary as the two areas of main concern as the state moves toward accession. According to two recent surveys by the Ministry of Justice and the Zagreb-based NGO GONG, the Croatian public perceives corrupt politicians, judges, and policemen as society's most threatening criminals and the primary perpetrators of organized crime.[43]

Sanader's initial arrest in 2010 was hailed as a sign that Croatian institutions were serious about the fight against corruption. However, the case also illustrates the slowness and difficulty of prosecuting high-profile cases in Croatia. The 20 November verdict is the result of a three-year investigation, and resolves only one of the five indictments against him at the time.[44] In December, Sanader was indicted on new corruption charges alongside a former HDZ agriculture minister over a 2009 real estate deal.[45]

The Bureau for Combating Corruption and Organized Crime (USKOK), Croatia's primary anticorruption agency, continued to investigate corruption allegations in all sectors in 2012. One of the year's most publicized cases was an investigation into bribery of medical practitioners by pharmaceutical companies. In mid-November, USKOK arrested the entire board of the local pharmaceutical company Farmal, as well as many of its sales reps and several dozen doctors. The investigation, ongoing at year's end, may implicate hundreds of medical practitioners.[46]

Chief Prosecutor Mladen Bajić says the State Prosecutor's Office (DORH) is making significant efforts to decrease its case backlog but struggles due to an insufficient number of educated personnel.[47] According to Bajić, the weak state of the economy has also produced an increasing number of incoming cases related to bankruptcy, debts, and loans, further slowing the domestic courts.

Existing prosecution methods may also bear responsibility for sluggish and flawed outcomes in corruption cases. Witness testimony forms the essence of the prosecution's strategy in anticorruption cases; witnesses offer details of their illegal activities in exchange for protection from prosecution. Many of the main witnesses who testified against Sanader in exchange for immunity are themselves key players (so-called "big fish") in Croatian corruption scandals. One might argue that it would have been more valuable to give immunity to Sanader—who, as a corrupt "jack-of-all-trades" is accused of involvement in an impressive range of illegal ventures—in exchange for incriminating evidence against a large and diverse network of alleged criminals. However, successful prosecution of a former prime minister was an important international demonstration of political will to enforce rule of law at the highest levels of (former) government. EU pressure to prosecute high-level corruption has been notable. Documents published by the whistleblower

website WikiLeaks suggest that Bajić regularly reported on the progress of the Sanader case to the local United States embassy, as well.[48]

Throughout 2012, independent media and several whistleblowers accused Chief Prosecutor Bajić, who has held office for ten years, of deliberately turning a blind eye to certain cases.[49] Taken as a whole, the accusations—none of which has been officially investigated—paint a picture of Bajić as a selective and calculating gatekeeper who takes up cases only against individuals who have already lost their political power to respond. Some of their charges also implicate the prosecutor in war crimes at the Lora military camp in Split, as well as the associated early-1990s cover-up.[50]

▮ AUTHOR: PETAR DORIĆ

Peter Dorić is a journalist and analyst based in Spilt, Croatia. He holds a Masters of International Relations from the City College of New York.

---

1 As noted in previous NIT reports, the two main Croatian political parties, the HDZ and the SDP, are part of a joint taskforce with a pro-EU agenda called Savez za Europu.

2 Nataša Srdoč, "Nataša Srdoč: Slučaj Hypo banke mogu riješiti samo strain stručnjaci" [The Hypo Bank case could only be solved with foreign experts], Index.hr, 25 October 2012, http://www.index.hr/vijesti/clanak/natasa-srdoc-slucaj-hypo-banke-mogu-rijesiti-samo-strani-strucnjaci/643539.aspx.

3 "Čačić od srpnja najnepopularniji političar" [Čačić the least popular politician since July], *Večernji List*, 5 November 2012, http://www.vecernji.hr/vijesti/cacic-srpnja-najnepopularniji-politicar-clanak-472009.

4 The list and text of these laws is available at http://duznici.porezna-uprava.hr/.

5 The list consists of around 130,000 names of companies and persons who, since the establishment of the Croatian state, have amassed a joint debt of around 51 billion kuna (approximately $8.7 billion). Citizens owing less that 10,000 kuna (about $1700) are not included on this list, nor are companies whose unpaid taxes amount to less than 300,000 kuna (about $51,500).

6 "Ministrica Holy dala ostavku" [Ministrica Holy resigned], Hrvatska Radiotelevizija (HRT), 7 June 2012, http://www.hrt.hr/index.php?id=vijesti-clanak&tx_ttnews[tt_news]=168613&cHash=cc2886a08c.

7 The HDZ under Tuđman's leadership was focused on developing the 'Croatian nation' and can be considered somewhat different from what has/had become the main stream focus/image of the party as a center-right European Christian party.

8 It should be noted that the village in question was a site of war crimes against Croatian civilians during the 1991–95 war. "Šovinizam u Škabrnji" [Rigid nationalism in Škabrnja], Dnevnik.hr, 1 May 2012, http://dnevnik.hr/vijesti/hrvatska/sovinizam-u-skabrnji-od-pamtivjeka-tu-nema-roma-niti-ce-ih-biti.html.

9 "Sukob u Međimurju" [Clash at Međimurje], Dnevnik.hr, 17 September 2012, http://dnevnik.hr/vijesti/hrvatska/sukob-u-medzimurju-ne-pustaju-u-skolu-romsku-djecu.html.

10 European Commission (EC), *Commission Staff Working Document—Comprehensive Monitoring Report on Croatia accompanying the document Communication from the Commission to the European Parliament and the Council—Comprehensive Monitoring Report on Croatia's state of preparedness for EU Membership* (Brussels: EC, 10 October 2012), http://ec.europa.eu/enlargement/pdf/key_documents/2012/package/hr_analytical_2012_en.pdf.

11 "Biografija Tomislava Nikolića" [Biography of Tomislav Nikolića], Радио-телевизија Србија, 20 May 2012, http://www.rts.rs/page/stories/sr/story/1950/Izbori+2012/1105938/Biografija+Tomislava+Nikoli%C4%87a.htm.

12 Though it is state-funded (as part of the minority print press), Zagreb-based weekly *Novosti* has become one of the few quality investigative print media in Croatia. In [MONTH?], *Novosti* published a series of articles alleging that President Josipović and his close friends had benefited from intellectual property rights legislation in the music industry. When the state prosecutor's office refused to investigate *Novosti*'s claims, they entered into the political arena and caused tensions between Josipović and Pupovac. "Sto je Ivo Josipović rekao o Pupovcu" [What did Ivo Josipović said about Pupovac], H-Alter, 17 August 2012, http://www.h-alter.org/vijesti/mediji/sto-je-ivo-josipovic-rekao-o-pupovcu.

13 "Gotovina ekskluzivno: Srbi vratite se u Hrvatsku!" [Gotovina exclusive: Serbs, return to Croatia!), Kurir, 18 November 2012, http://www.kurir-info.rs/gotovina-ekskluzivno-srbi-vratite-se-u-hrvatsku-clanak-515720.

14 Movement to STOP the Persecution of Croatia's Defenders (official website), "Ako je i od Ante, previše je!" [Enough already—even if it is from Ante!], 29 November 2012, http://www.stop-progonu-hrvatskih-branitelja.com/?p=1142.

15 State Election Commission of the Croatian Republic, *Izvješće o provedenom državnom referendumu o pristupanju Republike Hrvatske Europskoj uniji* [Report on the implementation of a national referendum on accession of the Republic of Croatia to the European Union] (Zagreb: State Election Commission, 27 January 2012), http://www.izbori.hr/izbori/dip_ws.nsf/0/F0C12BF0B573A0DDC12579920040A43A/$file/Izvjesce_o_provedenom_drzavnom_referendumu_o_pristupanju_RH_EU.pdf.

16 "Krojenje novih izbornih jedinica tek nakon lokalnih izbora" [Tailoring new constituencies after local elections], *Večernji list*, 4 September 2012, http://www.vecernji.hr/vijesti/krojenje-novih-izbornih-jedinica-tek-nakon-lokalnih-izbora-clanak-448930.

17 "Kako bi građani danas glasovali?" [How would voters vote today?], Hrvatska Radiotelevizija (HRT), 10 October 2012, http://www.hrt.hr/index.php?id=vijesti-clanak&tx_ttnews[tt_news]=187367&tx_ttnews[backPid]=866&cHash=2ba3797f0b.

18 Denis Krnić,"Capo: Baldasar je rat proveo u Italiji; Baldasar: Ondje sam bio korisnii" [Capo: Baldasar spent the war in Italy; Baldasar: I was more useful there], *Slobodna Dalmacija,* 11 November 2012, http://www.slobodnadalmacija.hr/Novosti/Hrvatska/tabid/66/articleType/ArticleView/articleId/192458/Default.aspx.

19 Ibid.

20 "Josipović najpopularniji političar, a SDP stranka: Lesar i laburisti uvjerljivo treći" [Josipović is the most popular politician, while SDP is the most popular party], Index.hr, 4 November 2012, http://www.index.hr/vijesti/clanak/josipovic-najpopularniji-politicar-a-sdp-stranka-lesar-i-laburisti-uvjerljivo-treci/644975.aspx.

21 Ivo Pilar Institute of Social Sciences, with the support of the Technical Assistance for Civil Society Organizations (TACSO), *Vidljivosti i javna percepcija udruga u hrvatskoj 2012* [Visibility and public perception of NGOs in Croatia 2012] (Zagreb: TACSO, August 2012), http://tacso.org/doc/TACSO_Pilar_izvjesce_2012_unesene%20ispravke.pdf.

22 "Udruga GROZD: Zravstvenim odgojem u škole se uvodi homoseksualna propaganda!" [GROZD Association: Health education is nothing but homosexual propaganda!], Index.

hr, 2 November 2012, http://www.index.hr/vijesti/clanak/udruga-grozd-zdravstvenim-odgojem-u-skole-se-uvodi-homoseksualna-propaganda/644748.aspx.

23 Ines Brajević, "Kontra u Plitu: Crkva ima veliku ulogu protiv zagovaranja prava LGBT osoba" [Cons in Split: The Church has an important role against LGBT rights advocacy], *Dalmacija News*, 30 May 2012, http://www.dalmacijanews.com/Vijesti/View/tabid/74/ID/89863/Kontra-u-Splitu-Crkva-ima-veliku-ulogu-protiv-zagovaranja-prava-LGBT-osoba-FOTO.aspx.

24 Amnesty International Hrvatske, *Na povorci ponosa u Splitu 2012 adekvatno zaštićena prava na slobodu izražavanja i okupljanja* [At the 2012 Split pride parade, rights to freedom of expression and assembly were adequately protected] (Zagreb: Amnesty International, 11 June 2012), http://amnesty.hr/2012/06/11/na-povorci-ponosa-u-splitu-2012-adekvatno-zasticena-prava-na-slobodu-izrazavanja-i-okupljanja/.

25 Sanja Sarnavka of the organization BABE appeared on the cover of *Gloria* in November 2012 and on the primetime HTV show "Nu2" to talk about her struggle with cancer.

26 The so-called "Croatian Watergate" scandal erupted when one branch of the secret services was discovered to have tapped the phones of another branch. After a week, the scandal was forgotten, replaced by another scandal, which was soon overshadowed by a third. Such scandals are extremely common among executive, judicial and law enforcement authorities.

27 Pavić's name also appears on the "list of shame" of tax evaders discussed in the National Democratic Governance section of this report.

28 Eurostat Press Office, "Internet access and use in 2012: More than half of internet users post messages to social media… …and over 60% read news online," 18 December 2012, http://europa.eu/rapid/press-release_STAT-12-185_en.htm.

29 Gesellschaft für Konsumforschung (GfK) [Society for Consumer Research], *Informatička pismenost u Hrvatskoj: Internet danas koristi oko dvije trećine građana starijih od 15 godina!* [Computer literacy in Croatia: About two-thirds of the population older than 15 years is using the Internet today!] (Nuremburg: GfK, 2012), http://www.gfk.hr/public_relations/press/press_articles/009149/index.hr.html.

30 Petar Vidov, "Promotrite ogledalo I zapitajte se: Zbog čega više nema Ferala?" [Look at the mirror and ask yourself: Why no more Feral?], Index.hr, 10 October 2012, http://www.index.hr/vijesti/clanak/promotrite-ogledalo-i-zapitajte-se-zbog-cega-vise-nema-ferala/643188.aspx.

31 Državni zavod za statistiku (Croatian Bureau of Statistics), *2012 Statistical Yearbook of the Republic of Croatia* (Zagreb: December 2012), http://www.dzs.hr/Hrv_Eng/ljetopis/2012/sljh2012.pdf.

32 "Vlada razmišlja da vodstva općina počnu volontirati" [Government thinks that municipality leadership could work voluntarily], *RTL* Televizija, 26 August 2012, http://www.rtl.hr/vijesti/novosti/473510/vlada-razmislja-da-vodstva-opcina-pocnu-volontirati/.

33 Ivanka Toma, "Novi zakoni: Ministar Bauk svu moć daje gradonačelnicima" [New laws: Minister Bauk gives all of the power to mayors], *Večernji list*, 16 September 2012, http://www.vecernji.hr/vijesti/novi-zakoni-ministar-bauk-svu-moc-daje-gradonacelnicima-clanak-453572.

34 The longest stretch of time for not attending to mayoral duties and going to his office was recorded as 3 months. Mateo Ivić, "Kerum se vratio, otkrio zašto nije tri mjeseca bio na poslu" [Kerum returned, discovered why there was three months on the job], 24sata.hr, 9 November 2012, http://www.24sata.hr/politika/kerum-u-banovini-nije-istina-da-nisam-dolazio-tri-mjeseca-288835.

35 "Ogorčeni Splićani: Kerum ne radi svoj posao i još nam se ruga" [Angry people from Split: Kerum's making jokes with us and does not do his job], *Vecernji list*, 8 February 2012, http://www.vecernji.hr/regije/ogorceni-splicani-kerum-ne-radi-svoj-posao-jos-nam-se-ruga-clanak-375059.

36 Toni Paštar, "Split potukao Zagreb: Nezaposlenih duplo više" [Split worse than Zagreb: Double amount of unemployed], 13 March 2012, http://www.slobodnadalmacija.hr/Split-%C5%BEupanija/tabid/76/articleType/ArticleView/articleId/167355/Default.aspx.

37 "Prijeti li Splitu i Dioklecijanovoj palači i spadanje s UNESCO-veliste?" [Could Split and Diocletian's Palace drop off UNESCO's List?], DalmacijaNews.com, 3 November 2012, http://www.dalmacijanews.com/Hrvatska/View/tabid/77/ID/103537/Prijeti-li-Splitu-i-Dioklecijanovoj-palaci-ispadanje-s-UNESCO-ve-liste.aspx.

38 Velibor Panić, "Bankrot grada Zagreba: Katastrofalna, ali vrlo realna mogućnost" [Bankruptcy of Zagreb: Catastrophic, but a real possibility], *Jutarnji List*, 4 November 2012, http://www.jutarnji.hr/bankrot-grada-zagreba--katastrofalan--ali-vrlo-realan-scenarij/1064203/.

39 Official website of the Demokratski Centar political party, "Škare—Ožbolt, Vesna: Proračun za pravosuđe u 2012 ozbiljno će usporiti reform pravosuđa" [Judicial budget at 2012 would slow reform], 16 February 2012, http://www.demokratski-centar.ht/k2-blog-style/sredisnjica/item/1430-proracun-za-pravosudje-u-2012-ozbiljno-ce-usporiti-reformu-pravosudja-a-nedovoljno-ulaganje-u-obrazovanje-i-znanost-dovest-ce-do-zaostajanja-u-razvoju-hrvatske.

40 In their 2012 annual report, Amnesty International specifically notes Croatian institutions are still reluctant to open cases against former president of the parliament Vladimir Seks, and former high ranked navy officer Davor DomazetLoso, both connected with this specific kind of crime. "Amnesty International: Brojni zločini nad hrvatskim Srbima još nisu procesuirani" [Amnesty International: Countless crimes against Croatian Serbs have been prosecuted], Novilist.hr, 24 May 2012, http://www.novilist.hr/Vijesti/Hrvatska/Amnesty-International-Brojni-zlocini-nad-hrvatskim-Srbima-jos-nisu-procesuirani.

41 "Presuda za Kerestinec otkriva dvostruka mjerila hrvatskih sudova" [Kerestinac case sentencing shows double standard within Croatian judicial], 6 November 2012, http://www.balkaninsight.com/rs/article/presuda-za-kerestinec-otkriva-dvostruka-mjerila-hrvatskih-sudova.

42 Dan Bilefsky, "Former Premier of Croatia Is Sentenced for Graft," *The New York Times*, 20 November 2012, http://www.nytimes.com/2012/11/21/world/europe/former-premier-of-croatia-ivo-sanader-is-sentenced-for-graft.html.

43 "Hrvatipresudili: Najveća prijetnja društvu su korumpirani političari!" [Croats have decided: Biggest threat to society is corrupted politicians], Index.hr, 6 June 2012, http://www.index.hr/vijesti/clanak/hrvati-presudili-najveca-prijetnja-drustvu-su-korumpirani-politicari/622555.aspx.

44 Ivo Sanader has been charged in Croatia for corruption and organized crime in five cases: Ina-Mol, Fimi media, Planinska, HEP-Dioki and the HypoAlpeAdria loan.

45 Jasmina Kuzmanovic, "Former Croatian Premier Sanader Faces New Charges, HINA Reports," Bloomberg News, 13 December 2013, http://www.bloomberg.com/news/2012-12-13/former-croatian-premier-sanader-faces-new-charges-hina-reports.html.

46 "Medical sector arrests show action in Croatia's corruption fight," SETimes.com, 19 November 2012, http://www.setimes.com/cocoon/setimes/xhtml/en_GB/features/setimes/features/2012/11/19/feature-04.

47 Tatjana Krajač, "Bajićevo izvješće: Prošle godine zamrznuto 255.5 milijuna kuna imovine" [Bajić's report: Last year property valued at 255.5 million kuna was frozen], 14 October 14 2012, http://dnevnik.hr/vijesti/hrvatska/bajicevo-izvjesce-prosle-godine-zamrznuto-255-5-milijuna-kuna-imovine.html.

48 Jasmin Klarić and Sergej Abramov, "Wikileaks: Bajić izvještavao SAD o istragama; Bajić: Depeše kompilacija mediaja i mašte" [Wikileaks: Bajić has reporting to US about investigations; Bajić: Wires are compilation of mass media and imagination], 3 September 2011, http://www.novilisr.hr/Vijesti/Hrvatska/Wikileaks-Bajic-izvjestavao-SAD-o-istragama-Bajic-Depese-kompilacija-medija-i-maste.

[49] Petar Vidov, "Tko nadzire Bajića? Nitko ne zna!" [Who controls Bajić? Nobody knows!], http://www.index.hr/vijesti/clanak/tko-nadzire-bajica-nitko-ne-zna/642362.aspx; Nikola Bajto, "Bajić na sudu izgubio 57 posto slučajeva ratnih zločina" [Bajić lost 57 per cent of war crime cases in courts], *Srpsko Narodno Vijeće*, 11 October 11 2012, http://www.snv.hr/vijesti/bajic-na-sudu-izgubio-57-posto-slucajeva-ratnih-zlocina; "Hrvatski zviždači traže smjenu Mladena Bajića" [Croatian whistle-blowers demand Bajić's resignation], Index.hr, 20 February 2012, http://www.index.hr/vijesti/clanak/hrvatski-zvizdaci-traze-smjenu-mladena-bajica/600209.aspx; Petar Mandarić and Damir Kramarić, "Zviždači podnose tužbu za genocide protiv svih Hrvatskih vlada" [Whistleblowers file a charge for genocide against the entire Croatian government], Udraga-Gavran, 9 October 2012, http://www.udruga-gavran.hr/index.php?option=com_content&view=article&id=3239:zvidai-podnose-tubu-za-genocid-protiv-svih-hrvatskih-vlada&catid=101:zanimljivosti; and "Zviždač zbog Bajića počeo sa štrajkom glađu" [Whistle-blower on hunger strike because of Bajić], RTL Televizija, 16 October 2012, http://www.rtl.hr/vijesti/novosti/529628/zvizdac-zbog-bajica-poceo-sa-strajkom-gladju/.

[50] Adriatic Institute for Public Policy, *Fresh Data Confirms Croatia's Failed Economic Policies—Call for Independent Investigations Focusing on Croatia's President Ivo Josipović and Prosecutor Mladen Bajić* (Rijeka: Adriatic Institute, 18 May 2012), http://www.adriaticinstitute.org/?action=news&id=168.

Czech Republic

by Jeremy Druker

Capital: Prague
Population: 10.5 million
GNI/capita, PPP: US$18,130

Source: The data above are drawn from the World Bank's *World Development Indicators 2013.*

Nations in Transit Ratings and Averaged Scores

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Electoral Process	2.00	2.00	2.00	1.75	1.75	1.50	1.50	1.25	1.25	1.25
Civil Society	1.50	1.50	1.50	1.50	1.25	1.50	1.75	1.75	1.75	1.75
Independent Media	2.25	2.00	2.00	2.25	2.25	2.25	2.50	2.50	2.50	2.50
Governance*	2.25	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
National Democratic Governance	n/a	2.50	2.50	3.00	2.75	2.75	2.75	2.75	2.75	2.75
Local Democratic Governance	n/a	2.00	2.00	1.75	1.75	1.75	1.75	1.75	1.75	1.75
Judicial Framework and Independence	2.50	2.50	2.25	2.00	2.00	2.25	2.00	2.00	2.00	1.75
Corruption	3.50	3.50	3.50	3.50	3.25	3.25	3.25	3.25	3.25	3.25
Democracy Score	2.33	2.29	2.25	2.25	2.14	2.18	2.21	2.18	2.18	2.14

** Starting with the 2005 edition, Freedom House introduced separate analysis and ratings for national democratic governance and local democratic governance to provide readers with more detailed and nuanced analysis of these two important subjects.*

NOTE: The ratings reflect the consensus of Freedom House, its academic advisers, and the author(s) of this report. The opinions expressed in this report are those of the author(s). The ratings are based on a scale of 1 to 7, with 1 representing the highest level of democratic progress and 7 the lowest. The Democracy Score is an average of ratings for the categories tracked in a given year.

Executive Summary

The enthusiasm and cautious optimism that emerged after the last parliamentary elections have completely faded away. In 2010, voters gave the center-right coalition a strong mandate to implement long-delayed reforms and to fight corruption, only to see their government succumb to repeated scandals and infighting in 2011 and 2012. As a result, the ruling coalition's poor reputation has overshadowed its notable progress in key areas and left a large section of society disillusioned with the political process.

National Democratic Governance. A stream of corruption scandals and persistent bickering within the ruling coalition and individual parties offset impressive progress in key areas such as judicial independence and the fight against corruption, leaving the government even less popular than the year before. *The Czech Republic's national democratic governance rating remains unchanged at 2.75.*

Electoral Process. Senate and regional elections took place without incident, confirming the country's solid reputation for smooth transfers of political power. However, with mainstream political parties losing even more of their popularity among the general public, a candidate registration fiasco in the presidential race, and no progress made on political inclusion of the substantial Roma minority, *the Czech Republic's rating for electoral process remains unchanged at 1.25.*

Civil Society. Frustration with the current government's shortcomings and a general feeling that certain areas of public life have been neglected in recent years have been leading to greater civic activism. Far-right groups, too, increased their activity during the year, managing to attract many local citizens to the troubling anti-crime, anti-Roma demonstrations that have spread in certain parts of the country. As positive and negative political messages compete for space in the public sphere, *the Czech Republic's civil society rating remains unchanged at 1.75.*

Independent Media. Czech media are independent and diverse, with one of the strongest public broadcasting systems in the region. No significant threats to press freedom emerged in 2012, but several cases of irresponsible reporting on alleged Roma criminality raised ethnic tensions. *The Czech Republic's rating for independent media remains unchanged at 2.50.*

Local Democratic Governance. Although clientelism and cronyism in local politics remain widespread, local governments have continued to prove their competence at delivering public services and to increase their relative popularity

among citizens. Local politicians have pushed their constituents' interests on the national level, with increased success over the past year at redistributing tax income more equitably to smaller towns and cities. *The Czech Republic's rating for local democratic governance rating remains unchanged at 1.75.*

Judicial Framework and Independence. After major personnel changes, the state attorney's office, the weakest link in the judicial system, showed an unprecedented commitment to pursuing even politically sensitive cases, such as the dramatic arrest of regional governor David Rath. Due to a string of such high-profile investigations and evident political willingness for them to continue, *the Czech Republic's judicial framework and independence rating improves from 2.00 to 1.75.*

Corruption. The government has made real progress in addressing corruption through legislative improvements, but most of the changes made so far have been minor compared to the major reforms that activists have demanded. Unfortunately, a wide range of corruption-related scandals have detracted from the positive work now being done. Buttressed by the efforts of civil society and the media, the fight against corruption finally seems to be making progress, *but it is still too early to change the Czech Republic's corruption rating, which remains unchanged at 3.25.*

Outlook for 2013. Following changes to the coalition government (including numerous defections), the ruling parties can now count on only 99 parliamentary deputies for support. This means that the passage of any legislation will depend once again on independents, something that had seemed far-fetched after the 2010 elections led to a government with a solid majority. With a new energy strategy and more reforms on the agenda for 2013—including in higher education and health care—nothing will come easily for the ruling parties.

Main Report

National Democratic Governance

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
n/a	2.50	2.50	3.00	2.75	2.75	2.75	2.75	2.75	2.75

The institutions of governance in the Czech Republic are stable and democratic. No single party dominates the political scene, and regular rotations of power occur at national and local levels. Political parties generally agree on the nature and direction of democratic change, with one major exception—the largely unreformed Communist Party (KSČM), which has not served in a post-1989 national government. The KSČM holds 26 of the 200 seats in the powerful lower house of Parliament, but the refusal of other political parties to include the communists in ruling coalitions has greatly complicated the process of forming stable governments among the remaining, often conflicting parties.

There was reason to believe that the situation would change following the May 2010 parliamentary elections. A new coalition between the Civic Democrats (ODS), TOP 09, and Public Affairs (VV) gained 118 seats out of 200, the most ever in the history of the Czech Republic. Petr Nečas of ODS took over as prime minister during a time of rising optimism that this government would have the support necessary to implement serious reforms the previous administrations had been too weak to pursue.

By the end of 2012, however, the vast majority of Czechs were deeply disappointed with the performance of the Nečas government. They were repeatedly told of the need for belt-tightening, higher taxes, and budget cuts, all amid a seemingly uninterrupted string of corruption scandals. A total of 12 ministers had resigned by year's end, many of them over accusations of corruption or dubious financial dealings in their past. Public perception of high-level graft and insular in-fighting have sullied the cabinet's reputation, despite some policy successes that included tax reforms to cut the budget deficit, pension and health reforms, and the long-delayed passage of a church restitution law.

The parliamentary majority of the ruling coalition became shakier and shakier as one coalition party after another succumbed to infighting or scandal. In April 2011, Transport Minister Vít Bárta—the de facto leader of VV—resigned after the daily *Mlada fronta DNES* newspaper published documents strongly suggesting that he had cynically pursued political office in order to secure lucrative state contracts for his security company. In April 2012, Bárta received an 18-month suspended sentence when a court found him guilty of attempting to use large, interest-free loans to buy the loyalty of two VV parliamentary deputies.[1] One of those deputies, Jaroslav Škárka, received three years in prison for fraud, as the court ruled that he had taken the money as part of a plan to discredit Bárta. After the bribery

conviction, VV split, with Bárta heading for the opposition with most of the party's deputies; the others formed a new party around Deputy Prime Minister Karolína Peake called LIDEM, which became the new coalition partner. By the time the dust settled, the coalition had only 99 votes and no clear majority.

A group of rebels from the ODS also attempted to take down the government in the fall of 2012, ostensibly over the higher tax package. Ultimately, having failed to attract a critical mass of dissenters at the ODS party congress, the three leading rebels resigned their seats. They were replaced with loyalists, the legislation passed, and the government survived a connected confidence vote. One of the replacement deputies was Roman Pekárek, who had been sentenced to six years in prison for corruption.[2]

The corrupt intersection of business and high-level political interests remained a key theme throughout 2012. In March, a leaked series of recorded conversations between former Prague Mayor Pavel Bém and private lobbyist Roman Janoušek shed light on the unsavory business and political practices at City Hall during the 2007–09, ODS-led government.[3]

All of these developments, which occurred as a number of austerity measures were being implemented, contributed to plummeting support for the government and the lower house of parliament. According to a poll by the CVVM research agency in October 2012, both institutions saw a drop of around 50 percent in their "trust" figures over the past year. The same poll revealed only 4 percent of respondents to be satisfied with the political situation and 81 percent dissatisfied, an increase of 10 percent from last year.[4]

Some commentators hold that the Czech parliamentary system affords individual deputies too much power by allowing them to speak during parliamentary sessions at will; arbitrarily insert changes into bills proposed by the executive; force the presence of ministers at meetings; and push through an excessive number of their own, poorly prepared laws. The legislative process is further complicated by deputies' ability to make an unrestricted number of proposed amendments during the second reading of bills. In general, lobbying of the executive and the parliament remains largely unrestricted, and the public continues to believe that special interests play a major role in determining the political agenda.

In a rare show of agreement between the left and right, the lower house (in December 2011) and Senate (in February 2012) voted overwhelmingly to institute direct presidential elections, the first of which will take place in January 2013. Under the new legislation, candidates will need to collect signatures from 50,000 eligible voters, or from at least 20 deputies or 10 senators. Some analysts believe that the Constitution creates an overlap of executive power between the government and the president, which has led to various interpretations of the powers of the president and the government, especially in the realm of foreign policy. For example, despite government criticism of his activities, President Vaclav Klaus has espoused his personal views at various international forums and during official visits, clashing with the official government line on issues such as global warming, the introduction of the euro, and the Lisbon Treaty. The president has

also sought out candidates closely tied to his political philosophy when appointing new governors to the central bank and new justices to the Constitutional Court.

Electoral Process

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
2.00	2.00	2.00	1.75	1.75	1.50	1.50	1.25	1.25	1.25

Political organizations in the Czech Republic have no problems in registering or campaigning. Although shaky coalition governments have been the norm in recent years, the system itself is solidly multiparty, with a strong opposition and diversity at all levels of government. Over the years, leading politicians have spoken out in favor of changes to electoral legislation that would supposedly foster stronger, more stable governments and eliminate the need to rely on rebels and outcasts from other parties to pass legislation. No such changes took place in 2012, though the Nečas cabinet did approve an amendment to introduce the so-called constructive vote of non-confidence, whereby parliamentary deputies would need to combine such a vote with the selection of a new prime minister. Some critics have argued, however, that the current form of the bill, which has yet to pass a first reading in parliament, would not provide any additional stability.[5]

The Czech Republic uses a parliamentary system with two houses. Real political power resides in the Chamber of Deputies, the 200-seat lower house, with deputies elected by proportional vote on party ballots. The 81-seat Senate is elected on the basis of single-mandate districts. The Senate can return approved bills to the lower house, but the Chamber of Deputies can override the Senate by a simple majority.

By the time regional and Senate elections took place in October 2012, virtually all of the enthusiasm generated by the parliamentary elections of May 2010—which had served as a partial rejection of the old political elite—had worn off. As predicted, the TOP 09-VV-ODS government's poor public standing, combined with the introduction of austerity measures, led to a resounding defeat for the governing parties and a victory for the left. The ČSSD won 13 seats in the Senate, regaining its majority, while the ODS captured only four seats. In the regional elections, ČSSD technically won the elections, but gained 10 percent less than the results from 2008 with drops in all regions. ODS took home only around 12 percent of the vote and won 72 fewer seats in regional assemblies than during the 2008 elections; the party's only victory was in Plzeň, with former Justice Minister Jiří Pospíšil, whom Nečas had fired in June, leading the ODS slate. Voter participation was very low at 37 percent, but was the second highest total since 2000.[6]

The real winners were the Communists, who came in second in the number of votes nationwide. With 182 seats in regional assemblies (a gain of 68), the KSČM won outright in two regions (compared with nine for the ČSSD) and saw the election of its first, post-1989 regional governor (in the Usti region). The ČSSD and KSČM agreed on coalitions in another seven regions, where the Communists

will serve as the junior partner, and in one region, the ČSSD has formed a minority regional government supported by the KSČM. In the Senate elections, a record number of Communist candidates advanced to the second round, even in Prague. The loss of so many votes for the mainstream political parties—on the left and right—continued longer-running trends and suggested that a majority of Czechs have difficulty finding a party that they can enthusiastically support.

The lead-up to the country's first direct presidential elections, planned for January 2013, was complicated after the Ministry of the Interior rejected three of the 11 candidates for not having the 50,000 signatures required to compete in the poll. Each candidate had submitted enough signatures to qualify, but ministry officials dismissed thousands of them as invalid. Critics said that the ministry had used the wrong calculation method to extrapolate final figures from sample test groups of signatures; the ministry countered that the law was open to several interpretations. After the three rejected candidates filed complaints, the Supreme Administrative Court ruled to reinstate only one of them, saying the ministry had indeed used the wrong calculation, but that the other two still did not have enough signatures to qualify for the election. The court also rejected complaints from six candidates who had been unable to collect 50,000 signatures and had attacked the law on direct presidential elections as unconstitutional. One of them took his case to the Constitutional Court, potentially delaying the election.

Political party membership is very low and appears to be declining, almost across the board. The KSČM is the largest party (around 54,000 members, down from 60,000 the year before), followed by the KDU-ČSL (35,000), the ODS (around 24,500, down from 30,500), the ČSSD (around 23,000, standing relatively steady), TOP 09 (3,600, down from 5,000), and the SZ (around 1,400, down from 2,000). The new LIDEM party has a mere 200 members. The lack of enthusiasm to join partially relates to public perception. A 2011 poll by the Center for Public Opinion revealed that 81 percent of respondents consider political parties above-average or highly corrupt, more so than any other public institution.[7]

A low membership base has clear repercussions for the political elite. With relatively few members to choose from, parties often recycle the same personalities and reward loyalty rather than expertise. With such small membership bases, different interest groups can also more easily hijack the party agenda. In addition, low party membership has contributed to a phenomenon known as "whalehunting" whereby wealthy businesspeople (so-called "godfathers") allegedly "buy" new party members in return for greater influence in parties' regional or local structures. For many, Prime Minister Nečas's choice of Martin Kuba—a man with known ties to a famous regional "godfather"—as the new minister of industry in fall 2011 and Kuba's election as first deputy party chairman in November 2012 confirmed to some that regional heavyweights would continue to pull above their weight in the government. Party financing continues to operate with little regulation, as current legislation contains numerous loopholes that allow companies with opaque ownership structures or other interest groups to provide donations to parties allegedly in exchange for influence over certain political decisions.[8] Prime Minister Nečas,

however, has pledged to pass legislation targeting a wide range of nontransparent campaign and party funding practices, and the interior ministry submitted a draft bill to the government in fall 2012 that anti-corruption organizations have widely praised.

The country's largest minority, the Roma, is effectively shut out of national politics. Although the number of Roma is estimated at between 200,000 and 250,000, there are currently no Roma parliamentarians. Roma are, however, active at the local level. Mainstream parties apparently believe that placing Roma candidates on their lists may do them more harm than good among average voters.

Civil Society

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
1.50	1.50	1.50	1.50	1.25	1.50	1.75	1.75	1.75	1.75

Czech nongovernmental organizations (NGOs) have recovered from the scandals that tarnished their early postcommunist existence. Most Czechs now see NGOs as influential organizations, helpful in solving social problems, and essential to a functioning democracy. Consequently, there has been an increase in donations to nonprofits from individuals and, until the economic crisis hit, from the business sector. Environmental and humanitarian organizations, in particular, have earned widespread respect among the Czech public.

The passage of a new civil code in 2012 will bring about large-scale changes for most NGOs by the time the law takes effect in January 2014. The code clarifies the legal status of civil society organizations according to their function, modifying some current categories and creating others.[9] The term "Public Benefit Status," mentioned in the new code, still lacks precise specification, however, and NGOs are working toward clarifying its meaning and negotiating with the Ministry of Finance on the tax implication of this status.

The Ministry of Justice is now preparing a new law regulating public registry of companies and other organizations, and indications are that civic associations (the most prevalent type of NGO) will have their own separate register administered by the Ministry of the Interior. NGO leaders have expressed worries that the new registry will not be as transparent as the current one.[10] The new legislation will also not apparently solve the lack of a central registry of civil society organizations, which would improve the sector's transparency and increase its ability to attract more private donations; instead, individual places of registration, including courts and ministries, will keep their own records of registered organizations.

The state is the largest funder of NGOs, providing extensive financial support through grants and coordinating nonprofit activities through the Council for NGOs. NGOs have begun using the council to promote their views, including the need to create a standardized system for state grants to NGOs, instead of the confusing current state of affairs where each ministry has its own methods of providing funds.[11] NGO representatives also sit on advisory bodies of various

ministries. Meanwhile, some politicians—most notably President Klaus—maintain that NGOs should not attempt to influence public policy or interfere unnecessarily in government work. The political elite is wary of more "aggressive" forms of action, such as demonstrations and petition drives, and is quick to label the initiators as politically motivated. Many officials prefer NGOs to serve strictly as service providers, filling in where the state does not or cannot.

Millions of euros in EU structural funds have replaced to some extent resources once donated by numerous foreign foundations and governments before the country joined the EU. An increasing number of nonprofits have launched campaigns to raise funds from individual supporters and experiment with social entrepreneurship ventures, though Czech law provides extremely low tax incentives for individual donations and many civil society organizations still struggle to make ends meet. However, advocacy groups have become more influential, partly connected to the government's willingness to rely on their advice in key areas such as the fight against corruption and for increased transparency. Civil society seems to be more active than just a few years ago, including on the local level and often through the efforts of dedicated individuals fighting for their rights.[12]

Unfortunately, far-right extremist organizations have also increased their presence in recent years, forming alliances with established political parties such as the far-right Workers' Party of Social Justice (DSSS). The DSSS—which reconstituted itself after its previous incarnation, the Workers' Party (DS), was banned in 2010—played a major role in the large-scale ethnic unrest that wracked the northern part of the Czech Republic in the summer and fall of 2011, the worst outbreak of tensions between the Roma and majority communities in the country's history. The DSSS remained active throughout 2012, participating in various anti-Roma activities, such as the rallies organized in April 2012 after a boy (falsely) claimed to have been attacked by Roma. In a mock student election organized in September by the People in Need organization, the DSSS passed the threshold necessary to enter parliament, coming in third overall and even winning, with 18.4 percent, in northern Bohemia.13 The appeal of the far right among young people was also one of the main conclusions of a report commissioned by the Interior Ministry that was released in March 2012. The study—led by Miroslav Mareš, an expert on extremism at Charles University—concluded that almost 65 percent of far-right supporters in the country were under 25, a group typically more active in spreading hate speech in social networks and engaging in regularly held extremist concerts.[14]

Independent Media

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
2.25	2.00	2.00	2.25	2.25	2.25	2.50	2.50	2.50	2.50

Press freedom has long been secure in the Czech Republic, and no major media are state owned. The press has now matured to a point where it offers more balanced

political coverage and opinions; publications may favor one side of the political spectrum, but they are generally not viewed as political propaganda. However, some analysts have noted that the last few elections have prompted a relapse, with the press returning to the political bias of the 1990s both before and after the May 2010 elections.[15]

The national print media offer a diverse selection of daily newspapers, weeklies, and magazines, but the economic crisis has placed greater pressure on many. Some of the main dailies have added tabloid-like elements to attract readers. However, they have also shown more investigative initiative regarding allegations of improper and illegal behavior among politicians, regardless of party affiliation. Revelations by the press led directly to the resignation of a number of ministers in 2011 and 2012. Such efforts have been aided by the June 2011 amendment to a controversial 2009 law banning the publication of information gained from police wiretaps—a major source of incriminating evidence against politicians in recent years. The 2011 amendment allows the publication of police wiretaps in cases of public interest. Laws criminalizing defamation remain on the books, but prosecutions are rare and are not widely considered a threat to media independence.[16]

Sensationalism sometimes leads to irresponsible spreading of ultimately false information, at times with a racial subtext. In 2012, many media outlets, including some of the most popular online sites (iDNES.cz and Novinky.cz), jumped to report the news that a group of Roma had attacked a 15-year-old boy in the Moravian town of Břeclav. After racial tensions soared and extremists organized anti-Roma marches, it emerged that the boy had made up the story after injuring himself during a prank for friends. Activists have also repeatedly complained that the most popular commercial station, TV Nova, regularly broadcasts news of alleged Roma criminality, raising ethnic tensions and anti-Roma feelings in Czech society.

The economic downturn has also stunted the regional newspaper market as sharp drop-offs in advertising income helped kill off new ventures, leaving VLP—a German-controlled chain with over 70 publications—in its traditional, dominant position.[17] In recent years, some media analysts have also started to worry about the concentration of the national press in the hands of a few business moguls, including one that owns the country's largest media buying agency.[18] Concerns have also been raised about the channeling of advertising for state-owned companies to select media allegedly in exchange for political loyalty.[19]

The public television and radio stations, Czech TV and Czech Radio, have also contributed to the country's high rankings in press freedom indexes. In the past, Czech TV's financial difficulties have made it particularly vulnerable to political and business interests, but the overall financial situation has improved greatly, and there have been no high-profile clashes between politicians and Czech TV in recent years. The station still boasts public affairs programs—which have largely disappeared from private media—that should make it the envy of virtually any other public broadcaster in the postcommunist region.

With the stated aim of preventing public broadcasters from chasing advertising dollars at the expense of balanced and high-quality programming, effective 1

January 2012 the government has banned advertising on two of CTV's channels—the main channel and the 24-hour news channel. The advertising limit for the two other Czech TV stations—the culture/arts channel and the sports channel—remained at 0.5 percent of daily broadcasting time. The same amendment requires the country's commercial stations to contribute 2 percent of their advertising income to the State Fund for the Support and Development of Cinematography. The Association of Czech Advertising Agencies warned that the amendment would only strengthen the marketing position of the two dominant commercial stations and lead to higher advertising costs and thus higher product costs for consumers. For some, the advertising ban represents one more example of powerful political lobbying by commercial stations to the detriment of public broadcasters.[20]

A case of conflict of interest arose in November 2012 when Radek John, a well-known investigative journalist before becoming the head of the Public Affairs (VV) party, decided to return to journalism but still keep his seat in parliament and membership of the security and immunity committees, where he would have access to confidential information. Responding to a wave of criticism from across the political spectrum and throughout the media, the lower house of parliament voted to remove him from both committees.[21] The governing coalition has also pledged to pass a new law changing the system for electing the members of the supervisory board of Czech TV in order to reduce the potential for political influence of public TV, especially the news.

Local Democratic Governance

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
n/a	2.00	2.00	1.75	1.75	1.75	1.75	1.75	1.75	1.75

Although slow in coming, the development of local government structures and authority has become one of the Czech Republic's major accomplishments. Landmark legislation passed in 1997 led to the creation of 14 regions, which began functioning in 2001. The central government handed over significant powers to these regions in the fields of education, health care, and road maintenance. Additionally, 205 newly created municipalities replaced 73 district offices, which ceased all activities by the end of 2002.

Self-governed regions and municipalities own property and manage separate budgets. Voters directly elect regional assemblies, which then choose regional councils and governors. The regional councils may pass legal resolutions and levy fines. Directly elected municipal assemblies appoint municipal councils and mayors. Municipalities wield considerable power over areas such as welfare, building permits, forest and waste management, and motor vehicle registration.

The regions are effective in tackling problems neglected by the central government, such as education. Overall, the success in regional management and greater autonomy has made a strong case for allowing regional governments to

manage a larger share of the tax money they help to collect. Opinion polls have also shown that most Czechs tend to trust their local representatives much more than those on the national level. Research by the CVVM agency in October 2012 showed a trust rating of 36 percent for regional governors (compared to 10 percent for parliamentary deputies) and 55 percent for local town halls (a drop of around 10 percentage points from the year before).22 Those generally higher trust ratings, however, could not save many local politicians affiliated with the ruling parties from defeat in the 2012 regional elections. According to the STEM polling agency, which interviewed people after the election, most Czechs opted for left-wing parties in the regional elections as a protest vote; only 4 percent of respondents said they voted for the Communists because of their regional politics and the quality of their candidates.[23]

In most matters, regions essentially act as middlemen for the state, sending the bulk of their budgets to predetermined recipients. Politicians in regional governments complain that they are now in charge of roads, hospitals, schools, and old-age homes, among other things, but the central government decides how much money to send to cover these budget items. The failure of funds flowing from the center to keep pace with these newly added responsibilities has proven particularly vexing for officials of smaller towns, which receive less money per capita than big cities.[24] In June 2012, however, the lower house approved a proposal from TOP 09 and the Mayors and Independents (STAN) that raised the amount of money allocated to small municipalities from 6,800 crowns per inhabitant to 9,000, at the expense of the country's largest cities, which will lose a total 1.1 billion crowns per year.[25]

On the negative side, local "bosses" still often control regional party cells, which, in turn, choose candidates for parliament and the Senate, and elect party chairmen. That has meant, in practice, that local heavyweights with dubious reputations have sometimes had a disproportionate share in creating local party lists and setting overall party policy. Moreover, greater transparency and corruption-fighting instruments at the national level have not kept up with the transfer of responsibilities and finances to local governments, and endemic cronyism remains a critical problem. The lack of oversight on such dealings is a major part of the problem, as the Supreme Audit Office (NKÚ) currently has no legal authority to examine the financial management of regional governments or municipalities. That could change soon, however, as the government has drafted legislation extending the NKÚ's authority to oversight of regional and local governments.

Judicial Framework and Independence

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
2.50	2.50	2.25	2.00	2.00	2.25	2.00	2.00	2.00	1.75

The Czech Republic's four-tiered judicial system consists of district courts (86), regional courts (8), high courts (2), and the Supreme Court. The Czech

Constitutional Court is a well-respected institution that may be addressed directly by citizens who believe their fundamental rights have been violated. Although the Czech judiciary is constitutionally independent, the minister of justice appoints and dismisses the chairmen and deputy chairmen of the courts.

The president of the Czech Republic names the two vice-presidents of the Supreme Court and the heads of all other courts, except the lowest district courts, along with the chief of the Supreme Court and Supreme Administrative Court. The president can submit direct complaints against particular high court judges, including the chairmen and deputy chairmen of the Supreme Court and Supreme Administrative Court.

The Czech Republic is the only European country where the executive has such a large influence over the composition of the state attorney's office: the government names the highest state attorney on the recommendation of the minister of justice, while the minister of justice, on the recommendation of the highest state attorney, appoints state attorneys. S/he can also initiate disciplinary proceedings against them.

Supreme State Attorney Pavel Zeman has taken a number of steps to improve the transparency and independence of the institution. Since coming to office in 2011, Zeman has re-installed independent-minded attorneys removed by his predecessors, replaced the ineffectual lead prosecutor in Prague, and emboldened state prosecutors to tackle politically sensitive cases. Many political observers believe that it is only because of these efforts that a wave of high-profile corruption cases then dominated headlines in the fall: the deputy governor of the notorious Usti region was arrested for the misuse of EU funds; Marek Dalík, the right-hand man of former Prime Minister Mirek Topolánek, was charged with asking an Austrian arms producer in 2007 for a bribe to mediate the sale of armed vehicles to the Czech army; the deputy minister of labor, Vladimir Šiška, was charged with bribery over a manipulated public tender, prompting the resignation of Labor Minister Jaromír Drábek, who had appointed Šiška, his friend and business associate, to the job; and Roman Pekárek, a former deputy mayor and then parliamentary deputy, was sentenced to five years in prison for bribery.[26] In May, an investigation by the state attorney's office led to the arrest of David Rath, governor of the Central Bohemia region, who was allegedly caught red-handed with a wine box full of seven million crowns in alleged kickbacks. A high-ranking Social Democrat, Rath will face bribery and fraud charges for his role in an alleged manipulated tender.

In June, Prime Minister Nečas sacked reform-minded Justice Minister Jiří Pospíšil, citing his alleged mismanagement of the ministry and inability to make necessary budget cuts. Many people saw the sacking as connected to the minister's attempts to increase the independence of the state prosecutor's office, especially since Pospíšil was on the verge of naming a tough-minded new head of the Prague prosecutor's office: regional prosecutor Lenka Bradáčová, who had made a name for herself in the Rath case. It took weeks for Pospíšil's successor, Pavel Blažek, to follow through on Bradáčová's appointment, despite the fact that it had already been approved by Zeman.[27]

In November 2011, the ruling coalition agreed on radical changes to the law on the state attorney's office to increase the independence for prosecutors and dissolve the high state attorney's offices in Prague and Olomouc, replacing them with a special team of prosecutors focused on major corruption and criminal cases. Until he was fired, Pospíšil seemed intent on pushing the legislation forward, but his successor put the bill back into the consultation phase. The special anticorruption unit now seems likely to starting work no sooner than 2015.

Parliamentary immunity is more rarely invoked under the current government.[28] Rath (who was disowned by his own party) and former defense minister Vlasta Parkanová (accused of abuse of public office and breach of trust for a suspect military airplane deal), both had their immunity stripped in 2012 so that their investigations could continue. Despite such cases, parliamentarians still didn't manage to pass a long-awaited constitutional amendment to remove lifelong immunity for members of both houses and constitutional court judges. In April 2012, it was thought that public pressure and support across the political spectrum would impel the Senate to pass the latest version, which the lower house had already approved in February, but the bill missed approval by just two votes.

The Czech Republic is the only EU country without functioning civil service legislation. The Law on the Civil Service was approved in 2002, but has never taken effect; its starting date has been repeatedly delayed owing to political disputes. Without such legislation, changes in political leadership lead to frequent rotations of officials and an unstable public administration that lags behind in efforts at modernization. The European Commission has also linked political interference in the civil service as a major reason for the failure to draw millions of European funds. In 2012, Brussels suspended the distribution of funds to the Czech Republic over allegations of mismanagement and fraud.[29] In November, the Interior Ministry finally presented a draft civil service law, but anticorruption organizations criticized the bill for strengthening political influence, especially through the creation of thousands of new assistants for various politicians in the state administration.

In contrast, the Interior Ministry received praise for a proposed law on financing political parties that included several key improvement on existing legislation: obligatory, transparent accounts for electoral campaigns; more detailed annual reports; independent audits; and the creation of a supervisory office that would monitor the implementation of the law and issue sanctions. Anticorruption organizations called on the government to quickly approve the draft, including the supervisory office, but as of December 2012 the government had recommended more discussion and feedback on the law.

In a worrying sign that some members of the political elite still do not accept the independence of law enforcement forces, Finance Minister Miroslav Kalousek contacted a police investigator looking into charges that his long-time political ally, Vlasta Parkanová, had signed off on a massively overpriced military plane purchase when she was defense minister in 2009. Petr Lessy, the police president at the time, also said the finance minister had contacted him several times to complain about the investigation. Despite a media outcry and reprimand from Prime Minister Nečas,

Kalousek insisted he had done nothing wrong and denied that he had threatened anyone over the case.

Implementation is also lagging on the 2001 amendment to the labor code mandating equal treatment for all employees, as women remain underrepresented in senior positions and are paid less than men for similar jobs. Although more women now hold seats in parliament than ever before, few attain other positions of political power.[30]

Discrimination against the Roma in employment and housing also presents a serious problem. In a landmark decision in November 2007, the ECHR ruled that segregating Roma students into special schools is a form of unlawful discrimination in breach of Article 14 of the European Convention (prohibiting discrimination), taken together with Article 2 of Protocol No. 1 (securing the right to education).[31] However, a report published in November 2012 by Amnesty International and the European Roma Rights Center concluded that very little progress had been made since the 2007 ruling. The two organizations argued that that Roma were overrepresented in schools and classes designed for children with mild disabilities (so-called "practical schools") and generally remained excluded from a mainstream, integrated education.[32] Given the general level of discrimination, it came as little surprise that only 13,150 Czech citizens identified themselves as Roma in the 2011 census, despite estimates of at least 200,000 Roma in the country.[33]

Corruption

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
3.50	3.50	3.50	3.50	3.25	3.25	3.25	3.25	3.25	3.25

Although few people encounter corruption directly, the perception of illegal activity, especially concerning the political elite, is widespread. Many view existing anticorruption measures as insufficient to dismantle the intricate web of connections between political and business elites.

A December 2011 report by the Czech branch of Transparency International (TI) found the institutions least capable of effectively fighting corruption to be the state attorney's office and the state administration, followed by the police. In general, excessive politicization has led to unwillingness across the system to actively move against corruption cases with a political subtext. The best-evaluated pillars in TI's study were the ombudsman's office and the Supreme Audit Office (NKÚ).[34] The annual report of the domestic secret services (BIS) also warned about the influence of organized crime in both the national and local administration, as well as the justice system; clientelistic networks, the report said, had created parallel power structures and had been able to interfere in the decision-making process in a number of cities.

The new government came to power in 2010 with the fight against corruption as one of its main tenets. The coalition began to deliver on these promises in 2011 and 2012, though many of its accomplishments were overshadowed by

political scandals involving its own members. Among the more important changes implemented in 2012 was an amendment to the Law on Public Tenders lowering the amount threshold beyond which public contracts musr be opened to a bidding process. Previously, this rhreshold had been among the highest in Europe. According to TI's David *Ondráčka*, government agencies rushed to approve contracts before the law came into effect; they then awarded only a few in the first months as they tried to understand the new regulations; and finally, they started to issue more tenders in the fall. As a result, the impact of the legal changes on corruption was still unknown at year's end.[35]

New legislation introducing criminal liability for companies came into effect in 2012 and should be a powerful instrument for fighting economic crime and corruption. In the past, individual managers or other employees could be blamed for improprieties, but the new legislation should act as a form of prevention, making companies, including international conglomerates, more responsible for the behavior of their personnel in the Czech Republic.

Some parliamentary deputies also appear determined to change the status quo. Led by Jan Farsky, who made a name for himself by instituting strict public tenders as mayor of the city of Semily, 50 deputies from all parliamentary parties submitted a key anti-corruption bill—which has been lauded by anti-corruption organizations—that would mandate that the majority of public contracts only come into validity once they are publicized on the Internet.

In November, the government gave a green light to a proposed amendment to the anti-discrimination law that aims to provide greater protection for whistleblowers, including shifting the burden of proof from employees to their employers in case an individual is fired after reporting corruption. While anti-corruption activists recognized the bill as an important first step, they lamented the cabinet's decision to limit the legislation to the public sector and criminal offenses. Parliament is expected to approve the amendment by mid-2013.[36]

Lack of transparency in major business deals involving the state remains a serious problem at both national and local levels. NKÚ has uncovered massive irregularities and overspending on various government contracts. Politicians generally ignore these findings—presumably, in part, because current law does not allow the NKÚ to impose sanctions of any kind. The same fate also often befalls rulings by the respected ombudsman's office. The long court case against the former NKÚ head, František Dohnal, over financial mismanagement of the organization itself and his state-financed rental of a luxury flat has also damaged the agency's reputation. Though Dohnal was later cleared of wrongdoing with the flat (including for a third time in November[37]), he was found guilty in July 2011 of abuse of office and handed a suspended sentence for repeatedly blocking attempts by parliament's budget committee to review the NKÚ's accounting. Even informed observers had difficulty concluding whether Dohnal had done anything wrong or whether this was a case of political pressure on an independent institution. Throughout 2012, parliament proved incapable of selecting a successor to Dohnal, but the office appeared to function normally even with just an acting president.

▮ AUTHOR: JEREMY DRUKER

Jeremy Druker is executive director and editor in chief of Transitions Online, an internet news magazine covering Central and Eastern Europe, the Balkans, and the former Soviet Union. Alice Drukerová, a freelance journalist, assisted in the research for this report.

---

1 Bárta claimed that he was only trying to help his fellow party members escape the consequences of the lower salaries for legislators that had been mandated by a new law.

2 At the time, Pekárek was awaiting an appeal, which was denied in mid-December.

3 Rob Cameron, "Fall of Czech Lobbyist Janousek Dubbed 'Voldemort'," BBC News, 27 March 2012, http://www.bbc.co.uk/news/world-europe-17521319.

4 "Czechs' Trust in Government Plummeting," Prague Monitor, 24 October 2012, http://praguemonitor.com/2012/10/25/czechs-trust-government-plummeting.

5 Vlastimil Havlík, "Ústavní galimatyáš na pokračování" [Constitutional mishmash continues], *Revue Politika*, 21 November 2012, http://www.revuepolitika.cz/clanky/1770/ustavni-galimatyas-na-pokracovani.

6 Silvie Lauder, "Velké malé vítězství," [Big small victory], *Respekt*, 14 October 2012.

7 Paulína Tabery, *Mínění veřejnosti o korupci mezi veřejnými představiteli a v jednotlivých oblastech* [Public opinion about corruption among public representatives in individual areas] (Prague: CVVM, 13 May 2011).

8 Transparency International, *Doporučení ke změnám regulace financování politických stran v ČR* [Recommendations on changes to the regulation of the financing of political parties in the Czech Republic] (Berlin: Transparency International, 18 September 2012), http://www.transparency.cz/doc/aktuality/2012-09-18_Pozicni_dokument_nevladnich_organizaci_k_hospodareni_stran.pdf.

9 Spiralis Non-profit Assistance Organization, "Změny v legislativě pro NNO" [Changes in NGO legislation], http://www.spiralis-os.cz/index.php/zmeny-v-legislative-pro-nno.

10 Interview with Robert Basch, executive director, Open Society Fund Prague, 27 November 2012.

11 Adam Sura, "Dobro za všechny peníze" [The good for all that money], *Respekt*, 1–7 March 2010.

12 Silvie Lauder, "Jak vzali Češi osud do vlastních rukou" [How Czechs took things into their own hands], *Respekt*, 3 November 2012.

13 Ondřej Kůs, Studentské volby na severu Čech vyhrála Vandasova DSSS [Vandas's DSSS won student elections in north Bohemia], iDNES.cz, 7 September 2012, http://zpravy.idnes.cz/studentske-volby-v-usteckem-kraji-d5i-/domaci.aspx?c=A120907_124028_usti-zpravy_oks.

14 Benjamin Cunningham, "The New Faces of Far-Right Extremism," The Prague Post, 7 March 2012, http://www.praguepost.com/news/12428-the-new-faces-of-far-right-extremism.html.

15 Jiří Pehe, "Šéfredaktoři deníků v roli propagandistů" [Editors-in-chief in the role of government propagandists], Pehe.cz, 28 May 2010, http://www.pehe.cz/zapisnik/sefredaktori-deniku-v-roli-propgandistu.

16 International Press Institute, *Press Freedom Audit Report: Czech Republic* (Vienna: International Press Institute, 13–14 May 2009): 10–11, http://www.freemedia.at/fileadmin/media/Documents/IPI_general/Press_Freedom_Audit_Report_Czech_Republic.pdf.

17 Martina Vojtěchovská, "Proč krachují tituly v regionech?" [Why are publications in the regions going bankrupt?], Mediaguru.cz, 27 June 2011, http://www.mediaguru.cz/2011/06/proc-krachuji-tituly-v-regionech/#.UhYrW2Sgw7Q.

18 Marius Dragomir, "In the Czech Republic, New Masters for the Old Media," Transitions Online, 11 June 2012, http://www.tol.org/client/article/23205-in-the-czech-republic-new-masters-for-the-old-media.html.

19 Václav Štětka, *Czech Republic: A Country Report for the ERC-Funded Project on Media and Democracy in Central and Eastern Europe* (Oxford: University of Oxford, 12 August 2012), http://mde.politics.ox.ac.uk/images/stories/documents/czech%20republic%20report_updated_aug12_final.pdf.

20 Open Society Foundations, "Mapping Digital Media: Czech Republic," 2012 (unpublished draft).

21 "John Sacked from Parliamentary Committees over Media Job," The Prague Monitor, 12 November 2012, http://praguemonitor.com/2012/11/12/john-sacked-parliamentary-committees-over-media-job.

22 Daniel Kunštát, Důvěra ústavním institucím v říjnu 2012 [Trust in constitutional institutions in October 2012], (Prague: CVVM, 24 October 2012). http://cvvm.soc.cas.cz/media/com_form2content/documents/c1/a6902/f3/pi121024.pdf

23 "Poll: Most Czechs Do Not Mind Communists Taking Power in Regions," The Prague Monitor, 21 November 2012, http://praguemonitor.com/2012/11/21/poll-most-czechs-do-not-mind-communists-taking-power-regions.

24 Josef Kopecký, "Gazdíkovi starostové píší Nečasovi: Dodržte svůj slib o rozdělení daní" [Gazdík's mayors write to Nečas: Keep your promise about the allocation of taxes], iDNES.cz, 17 September 2011, http://zpravy.idnes.cz/gazdikovi-starostove-pisi-necasovi-dodrzte-svuj-slib-o-rozdeleni-dani-1m4-/domaci.aspx?c=A110917_105442_domaci_kop.

25 Josef Kopecký, "Poslanci sebrali miliardu velkoměstům, přidali peníze menším obcím" [Deputies took a million from the big cities and gave the money to small municipalities], *iDNES.cz*, 13 July 2012, http://zpravy.idnes.cz/male-obce-dostanou-vic-penez-velkomestum-se-ubere-f7v-/domaci.aspx?c=A120713_071504_domaci_kop.

26 Jan Richter, "Czech Ex-Prime Minister's Aide, Charged with Corruption, Released from Custody," Czech Radio, 11 October 2012, http://www.radio.cz/en/section/curraffrs/czech-ex-prime-ministers-aide-charged-with-corruption-released-from-custody#0.

27 Jan Velinger, "Bradáčová Appointed High State Attorney," Czech Radio, 31 July 2012, http://www.radio.cz/en/section/curraffrs/bradacova-appointed-high-state-attorney.

28 Jůn, "PM Calls Parkanová Immunity Vote the Only Logical Step," Czech Radio, 12 July 2012, http://www.radio.cz/en/section/news/news-2012-07-12#2.

29 "EU Criticising Czech Politicians over Dominating Civil Service," ČeskéNoviny.cz, 14 November 2012, http://www.ceskenoviny.cz/news/zpravy/eu-criticising-czech-politicians-over-dominating-civil-service/865654.

30 Marek Svehla, "*Česká monokultura*" [Czech monoculture], *Respekt*, 12–18 July 2010, http://respekt.ihned.cz/c1-44750830-ceska-monokultura.

31 Open Society Justice Initiative, "Major Conclusions from the *D.H. and Others v. Czech Republic*'s Judgment," news release, 14 November 2007, http://www.soros.org/initiatives/justice/focus/equality_citizenship/news/roma_20071114.

32 "Czech Government Still Failing to Address Discrimination against Romani Children in Schools," *Amnesty International*, 8 November 2012. http://www.amnesty.org/en/news/czech-government-still-failing-address-discrimination-against-romani-children-schools-2012-11-0.

33 Czech Statistical Office, *Preliminary results of the 2011 Population and Housing Census* (Prague: Czech Statistical Office, 15 December 2011), http://www.czso.cz/sldb2011/eng/redakce.nsf/i/preliminary_results_of_the_2011_population_and_housing_census.

34 Transparency International Česká Republika, "Tisková zpráva k vydání Studie národní integrity" [Press statement on the publication of the Study of National Integrity], news release, 8 December 2011, http://www.transparency.cz/tiskova-zprava-k-vydani-studie-narodni-integrity/.

35 Interview with David Ondracka, November 2012.

36 Daniela Lazarová, "Czech Government Moves to Protect Whistleblowers," Czech Radio, 22 November 2012, http://www.radio.cz/en/section/curraffrs/czech-government-moves-to-protect-whistleblowers#0.

37 "Exšéf NKÚ Dohnal je nevinný, řekl i potřetí soud. Žalobce se odvolal" [Ex-head of NKÚ Dohnal is innocent, says the court for the third time. Prosector appeals.], Ihned.cz, 12 November 2012, http://zpravy.ihned.cz/cesko/c1-58459210-exsef-nku-dohnal-je-nevinny-rekl-opet-soud.

Estonia

by Vello Pettai and Martin Mölder

Capital: Tallinn
Population: 1.3 million
GNI/capita, PPP: US$20,850

Source: The data above are drawn from the World Bank's *World Development Indicators 2013.*

Nations in Transit Ratings and Averaged Scores

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Electoral Process	1.50	1.50	1.50	1.50	1.50	1.50	1.75	1.75	1.75	1.75
Civil Society	2.00	2.00	2.00	2.00	1.75	1.75	1.75	1.75	1.75	1.75
Independent Media	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
Governance*	2.25	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
National Democratic Governance	n/a	2.25	2.25	2.25	2.25	2.25	2.25	2.25	2.25	2.25
Local Democratic Governance	n/a	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50
Judicial Framework and Independence	1.75	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
Corruption	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.25	2.25	2.50
Democracy Score	1.92	1.96	1.96	1.96	1.93	1.93	1.96	1.93	1.93	1.96

** Starting with the 2005 edition, Freedom House introduced separate analysis and ratings for national democratic governance and local democratic governance to provide readers with more detailed and nuanced analysis of these two important subjects.*

NOTE: The ratings reflect the consensus of Freedom House, its academic advisers, and the author(s) of this report. The opinions expressed in this report are those of the author(s). The ratings are based on a scale of 1 to 7, with 1 representing the highest level of democratic progress and 7 the lowest. The Democracy Score is an average of ratings for the categories tracked in a given year.

Executive Summary

The coalition government of the Reform Party (RP) and the Pro Patria and Res Publica Union (PPRPU), elected into office in spring 2011, remained stable throughout 2012. However, the popularity of coalition leader RP dropped sharply during the year, partly as the result of a money-laundering scandal that led to the resignation of Justice Minister Kristen Michal.

Public frustration with government austerity measures and slow growth was in evidence throughout the year, manifesting itself in two nationwide strikes. Economic growth slowed to an estimated 2.2 percent in 2012, while the decline in unemployment decelerated, resting at 10.4 percent. Inflation came down slightly from 5.1 percent in 2011 to 3.9 percent in 2012, but remains significantly higher than in the rest of the European Union (EU).[1] Despite these challenges, the government succeeded in reducing public debt and the budget deficit.

Prime Minister Andrus Ansip and the RP have been the dominant force in government for seven-and-a-half years, and they are increasingly criticized for losing touch with the broader population. Such criticism was amplified in 2012 by the RP's dismissive response to accusations that it had accepted illegal party donations.

National Democratic Governance. Although polls revealed wavering popularity of the governing parties, the coalition was able to adopt several key austerity measures that it had vowed to implement during the electoral campaign. The government implemented a reform in higher education and another in the civil service that aims to trim the sector and reduce civil servant privileges, which exceed those enjoyed in the private sector. While the public reluctantly accepted these changes, the government's plans to implement a law abolishing property taxes for homeowners were heavily criticized. In terms of foreign policy, the government succeeded in convincing the parliament to ratify the agreement to create a European Stability Mechanism. Concerns about its constitutionality were resolved only after a close ruling by the Supreme Court. *Estonia's national democratic governance rating remains unchanged at 2.25.*

Electoral Process. The electoral landscape of Estonia was quiet following the 2011 parliamentary elections, despite continued conflict within the PPRPU over the handling of a 2011 corruption scandal involving several prominent party members. The Center Party also experienced internal tensions when a group of senior politicians left the party over concerns about party ethics. A controversial RP and PPRPU proposal giving political parties extra state funds in order to set up party "foundations" for educating the public about political ideologies and

promoting democracy was shelved after the RP was accused of accepting illegal campaign donations. *Estonia's electoral process rating remains unchanged at 1.75.*

Civil Society. The year witnessed an unusual number of spontaneous strikes and protests. At the beginning of the year, several demonstrations were held against the government's attempt to ratify the Anti-Counterfeiting Trade Agreement (ACTA). There were also two nationwide strikes in 2012: a relatively brief teachers' strike in the spring and a month-long doctors' strike in the fall. In November, a group of intellectuals issued a proclamation called Charter 12, decrying the erosion of democratic accountability and government responsiveness in Estonia. The initiative met with a groundswell of popular support, eventually prompting President Toomas Hendrik Ilves to convene a special roundtable discussion among party leaders, civil society activists, and social science experts. These events represented a new wave of mobilization during the year, though overall civic participation remained low. *Estonia's civil society rating remains unchanged at 1.75.*

Independent Media. Estonia's media landscape remained largely unchanged in 2012, with media still starkly divided along ethnic lines. There are a large number of Estonian-language print and television outlets, while the number of local Russian-language outlets is limited. As a result, Estonia's approximately 400,000 Russian residents usually access information and entertainment from media, especially television, broadcast from the Russian Federation. In 2012, newspapers attempted to adapt their print publications to digital formats by designing content compatible with new technologies, such as tablet computers. *Estonia's rating for independent media remains unchanged at 1.50.*

Local Democratic Governance. Calls for a reform of Estonia's system of local government have been on and off the political agenda nearly every year. Estonia has a fairly large number of local governments relative to its population. Most of these are very small and arguably lack the necessary capacity to operate efficiently and meet the public service needs of constituents. Government policy has tended to favor facilitating voluntary mergers of local governments rather than broader amalgamation. Many local governments remain concerned about a decrease in their financial autonomy following the government's 2011 decision to abolish most property taxes for homeowners and only partially compensate municipalities for lost revenue. *Estonia's local democratic governance rating remains unchanged at 2.50.*

Judicial Framework and Independence. Reforms aimed at increasing the autonomy of the court system were under discussion before the 2011 elections but have not been on the parliamentary agenda since then. In 2012, Estonia's Security Police board and prosecutor's office were criticized for monitoring many sensitive political issues without requisite evidence. *Estonia's judicial framework and independence rating remains unchanged at 1.50.*

Corruption. The response of ruling party leadership to a major corruption scandal in 2012 supports the perception of growing influence-peddling in Estonian politics. In May, a prominent member of the RP stated that he had repeatedly laundered illicit donations to his party between 2009 and 2010 at the behest of the party's secretary-general, now serving as justice minister. Party leadership turned on the whistleblower, denying the allegations and defending the justice minister. In October, the state prosecutor's office dropped its investigation into the case, citing lack of evidence. Meanwhile, law enforcement agencies continued to wage successful investigations into individual cases of corruption involving high-level officials. *Estonia's corruption rating declines from 2.25 to 2.50.*

Outlook for 2013. Politics in 2013 will largely center around the local elections scheduled for October. It is unlikely that new parties will emerge, but the poll will serve as a mid-term assessment of the ruling coalition in advance of the 2015 parliamentary elections. The fight is likely to be particularly fierce in the capital, Tallinn, where Center Party mayor Edgar Savisaar will defend his party's absolute majority in the city council. Savisaar has already promised to make public transport free of charge as of 1 January 2013. Estonia's overall economic situation is likely to improve only marginally, which may or may not be enough to satisfy the public's expectations.

Main Report

National Democratic Governance

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
n/a	2.25	2.25	2.25	2.25	2.25	2.25	2.25	2.25	2.25

The Reform Party (RP) and Pro Patria and Res Publica Union (PPRPU) coalition government of Prime Minister Andrus Ansip pursued an agenda of high budgetary discipline in 2012, achieving many of the policy goals outlined in the 2011 coalition agreement. Nevertheless, support for the coalition waned during the year.

With the number of university-aged Estonian citizens set to decline over the next few years, the government plans to radically reorganize the higher education system, much as it did the primary and secondary school systems in 2011. In early February, the parliament passed legislation aimed at phasing out some overlapping study programs across universities and streamlining student stipends. In fulfillment of a PPRPU campaign promise, the legislation also promised free tuition to students meeting certain requirements. At the urging of various student organizations, President Tomas Ilves vetoed the first version of the Universities Act in late February, demanding more clarity regarding performance-based university financing and eligibility (including the definition of a "full-time" student). Implementation began after some adjustments were made, with universities and students reluctantly accepting the changes.

Over a decade in the making, the civil service law passed in June seeks to create a more flexible and precisely defined public service, limiting the category to those positions that are directly related to the exercise of public authority. As a result, the number of civil servants (but not necessarily government employees) is expected to decrease by 18–25 percent.[2] The new law also aims to make remuneration more transparent by minimizing extra perks as a proportion of total pay. The new law will come into effect in April 2013.

In August, the Estonian parliament voted to ratify the European Stability Mechanism (ESM), the European Union's new, permanent bailout fund for heavily indebted Eurozone members.[3] Estonia's chancellor of justice (legal ombudsman) had challenged the measure when it came up for ratification, arguing that a treaty provision allowing aid to be allocated with the support of only 85 percent of signatory states violated Estonia's sovereignty.[4] In July, Estonia's Supreme Court decided by a one-vote margin that while this provision did technically constitute a change in the country's sovereignty, it was justified given the vital importance of the ESM.[5] Following ratification, Estonia was required to pay €149 million into the ESM, and could contribute some €1.15 billion more to the fund over coming years.[6]

Notwithstanding these successes, the government drew some criticism in 2012 for its rushed decision to abolish most property taxes for homeowners the previous year. The reform, which had been trumpeted by the PPRPU, was meant to reward home ownership by ending property taxes on plots of up to 1,500 square meters. As Estonia's tax authorities and local governments started to work out the details, however, they encountered significant obstacles related to harmonizing databases, including land registries and residence statistics. In the course of the year, government officials admitted that the necessary information would not be fully synchronized before 2014. In the meantime, local governments must conduct much of the cross-referencing and processing on their own.

Two changes took place within the cabinet in 2012. In May, Urmas Reinsalu, a founding member of the now extinct Res Publica (which merged with Pro Patria to form the PPRPU in 2006), replaced Mart Laar as minister of defense. Laar, a two-time former prime minister and fixture of Estonian politics for over two decades, suffered a stroke at the beginning of 2012 and was thus forced to step back from politics during his recovery. In December, Justice Minister Kristen Michal resigned following months of recriminations over alleged money-laundering in the Reform Party during the period when Michal had been secretary general. Prime Minister Ansip moved Social Affairs Minister Hanno Pevkur into Michal's position, and Taavi Rõivas, a young former member of parliament, into Pevkur's.

Electoral Process

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
1.50	1.50	1.50	1.50	1.50	1.50	1.75	1.75	1.75	1.75

Estonia's electoral climate remained quiet in 2012 in the absence of campaigning or polls. The latest elections, in 2011, left Estonia with just four parties in the parliament, fewer than at any other time since 1991. Moreover, these parties were evenly divided, with two on the center-right (RP and PPRPU) and two on the center-left (the Social Democrats and the Center Party). This consolidation had taken place thanks to a 5-percent electoral threshold for gaining parliamentary seats, as well as a generous public financing for parties already in the parliament—all of which has placed less established parties at a disadvantage.

Even as discontent with the Ansip government increased, no new parties were formed in 2012. There were, however, some small rifts within existing parties, as well as some changes in party leadership. Before replacing Mart Laar as minister of defense, Urmas Reinsalu was elected to take over for Laar as chairman of the PPRPU. Meanwhile, in the opposition Center Party, growing disagreements between supporters of established party leader Edgar Savisaar and a new generation of mavericks within the party caused a number of resignations. Savisaar and his supporters had tried to dismiss criticism of a former party official accused of complicity in the theft of e-mails from a prominent Social Democratic politician. When an important regional party leader, former interior minister Kalle Laanet,

began speaking out publicly about the issue in March, he was expelled from the party for blemishing its reputation. This prompted the resignation of eight well-known party members, including several MPs and MEPs (one of whom was Savisaar's ex-wife). Some of these individuals formed a political association called "Democrats," but it is unclear if the association will form a new party.

An analogous rift emerged early in the year within the PPRPU over the party's handling of a 2011 scandal in which several PPRPU MPs were accused of helping wealthy Russians obtain residency permits in Estonia through dubious business investments. To signal their dissatisfaction, veteran party members founded an independent political association called Free Patriotic Citizen, which organized public events and gained new adherents. While the group never publicly threatened to break off from the PPRPU, they appeared to be positioning themselves to campaign separately in the 2013 local elections.

During the first half of 2012, the RP and the PPRPU upheld a coalition promise to help create a legal basis for nonprofit party associations intended to promote party values and democracy abroad, along the lines of similar foundations in Germany or the International Republican Institute and the National Democratic Institute in the United States. The RP and PPRPU agreed in late 2011 to allocate €900,000 to these proposed foundations, acting before any law was passed regulating their operations. Many civil society activists perceived the agreement as a further attempt by the parties to indirectly increase their state funding. Discussion of the draft bill to create dragged out through the spring, with politicians repeatedly trying to repackage the proposal. Ultimately the idea was shelved indefinitely, especially after serious charges were leveled against the Reform Party involving illicit campaign donations (*see "Corruption" section of this report*).

Civil Society

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
2.00	2.00	2.00	2.00	1.75	1.75	1.75	1.75	1.75	1.75

A number of established organizations continue to support civil society activity in Estonia. These include the National Foundation of Civil Society, which funds civic sector organizations, and the Network of Estonian Nonprofit Organizations, which functions as an effective umbrella organization for them. A new political monitoring group called Government Watchdogs (*Valitsuse valvurid*) launched in early 2012, offering Estonians an opportunity to systematically track government activity. A joint initiative of the Soros-funded Open Estonia Foundation, the public policy think tank PRAXIS, and the Estonian Public Broadcasting Company, the association has set up an internet portal[7] that provides continually updated information about which policy promises have been implemented and how far they have progressed. Visitors may browse the activities by status and type (declarative statement or concrete policy promise) as well as subject area. They may also read expert policy analysis along with news related to each activity.

The year 2012 witnessed an unusual number of spontaneous demonstrations, mostly directed against the government. Hundreds of citizens in Tallinn and Tartu took to the streets in February as part of a worldwide protest against the controversial Anti-Counterfeiting Trade Agreement (ACTA). Many demonstrators appeared wearing aluminum foil hats and chewing sunflower seeds in response to a comment Prime Minister Ansip had made ridiculing the agreement's detractors.[8] Although the debate over ACTA gradually died down, the protests were among the largest that Estonia has seen in the past several years.

Larger demonstrations followed, as teachers and medical personnel aired longstanding grievances. Over 16,000 teachers protested on 7–9 March, demanding a 20 percent wage increase.[9] A 2013 draft budget submitted to the parliament at the end of September contained a provision to raise teachers' salaries by an average of 11 percent, although in many cases local governments were left to work out the details. Even this partial success appeared to encourage doctors, nurses, and other medical staff, who went on strike on 1 October to demand wage hikes of 20 percent or more. In the lead-up to the strike, Prime Minister Ansip agitated healthcare workers by calling their demands unreasonable and unrealistic, a claim he supported with tax data on doctors' earnings that actually included side-jobs, dividends, and other sources of income.[10] Medical staff remained on strike until 25 October, when complicated negotiations between the medical unions, hospital administrators and the government produced an agreement for limited pay raises in 2013.

A final display of burgeoning civic activism came in mid-November. Against the backdrop of the RP's party finance scandal and other frustrations, a group of 17 prominent intellectuals and social scientists issued a declaration denouncing the erosion of democratic accountability and government responsiveness in Estonia. Within a few days, more than 17,000 people had signed an online version of the charter, prompting President Ilves to convene a special roundtable meeting (live-streamed on the internet) of activists and political parties.[11] The participants agreed to create a new "People's Assembly" online portal[12] where individuals could post their suggestions for how to reform Estonia's party financing and electoral laws. The portal was set up within a few weeks and immediately attracted several hundred postings. Participants are required to sign in using their personal identification cards, a feature intended to discourage frivolous remarks. Suggestions will be gathered until 1 February 2013, after which a group of experts is to review the proposals and synthesize them into concrete reforms. Thereafter, the People's Assembly will organize another round of public consultation before submitting a package of legislative amendments to the parliament by 30 March.

In recent years, considerable research has been conducted into the state of Estonian civil society. In 2012, the results of an analysis commissioned by the National Foundation of Civil Society was published about the values and behavioral patterns that support civic initiative.[13] The research showed that although people are in general receptive toward a participatory ideal, this was not generally reflected in their behavior, especially with regard to collective organization and public matters.

The research also indicated that although the number of civil society organizations in Estonia had increased, overall participation had remained more or less the same: 69 percent of the population are not members of any nongovernmental organization (NGO), whereas 10 percent are active in more than one. This showed that the majority of the population is not engaged in civil society and the bulk of civil society activities are led by a small number of very active people.

Independent Media

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50

Estonia's media landscape saw no major changes in 2012. There remain four major Estonian language newspapers at the national level—*Postimees* (which also has a printed Russian-language version), *Õhtuleht*, *Eesti Päevaleht*, and *Äripäev*, with circulations ranging from around 10,000 to close to 60,000—and three major weekly newspapers—*Maaleht*, *Eesti Ekspress*, and *Den za Dnjom* (in Russian), with circulation from around 10,000 to 50,000.[14] In addition to national print media, there are dozens of regional and local newspapers, many of which also maintain online versions.

For years, the media consumption of the Estonian- and Russian-speaking segments of the population has been divided along language lines.[15] Estonians mostly watch the three Estonian-language channels (ETV, Kanal2, and TV3), while Russians primarily watch channels broadcast from the Russian Federation. A second public television channel (ETV2), launched in 2008, was intended to cater more to the cultural interests of Estonian Russians, but its focus ultimately shifted toward supplementing existing Estonian-language broadcasting. However, there is no indication that locally produced media outlets exhibit significant political bias.

Online media play a significant role in the Estonian media landscape. For example, the online portal of *Postimees* and the online-only Delfi.ee (both of which also have Russian-language versions) attract on average more than 400,000 visitors from Estonia per week.[16] The Estonian digital media landscape is slowly changing, with print media increasingly adapting to a digitized environment. In recent years, both the weekly *Eesti Ekspress* and the daily *Eesti Päevaleht* have developed mobile versions of their papers designed for tablet computers, and *Õhtuleht* and *Postimees* have launched special news apps for mobile devices.

Local Democratic Governance

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
n/a	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50

Estonia has 226 local governments units, divided into 33 cities and 193 rural municipalities. There are considerable disparities between the populations of the

units: the capital, Tallinn, has 400,000 inhabitants, while more than half of local government units have less than 2,000 inhabitants and the smallest have only a few hundred.[17] Although recent research[18] has shown that past mergers may have resulted in decreased governance and administrative costs (in some cases up to 50 percent), the position of the government has been to facilitate only voluntary mergers between local governments. As a result, the number of local government units has only decreased from 254 to 226 since 1996,[19] and many units remain too small to effectively provide services to their constituencies.

The European Commission continues to advocate reforming Estonia's administrative structure.[20] In October, Estonia's Minister of Regional Affairs began a new round of public consultations, unveiling six possible plans for reform. These ranged from maintaining the status quo to reducing the number of local government units to the number of counties (15). However, any actual legislation will be postponed until after the October 2013 local government elections.

Many local governments have raised complaints concerning the implementation of the government's 2011 decision to abolish property taxes for homeowners. Under the previous system, property taxes were submitted directly to local governments, thus comprising an important component of the independent revenue base with which municipalities could maintain their autonomy. Acknowledging this fact, the government had promised to compensate local governments for any loss in revenue when implementing the reform. However, the government subsequently pledged to do this by increasing the share of personal and corporate income taxes channeled directly to municipalities. Local government officials claimed that this would not entirely offset the reduction in their revenues.

Judicial Framework and Independence

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
1.75	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50

Estonia's judiciary is independent and generally free from government interference. Laws prohibiting arbitrary arrest and detention and ensuring the right to a fair trial are largely observed. However, the average length of pretrial detention is seven months, due to judicial extensions of the six-month legal limit. The country's prison system continues to suffer from overcrowding and prisoners have poor access to health care, though new prisons were being constructed in 2012.

Moreover, a number of longstanding structural issues are still awaiting action. In 2009, legislative proceedings began over a new Courts Act intended to establish an independent administrative authority for the judicial branch, making it less reliant on the budgetary discretion of the government. However, the issue was dropped at the end of the parliamentary term in March 2011 and no new initiatives were launched in 2012.

It has been suggested that cooperation between two of Estonia's key law enforcement institutions, the Security Police Board (SPB) and the Prosecutor's

Office, is too close, and that they monitor sensitive political issues without requisite evidence. For example, the 2012 yearbook of the Security Police Board included a section on two deputy mayors from the Center Party in Tallinn (Yana Toom and Mikhail Kõlvart) and their efforts to allow certain Russian-language high schools in the capital to avoid introduction of more extensive Estonian-language teaching. The two politicians sued the Security Police Board for implying that their activities were a danger to national security when they had in fact done nothing illegal. In November, a municipal-level court dismissed Toom's suit on the grounds that the authorities' characterizations of her had been accurate. Toom immediately filed an appeal. An administrative court ruling on Kõlvart's was still pending at year's end.

The ranks of the SPB were also under scrutiny during the year following the arrest of SPB official Indrek Põder at the end of 2011 on charges of bribery and abuse of power. Põder was convicted through a compromise procedure and sentenced to four years in prison. In February 2012 a former SPB employee, Aleksei Dressen, was arrested on suspicion of treason for cooperating with the Russian Federation's security services. Dressen was also convicted in July through a compromise procedure and sentenced to 16 years in prison. The case was sensitive, since it recalled the 2009 case of Herman Simm, a former high-ranking official at the Ministry for Defense, who was sentenced to 12.5 years in jail for comparable charges of treason.

In 2012 the parliament adopted amendments to resolve contentious state fees in civil and administrative cases. In 2009 the Supreme Court had indicated that high levies, which curbed access to courts, were unconstitutional. Concerns were also raised by the chancellor of justice.[21] The amendments, which came into force on July 1, 2012, lowered many levies and reduced the overall monetary burden. Nevertheless, many observers have noted that cases require roughly three years to move from an initial court ruling to resolution.[22]

Corruption

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.25	2.25	2.50

A 2012 report by Transparency International Estonia[23] identifies the State Audit Office, the chancellor of justice, and the electoral commission as the country's strongest anticorruption institutions. The report notes that, to date, corruption prevention efforts have focused on administrative corruption, rather than political actors, and points to a lack of willingness on the part of politicians and parties to self-regulate their activities. The response of ruling party leadership to a major corruption scandal in 2012 supports the perception of growing influence-peddling in Estonian politics.

In May, former Reform Party parliamentarian Silver Meikar claimed in a national newspaper interview that he had he had helped launder more than €7,000 in illicit donations to his party between 2009 and 2010.[24] Meikar said he had done

so at the behest of Justice Minister Kristen Michal, who at that time had been secretary-general of the party. Meikar also accused RP parliamentarian Kalev Lillo of supplying him with envelopes of cash to donate to the party under his own name.[25]

Meikar claimed he was coming clean in order to open a serious discussion about improving party finance regulation. Though he encouraged other individuals to come forward, he remained the lone whistleblower. Party leadership turned against him, accusing him of spreading false claims and tarnishing the party's reputation. Prime Minister Ansip defended Justice Minister Michal and denounced Meikar's disloyalty to the party.

In June, the Prosecutor's Office initiated a formal investigation, including an interrogation of Meikar, Michal, Lillo, and a number of other RP members as well as a surprise search of the party's headquarters. The media also began their own investigations, uncovering disclosure forms that revealed equally suspicious donations to other parties at various points in time. Eventually, public scrutiny prompted the parliamentary Constitutional Affairs Committee to open a broad consultation process involving political parties, NGOs, and other experts to discuss party finance reform.

On 15 October, the Prosecutor's Office announced that it would close its investigation of Meikar's claims in the absence of substantive evidence. The RP immediately expelled Meikar from its ranks, prompting a number of other members to resign in solidarity. In November, prominent RP leader Kaja Kallas attempted to initiate a discussion within the party about "Silvergate" in order to draw lessons from the affair, but Ansip and other senior party members dismissed her concerns. It remains to be seen whether the parliament's Constitutional Affairs Committee or the president's new Popular Assembly website will propose reforms that could restore public confidence in party finance. Justice Minister Michal resigned in December, without any admission of wrongdoing.

Other parties also came under fire in 2012 for alleged corrupt activities. In early January, the Security Police Board responded to accusations of party finance violations by searching of the offices of the opposition Center Party and the Tallinn Culture Capital Foundation. Their search turned up dozens of printouts of private e-mails belonging to a prominent Social Democratic politician, apparently obtained without his permission.[26] On the basis of these discoveries, authorities also searched the private residences of the secretary-generals of the Center Party, Lauri Laasi and Priit Toobal. The Prosecutor's Office petitioned the chancellor of justice to start the process of having Laasi and Toobal's parliamentary immunity revoked in order to press charges. The chancellor of justice denied the request, adding that the MPs' constitutional right to immunity had already been violated by the authorities over the course of the investigation.[27]

In June, a county court acquitted all suspects in the so-called land exchange criminal case against two former ministers and several prominent businessmen accused of bribery in connection with a series of illegal land exchange transactions.[28] The judge ruled surveillance had been conducted illegally during the investigation

and the basic rights of the accused had been violated by the SPB and the Prosecutor's Office. The latter immediately announced that it would appeal the decision.[29]

Also in June, the parliament adopted amendments to the anticorruption law, which focused on updating and rearranging the declaration of economic interests to make the process simpler and more transparent.

▮ AUTHORS: VELLO PETTAI AND MARTIN MÖLDER

Vello Pettai is a professor of comparative politics at the University of Tartu's Institute of Government and Politics and Martin Mölder is a doctoral candidate in political science at the Central European University.

---

1 Ministry of Finance, "2012. aasta suvine majandusprognoos" [2012 Summer Economic Forecast], http://www.fin.ee/doc.php?107586.

2 Ministry of Justice, "Riigikogu võttus vastu uue avaliku teenistuse seaduse" [Riigikogu adopted the new civil service act], 2012, http://www.just.ee/56924.

3 "Estonia Approves ESM," *The Wall Street Journal*, 30 August 2012, http://online.wsj.com/article/SB10000872396390443618604577621291909608800.html.

4 "The Parliament of Estonia must have a say on the granting of financial assistance under the European Stability Mechanism," Press Release, Chancellery of Chancellor of Justice, 12 March 2012, http://oiguskantsler.ee/en/the-chancellor-of-justice-the-parliament-of-estonia-must-have-a-say-on-the-granting-of-financial.

5 "Estonia Rules in Favor of European Stability Mechanism," *The Wall Street Journal*, 12 July 2012, http://online.wsj.com/article/SB10001424052702303644004577523101987086164.html.

6 Communications Office of the Government of Estonia, "Euroopa stabiilsusmehhanismi asutamisest" [On the Founding of the European Stabilization Mechanism], 26 July 2012, http://valitsus.ee/et/uudised/taustamaterjalid/67892/euroopa-stabiilsusmehhanismi-asutamisest.

7 http://valvurid.err.ee/.

8 When public debates turned negative, Prime Minister Ansip disparaged the treaty's detractors, complaining that anyone who believed them should stop "eating seeds" and place a layer of "aluminium foil" in their hats to protect their brains.

9 "Estonian teachers strike demanding pay hikes," Euronews, 7 March 2012, http://www.euronews.com/2012/03/07/estonian-teachers-strike-demanding-pay-hikes/.

10 "Ansip: arstide nõudmised on täiesti ebareaalsed" [Ansip: doctors' demands are completely unrealistic], http://uudised.err.ee/?06262189.

11 "Harta 12-le pole kuu ajaga märkimisväärselt allkirju lisandunud" [No significant number of signatures have been added to Charter 12 in a month], *Postimees*, 30 December 2012, http://goo.gl/smPfx9.

12 www.rahvakogu.ee.

13 Civil Society Research and Development Centre 2012, *Kodanikualgatust toetavad väärtused ja käitumismustrid Eesti elanikkonnas 2011–2012* [Values and Patterns of Behaviour Supporting Civic Initiative in the Population of Estonia 2011–2012] (Tallinn: University of Tallinn, 2012), http://goo.gl/WFep0.

14 Estonian Newspaper Association, http://www.eall.ee/tiraazhid/.

15 Estonian Newspaper Association (ENA), "EALL liikmeslehed seisuga 4 detsember 2012" [ENA subscriptions on 4 December 2012], news release, December 2012, http://www.emor.ee/teleauditooriumi-ulevaade-septembrikuus-2012/.

16 Tavs Neredzamais Sabiedrotais (TNS), *Teleauditooriumi ülevaade septembrikuus 2012* [Television audience overview for September 2012] (Tallinn: TNS, 5 October 2012), http://tnsmetrix.emor.ee/#lnkChart.

17 "Local Government in Estonia," Estonian Ministry of the Interoir, https://www.siseministeerium.ee/29950/.

18 Ministry of the Interior, *Eestis aastatel 1996–2009 ühinenud kohalike omavalitsuste finantsmõjude analüüs* [Analysis of the Financial Effects of Merged Local Governments in Estonia in 1996–2009] (Tallinn: Ministry of the Interior, 2012), http://goo.gl/5C9d1.

19 Ibid.

20 Ott Tammik, "European Commission urges for local government reform," *Estonian Public Broadcasting*, 31 May 2012, http://news.err.ee/politics/9d38bb00-65a6-47d8-b5a2-eb17fbf4ac4c.

21 Chancellor of Justice, "Õiguskantselri 2011. aasta tegevuse ülevaade" [Overview of the activities of the Cancellor of Justice in 2011], http://oiguskantsler.ee/sites/default/files/ylevaade_2011__qr.pdf.

22 Supreme Court Chief Justice Märt Rask, *Ülevaade Kohtukorralduse—Õigusemõistmise ja Seaduste Ühetaolise Kohaldamise Kohta* [Overview of Court Administration—Administration of Justice and Uniform Application] (Narva: Supreme Court of Estonia, 7 June 2012), http://www.riigikohus.ee/vfs/1354/Riigikohtu%20esimehe%20ettekanne%20parlamendile_07%2006.pdf.

23 Transparency International Estonia, *Korruptsioonivastase Võimekuse Uuring Eesti—Üldkokkuvõte ja Soovitused* [Anticorruption Research Poll in Estonia—General Conclusions and Recommendations] (Tallinn: Transparency International, 2012), http://www.transparency.ee/cm/files/uldkokkuvote_ja_soovitused.pdf.

24 "Meikar claims dirty party financing widespread," The Baltic Times, 23 May 2012, http://www.baltictimes.com/news/articles/31282/.

25 "Meikar Fends Off Attacks From Reform Party," Estonian Public Broadcasting, 1 June 2012, http://news.err.ee/politics/e48a1d5e-d36c-4b5f-9209-40f00d091bce.

26 "Prosecutor Seeks Removal of 2 Centre MPs' Immunity," Estonian Public Broadcasting, 7 September 2012, http://news.err.ee/politics/8d4664ea-0f2b-4a5e-b243-fd7912ea2fb0.

27 "The Chancellor of Justice rejected the Public Prosecutor's Office's applications to waive the immunity of two members of the Riigikogu," 8 October 2012, http://oiguskantsler.ee/en/the-chancellor-of-justice-rejected-the-public-prosecutors-offices-applications-to-waive-the-immunity.

28 Land exchange bribery suspects set free," The Baltic Times, 22 June 2012, http://www.baltictimes.com/news/articles/31433/.

29 Juhan Tere, "Estonian prosecutors appeal land exchange court law," 25 June 2012, http://www.baltic-course.com/eng/real_estate/?doc=59151.

Georgia

by Paul Rimple

Capital: Tbilisi
Population: 4.5 million
GNI/capita, PPP: US$5,350

Source: The data above are drawn from the World Bank's *World Development Indicators 2013.*

Nations in Transit Ratings and Averaged Scores

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Electoral Process	5.25	4.75	4.75	4.50	4.75	5.25	5.25	5.00	5.00	4.75
Civil Society	3.50	3.50	3.50	3.50	3.50	3.75	3.75	3.75	3.75	3.75
Independent Media	4.00	4.25	4.25	4.00	4.25	4.25	4.25	4.25	4.25	4.25
Governance*	5.75	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
National Democratic Governance	n/a	5.50	5.50	5.50	5.75	6.00	6.00	5.75	5.75	5.50
Local Democratic Governance	n/a	6.00	5.75	5.50	5.50	5.50	5.50	5.50	5.50	5.50
Judicial Framework and Independence	4.50	5.00	4.75	4.75	4.75	4.75	4.75	5.00	5.00	5.00
Corruption	6.00	5.75	5.50	5.00	5.00	5.00	5.00	4.75	4.50	4.50
Democracy Score	4.83	4.96	4.86	4.68	4.79	4.93	4.93	4.86	4.82	4.82

** Starting with the 2005 edition, Freedom House introduced separate analysis and ratings for national democratic governance and local democratic governance to provide readers with more detailed and nuanced analysis of these two important subjects.*

NOTE: The ratings reflect the consensus of Freedom House, its academic advisers, and the author(s) of this report. The opinions expressed in this report are those of the author(s). The ratings are based on a scale of 1 to 7, with 1 representing the highest level of democratic progress and 7 the lowest. The Democracy Score is an average of ratings for the categories tracked in a given year.

Executive Summary

After declaring independence from the Soviet Union in 1991, Georgia experienced a turbulent decade marked by civil war and two secessionist conflicts. Twelve years later, many viewed Georgia as a failed state due to the concentration of power in its executive branch and the pervasiveness of corruption in all sectors of society. In 2003, a brief and nonviolent series of mass protests in Tbilisi—the so-called Rose Revolution—forced Georgian president Eduard Shevardnadze and his Citizens' Union of Georgia (CUG) out of office, paving the way for democratic reform under Mikheil Saakashvili of the United National Movement (UNM). The Saakashvili administration made progress in battling corruption, introducing economic reforms, and developing infrastructure, but fell short of establishing the democratic institutions it had promised. War with Russia in 2008 was an additional setback for Georgia, both economically and territorially, resulting in Russian occupation and secession of the breakaway territories of Abkhazia and South Ossetia. The territories' independence is recognized by four United Nations member states: Nicaragua, Venezuela, Nauru, and Tuvalu.

Parliamentary elections in October 2012 resulted in independent Georgia's first peaceful transfer of power through voting. After an aggressive election campaign, UNM was defeated by the Georgian Dream Movement, a coalition of six opposition parties led by billionaire Bidzina Ivanishvili. During the campaign, Ivanishvili cast Saakashvili as an autocrat and promised to establish "true" democracy in Georgia while maintaining a pro-NATO, western-oriented foreign policy and reestablishing economic and cultural ties with Russia. A prison abuse scandal emerged less than two weeks before the polls, igniting public anger at the UNM government over long-neglected judicial reforms. The elections were praised as freer and more competitive than previous votes, despite the isolated polling day violations and the disproportionate application of party finance control mechanisms to penalize the opposition.

Shortly after coming to power, the Georgian Dream–led government set about fulfilling its campaign promise to hold members of the outgoing government accountable for a variety of alleged offenses related to abuse of power and corruption. More than 20 former government officials had either been interrogated or were in detention by year's end, raising concerns about political retribution by the new authorities. Saakashvili, who will remain president for one more year, originally expressed his readiness to work together with the Georgian Dream, despite their differences. However, the feasibility of cooperation had deteriorated by year's end, largely because of these arrests.

National Democratic Governance. The UNM government spent most of the year on the offensive against its main challenger, the Georgian Dream Movement. Georgian Dream's victory at the October polls resulted in a peaceful transfer of power and a pluralistic legislature, with two main factions. After Georgian Dream took power in late 2012, the authorities arrested or interrogated numerous former officials from the previous government, raising concern that the new government was seeking political retribution; however, allegations of due process violations were inconclusive at year's end. Owing to the peaceful transfer of power and the establishment of a more pluralistic parliament, *Georgia's rating for national democratic governance improves from 5.75 to 5.50.*

Electoral Process. The first elections held under Georgia's new electoral code were assessed by monitors as predominantly fair and competitive, ushering in a historic victory for the Georgian opposition. Long-awaited changes to campaign finance oversight mechanisms resulted in disproportionate fines against Georgian Dream. However, freedom of association, assembly, and expression were generally respected throughout the campaign. Due to an overall improvement in the competitiveness and administrative conduct of parliamentary elections, *Georgia's electoral process rating improves from 5.00 to 4.75.*

Civil Society. Civil society organizations were active throughout 2012. Over 200 Georgian media organizations and nongovernmental organizations (NGOs) banded together in a successful campaign to amend party finance legislation affecting not only political parties but any organizations with "declared political goals and tasks." In December, the government appointed the director of a human rights center as its human rights ombudsman, a decision endorsed by a group of 24 local NGOs. *Georgia's civil society rating remains unchanged at 3.75.*

Independent Media. Though recent legislation has allowed for increased pluralism in the Georgian media landscape, news outlets remain deeply partisan and subject to political and private influence. In June, authorities seized thousands of satellite dishes owned by pro-opposition television station Maestro TV and Global TV, a cable and satellite broadcaster affiliated with Ivanishvili, alleging that the dishes would be used to "buy" votes for the Georgian Dream. After considerable pressure from civil society and international observers, parliament passed a must-carry law requiring all cable operators to carry all television channels, but this was poorly enforced. *Georgia's independent media rating remains unchanged at 4.25.*

Local Democratic Governance. Local authorities remain highly dependent on funding from the central government, which also maintains control of local property management and budget approval. Local governments were excluded from decision-making processes, particularly where large development projects were planned. The practice of forcing property owners to abandon their property

or donate it to the state as a gift continued throughout the year. *Georgia's local democratic governance rating remains unchanged at 5.50.*

Judicial Framework and Independence. Acquittal rates in criminal cases in Georgia remain extraordinarily low, demonstrating the judiciary's lack of independence from the prosecutor's office. Throughout the year, law enforcement authorities detained citizens for administrative offenses and deprived them of their right of due process, with the number of arrests increasing significantly in the run-up to the October elections. Less than two weeks before the vote, leaked videos showing severe abuse of inmates at a prison outside of Tbilisi were broadcast on television, igniting public outrage and leading to the resignations of the minister of corrections and minister of interior. President Saakashvili appointed the country's ombudsman as the new minister for prisons and called for an overhaul of correctional institutions. In December, parliament passed an amnesty bill to significantly reduce the prison population, which had nearly quadrupled under the previous government's "zero-tolerance" policy. *Georgia's rating for judicial framework and independence remains unchanged at 5.00.*

Corruption. Aggressive enforcement of anticorruption policies over the past four years has effectively eliminated low-level graft, most notably in the civil service. However, lack of transparency in business and media ownership still obscures overlap between government and business interests, and many people close to the government have become extremely wealthy. Upon coming to office, Prime Minister Ivanishvili declared an intention to introduce antimonopoly laws that would eliminate cartel-like structures in some sectors. Pending evidence of these changes or their effectiveness, *Georgia's rating for corruption remains unchanged at 4.50.*

Outlook 2013. With new, peacefully elected leadership and an imminent change to a fully parliamentary system, Georgia is entering uncharted territory. The Georgian Dream Movement is a diverse coalition of parties and does not have enough parliamentary seats to change the constitution at will, while the United National Movement is committed to playing a strong role as a parliamentary minority. The deep divide between these two factions in the parliament will make it difficult for lawmakers to agree on measures to strengthen democratic institutions. Meanwhile, public perception of governance as a "winner takes all" exploit and the Georgian Dream's political inexperience could easily lead to the development of another one-party system and reverse the democratic breakthrough Georgia witnessed in October 2012. The new Georgian government has announced its intention to improve ties with Russia while maintaining its course towards western integration and NATO membership.

Main Report

National Democratic Governance

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
n/a	5.50	5.50	5.50	5.75	6.00	6.00	5.75	5.75	5.50

From March 2004 to October 2012, Georgia's parliament was dominated by President Mikheil Saakashvili's United National Movement (UNM) party, which gained its position on the heels of the Rose Revolution. Although the Georgian government continually expressed commitment to developing democratic institutions, decision-making was concentrated in the hands of the president and his close circle of advisors, preventing the development of a reliable system of checks and balances. The UNM's parliamentary majority permitted the president to reshuffle his cabinet of ministers at will and pass laws with little or no public or parliamentary debate.

On 26 May, Georgian Independence Day, the parliament held its first session in a new, $204.8 million dollar parliamentary building in Kutaisi.[1] The decision to move the legislature from Tbilisi to a city separated from the capital by 150 miles of dangerously winding mountain road was criticized as another attempt to limit public participation in lawmaking. Most civil society and media organizations are based in Tbilisi—as are other governmental offices—and the distance complicated their engagement in hearings and coverage of parliamentary proceedings for the remainder of 2012. The UNM-led government claimed the relocation encouraged decentralization, relieving strained infrastructure in Tbilisi, and that the construction of the building (which began in 2011) would bolster Kutaisi's economy.[2] In late December, the speaker of the newly elected parliament said that returning the seat of parliament to Tbilisi would be part of a package of amendments reviewed in early 2013.[3]

In June, the parliament passed a constitutional amendment for the adoption of an organic law defining the special status of Lazika, a new Black Sea resort city that President Saakashvili announced in December 2011. The construction of the new city is controversial because of its estimated cost of 1.5 billion GEL ($900 million) in foreign investment and the location's proximity to nearby protected wetlands.[4] The bill was passed on its first reading without any public consultation,[5] although 59 percent of respondents in a nationwide survey conducted in February claimed to support the initiative.[6]

Parliamentary elections in October resulted in Georgia's first peaceful transfer of power through democratic elections since the country declared independence in 1991. In October, President Mikheil Saakashvili conceded his party's surprise defeat to the Georgian Dream Movement and approved the appointment of its leader, Bidzina Ivanishvili, as prime minister. In addition to demonstrating the willingness of state leadership to respect electoral outcomes, the elections introduced stronger

pluralism into Georgia's parliament, which for the last 8 years had been dominated by Saakashvili's supporters.

The timing of these events was also significant. Georgia is on the verge of transitioning from a presidential to a mixed parliamentary system in which the executive powers of the presidency will be reduced. Parliament will not become substantially more powerful when the changes come into force in October 2013, but it will gain the authority to elect the prime minister and cabinet by a simple majority. Otherwise, executive power will be in the hands of the government (which is elected and accountable to the parliament). The president will remain head of state and commander-in-chief of the armed forces, but will not have the right to introduce the state budget, initiate laws, or hold an official post in a political party. New rules surrounding votes of no confidence will also make it difficult for Parliament to remove the prime minister.

The new government came into office promising to investigate allegations of abuse of office and corruption among former military and security officials. In early November, the authorities arrested President Saakashvili's former defense minister, the army chief-of-staff, and a brigade commander. By the end of the year, a score of former UNM officials—including the former energy and finance ministers and the general director of Rustavi 2, a national television station affiliated with the UNM—had also been arrested on corruption charges. In late December, criminal charges were filed in absentia against former justice minister Zurab Adeishvili for "organizing inhuman treatment of inmates," in connection with the prison abuse scandal that broke in September.[7] While some observers, especially members of the UNM, worried that the arrests were unilateral political reprisals, the Ivanishvili government insisted that the investigations were being performed in accordance with the rule of law and invited international organizations to monitor the process.

Electoral Process

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
5.25	4.75	4.75	4.50	4.75	5.25	5.25	5.00	5.00	4.75

Parliamentary elections in October contrasted favorably with the 2008 polls, which had been characterized by substantial procedural violations and manipulations to ensure victory for Saakashvili and the UNM. Despite instances of extralegal pressure on opposition supporters and the disproportionate application of new party finance oversight mechanisms to penalize Georgian Dream, both the campaigning period and the elections themselves showed a reduction in procedural violations. Tabulation was generally accurate and resulted in a historic win for the opposition.

All the seats in Georgia's 143-mandate, unicameral parliament went to the election's two main contenders, UNM and the Georgian Dream Movement, a coalition between between Ivanishvili's new Georgian Dream–Democratic Georgia party and five older opposition parties: the Republican Party of Georgia, Our Georgia–Free Democrats, National Forum, the Conservative Party of Georgia, and

Industry Will Save Georgia. Fourteen other parties, three of which had been in the last parliament, won votes but failed to cross the 5 percent threshold.

Election day activities were monitored by 1,641 international and 62,115 domestic observers from 50 local organizations.[8] Most observers praised the Central Election Commission (CEC) for administering the voting in a transparent and efficient manner.[9] Some isolated election day violations occurred in the regions, as in the town of Khashuri, where police reportedly stormed several precincts and changed the results in favor of the ruling party.[10] These polls were annulled and Georgian Dream won a total of 5 seats from disputed precincts after re-balloting. Overall, observers determined that these irregularities did not ultimately affect the results of the vote, which ushered in a historic victory for the opposition.

The environment in the 90 days of official campaigning before the elections was competitive and characterized by largely unrestricted freedoms of association, assembly, and expression. However, it was also extremely polarized, as the two main parties strove to discredit each other with belligerent rhetoric and severe accusations. As in previous elections, the distinction between state and UNM campaign activities was often blurred, pointing to abuse of administrative resources. The Georgian nongovernmental organization (NGO) Human Rights Center investigated 39 cases of politically motivated intimidation, all of which targeted Georgian Dream supporters.[11]

Georgia's new electoral code came into effect in 2012, introducing a number of key changes recommended by the Venice Commission of the Council of Europe. These included a shift in the ratio of single mandate constituencies to seats filled from party lists, though they did not address the problem of disproportionality between single-mandate constituencies. Under the new code, any party or political bloc receives at least 6 seats in parliament if it clears the 5 percent threshold, even if the actual votes translate into fewer mandates. This is intended to increase the chances for small parties to participate more actively in the parliament. A state commission was also set up to oversee the accuracy of voter lists.

The Venice Commission has also consistently appealed to Georgian authorities to address the issue of campaign finance, but the government paid little attention to the problem until Ivanishvili—whose personal assets are estimated at $5.3 billion,[12] or half of Georgia's annual gross domestic product—announced his intention to enter politics and began transferring money to opposition parties. The UNM government moved quickly in late 2011 to adopt legislative changes regulating party and campaign finance.[13] Among other rules, the Organic Law on Political Unions of Citizens banned corporations and foreigners from funding political parties and capped annual donations from individual citizens at GEL 60,000. It also prohibited donations of any amount by legal entities, state bodies, NGOs, and religious organizations. Georgia's state audit agency, or Chamber of Control (renamed in July 2012 as the State Audit Office, SAO), was given broad powers to monitor political parties' funding and seize assets or fine any group, company, or individual for "directly or indirectly" contributing to a political party in violation of campaign finance rules.

Previously, oversight of campaign finance was the purview of the CEC, but its authority was extremely limited. The new legislation does not require the Chamber/SAO to produce evidence of connections between donors and parties, nor to go through a court before imposing sanctions. A coalition of civil society groups protested the wording of the law, arguing that the lack of clarity and far reach of the law made its selective and subjective enforcement inevitable.[14] After consultations with the coalition, authorities amended a number of items in the legislation in March 2012, making changes that went into effect in May. Nevertheless, domestic and international watchdogs reported throughout 2012 that the Chamber/SAO was using its new authority to bring disproportionate and arbitrary sanctions against members and alleged supporters of Georgian Dream. At year's end, UNM lawmakers still held top positions in both the SAO and the Inter-Agency Task Force for Free and Fair Elections (IATF), another body established to monitor campaign violations.[15][16]

The election monitoring report of the Organization of Security and Cooperation in Europe (OSCE) documented 68 fines against Georgian Dream for alleged campaign finance violations, compared to 8 fines against the UNM, despite the fact that UNM donations were 6.5 times higher.[17] The Chamber/SAO also failed to investigate how some social welfare beneficiaries, receiving monthly assistance of only GEL 30 ($18) each, were able to contribute a total of GEL 49,000 ($29,493) to the UNM.[18]

Ivanishvili himself was fined a total of $90.9 million for allegedly attempting to buy votes with free satellite antennas and for using two of his companies, Burji and Elita Burji, to provide transportation services to the Georgian Dream under "preferential" terms.[19] Eventually, the courts reduced the fine to half this amount in accordance with March 2012 amendments to the Law on Political Parties that limited fines to five times the illegally transferred amount, not ten as originally levied.[20] The amendments in question were the result of an energetic campaign by civil society groups, who succeeded in pressuring the parliament to remove the phrase "directly or indirectly related" from the recently revised law and limit the circle of entities and individuals accountable to the Chamber of Control to those groups having spent funds towards achieving declared electoral goals, rather than political or electoral ones. In early August, the SAO issued an order extending financial reporting requirements to media so that the SAO could more closely examine their relationships with private entities.

Civil Society

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
3.50	3.50	3.50	3.50	3.50	3.75	3.75	3.75	3.75	3.75

When Georgia gained independence in 1991, western democratic countries began to take an active role in promoting and funding civil society in the country. However, shortly after the establishment of the Saakashvili administration, the

sector began to weaken. Many leading civil society figures became part of the revolutionary government, creating a vacuum of policy and advocacy professionals in the sector. The sector also began to politicize: as society split into pro- and antigovernment camps, so did think-tanks. The sector, which already struggled to maintain sustainable funding, struggled further as funding for NGOs was increasingly redirected through the Georgian government. Consequently, many CSOs weren't able to constructively engage the state on key policy issues because they were becoming too dependent on the government for funding. As the government focused on centralizing power, rather than strengthening democratic institutions, authorities turned a deaf ear to advocates who were more critical or held views contrary to government policies.

In 2012, the Georgian government rolled back a number of environmental laws, despite the protests from local environmental groups. Under amendments adopted in March to Georgia's environmental protection law, companies with a past record of environmental transgressions (anything from contaminating the Black Sea to air pollution) can receive amnesty in exchange for scheduled payments to the state budget.[21] This law followed an amendment to allow the hunting of protected species that was passed before a qualified, estimated count had been done on animals. The government also pursued plans to construct new hydroelectric power stations, despite protests from environmental groups.[22]

Civil society groups were more effective in pushing back against party finance legislation that directly threatened their operations. In its original form, the Organic Law on Political Unions of Citizens passed in late 2011 restricted funding of NGOs and other bodies considered to be either linked to political parties or to have "declared political goals and tasks." Some media and NGOs said the law was too vaguely worded, with the potential to penalize not only persons and organizations with declared political and election aims, but the relatives or business associates of such persons. In short, the law could affect almost anyone, and could thus be easily abused. Over 200 Georgian media organizations and NGOs banded together for a campaign called "This Affects You, Too," and lobbied the government to amend the law. In March, the ruling party accepted a number of key recommendations, removing some ambiguous wording ("directly or indirectly related to"), narrowing the circle of entities that fell under the law's regulations, reducing the fines, amending the 0.2 percent GDP cap on donations, and giving the courts more say over the decisions of the Chamber of Control/SAO.[23]

The same coalition also pressed for parliament to require cable operators to carry all the television stations with news programs in order to increase public's access to information ahead of the October parliamentary elections. Parliament initially rejected the notion of a "must-carry" rule, but just 90 days before the election, the law was passed. It was enforced throughout the election period.[24]

Two weeks before the vote, video clips documenting systematic torture of prison inmates stoked nationwide protests against the Saakashvili government. From the melee of antigovernment demonstrations, approximately 9 student groups emerged to form the backbone of an antigovernment movement that was

notable for its focus on an issue (prison abuse), rather than personalities. It was the first time Georgia's university students had taken such an active role in political affairs since the student movement, Kmara, helped propel Mikheil Saakashvili into power during the 2003 Rose Revolution. However, most of these groups refused to align themselves to political parties, reflecting a new trend in civic movements in Georgia. On 3 December, the Georgian Dream parliamentary majority nominated Ucha Nanuashvili as Ombudsman. Nanuashvili, executive director of a local human rights NGO, had been backed by a group of 24 local NGOs.

On 17 May, a small group of lesbian, gay, bisexual, and transgender (LGBT) activists marched in downtown Tbilisi for the first time ever to mark International Day Against Homophobia. The event ended in a scuffle with a conservative Georgian Orthodox group led by several priests, who blocked the march. Police stood by to ensure traffic would not be impeded. When some protesters attempted to bypass the obstruction by walking into the street, they were taken into custody. The next day, the activists held a tolerance rally in front of Tbilisi's parliament building.

Labor organizations remain extremely weak in Georgia. Workers' rights are poorly protected, and the labor code remains in violation of Georgia's commitment to international conventions. In 2012, Georgia's parliament amended the labor code by removing the 90-day cap on strikes and reduced the minimum membership requirement for establishing a trade union from 100 to 50 members.[25] The Georgian Trade Unions Confederation welcomed the amendments but complained that they had been prepared and presented to parliament without the participation of local trade unions.

The Georgian Orthodox Church continues to have a huge impact on Georgian society, with 83 percent of Georgians identifying themselves as Orthodox Christians. Among these believers, 94 percent trust the church, according to a 2012 poll.[26] Although subsidized by the state, the church claims to maintain political neutrality. In 2012, it continued to openly disagree with government policies such as sending children abroad for education. After the elections, a top aid to the patriarch was quoted as saying that the church looked forward to working with the new government toward the amnesty of "thousands" who had been imprisoned through Saakashvili's zero-tolerance policy.[27]

Independent Media

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
4.00	4.25	4.25	4.00	4.25	4.25	4.25	4.25	4.25	4.25

Georgia has some of the most progressive media legislation in the region and a range of pluralistic media outlets. However, it suffers from a lack of impartiality largely due to the radical polarization of Georgia's political life and weak journalistic standards. Most television stations are seen as either progovernment or pro-opposition. Although censorship is forbidden in the constitution, journalists continue to

practice self-censorship, as editorial conditions are determined by political and private interests. In the lead-up to the 2012 elections, Georgia's media landscape became a fierce political battleground between the UNM—which controlled the major national broadcasters—and the coalition led by Ivanishvili, who sought to challenge the UNM's hold on media by purchasing his own television station, TV9. Technically, the station is fully owned by Accept LLC and Ivanishvili's wife, Ekaterine, owns 80 percent of its shares.[28]

Television is the main source of political information for 98 percent of the population,[29] but only three main TV stations provide news programming on a national level: Rustavi 2, Imedi-TV, and the Georgian Public Broadcaster (GPB) Channel 1, which is state-owned. Before the October elections, Rustavi 2 and Imedi were both owned by individuals close to the ruling party. Not long after the elections, Imedi-TV was transferred back to the family of its original owner, Badri Patarkatsiashvili, whose death in 2008 had enabled a takeover by a longtime Saakashvili ally.[30] Prior to the takeover, Imedi had been considered an opposition channel. Rustavi remained in pro-Saakashvili hands at year's end.[31]

In June, the prosecutor's office began to seize thousands of satellite dishes from warehouses used by Global TV, a television provider mostly owned by Ivanishvili's brother. At the time, it was also the only television provider that would carry Ivanishvili's TV9 television station. Earlier that month, the Chamber of Control/SAO ruled that Global TV had distributed satellite antennas free of charge through a loan from Bidzina Ivanishvili in violation of party funding rules. Accordingly, the court fined Ivanishvili GEL 63.1 million (approximately $38.08 million)[32] for illegal contributions to Georgian Dream.[33] The prosecutor's office seized the dishes as part of its investigation into the alleged "vote-buying," despite the fact that Georgian law stipulates property can only be seized if it is believed the property will be used to commit a serious crime, punishable by up to 10 years (vote-buying is punishable by a maximum of 3 years in jail under Georgian law). Global TV maintained it offered satellite dishes and receivers to clients who signed a 10-year contract with the company to lease the dishes.[34] The prosecutor's office then went on to confiscate thousands of satellite dishes owned by Maestro TV, after the station announced it had planned to hand out dishes to viewers in the regions. Authorities alleged that Maestro, considered an opposition television station, was linked to Ivanishvili, an accusation Maestro denied.[35]

Even as authorities were impounding satellite dishes, parliament made a complete U-turn and passed a "must-carry" law obligating cable operators to carry all television channels with news broadcasting to prevent arbitrary treatment of television channels by cable networks. The law was applauded by western observers as a solution to media access problems, but it was only designed to be enforced during the election period. Moreover, the law was poorly enforced, as some TV stations and cable operators refused to sign contracts. The Georgian National Communications Commission (GNCC) failed to regulate the "must-carry" transmission principles, leaving some operators free to turn off a rebroadcasted channel or delay its transmission.

Journalists working with local media outlets faced intimidation and were subject to harassment. The number of reported cases increased as the elections approached. Regional news outlets had difficulty getting the same access to local events as pro-UNM national television stations. Ten journalists were injured during a clash between Georgian Dream supporters and UNM supporters at a rally near Gori in July. Also in July, a television crew from Ivanishvili's TV9 was assaulted while covering an assembly. In May, the head of a local east Georgian newspaper claims he was dragged into a police station and assaulted by police.[36] Although law enforcement agencies launched investigations into some of these cases, rarely was somebody held accountable for intimidating, threatening, or harassing journalists. Additionally, an atmosphere of fear made it difficult for journalists to interview subjects, as people were afraid to go on record for fear of reprisals, most particularly in the regions. Because the relationships between local authorities and local independent media outlets are typically antagonistic, journalists often found it difficult to get comment from officials on the developments in their communities. Independent news outlets also found it difficult to find advertisers and claim that authorities pressured local businesses into not advertising.[37] For example, the only advertiser in the local independent newspaper, *Guria News*, was the Georgian Dream opposition party.

The Georgian National Communications Commission (GNCC) regulates and licenses the country's telecommunications and broadcast media. Because its board members are nominated by the president, it has long been accused of lacking independence. Its director, Irakli Chikovani, is a former co-director and co-owner of progovernment Rustavi 2. For a year after becoming director of the GNCC in 2009, Chikovani remained co-owner of MediaHouse, one of the country's two major media sales houses, earning a substantial salary in a sector he was managing as a chairman of the GNCC.[38] Although he sold MediaHouse in 2010, Chikovani still owns 35 percent of the shares of Magi Style Media, a company that produces television advertisements. He also co-owns three companies[39] with Giorgi Gegeshidze, who until November 2012 was director of Rustavi 2. Despite Chikovani's connection to Rustavi 2 and his advertising business, the head of GNCC's legal department maintains no conflict-of-interest rules have been violated.[40]

Not long after the October elections, President Saakashvili granted a tax amnesty to television broadcasters, mostly benefitting the owners of pro-UNM Rustavi 2 and Imedi TV. Simultaneously with these changes, journalists at the Russian-language Kanal PIK channel, part of the GPB, aired a silent news broadcast to protest their inability to get information from the GPB about the station's finances and future.[41] The channel was subsequently pulled off the air due to lack of funding. PIK, which was launched in January 2011, was intended to counter pro-Moscow reporting about Georgia, but has often been criticized for being too anti-Russian and too unequivocally supportive of President Saakashvili. In November, the Revenue Service launched a probe into GPB's tax arrears; UNM lawmakers called the probe an intimidation tactic.

Georgian broadcasting regulations ban political parties and public officials from holding broadcasting licenses, but this ban does not extend to their immediate family members. Prime Minister Ivanishvili's wife officially owns 80 percent of the shares of TV9.[42]

Local Democratic Governance

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
n/a	6.00	5.75	5.50	5.50	5.50	5.50	5.50	5.50	5.50

Georgian legislation outlines three levels of governance: national, regional, and local. The country is divided into nine regions, governed by presidential appointees. Starting in 2013, the constitution envisages the transfer of the power of appointment so that governors will be appointed by the central government, and not by presidential decree, as is the case now.

Adjara remains the only regional entity with limited autonomy. The head of Adjara's regional government is elected by the local Supreme Council, but proposed by the president of Georgia. The president currently has extensive rights to dismiss Adjara's parliament and government, but the new constitution will require the government's advanced approval. Two separatist regions, Abkhazia and South Ossetia, have remained outside of Tbilisi's control since the violent conflicts of the 1990s and are ruled by de facto governments.

The Georgian constitution, drafted in 1995, defined institutional guarantees for the independence of local governments, but these regulations are mainly declaratory norms, rather than legal obligations. Amendments adopted in 2010 increased the independence of local governments by granting them greater financial guarantees, but the funding provided to individual regions is comprehensively unequal in per capita calculations. Local self-governing units lack the financial resources to fulfill their responsibilities. The central government has increased transfers to Georgia's 5 self-governing cities, but appears to see less value in supporting the municipalities, where economic activity is limited. As a result, municipal revenues have declined, and municipal governments spend less per citizen than self- governing cities do on the provision of social, economic, educational, healthcare and cultural services.

District governments serve as local extensions of the central government, with very limited independence. Before October's parliamentary elections, representative structures were dominated by the UNM, allowing the central government to reinforce its control in the areas of state supervision, property management, and budget approval. The central authorities make decisions on the planning of individual programs and allocate funds for these programs. Throughout the preelection period, the state continued to implement a nationwide assortment of expensive infrastructural programs; though some of these fell under the jurisdiction of local self-governments, local authorities were entirely excluded from the decision-making process. Implementation and planning processes usually do not take into account the needs of local communities.

In several regions of Georgia, where the central government's large development projects have been underway or planned, numerous cases of property rights violations occurred during the preelection period. In a procedure that had been practiced for several years, some property owners were forced to officially abandon their property, which was automatically transferred to the state, or to directly give their property to the state as a gift. Proving these cases is difficult because the victims typically did not notify the police or media. Nevertheless, mass abandonment or "voluntary handover" of property as a gift can be traced through the Public Registry. As a rule, these cases occurred to a number of families in a specific area within the time span of a week. In most cases, the land was the only property registered to the owners. Other people lost property they had owned for years to the state when the Public Registry was unable to compare new (electronic) and preexisting (paper) cadaster drawings of the same space. After elections and the appointment of a new justice minister, citizens began filing suits to regain their properties.

Since the 2010 amendments, most local governments have seen a shift in power from the mayor's office to the legislature (Sakrebulo). One exception is the city of Tbilisi, where the authority of the mayor has been on the rise and role of the Sakrebulo has declined. In most cases, however, the mayor is now accountable to the Sakrebulo, whose chair holds the highest political office of self-government.

Before the 2012 elections, UNM controlled approximately 1,200–1,250 of the country's 1,263 elected local councils.[43] Today, it controls fewer than half, as elected town council members and executive representatives appointed by the council chairs (gamgeblebi) have been pressured to switch sides or step down. Protesters have broken into and vandalized public buildings and gone on hunger strikes to force the UNM out of town councils, rather than wait for local elections, which are slated for 2014.

Judicial Framework and Independence

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
4.50	5.00	4.75	4.75	4.75	4.75	4.75	5.00	5.00	5.00

Georgia's constitution and national legislation guarantee fundamental political, civil, and individual rights. The president, parliament, and Supreme Court each appoint three of the nine judges on the Constitutional Court. Since 2004, the government has increased budget funding to the judiciary, resulting in substantial improvements in regards to salaries, infrastructure, equipment, and staff. Bribery in the courtroom has been eliminated and judges are believed to be independent in most civil cases. However, despite implemented reforms and a commitment to using the European Convention on Human Rights as a model, the judiciary continues to suffer from undue influence of the Prosecutor's Office and the executive branch during the adjudication of criminal cases, particularly those cases where the political leadership's interests are at stake.[44] Lower-level courts sometimes lack funding because of their limited role in drafting their own budgets.

The constitution and various laws contain provisions designed to safeguard the independence of judges, but conditions regarding the tenure of judges and the composition of the High Council of Justice do not ensure full independence. Several laws contain loopholes that abrade the original intent of increasing judicial independence. For example, the law stipulates that a majority of members of the High Council of Justice—a body headed by the chairman of the Supreme Court—must be appointed by judicial professionals from the Conference of Judges. However, another provision states that representatives of all three branches of government in the High Council must consent to any judge's appointment, which makes it possible for presidential and parliamentary appointees to veto judicial appointments.

Georgia's justice system is prosecution driven. The conviction rate ranges from 98.3 percent to 99.9 percent, depending on the inclusion of partial acquittals.[45] The fact that a person charged by the prosecution is almost certain to be convicted may explain the extremely high percentage of accused persons (87.5 in 2011) who choose to accept plea bargains.[46] Monitoring groups report that judges not only side with motions of the prosecution but that they often base judgements on questionable evidence provided by the prosecution and police.[47] The speed with which the courts moved to enforce SAO decisions and confiscate property or levy fines against alleged violators of campaign finance laws speaks to a lack of careful judicial review. Some legal entities accused of making illegal contributions had their property seized not only before they had made any contributions, but before they had conducted any transactions using their bank accounts.[48]

Throughout the year, authorities detained people for administrative offenses and deprived them of their right of due process. As the 2012 elections approached, a number of antigovernment protesters and opposition activists were detained for administrative offenses (misdemeanors), which are punishable by up to 90 days in prison.[49] Some were sentenced to up to 40 days' imprisonment, one week before the elections.[50] By law, defendants facing administrative charges actually enjoy fewer due process rights than alleged criminal offenders, as the Administrative Offenses Code does not require police to inform administrative detainees of their rights or tell them why they are being held.[51] Human Rights Watch reports that some detainees serve their sentences of up to 90 days in temporary detention isolators (IDIs), which are designed to hold prisoners for 72 hours. The lack of due process also extended into the courtroom, where trials of accused administrative offenders rarely lasted more than 15 minutes and relied almost extensively on police testimonies. As signatory to the Universal Declaration on Human Rights, Georgia is obligated to guarantee defendants the right to a fair trial and protection against arbitrary detention. Shortly after its electoral victory, the Georgian Dream government announced it would eliminate administrative detention.[52]

Numerous state and private employees reported during the year that they had been fired or threatened with dismissal for their political beliefs. Giga Bokeria, the head of the National Security Council and the IATF, called on state agencies and public schools to suspend termination of employee contracts during the election

period in order to preempt accusations of political motivation,[53] but dismissals continued. Bokeria reiterated the unconstitutionality of firing someone for his or her political views, but this principle proved difficult to enforce as the Georgian labor code allows employers to discharge employees without stating a reason.

On 18 September, video footage showing the systematic torture of inmates in a Tbilisi prison was broadcast on television, scandalizing the public and putting an international spotlight on the defects of Georgia's criminal justice system. For years, government authorities have failed to address repeated reports of widespread torture and mistreatment of prisoners. These problems have affected a growing portion of the population, as the presidential administration's "zero-tolerance" policy, even for petty crime, has quadrupled the number of prison inmates in less than 10 years.[54] Georgia's ministers of interior and corrections both resigned within days of the video's release. Reports of violence ceased when the president appointed the Ombudsman to head the penitentiary department, who in turn established an independent prison monitoring group.

On 21 December, parliament passed an amnesty bill in an effort to radically reduce Georgia's prison population. Originally, President Saakashvili agreed to amnesty a list of some 3,000 inmates, but the list grew longer when a parliamentary resolution classified an additional 190 inmates as political prisoners eligible for amnesty, including some who had been convicted of spying for Russia. President Saakashvili vetoed the bill, as he strongly disagreed there were political prisoners behind bars. Two local NGOs included in the parliamentary working group tasked with determining whether the prisoners in question could be classified as political prisoners had also withdrawn from the exercise, saying that two weeks was not enough time to fairly review each individual case. The parliament overturned Saakashvili's veto on 28 December.

A string of arrests of former government officials in the last weeks of 2012 raised concerns that the new government was pursuing a policy of political retribution. Georgia's new justice minister, Tea Tsulukiani, who was once a lawyer at the European Court of Human Rights has said that the process is about restoring justice and putting an end to the impunity that served the previous administration.[55]

Corruption

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
6.00	5.75	5.50	5.00	5.00	5.00	5.00	4.75	4.50	4.50

Following the Rose Revolution, the Saakashvili administration took steps to rebuild a law enforcement structure rife with petty corruption. Bureaucratic regulations were streamlined and strict controls implemented to prevent bribery in the civil sector. Authorities zealously pursued organized crime syndicates ("thieves-in-law"), arresting some as others fled abroad. The near-eradication of low-level corruption in state services can be attributed to the Saakashvili administration's "zero-tolerance" policy, which has often been imposed at the expense of due process. According to

Transparency International's most recent Global Corruption Barometer, 77 percent of Georgians believe their government has been effective or extremely effective in fighting corruption.[56] The same survey reveals that political parties and the judiciary are perceived as the county's most corrupt institutions.

Anticorruption reforms related to the ease of starting and operating a business have also been effective. In 2005, Georgia was ranked 112th in the World Bank's *Doing Business* index; in the 2013 rankings, Georgia was in 16th place.[57] However, local business people have often claimed that support for the political opposition can result in a visit from tax police or more serious forms of legal persecution.[58]

In response to domestic and international pressure, in April 2012 Georgia's parliament abolished the 2011 Tax Code and Law on Enforcement Proceedings, which it pushed through just weeks after Bidzina Ivanishvili announced his intention to form an opposition party. These laws gave Georgian tax authorities priority over the secured claims of financial institutions. Simply put, the state could legally take a bank's property that was put up as collateral by somebody who owed the state taxes. While in effect, this law was used exclusively against Ivanishvili's Cartu Bank, from which the state received $114.6 million in assets.[59]

Georgian law forbids members of parliament to hold any kind of executive, supervisory, or consultative business functions or to profit from any kind of commercial activity, but there is no law preventing parliamentarians from profiting from their shares in businesses. Despite some improvements in the transparency of ownership regulations, the relationship between the government and businesses remains largely opaque. The ownership of many businesses in Georgia is linked to people close to the Saakashvili, but because the companies are registered offshore and co-owned by various internationally registered shell companies, the direct owners are often impossible to trace. Investigations by Transparency International Georgia and other watchdog groups have linked the corporate owners of many of these companies to a handful people connected to the Saaakashvili government, including David Kezerashvili, the former head of the tax police and minister of defense, who became a successful businessman soon after leaving office. Meno International Ltd. which is co-owned by GNCC head Irakli Chikovani and Giorgi Gegeshidze, co-owner of Rustavi 2, helped build the new parliament building in Kutaisi. Caucasus Road Production Ltd, which is owned by former employment minister Paata Trapaidze, was also involved in the project.[60]

An enormous amount of renovation continued in Tbilisi throughout the year. Some of the contracts for this work held without tenders because the projects were issued from nonprofit or non-entrepreneurial entities like the Tbilisi Development Fund. Because such funds are set up as NGOs, they are not subject to the same public disclosure rules that govern the state budget. Sulkhan Suladze, a lawyer from the Georgian Young Lawyers Association (GYLA) estimates that these funds receive about 15–20 percent of the city of Tbilisi's annual budget.[61] Several high-ranking Tbilisi City Hall officials are also board members of the Tbilisi Development Fund.

Today, only five gasoline companies operate in Georgia. David Kezerashvili owns one and has shares in the distribution company of another. Rather than

fluctuating with the price of oil, gasoline prices in Georgia have steadily increased, and every gas station offers the same rate per liter. This has lead economic experts to believe there has been a coordinated effort by the country's gasoline companies to control the market.[62] Soon after his party's election victory, Bidzina Ivanishvili announced he would not tolerate cartel arrangements.[63] The prices of gasoline immediately dropped at some gas stations.[64] The same warning was issued[65] to the three main pharmaceutical companies—Aversi, PSP, and GPC, all UNM campaign contributors—that have cornered the Georgian pharmaceutical market.[66]

▮ AUTHOR: PAUL RIMPLE

Paul Rimple is a journalist working in Tbilisi.

---

1 "Finance Minister: Parliament Building Construction Cost GEL 340m," Civil Georgia, 31 October 2012, http://www.civil.ge/eng/article.php?id=25405.

2 Haley Sweetland Edwards, "Mr. Smith Goes to Kutaisi," *The International Herald Tribune*, 23 April 2012, http://latitude.blogs.nytimes.com/2012/04/23/what-is-behind-georgias-decision-to-move-parliament-from-tbilisi-to-kutaisi/.

3 "Georgian Parliament Looks To Return To Tbilisi For Spring Session," Radio Free Europe/Radio Liberty (RFE/RL), 28 December 2012, http://www.rferl.org/content/georgia-parliament-may-return-to-tbilisi-in-spring/24811527.html.

4 "'Special Status' for planned new city Lazika," Civil Georgia, 9 May 2012, http://www.civil.ge/eng/article.php?id=24741.

5 Ellen Barry, "On Black Sea swamp, big plans for instant city," *The New York Times*, 21 April 2012, http://www.nytimes.com/2012/04/22/world/europe/in-georgia-plans-for-an-instant-city.html?pagewanted=all&_r=0.

6 National Democratic Institute (NDI), *Public Attitudes in Georgia: Results of a February 2012 survey carried out for NDI by CRRC* (Washington, DC: NDI, 21 March 2012), www.ndi.org/node/18677, 38–39.

7 "Charges Filed Against Ex-Justice Minister Adeishvili," Civil Georgia, 30 December 2013, http://www.civil.ge/eng/article.php?id=25606.

8 Election Administration of Georgia, "Statement of the Central Election Commission on registration of observers and journalists," news release, 1 October 2012, http://www.cec.gov.ge/index.php?lang_id=ENG&sec_id=13&info_id=10734; and Paul Rimple, "Saakashvili's party loses as Georgian democracy takes step forward (+video)," *Christian Science Monitor*, 2 October 2012, http://www.csmonitor.com/World/Europe/2012/1002/Saakashvili-s-party-loses-as-Georgian-democracy-takes-step-forward-video.

9 Parliamentary Assembly of the Council of Europe (PACE), *Observation of the parliamentary elections in Georgia (1 October 2012). Election observation report. Doc. 13068* (Strasbourg: PACE, 29 November 2012), http://assembly.coe.int/ASP/XRef/X2H-DW-XSL.asp?fileid=19209&lang=EN.

10 "Video shows armed attack on voting precinct," Democracy & Freedom Watch, 5 October 2012, http://dfwatch.net/video-shows-armed-attack-on-voting-precinct-83882.

11 Human Rights Center (HRIDC), *Intermediate Report Research of Pre-election Period* (Tbilisi: HRIDC, August 2012), 42, http://www.humanrights.ge/admin/editor/uploads/pdf/HRIDC_Election_Interim_Eng%20%283%29.pdf.

12 This was the estimate published by *Forbes Magazine* in March 2013, http://www.forbes.com/profile/bidzina-ivanishvili/.

13 "Gov't mulls new party funding regulations," Civil Georgia, 23 November 2011, http://www.civil.ge/eng/article.php?id=24177.

14 "Watchdog groups plan campaign against amended law on parties," Civil Georgia, 28 January 2012, http://www.civil.ge/eng/article.php?id=24391.

15 The SAO's general auditor, Levan Bezhashvili, stepped down in July to run on the UNM ticket in the parliamentary elections. He was replaced by Lasha Tordia, a UNM lawmaker. SAO deputy chair Tika Bokuchava also ran for a parliamentary seat under the UNM. The IATF is overseen by Giga Bokeria, the head of the National Security Council and one of President Saakashvili's closest advisors.

16 While Chamber/SAO activities are regulated by the Organic Law on Political Unions of Citizens, IATF's mandate is defined by the Electoral Code. IATF was created by the National Security Council to address allegations of harassment and improper use of administrative resources during elections.

17 Organization for Security and Cooperation in Europe/Office for Democratic Institutions and Human Rights (OSCE/ODIHR), *Georgia: 1 October 2012, OSCE/ODIHR Election Observation Mission Final Report* (Warsaw: OSCE/ODIHR, 21 December 2012), p. 16, www.osce.org/odihr/elections/98399.

18 OSGF, Analysis of the State Audit Office Monitoring Service of Political Parties' Finance (Tbilisi: OSGF, October 2012), http://www.osgf.ge/index.php?lang_id=ENG&sec_id=15&info_id=3062.

19 "Ivanishvili fined with USD 90.9 Million," Civil Georgia, 11 June 2012, http://www.civil.ge/eng/article.php?id=24876.

20 "Georgian court reduces Ivanishvili's fine,"Armenian News, 16 June 2012, http://www.tert.am/en/news/2012/06/16/ivanishvili-fine/.

21 Molly Corso, "Georgia: Tbilisi offers companies forgiveness for environmental sins," Eurasianet.org, 28 June 2012, http://www.eurasianet.org/node/65612.

22 Institute for War and Peace Reporting, "Dam projects face resistance in Georgia," 5 March 2012, http://iwpr.net/report-news/dam-projects-face-resistance-georgia.

23 "Party funding law to be revised," Civil Georgia, 19 March 2012, http://www.civil.ge/eng/article.php?id=24570.

24 "Campaign group hails plans to introduce 'must-carry,'" Civil Georgia, 23 June 2012, http://www.civil.ge/eng/article.php?id=24913.

25 Georgian Trade Unions Confederation, news release, 12 May 2012, http://www.gtuc.ge/en/archive/620-2012-05-15-12-17-13.

26 International Republican Institute (IRI), Baltic Surveys Ltd./The Gallup Organization, and The Institute of Polling and Marketing, *Georgian National Study: November 9–21 2012* (Washington, DC: IRI, February 2013), http://www.iri.org/sites/default/files/2013_February_8_Survey_of_Georgian_Public_Opinion_November_9_21_2012.pdf.

27 Ellen Barry, "Church's muscle helped propel President's rivals to victory in Georgia," *The New York Times*, 13 October 2012, http://www.nytimes.com/2012/10/14/world/europe/churchs-muscle-aided-win-of-presidents-rivals-in-georgia.html?pagewanted=all%20&_r=1&.

28 Ministry of Justice of Georgia, ამონაწერი მეწარმეთა და არასამეწარმეო (არაკომერციული) იურიდიული პირების რეესტრიდან [Abstract on Entrepreneurs and Non-Profit (Non-Commercial) Legal Entities Register] (Tbilisi: Ministry of Justice of Georgia, 24 May 2012), https://enreg.reestri.gov.ge/main.php?c=mortgage&m=get_output_by_id&scandoc_id=421345&app_id=490972

29 IRI et al., *Georgian National Study: November 9–21 2012.*

30 "Imedi TV 'Transferred' to Patarkatsishvili Family," Civil Georgia, 16 October 16 2012, http://www.civil.ge/eng/article.php?id=25358.

31 Nata Dzvelishvili, "David Kezerashvili sells shares of Rustavi 2 and Mze," Media.ge, 10 October 2012, http://www.media.ge/en/stories/davidkezerashvilisellssh.

32 "Global TV's satellite dish antennas seized," Civil Georgia, 21 June 2012, http://www.civil.ge/eng/article.php?id=24908.

33 Ministry of Justice of Georgia, "Statement of the Office of Chief Prosecutor of Georgia," news release, 21 June 2012, http://justice.gov.ge/index.php?lang_id=ENG&sec_id=23&info_id=4509.

34 Transparency International (TI) Georgia, "Statement on seizure of Global TV satellite dishes," 21 June 2012, http://transparency.ge/en/node/2113.

35 "Maestro TV's satellite dishes targeted in vote-buying probe," Civil Georgia, 11 July 2012, http://civil.ge/eng/article.php?id=24992.

36 The International Federation for Human Rights, "Human rights situation in Georgia ahead of Parliamentary elections," 28 September 2012, http://www.fidh.org/Human-Rights-Situation-in-Georgia-12229.

37 Human Rights Center, *Intermediate Report: Research of Pre-election Period* (Tbilisi: HRIDC, August 2012), http://www.humanrights.ge/index.php?a=main&pid=15456&lang=eng.

38 TI Georgia, *The Georgian Advertising Market* (Tbilisi: TI, 13 December 2011), http://transparency.ge/en/advertising.

39 These are Meno International Ltd., Bedegi, and Magi Style Construction.

40 TI Georgia, *The Georgian Advertising Market.*

41 Robert Coalson, "Georgia's media landscape shifts in wake of historic election," Radio Free Europe Radio Liberty, 17 October 2012, http://www.rferl.org/content/georgia-media-landscape-continues-to-follow-politics/24742838.html.

42 TI Georgia, *Georgia's Television Landscape* (Tbilisi: TI, 10 August 2012), http://transparency.ge/sites/default/files/post_attachments/Georgian%20Television%20Landscape%20Report%20English_0.pdf.

43 Molly Corso, "Georgia: Political tumult hits regions," Eurasianet.org, December 26th 2012, http://www.eurasianet.org/node/66341.

44 TI Georgia, *National Integrity System* (Tbilisi: TI, 2011, http://transparency.ge/nis/2011/judiciary.

45 Committee on the Honouring of Obligations and Commitments by Member States of the Council of Europe (Monitoring Committee), *Honouring of obligations and commitments by Georgia* (Strasbourg: Council of Europe, 26 January 2012), http://assembly.coe.int/CommitteeDocs/2012/amondoc24rev3_2011.pdf.

46 Human Rights Center (HRIDC), *Situation of Human Rights Defenders in Georgia January 2011–October 2012* (Tbilisi: HRIDC, October 2012), http://humanrightshouse.org/noop/file.php?id=18948.

47 OSGF, *Analysis of the State Audit Office Monitoring Service of Political Parties' Finance* (Tbilisi: OSGF, October 2012), http://www.osgf.ge/index.php?lang_id=ENG&sec_id=15&info_id=3062.

48 Human Rights Center (HRIDC), *Intermediate Report Research of Pre-election Period* (Tbilisi: HRIDC, August 2012), http://www.humanrights.ge/admin/editor/uploads/pdf/HRIDC_Election_Interim_Eng (3).pdf.

49 "Police deny 'politically motivated' arrests," Civil Georgia, 26 September 2012, http://www.civil.ge/eng/article.php?id=25260.

50 Human Rights Watch, "Georgia: Misuse of administrative detention violates rights," 26 September 2012, http://www.hrw.org/news/2012/09/26/georgia-misuse-administrative-detention-violates-rights.

51 Ibid.

52 "Administrative detention to be ended," Democracy & Freedom Watch, 24 October 2012, http://dfwatch.net/administrative-detention-to-be-ended-24157.

53 Inter-Agency Task Force for Free and Fair Elections (IATF), *Final Report of Inter-Agency Task Force for Free & Fair Elections* (Tbilisi: IATF, February 2013), http://www.nsc.gov.ge/files/files/legislations/ENG%20IATF%20final%20report%202012.pdf.

54 Ellen Barry, "Unrest follows broadcast of video showing prison abuse in Georgia," *The New York Times*, 19 September 2012, http://www.nytimes.com/2012/09/20/world/europe/a-resignation-and-protests-follow-the-release-of-prison-abuse-videos-in-georgia.html.

55 Regis Gente, "Justice and revenge in Georgia," *The National Interest*, 18 December 2012, http://nationalinterest.org/commentary/justice-revenge-georgia-7864.

56 TI, *Global Corruption Barometer, 2010/1011* (Berlin: TI, 2012), http://gcb.transparency.org/gcb201011/.

57 The World Bank Group, *Doing Business 2013* (Washington, DC: The World Bank Group, 2013).

58 Madona Gasanova, "Fady Asly: Nothing is shorter than being at the top and longer than being at the bottom," The Financial, 22 October 2012, http://www.finchannel.com/Main_News/Geo/118150_Fady_Asly%3A_Nothing_is_shorter_than_being_at_the_top_and_longer_than_being_at_the_bottom/; and TI, *The Georgian Taxation system—An Overview* (Berlin: TI, 2010), http://transparency.ge/en/post/report/georgian-taxation-system-overview.

59 "Ivanishvili files int'l arbitration against Georgian govt," Civil Georgia, 16 August 2012, http://www.civil.ge/files/files/2012/FinalNoticeOfDispute-IvanishviliVGeorgia.pdf.

60 Mari Nikuradze, "Kutaisi parliament cost USD 196 million," Democracy and Freedom Watch, 11 December 2012, http://dfwatch.net/kutaisi-parliament-cost-usd-196-million-10115.

61 Georgian Young Lawyers' Association (GYLA), *Rehabilitation Process: Beyond the Façade* (Tbilisi: GYLA, May 2012), http://www.qartuli.net/gyla.ge/attachments/1294_Reabilitation%20EN.pdf.

62 TI Georgia, "Transparency International Georgia publishes a report on competition policy in Georgia," news release, 3 August 2012, http://www.transparency.ge/en/post/report/tig-publishes-report-on-competition-in-georgia.

63 "Ivanishvili Meets Business Leaders," Civil Georgia, 6 October 2012, http://www.civil.ge/eng/article.php?id=25324.

64 Rusiko Machaidze, "High expectations about low prices," Democracy & Freedom Watch, 7 October 2012, http://dfwatch.net/high-expectations-about-low-prices-79776.

65 "Bidzina Ivanishvili: no marriage between politics and business," Georgia Today, 11 October 2012, http://www.georgiatoday.ge/article_details.php?id=10522.

66 TI Georgia, *The Pharmaceutical Market in Georgia* (Tbilisi: TI, June 2012), http://transparency.ge/en/node/2118.

Hungary

by Balázs Áron Kovács

Capital:	Budapest
Population:	10.0 million
GNI/capita, PPP:	US$20,310

Source: The data above are drawn from the World Bank's *World Development Indicators 2013.*

Nations in Transit Ratings and Averaged Scores

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Electoral Process	1.25	1.25	1.25	1.75	1.75	1.75	1.75	1.75	2.25	2.25
Civil Society	1.25	1.25	1.25	1.50	1.50	1.75	1.75	2.00	2.00	2.25
Independent Media	2.25	2.50	2.50	2.50	2.50	2.50	2.75	3.25	3.50	3.50
Governance*	2.50	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
National Democratic Governance	n/a	2.00	2.00	2.25	2.25	2.50	2.50	3.00	3.50	3.50
Local Democratic Governance	n/a	2.25	2.25	2.25	2.25	2.50	2.50	2.50	2.50	2.75
Judicial Framework and Independence	1.75	1.75	1.75	1.75	1.75	1.75	2.00	2.25	2.75	2.50
Corruption	2.75	2.75	3.00	3.00	3.00	3.25	3.50	3.50	3.50	3.50
Democracy Score	1.96	1.96	2.00	2.14	2.14	2.29	2.39	2.61	2.86	2.93

* *Starting with the 2005 edition, Freedom House introduced separate analysis and ratings for national democratic governance and local democratic governance to provide readers with more detailed and nuanced analysis of these two important subjects.*

NOTE: The ratings reflect the consensus of Freedom House, its academic advisers, and the author(s) of this report. The opinions expressed in this report are those of the author(s). The ratings are based on a scale of 1 to 7, with 1 representing the highest level of democratic progress and 7 the lowest. The Democracy Score is an average of ratings for the categories tracked in a given year.

Executive Summary

The parliamentary elections of April 2010 brought a conservative government headed by Prime Minister Viktor Orbán to power. It controls a two-thirds supermajority in the unicameral National Assembly, consisting of a formal coalition between the Young Democrats' Alliance–Hungarian Civic Union (Fidesz) and its subordinate partner, the Christian Democratic People's Party (KDNP). The landslide electoral victory of Fidesz-KDNP came after the previous government, led by the Hungarian Socialist Party (MSZP), lost credibility due to a variety of failures. Voters' broader loss of faith in the political establishment brought two new opposition parties into the parliament that year—the green-liberal Politics Can Be Different (LMP) and the radical nationalist Movement for a Better Hungary (Jobbik).[1]

Issues dating to Hungary's negotiated transition to democracy in 1989–90, including the role of the secret services under communism and the privatization of state assets and services, remained unresolved in 2012. Citizens' ongoing reliance on public entities instead of the private and nongovernmental sectors pushed the state beyond its capacity in the decades after the transition. Government after government balked at tackling this problem, and exacerbated it through inaction or superficial remedies. The present government identified many of the areas that need reform, but its initiatives have proven inadequate and had the effect of undermining democratic checks and balances. Meanwhile, antiliberal, nationalistic, and religiously divisive rhetoric has raised tensions in an already polarized political environment.

A new constitution entered into force on 1 January 2012. The increased range of laws that will require a supermajority to pass under this new constitutional framework will likely have an impact on the effectiveness of future governments. The overall quality of legislation has been low, as it has often been drafted hastily to suit the immediate interests of the Orbán government; imprecisely worded laws also allow for freer interpretation by the executive branch. Should an opposition party come to power in the next elections, it will be constrained by Fidesz's takeover of independent institutions and installation of clients in key positions, in many cases for nine-year terms. This is most worrisome in the judiciary. Although the Constitutional Court in particular showed remarkable independence during 2012, its jurisdiction has been narrowed, and its verdicts are often circumvented by the government. Citizens' access to the body has been reduced, and appointees of the Orbán government are now close to having a majority.

Even as the government has increased its influence over other public institutions, power within the government has been concentrated in the hands of the prime minister. Orbán tends to appoint weak or dependent figures, favoring

personal loyalty and a lack of serious political ambitions over professional expertise and ability.

Fidesz's 2010 electoral triumph gave it a historic opportunity to rescue the country from its dire economic situation and initiate crucial reforms in public services such as health and education. Instead, the government has engaged in reckless economic policies, exerted political control over state institutions, pursued an ideologically driven cultural transformation, undermined labor protections, and redrawn the electoral map with the apparent aim of entrenching itself in power for the foreseeable future. The country's economic woes and a general sense of hopelessness have driven record numbers of Hungarians to emigrate, especially to Western Europe. According to one estimate, nearly half of those under 30 years of age are interested in moving abroad, either temporarily or permanently.[2]

National Democratic Governance. Although a new constitution drafted primarily by the ruling coalition took effect in 2012, the Fidesz-KDNP government continued to use its parliamentary supermajority to amend the charter as needed to meet short-term goals. The government also sought to exert political influence in the cultural sphere. A founding member of Fidesz was elected president of the republic in May, but he displayed more independence than his predecessor, referring controversial legislation to the Constitutional Court for review. Opposition forces became more active, though Fidesz remained the most popular political party, according to opinion polls. The extreme right, while still significant, seemed to lose momentum during the year. *Hungary's national democratic governance rating remains unchanged at 3.50.*

Electoral Process. Hungary's parliament passed a new law on electoral procedures that introduced questionable measures, most importantly a registration requirement that appeared to impose an unnecessary burden on the right to vote. On 28 December, the Constitutional Court invalidated the law on procedural grounds, but the substance of the changes was still under review at year's end.[3] With the decision of the court still pending, *Hungary's electoral process rating remains unchanged at 2.25.*

Civil Society. In the absence of significant private philanthropy and owing to underdeveloped fund-raising practices, civil society in Hungary still largely depends on government funds. The central body responsible for distributing these resources, created by the Fidesz government in 2011, is structurally prone to political influence. Decisions on grants are not transparent, and further evidence emerged during 2012 to substantiate the perception that public funds are being used primarily to support civic groups linked to the government by shared ideology or direct personal ties. *Hungary's civil society rating worsens from 2.00 to 2.25.*

Independent Media. A conservative media empire has displaced liberal and left-leaning outlets in recent years, aided by growing profits that derive largely from

targeted state advertising. Public-service media have become overtly progovernment, but due to their poor reputation, their rating figures have been low for many years. Despite the dominance of progovernment voices in mainstream outlets, a number of print publications and online news portals still provide quality journalism, and a flourishing scene of respected political blogs accommodate a wide range of viewpoints. *Hungary's rating for independent media remains at 3.50.*

Local Democratic Governance. Local administrations have enjoyed a high level of political independence in Hungary since 1989, but an overhaul by the current government has been reshaping their relationship with the capital. Recent changes have included the reallocation of responsibilities, nationalization of local assets, and the centralization of public education. In addition, for many years, local councils attempted to solve their financial difficulties by borrowing extensively from private creditors. This has led to an accumulated debt of about 1.3 trillion forints ($5.8 billion), which the central government is now planning to take over. In light of these growing curbs on local political autonomy, *Hungary's local democratic governance rating worsens from 2.50 to 2.75.*

Judicial Framework and Independence. Despite structural changes in 2011 that increased its exposure to political influence, the judiciary showed some resistance to government pressure in 2012. In one important ruling, the Constitutional Court struck down a new law that had forced out many experienced judges by lowering the mandatory retirement age. *Hungary's judicial framework and independence rating improves from 2.75 to 2.50.*

Corruption. The government has failed to use its supermajority to root out entrenched corruption, instead appointing loyal figures to lead organizations tasked with auditing and oversight of public finances. In 2012, a company managed by a longtime friend of the prime minister's was awarded valuable public contracts, raising concerns about cronyism. *Hungary's corruption rating remains unchanged at 3.50.*

Outlook for 2013. Fidesz is expected to start preparing for the 2014 elections during 2013, and its campaign effort is likely to include public spending aimed at key voting blocs, including pensioners. To make such expenditures possible, the government is doing all it can to reduce the budget deficit below the European Union (EU) target of 3 percent of gross domestic product. Planned cuts to higher education could cause long-term damage and further increase the discontent already expressed in student protests since December 2012. In addition, the term of the president of the National Bank, András Simor, expires in February 2013, affording the government the opportunity to appoint a loyalist to another core institution. With a friendly president at the National Bank, the government might try to tap into currency reserves that are currently unavailable to it.

Main Report

National Democratic Governance

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
n/a	2.00	2.00	2.25	2.25	2.50	2.50	3.00	3.50	3.50

Hungary is a parliamentary republic in which the prime minister, elected by a majority of the 386-member, unicameral National Assembly (Országgyűlés), holds executive power. The prime minister is responsible to the parliament and can be removed, along with the cabinet, only through a "constructive no-confidence" process, which requires a new prime minister to be endorsed in the same vote. It follows that under normal circumstances, the parliament does not serve as a significant check on the government. Since it took office in 2010, the current government has weakened other checks and balances through new legislation, the adoption and frequent amendment of a new constitution, and the installation of loyalists in ostensibly independent state institutions. The Hungarian National Bank (MNB) is one of the last key institutions not headed by an ally of Prime Minister Viktor Orbán, but the current MNB president's term expires in February 2013.

The parliament is the main legislative organ and has the exclusive power to pass laws. However, lesser forms of legislation may be passed by the government and cabinet ministers so long as they conform to the laws and the constitution. The parliament elects the president of the republic for up to two five-year terms. The head of state plays a mostly symbolic role, but has some control over the nomination and appointment of public officials and may refer legislation back to the parliament for reconsideration, or to the Constitutional Court for review, before signing it into law.

Since the April 2010 elections, the right-wing coalition of the Young Democrats' Alliance–Hungarian Civic Union (Fidesz) and its subordinate partner, the Christian Democratic People's Party (KDNP), has held more than two-thirds of the seats in the parliament. The parliamentary opposition is composed of three ideologically divided parties: the center-left Hungarian Socialist Party (MSZP), the green-liberal Politics Can Be Different (LMP), and the radical nationalist Movement for a Better Hungary (Jobbik) on the extreme right. In October 2011, former prime minister Ferenc Gyurcsány and his followers left the MSZP and formed a new party, Democratic Coalition (Demokratikus Koalíció), but under existing parliamentary rules they were not allowed to form a recognized faction in the National Assembly for another six months. In April 2012, the majority changed the rules to require a minimum of 12 lawmakers to form a faction, again thwarting the 10 Democratic Coalition members. A court ruling on the move was pending at the end of 2012.[4]

The country's new constitution, adopted in 2011, entered into forced on 1 January 2012. It was widely criticized domestically and internationally, partly

because it was drafted in a noninclusive process that reflected the values and interests of the ruling coalition, and partly because it represents a step back on issues such as marriage equality and reproductive rights. During 2010–11, the parliamentary majority regularly amended the former constitution to serve its short-term political and legislative needs. It was expected that with the entry into force of the new constitution, this practice would end. However, the ruling coalition amended new constitution several times during 2012. Such frequent changes to the basic law, along with lower-level legislation that directly serves the interests of the governing parties' clients,[5] create an atmosphere of legal uncertainty and damage the rule of law.

In April 2012, for the first time in Hungary's postcommunist history, the president of the republic was forced to resign. The move came after popular online news portal Hvg.hu reported that the head of state, Pál Schmitt, had plagiarized the overwhelming majority of his doctoral dissertation.[6] Upon his election with Fidesz's backing in 2010, Schmitt had pledged to be an engine rather than a brake when it came to passing legislation, and during his tenure he did not refer a single law to the Constitutional Court or back to the legislature for revisions. To replace him the parliament elected János Áder, a member of the European Parliament, a founding member of Fidesz, and a longtime friend of the prime minister's.[7] Contrary to expectations, Áder used his limited veto and court referral powers several times during 2012, and was generally seen as more independent than his predecessor.[8]

In addition to appointing trusted cadres to lead virtually all state institutions, the Fidesz government has attempted to engineer more subtle and long-term changes in Hungarian culture and society. On the pretext of freeing local governments from the burden of maintaining elementary and secondary schools, the ruling coalition in 2010 opened up the option of transferring public schools to religious organizations. As a result, families in the affected localities lost access to secular educational institutions.[9] A recently adopted history curriculum was deemed "unacceptable" by the Association of History Teachers in October 2012 due to its alleged nationalistic and militaristic bias and inaccuracies, among other problems.[10] Another aspect of Fidesz's project of cultural transformation has been its privileged treatment of the Hungarian Academy of Arts (MMA). The MMA had been an informal group of mostly right-wing artists centered on an acclaimed architect, the late Imre Makovecz, until it was included in the new constitution as an organ at the same level as the National Academy of Sciences (MTA). This effectively made the MMA the central clearinghouse for state financing dedicated to the arts. MMA president György Fekete has made it clear that the MMA will only support art that is "national" and conservative, in line with the views of the academy.[11] In December 2012 the otherwise successful director of the National Theater, Róbert Alföldi, was not renewed in his position. His replacement, Attila Vidnyánszky, was clearly qualified, but the circumstances of his election suggest that the decision was made more on ideological than professional grounds.[12] The theater's new director for communications was expected to be KDNP lawmaker István Pálffy.[13]

Direct attacks on the country's Romany population subsided in 2012 in comparison with previous years, but xenophobia and racism remain a concern.[14]

The persistence of anti-Semitism was evident in an attack on a chief rabbi,[15] and in openly racist speeches in the parliament,[16] among other examples. On a positive note, the government and the opposition parties, with the exception of Jobbik, have condemned such displays of racism.

At the end of 2012 it appeared that despite a significant loss of popularity, Fidesz-KDNP retained its prime position among Hungary's political parties.[17] In October a new political formation, Együtt 2014 (Together 2014), led by former prime minister Gordon Bajnai, emerged as a possible contender.[18] It remains to be seen whether the movement will be able to galvanize the left-leaning opposition.

Electoral Process

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
1.25	1.25	1.25	1.75	1.75	1.75	1.75	1.75	2.25	2.25

Since 1990, Hungarian elections have consistently been assessed as free and fair. Members of parliament have been elected for four-year terms in a two-round mixed electoral system. Parties had to reach a 5 percent threshold to gain seats through regional and national party lists.

In the last general elections in 2010, the severely discredited MSZP was soundly defeated by Fidesz-KDNP, which now holds 68.1 percent of the seats in the parliament. Jobbik has 10.9 percent, the MSZP 12.5 percent, and the LMP 3.9 percent. At the time of writing there were 17 independent members, mostly due to the secession of Gyurcsány and his allies from the MSZP and some lawmakers who left Jobbik.[19]

While the electoral system ensured free and fair balloting, it was very complex, and the parliament—with 386 members, of whom 176 were elected in individual constituencies—was consistently deemed too large for the population of the country. A new electoral law passed by the ruling coalition at the end of 2011 retains the mixed proportional-majoritarian nature of the previous system, but will reduce the parliament to 199 members and increase the share of single-member districts, with 106 individually elected members and 93 party-list seats. The law sparked strong resistance from the opposition for its apparent gerrymandering of the new constituencies, an increase in the number of signatures required for candidacy, a shorter period for collecting these signatures, and changes in the allocation of excess and lost votes that favor the dominant party. It also granted the vote for the first time to ethnic Hungarians in neighboring countries who have accepted Hungary's offer of citizenship. Critics allege that the new law will solidify Fidesz's grip on power for the foreseeable future.[20]

The controversy that surrounded the law on elections was compounded at the end of 2012 when the parliament passed a new electoral procedures law that regulates how elections are organized and conducted. The legislation introduced new rules for nomination, a shorter campaign period, and most importantly voter

registration.[21] Because Hungary already had a complete and up-to-date citizen registration system and compulsory national identification documents, critics of the measure argued that the additional step of voter registration is superfluous and would unnecessarily restrict the freedom to vote. President Áder referred the law to the Constitutional Court for review,[22] and others expressed disagreement as well.[23] On 28 December the Constitutional Court ruled that several laws—including the newest electoral legislation—had been improperly adopted as "transitory" additions to the constitution and nullified them on procedural grounds. The substance of the laws, however, was still under review at year's end.

The president of the republic is elected by the parliament for a five-year term and can be reelected once. In the first two rounds of the election, a supermajority is required; if it cannot be reached, a third round is decided by a simple majority. After President Schmitt was forced to resign in April 2012, the parliament elected Áder with a supermajority vote, 262 to 40.

Political parties are active in the country, especially the newer factions, which seem to be more responsive to grassroots concerns. New parties emerged out of the protests of 2011–12, but whether they will have much impact remains to be seen. Beyond periodic protests and the quadrennial elections, there is little citizen participation in political and public life.[24] Meanwhile, women and minorities, particularly the Roma, continue to be underrepresented in politics and public office.[25] Trust in public institutions and political parties remains low, raising concerns about the legitimacy of the political system and the security of democracy in Hungary. In 2011, Perspective Institute found that nearly 29 percent of respondents would strongly support and 16 percent would somewhat support changing the present democratic regime for an authoritarian one if it came with rapid economic growth.[26] The "failure of the past 20 years" has become a rhetorical staple on both the left and the right, though the conclusions each side draws from this assessment are drastically different.

Civil Society

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
1.25	1.25	1.25	1.50	1.50	1.75	1.75	2.00	2.00	2.25

The legal framework is generally hospitable to civil society, accommodating various forms of nongovernmental organizations (NGOs). However, aside from a handful of high-profile watchdog organizations, most NGOs operate on a very small scale, with miniscule budgets. A comprehensive new Civil Law entered into force in 2012 with the aim of bringing more clarity to the field.[27] Among other positive provisions, it requires NGOs to submit annual reports to a court, with failure to do so resulting in possible deregistration. Previously, thousands of organizations remained in the system with no recorded activities. The new provisions were welcomed by the majority of NGOs as an opportunity to increase the transparency and credibility

of the sector. As the implementation of other major changes has been deferred, the law's full effects on the NGO sector remain uncertain.

The engagement of private philanthropy in funding civil initiatives is still very limited in Hungary, and the few private sources that do support such activities fail to set and publish clear and transparent guidelines for grant making. Apart from some international donors, such as the EEA-Norway Grants and the Open Society Foundations, NGOs are overly dependent on government and European Union (EU) funds. Small individual donations play a minor role in NGO funding. Another source of independent income for the sector is the so-called 1 percent tax scheme, under which taxpayers can assign 1 percent of their income tax to an NGO of their choice.

NGOs are subject to the same tax rules as ordinary companies. These include high payroll taxes, which place a huge burden on nonprofit organizations and small businesses alike.

Government funds are distributed through the National Cooperation Fund (NEA). NEA is the successor of the National Civil Fund (NCA), which had been criticized in previous years for its working methods and funding policies. The new entity was established by the Fidesz government in 2011 with a mission to support "civil organizations, national togetherness, and public good." Its budget in 2012 was 3 billion forints ($13.3 million), a sharp drop from the NCA budgets of the past.

NEA's governing body is a nine-member council, consisting of three people appointed by the minister in charge, three by the relevant parliamentary committee, and only three civil society delegates. The chair of the council is appointed by the minister in charge. Funds are primarily distributed by five thematic colleges, but the chair can override the colleges' decisions by withdrawing grants from winners and issuing grants to organizations that the colleges previously turned down. Moreover, 10 percent of the NEA budget is directly distributed by the minister in charge.

NEA refuses to publish the full list of beneficiaries, providing only a search engine on its website. However, the investigative website Átlátszó acquired a list of 2012 grant recipients. According to this list, the largest grants were awarded to organizations that are not only committed to Fidesz-friendly ideas like nationalism or conservative Christian values, but often enjoy direct personal connections to the government, as with three groups that are chaired by Fidesz members of parliament.

The NEA council's current chair is Laszlo Csizmadia, a vocal supporter of Orbán's government. He is the head of Joint Civil Forum (Civil Összefogás Fórum, CÖF), a new association with a mission to "strengthen the coherence of the Hungarian nation." Csizmadia claims that CÖF is the "largest civil association of the Carpathian basin," with 400 member organizations. He refuses to reveal details about its organizational and financial background, but proudly announced in a public forum in May 2012 that the government provides financial support to CÖF.[28]

CÖF seems to aspire to a greater role in politics. In 2012 it was the chief organizer of Békemenet (Peace March), a large progovernment demonstration on the 23 October national holiday commemorating the 1956 uprising against Soviet-

backed communist authorities. That day also marked the launch of former prime minister Gordon Bajnai's new center-left political movement, Együtt 2014. Ten days later, CÖF mounted a nationwide public "reminder campaign" to "draw attention to the negative consequences" of the previous two MSZP-backed governments, led by Gyurcsány and Bajnai, respectively.[29] According to experts' estimates, the campaign cost at least 100 million forints ($444,000).

In December, a series of grassroots student demonstrations reinvigorated civic activism in the country. With the support of the Hungarian Rectors' Conference as well as a number of teachers' groups, students organized strikes and protests against government plans to severely cut the higher education budget. The government's most controversial decision was the introduction of the so-called Student Contract, under which students enjoying state-funded slots in universities would have to agree to stay and work in Hungary for several years after graduation. Erratic and inconsistent government responses to the students' demands and failed negotiations fueled the protesters' anger, and further demonstrations were expected.

Independent Media

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
2.25	2.50	2.50	2.50	2.50	2.50	2.75	3.25	3.50	3.50

The Hungarian media scene features a fairly wide range of print, broadcast, and internet outlets. Media ownership is relatively diverse, with a few multinational print houses and local private companies managing varying portfolios. However, the shrinking private advertising market has posed serious problems for smaller and independent media businesses, which have difficulty generating sufficient income. Many local media outlets struggle to survive, while the relative economic success of others is often secured by strong political support and targeted advertising spending by state institutions and state-owned companies.

After two decades in which liberal and pro-Western voices predominated in the media, a dynamic conservative media scene has developed in recent years, mainly based on the investments of affluent businesspeople who support Fidesz. This media empire today consists mainly of 15 intertwined companies controlled by four individuals.[30] The portfolio includes print and broadcast elements as well as Hungary's biggest outdoor advertisement company. The group in 2011 achieved an aggregated sevenfold increase in profits compared with 2009.[31] As a result, progovernment views now have relative hegemony in the media.

The two commercial terrestrial-broadcast television stations remain the main source of information for the majority of the population, along with a number of smaller cable channels. Yet the amount of public affairs content on these channels has seriously diminished in recent years.[32] News blocs are not only short and offer mostly tabloid-style news, but they often simply enumerate different party positions, seldom providing deeper analysis or broader perspectives.

Public-service media have been paralyzed by their poor reputation, direct state funding, and regular political meddling since 2010. The progovernment bias that permeated public media under previous administrations has been replaced with more overt transmission of government views.[33] Public television and radio channels and the state-owned news agency were merged in 2011 to bring efficiency to the assets, but the new umbrella institution, the Media Service Support and Asset Management Fund (MTVA), has failed to ensure transparency and features a proliferation of senior management positions and obscure areas of responsibility. Meanwhile, content is regularly affected by censorship, intimidation, and factual distortions to suit the government's interests. In once infamous incident in March 2012, then president Pál Schmitt sat for an interview on public television about his plagiarism scandal, but the reporter, Péter Obersovszky, acted more as a loyal advocate for the president than as an unbiased journalist.[34] In another case in May, MTI, the central news agency, quoted a blog that disparaged József Ángyán, who had stepped down as secretary of agriculture after a serious conflict with the prime minister. It was later revealed that the blog had been created just hours before the MTI published its story and contained a single entry.[35]

The country's broadsheet newspapers have long been characterized by open bias, with two major outlets on each side of the deep political divide. As a consequence, not only has their circulation been radically shrinking, but they are also losing significance in shaping the public debate. There are a few popular yet apolitical tabloids, and two major free newspapers enhance the preponderance of progovernment voices in the media. Both papers, *Metropol* and *Helyi Téma*, are closely linked to Fidesz.[36] While the former is distributed on the street, the latter is delivered directly to households by the Hungarian Post, with a circulation of 675,000. Although the state-owned postal company is obliged to provide data of public interest, it refuses to reveal the cost and other details of the paper's distribution.[37]

With the exception of a handful of weekly magazines (such as *Heti Válasz*, *Figyelő*, and *Magyar Narancs*), high-quality political journalism has migrated almost entirely to the internet, where major news portals (such as Index.hu, Origo.hu, and Hvg.hu) flourish alongside respected blogs. The web is also home to radical views, with numerous sites carrying far-right, anti-Semitic, racist, and ultranationalist content.

While the media appear to accommodate a fairly diverse range of ideas, a recent survey revealed widespread perceptions of self-censorship. It found that 80 percent of the public, 77 percent of journalists, and 96 percent of media owners and managers believe there are a number of taboo issues in the Hungarian public sphere.[38] Another survey shows that half of the interviewed media managers have experienced direct pressure from political forces, and 35 percent think that the level of political pressure is so high as to hinder freedom of the press. Political influence often comes in the form of, or is combined with, economic pressure.[39] Yet many of the respondents said the much-criticized 2010 Media Law had not greatly affected this situation. One, summarizing the views of others, explained that journalists

exercising self-censorship "had always been confined to narrower limits than those assigned by laws and regulations."[40]

Under the 2010 law, the National Media and Electronic Communications Authority (Nemzeti Média és Hírközlési Hatóság, or NMHH) oversees all media, including broadcast, print, and online outlets. It also grants licenses and frequencies, monitors content, and investigates and adjudicates public complaints. Its major regulatory body, the Media Council, consists of six people, all nominated by the governing party, with a chairperson appointed directly by the prime minister for a nine-year term.[41]

Local Democratic Governance

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
n/a	2.25	2.25	2.25	2.25	2.50	2.50	2.50	2.50	2.75

Local self-governance has been a symbolic element of Hungarian democracy since the fall of communism in 1989. The high level of decentralization is reflected in the large number of independent local councils in relation to the country's population. Almost half of the approximately 3,200 municipalities are small villages with fewer than 1,000 residents, and only around 300 of them have the status of a town. Each municipality votes for its own mayor and council. However, their political autonomy is limited in practice by heavy financial dependence on the central government, as lack of industry and consistently high rates of unemployment keep local tax revenues at a low level.

Local voting coincides with the quadrennial national elections. Fidesz's overwhelming ascendancy in local governments exceeds even its parliamentary supermajority. All but one of Hungary's 23 main cities and all 19 county-level assemblies are controlled by the governing party. It also holds the mayoral post in Budapest and enjoys a strong majority on the city council. Budapest comprises 23 autonomous districts, each with an independently elected mayor and assembly. All but two of the districts have been governed by Fidesz since the 2010 elections.

The severe indebtedness of local governments has been viewed as a ticking financial time bomb since 2006, when, due a liberalizing legal amendment, local governments began to issue bonds more prolifically. This led to an accumulated debt of about 1.3 trillion forints ($5.8 billion). In October 2012, Prime Minister Orbán announced that the central government would assume 612 billion forints in local debt, or about half of the total. Municipalities with fewer than 5,000 inhabitants are automatically subject to full relief, while in larger towns up to 40 percent of the debt would be transferred.

Based on the new constitution in effect since 1 January 2012, fundamental reforms have been rearranging local governance. A key guarantee of the old charter was the declaration that the state would respect local councils' property. However, under the new constitution, all local assets are considered part of Hungary's national

property, not owned but merely controlled by the municipalities to perform certain tasks allotted by the state. Responsibility for such tasks has been shifting radically over the last two years.

Part of this phenomenon is a centralization of public education. In an important manifestation of political autonomy, all previously state-owned elementary and high schools were placed under the purview of local or county governments after the fall of communism. This included the maintenance of buildings as well as professional supervision. The system was often criticized for producing inconsistency, segregation, and dire inequalities between wealthier and financially less privileged regions of the country. The recent reform effort aims to eliminate these long-standing imbalances and create a fairer and more predictable system, in which both children and teachers can enjoy greater security.[42]

In a key component of the reforms, all teachers and other educational employees will be on the payroll of a new centralized entity called the Klebelsberg Institution Maintenance Center (Klebelsberg Intézményfenntartó Központ, KLIK) beginning in 2013. The center itself will have 2,300 employees who, through 198 school district principals, will be responsible for 3,000 schools, 1.2 million students, and 120,000 teachers. KLIK will also be in charge of all teaching materials, supplies, and professional training coordination.

The government allowed just five days for public consultation on this proposal, and a number of worrisome details suggest that the system is utterly unprepared for the overhaul. Critics of the process include Zoltán Pokorni, Orbán's former minister of education, and in a recently leaked study by the Ministry of Human Resources, the undersecretary for education admitted that the costs of the reform are not covered in the budget.[43] Experts predicted during 2012 that a lack of sufficient funding could lead to massive dismissals. This is despite the fact that teachers' salaries have hardly increased since 2002,[44] falling well below the national average wage. A typical teacher's monthly salary is 100,000 forints ($440) after taxes.[45]

Judicial Framework and Independence

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
1.75	1.75	1.75	1.75	1.75	1.75	2.00	2.25	2.75	2.50

Citizens are equal before the law, and the judiciary serves as the primary guardian of constitutional rights. The judiciary is currently organized in a four-tier system of local courts, county courts, high appeals courts, and the Supreme Court (Kúria). Local and county courts have jurisdiction over their territorial districts, with county courts also serving as appellate courts for minor local cases. The high appeals courts have regional jurisdiction, with seats in Budapest and four other cities. The Supreme Court serves as a final appeals court and ensures the uniform application of laws, developing a limited form of case law.

In November 2011 the old governing body of the judiciary, the National Judicial Council (Országos Igazságszolgáltatási Tanács), was replaced with the National Judicial Office (Országos Bírósági Hivatal). While the previous arrangement was duly criticized for its lack of transparency and for placing too much power in the hands of the presidents of the county courts, the new system exposes the judiciary to government influence. The head of the new office is elected by a supermajority in the parliament, and the first incumbent is Tünde Handó, the former president of the Labor Court, the wife of Fidesz member of the European Parliament József Szájer, and a longtime friend of the prime minister's.

However, Handó rarely used her extensive powers in 2012,[46] and the judiciary appeared to retain a degree of autonomy, with judges generally able to carry out their functions independently and without interference. In one case during the year, after a high-profile murder trial resulted in what was widely seen as a light sentence, Minister of Public Administration and Justice Tibor Navracsics wrote a letter to the president of the Supreme Court, Péter Darák, questioning him about the sentence and the practice of the courts.[47] Darák refused to respond to this pressure.

In a highly controversial piece of legislation that took effect along with the new constitution in January 2012, the government lowered the mandatory retirement age of judges from 70 to 62. The affected judges were forced to retire and replaced by younger colleagues. In July, however, the Constitutional Court found the law unconstitutional, leading to an awkward situation in which the judges who wished to be reinstated were obliged to sue the judiciary for positions that had already been filled.[48] In practice they often settled for compensation. In a November judgment, the European Court of Justice also found the forced retirement of judges to be in violation of EU laws.[49]

Under the new constitution, a single Office of the Commissioner for Fundamental Rights was created to replace the previous ombudsmen's offices. The new commissioner is elected by a supermajority in the parliament for a nine-year term and has two deputies, one for "future generations" and one for the rights of national and ethnic minorities.[50] The portfolio of the former ombudsman for data protection and freedom of information was moved to the National Authority for Data Protection and Freedom of Information.[51]

The Constitutional Court has shaped the legal framework of Hungary since 1990. Its members are elected by the parliament from among the country's legal scholars, though critics have raised questions about the credentials and right-wing political ties of the judges appointed under the Fidesz government.[52] For example, István Balsai, appointed to the court in 2011, had most recently served as vice leader of Fidesz's parliamentary caucus. The Constitutional Court's primary function is to safeguard constitutional rights through its interpretation of the charter and control of legal norms. Since it lacks an effective enforcement mechanism, however, some of its decisions, most notably on the representation of minorities in the legislature, have not been implemented by the parliament.

As part of its broader drive to eliminate checks and balances in the country's constitutional framework, the government since 2010 has narrowed the scope of

the Constitutional Court's jurisdiction. So long as they do not pertain to certain fundamental rights, the Constitutional Court no longer has jurisdiction over questions related to the national budget. Importantly, cases regarding the right to private property are also outside the court's purview if the question is linked to the national budget. Under a rule imposed in 2011, only petitions submitted by at least a quarter of the parliament or individuals at the center of specific cases are now admissible.

The Constitutional Court has ruled against the government in several cases in recent years. In 2012, in addition to the law on retirement of judges and the new electoral legislation, it struck down legislation that effectively criminalized homelessness and rejected a law that narrowly defined a family as a married heterosexual couple and their direct descendants and adopted children.[53] However, judges appointed by the current ruling coalition will soon have a majority on the court, raising doubts about its future independence.

The chief prosecutor is nominated by the president of the republic and elected by the parliament for a nine-year term, and lawmakers do not have the right to summon him for questioning. The law governing the chief prosecutor's election now requires a two-thirds vote. This effectively entrenches Péter Polt, an Orbán confidante who was elected in December 2010, for more than two parliamentary terms. Polt had previously served as chief prosecutor from 2000 to 2006, and exercised his functions in a partisan manner.

Corruption

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
2.75	2.75	3.00	3.00	3.00	3.25	3.50	3.50	3.50	3.50

With its parliamentary supermajority, the government elected in 2010 had the ability to tackle corruption in a number of areas where it has proven especially acute. Instead, according to Transparency International's National Integrity Study 2011, released in March 2012, the state has been captured by private interest groups.[54]

Also in March, the government adopted a comprehensive resolution on "good governance and the clarity of public life."[55] The resolution contains positive initiatives that could adequately address existing loopholes in anticorruption legislation, but implementation lagged during the year. The designated working groups' activities were uncoordinated and deterred consultation with civil society, and by the end of 2012, none of the specified deadlines had been met.[56]

The opportunity to exercise political influence over independent institutions has increased significantly with Fidesz's two-thirds majority in the National Assembly, which allows it to appoint leaders of all key organizations without the agreement of the opposition. In practice, the ruling coalition has not shown self-control in any of these nominations since 2010. Consequently, even where legislation would provide an adequate framework for institutions to exercise independent auditing

or control, in reality their political autonomy is questionable. In an illustration of the problem, the head of the State Audit Office (Allami Szamvevőszek, or ASZ), the ultimate institution responsible for the financial and economic oversight of the parliament and public spending, is László Domokos, who was a Fidesz lawmaker at the time of his appointment. In November 2012, ASZ presented its annual award for outstanding and exemplary performance in building the office's professional prestige and importance to Antal Rogán, the leader of Fidesz's parliamentary caucus.

Political parties continue to pose the largest corruption risk in Hungary. Instead of ensuring transparency and accountability, the badly designed party and campaign-financing regulations almost encourage parties to seek funds from opaque sources.[57] While almost all previous governments promised to overhaul the system, the reform requires a two-thirds vote, and such consensus between Fidesz and the MSZP before 2010 was inconceivable. Fidesz now possesses the necessary supermajority on its own, but it has little incentive to change a system that serves its interests.

The business sector is also fraught with high risks of corruption, through bankruptcy and liquidation processes as well as licensing and public procurement procedures. A study released in 2011 showed that the vast majority of corporate chief executives believe good personal connections play a major role in public procurement procedures.[58] While 30 percent of the respondents said they would not necessarily refuse a corrupt deal, just 6 to 12 percent said they would report it to the police. Such data bolster the presumption that publicly revealed corruption cases represent only a small share of actual corrupt activities. The study also found that corruption in relations between private businesses is thought to be roughly as common as in relations between private businesses and the public sector.

Approximately 1.4 trillion forints ($6.2 billion) is spent annually through public procurement procedures, and the lack of a database aggregating essential procurement information seriously limits research on how these funds are allocated.[59] Budapesti Corvinus University's Corruption Research Center, financed with EU funds, has been working on the creation of such a database.

One prominent beneficiary of public procurement spending is Közgép Zrt., which has won almost 300 billion forints ($1.33 billion) in state contracts since Fidesz took power in April 2010.[60] Either on its own or as part of a consortium, Közgép has undertaken projects ranging from road and railway construction to waste management facilities.[61] The company's income increased by almost 50 percent between 2010 and 2011.[62]

Közgép is owned by Lajos Simicska, a childhood friend of Orbán's, a former financial director of Fidesz, and the president of the Tax Authority during the first Orbán government. He habitually avoids publicity, but many argue that the combination of his political ties and economic success makes him the most powerful "oligarch" in Hungary.[63]

In July 2012, the opposition party LMP organized a civil disobedience protest at the headquarters of Közgép to draw attention to such politically connected business magnates. Participants included nine LMP members of parliament who

chained themselves together at the building's entrance. Although they positioned themselves in a way that did not block traffic to the site, they were detained by police for a day and later fined 50,000 to 100,000 forints ($220 to $440) each.

Representatives of the European Anti-Fraud Office (OLAF) had visited the Közgép headquarters in May. The company subsequently released a statement claiming that the visit was part of a standard investigation into EU-funded projects. The outcome of the inquiry was not yet known at year's end.

▮ AUTHOR: BALÁZS ÁRON KOVÁCS

Balázs Áron Kovács is a doctoral candidate in Peace Studies at the University of New England.

---

1 The name is a play on various uses of the word *jobb* (right), meaning at once "the better one," "the one which is more correct," and "the more conservative one." Movement for a Better Hungary is the official English translation.

2 Endre Sik, "Csúcson a migrációt tervezők aránya" [Proportion of those planning to migrate reaches new high], Tárki, March 2012, http://www.tarki.hu/hu/news/2012/kitekint/20120523_migracio.html.

3 On 4 January 2013, after the coverage period of this report, the Constitutional Court struck down the controversial electoral law on substantive grounds.

4 MTI, "Democratic Coalition 'certain' court challenge will pave way for official parliamentary caucus status," Politics.hu, 19 April 2012, http://www.politics.hu/20120419/democratic-coalition-certain-court-challenge-will-pave-way-for-official-parliamentary-caucus-status/.

5 "Lexbarátokésellenségek"[Lexfriendsandenemies], *Tènytár*,25January2012,http://tenytar.hu/elemzes/lex_baratok_es_ellensegek#.UMZtK4PAcuA; Transparency International, *Corruption Risks in Hungary 2011: National Integrity Study* (Berlin: Transparency International, 2012), http://www.transparency.hu/uploads/docs/Corruption_Risks_in_Hungary_NIS_2011.pdf.

6 Percről Percre, "Schmitt Pál lemondott: belebukott a plágiumügybe—percről percre" [Pál Schmitt resigned: Falls because of plagiarism case—minute by minute], Hvg.hu, 2 April 2012, http://hvg.hu/itthon/20120402_schmitt_ugy_parlament.

7 "Áder lett az államfő—percről percre" [Áder became the head of state—minute by minute], Hvg.hu, 2 May 2012, http://hvg.hu/itthon/20120502_ader_valasztas.

8 See for example, "Áder megint visszadobott két törvényt" [Áder rejected two more laws], Hvg.hu, 5 June 2012, http://hvg.hu/itthon/20120605_ader_torvenyek_visszakuldese; "Áder: Alkotmányellenes a regisztráció" [Áder: Voter registration anticonstitutional], Index.hu, 12 June 2012, http://index.hu/belfold/2012/12/06/ader_regisztracio_normakontroll.

9 "Oktatási biztos: öt-hat településen 'okozhat gondot' az iskolák egyházi átadása [Commissioner for education: School handover to religious groups may 'cause problems' in five to six settlements], Eduline.hu, 31 May 2011, http://eduline.hu/kozoktatas/2011/5/31/20110531_egyhazi_iskola_atvetel_aary; Nikoletta Valkai, "Tüntessen, akinek nem tetszik a Hit Gyülekezete" [Let those protest who dislike the Congregation of the Faith], Index.hu, 21

May 2012, http://index.hu/belfold/2012/05/21/ajkan_nem_adjak_a_gimnaziumot_a_hit_gyulekezetenek/; Zsuzsanna Wirth, "Az új köszönés: 'Áldás, békesség!'" [The new salute: 'Bless, peace'], Origo.hu, 22 September 2011, http://www.origo.hu/itthon/20110922-elet-az-egyhazaknak-atadott-iskolakban-egyhazi-iskolak.html; "Döntött a parlament az iskolafenntartás részleteiről és az iskolakerülés elleni törvényről" [Parliament decided on the details of school financing and the law against truancy], Önkormányzati Klub, 13 July 2012, http://www.onkormanyzatiklub.hu/az-onkormanyzati-rendszer-megujitasa/3592-dontott-a-parlament-az-iskolafenntartas-reszleteirl-es-az-iskolakerules-elleni-torvenyrol.

10 Association of History Teachers (TTE), "A TTE állásfoglalása a kerettantervvel kapcsolatban" [TTE statement on the curriculum], news release, 25 October 2012, http://www.tte.hu/tte/allasfoglalasok/7561-a-tte-allasfoglalasa-a-kerettantervvel-kapcsolatban?utm_source=mandiner&utm_medium=link&utm_campaign=mandiner_201212.

11 "Lemondott a Műcsarnok igazgatója" [Director of Műcsarnok has resigned], Index.hu, 26 November 2012, http://index.hu/kultur/2012/11/26/lemondott_a_mucsarnok_igazgatoja/; Műcsarnok, "A Műcsarnok igazgatójának sajtóközleménye" [Press statement by the director of Műcsarnok], news release, 26 November 2012, http://mucsarnok.hu/new_site/dl/2012_11_26_sajtokozlemeny.pdf; "Fütyülök erre a demokráciára" [I don't care about this democracy], Index.hu, 30 November 2012, http://index.hu/video/2012/11/30/futyulok_erre_a_demokraciara/; "Gangnam Style Fekete György hatalomátvétele ellen" [Gangnam Style against György Fekete's takeover], Hvg.hu, 10 December 2012, http://hvg.hu/kultura/20121210_Gangnam_Style_Fekete_Gyorgy_hatalomatvete; György C. Kálmán, "Fekete ügye" [Fekete's case], Magyamarancs.hu, 6 December 2012, http://magyarnarancs.hu/elso_valtozat/fekete-ugye-82815. In a similar case, the director of the famous open-air festival in Szeged, Edina Bátyai, was removed from her position after right-wing council members found a piece of art not to their liking at an exhibition she had organized. "Bátyai Edináért tüntettek Szegeden" [They rallied for Edina Bátyai in Szeged], Index.hu, 30 November 2012, http://index.hu/kultur/2012/11/30/a_fidesznek_nem_kell_batyai_edina/; "Ismét, végleg leváltották Bátyai Edinát" [Edina Bátyai once again and finally removed], Index.hu, 13 December 2012, http://index.hu/belfold/2012/12/13/ismet_vegleg_levaltottak_a_szegedi_szabadteri_jatekok_ugyvezetojet/.

12 "Vidnyánszky lesz a Nemzeti Színház új igazgatója" [Vidnyánszky will be the new director of the National Theater], Hvg.hu, 17 December 2012, http://hvg.hu/kultura/20121217_Vidnyanszky_a_Nemzeti_Szinhaz_uj_igazgato.

13 KDNP, "Sajtószemle—Pálffy István lehet a Nemzeti Színház kommunikációs igazgatója" [Press release—István Pálffy to be communications director of the National Theatre," news release, 18 December 2012, http://kdnp.hu/roviden/sajtoszemle-%E2%80%93-palffy-istvan-lehet-nemzeti-szinhaz-kommunikacios-igazgatoja.

14 "Egy átlagos magyar szerint Magyarország éppen hogy a 'magyaroké'" [The average Hungarian thinks Hungary barely 'belongs' to Hungarians], Tárki, 9 September 2012, http://www.tarki.hu/hu/news/2012/kitekint/20120709_magyaroke.html.

15 "Rasszista inzultus érte az utcán Schweitzer József főrabbit" [Chief rabbi József Schweitzer suffers racist insult on the street], Hvg.hu, 5 June 2012, http://hvg.hu/itthon/20120605_schweitzer_jozsef_rasszista_inzultus; "A kormány elítéli a volt főrabbit ért támadást" [The government condemns the attack on the former chief rabbi], Origo.hu, 6 June 2012, http://www.origo.hu/itthon/20120606-a-kormany-eliteli-a-schweitzer-jozsefet-ert-tamadast.html; "A kormány elítéli a volt főrabbit ért támadást" [The government condemns the attack on the former chief rabbi], KDNP, http://kdnp.hu/roviden/kormany-eliteli-schweitzer-jozsefet-ert-tamadast?theme=clean.

16 "Zsidókról írna listát egy jobbikos képviselő" [Jobbik MP would list Jews], Origo.hu, 26 November 2012, http://www.origo.hu/itthon/20121126-zsido-listat-keszitene-egy-jobbikos-kepviselo.html; Gellért Rajcsányi, "Tiszaeszlározás a parlamentben" [Talk of Tiszaeszlár in the parliament], Mandiner.hu, 4 April 2012, http://mandiner.blog.hu/2012/04/04/

tiszaeszlarozas_a_parlamentben. Tiszaeszlár is a town in eastern Hungary where a much publicized blood-libel case took place in the early 1880s. The accused Jews were acquitted by the court, but in the aftermath of the case the National Anti-Semitic Party was formed to counter "Jewish influence in politics and the economy and Jewish immigration." The case has long been an important reference point for anti-Semitism in Hungary.

17 For example, "Negyedik pártként startolt az Együtt 2014 Mozgalom" [Együtt 2014 movement starts out fourth among parties], Tárki, 28 November 2012, http://www.tarki.hu/hu/news/2012/kitekint/20121128.html.

18 Együrt 2014 was created by three groups: Milla, a movement born on interner-based social media (http://www.millamedia.hu/); Haza és Haladás, a think tank created by former prime minister Gordon Bajnai (http://www.hazaeshaladas.org/); and the Magyar Szolidaritás Mozgalom (Hungarian Solidarity Movement, http://www.szolidaritas.org/). Their request for registration has been submitted to the courts. This is a precondition for authorization to run in elections.

19 Parliament of Hungary website, accessed 12 December 2012, http://www.mkogy.hu/foritkar/frak.htm.

20 When the law was passed in 2011, an intense debate ensued; some of the following sources, which provide extensive analysis on the electoral system, are from this period. Social Development Institute website, accessed 5 February 2013, http://www.valasztasirendszer.hu; Viktor Szigetvári, Csaba Tordai, and Balazs Vető, "Túl a demokrácián—Az új országgyűlési választási rendszer modellje (2. rész)" [Beyond democracy—The model of the new parliamentary electoral system (part 2)], *Hazaeshaladas*, 25 November 2011, http://hazaeshaladas.blog.hu/2011/11/25/tul_a_demokracian_az_uj_orszaggy; Aron Kovács, "Még narancssárgább lenne az ország Lázár ötletétől" [Lázár's idea would make the country even more orange], Origo.hu, 22 November 2011, http://www.origo.hu/itthon/20111121-ellenzeki-valasztokeruletek-es-listas-mandatumok-az-uj-valasztasi-rendszerben.html; Andras Kovács , "Bajnaiék nem adják föl: tovább manipulálnak" [Bajnaiék does not give up: Further manipulating], Mno.hu, 8 February 2012, http://mno.hu/belfold/bajnaiek-nem-adjak-fol-tovabb-manipulalnak-1049580; András Kovacs, "Bajnaiék figyelmen kívül hagyják a tényeket" [Bajnai and company disregard the facts], Mno.hu, 30 January 2012, http://mno.hu/belfold/bajnaiekfigyelmen- kivul-hagyjak-a-tenyeket-1047302; Andras Kovács, "Bajnaiékat cáfolja az LMP-s nagyágyú?" [LMP's big shot proves Bajnai wrong?], Mno.hu, 26 December 2011, http://mno.hu/belfold/bajnaiekat-cafolja-az-lmp-s-nagyagyu-1039525; Andras Kovács, "Mégse a Fidesznek kedvez az új rendszer?" [The new electoral system won't favor Fidesz at the end of the day?], Mno.hu, 11 December 2011, http://mno.hu/belfold/megse-a-fidesznek-kedvez-azuj-rendszer-1036835; Andras Kovács, "Tudatosan manipulál Bajnai alapítványa?" [Bajnai's foundation manipulates wantonly?], Mno.hu, 3 December 2011, http://mno.hu/belfold/rudarosan-manipulal-bajnai-alapitvanya-1035438.

21 Parliament of Hungary, *Törvény a Választási Eljárásról* [Law on the Election Procedure] (Budapest: Parliament of Hungary, 18 September 2012), http://www.parlament.hu/irom39/08405/08405.pdf; "Hosszabb lesz a kampány: így szavazunk 2014-ben" [Longer campaign: This is how we vote in 2014], Hvg.hu, 18 September 2012, http://hvg.hu/itthon/20120918_Gyorshir_itt_a_javaslat_igy_valasztunk_20.

22 "Az Alkotmánybírósághoz fordul az elnök a választási törvény miatt" [President of the republic turns to Constitutional Court about electoral law], Hvg.hu, 6 December 2012, http://www.hir24.hu/belfold/2012/12/06/az-alkotmanybirosaghoz-fordul-az-elnok-a-valasztasi-torveny-miatt/.

23 "A Nézőpont is tiltakozik a választási törvény ellen" [Perspective Institute, too, protests against the electoral law], Hvg.hu, 17 November 2012, http://hvg.hu/itthon/20121117_valasztasi_torveny_tiltakozas; "Demszky és Magyar az Ab-hoz fordultak" [Demszky and Magyar turned to the Constitutional Court], Hvg.hu, 5 December 2012, http://hvg.hu/itthon/20121205_Demszky_es_Magyar_az_Abhoz_fordultak.

24 Demonstrations in the last quarter of 2012 were more numerous, especially the major student protests against the government's new regulations on tuition fees in higher education. For more details see the Civil Society section.

25 For the current number of female parliament members, see the National Assembly website at http://www.mkogy.hu/internet/plsql/ogy_kpv.kepv_rip?P_CALL_MOD=KEPV_RIP_&P_CKL=39&P_BIZ=null&P_NEME=2&P_EGYENI=I&P_TERULETI=I&P_ORSZAGOS=I&P_MEZO=null&P_SORREND=null.

26 "Nézőpont: A magyarok közel fele lemondana a demokráciáról a gazdasági növekedésért" [Perspective Institute: Nearly half of Hungarians would give up democracy for economic growth], Origo.hu, 25 October 2011, http://www.origo.hu/itthon/20111025-nezopont-az-emberek-kozel-harmada-felvaltana-a-demokraciat-a-gyors.html.

27 "Útmutató a civilszervezetekkel kapcsolatos jogszabályok közötti gyakorlati eligazodáshoz" [A practical guide to the laws and regulations on civil organizations], Civiltárs, 22 December 2011, http://civiljogok.hu/utmutato/bevezetes-utmutato-civil-szervezetekkel-kapcsolatos-jogszabalyok-kozotti-gyakorlati-eligazo.

28 A video of Csizmadia's remarks is available here: https://www.youtube.com/watch?v=pDfXzoy6zBo&feature=youtu.be.

29 "Újra hazudik Bajnai és Gyurcsány" [CÖF: Bajnai and Gyurcsány are lying again], Origo.hu, 19 November 2012, http://www.origo.hu/itthon/20121119-civil-osszefogas-forum-ujra-hazudik-bajnai-es-gyurcsany.html.

30 A graphic illustration of these companies is available here: http://image.kreativ.hu/original/116726.png.

31 "Jó évet zárt a Fidesz-közeli médiabirodalom" [A good year for the Fidesz-ally media empire], *Kreativ*, 5 July 2012, http://www.kreativ.hu/reklam/cikk/jo_evet_zart_a_fidesz_kozeli_mediabirodalom.

32 "Közéleti tartalom a médiatörvény előtt és után" [Public affairs content before and after the new media law], Mérték Médiaelemző Műhely, http://mertek.eu/jelentesek/kozeleti-tartalom-az-uj-mediatorveny-elott-es-utan.

33 Ibid.

34 "A man of honour, greatly impugned," *Economist*, 31 May 2012, http://www.economist.com/blogs/easternapproaches/2012/03/hungarys-resilient-president.

35 "Majtényi: 'Az Ángyán-ügy minden eddiginél súlyosabb és durvább'" [Majtényi: 'The Ángyán case is more serious and brutal than any case before'], Hvg.hu, 31 May 2012, http://hvg.hu/itthon/20120531_mti_angyan_majtenyi.

36 "A Helyi Thémával az Orbán-kormány szellemiségét kívántam szolgálni" [I wanted to render a service to the ideology of the Orbán government with Helyi Téma], *Népszabadság*, 6 November 2009, http://nol.hu/belfold/20091106-azert_a_mehek_dolgoznak_am.

37 "Első fokon nem nyilvános, mennyiért terjeszti a Helyi Témát a Posta" [First-degree court ruling: Hungarian Post does not have to reveal for how much it distributes Helyi Téma], *Átlátszó*, 5 October 2012, http://atlatszo.hu/2012/10/05/elso-fokon-nem-nyilvanos-mennyiert-terjeszti-a-helyi-temat-a-posta/.

38 Mérték Médiaelemző Műhely, *Sajtószabadság-index 2012* [Press Freedom Index 2012] (Budapest: Mertek, 2012), http://mertek.eu/sites/default/files/reports/sajtoszabadsag_index.pdf.

39 Mérték Médiaelemző Műhely, *A sajtószabadság helyzete a médiamenedzserek szerint* [Freedom of the press according to media managers] (Budapest: Mertek, 2012), http://mertek.eu/jelentesek/a-sajtoszabadsag-helyzete-a-mediamenedzserek-szerint.

40 Mérték Médiaelemző Műhely, *The Reins on Freedom: Self-Censorship in the Hungarian Press* (Budapest: Mérték, 2012), http://mertek.eu/sites/default/files/reports/report_self_cencorship.pdf.

41 The rules governing the appointment of the Media Council chairperson have changed slightly in 2013.

42 Government of Hungary, "Újabb lépés az igazságosabb iskolarendszer felé" [Another step toward a just school system], news release, 27 November 2012, http://www.kormany.hu/hu/emberi-eroforrasok-miniszteriuma/oktatasert-felelos-allamtitkarsag/hirek/ujabb-lepes-az-igazsagosabb-iskolarendszer-fele.

43 "Hoffmann titokban elismerte: nincs meg a pénz az oktatás államosítására" [Hoffmann secretly admitted: There are not sufficient resources for the nationalization of education], Hvg.hu, 5 November 2012, http://hvg.hu/itthon/20121105_oktatas_allamositas_EMMI_eloterjesztes_ko.

44 "Nagy a baj a közoktatásban (is)" [Public education (too) in big trouble], *Tényt*ár, 9 November 2012, http://tenytar.blog.hu/2012/11/09/nagy_a_baj_a_kozoktatasban_is#more4888473.

45 "Százezer forintból tengődnek a magyar tanárok" [Hungarian teachers scrape by on 100,000 forints], Origo.hu, 20 October 2012, http://www.origo.hu/itthon/20121020-szazezer-forintbol-tengodnek-a-magyar-tanarok.html.

46 There were a number of instances in which Handó used her discretionary power to reassign cases outside the regular jurisdiction. Among these was one high-profile political case, that of Miklós Hagyó, a former MSZP politician accused of corruption. His case was moved to a court in Kecskemét, where incidentally another former MSZP politician, János Zuschlag, had previously been sentenced to seven years in prison for corruption. The Hagyó case was ongoing at the time of writing, and it remained unclear whether the reassignment amounted to political interference or a breach of judicial integrity. See "Nem költözik a Hagyó-per" [The Hagyó case is not moving], MNO.hu, 7 August 2012, http://mno.hu/ahirtvhirei/nem-koltozik-a-hagyo-per-1097357.

47 "Navracsics Tibor levelét megírta" [Tibor Navracsics has written his letter], *Tarsasag a Szabadsagjogokert*, 17 May 2012, http://ataszjelenti.blog.hu/2012/05/17/navracsics_tibor_levelet_megirta.

48 "Fellázadt az Ab: visszamenőlegesen semmis a bírók nyugdíjazása" [The Constitutional Court rebels: The retirement of judges retroactively made null], Hvg.hu, 16 July 2012, http://hvg.hu/itthon/20120716_AB_brok_nyugdjkorhatara.

49 "Uniós jogot sért a bírák nyugdíjazása" [The judges' retirement violates EU law], Origo.hu, 6 November 2012, http://www.origo.hu/itthon/20121106-europai-birosag-unios-jogot-sert-a-birak-nyugdijazasa.html.

50 Office of the Commissioner for Fundamental Rights website, accessed 13 December 2012, http://www.obh.hu/.

51 "General Information," Hungarian National Authority for Data Protection and Freedom of Information website, accessed 5 February 2013, http://www.naih.hu/general-information.html.

52 "Current Members," Constitutional Court of Hungary website, accessed 13 December 2012, http://www.mkab.hu/tagok/jelenlegi-tagok.

53 "Alkotmányellenes a hajléktalanság tiltása" [Banning homelessness is anticonstitutional], Index.hu, 13 November 2012, http://index.hu/belfold/2012/11/13/alkotmanyellenes_a_hajlektalansag_tiltasa/.

54 Transparency International, *National Integrity Study 2011* (Berlin: Transparency International, 2012), http://www.transparency.hu/National_integrtity_study?bind_info=page&bind_id=325.

55 Government of Hungary, "Összefoglaló a Kormány korrupcióellenes intézkedéseiről" [Summary of the government's anticorruption measures], news release, 9 December 2012, http://www.kormany.hu/hu/gyik/osszefoglalo-a-kormany-korrupcioellenes-intezkedeseirol.

56 Transparency International, *Késésben a kormány az antikorrupciós küzdelemben vállalt feladataival* [Government lagging behind in fulfilling its designated tasks to fight corruption],

news release, 23 November 2012, http://www.transparency.hu/Kesesben_a_kormany_az_antikorrupcios_kuzdelemben_vallalt_feladataival?bind_inf.

57 Transparency International, *National Integrity Study 2011* (Berlin: Transparency International, 2012), http://www.transparency.hu/National_integrtity_study?bind_info=page&bind_id=325.

58 Ernst & Young, "A magyar felsővezetők 30%a nem utasítana el egy korrupciós ajánlatot" [30% of Hungarian senior managers would not refuse a corrupt offer], news release, 11 February 2011, http://www.ey.com/HU/hu/Newsroom/News-releases/Korrupcios_Kockazatok_2011.

59 BCE Corruption Research Center, *Közbeszerzések és piaci verseny: az okságí elemzés felé* [Public procurement and competition: Toward causal analysis] (Budapest: BCE Corruption Research Center, 2010), http://www.crc.uni-corvinus.hu/download/kb_adatok_2010_figyelo_121011.pdf.

60 "Közgép-lista" [Közgép-list], *Magyar Narancs*, 14 December 2012, http://magyarnarancs.hu/belpol/kozgep-82915.

61 "A Simicska-birodalom állami megrendelései szektoronként 2010-től" [Government contracts of the Simicska empire since 2010], http://m.cdn.blog.hu/in/infoporn/postimage/kozgep-chart_1337617620.png, retrieved on 27 January 2013. The diagram, prepared by journalist Oliver Lebhardt, is based on information from the database of the Registry Court, the Public Tenders Bulletin, Origo.hu, Magyar Narancs (a political-cultural weekly) and Napi Gazdasag (a business and finance daily).

62 "Közel 50 milliárdnyi közbeszerzést nyert meg idén eddig a Közgép" [Közgép has won almost 50 billion of public procurement up to this point in this year], Menedzsment Fórum, 12 November 2012, http://www.mfor.hu/cikkek/Kozel_50_milliardnyi_kozbeszerzest_nyert_meg_iden_eddig_a_Kozgep.html.

63 "Kis Oligarchatározó: Simicska Lajos" [The little guide to oligarchs: Lajos Simicska], *Átlátszó*, 12 November 2012, http://atlatszo.hu/2012/11/12/kis-oligarchatarozo-simicska-lajos/.

Kazakhstan

by Bhavna Dave

Capital: Astana
Population: 16.6 million
GNI/capita, PPP: US$11,250

Source: The data above are drawn from the World Bank's *World Development Indicators 2013.*

Nations in Transit Ratings and Averaged Scores

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Electoral Process	6.50	6.50	6.50	6.50	6.75	6.75	6.75	6.75	6.75	6.75
Civil Society	5.50	5.50	5.75	5.75	5.50	5.50	5.75	5.75	6.00	6.25
Independent Media	6.50	6.50	6.75	6.75	6.75	6.50	6.75	6.75	6.75	6.75
Governance*	6.25	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
National Democratic Governance	n/a	6.50	6.75	6.75	6.75	6.75	6.75	6.75	6.75	6.75
Local Democratic Governance	n/a	6.25	6.25	6.25	6.25	6.25	6.25	6.25	6.50	6.50
Judicial Framework and Independence	6.25	6.25	6.25	6.25	6.25	6.00	6.25	6.25	6.50	6.50
Corruption	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50
Democracy Score	6.25	6.29	6.39	6.39	6.39	6.32	6.43	6.43	6.54	6.57

* *Starting with the 2005 edition, Freedom House introduced separate analysis and ratings for national democratic governance and local democratic governance to provide readers with more detailed and nuanced analysis of these two important subjects.*

NOTE: The ratings reflect the consensus of Freedom House, its academic advisers, and the author(s) of this report. The opinions expressed in this report are those of the author(s). The ratings are based on a scale of 1 to 7, with 1 representing the highest level of democratic progress and 7 the lowest. The Democracy Score is an average of ratings for the categories tracked in a given year.

Executive Summary

Kazakhstan's political stability and rising economic prosperity belie deeply undemocratic practices that have become fixed in the country's post-Soviet existence. These undemocratic practices were on clear display in 2012.

In January, Kazakhstan's government mobilized its administrative and propaganda machine to hold parliamentary elections that further entrenched the power of President Nursultan Nazarbayev and his ruling Nur Otan party. After the vote, in which two satellite parties of Nur Otan won just a handful of seats, regime supporters countered criticisms of election monitors from the Organization for Security and Cooperation in Europe's Office for Democratic Institutions and Human Rights (OSCE/ODIHR) by praising Kazakhstan's "evolving democracy." Then, through a yearlong crackdown on the country's political opposition, independent media, and civil society, the regime sought to demonstrate that it enjoys popular support and is the sole guarantor of national security. Authorities also continued to describe labor protests that ended with police firing on striking oil workers and their supporters in December 2011 in the western town of Zhanaozen as the work of "third forces" manipulated by the political opposition. In a series of unjust trials, the government convicted dozens of activists and workers for instigating violence in Zhanaozen, including Vladimir Kozlov, head of the unregistered opposition political party, Alga.

There is intense speculation in Kazakhstan as to how much day-to-day control 72-year-old President Nazarbayev exerts and what mechanisms of succession, if any, are in place. The delivery of political stability and rising prosperity to its people is aided by the country's enormous resource wealth and long tradition of multiethnic cooperation. Officially named "Leader of the Nation" in 2010, Nazarbayev has been in office for more than 20 years, since just prior to Kazakhstan's independence. Aided by the country's enormous resource wealth and long tradition of multiethnic cooperation, Nazarbayev takes credit for Kazakhstan's stability and development, insisting that growth must come before liberalization. He enjoys unlimited special powers under the country's constitution, including immunity from prosecution, freedom from term limits, and the right to nominate his successors and advise them. The government's ceaseless propaganda campaigns, broadcast by a tightly regulated media, reinforce Nazarbayev's carefully crafted image and political message, discrediting any potential alternatives to his leadership. His regime tolerates widespread corruption and keeps tight control on political appointments at all levels of governance. Recent shuffling of officials in Astana, Kazakhstan's capital, and some of the country's regions suggests restructuring due to intra-elite tension without any immediate or future democratizing implications.

National Democratic Governance. Under President Nazarbayev's government, Kazakhstan has mastered the rhetoric of reform and democratization to establish a favorable image in the West without demonstrating a genuine commitment to these processes. Various business groups depend on Nazarbayev's patronage and indirectly control the parliament, government ministries, and major media outlets, while Nazarbayev himself appoints individuals to a range of top offices. In 2012, he rearranged several key officials in Astana, including the prime minister and head of the Presidential Administration. The country's military and security services also experienced a crisis of leadership after a series of violent incidents. *Kazakhstan's rating for national democratic governance remains unchanged at 6.75.*

Electoral Process. In the run-up to the January 2012 parliamentary elections, the government blamed Kazakhstan's political opposition for instigating the violence in Zhanaozen. Although OSCE/ODIHR monitors declared that the election "did not meet key democratic principles," Kazakhstan's national media as well as diplomats and lobbyists working to elevate the country's prestige abroad praised the vote for ensuring a multiparty parliament. In reality, the only two parties other than Nur Otan that crossed the 7 percent barrier required for representation are loyal to President Nazarbayev. Due to the absence of any substantive change despite some token reforms, *Kazakhstan's rating for electoral process remains unchanged at 6.75.*

Civil Society. The space for independent activism and public debate shrank in 2012, as the government continued to coopt nongovernmental organizations (NGOs), businesses, and public associations into the state sphere. A law adopted in January 2012 to protect "national security" further strengthens state regulation of the civic sphere by making it easier to monitor political opponents, labor activists, and other independently minded individuals. The measure also compounded the effects of existing restrictions on the right to assembly and other democratic guarantees, as well as the registration of religious and other NGOs. Due to its inadequate and unjust response to Zhanaozen and the enactment of measures further limiting the activity of genuinely free associations and activities, *Kazakhstan's rating for civil society worsens from 6.00 to 6.25.*

Independent Media. The media sphere is largely under the control of business groups affiliated with the ruling regime. The government also employs propaganda and technology to regulate the media and saturate Kazakhstan's informational space with progovernment views that seek to discredit independent voices. In 2012, the regime banned about 40 of the country's few surviving independent media outlets for publishing "extremist" content. Many of these outlets were funded by opposition figures. Criticism of Nazarbayev and other top figures remains a criminal offense, and the government seeks to enhance its international profile by controlling information on the internet and engaging foreign communications firms. *Kazakhstan's independent media rating remains unchanged at 6.75.*

Local Democratic Governance. President Nazarbayev maintains full authority over appointing the heads (*akims*) of all regions and districts and resists demands to introduce local elections. Notwithstanding this centralized system, the government scrambled in 2012 to establish effective control over regional administrations in order to respond to instability and manage corruption. Nazarbayev's regime dismissed multiple regional and local leaders in the oil-rich regions of Atyrau and Mangistau, where Zhanaozen is located. *Kazakhstan's rating for local democratic governance remains 6.50.*

Judicial Framework and Independence. Kazakhstan's judiciary is loyal to the regime and protects the interests of the state rather than those of individuals, minorities, and the weaker strata of society. In 2012, the judiciary convicted dozens of civil society activists, oil workers, police officers, and regional administrators, as well as opposition leader Vladimir Kozlov, on politically motivated charges of fomenting unrest in Zhanaozen. There were widespread reports that torture, ill treatment, and other unlawful actions were utilized in the trials. No high-level government officials were investigated or tried for their involvement in the violence. Due to the continuing compliance of the judiciary with the interests of the regime, *Kazakhstan's judicial framework and independence rating remains unchanged at 6.50.*

Corruption. Corruption is systemic in Kazakhstan and benefits ruling elites. Investigations are handled by the presidentially appointed prosecutor general and financial police (FinPol) in conjunction with the Ministries of Justice and Internal Affairs and the National Security Committee (KNB). These entities press corruption charges against critics of the government, including political opponents, journalists, and NGOs. High-level officials typically only face charges after they have fallen out of favor with the regime. In 2012, multiple administrators in Atyrau were sacked and investigated for misappropriating more than $100 million, and the country's prosecutor general stepped in to dismiss the regional prosecutor for his slow-footed response to the scandal. In addition, the regime continued to pursue corruption charges against former officials who have fled the country. *Kazakhstan's corruption rating remains unchanged at 6.50.*

Outlook for 2013. Kazakhstan's government takes credit for delivering stability and prosperity, despite its resistance to meaningful political reform and crackdowns on virtually all opposition to President Nazarbayev's rule. In the near future, the regime will likely introduce more top-down measures to further assert its dominance at all levels of governance. Given the regime's tight grip on both political and economic interests, many citizens will also likely continue to view loyalty to the president as the best means of seeking advancement for themselves and their families.

Yet Kazakhstan's governmental system, situated around a single person and his political party, may be approaching a saturation point. The regime's refusal to liberalize, constant displays of devotion to Nazarbayev and his legacy as the "First

President," widespread patronage networks, and control over various leadership appointments have made political parties, the parliament, and other institutions in the country seem increasingly irrelevant. As the question of who will take power after Nazarbayev dies or leaves office continues to gain momentum, the hollow narrative about a strong, prosperous, and democratizing Kazakhstan will face new pressures and critiques, particularly from members of the country's rising middle class who want guarantees rooted in the rule of law.

Main Report

National Democratic Governance

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
n/a	6.50	6.75	6.75	6.75	6.75	6.75	6.75	6.75	6.75

President Nursultan Nazarbayev has placed Kazakhstan on a path of socioeconomic modernization, thanks in large part to the country's enormous resource wealth. In theory, this modernization should produce conditions favorable to democracy. However, the government's unrelenting drive to consolidate control over both resources and institutions means that Nazarbayev and a small number of individuals and groups enjoying his patronage continue to thwart democratic development. Government propaganda reinforces Nazarbayev's cult of personality, masking growing speculation and anxiety about presidential succession.

Kazakhstan's political system is a hybrid of Soviet-era institutions and practices with an elected parliament dominated by a single party (Nur Otan). This apparatus hinges on the personality and backing of Nazarbayev. Under the constitution, Nazarbayev has sweeping authority over the parliament, which is comprised of the Senate (the upper house) and the Mazhilis (the lower house). He appoints one-third of the Senate and may unilaterally dissolve the parliament. He also selects all members of the Assembly of the People of Kazakhstan (APK), a body representing ethnic minorities, and places nine of them in the Mazhilis. The remaining 98 members of the Mazhilis are elected from party lists on a proportional basis. The additional senators are selected by the assemblies of the 14 regions, the capital Astana, and the former capital Almaty. Nazarbayev also selects the chair and two of the seven members of the Central Election Commission (CEC).

The president appoints and may dismiss the prime minister, who is mainly a technocrat, in charge of executing policies rather than formulating them. Despite this fact, former prime minister Karim Masimov, who served from 2007 until mid-2012, accumulated considerable personal influence and wealth during his tenure. His recent promotion by Nazarbayev to the head of the Presidential Administration allows him to wield greater political power, although he remains a staunch presidential loyalist. Masimov's former deputy, Serik Akhmetov, succeeded him as prime minister. Akhmetov had served previously as the head (*akim*) of Karaganda province, the minister of transport and communication, and the first deputy mayor of Astana.

Several powerful business groups loyal to Nazarbayev and Nur Otan indirectly control the parliament, government ministries, and major media outlets. These groups include the copper giant Kazakhmys; the "Eurasia Group" (Eurasian Natural Resources Corporation, or ENRC); and the sovereign wealth fund Samruk-Kazyna, effectively run by Nazarbayev's son-in-law, Timur Kulibayev, and former Prime Minister Masimov. Kulibayev, who was once seen as a possible successor to

Nazarbayev, has kept a low public profile since his removal in December 2011 as Samruk-Kazyna's chairman following the events in Zhanaozen, where labor strikes targeted the Samruk-Kazyna subsidiary KazMunaiGaz (KMG). Yet Kulibayev remains powerful: His removal was largely an effort to appease public opinion, and in addition to his continued influence at Samruk-Kazyna, Kulibayev holds key posts in the National Economic Chamber (*Soyuz Atameken*), Kazenergy, and Russia's Gazprom.[1]

These and other business entities have allowed personal associates of Nazarbayev to amass vast personal wealth. Among these associates are Vladimir Kim, the CEO of Kazakhmys, and Alizhan Ibragimov, a major shareholder in ENRC. Both men, along with mining, hotel, and banking magnate Bulat Utemuratov, were included on the 2012 list of world billionaires in *Forbes* magazine.[2]

Kazakhstan's military and security services, which are led by still more Nazarbayev associates, experienced considerable turnover in 2012 after the Zhanaozen crackdown and other violent incidents. The discovery in May of the charred bodies of 14 guards near Kazakhstan's border with China led to the arrest of Vladimir Chelakh, a 19-year-old military conscript. Chelakh was sentenced to life imprisonment after a trial that some observers considered dubious.[3] The massacre sparked an immediate purge within the Kazakh Border Service and the resignation of its leader, Major General Nurzhan Myrzaliev. The death of his successor, Colonel Turganbek Stambekov, in a military transport plane crash in December has deepened the leadership crisis within the border service, which has long suffered from a deficit of autonomy and expertise, and has been criticized for condoning corruption and illegal practices, especially along the Kazakhstan-China border. The border service operates under the supervision of the National Security Committee (KNB) and is headed by the deputy chairman of the KNB, who is, appointed by the president.[4]

Kazakhstan's major business groups and influential individuals like Masimov, Akhmetov, the chairman of the Senate (who, according to the constitution, will succeed Nazarbayev in the event of his removal or death), and the head of the KNB are likely to have a decisive say in shaping the balance of forces in a post-Nazarbayev Kazakhstan.

Electoral Process

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
6.50	6.50	6.50	6.50	6.75	6.75	6.75	6.75	6.75	6.75

Kazakhstan regularly holds parliamentary and presidential elections, but to date, none has qualified as free or fair according to international standards. The 16 January 2012 parliamentary elections were no exception, despite a supposed goal of creating a multiparty legislature. Nazarbayev's government held the elections ahead of schedule and on short notice, allowing very little time for already marginalized opposition parties to organize themselves. The government also mobilized its security apparatus, tightly monitored the media, launched verbal attacks against the

opposition, and accused various "third forces" in exile or otherwise located abroad of instigating the violence in Zhanaozen.

A central aim of the vote was to rectify the outcome of the 2007 parliamentary elections, in which Nur Otan won every legislative seat. In response to criticism, Kazakhstan amended its electoral law in 2009 to state that at least two parties must be represented in the parliament. Previously, only parties surpassing 7 percent of the vote could hold seats. According to the amended law, this threshold remains, but the second-place party must hold seats no matter the percentage of the vote that it received.[5] To maintain its grip on the parliament, Nur Otan began grooming propresidential parties to serve as the authorized electoral opposition. In 2011, parliamentary deputy Azat Peruashev, who has close ties with Timur Kulibayev and the Eurasia Group, resigned his membership of Nur Otan and took over Ak Zhol, a party that had previously maintained genuine ties with the political opposition despite being loyal to the regime. Peruashev has revamped Ak Zhol as a party of entrepreneurs and cemented its status as a satellite of Nur Otan.[6]

In the 16 January snap elections, which Nazarbayev called for only two months prior, a total of seven parties ran for seats. Nur Otan received 80.9 percent of vote and obtained 83 seats. Ak Zhol won 7.5 percent of the vote and eight seats. A third proregime party, the Communist People's Party of Kazakhstan (KNPK), also eked over the 7 percent threshold and won seven seats. The National Social Democratic Party (OSDP), the only party running in the elections that could be described as real opposition, won 1.68 percent of the vote.[7] Its key candidate, Bolat Abilov, was disqualified from the process just days before the election for filling out a personal income form incorrectly. Another opposition party, Alga, was not allowed to run. It has been denied formal registration with the government since 2005.

There was controversy prior to the election over whether citizens in Zhanaozen should be allowed to vote. In early January, the Constitutional Court decreed that voting should not take place, given that the town remained under emergency laws and the effective control of the military. Opposition figures warned that the government wanted to prevent a vote because it feared a protest against its handling of the recent labor strikes and police violence. The government quietly overturned the court's decision prior to the election, announcing the move in an online statement.[8]

Ultimately, the monitoring mission of the Organization for Security and Cooperation in Europe's Office for Democratic Institutions and Human Rights (OSCE/ODIHR) declared that the parliamentary vote, "though well-administered, did not meet key democratic principles."[9] An OSCE/ODIHR report, along with a video by Radio Free Europe/Radio Liberty[10] and online postings by independent election monitors and ordinary citizens, documented widespread ballot stuffing. However, the Office of the Prosecutor General dismissed the evidence as a provocation by unspecified political forces. Nazarbayev also attacked the OSCE/ODIHR as having become an organ "for putting pressure by one group of countries on another" and questioned a "mythical unconformity with standards of some sort." He threatened to ban "experts hired by someone who criticize our elections."[11] Kazakhstan served as chair of the OSCE in 2010.

On the international stage, Kazakhstani diplomats and lobbyists hailed the elections as proof that Kazakhstan is an "evolving democracy" in an unstable region. In an effort to discredit the OSCE/ODIHR, they cited more positive assessments issued by other organizations, notably those of the Shanghai Cooperation Organization (SCO), Commonwealth of Independent States (CIS), Parliamentary Assembly of Turkic-speaking Countries (TURKPA), and several "independent," foreign delegations, which in reality were invited or welcomed by Nazarbayev's government in order to provide favorable assessments.[12]

The parliamentary elections indicate that substantial obstacles remain in the way of organizing free, fair, and competitive elections in Kazakhstan. These include Nazarbayev's widespread patronage and the government's abuse of administrative resources, as well as the lack of independent institutions, including the Central Election Commission (CEC), the judiciary, the Constitutional Court (which should be able to adjudicate cases of electoral dispute), and the media.

Civil Society

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
5.50	5.50	5.75	5.75	5.50	5.50	5.75	5.75	6.00	6.25

The space for independent activism by nongovernmental organizations (NGOs) and public associations—particularly those engaged in advocacy for civil liberties, labor rights, and political reform—shrank further in 2012. Throughout the year, the authorities pursued charges against people deemed responsible for the Zhanaozen oil strike and the violence that erupted in December 2011. Adding to a raft of recent legislative measures targeting independent political and civil society activity, in early January President Nazarbayev signed into law a new measure that claims to safeguard "national security" by effectively criminalizing the spread of any information government authorities deem harmful or false.[13]

All NGOs, public associations, and religious bodies are required to register with the Ministry of Justice. Through funding and programming, the government seeks to coopt nascent civil society organizations and define their agendas as proregime. No more than about 200 of the country's 5,000 registered NGOs are able to make a positive impact, and they are subjected to surveillance by the KNB and the Office of the Prosecutor General. Tightened monitoring in 2012 also made it more difficult for private businesses quietly funded by civil rights advocacy groups and independent media channels to safeguard their interests and carve out a sphere of activity free from governmental control.

The 2011 Zhanaozen violence and its aftermath consumed the energies of the judicial system in 2012. When oil workers began striking for wage increases in May 2011, the story made international headlines, causing significant embarrassment to the regime. The December violence, in which police opened fire on protestors, was captured on video and sparked public outrage. The government responded with

a harsh security clampdown in the surrounding area. The official death toll was 15, with about 100 injuries; some alleged eyewitnesses claimed higher casualties. In 2012, the government used all the repressive legislation at its disposal to target those it held responsible for the strikes, the violence, and the spread of information about both.

In June, the courts sentenced 34 Zhanaozen residents and labor activists for "organizing mass disorders."[14] Four months later, opposition leader Vladimir Kozlov and two other defendants, Akzhanat Aminov and Serik Sapargali, were convicted of "inciting social hatred" in connection with Zhanaozen.[15] In December, the government officially banned Kozlov's party Alga for "extremist" activities.[16]

A new national security law introduced in 2011 but signed into law in January 2012 makes "damaging the image of Kazakhstan abroad" a criminal offense and punishes individuals who "influence public and individual consciousness" with the distribution of "distorted" and "unreliable" information "to the detriment of national security."[17] The law may make it easier for the government to target opposition and civil society activists, including those traveling to brief international organizations and foreign governments on the Zhanaozen violence.

Still, some members of Kazakhstan's civil society, with support from international human rights groups, were able to promote their concerns and demands. A group of activists compiled a list of 40 government officials "involved in the Zhanaozen massacre." The "Zhanaozen list," which was accompanied by an open letter, includes former prime minister Masimov; his predecessor at the helm of the Presidential Administration, Aslan Musin; Minister of Internal Affairs Kalmukhanbet Kasymov; Attorney General Askhat Daulbayev, Chairman of the KNB Nurtai Abykayev; and President Nazarbayev himself. The authors of the list, which was published in a U.S. newspaper in October with sponsorship from the Human Rights Foundation, urged Western governments to impose a travel ban on the named officials.[18] Meanwhile, a September 2012 report by Human Rights Watch (HRW) detailed allegations of intimidation and imprisonment of union leaders and strikers in Zhanaozen. Such actions place Kazakhstan in violation of international human rights commitments, International Labor Organization (ILO) standards, and national legislation.[19]

To counter its critics, Nazarbayev's government blamed "third forces," including opposition figures in exile, for fomenting the violence in Zhanaozen in order to tarnish Kazakhstan's reputation. Proregime lobbyists also sought to promote a contrasting, positive image of Kazakhstan as a dynamic economy and young democracy. Alexander Mirtchev of Krull Corp., a global strategy and solutions provider, is one of the several such lobbyists identified by the opposition. Mirtchev has close ties with various Kazakhstani policymakers.[20] Lawyers representing Mirtchev have threatened to sue the Human Rights Foundation for defamation because it helped publish the "Zhanaozen list," which made mention of Mirtchev's lobbying efforts.[21]

In 2012, the government also maintained constraints on religious organizations whose views are not in line with the state-approved version of Islam. The regime

implemented a controversial law adopted in October 2011 that bans unregistered religious activities; prohibits the provision of prayer rooms inside state buildings; prevents foreigners from setting up faith groups; and severely limits acquisition of what it defines as "religious literature." The law also gave all religious groups one year to re-register with authorities under stringent new criteria. Currently, about one-third of the country's religious associations are facing closure after failing to meet the reregistration deadline.[22] In addition, the official categorization of various minority religions as "sects" or "non-traditional" groups continues to portray them as potentially subversive or extremist. These groups include Evangelical Christians, Jehovah's Witnesses, Hare Krishna devotees, and independent Muslims. In contrast, the Spiritual Association of Muslims in Kazakhstan works closely with the government to regulate Islam by licensing the activities of the country's mosques, conducting background checks on imams, and serving other managerial functions.[23]

Public gatherings in Kazakhstan remain tightly restricted. The Law on Public Assembly, in effect since 1995, requires permission from the government ten days in advance for any public appearance or gathering broadly seen as an assembly. Permission is typically granted only to progovernment parties and associations. Negative propaganda depicting public demonstrations and rallies as harbingers of disorder often dissuade citizens from organizing or taking part in any civic action.

Independent Media

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
6.50	6.50	6.75	6.75	6.75	6.50	6.75	6.75	6.75	6.75

Most media outlets in Kazakhstan, although privately owned and formally categorized as independent, are regulated by the government and controlled by financial groups affiliated with the regime. They refrain from investigative work that might negatively affect the interests or reputations of President Nazarbayev and his inner circle. In 2012, the Office of the Prosecutor General banned about 40 of the country's few remaining independent media outlets, most of which are owned or financed by opposition figures. Among the banned outlets were many that had been critical of the government in their coverage of the violence in Zhanaozen, such as the newspaper *Respublika*, Stan-TV, and K-Plus, a satellite network financially supported by exiled ex-minister-turned-opposition-leader Mukhtar Ablyazov.[24]

The government countered media criticism of its handling of Zhanaozen with heavy-handed and strategically timed propaganda. Just one day before an appeal hearing in Vladimir Kozlov's trial, in which he was convicted of allegedly fomenting unrest in Zhanaozen, state-controlled Khabar TV broadcast a documentary entitled "Money for blood: Their weapons are dirty games and provocations, their business is unrest and social conflicts" that portrayed Kozlov as a criminal.[25] The program condemned a handful of other individuals, too, including Ablyazov; Muratbek Ketebayev, a member of Kozlov's Alga party and a supporter of independent media; and Irina Petrushova, editor of *Respublika*.[26]

Daniyar Moldashev, the editor of the newspaper *Golos Respubliki*, was repeatedly questioned about his alleged financial ties to Kozlov, Alga, and the events in Zhanaozen.[27] His brother Askar Moldashev was arrested on fabricated drug possession charges.[28]

Officials use a mix of highly restrictive laws and unauthorized, indirect, and informal mechanisms of control to ensure the media's subordination to Nazarbayev's regime. Article 318 of the criminal code penalizes a person who "insults the honor and dignity of the president" and is used routinely to prosecute independent journalists. In 2012, the government began enforcing a measure requiring all foreign television and radio stations to re-register with the government, which will potentially restrict foreign media outlets' operation.[29] Another recently enacted law requires media channels to produce at least 50 percent of their programming in Kazakh, rather than translating programs into Kazakh, as had previously been common practice. The national TV channel Qazaqstan (formerly known as Kazakhstan-1) completed its switch to all-Kazakh programming in 2012.

The government also continues to seek to control information online by way of propaganda and technology. The state-owned Kazakhtelecom and its subsidiaries have a monopoly on internet service provision, and they have helped the government block access to opposition websites. Authorities have been accused of doctoring Kazakhstan-related entries on Wikipedia. Moreover, the well-funded website Wikibilim.kz, billed as the Kazakh-language Wikipedia, has posted articles portraying Nazarbayev favorably and downplaying or ignoring the events in Zhanaozen.[30] Wikipedia founder Jimmy Wales was criticized in 2012 for "cheerleading" when he described Wikibilim.kz as "not politicized."[31] It is estimated that one-third of Kazakhstan's population makes regular use of the internet.[32]

The government has engaged multiple public relations firms to highlight its achievements, whether legitimate or exaggerated, and counter criticisms abroad. Among these firms are Tony Blair Associates, BGR Gabara, Portland Communications, and Media Consulta.[33] The regime and its supporters have also recruited a number of Western academics, media figures, and writers to burnish the country's image. In March 2012, author Jonathan Aitken published *Kazakhstan: Surprises and Stereotypes After 20 Years of Independence*, a benign account of Kazakhstan based on more than 35 hours of one-on-one interviews with President Nazarbayev. This book, along with *Nazarbayev and the Making of Kazakhstan: From Communism to Capitalism*, which Aitken wrote in 2009, are bought wholesale by the government for free distribution to foreigners viewed as potentially useful assets in shaping Kazakhstan's international profile.[34]

Local Democratic Governance

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
n/a	6.25	6.25	6.25	6.25	6.25	6.25	6.25	6.50	6.50

Resisting demands for decentralization and local elections, Nazarbayev's regime has preserved a unitary administrative framework in which all regional and local heads (*akims*) are appointed by the president. Meanwhile, legislative councils (*maslihats*) are elected to represent their constituencies but in practice merely rubber stamp acts formulated by local, regime-appointed executives. To further exert control, Nazarbayev has continually shuffled akims, not allowing them to spend more than a few years in office and rewarding them with a better position for their compliance.

Notwithstanding this centralized system, Nazarbayev's government scrambled in 2012 to establish effective control over some regional administrations. In particular, the oil-producing regions of Mangistau, where Zhanaozen is located, and Atyrau were the focus of scrutiny and of purges or reassignments of top-level officials. Several Mangistau administrators, police chiefs, and public figures were sacked after the events in Zhanaozen. Similarly, a number of officials in Atyrau were dismissed and investigated on suspicion of corruption, including regional akim Bergay Ryskaliev, his brother, and his deputy. In addition, Aslan Musin, who hails from Atyrau and was thus informally tasked with overseeing his region's officials, was demoted in Astana from leader of the Presidential Administration to the head of Kazakhstan's Accounts Committee.

Opposition activists have advocated for direct election of akims to increase their autonomy and legitimacy. However, given the regime's patronage network, local candidates still could not contest elections without top-down interference, and the maslihats would still lack power and autonomy. Moreover, members of the CEC and district election commissions would remain presidential appointees.

A further constraint on the authority and effectiveness of local bodies is their lack of financial autonomy. The central government determines all taxation rates and budgetary regulations. Local budgets lose substantial sums, as many companies operating in the regions are registered in Almaty or Astana and do not pay taxes locally. There is also no effective mechanism for sharing revenues among regions.[35] The akim's standing and the region's revenue-generating capacity also influence the extent to which a regional administration may retain collected taxes. For instance, the akims in oil-rich regions and in Astana and Almaty, which have attracted the most foreign investment, tend to exert greater control than other regional heads over budgetary matters.

The consequences of weak and unbalanced local authority are borne by the Kazakhstani people. The labor unrest in Zhanaozen highlighted the enormous disparity between profits accrued by private oil companies and the living standards of people in oil-rich territories, which have among the highest poverty rates in the country. In other areas, inadequate employment and infrastructure have led to massive emigration to regional urban centers, as well as to Almaty and Astana. The social and legal marginalization of internal migrants and ethnic Kazakh returnees (*oralman*) from abroad is a growing and unaddressed challenge for authorities.

Judicial Framework and Independence

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
6.25	6.25	6.25	6.25	6.25	6.00	6.25	6.25	6.50	6.50

Although Kazakhstan's constitution recognizes the separation of powers and safeguards the independence of the judiciary, in practice the courts are subservient to the executive and protect the interests of the ruling elite. The president appoints judges to the Supreme Court and local courts, as well as members of the Supreme Judicial Council. The courts regularly convict public figures brought to trial on politically motivated charges, usually without credible evidence or proper procedures. In 2012, the judiciary toed the government's line in responding to the violence in Zhanaozen, convicting dozens of regime opponents, labor leaders, workers, police, and regional administrators while failing to seriously investigate or try any high-level officials.

One of the judiciary's main targets in 2012 was Vladimir Kozlov, leader of the opposition party Alga. Kozlov, who had predicted the government would blame the opposition for the violence in Zhanozen, was arrested in January. He was detained until August, when his trial began with co-defendants Serik Sapargali, another opposition figure, and Akzhanat Aminov, a labor activist. Kozlov was charged with inciting social discord, calling for overthrow of the government, and leading a criminal group. The trial was marred by multiple rights violations, including an incomplete investigation, incoherent charges, possibly falsified testimony, unexplained refusals of defense requests, and the use of psychological pressure against Kozlov. On 8 October, Kozlov received a seven-and-a-half year-prison sentence, while Sapargali and Aminov received suspended sentences.[36]

Other legal proceedings in the wake of Zhanaozen produced further proregime convictions. In a trial that ended in June and involved torture and ill-treatment in obtaining testimony, a court found 34 oil workers guilty of "organizing and participating in mass unrest" and of theft. Thirteen of the convicted were sentenced to prison.[37] A court in Mangistau considered the convictions on appeal in an accelerated process and in the absence of those convicted. Only one of the workers, Roza Tuletayeva, had her seven-year sentence reduced to five years. This occurred after she agreed, presumably under duress, to testify against Kozlov, Sapargali, and Aminov.[38] Earlier in the year, authorities released labor union lawyer Nataliya Sokolova, who had been issued a six-year prison term in 2011 on charges of inciting the oil workers to strike. The government commured her punishment to a three-year suspended sentence, but Sokolova was still banned from engaging in any "civic" activity and holding office in a public association for three years.[39]

Although high-level government officials remained impervious to investigation, six police officers and three oil company executives were convicted of wrongdoing. The police officers were found guilty of "abuse of power or official authority, resulting in serious consequences, with the use of weapons." Prosecutors said the police officers used disproportionate force in responding to the protests and that they could have employed non-lethal instruments such as rubber bullets and batons.[40]

Local administrators were also implicated in the events at Zhanaozen, particularly given concerns that graft helped spur the labor strikes, but the Mangistau courts found themselves caught between local patronage and orders from the regime. In June, a court in Zhanaozen declared former Mangistau akims Orak Sarbopeyev and Zhalgas Babakhanov not guilty of abusing power and taking bribes. Following an appeal against these acquittals by the Mangistau regional prosecutor, however, a Specialized Inter-District Criminal Court found Sarbopeyev guilty of criminal actions that led to the strikes and violence in Zhanaozen and issued him a ten-year jail term. Babakhanov was sentenced to two years.[41]

Conditions in pretrial facilities and prisons in Kazakhstan are notoriously harsh and reports of torture and abuse are rampant. Protests against prison conditions have intensified in recent years. In September 2012, about 200 relatives of inmates surrounded a prison in Karaganda demanding to be allowed visits.[42] Moreover, in mid-2011, the government transferred responsibility for the prison system from the Ministry of Justice to the Ministry of Interior Affairs, the same body that administers the police.[43] The transfer of authority over the prison system from a civilian ministry to the security services has made it more difficult for civil society actors and rights groups to access the penal system and engage in advocacy for penal reforms.

Public trust in the professionalism and effectiveness of the judicial system is extremely low. The government has introduced some measures to combat the problem of judicial corruption, though these are applied on an ad hoc basis. Six Supreme Court judges were abruptly fired in 2011 over allegations of corrupt activities, but a full-fledged inquiry was never conducted.[44] Increased wages and improved conditions of work have also led to a significant improvement in the quality of the judiciary. Still, younger judges, especially female ones, have complained about bullying and harassment by senior figures and urged the Supreme Judicial Council to introduce appropriate safeguards.[45]

Recent years have witnessed some improvements in the protection of human rights associated with the courts. Kazakhstan introduced jury trials in 2007, though the practice remains restricted to cases involving life imprisonment. The country also abolished death penalty a few years ago. Moreover, it has a National Human Rights Commission headed by an ombudsman, but the position has limited authority and, as a presidential appointee, the ombudsman appears partial and lacks the support of civil society and human rights activists.

Corruption

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50

Systemic corruption in Kazakhstan thrives on the country's oil and mineral wealth, as well as the lack of transparency in the privatization of state-owned assets

during the country's post-Soviet transition. Elites, who often enjoy immunity from prosecution or investigation, use their positions to appropriate, control, and distribute key resources for personal gain. Kazakhstan also lacks a genuinely independent anticorruption body, and consistent attacks on media make it impossible for journalists to investigate the misuse of state resources. Transparency International's 2012 Corruption Perceptions Index listed Kazakhstan at 133 out of 176 countries, a drop from the country's rank of 120 the year before.[46]

The Ministry of Internal Affairs, the KNB, and the Financial Police (FinPol) are the main bodies tasked with dealing with corruption. However, anticorruption efforts are typically political and economic tools that allow some officials to accrue power while intimidating or constraining their rivals. Nazarbayev instructed the parliament elected in January 2012 to prepare a "complex new anticorruption program,"[47] implicitly acknowledging the ineffectiveness of previous anticorruption measures implemented from above. It is not clear what impact, if any, rhe input of parliament can have.

In the latter half of 2012, the government sacked top officials in the oil-rich Atyrau region who were suspected of corruption. However, the regional FinPol and prosecutor general were slow in conducting their inquiries, which in turn enabled Atyrau's recently dismissed akim, Bergay Ryskaliev and his brother and Nur Otan MP Amanzhan Ryskali (he uses the Kazakh surname) to flee the country.[48] The Ryskaliev brothers are implicated in 13 cases of misappropriating a total of over $100 million. Among the cases under investigation are the embezzlement of $23.3 million intended for the construction of a gas pipeline and $19 million earmarked for a water supply system.[49] Although the akim and his brother remained at large in 2012, Ryskaliev's deputy, Bolat Daukenov, other officials in the regional administration, and several executives of private firms were arrested in connection with the corruption cases. At the end of August, Kazakhstan's Prosecutor General Askhat Daulbayev also dismissed Atyrau's regional prosecutor and head of FinPol for their "slack supervision" in responding to the scandal.[50] Daulbayev said at the time of the dismissals that authorities were aware of 189 instances of bid rigging for state-sponsored construction contracts and 11 instances of their illegal sale at undervalued prices.[51]

These investigations coincided with Nazarbayev's demotion of the once-powerful Aslan Musin, who hails from Atyrau and was informally entrusted with overseeing the region, from leader of the Presidential Administration to head of the country's Accounts Committee, a token bureaucratic role. Musin previously served as Atyrau's akim, and the Ryskaliev brothers are considered to be his associates. Consequently, observers in Kazakhstan have suggested that the dismissals and investigations in Atyrau may have a far-reaching political undertone and be outcomes of an intense intra-elite struggle.

Much like the Ryskaliev brothers, high-ranking officials who do face corruption charges typically have entered into personal or political rivalries with Nazarbayev or other members of the ruling regime and thus fallen out of official favor. Often, they face corruption charges after they have already fled the country. Among these

officials are Rakhat Aliyev, Nazarbayev's former son-in-law; Viktor Khrapunov, the former mayor of Almaty; and Mukhtar Ablyazov. Since he fled to the UK in 2009, Ablyazov has been fighting charges that he used his former position as chairman of Kazkhstan's BTA bank to embezzle several billion dollars; at the end of 2012, he was standing trial in London.[52] Khrapunov left Kazakhstan in 2008 for Switzerland on a private plane with an estimated $300 million. His close connection to Ablyazov forged by the marriage of his son to Ablyazov's daughter, is seen by many observers as the reason Khrapunov has been charged with misappropriation of state funds.[53]

Dosym Satpayev, a well-known Kazakhstani political commentator who specializes in issues of business and corruption, describes corruption as a threat to Kazakhstan's national security.[54] The difficulty of proving and combating corruption has instilled a pervasive social perception that the use of state resources for the enrichment of one's family, friends, and personal networks is natural and inescapable. Resigned to the existence of corruption, many people in Kazakhstan are also deeply skeptical of the government's desire and ability to deliver on its promises of democratic development.

▮ AUTHOR: BHAVNA DAVE

Bhavna Dave is a senior lecturer in the Department of Politics and chair of the Center on Contemporary Central Asia and the Caucasus at the School of Oriental and African Studies, University of London. She is the author of Kazakhstan: Ethnicity, Language and Power *(Routledge, 2007) and editor of the four volume series* Politics of Modern Central Asia *(Routledge, 2010).*

---

1 "Timur Kulibayev to get $616 thousand from Gazprom," TengriNews.kz, 16 May 2012, http://en.tengrinews.kz/finance/Timur-Kulibayev-to-get-616-thousand-from-Gazprom-9991.

2 "Forbes includes 3 Kazakh billionaires in richest people's list," Trend.az, 9 March 2012, http://en.trend.az/regions/casia/kazakhstan/2001462.html.

3 "Kazakh border guard gets life for mass murder," RIA Novosti, 11 December 2012, http://en.rian.ru/crime/20121211/178078570.html.

4 Kazis Toguzbaev and Daisy Sindelar, "From mass murders to fatal crash, Kazakhstan's Border Service in disarray," Eurasianet.org, 3 January 2013, http://www.eurasianet.org/node/66353.

5 ElectionGuide.org, "Election Law Change to Break Single-Party Monopoly on Kazakh Parliament," 15 January 2007, http://electionguide.org/country-news.php?ID=111.

6 Joanna Lillis, "Democracy, Kazakh-Style," Eurasianet.org, 5 July 2011, http://www.eurasianet.org/node/63797.

7 "TABLE-Kazakh parliamentary election final results," Reuters, 17 January 2012, http://www.reuters.com/article/2012/01/17/kazakhstan-election-results-idAFL6E8CH2Z420120117.

8 James Kilner, "Kazakhstan opposition leader disqualified from election," *The Telegraph*, 10 January 2012, http://www.telegraph.co.uk/news/worldnews/asia/kazakhstan/9005622/Kazakh-opposition-leader-disqualified-from-election.html.

9 Organization for Security and Cooperation in Europe (OSCE), "Kazakhstan's parliamentary vote, though well administered, did not meet key democratic principles," news release, 16 January 2013, http://www.osce.org/odihr/elections/86984.

10 "Азаттық тілшісі бюллетеньді топтап салғанға куә болды" [Azattyq correspondent has witnessed a massive voter fraud], Radio Azattyq, 27 February 2012, http://www.azattyq.org/content/kazakhstan_parliament_maslikhat_election_vote/24452290.html.

11 Joanna Lillis, "Nazarbayev bashes OSCE amid domestic tension," Eurasianet.org, 7 March 2012, http://www.eurasianet.org/node/65101.

12 Joshua Kucera, "Kazakhstan: Astana points to bigger picture to deflect election criticism," Eurasianet.org, 19 January 2012, http://www.eurasianet.org/node/64865.

13 The law was approved by the Kazakh parliament on 14 December 2011 and signed by Nazarbayev on 6 January 2012. "Kazakh president signs national security law," 6 January 2012, tp://en.trend.az/regions/casia/kazakhstan/1977146.html

14 Joanna Lillis, "Kazakhstan: New Zhanaozen Verdicts Cause Shoes to Fly," Eurasianet.org, 4 June 2012, http://www.eurasianet.org/node/65491.

15 Freedom House, *Kozlov Case File: Final Monitoring Report on the Trial of Vladimir Kozlov, Akzhanat Aminov, and Serik Sapargali* (Washington, DC: Freedom House, December 2012), http://www.freedomhouse.org/sites/default/files/Final%20Monitoring%20Report%20-%20Kozlov%20Trial.pdf.

16 Joanna Lillis, "Kazakhstan: Court Shuts Key Opposition Party," Eurasianet.org, 21 December 2012, http://www.eurasianet.org/node/66330.

17 Amnesty International, "Kazakhstan must not muzzle media outlets," news release, 22 November 2012, http://www.amnesty.org/en/news/kazakhstan-must-not-muzzle-media-outlets-2012-11-22.

18 Human Rights Foundation, "An open letter to the leaders of the U.S. and its civil society about the abuses by Kazakhstan's dictatorship and its ruler Nursultan Nazarbayev," no date, http://humanrightsfoundation.org/documents/Open-Letter-to-US-Leaders-and-its-Civil-Society.pdf.

19 Human Rights Watch (HRW), *Striking oil, striking workers: Violations of labor rights in Kazakhstan's oil sector* (New York: HRW, 10 September 2012), http://www.hrw.org/reports/2012/09/10/striking-oil-striking-workers-0.

20 Joanna Lillis, "Kazakhstan: Nazarbayev friends and foes sling mud," Eurasianet.org, 14 November 2012, http://www.eurasianet.org/node/66175.

21 Stephen Sale (attorney, Sale & Quinn, P.C.), letter to Human Rights Foundation, 25 October 2012, http://www.humanrightsfoundation.org/MirtchevLetter.pdf.

22 Joanna Lillis, "Kazakhstan: Religion Law Restricting Faith in the Name of Tackling Extremism?" Eurasianet.org, 12 November 2012. http://www.eurasianet.org/node/66167.

23 Richard Weitz, "Holy Sultan mosque marks Kazakhstan's religious revival," Eurasia Daily Monitor, 17 August 2012, http://www.jamestown.org/programs/edm/single/?tx_ttnews%5Btt_news%5D=39788&cHash=5a5b4804b2694e91020e2caeeb5243e2.

24 Article 19, "Banning and suspension of media outlets is politically motivated censorship," news release, 12 December 2012, http://www.article19.org/resources.php/resource/3556/en/kazakhstan:-banning-and-suspension-of-media-outlets-is-politically-motivated-censorship.

25 Joanna Lillis, "Kazakhstan: State TV slurs opposition leader ahead of appeal hearing," Eurasianet.org, 6 November 2012, http://www.eurasianet.org/node/66190.

26 Joanna Lillis, "Kazakhstan: Nazarbayev friends and foes sling mud," Eurasianet.org, 14 November 2012, http://www.eurasianet.org/node/66190.

27 The Adil Soz Foundation, *Мониторинг нарушений свободы слова в Казахстане в марте 2012 года* [Monitoring of violations of freedom of expression in Kazakhstan in March 2012, 19, http://www.adilsoz.kz/wp-content/uploads/2012/05/monitoring-03.12.pdf.

28 Amnesty International, "Kazakhstan must not muzzle media outlets."

29 "Закон о телерадиовещании принял парламент Казахстана" [The Parliament of Kazakhstan passed broadcasting law], Zakon.kz, 28 December 2011, http://www.zakon.kz/4464902-zakon-o-teleradioveshhanii-prinjal.html.

30 "На развитие 'Казахской Википедии' выделили 50 миллионов тенге" [Development of "Kazakh Wikipedia" allocated 50 million tenge], Tengri News, 24 April 2012, http://tengrinews.kz/kazakhstan_news/na-razvitie-kazahskoy-vikipedii-vyidelili-50-millionov-tenge-212582/.

31 Myles G. Smith, "Kazakhstan Wikipedia controversy raises questions about the crowd," Eurasianet.org, 27 December 2012, http://www.eurasianet.org/node/66343.

32 "Internet users in Kazakhstan drive the digital expansion," 26 January 2012, Kazworld.info, http://kazworld.info/?p=19235.

33 Deirdre Tynan, "Kazakhstan: Top-notch PR firms help brighten Astana's image," Eurasianet.org, 18 January 2012, http://www.eurasianet.org/print/64860.

34 Bhavna Dave, "Kazakhstan: Surprises and Stereotypes After 20 Years of Independence," review of *Kazakhstan: Surprises and Stereotypes After 20 Years of Independence* by Jonathan Aitken in *Times Literary Supplement*, 20 April 2012.

35 D. Serikov, "Казахстан. Регионы в поисках формулы бюджетного благополучия" [Kazakhstan: Regions are in search of a formula for a healthy budget], Centrasia.ru, 8 January 2013, http://www.centrasia.ru/news.php?st=1357640820.

36 Joanna Lillis, "Kazakhstan: Political Trial Fails to Provoke Pussy Riot–Style Outcry," Eurasianet.org, 10 October 2012, http://www.eurasianet.org/node/66032.

37 Human Rights Watch, "Kazakhstan: Oil Workers Convicted in Flawed Trial," news release, 5 June 2012, http://www.hrw.org/news/2012/06/04/kazakhstan-oil-workers-convicted-flawed-trial.

38 Open Dialog Foundation, "Kazakhstan: There is no justice, there is just a judicial process," 8 August 2012, http://www.odfoundation.eu/en/publications/954/kazakhstan_there_is_no_justice_there_is_just_judicial_process.

39 "Kazakhstan: Labour rights lawyer Natalia Sokolova released, but with restrictions," Index on Censorship, 15 March 2012, http://www.indexoncensorship.org/2012/03/kazakhstan-labour-rights-lawyer-natalia-sokolova-released-but-with-restrictions/.

40 Margarita Assenova, "Zhanaozen Trials: Former Oil Executive Receives the Longest Prison Punishment," Eurasia Daily Monitor, 6 June 2012, http://www.jamestown.org/programs/edm/single/?tx_ttnews%5Btt_news%5D=39465&cHash=fea69ded2b79297cf3458be1464de6e5.

41 Open Dialog Foundation, "Мониторинг общественно-политической ситуации в Казахстане" [Monitoring the sociopolitical situation in Kazakhstan], 3 August 2012, http://odfoundation.eu/ru/urgents/951/monitoring_obshchestvenno_politicheskoy_situatsii_kazahstane; "Zhanaozen ex-mayor Sarbopeyev sentenced to 10 years in jail," *Interfax-Kazakhstan*, 25 September 2012,http://www.interfax.kz/index.php?lang=eng&int_id=expert_opinions&news_id=1222.

42 "Kazakh riot police surround prison," Radio Free Europe/Radio Liberty (RFE/RL), 20 September 2012, http://www.rferl.org/content/kazakhstan-penitentiary-relatives-protest/24714606.html.

43 James Kilner, "Kazakhstan returns prisons to tough Interior Ministry control," *The Telegraph*, 5 August 2011, http://www.telegraph.co.uk/news/worldnews/asia/kazakhstan/8683119/Kazakhstan-returns-prisons-to-tough-Interior-Ministry-control-after-riots-and-breakouts.html.

44 "Kazakh ex-Supreme Court judges arrested," Central Asia Online, 19 April 2011, http://centralasiaonline.com/en_GB/articles/caii/newsbriefs/2011/04/29/newsbrief-07?mobile=true.

45 "В Астане предлагают выбирать судей" [In Astana, election of judges offered], Radio Azattyk, 9 November 2012, http://rus.azattyq.org/content/judical-system-reform-round-table-in-astana/24766423.html.

46 Simon Rogers, "Corruption index 2012 from Transparency International: find out how countries compare," *The Guardian*, 5 December 2012, http://www.guardian.co.uk/news/datablog/2012/dec/05/corruption-index-2012-transparency-international.

47 Kazakhstan Ministry of Defense, "Poslanie prezidenta respublika Kazakhstana N.A. Nazarbaeva narodu Kazakhstana" [Message from President N.A. Nazarbayev of the Republic of Kazakhstan to the people of Kazakhstan], news release, 14 December 2012, http://mod.gov.kz/mod-ru/index.php?option=com_content&view=article&id=632&Itemid=150.

48 Angelika Gromova, "Уволенный аким Атырауской области Рыскалиев все-таки успел сбежать из Казахстана" [Sacked akim of Atyrau oblast managed to flee Kazakhstan], Ekspress-K, 14 September 2012, http://www.centrasia.ru/newsA.php?st=1347598980.

49 "Из бюджета Атырауской области похищено более 6 миллиардов тенге" [Over 6 billion tenge stolen from the budget of Atyrau oblast], Tengrinews.kz, http://tengrinews.kz/crime/iz-byudjeta-atyirauskoy-oblasti-pohischeno-bolee-6-milliardov-tenge-219460/.

50 "Kazakhstan Prosecutor dismissed 'for slack supervision,'" BNews.kz, 31 August 2012, http://www.bnews.kz/en/news/post/99039/.

51 "В Атырауской области выявлено 189 нарушений при проведении конкурсов—Генпрокурор РК" [In Atyrau oblast 189 violations during competitions identified—Procurator General RK], Inform.kz, 31 August 2012, www.inform.kz/rus/article/2490851.

52 Ablyazov has been fighting his case against BTA Bank since leaving Kazakhstan. Jonathan Russell, "Mukhtar Ablyazov to face court over $5bn alleged fraud," *The Telegraph*, 6 November 2012, http://www.telegraph.co.uk/finance/financial-crime/9659229/Mukhtar-Ablyazov-to-face-court-over-5bn-alleged-fraud.html.

53 "Kasachischer Ex-Minister im Genfer Exil wird von Interpol gesucht" [Kazakh ex-ministers in exile in Geneva wanted by Interpol], Tages Anzeiger, 29 August 2012, http://www.tagesanzeiger.ch/schweiz/standard/Kasachischer-ExMinister-im-Genfer-Exil-wird-von-Interpol-gesucht/story/10065686.

54 "Interview 180: The question of Nazarbayev's successor," Eurasianet.org, 14 December 2012, http://www.eurasianet.org/node/66282.

Kosovo

by Krenar Gashi

Capital: Pristina
Population: 1.8 million
GNI/capita, PPP: US$3,510

Source: The data above are drawn from the World Bank's *World Development Indicators 2013.*

Nations in Transit Ratings and Averaged Scores

	Kosovo									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Electoral Process	5.25	4.75	4.75	4.75	4.50	4.50	4.25	4.50	5.00	**5.00**
Civil Society	4.25	4.00	4.25	4.25	4.00	4.00	3.75	3.75	3.75	**4.00**
Independent Media	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.75	5.75	**5.75**
Governance*	6.00	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	**n/a**
National Democratic Governance	n/a	5.75	5.75	5.75	5.50	5.25	5.50	5.75	5.75	**5.75**
Local Democratic Governance	n/a	5.50	5.50	5.50	5.50	5.25	5.00	5.00	4.75	**4.75**
Judicial Framework and Independence	6.00	5.75	5.75	5.75	5.75	5.75	5.75	5.75	5.50	**5.50**
Corruption	6.00	6.00	6.00	6.00	5.75	5.75	5.75	5.75	5.75	**6.00**
Democracy Score	**5.50**	**5.32**	**5.36**	**5.36**	**5.21**	**5.14**	**5.07**	**5.18**	**5.18**	**5.25**

** Starting with the 2005 edition, Freedom House introduced separate analysis and ratings for national democratic governance and local democratic governance to provide readers with more detailed and nuanced analysis of these two important subjects.*

NOTES: The ratings reflect the consensus of Freedom House, its academic advisers, and the author(s) of this report. The opinions expressed in this report are those of the author(s). The ratings are based on a scale of 1 to 7, with 1 representing the highest level of democratic progress and 7 the lowest. The Democracy Score is an average of ratings for the categories tracked in a given year.

Executive Summary

Kosovo officially ended its period of "supervised independence" in 2012, when the International Civilian Office (ICO)—a mission of Western countries recognizing Kosovo and tasked with supervising its independence—ceased its operations. Countries supporting Kosovo's statehood concluded that the country had substantially implemented its independence framework, which stipulates the establishment of a functional state and focuses on minority rights and the decentralization of power.

A high-level political dialogue anchored by Catherine Ashton, the foreign policy chief of the European Union (EU), followed the failure of previous EU-mediated technical dialogue due to Serbia's reluctance to implement agreements. The second meeting anchored by Ashton yielded an agreement on joint border management, though no enforcement mechanism has been established. Interethnic tensions in the north remained high and incidents included bomb attacks with casualties. An assessment by the European Court of Auditors concluded that the European Union Rule of Law Mission in Kosovo (EULEX) had failed to restore rule of law in this part of the country.

In line with the European integration agenda, Kosovo started visa liberalization talks and joined a structured dialogue with the EU on the subject of rule of law, and it got a green light to sign a Stabilization and Association Agreement. Kosovo was recognized by eight new countries in 2012—98 of the 193 UN member states now recognize Kosovo—and became a member of the European Bank for Reconstruction and Development (EBRD).

Despite these accomplishments and reasons for cautious optimism, national institutions in Kosovo remain weak and lack democratic accountability. Accusations of corruption, especially in the privatization process, are on the rise, and authorities have continuously failed to tackle high-level political wrongdoing. The head of the privatization agency died mysteriously from multiple stab wounds in what was ruled a suicide. The government was able to push through the privatization process despite opposition, harsh criticism, and protests. Legislative processes, such as the Law on the Central Bank and the Criminal Code, have indicated a lack of understanding on the part of members of parliament and the cabinet of fundamental rights, including the freedoms of media and association. The rule of law and especially the fight against corruption and organized crime remain among Kosovo's biggest challenges.

National Democratic Governance. September 2012 witnessed the formal withdrawal of key international bodies established in 2008 to supervise and guide the development of Kosovo's democratic institutions and rule of law. However,

these institutions remain weak, and it remains to be seen what steps the government will take to push forward key reforms. In October, the EU brokered meetings between Serbian and Kosovar leadership after previous agreements on technical issues lost momentum during Serbia's national elections. Brussels noted progress on Kosovo's European trajectory. *Kosovo's national democratic governance rating remains unchanged at 5.75.*

Electoral Process. Kosovo institutions have failed to complete electoral reforms initiated after fraudulent elections in December 2010. Electoral reform efforts stagnated in 2012, primarily due to disagreements between political parties and an emphasis on superficial changes. The gridlock was exacerbated by a dispute over the mandate of President Atifete Jahjaga. Kosovo had to organize two early elections when the mayors of Kacanik and Ferizaj were convicted and sentenced to prison. *Kosovo's rating for the electoral process remains unchanged at 5.00.*

Civil Society. In April, the government proposed a new Law on the Central Bank and Microfinance Institutions, which allows the Central Bank to privatize some 17 microfinance institutions that operate as nongovernmental organizations (NGOs) and hand their estimated €100 million in capital over to private shareholders. Civil society organizations and the opposition parties insisted that this capital should be used to foster civil society and not to be given to a few individuals. After a heated debate in the parliament, the draft law was approved by a narrow majority. The politicization of the public University of Pristina continued in 2012 with the appointment of the deputy president of the New Kosovo Alliance, a party in the ruling coalition, as its rector. Private universities faced discrimination in the accreditation process for having staff members who opposed government policies. As a result of new legislation with potentially serious consequences for the sustainability of NGOs and increasing political pressure on higher education institutions, *Kosovo's civil society rating declines from 3.75 to 4.00.*

Independent Media. Journalists' associations and other civil society organizations joined forces in 2012 to push back against three controversial articles in a new Criminal Code drafted by the Ministry of Justice. Ultimately, pressure from the media and civil society as well as resignation of the justice minister over the matter yielded amendments removing the problematic articles. A new law on Kosovo's public broadcasting service (RTK) was adopted, guaranteeing the service a budget of 0.7 percent of the state budget, which is sufficient to cover its operations but lacks long-term sustainability. The government continued to delay and politicize key appointments to the Independent Media Commission. Violence against journalists persisted, often with impunity. *Kosovo's independent media rating remains unchanged at 5.75.*

Local Democratic Governance. Kosovo authorities continued to empower municipalities in accordance with the state's decentralization plan. Municipalities

gained new taxation powers, which should give them more revenue and budgetary authority. The final phase of decentralization did not happen in the Serb-majority municipalities mainly due to political complications. Political reasons also prevented a shift to democratically elected local governments in northern Kosovo. The majority of municipalities have failed to improve their performance: overstaffing remains a problem and services to the citizens have not improved. *Kosovo's local democratic governance rating thus remains unchanged at 4.75.*

Judicial Framework and Independence. Despite legislative reforms and a solid performance of the Constitutional Court, Kosovo's judiciary is only nominally independent from the executive branch. There are too few judges and prosecutors despite the great need for stronger rule of law. The judiciary has limited influence over its budget, which is drafted by the Ministry of Finance. The EU has criticized the selection process for judges and prosecutors. In 2012, senior politicians who were sentenced to prison terms managed to avoid serving their sentences. *Kosovo's rating for judicial framework independence remains unchanged at 5.50.*

Corruption. Corruption. Kosovo authorities and EULEX were not successful in pursuing any high-profile corruption cases in 2012. Instead, the authorities have focused on establishing institutions, such as the president's Anti-Corruption Council. The mysterious death of the head of Kosovo's Privatization Agency and a note he left describing political pressure for privatization bids has created a general perception that the whole process is heavily corrupt. In April, the head of the government's task force against corruption, Nazmi Mustafi, was arrested on suspicion of misconduct. Later in the year, two senior officials of the Ministry of Internal Affairs were accused of high-level bribery. The EU has criticized the implementation of anticorruption strategy and has urged the authorities to draft a new policy. Rising visibility of corruption during the year in no way translated to more energetic or substantive anticorruption efforts; therefore, *Kosovo's corruption rating declines from 5.75 to 6.00.*

Outlook for 2013. The ongoing dialogue between Kosovo and Serbia is expected to intensify in 2013, with the EU encouraging the countries to normalize relations in exchange for progress in the EU integration process. While an agreement with Serbia seems more possible than ever before, its implementation will be a big challenge for Kosovo. Local elections will be held in autumn and the authorities must complete an election reform beforehand. Although these will be elections for municipal assemblies and mayors, their result could have an impact on national politics. The government is scheduled to privatize Post and Telecommunications of Kosovo (PTK), a profitable company that is considered country's commercial pride. The sale of PTK could stoke fresh opposition to a privatization process that has angered trade unions, the public, and opposition politicians.

Main Report

National Democratic Governance

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
n/a	5.75	5.75	5.75	5.50	5.25	5.50	5.75	5.75	5.75

September 2012 witnessed the formal withdrawal of key international bodies established in 2008 to supervise and guide the development of Kosovo's democratic institutions and rule of law. Having concluded that the Comprehensive Status Proposal (CSP) of United Nations special envoy Martti Ahtisaari (also known as the Ahtisaari Plan) had been substantially implemented, the International Steering Group, a body representing 25 countries, decided to end its supervision of Kosovar governance and conclude the mandate of the International Civilian Office (ICO).[1] Previously, the ICO had the power to override decisions by Kosovo's executive, legislative, and judicial branches. Pursuant to its closure, Kosovo authorities assumed full power over the country, amending necessary legislation as well as the constitution to reflect these changes.[2] Nevertheless, the country remains subject to a number of supervisory institutions, such as the European Union (EU) and its rule of law mission (EULEX).[3]

Northern Kosovo remained volatile throughout 2012, with Serbia continuing to fund "parallel" public and security services for the region's ethnic Serb majority. In April, an explosive device blasted an Albanian residence in the Serb-dominated northern part of the ethnically divided city of Mitrovica, killing one person and wounding others.[4] Sporadic incidents, including gunshots and blasts, kept intercommunal tensions high. A report by the European Court of Auditors concluded that "there has been almost no progress in establishing the rule of law in northern Kosovo."[5] In February, municipal authorities in northern Kosovo held a referendum on the question "Do you accept the institutions of the so-called Republic of Kosovo?" With a voter turnout of 75 percent, 99 percent voted "No." Kosovar authorities and the international presence in the country dismissed the referendum as illegal, while Serbia's government said it was completely unnecessary and meaningless.[6]

The official end of Kosovo's supervised independence followed some notable progress on the country's EU integration agenda. In January, the European Commission launched a dialogue on visa-free travel for Kosovo citizens.[7] In order to maintain tighter supervision of reforms related to rule of law, in May the EU launched a high-level "structured dialogue" forum that will regularly assess progress on judicial reforms and the fight against organized crime and corruption.[8] Following the closure of the ICO, the European Commission released a feasibility study that identified no legal obstacles to the establishment of a Stabilization and Association Agreement (SAA) between the EU and Kosovo.[9] The feasibility study

concluded that Kosovo is "largely ready" to reach an SAA—an important early step toward EU membership negotiations—so long as more progress is achieved on rule of law, minority rights, public administration, and trade.[10] Although the European Commission has not highlighted the problem, the fact that five EU member states still do not recognize the country's independence may complicate the unanimous ratification of an SAA.

With the exception of talks with Serbia, most policy goals related to the EU agenda and closure of the ICO have relatively wide support, even among opposition parties. However, when it comes to more divisive internal policies and decisions, the government is weak. The fraudulent elections of December 2010 continue to undermine its legitimacy in the eyes of opposition parties and other non-state actors. Parliamentary support for Prime Minister Hashim Thaçi has dwindled, and defections by disgruntled MPs have left the ruling coalition between Thaçi's Democratic Party of Kosovo (PDK), the New Kosova Alliance (AKR), the Kosovo Serb Independent Liberal Party (SLS), and the GP 6+ parliamentary group of minority MPs with only 59 members in the 120-seat parliament.[11] Thus, the coalition depends on the votes of 10 non-aligned MPs, out of which seven are MPs from minority groups, including a more radical Kosovo Serb entity, the United Serb List, led by Rada Trajkovic.

The government proceeded with the controversial privatization of the energy sector in 2012, selling its grid and distribution services to the Turkish consortium Calik-Limak for €26.3 million. Civil society groups and opposition parties opposed the deal, which they claimed would switch energy distribution from a public to a private monopoly and thus undermine liberalization.[12] When the opposition Vetevendosje (Self-determination) party organized a protest on the day the agreement was signed, police barred their MPs from attending the ceremony.[13] Parliamentary speaker Jakup Krasniqi subsequently accused Interior Minister Bajram Rexhepi, who had given the police their orders, of leading a siege of the parliament.[14] Rexhepi's interference with police operations was in direct violation of the autonomy of the police service and was widely seen as an indicator of the fragility of the independence of institutions and the checks and balances between them.

Divisions within the ruling PDK deepened throughout 2012. Krasniqi, who is also PDK's secretary general, criticized his party and accused Prime Minister Thaçi of opaque and authoritarian leadership.[15] Meanwhile, the party has welcomed into its ranks agents of the Kosovo Information Service (SHIK)—a shadow intelligence service of the PDK that was investigated by EULEX for serious crimes committed following the end of the 1999 conflict.[16]

The EU continues to facilitate negotiations between Kosovo and Serbia. Five agreements were reached in 2011 as a result of bilateral talks on so-called technical issues, including trade.[17] A sixth important agreement on Kosovo's participation in regional meetings was reached in Brussels on 24 February 2012. According to this deal, Kosovo will be represented in regional-level meetings with a footnote reading: "This designation is without prejudice to positions on status, and is in line with UNSCR 1244/1999 and the ICJ Opinion on the Kosovo declaration

of independence." Since Serbian representatives have consistently boycotted all regional events where Kosovo is invited to participate, the agreement is a significant benchmark in stabilization of relations.

This next stage of this dialogue was interrupted by parliamentary and presidential elections in Serbia, since the Serbian delegation did not want to participate in negotiations during the campaign. Tensions rose as Kosovo authorities moved rapidly to implement the agreements that had been reached, but Serbia did not.[18] However, after the formation of Serbia's new government, the EU's high representative for foreign affairs and security policy, Catherine Ashton, facilitated a fresh round of talks, this time at the prime-ministerial level. According to Ashton, the first high-level meetings between the countries since 2008 were "frank and open."[19] The second meeting anchored by Ashton yielded an agreement on joint border management, though no enforcement mechanism was established. Some of Kosovo's opposition politicians contend that no negotiations with Serbia should take place before an apology is extended to Kosovo for the 1998–99 conflict. In October, police in Pristina used teargas and excessive force to shut down the Vetevendosje movement's protest against the high-level talks.

Throughout the year Kosovo managed to maintain macroeconomic stability, mostly owing to the fact that the country is quite isolated from global financial markets. Internal reforms helped the country jump 19 places, to 98, in the World Bank's *Doing Business* report ranking.[20] NGOs criticized the government for addressing World Bank indicators while failing to attract foreign investors or spur job creation.[21] The UNDP *Public Pulse 2012* report shows increased citizen dissatisfaction with the central government and growing concern over the state of the economy.[22] This survey also shows that distrust, lack of cooperation, and even physical separation between and among ethnically identified citizens has worsened significantly, mainly due to public discussions regarding a potential solution for northern Kosovo.

Electoral Process

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
5.25	4.75	4.75	4.75	4.50	4.50	4.25	4.50	5.00	5.00

After deeply fraudulent elections in 2010, Kosovo institutions vowed to engage fully in the reform of the electoral system. The main objective of reforms proposed in 2011 and 2012 was to minimize fraud, but other elements such as electoral districts and candidate lists were also opened for discussion. The special parliamentary committee established to deal with these issues in 2011 proved unable to reach a decision on the creation of more electoral districts or a switch from party-list voting.[23] Overall, electoral reform efforts stagnated in 2012, primarily due to disagreements between political parties and an emphasis on superficial changes.[24]

The gridlock reached its peak in August when the opposition Democratic League of Kosovo (LDK) resigned its chairmanship of the special parliamentary

committee for electoral reform and joined other opposition parties in contesting the legitimacy of President Atifete Jahjaga. Jahjaga had been elected by the national assembly in April 2011 after the Constitutional Court ruled that the election of Begjet Pacolli's was unconstitutional (a boycott by opposition lawmakers had left the parliament short of a quorum). Under an agreement by the government and the LDK, Jahjaga was supposed to serve only nine months before constitutional reforms interrupted her official, 5-year mandate with direct presidential elections in 2012. However, in July 2012 the Constitutional Court responded to a request for clarification from the government by ruling that Jahjaga had a right to serve through 2016. This has created a silent crisis where the head of state lacks the support of political parties in the opposition and is seen as too close to the governing coalition parties. The disagreement, including an ongoing boycott by opposition parties, also played a role in slowing electoral reforms.

With reforms still incomplete, Kosovo had to organize early mayoral elections in the municipalities of Kacanik and Ferizaj when both incumbents were convicted and sentenced to prison—one for extortion, the other for involvement in a fatal traffic accident.[25] Civil society organizations participated in the monitoring process and expressed concern over some technical issues faced by some polling stations, mainly regarding the voting registry and security.[26] Nevertheless, the elections were considered relatively fair and democratic. Both votes were characterized by low turnout and heavy mobilization of PDK loyalists, which helped the party to retain power in both municipalities.

There is ample evidence that weak implementation of legislation is a greater threat to electoral processes in Kosovo than the actual shortcomings in the country's existing laws. Of the more than 5,000 election crimes reported in relation to the December 2010 elections, only 37 percent had been by October 2011. Seven people were sentenced to prison, while other received small fines.[27] In efforts to avoid lax sentencing by judges, the new Criminal Code that will enter into force in 2013 foresees both fines and prison time for election fraud. Yet there has been little progress so far in combatting election crimes, and political inference could stand in the way of implementing and enforcing the new provisions.

Civil Society

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
4.25	4.00	4.25	4.25	4.00	4.00	3.75	3.75	3.75	4.00

In April 2012, the government sponsored a new law on the Central Bank of Kosovo and Microfinance Institutions, challenging a basic mechanism of Kosovo's civil society ecosystem. The Law on Freedom of Association of NGOs stipulates that when any NGO ceases to exist, its capital should be transferred to other NGOs working toward the same goals. However, the new law passed in 2012 allows the Central Bank to turn these organizations into private businesses without stipulating what is to become of any assets, including donations, they accumulated as NGOs.[28]

The law is especially relevant for NGOs that have been operating as microfinance institutions, providing fast and easy loans to individuals and businesses at high interest rates. Over the last 12 years, these NGOs have accumulated approximately €100 million in capital, which civil society groups and the political opposition insist should be remain in the NGO sphere rather than transforming into assets of former NGO directors and associates.[29] Despite a boycott by opposition MPs, the new legislation was approved by a narrow majority.

There are more than 6,000 NGOs registered with the Ministry of Public Administration, but prominent civil society activists believe that only 300–400 of them are active and play a role in shaping public opinion or monitoring the activities of state institutions. Overall, civil society is considered to be independent from state structures. However, funding for NGOs, which mainly comes from international foundations, has been declining, mainly due to the attention given to other emerging democracies in the Middle East and Caucasus, which are seen as a higher priority than Kosovo. In the absence of any kind of policy that would guide incentives, businesses continued to support cultural activities rather than NGOs, and private support for NGO activities is minimal.

The European Commission launched the Civil Society Facility in order to enhance the involvement of NGOs in Kosovo's policy dialogue. The project has a budget of €3.3 million for a three-year period and aims to foster the involvement of civil society organizations in policymaking through a more rigorous consultation process, as well as increasing the involvement of social partners in the socio-economic development of the country.[30]

Trade unions were more active in 2012, motivated by the government's efforts to sell state companies to investors. The Independent Union of Energy, which represents employees of state-run energy sector, regularly organized protests against the privatization of the Kosovo Energy Distribution and Grid (KEDS) between May and October.[31] The Union of Independent Trade Unions of Kosovo, an umbrella organization, led a petition drive against the privatization of key public assets—including KEDS, telecommunications and the Trepca mines—and gathered 50,000 signatures from Kosovo citizens within one month.[32] The impact of these protests has been virtually nil as the government ignored them entirely.

The ongoing politicization of the University of Pristina was particularly flagrant in 2012. For over a decade, politicians have been nominated for top academic positions at Kosovo's largest institute of higher learning, enjoying rapid academic advancement despite their questionable academic degrees. During the reporting period, Ibrahim Gashi, deputy president of the New Kosova Alliance, the minor governing coalition partner, was appointed rector of the university.[33] Gashi was serving as deputy minister of foreign affairs up until his appointment.

Government influence in private education is mainly exercised through the accreditation process. Universities whose owners, leaders, or prominent professors were not in line with government policies faced extra trouble during this process in 2012, and, in some instances, rejection.[34] Many senior politicians continue to serve as full-time professors both in public and private universities.

Independent Media

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.75	5.75	5.75

Despite widespread opposition from news outlets and media watchdog organizations, the new Criminal Code adopted by Kosovo's parliament on 20 April contained three articles with potentially problematic implications for media freedom. Articles 37, 38, and 39 included language that could have been misused by courts to compel journalists to reveal their sources under broadly defined circumstances.

Journalists responded to the code's adoption by boycotting the activities of state institutions, while local and international media organizations and NGOs pressed President Atifete Jahjaga to return the code to the parliament for revision.[35] President Jahjaga did so, but her veto was overridden by a simple majority vote in the parliament. During the heated debate that accompanied this vote, MPs from ruling and opposition parties alike argued for "greater control" over the media and journalists.[36] Deputy prime minister and minister of justice Hajredin Kuçi resigned from both his positions in June, saying he was embarrassed by the vote.[37] The Ministry of Justice soon drafted amendments to remove the problematic articles from the Criminal Code and submitted them to the parliament for consideration.[38] This time, the legislature relented, adopting the ministry's amendments on 5 July.[39] Minister Kuçi returned to his positions shortly thereafter. The saga over the new media legislation, which lasted three months in total, highlighted the hostility and distrust many government officials feel toward the independent media. However, the episode also demonstrated the ability of the Association of Professional Journalists of Kosovo (APJK) and other civil society organizations to mobilize when their rights are at stake.

Kosovo's Independent Media Commission (IMC), an institution established in 2005 to regulate and license all non-print media in Kosovo, remained at least 5 members short of its intended, 7-member total for all of 2011 and most of 2012.[40] The mandate of four IMC members expired in December 2010, while the remaining two members' tenure—the IMC has not actually had 7 members, as required by law, since 2008—expired in May 2012. In August, the National Assembly finally appointed six new members, none of whom had any relevant media experience and all of whom had preexisting ties with political parties.[41] The delay of appointments and their politicization damaged the reputation and the independence of the IMC.

New legislation on the financing and management of the public broadcasting service, Radio Television Kosovo (RTK), was approved by a narrow margin on 29 March after two years' delay and growing signs that the government was using the system as a propaganda tool through selective programming and news reporting. In the absence of a stable funding mechanism, the broadcaster was dependent on a six-month emergency fund, renewed twice a year.[42] The new law stipulates that 0.7 percent of the government's annual budget will go to RTK, less than the 0.9 percent recommended by the European Broadcasting Union (EBU). The amount is sufficient to cover the broadcaster's operations, but lacks long-term sustainability.

The new law also cleared the way for the establishment of a new public channel designated for the Serb community living in Kosovo.

The Association of Professional Journalists of Kosovo (APJK) continued to speak out in defense of media freedom and journalists' rights—organizing media rights events, reacting regularly in cases of violence against journalists, and playing an active role in the campaign against Articles 37 and 38 of the draft Criminal Code. By contrast, the Kosovo Press Council, a media self-regulation body, remained quite passive, neither setting nor implementing fines for violarions of media ethics. During the reporting period, neither APJK nor the Press Council was consulted, directly or indirectly, by any state authority on the drafting of important policies, legislation, and bylaws affecting the media.[43]

Violence against journalists persisted throughout the year. The APJK reported 11 cases of violence and threats against journalists, mostly carried out by government officials, members of the Kosovo Police, and businessmen.[44] There are no records showing successful prosecution of these cases by the state. APJK has not been active in filing complaints through the courts.

Local Democratic Governance

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
n/a	5.50	5.50	5.50	5.50	5.25	5.00	5.00	4.75	4.75

During 2012 the process of transferring powers to municipal governments continued in line with the decentralization plan, albeit at a slow pace, and with limits. Closure of the ICO prior to the establishment a new, Mitrovica North municipality was seen as a failure of the international community to deal with Pristina's lack of authority in the ethnic Serb–populated half of the city of Mitrovica, above the Ibar river. Kosovo authorities did make some progress in this regard during the year, establishing an Administrative Office in northern Mitrovica. The office is in charge of providing services to citizens as well as working with the central government to coordinate projects, especially investments, in this part of the country.[45] Kosovo Serbs opposed this move by the government but no serious confrontations resulted from the decision during the reporting period. Serbian authorities have continued to operate in parallel with Kosovar ones throughout northern Kosovo. In October, Serbian security forces arrested a Serbian national in northern Mitrovica; Kosovo authorities treated the case as a kidnapping.[46] The sovereignty of Kosovo is continuously challenged by the operations of these forces.

In 2012 the government failed to fulfill the last phase of decentralization for Serb-majority municipalities, policies dealing with municipal authority over education and the election of local police chiefs. These changes remained a low priority on government's overloaded agenda, particularly as they could not be implemented in the northern municipalities.

In October, based on International Monetary Fund recommendations, the central government transferred certain fiscal powers to municipalities, which will

be able to set tax rates and manage their own revenue. The basis for the property tax, which accounts for more than half of municipal revenue, has been expanded, with municipalities expecting an increase of their budgets in 2013.[47]

The Kosovo Agency of Statistics published the results from the 2011 census in 2012, providing detailed demographic and economic information for each municipality.[48] As of 2014, distribution of government grants to municipalities is to be based on these statistics. The municipality of Pristina that is expected to lose the most as a result, since census data show that the capital city in particular has significantly fewer residents than was previously believed.[49] Pristina Mayor Isa Mustafa leads the Democratic League of Kosovo (LDK), the largest opposition party in parliament, a factor that may also contribute to clashes over the budget between central and local authorities, particularly in the lead-up to the fall 2013 municipal elections. The government continues to stall progress on legislation that would give Pristina more autonomy and authority over municipal operations.

Decentralization has not improved the performance of municipalities nor the services they offer. Lack of professionally qualified personnel has hindered project management at the municipal level, whereas overstaffing is a phenomenon in most municipalities.[50] According to a formula promulgated by the central government, there should be one local civil servant for every 780 residents in municipalities, or 650 residents for municipalities that have fewer than 100,000 people.[51] Based on Kosovo's most recent census data, this means that the country's municipal governments are overstaffed by a total of more than 3,100 civil servants.[52] GAP Institute, a think-tank, highlighted this as an indicator that municipalities are used by political parties to secure employment for their loyalists, rather offering services for citizens.[53]

Eight mayors of different municipalities have been charged with crimes, mostly relating to abuse of office; two have been convicted of extortion, illegal possession of weapons, corruption, and intimidation.[54] Transparency and accountability in municipal governments have stagnated or in some cases worsened.

The Kosovo government has not attempted to extend its authority in the north, and Serbia's government gave up on organizing local elections for Serbia-run municipalities in Kosovo. In May, however, the Organization for Security and Cooperation in Europe (OSCE) facilitated elections for Serbia's president and parliament so that its citizens living in Kosovo could vote.

Judicial Framework and Independence

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
6.00	5.75	5.75	5.75	5.75	5.75	5.75	5.75	5.50	5.50

The Kosovo judiciary has performed better in quantitative terms since the 2011 introduction of a policy of "equal salaries," which raised judges' and prosecutors' wages to the level of cabinet ministers' salaries (a 400 percent increase, on average).[55] The policy was intended to boost morale and decrease incentives for corruption in the court system. The Ministry of Justice drafted a new Criminal Code during the

year, which was adopted by the parliament, and a new Criminal Procedure Code, which was still under discussion at year's end. However, despite a few effective reforms and the existence of a legislative framework that should enable the court system to function independently, Kosovo's judiciary continues to operate under intense political pressure. Rule of law is not reliably enforced, especially in cases dealing with high-level political corruption. As noted by the European Union, the majority of judges are selected by politicians, rather than by an independent panel of peers.[56]

Though state authorities have declared improving the functioning and independence of the judiciary to be a priority,[57] the system at a whole remains underfunded, including the offices tasked with its oversight. Two independent bodies, the Kosovo Judicial Council (KJC) and Kosovo Prosecutorial Council (KPC), are responsible for overseeing the judiciary and administering the courts and prosecutors' offices. In practice, their role remains limited in both policymaking and in ensuring freedom from executive interference. In 2012, only 1.29 percent of the total €1.5 billion euro state budget was allocated to supporting the KJC and KPC.[58] The amount increased slightly in the 2013 budget.[59] The KJC and the KPC have no powers over the allocation of their budget, which is drafted by the Ministry of Finance.

Kosovo has fewer judges and prosecutors per capita than most countries in the region, including Serbia, Montenegro, and Croatia. This has led to an enormous backlog of cases and an often sclerotic pace of issuing rulings. Civil society organizations have conducted studies showing that the current budget is insufficient for any further development of the judiciary.[60] The judiciary also does not have any budgetary flexibility and is dependent on the executive for any operational matters. Cases where the government has made direct intervention in budgetary lines of the judiciary were also noted.[61]

In contrast, the Constitutional Court is in charge of drafting its own budget, thus avoiding the government's financial influence over this important institution. The court is highly regarded by the public for its independence, despite some controversial rulings, including one that said reforms involving the presidency should not preclude the sitting president from serving her full, five-year mandate. Civil Society organizations have argued that the Constitutional Court should be used as a budgetary model for the KJC and KPK to increase their policymaking and operational capacities, as well as their independence.[62]

Equality before the law was not always in evidence during the reporting period. In several cases, the courts were unable or unwilling to follow through with prosecutions involving political figures and interests. Politicians of the governing political party managed to delay or postpone criminal processes against them. The former mayor of Ferizaj, Bajrush Xhemajli, was sentenced two years imprisonment for causing an accident with fatalities, but his sentence was delayed repeatedly and he remained at large.[63] The former mayor of Kacanik, Xhabir Zharku, was sentenced for extortion and illegal possession of firearms. Despite a warrant for his arrest, he managed to leave the country and avoid serving his sentence.

Corruption

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
6.00	6.00	6.00	6.00	5.75	5.75	5.75	5.75	5.75	6.00

Efforts to fight misconduct and graft continued throughout the year without notable progress, leaving corruption as Kosovo's biggest challenge. Authorities have proposed new laws and established new institutions to fight corruption, but these efforts have produced scant results in the form of convictions or other sanctions.

In 2011, the government created an Anti-Corruption Task Force of specialized prosecutors and police investigators to work on high-profile corruption cases. The head of this task force, Nazmi Mustafi, was arrested in April 2012 and charged with abuse of office and unauthorized possession of weapons.[64] The trial was ongoing at year's end.

In February 2012, President Jahjaga established the National Anti-Corruption Council to coordinate inter-institutional efforts in the fight against corruption. Although the move was widely welcomed by the international community, the council's role is largely ceremonial and it held only a few meetings in 2012.

The Ministry of Justice drafted an important Law on Extended Powers for Confiscation of Assets Acquired by Criminal Offence, which was a missing link in the fight against corruption and organized crime since there was no legislation to enable authorities to confiscate ill-gotten assets. The legislation was followed by a heated debate, mostly concerning the retroactivity of its implementation. The EU has acknowledged the final draft to be both just and efficient, providing extended powers to the courts while limiting the potential for abuse.

Perception of corruption remains high, especially in connection with the privatization process. In June, the head of Kosovo's Privatization Agency Dino Asanaj was found dead in his office in Pristina.[65] The autopsy concluded he had committed suicide, despite the fact that he had 11 major stab wounds and many superficial ones. A note found by Asanaj's body and ostensibly written by him described the pressure he was under over the privatization of state-owned enterprises, including the Grand Hotel, Pristina's central hotel. Deputy Prime Minister Behgjet Pacolli and Deputy Finance Minister Astrit Haraqija were among those questioned by the police, as well as two MPs, Uke Rugova, the son of the late president Ibrahim Rugova, and Naser Osmani, who sits on the board of the Privatization Agency.[66] They were all named in the letter. The investigation was closed when Asanaj's death was concluded to be suicide. The U.S. Federal Bureau of Investigation also was called in to investigate since Asanaj was an American citizen, but concluded there was no new evidence to suggest that it was not a suicide.[67] Many of Asanaj's close friends and colleagues strongly rejected the conclusion that he had taken his own life.[68] Following Asanaj's death, allegations of corruption in the privatization process reached a peak, becoming a rallying point for numerous trade union protests and a consistent focus of parliamentary debates. The speaker of the parliament, Jakup Krasniqi, said the judiciary must hunt the organized crime behind the privatization

process, which, he said, included senior politicians.[69] No major corruption cases were successfully tried during the year.

Another corruption scandal during the year involved a procurement tender for printing Kosovo passports. The representative of an Austrian company that won the tender was arrested in early November, after €1.4 million from the Ministry of Internal Affairs disappeared during a transaction.[70] The investigation was ongoing at year's end, with two senior ministerial officials facing bribery charges.[71]

Political party financing in Kosovo is opaque, owing to the weaknesses in the law. The law does not prohibit donations from legal entities that provide goods or services to the public administration, allowing a "payback" phenomenon to happen. An investigation by the *Zeri* daily revealed that companies that were sponsoring political parties during their election campaign were the most likely to win government tenders. The newspaper's investigation showed that a single company that was major sponsor of the ruling PDK had been favored by the party in public procurement contracts.[72]

Political figures continued to get rich while in office, according to civil society activists who compared statements of wealth that politicians had voluntarily submitted to the Anti-Corruption Agency.[73] No charges have been pressed against politicians who amassed significant assets while they were in power.

An October 2012 report by the European Court of Auditors suggests that assistance from the EU has had a limited effect so far in combatting high levels of corruption and the persistence of organized crime.[74] The EU's evaluation of Kosovo's 2009–11 anticorruption strategy indicates limited implementation due to inadequate institutional cooperation and coordination, as well as lack of support and commitment by the senior leadership in all public institutions.[75] Overall, the fight against corruption remains largely a matter of political rhetoric and the political will to consistently and energetically enforce the rule of law remains weak.

▮ Author: Krenar Gashi

Krenar Gashi is the Executive Director of the Institute for Development Policy (INDEP) in Pristina.

---

1 "International Civilian Office, February 2008–September 2012," International Civilian Office-Kosovo, http://ico-kos.org/index.php?id=8.

2 For more details see the official transcripts of the Kosovo Assembly parliamentary sessions, available on the official website www.kuvendikosoves.org, accessed on 8 November 2012 (available in Albanian only).

3 Lumturie Blakaj, "Mbikëqyrja po vazhdon!" [Supervision continues!], Zeri.info, 7 September 2012, http://www.zeri.info/artikulli/1/1/56855/mbikeqyrja-po-vazhdon/.

4 Fatmir Aliu, "Deadly attack on north Kosovo Albanians raises tensions," Balkan Insight, 8 April 2012, http://www.balkaninsight.com/en/article/terrorist-attack-in-north-of-kosovo-leaves-one-dead-five-other-injured.

5 European Court of Auditors, "Rule of law assistance to Kosovo not sufficiently effective," news release, 30 October 2012, http://eca.europa.eu/portal/pls/portal/docs/1/17830743.PDF.

6 "Northern Serbs vote 'No' to Kosovo," Balkan Insight, 16 February 2012, http://www.balkaninsight.com/en/article/99-74-kosovo-serbs-say-no-to-pristina.

7 European Commission, "Commission launches dialogue with Kosovo on visa free travel," news release, 19 January 2012, http://europa.eu/rapid/press-release_IP-12-32_en.htm.

8 European Commission, "Conclusions of the structured dialogue on the rule of law with Kosovo," news release, 30 May 2012, http://ec.europa.eu/commission_2010-2014/fule/docs/news/20120530_rold_conclussions_30_may.pdf.

9 Kosovo is not recognized by Cyprus, Greece, Romania, Slovakia, or Spain, which oppose the unilateral declaration of independence mainly due to their relations with Serbia or their own internal problems with secessionist movements.

10 European Commission, *Communication from the Commission to the European Parliament and the Council on a Feasibility Study for a Stabilisation and Association Agreement between the European Union and Kosovo* (Brussels: European Commission, October 2012), http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2012:0602:FIN:EN:HTML.

11 Official website of the Kosovo National Assembly, "Numerical representation of the Kosovo Assembly," accessed January 2013, http://kuvendikosoves.org/?cid=2,107.

12 Kosovo Civil Society Consortium for Sustainable Development, "Kosid kundershton nenshkrimin e kontrates per privatizimin e KEDs" [KOSID opposes the contract signing for privatization of KEDS], news release, 17 October 2012, http://www.kosid.org/news/kosid-kundershton-nenshkrimin-e-kontrates-per-privatizimin-e-keds?lang=sq.

13 In a plenary session of the parliament held on the same day, Rexhepi admitted to the parliament that he had given orders to the police unit. "Rexhepi: Unë e dhashë urdhrin që të mos lejohet hyrja në Qeveri" [Rexhepi: I gave the order to not allow entry to the Government], Koha.net, 17 October 2012, http://www.koha.net/?page=1,13,119428.

14 Fatmir Aliu, "Kosovo PM accused of ordering 'siege' of Parliament," Balkan Insight, 19 October 2012, http://www.balkaninsight.com/en/article/pm-thaci-accused-for-abusing-with-kosovo-police.

15 "Krasniqi: Thaçi is not king," Kosova Press, 26 September 2012, http://www.kosovapress.com/?cid=2,86,153250.

16 "Veseli merr zyrtarisht librezën e PDK-së" [Veseli officially gets his PDK membership card], *Zeri.info*, 2 November 2012, http://www.zeri.info/artikulli/1/1/60953/veseli-merr-zyrtarisht-librezen-e-pdk-se/.

17 Freedom of Movement (2 July 2011), Civil Registry (2 July 2011), Recognition of University Diplomas (July 2, 2011), Cadastral Books (2July 2011), Customs Stamps (2 September 2011) and Integrated Border Management (September 2, 2011).

18 Shenoll Muharremi, *The Kosovo—Serbia Dialogue: Close to EU, Far From the Citizens* (Pristina: Development Group, May 2012), http://www.fes-prishtina.org/wb/media/Publications/2012/Larg%20Qytetarit%20Afer%20BEse_finale%20eng.pdf.

19 Press Release by High Representative of 9 November 2012, http://www.eeas.europa.eu/top_stories/2012/081112_ca_dacic_thaci_en.htm.

20 The World Bank Group, *Doing Business 2013: Kosovo* (Washington, DC: The World Bank Group, October 2012), http://www.doingbusiness.org/~/media/GIAWB/Doing%20Business/Documents/Annual-Reports/English/DB13-full-report.pdf.

21 Institute for Development Policy (INDEP), *Politikbërja e Limituar e të Bërit Biznes* [Limited Policymaking of Doing Business] (Pristina: INDEP, October 2012), http://www.indep.info/documents/76951_INDEP%20-%20Kufizimet%20e%20raportit%20te%20te%20Berit%20Biznes.pdf.

22 United Nations Development Programme (UNDP) Kosovo, *Public Pulse No.4* (Pristina: UNDP Kosovo, August 2012), http://www.kosovo.undp.org/repository/docs/PULSE_ENG_409069.pdf.

23 INDEP, *Opsionet per Reformen Zgjedhore në Kosovë* [Options for Electoral Reform in Kosovo] (Pristina: INDEP, June 2012), http://www.indep.info/documents/75482_INDEP%20-%20Opsionet%20per%20Reforme%20Zgjedhore%20ne%20Kosove.pdf.

24 Assembly of the Republic of Kosovo, Minutes of the Plenary Session of 23 January 2012.

25 See "Bajrush Xhemajli jep dorëhaqje" [Bajrush Xhemajli resigns], *Zeri.info*, 20 March 2012, http://www.zeri.info/artikulli/1/1/46008/bajrush-xhemajli-jep-doreheqje/. Also see Genc Nimoni, "Konfirmohet Dënimi Ndaj Zharkut, Kaçaniku në Zgjedhje" [Zharku's sentence confirmed, Kaçanik goes to early election], *Gazeta JNK*, 8 May 2012, http://gazetajnk.com/?cid=1,1018,2105

26 Election Monitoring Statement, Democracy for Development, April-May 2012, available at http://d4d-ks.org/elections/?lang=en.

27 Kosovar Institute for Policy Research and Development (KIPRED), *Election Crimes: An Analysis of the Criminal Prosecution and Trial of the Cases of Election Crimes in Kosovo* (Pristina: KIPRED, October 2011), http://www.kipred.org/advCms/documents/15928_election_crimes.pdf.

28 Law on Central Bank of Kosovo and Microfinance Institutions, Chapters 11 and 12.

29 Jeta Xharra, "Kjo ësht ë plaçkitje" [This is robbery], *Gazeta JNK*, 22 April 2012, http://gazetajnk.com/?cid=1,1011,1997.

30 European Commission, *Communication from the Commission to the European Parliament and the Council on a Feasibility Study for a Stabilization and Association Agreement between the European Union and Kosovo* (Brussels: European Commission, October 2012), http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2012:0602:FIN:EN:HTML.

31 "Punëtorët e KEK-ut nesër në protestë" [KEK workers will protest tomorrow], *Kosova Press*, 22 May 2012, http://ssl.kosovapress.com/index.php?cid=1,87,30583; "SPEK kundër privatizimit të distribucionit të KEK-ut" [SPEK against the privatization of KEK's distribution], *Ekonomia*, 5 July 2012, http://www.ekonomia-ks.com/?page=1,4,25236; and "Punëtorët e PTK-së dhe KEK-ut: 'Kuvend ndal privatizimin'" [Workers of PTK and KEK: "Parliament stopped privatization], Kosova Sot, 14 September 2012, http://www.kosova-sot.info/ekonomi/punetoret-e-ptkse-dhe-kekut-kuvend-ndal-privatizimin.

32 Saranda Rama, "Mbledh 50 mijë nënshkrime kundër privatizimit" [50,000 signatures against privatization], Zeri.net, 9 September 2012, http://www.zeri.info/artikulli/2/8/57293/mbHachikos/.

33 "Ibrahim Gashi rektor I ri I UP-së" [Ibrahim Gashi new rector of the UP], Koha.net, 30 July 2012, http://www.koha.net/?page=1,13,109432.

34 Author interviews with chairmen of two private universities in Pristina, September and November 2012.

35 "Presidentja ia kthen kodin penal Kuvendit" [President returns the criminal code to the Parliament], Gazeta Express, 6 May 2012, http://www.gazetaexpress.com/?cid=1,13,80832.

36 "Kuvendi nuk heq nenet 37 dhe 38, AGPK "e tmerruar" [Parliament doesn't remove articles 37 and 38, APJK is terrified], Zeri.info, 22 June 2012, http://www.zeri.info/artikulli/1/1/51791/miratohen-ligjet-per-perfundimin-e-mbikeqyrjes/.

37 Jeton Llapashtica, "Jep dorëhaqje Hajredin Kuçi" [Hajredin Kuci resigns], Zeri.info, 22 June 2012, http://www.zeri.info/artikulli/1/1/51794/jep-doreheqje-hajredin-kuci/.

38 Government of Kosovo, *Draft Law No. XX/2012 To Repeal Articles 37, 38, and 39 of the Criminal Code of the Republic of Kosovo*, http://www.kuvendikosoves.org/common/docs/ligjet/04-L-129.pdf.

39 "Miratohet në parim Kodi Penal, pa nenet 37, 38 dhe 39" [Criminal Code approved in principle, without articles 37, 38 and 39], Koha.net, 5 July 2012, http://koha.net/?page=1,13,106033.

40 Official Website of the Independent Media Commission, http://kpm-ks.org.

41 "Asnjë gazetar nuk rekomandohet për KPM" [No Journalist Recommended for IMC], Gazeta JNK, 16 August 2012, http://gazetajnk.com/?cid=1,3,2913.

42 INDEP, *The State of the Media in Kosovo* (Pristina: INDEP, May 2012), http://www.indep.info/documents/88076_INDEP%20-%20The%20State%20of%20Media%20in%20Kosovo.pdf; and Parliamentary Committee for Legislation of the Assembly of Kosovo, "Procesverbal—Imbledhjes së Komisionit për Legjislacion" [Minutes—The meeting of the Committee for Legislation], 26 March 2012, http://www.assembly-kosova.org/common/docs/proc/proc__2012_03_26_11_4112_al.pdf.

43 Njomza Salihi, "Pushteti Rregullore për mediat pa i konstultuar" [The government regulates the media without consulting them], Gazeta JNK, 13 August 2012, http://gazetajnk.com/?cid=1,3,2879.

44 APJK statistics obtained by Freedom House in November 2012.

45 The Office of the Prime Minister of the Republic of Kosovo, "Government of Republic of Kosovo establishes Mitrovica North Administrative Office," news release, 23 May 2012, http://www.kryeministri-ks.net/index.php?page=2,9,2871.

46 "Policia e quan kidnapim arrestimi e 'Pagit'" [Police call arrest of 'Pagi' a kidnapping], Gazeta Express, October 31, 2012, http://www.gazetaexpress.com/index.php/artikujt/C4/?cid=1,15,95629.

47 Government of the Republic of Kosovo, Decision 01/98 of 29 October 2012.

48 Kosovo Agency for Statistics, *Kosovo Population and Housing Census 2011*, http://esk.rks-gov.net/eng/.

49 Institute for Advanced Studies (GAP), *Population Census Data and their Impact on Public Policies* (Pristina: GAP, 2012), http://www.institutigap.org/repository/docs/ASK.pdf.

50 Ibid.

51 Government of the Republic of Kosovo, *Decision No. 01/46 of 3 December 2008*, http://www.kryeministri-ks.net/repository/docs/Vendimet_e_Mbledhjes_se_46-te_te_Qeverise_2008.pdf.

52 GAP, *Population Census Data and their Impact on Public Policies*, 7.

53 Ibid.

54 The mayors of Skenderaj, Dragash, Drenas, Prizren, Viti, and Kamenice were either under investigation or being tried at year's end.

55 The quarterly and annual reports of the Kosovo Judicial Council and Kosovo Prosecutorial Council show a better quantitative performance. This is also confirmed by several analysis published by

56 European Commission, *Feasibility Study for Kosovo* (Brussels: European Commission, October 2012), page 9.

57 Ibid.

58 Law on Kosovo Budget for 2012.

59 Law on Kosovo Budget for 2013, available at http://www.assembly-kosova.org/common/docs/ligjet/04-L-165%20PL%20per%20buxhetin%202013.pdf.

60 Kosovo Law Institute, Pavarësia e gjyqësorit në Kosovë [The Independence of the Judiciary in Kosovo] (Pristina: Kosovo Law Institute, November 2012).

61 Ibid.

62 Ibid.

63 Jeton Musliu, "Raporti Mjekësor që e mban Xhemajlin jashtë burgut" [The medical report that keeps Xhemajlin out], Gazeta JNK, 24 October 2012, http://gazetajnk.com/index.php?cid=1,3,3344.

64 "'Luftëtari'" i Korrupsionit Arrestohet për Korrupsion" [The "warrior" against corruption gets arrested for corruption] Gazeta JNK, 3 April 2012, http://gazetajnk.com/?cid=1,1018,1807.

65 Fatmir Aliu, "Kosovo privatization agency chief killed in office," Balkan Insight, 14 June 2012, http://www.balkaninsight.com/en/article/kosovo-privatization-agendy-director-dino-asanaj-killed.

66 Ibid.

67 "EULEX: Dino Asanaj beri vetevrasje" [EULEX: Dino Asanaj Committed Suicide], Indeksonline, 18 June 2012, http://www.indeksonline.net/?FaqeID=2&LajmID=21748.

68 "Në Prishtinë nuk e besojnë versionin e vetvrasjes se Dino Asanajt" [In Pristina they don't believe the story about Dino Asanaj's suicide], Res Publica, 18 June 2012, http://www.respublica.al/node/14215.

69 Fatmir Aliu, "Krasniqi wants privatization put on hold," Balkan Insight, 5 October 2012, http://www.balkaninsight.com/en/article/krasniqi-the-privatization-should-be-freezed.

70 Reports by Kosovo daily newspapers *Zeri* and *Koha Ditore* between November and December 2012, available at www.zeri.info and www.koha.net.

71 Ibid.

72 "Financuesit e PDK-se, milionere" [PDK sponsors, millionaires], *Zeri*, 27 February 2012, http://www.zeri.info/artikulli/1/2/19900/financuesit-e-pdk-se-milionere/.

73 "Platforma e deklarimit dhe e krahasimit të pasurisë" [The platform of reporting and comparing the wealth], *Levizja Fol*, http://levizjafol.org/al/deklarimet.

74 European Court of Auditors, "Rule of law assistance to Kosovo not sufficienrly effective," news release, 31 October 2012, http://eca.europa.eu/portal/pls/portal/docs/1/17830743.PDF.

75 European Commission, *Feasibility Study for Kosovo* (Brussels: European Commission, October 2012), 11.

Kyrgyzstan

by Erica Marat

Capital: Bishkek
Population: 5.5 million
GNI/capita, PPP: US$2,200

Source: The data above are drawn from the World Bank's *World Development Indicators 2013*.

Nations in Transit Ratings and Averaged Scores

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Electoral Process	6.00	6.00	5.75	5.75	6.00	6.00	6.25	6.00	5.50	5.50
Civil Society	4.50	4.50	4.50	4.50	4.50	4.75	5.00	4.75	4.75	4.75
Independent Media	6.00	5.75	5.75	5.75	6.00	6.25	6.50	6.50	6.25	6.25
Governance*	6.00	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
National Democratic Governance	n/a	6.00	6.00	6.00	6.25	6.50	6.75	6.50	6.50	6.50
Local Democratic Governance	n/a	5.75	6.25	6.25	6.50	6.50	6.50	6.50	6.50	6.25
Judicial Framework and Independence	5.50	5.50	5.50	5.50	6.00	6.00	6.00	6.25	6.25	6.25
Corruption	6.00	6.00	6.00	6.00	6.25	6.25	6.50	6.25	6.25	6.25
Democracy Score	5.67	5.64	5.68	5.68	5.93	6.04	6.21	6.11	6.00	5.96

** Starting with the 2005 edition, Freedom House introduced separate analysis and ratings for national democratic governance and local democratic governance to provide readers with more detailed and nuanced analysis of these two important subjects.*

NOTE: The ratings reflect the consensus of Freedom House, its academic advisers, and the author(s) of this report. The opinions expressed in this report are those of the author(s). The ratings are based on a scale of 1 to 7, with 1 representing the highest level of democratic progress and 7 the lowest. The Democracy Score is an average of ratings for the categories tracked in a given year.

Executive Summary

Over the past decade, Kyrgyzstan has seen the return of authoritarianism and weathered two violent regime changes. In March 2005 opposition groups ousted President Askar Akayev, accusing him of centralizing political power and concentrating control over economic resources in his own hands. In April 2010 Akayev's successor, Kurmanbek Bakiyev, was forced to flee the country because of his ruthless suppression of opposition voices and even greater levels of corruption within his regime. To prevent the emergence of another dictator, the leaders of the post-Bakiyev interim administration designed a new constitution that increased the parliament's powers and limits presidents to a single six-year term. In 2010–11 Kyrgyzstan held its first genuinely competitive parliamentary and presidential elections, becoming the first country in Central Asia to transfer political power by means of elections.

Despite initial concerns about its viability, Kyrgyzstan's parliamentary system has functioned for over two years with relative calm. President Almazbek Atambayev has displayed a tendency to try to consolidate power, and in 2012 he secured the appointment of a loyalist, Jantoro Satybaldiyev, as prime minister; the parliament speaker since 2011, Asilbek Jeenbekov, is a member of the president's Social Democratic Party of Kyrgyzstan (SDPK). Nevertheless, the parliament remains strong and represents all of the country's most powerful political forces. The president is particularly challenged by the opposition Ata-Jurt (Fatherland) party, whose leader, Kamchybek Tashiyev, organized protests in Bishkek in early October and demanded Atambayev's resignation on the grounds that he had failed to nationalize the country's largest gold mine, Kumtor. Tashiyev was placed under arrest, and other members of parliament (MPs) criticized him for instigating unrest without first exhausting all available peaceful means for challenging the president.

During the first two years under the new constitution, the parliament produced four different ruling coalitions. The most recent reorganization occurred in August 2012, when Prime Minister Omurbek Babanov resigned amid accusations of corruption and inefficient economic policies. The subsequent coalition included the SDPK, Ar-Namys (Dignity), and Ata-Meken (Motherland), with Babanov's Respublika party joining Ata-Jurt in the parliamentary opposition.

It remains to be seen whether Kyrgyzstan's new decentralized political system will lead to better governance, more consolidated democratic institutions, and better economic policies. As of late 2012, economic growth continued to be sluggish, and government reforms were moving slowly. At the same time, although many MPs still put their individual interests ahead of those of their constituents and form alliances based on patronage networks, parliamentary debates have become more consistent and substantive.

The country is split along regional lines, with a more politically liberal north—featuring a high concentration of nongovernmental organizations (NGOs) and media outlets in the capital, Bishkek—and a southern region where local governments pursue nationalistic policies that discriminate against ethnic minorities.

MPs and government officials from all factions have generally avoided addressing the issues of ethnic equality and human rights. For example, the perpetrators of the June 2010 ethnic violence in southern Kyrgyzstan, which took the lives of nearly 470 people, predominantly ethnic Uzbeks, still have not been brought to justice. Using foreign donor funds, a number of Kyrgyz NGOs have conducted their own investigations into the violence, alleging that the police and armed forces distributed weapons to the ethnic Kyrgyz population and failed to protect ethnic Uzbeks. Uzbeks are not represented in the local governments of southern Kyrgyzstan and are scarcely represented at the national level, although some attempts to restore Uzbek-language media were made during 2012, mostly with the support of international donors.

Local governments gained independence from the national authorities in 2012 thanks to competitive elections for local councils. The SDPK and Respublika performed well in the balloting in March and November, though they faced strong challenges from local parties. In Osh the national parties were outpolled by controversial mayor Melis Myrzakmatov's nationalist Uluttar Birimdigi (Unity of Ethnicities) party. In Bishkek they contended with a smaller party called Zamandash (Contemporary).

Kyrgyzstan's civil society sector continues to diversify and expand its reach to vulnerable groups, while the growing number of online media outlets and newspapers offer a greater range of views. However, most of these positive developments take place in Bishkek, whereas access to media outlets and NGO activity is still limited in rural areas. Furthermore, the prosecution of Vladimir Farafonov, an ethnic Russian journalist, demonstrated in 2012 that justice is selective and tends to protect the ethnic majority. Farafonov was accused of politically motivated extremism after he published a series of articles that criticized rising Kyrgyz nationalism in the media and politics. None of the many journalists openly promoting the dominance of ethnic Kyrgyz or inciting hatred against minority groups in the aftermath of ethnic violence in southern Kyrgyzstan in 2010 has ever been arrested for similar charges.

National Democratic Governance. Kyrgyzstan's parliament has been able to function under the new constitution for over two years. The country's political system remains decentralized and competitive. In 2012 the parliament demonstrated that it is able to hold meaningful political debates around issues of national concern. However, in a sign that power may again be concentrating in the executive branch, President Almazbek Atambayev secured the election of a loyal prime minster, while opposition MPs were selectively prosecuted for alleged corruption. *Kyrgyzstan's rating for national democratic governance remains unchanged at 6.50.*

Electoral Process. Elections for local councils were held throughout country in March and November 2012. The balloting was inclusive and highly competitive, continuing the trend set during parliamentary elections in 2010 and the presidential election in 2011, though several parties complained of widespread irregularities on election day. In some parts of the country, local parties prevailed over those represented in the parliament. The competition among national and local parties was particularly fierce in Bishkek. *Kyrgyzstan's rating for electoral process remains unchanged at 5.50.*

Civil Society. Kyrgyzstan's civil society operates for the most part without political pressure, and although mutual distrust remains a problem, NGOs, MPs, and government officials frequently find areas for cooperation. In 2012 NGOs played an active role in designing police reforms, investigating crimes committed by army and police personnel during the Osh violence in 2010, and lobbying the legislature to crack down on the kidnapping of women for marriage. Civil society organizations continue to depend heavily on foreign funding, and most activity is concentrated in the capital. Activists encounter greater challenges in the southern parts of the country. Consequently, *Kyrgyzstan's rating for civil society remains unchanged at 4.75.*

Independent Media. Kyrgyzstan's mass media remain mostly free from government control, though public media tend to portray the president in a neutral or positive light. A growing number of people are gaining access to the internet, including through mobile devices. While online content is not censored, the authorities have announced plans to restrict access to unspecified "extremist" websites. In July 2012, ethnic Russian journalist Vladimir Farafonov was convicted and fined for inciting ethnic hatred through his online articles. Following the shutdown of Uzbek-language mass media outlets in 2010, at least one radio station and several local newspapers in the southern parts of the country have begun to publish their content in Uzbek. Urban populations continue to enjoy greater access to mass media than those living in rural areas. *Kyrgyzstan's rating for independent media remains unchanged at 6.25.*

Local Democratic Governance. The competitive local elections throughout the country in 2012 showed that earlier reforms have strengthened local government institutions, increasing their independence from the national authorities. Several new local parties emerged to compete in the elections, some of which were able to gain significant support among voters. Despite these gains, the quality of local governance remains poor in many places. Local authorities are rarely subject to media scrutiny and typically unaccustomed to consultation with civil society. The powerful mayor of Osh continues to rule with the assistance of an informal private security force. *Kyrgyzstan's rating for local democratic governance improves from 6.50 to 6.25.*

Judicial Framework and Independence. Kyrgyzstan has launched several efforts to reform the judicial sector and law enforcement bodies. NGOs and experts with various backgrounds participate in the process. However, progress has been slow. Some judges elected to the Constitutional Chamber of the Supreme Court by a special committee composed of MPs and NGO representatives have dubious credentials and might be allied with political forces. The judicial system still has not provided justice to the victims of ethnic violence in 2010. *Kyrgyzstan's rating for judicial framework and independence remains unchanged at 6.25.*

Corruption. President Atambayev announced a new anticorruption campaign in 2012. He pledged that no one in the country would be immune from prosecution, including members of his own party. Some progress has been made in improving the work of the financial police. In practice, however, most prosecutions for corruption have been selective and targeted opposition MPs. *Kyrgyzstan's rating for corruption remains unchanged at 6.25.*

Outlook for 2013. The main question for Kyrgyzstan in 2013 is whether the parliament, government, and president will be able to collaborate effectively without challenging one another's constitutionally allocated powers or allowing the concentration of power in one person's hands. To date, all branches of government have withstood efforts to increase or reduce their authority despite multiple changes in the composition of the governing coalition and the cabinet. Meanwhile, the parliament has learned how to conduct debates on policy issues and seek broad compromises.

The country's stability in 2013 will largely depend on the ability of elected officials to design viable economic policies. Specifically, if the government fails to deal with issues of energy and food security faced by the majority of the population, it is likely to face new mass protests, both spontaneous and organized by opposition leaders. Kyrgyzstan will also be tested as to whether its decentralized political system can produce good governance, and whether the current leadership can advance law enforcement reforms that began in 2010.

The political process in Kyrgyzstan has often been delayed by political and personal bickering between MPs and government officials. In the best-case scenario for the remainder of the parliament's current five-year term, the chamber will develop more stable political alliances. In the worst case, the president could dissolve the parliament for failing to form or sustain a ruling coalition and government.

Main Report

National Democratic Governance

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
n/a	6.00	6.00	6.00	6.25	6.50	6.75	6.50	6.50	[illegible]

Kyrgyzstan's parliament has functioned under the new constitution for over two years. Following the October 2011 presidential election, the parliament formed a new ruling coalition that included four of the five parties represented in the chamber. Ata-Jurt, the largest faction, was pushed into opposition. This enlarged coalition made it easier for the government to pass legislation. Following the ouster of Prime Minister Omurbek Babanov in August 2012, his Respublika party left the government, joining Ata-Jurt in the opposition. Meanwhile, President Almazbek Atambayev was able to strengthen his hand by supporting the parliament in replacing the powerful and popular Babanov with the loyal and weak Jantoro Satybaldiyev, the president's former chief of staff.

The parliament demonstrated during 2012 that it could conduct meaningful political debates around issues of national concern. However, these debates often lack an ideological foundation, and members of parliament (MPs) rarely display in-depth knowledge of the issue under discussion. Still, they are becoming accustomed to public oversight and mass media coverage of their work.[1] A number of MPs have introduced legislative initiatives to fight corruption, improve the business climate, and promote social justice in the country. Since most lawmakers are more concerned with maintaining voter support in their parties' regional strongholds, they tend to focus on local issues or procedural matters, as opposed to representing nationwide interests.[2]

The parliament ostensibly forced Babanov's resignation in August for alleged corruption and poor economic performance. However, the underlying reasons for the move were personal disagreements between Babanov and a number of MPs and his growing popularity, particularly among Bishkek residents.[3] As prime minister, he received more frequent media coverage than Atambayev and was regarded as a reformer. Some MPs reportedly did not like Babanov and preferred to keep Respublika outside the ruling coalition. Moreover, with the help of his Social Democratic Party of Kyrgyzstan (SDPK), the president convinced the parliament to ensure that he becomes the only decision maker on the course of foreign policy. The president also actively backed the SDPK in local elections in March and November. Despite these moves, Atambayev has not yet matched his predecessors in their zeal and ability to centralize political control in the presidency.

With the president strengthening his own powers, all parties except the SDPK have suffered internal splits. To a large extent, this is a consequence of the fact that they are not built on—or held together by—shared values and ideologies. In moves that were seen mostly as indicators of intraparty divisions, both Ata-Jurt and

Ar-Namys voted to replace their leaders in 2012. Furthermore, some MPs elected with Ata-Meken and Respublika have resigned their party membership. However, the current constitution is unclear about what status MPs acquire after leaving their factions and whether they are still considered part of the ruling coalition.

The coalition-building efforts and the appointment of a new cabinet in September proceeded smoothly, compared with previous attempts. Importantly, as MPs point out, the removal of the prime minister, the formation of the new coalition, and the appointment of the new ministers proceeded within the limits of the law.[4] None of the factions resorted to street violence or other illegal, destabilizing activities to prevail in the political competition. With the exception of Ata-Jurt's leaders, most MPs apparently prefer to maintain stability across the country despite the intense, ongoing political jockeying in the parliament. This comes as a sharp contrast to the period after the March 2005 regime change, when opposition leaders marginalized by President Kurmanbek Bakiyev resorted to street protests to challenge his regime.

In early October, the leader of the Ata-Jurt party, Kamchybek Tashiyev, organized a rally of some 400 supporters to demand the nationalization of the Canadian-owned Kumtor gold-mining company, which has been operating in Kyrgyzstan since 1997. Although Tashiyev's demonstration reflected the public perception that the company enjoys highly favorable terms and should be brought under state control, the opposition leader seized on the issue as a pretext to advance his own political agenda. After calling for the ouster of the president, Tashiyev and his supporters scaled a fence and stormed the parliament building. Police officers dispersed the crowd, and Tashiyev was arrested for attempting to overthrow the government.

Although the Ata-Jurt leader has little chance of ousting the current elected leadership, protesters in Osh demanded his release.[5] Tashiyev's aggressive political move was widely condemned by other MPs and the Kyrgyz media, which questioned why he would return to street politics and mass protests when there are other, more peaceful means of achieving his goals.[6]

It is unclear why certain parties joined the latest ruling alliance and others were left out, which suggests that the relevant deals were cut behind closed doors. Kyrgyz media outlets and observers have offered various explanations, including interpersonal rivalries among faction leaders and allegations that certain parties were willing to pay bribes to be included in the coalition. Nevertheless, the frequent changes in the composition of the ruling coalition and cabinet indicate that the parliament, president, and government are still learning how to function under the new constitution. Uncertainties remain over which branch of government has more power, with the greatest competition emerging between the president and the parliament.

Two years after the June 2010 ethnic violence in southern Kyrgyzstan, the country remains stable, but discrimination continues. Ethnic minorities, especially ethnic Uzbeks, are underrepresented in the parliament and the government compared with previous years. Furthermore, all political forces avoid discussion of

interethnic relations, especially in southern Kyrgyzstan, leaving the burden of peace building and reconciliation to nongovernmental organizations (NGOs). Justice has not prevailed, and the perpetrators of the 2010 violence remain free.

Electoral Process

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
6.00	6.00	5.75	5.75	6.00	6.00	6.25	6.00	5.50	5.50

Between 2010 and 2012 Kyrgyzstan held two national elections and one constitutional referendum. The international community praised the referendum and parliamentary elections in 2010 for their competitiveness and inclusiveness. During both the parliamentary and presidential elections, candidates were able to register and campaign freely, and their fundamental freedoms were respected. However, the Organization for Security and Cooperation in Europe (OSCE) noted problems with voter registration lists, while the work of the Central Elections Commission (CEC) sometimes lacked transparency. These shortcomings did not affect the overall outcome, according to election observers.

Almazbek Atambayev won the 2011 presidential election with 63 percent of the vote. While he was regarded as the strongest candidate, he was still dogged a year later by accusations that he had used administrative resources and greater media coverage to prevail over his competitors. According to opinion polls, Atambayev's support stood at roughly 50 percent a few days before the election.

In March and November 2012, Kyrgyzstan held local elections based on a proportional system that requires parties to overcome a 7 percent vote threshold to receive seats in local councils. According to the new system, if no party is able to earn more than 7 percent, the mandates are distributed among the three parties that received the most votes. Following the elections, the SDPK and Respublika emerged as most powerful parties on the local level. They gained the most votes in Bishkek, Tokmok, and Karakol, but finished behind Mayor Melis Myrzakmatov's Uluttar Birimdigi (Unity of Ethnicities) party in Osh.

The local elections in Bishkek were extremely competitive. Sixteen parties registered to run, including all five parties represented in the national parliament as well as several new ones. Four parties were able to overcome the 7 percent threshold, but none secured a majority in the council, with the largest, the SDPK, gaining 47 percent of the seats. Among those that won seats was Zamandash (Contemporary), which has a strong base of support among Kyrgyz migrants working in Russia and their families.

Several months prior to the elections, some Bishkek entrepreneurs and local party leaders argued that the voting process should include elements of a majoritarian system, but their arguments were rejected. Discouraged business leaders have moved to form their own party, Za Zhizn bez Baryerov (For Life without Barriers), marking the first grassroots-organized political party that united members based on common values, as opposed to support for particular leaders. The party advocates

less government control over public life and greater reliance on the private sector.

All interested parties had the opportunity to register with the CEC and compete in the elections. None of the parties reported difficulties with the registration process. However, Ar-Namys and Za Zhizn bez Baryerov, which were unable to win enough votes for representation, complained about widespread election fraud and low voter turnout.

The question of whether mayors should be elected directly by voters or indirectly by city councils continues to be a contentious one. Several NGO activists and MPs, including Dastan Bekeshev of Ar-Namys, supported the idea of directly electing the mayor of Bishkek, while other MPs, like Omurbek Tekebayev of Ata-Meken, argued that mayors should be selected by the parties that prevail in local councils.[7]

All of the local elections were closely monitored by NGOs and representatives of the OSCE. The NGOs noted the poor preparation of local observers representing competing parties. They also reported some instances of repeat voting in Osh and Karakol. Protests against the election results were held in Tokmok and Karakol, and the CEC agreed to a recount in several disputed precincts.

Civil Society

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
4.50	4.50	4.50	4.50	4.50	4.75	5.00	4.75	4.75	4.75

Kyrgyzstan's civil society has become more vibrant and diverse over the past two years, and it continues to be actively involved in the country's political life. In 2012, NGOs played a key role in the oversight of local elections. The government did not introduce any laws that would either limit or foster civil society activities, though former prime minister Babanov declared that Kyrgyzstan needs to restrict foreign-funded NGOs that work on political issues, much as Russia did in July. Babanov's proposal has not found broader political support.

It is easy to register a civil society group in Kyrgyzstan and to organize public events and campaigns. Both the government and the parliament are slow to react to NGO recommendations and criticism, and the relationship between state institutions and civil society is often filled with distrust and mutual accusations. Nevertheless, the government and the parliament at times collaborate with civil society groups in designing policy programs and election monitoring efforts, and NGOs regularly generate discussions in mass media on human rights, political reforms, and other issues.

In early 2011, then president Roza Otunbayeva, with the financial support of international donors, formed Public Advisory Councils (PAC) to monitor the work of various government agencies. PACs are composed of independent experts, academics, NGO leaders, and entrepreneurs. They have access to all relevant government documents. Today, some PACs continue to actively supervise the work of the ministries, while others have become dormant.

Kyrgyz NGOs registered several noteworthy achievements in 2012, including on the issues of the 2010 Osh violence, police reform, and women's rights. Some of these projects were the result of local NGO collaboration with donor organizations. Others were initiated through support provided by local companies and individual entrepreneurs.

In September, NGO activists published a detailed review of the actions of law enforcement agencies and the military during the ethnic violence in Osh on June 11, 2010. According to the report, the armed forces opened fire on civilians and violently dispersed a gathering of 10,000 people in central Osh.[8] The report also detailed how representatives of local and national government, police, and the armed forces failed to carry out their main duties, namely easing tensions in Osh and other parts of southern Kyrgyzstan. It alleged that security forces brutally suppressed civilians and covered up the actions of criminal groups and businessmen in connection with the Osh violence. Finally, the report raised many questions as to why, two years later, the prosecutor general's office and some MPs continue to conceal information about misconduct by soldiers and police during the unrest. The report deepened the public understanding of the way the violence was handled by the interim government and generated discussion among civil society groups and mass media. The report's findings, however, received little reaction from either the government or the parliament.

At least two civic organizations have played an active role in formulating plans for police reform. The NGO Nashe Pravo (Our Right) and the Central Asia Free Market Institute joined a special working group comprising government officials, two MPs, and OSCE representatives to draft the concept paper for police reform. Both NGOs insisted that they participate in the OSCE-led process, given that the Interior Ministry has failed to overhaul police procedures despite a decade of efforts. It took over a year for the working group to design the concept paper. It is now up to the government and the parliament to implement the proposed reform.

In early 2012, a group of NGOs successfully lobbied against a law banning casinos in Bishkek. Furthermore, in October, NGOs organized petitions and rallies in support of women's rights on the day the parliament passed a bill—on its second reading—that increased the criminal penalty for bride kidnapping. Lawmakers granted final approval to the measure in December despite strong opposition among some male MPs. Under the new rules, the crime carries a maximum of seven years in prison, up from the previous three-year maximum or a fine. A 10-year prison term is now authorized if the victim is younger than 17, the legal age for marriage.

The country's civil society organizations are still overly dependent on the international community, with the vast majority of NGOs largely relying on foreign grants. The NGO sector at times resembles a marketplace competition for donor funding and not ideas. However, there are emerging signs of local financial support for NGOs. The financing mainly comes from individual entrepreneurs, large corporations, or political leaders. For the most part, local funds are targeted at organizing one-time projects or public events, such as filming an advocacy video or organizing a charity campaign. Most of these locally generated NGO activities

are concentrated in the capital. Very few local resources are spent on promoting interethnic dialogue related to communal conflict in various parts of the country.

Local civil society activities that have arisen since 2010, particularly in Bishkek, include fund drives by environmental groups, recycling programs, nonprofit shops selling goods made by elderly or disabled people, and TEDx events (conferences on technology, entertainment, and design). Art installations in public spaces to draw attention to issues such as women's rights and substandard public education are becoming more popular in the capital. Furthermore, Bishkek-based feminist and LGBT (lesbian, gay, bisexual, and transgender) community networks are among the most active in the region. These groups are involved in projects that promote the rights of sexual minorities, help LGBT youth cope with societal stereotypes, and advocate against domestic violence.

In the absence of government-initiated programs for interethnic reconciliation, MPs and state officials in 2012 sought to promote a civic identity through higher education, in keeping with a decree entitled "On measures for deepening studies of the historical and cultural legacies of the people of Kyrgyzstan and formation of civic patriotism."[9] The government encouraged universities to create a special class devoted to the centuries-old Manas epic, a key component of the Kyrgyz national identity. Some universities introduced the class in September 2012, but it will take time before every school offers instruction on the epic poem.

Independent Media

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
6.00	5.75	5.75	5.75	6.00	6.25	6.50	6.50	6.25	6.25

Kyrgyzstan's mass media remain mostly free from government control. Despite occasional proposals from the prosecutor general and the parliament to ban "extremist" content, the trend since 2010 has been toward greater media openness and more affordable access to the internet, including via third-generation (3G) mobile telephones. According to available data, internet penetration increased to over 30 percent of the population in 2011, with 57 percent using the internet on a daily basis.[10] Mobile-phone penetration reached nearly 100 percent, with over 25 percent of customers using mobile internet.[11] Most users access the internet through public venues (Wi-Fi zones and cybercafés). Personal modems are also widely available, but they are not always affordable.

The government has sought to increase the independence of the country's public television and radio broadcaster, KTRK, by appointing an outside board of directors. Throughout 2012, the outlet provided access to a wide variety of voices from politics and civil society. While President Atambayev was almost always portrayed in a positive or neutral light, this was due more to self-censorship and ingrained habits among journalists than direct pressure from the state.

The online universe remains mostly free, and a few news sites do publish criticism of the president, the parliament, and the government. Online forums

and social-networking sites are untouched by the authorities. More public officials are joining online social networks, and some of them even interact with their followers. Any difficulties accessing specific online content is related to Kyrgyzstan's dependence on telecommunication lines that pass through Kazakhstan and Russia.

Maintaining an independent press remains financially challenging in Kyrgyzstan. Most newspapers are privately owned, and only a handful, such as *Super Info* and *Vecherniy Bishkek*, are sold across the country and feature commentaries criticizing the authorities. The mass media mostly publish news and analysis, while investigative journalism is virtually nonexistent.

Officials have sometimes sought to block access to specific media that they perceive as anti-Kyrgyzstan or extremist. In 2011, for instance, some MPs suggested shutting down Fergana.ru for allegedly fueling interethnic confrontations in southern Kyrgyzstan. In 2012, authorities banned access to the controversial online video *Innocence of Muslims* as well as a screening of the film *I Am Gay and Muslim*.[12] Finally, in September, the prosecutor general announced that the government would monitor and limit access to an unspecified list of sites accused of spreading extremist ideas.

In late 2011, the authorities prosecuted an ethnic Russian journalist, Vladimir Farafonov, for allegedly inciting hatred against ethnic Kyrgyz. He was convicted of extremism, and prosecutors initially sought a sentence of eight years in prison. The Committee to Protect Journalists has called the charges against Farafonov "politically motivated."[13] Following strong condemnations by the international community, the court gave Farafonov a relatively lenient punishment, fining him 50,000 soms ($1,060). None of the many journalists who have openly promoted the dominance of ethnic Kyrgyz or incited hatred against ethnic minority groups in the aftermath of the 2010 violence in southern Kyrgyzstan has ever been arrested on similar charges.

Uzbek-language media outlets that were shut down in the wake of the ethnic violence in 2010 have still not reopened. In 2012, however, there were attempts to create radio channels broadcasting in Kyrgyz, Russian, and Uzbek. At least one radio station, Yntymak, began to broadcast news in Uzbek thanks in large part to assistance from the U.S. Agency for International Development (USAID), which has supported efforts to expand media coverage in the Uzbek language.[14] According to Internews data, over 8 percent of Kyrgyzstan's population listens to Uzbek-language radio content.[15]

Furthermore, the Kyrgyz-language newspaper *Aalam* began publishing some of its issues in the Uzbek language in March, specifically to promote interethnic peace. The move was met with opposition from other newspapers based in Osh that interpreted it as an attempt to widen the gap between the majority and minority ethnic groups.[16]

Overall, however, any shortage of information in southern Kyrgyzstan and other remote areas of the country are not unique to a specific ethnic group, but are rather a sign of poor general access to television, radio, and print media. These shortages are due to the lack of stable internet connections and weak television and

radio signals. It is not financially feasible to establish independent media resources outside of the capital city without external support. Only a few online outlets generate enough advertising revenue to be financially independent. The Russian television and print media are often more accessible throughout the country than Kyrgyz media.

Many ethnic minorities are able to understand at least basic Russian and Kyrgyz. But information sources in these languages are scarce in remote parts of Kyrgyzstan and often biased. Russian television channels transmit mostly pro-Kremlin views of events in Russia and other former Soviet states, while news on Kyrgyz-language channels is limited to overviews of events in Bishkek and rebroadcasts of Russian media.

Local Democratic Governance

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
n/a	5.75	6.25	6.25	6.50	6.50	6.50	6.50	6.50	6.25

Elections to local councils in 2012 demonstrated the growing independence and importance of local governments. Throughout Kyrgyzstan, the elections were highly competitive, with both large, nationwide parties and local political forces seeking representation. The voting in Osh, Tokmok, Karakol, and Bishkek produced varied results, with the SDPK and Respublika dominating in some contests and local parties winning in others. The elections showed that these large national parties could face a tough challenge when competing with parties representing local political elites and focused on local issues.

In Osh, Mayor Melis Myrzakmatov's party, Uluttar Birimdigi, won 47 percent of the vote, securing 21 out of 45 seats on the city council. Myrzakmatov retained his position as mayor with the support of Adakhan Madumarov's Butun Kyrgyzstan (United Kyrgyzstan) party and members of the Ata-Jurt party who are mostly popular in southern parts of the country. The SDPK and Respublika earned 24 percent and 17 percent of the vote in Osh, respectively. Overall, seven parties competed for seats.

Despite fears of violence, the voting in Osh proceeded peacefully, with hundreds of police personnel guarding polling sites on election day.[17] However, the results suggest that most voters were members of the ethnic majority. Aside from Osh, where interethnic divisions are still easily exploited by political forces, most voters were able to choose their local leaders without government pressure. Because the elections were so competitive, political parties welcomed monitoring as a way to prevent falsifications by their competitors.

The SDPK garnered 20 percent of the votes in Karakol, leading all other parties. A total of six parties were able to surpass the 7 percent threshold, including four local parties.[18] In Tokmok, Respublika prevailed with 28 percent, while the SDPK came in fourth with less than 9 percent. In both Tokmok and Karakol, election day ended in a verbal skirmish between the electoral commission and local

political parties. Representatives of smaller parties forcefully demanded that the commissioners annul election results for alleged fraud.

Bishkek's elections in November were particularly competitive. Sixteen parties registered, including the five represented in the parliament. Most parties began to prepare months ahead the vote. Since the parliamentary parties had a greater chance of succeeding, many smaller parties and individual candidates tried to get onto their lists. The SDPK led the voting, winning 21 of 45 seats (47 percent), while Respublika earned 11 seats. Parties that did not win any seats complained about widespread fraud on the election day. Respublika in particular was accused of participating in fraud after videos of its members busing voters to various precincts across the city emerged online.[19]

Local elections have become more important as a way for major political parties to increase their chances in the next parliamentary elections. They have also gained prominence as a result of a law adopted in 2008 that ensures that local government officials have the necessary material and political resources to meet the needs of the local population.

The degree of independence of local authorities from the national government varies. Bishkek's government is the most independent, with the mayor able to make autonomous decisions on the city's development. Of all other local leaders, Myrzakmatov enjoys the greatest independence, thanks to his business connections and support from the informal grouping of young men who belong to his martial arts club. In late 2011 he suggested creating municipal police units in Osh in addition to the national police, which most experts saw as an attempt to legalize his private security forces.[20] Myrzakmatov's proposal was ignored by the national government.

Outside of election season, local governments receive little media attention. With occasional exceptions for developments in Osh and Bishkek, the mass media are mostly concentrated on the work of the national government. Likewise, local government officials are not accustomed to working with civil society, business owners, or other groups on important policy issues.

Judicial Framework and Independence

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
5.50	5.50	5.50	5.50	6.00	6.00	6.00	6.25	6.25	6.25

Kyrgyzstan's new constitution provides protections for fundamental political, civil, and human rights. The chapter postulating equality before law and the significance of human rights was developed by the interim government in 2010 with the help of NGO experts. Since the April 2010 change of regime, NGOs have been actively involved in overseeing judicial reform. The judicial system and law enforcement agencies continue to be a major source of human rights violations and corruption. Yet unlike in the era of widespread political prosecutions under former president Bakiyev, today the prosecutor general and the National Security Committee (KNB) rarely use their powers to selectively arrest politicians.

Over the past two years, the government has launched several efforts to reform the judicial sector and law enforcement bodies. NGOs and experts with various backgrounds participate in the process, but progress has been slow. One initiative backed by Otunbayeva in early 2011 sought to clean up corruption and nepotism in the judicial system and increase the professionalism and impartiality of judges. However, the effort has come under attack by NGO activists who argue that in selecting new judges, both MPs and the president rank loyalty ahead of qualifications.

In early 2012 the parliament approved amendments to the law "On selection of judges" that allow elected officials to participate in choosing judges. Kyrgyzstan's civil society community spoke out against the changes and urged the president not to sign the legislation. NGO leaders argued that politicians would inevitably favor individuals with whom they had connections.[21] The president sided with the parliament on this issue.

Following a two-month process of reviewing 66 candidates for the newly formed Constitutional Chamber of the Supreme Court, a special council chose 25 judges in September.[22] The council was composed of 24 members, including government employees, NGO experts, and MPs from the five parties represented in the parliament. Some members of the special council complained that they were given only 30 minutes to assess each candidate's qualifications.[23] Experts also argued that most of the judges were political allies of or related to either the president or MPs. Finally, according to legal expert Nurbek Toktakunov, most of the selected judges have previously been accused of corruption.[24] The council, however, was not able to vet the candidates' past economic and political activities aside from what the candidates themselves submitted as part of the formal application process.

Both the president and the parliament can influence politicized judges with possibly corrupt backgrounds to take favorable decisions. In the past, former presidents Askar Akayev and Kurmanbek Bakiyev used the Supreme Court to facilitate approval of political decisions and to prosecute political opponents. But compared with these regimes, it would be more difficult for the current leadership to manipulate the Supreme Court. Furthermore, shortly after the April 2010 regime change, the interim government disbanded the Constitutional Court, which authoritarian presidents had used to manipulate the constitution and expand their own powers.

The judicial reform has not brought any changes to the infamous case of Azimzhan Askarov, an ethnic Uzbek human rights activist who continues to serve a life sentence in prison. Askarov was arrested in 2010 and found guilty of complicity in the murder of an ethnic Kyrgyz policeman. His lawyers proclaim his innocence, but their appeals to the Supreme Court were denied in late 2011. In 2012, two more ethnic Uzbeks were sentenced to life in prison on charges related to violence in Osh.[25] The latest cases add to the dozens of ethnic Uzbeks who have received maximum punishment since 2010.

In October, the parliament voted to form a special Center on the Prevention of Torture as part of Kyrgyzstan's obligation to establish national preventive

mechanisms under the Optional Protocol of the Convention against Torture and Other Cruel, Inhuman, or Degrading Treatment or Punishment.[26] This followed widespread criticism by the international community on the use of torture in the country's detention centers. In particular, concerns have been expressed about ethnic Uzbek detainees arrested on allegations of instigating violence in June 2010. Kyrgyz human rights activists have uncovered several cases of ethnic Uzbek inmates who were tortured to death.

Corruption

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
6.00	6.00	6.00	6.00	6.25	6.25	6.50	6.25	6.25	6.25

In early 2012, President Atambayev announced a new anticorruption campaign. He pledged that no one in the country would be immune from prosecution, including members of his own SDPK. At the same time, Deputy Prime Minister Joomart Otorbayev vowed that his government would double the size of the state budget within two years and double the country's gross domestic product (GDP) in five years.[27] The new income would largely come from improving the government's ability to collect taxes and moving much of the shadow economy into the open.

In March, then prime minister Omurbek Babanov disbanded the Financial Police, which was infamous for having especially high corruption rates within its ranks. The government then launched a televised campaign to recruit new members for a special agency that would investigate economic crimes. Following new screening tests, roughly 40 percent of former Financial Police personnel were rehired along with new candidates. NGOs have played an active role in this reform.

While the new government has indeed made substantial steps toward greater transparency, a number of the subsequent arrests on corruption charges were unexpected and controversial. One of the first officials to be prosecuted was an MP from Ata-Jurt, Nariman Tuleyev. He was arrested in June 2012 for allegations of corruption during his tenure as a mayor of Bishkek before the 2010 regime change. Tuleyev was placed under house arrest until October, diminishing his chances to run in the local elections. He still enjoys wide popularity in both the capital city and southern Kyrgyzstan, and was regarded as a strong candidate who could damage the prospects of the SDPK and Respublika in the Bishkek council balloting.

In early 2012, Atambayev boasted that thanks to lower levels of corruption and the fight against organized crime, the government was able to increase pensions and salaries. He criticized political officials who are willing to collaborate with leaders of organized criminal groups for the purposes of personal enrichment.[28] The president also pledged to rid law enforcement agencies and the judicial sector of corruption.

These statements appeared to clash with the decision to grant the premiership to Jantoro Satybaldiyev, a political insider who is infamous for allegedly embezzling funds designated for reconstruction efforts in the wake of the 2010 ethnic violence, when he served as a special representative in southern Kyrgyzstan. Satybaldiyev

was able to survive in government during both the Akayev and Bakiyev periods. According to political veteran Azimbek Beknazarov, Satybaldiyev was involved in large-scale corruption schemes under both regimes.[29]

In one of the more positive achievements in the fight against corruption, Kyrgyzstan's special services uncovered bribery surrounding international adoptions. The minister of social development and his deputy were arrested in July 2012 for allegedly taking thousands of dollars in bribes from international adoption agencies seeking local accreditation. The international adoption sector has proven to be a lucrative source of informal revenue. Edil Baisalov, a former NGO activist and opposition leader, was appointed as the new deputy minister.

Other ministries have seen a decrease in corruption levels. Both the Ministry of Energy and the Ministry of Transportation, previously among the most corrupt in the country, are known to have reduced—but not eliminated—the corruption schemes within their ranks.[30]

In October, Maksim Bakiyev, son of former president Kurmanbek Bakiyev, was arrested in Britain on charges of conspiracy to commit securities fraud and obstruction of justice in United States.[31] Although the Kyrgyz government had little to do with Bakiyev's arrest and has pending charges against him that are unrelated to the U.S. case, it nevertheless was willing to collaborate with the British and U.S. governments on this matter. Maksim Bakiyev is wanted in Kyrgyzstan for large-scale corruption during his father's tenure, while the pending charges against him in the United States are related to his activities after he fled Kyrgyzstan in April 2010.

Kyrgyz law enforcement agencies boast that they arrested a record number of organized crime figures in 2012. Kamchy Kolbayev, reputedly the country's top crime boss, was extradited from the United Arab Emirates in December and placed in pretrial detention. However, Interior Minister Shamil Atakhanov admits that Kyrgyzstan still faces the challenge of organized criminal networks that seek to influence politics in the country.[32]

Kyrgyz entrepreneurs agree that the level of corruption has decreased, and today there are no informal "taxes" imposed by government affiliates similar to the levies that existed when Maksim Bakiyev controlled most sectors of economy. However, businessmen still encounter small-scale corruption while dealing with the state bureaucracy.[33] In Transparency International's 2012 *Corruption Perceptions Index*, Kyrgyzstan ranks 154th in the world, with a score of 24 on a 0-to-100 scale, with 0 as the worst possible performance. At the same time, the World Bank's *Doing Business 2013* report indicates that Kyrgyzstan ranks 70th among 185 economies.

▮ Author: Erica Marat

Erica Marat is a Eurasia analyst based in Washington, DC.

---

1 Interview with several MPs, meeting at the Kyrgyz embassy in Washington, DC, August 2012.

2 For more details see Erica Marat, "Kyrgyzstan: A Parliamentary System Based on Inter-Elite Consensus," *Demokratizatsiya* (Autumn 2012): 225–244.

3 Pavel Dyatlenko, "Kyrgyz Elite Ousts Over-Independent Premier," Institute for War and Peace Reporting, 13 September 2012, http://iwpr.net/report-news/kyrgyz-elite-ousts-over-independent-premier.

4 Presentation by Asiya Sasykbayeva, MP from Ata-Meken party, at the Kyrgyz embassy in Washington, DC, August 2012.

5 "Митинг за освобождение лидеров 'Ата-Журта' в Оше перешел в голодовку" [Rally for the release of the leaders of 'Ata-Jurt' in Osh became a hunger strike," Kloop.kg, 11 October 2012, http://kloop.kg/blog/2012/10/11/storonniki-ata-zhurta-sobirayutsya-na-miting-v-oshe/.

6 Anna Yalovkina, "Кожобек Рыспаев: Я не понимаю, зачем Ташиев перелазил через забор" [Kozhabek Rispayev: I don't understand why Tashiyev climbed the fence], *Vecherniy Bishkek*, 4 October 2012, http://www.vb.kg/doc/201712_kojobek_ryspaev:_ia_ne_ponimau_zachem_tashiev_perelazil_cherez_zabor.html.

7 Anna Yalovkina, "Эксперт: Мэра Бишкека горожане должны избирать напрямую" [Expert: The mayor of Bishkek should be directly elected], *Vecherniy Bishkek*, 6 June 2012, http://www.vb.kg/doc/191014_ekspert:_mera_bishkeka_gorojane_doljny_izbirat_napriamyu.html.

8 Abdumamun Mamahaimov, "Азиза Абдирасулова: Мы попытались определить роль органов власти во время июньской трагедии" [Aziza Abdirasulova: We tried to define the role of government during the June tragedy], Voice of Freedom Central Asia, 19 September 2012, http://vof.kg/?p=6605.

9 "В школах Киргизии с нового учебного года введут манасоведение" [In the schools of Kyrgyzstan the Manas will be introduced starting this school year], For.kg, 16 March 2012, http://www.for.kg/news-175519-ru.html.

10 "Исследование поведения и восприятия медиа аудитории Кыргызстан 2012" [Study of the behavior and perceptions of media audiences, Kyrgyzstan 2012], Internews, 27 July 2012, http://www.internews.kg/en/library/literature/2740-issledovanie-povedenija-i-vosprijatija-media-auditorii-kyrgyzstan-2012.

11 BuddeCom, *Kyrgyzstan—Telecoms, Mobile, Internet and Forecasts* (Bucketty: BuddeCom, 2012), http://www.budde.com.au/Research/Kyrgyzstan-Telecoms-Mobile-and-Internet.html.

12 "Kyrgyzstan Decides to Block Internet Access to Anti-Muslim Film," Inform.kz, 19 September 2012, http://www.inform.kz/eng/article/2495876.

13 Committee to Protect Journalists, "Kyrgyzstan Must Drop Charges against Journalist," news release, 29 February 2012, http://www.cpj.org/2012/02/kyrgyzstan-must-drop-charges-against-journalist.php.

14 Bakyt Ibraimov, "New Radio Station Brings Kyrgyz, Uzbeks Closer Together," Central Asia Online, 10 September 2012, http://centralasiaonline.com/en_GB/articles/caii/features/main/2012/09/10/feature-01.

15 A reported 73 percent listened to radio in the Kyrgyz language and 58 percent in Russian. For more see "Исследование поведения и восприятия медиа аудитории Кыргызстан 2012" [Study of the behavior and perceptions of media audiences, Kyrgyzstan 2012], Internews, 27 July 2012, http://www.internews.kg/en/library/literature/2740-issledovanie-povedenija-i-vosprijatija-media-auditorii-kyrgyzstan-2012.

16 Dastan Umetbai uulu, "Ош: Кыргызоязычная газета издала первый за 20 лет выпуск на узбекском" [Osh: A Kyrgyz-language newspaper published the first issue in Uzbek in

20 years], Kloop.kg, 15 March 2012, http://kloop.kg/blog/2012/03/15/osh-ky-rgy-zoyazy-chnaya-gazeta-izdala-pervy-j-za-20-let-vy-pusk-na-uzbekskom/.

17 Almas Ysman, "Ош: в лидерах 'Улуттар Биримдиги" [Osh: In the leadership of 'Uluttar-Birimdigi'], Radio Azzatyk, 4 March 2012, http://rus.azattyk.org/content/kyrgyzstan_osh_election_2012/24504206.html.

18 Shirin Torogeldiyeva, "В Караколе после завершения подсчета голосов по всем избирательным участкам лидирует СДПК" [In Karakol after counting the votes in all polling stations, SDPK is in the lead], Kabar.kg, 12 March 2012, http://www.kabar.kg/rus/politics/full/29192.

19 Zarema Sultanbekova, "ЦИК изучает видео 'Карусель от партии Республика'" [CEC is investigating 'Respublika party's carousel' video], Kloop.kg, 27 November 2012, http://kloop.kg/blog/2012/11/27/tsik-rassmatrivaet-video-karusel-ot-partii-respublika/.

20 Kairat Zhaparov, "М. Мырзакматов: Мы сказали, что можно создать муниципальную милицию, они раздули из этого скандал" [M. Myrzakmatov: We said that a municipal police force could be formed, they made a big scandal out of this], Gezitter.org, 9 February 2012, http://www.gezitter.org/politic/8770_m_myirzakmatov_myi_skazali_chto_mojno_sozdat_munitsipalnuyu_militsiyu_oni_razduli_iz_etogo_skandal/.

21 Mirlan Alymbekov, "Судебная реформа в Кыргызстане: пять вопросов эксперту" [Judicial reform in Kyrgyzstan: Five questions for an expert], Kabar.kg, 29 March 2012, http://kabar.kg/rus/kabar/full/30347.

22 For the full list see Kaliya Duyshebayeva, "В парламенте новые судьи Верховного суда Кыргызстана приносят присягу" [In parliament, new judges of the Kyrgyzstan Supreme Court take their oaths], 24.kg, 15 September 2012, http://www.24kg.org/parlament/136886-v-parlamente-novye-sudi-verxovnogo-suda.html.

23 Askar Aktalov, "Сарылбек Борбашев: 'Отбор судей в Кыргызстане превращается в их аттестацию'" [Sarylbek Borbashev: 'The selection of judges in Kyrgyzstan becomes their certification'], K-news.kg, 27 July 2012, http://www.knews.kg/ru/sudebnaya_reforma/19617.

24 Darya Podpolskaya, "Нурбек Токтакунов: Отбор кандидатов в судьи Верховного суда Кыргызстана проводится" [Nurbek Toktakunov: The selection of candidates for judges of the Kyrgyzstan Supreme Court proceeded ineffectively], 24.kg, 9 August 2012, http://www.kyrgyzonline.com/content/694281.

25 Human Rights Watch, "Kyrgyzstan: Skewed Justice over Osh 2010 Conflict," news release, 28 October 2012, http://www.hrw.org/news/2012/10/28/kyrgyzstan-skewed-justice-over-2010-conflict.

26 Freedom House, "Kyrgyz Republic Takes Key Steps to Combat Torture," news release, 18 June 2012, http://www.freedomhouse.org/article/kyrgyz-republic-takes-key-steps-combat-torture.

27 "Вице-премьер Кыргызстана рассказал о программе его правительства '100 дней'" [The deputy prime minister of Kyrgyzstan discussed his government's '100 days' program], Voice of America, 20 April 2012, http://www.golos-ameriki.ru/content/hundred-days-otobayev-2012-04-20-148306435/664597.html.

28 "Президент Кыргызстана Алмазбек Атамбаев: 'Коррупция достигла астрономических масштабов, чиновники вступают в сговор с бандитами, лишь бы набить свою мошну'" [President of Kyrgyzstan Almazbek Atambayev: 'Corruption has reached astronomical levels, officials collaborate with criminals just to fill their pockets], Kyrtag.kg, 30 January 2012, http://www.kyrtag.kg/?q=ru/interview/15811.

29 Vadim Nochevkin, "Новый премьер Жанторо Сатыбалдиев: компромисс ценой... застоя?" [New prime minister Jantoro Satybaldiyev: Is the price of compromise...stagnation?], *Nomer*, 13 September 2012, http://delo.kg/index.php?option=com_content&view=article&id=4201:2012-09-13-12-05-19&catid=46:2011-05-19-19-45-19&Itemid=127.

30 Nate Schenkkan, "Kyrgyzstan: Energy Sector Reforms Show Promise, If Sustained," Eurasianet, 21 October 2011, http://www.eurasianet.org/node/64354.

31 U.S. embassy statement on the arrest of Maksim Bakiyev in London, October 13, 2012.

32 "Шамиль Атаханов: 'Возвращение Камчы Кольбаева в Кыргызстан не повлечет за собой обострение криминогенной ситуации'" [Shamil Atakhanov: 'The return of Kamchy Kolbayev to Kyrgyzstan will not worsen the situation with crime'], Kant.kg, 25 December 2012, http://kant.kg/2012-12-25/shamil-atahanov-vozvrashhenie-kamchyi/.

33 Author's multiple interviews with entrepreneurs in Bishkek, May to June 2012.

Latvia

by Juris Dreifelds

Capital: Riga
Population: 2.1 million
GNI/capita, PPP: US$19,090

Source: The data above are drawn from the World Bank's *World Development Indicators 2013.*

Nations in Transit Ratings and Averaged Scores

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Electoral Process	1.75	1.75	1.75	2.00	2.00	2.00	2.00	1.75	1.75	1.75
Civil Society	2.00	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75
Independent Media	1.50	1.50	1.50	1.50	1.75	1.75	1.75	1.75	1.75	1.75
Governance*	2.25	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
National Democratic Governance	n/a	2.25	2.00	2.00	2.00	2.50	2.50	2.25	2.25	2.25
Local Democratic Governance	n/a	2.50	2.50	2.50	2.25	2.25	2.25	2.25	2.25	2.25
Judicial Framework and Independence	2.00	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75
Corruption	3.50	3.50	3.25	3.00	3.00	3.25	3.25	3.50	3.25	3.00
Democracy Score	2.17	2.14	2.07	2.07	2.07	2.18	2.18	2.14	2.11	2.07

** Starting with the 2005 edition, Freedom House introduced separate analysis and ratings for national democratic governance and local democratic governance to provide readers with more detailed and nuanced analysis of these two important subjects.*

NOTE: The ratings reflect the consensus of Freedom House, its academic advisers, and the author(s) of this report. The opinions expressed in this report are those of the author(s). The ratings are based on a scale of 1 to 7, with 1 representing the highest level of democratic progress and 7 the lowest. The Democracy Score is an average of ratings for the categories tracked in a given year.

Executive Summary

Latvia was hit hard in the early days of the global economic crisis, experiencing a greater decline in growth than any other member of the European Union (EU). The economy has since stabilized, thanks largely to a package of austerity measures introduced by successive governments. While some economists and politicians have praised Latvia's recovery model, citing strong growth of the past two years, others believe Latvia may have sacrificed more than it gained, pointing to still-high unemployment, painful cutbacks to the public sector, and other social impacts of government policies.

Latvia's current government came to power after snap elections in the fall of 2011. For the first time in recent memory, parties associated with Latvia's so-called "oligarchs"—a handful of powerful businessmen who have exerted influence on the country's politics for many years—have extremely limited representation in the parliament. At the same time, the rhetoric and actions of one of the governmental coalition partners, the National Alliance, and the largely Russophone opposition party, Harmony Center, have increased the polarization levels between the country's ethnic Latvian and Russian populations.

The ruling coalition weathered several political tests with relative ease in 2012 and continued to pursue policies aimed at cutting public spending and securing economic growth. The parliament enacted important policy reforms, including public funding for political parties and tax breaks for some civil society groups. The state also introduced new mechanisms for combatting corruption in areas ranging from asset ownership to public purchasing to political appointments.

National Democratic Governance. The three-party ruling coalition formed after the elections of September 2011 continued to implement austerity policies, which have improved Latvia's economic growth but also exacted a social toll, resulting in an exodus of young people from the country and polls showing public discontent. The coalition grappled with Latvia's persistent ethnic polarization, including the rejection via referendum of Russian as a second official language, and will likely face new challenges as it endeavors to adopt the euro and raise the pension age in the face of popular opposition. Potential fault lines also appeared within the government over a government minister's suspension of oligarch Aivars Lembergs as mayor of Ventspils and the balance of power among coalition members. *Latvia's national democratic governance rating remains unchanged at 2.25.*

Electoral Process. In January, the government introduced public funding for political parties that pass a 2 percent threshold of votes in parliamentary elections. Parties also agreed that in future elections, no television advertising will be allowed

30 days prior to voting. The year saw the successful conclusion of a drawn-out case against Lembergs's Union of Greens and Farmers pertaining to campaign finance transgressions in Latvia's 2006 elections. Municipal elections are scheduled for 2013, and parliamentary (Saeima) elections for 2014. *Latvia's electoral process rating remains unchanged at 1.75.*

Civil Society. Politicians showed increasing interest in the work of nongovernmental organization (NGOs), asking them for input in public policy and offering some NGOs tax breaks and other financial support. Meanwhile, civil society provided a foundation upon which citizens could protest government and EU policy. *Latvia's rating for civil society remains unchanged at 1.75.*

Independent Media. Though a wide array of media is available in both Latvian and Russian, news outlets are struggling economically. In 2012, declining advertising revenues propelled new ownership and consolidation among newspapers, including the country's three main Russian-language dailies. The Swedish holding company Modern Times Group (MTG) acquired one of Latvia's main TV channels, adding it to a growing list of MTG's holdings in the country. The popularity of the internet continued to grow, as evidenced by advertising revenues and users, but an access divide remained between urban and rural areas. An attack on an investigative journalist, reportedly for his sensitive work, drew criticism from media freedom advocates. Moreover, tensions between ethnic Latvians and Russians played out in debates over political programming. *Latvia's rating for independent media remains unchanged at 1.75.*

Local Democratic Governance. Despite lobbying, local governments were not successful in raising their share of Latvia's income tax receipts from 80 to 85 percent. This strained relations within the Association of Local and Regional Governments (LPS)—a powerful organization with the authority to represent municipalities in negotiations with the Cabinet of Ministers—as well as interactions between local bodies and the central government ministry tasked with overseeing regional affairs. This same ministry made more news by proposing to reduce the number of elected municipal officials in an effort to improve local efficiency and accountability. Populations also began preparing for the next local elections, scheduled for June 2013. *Latvia's rating for local democratic governance remains unchanged at 2.25.*

Judicial Framework and Independence. Latvia's court system is slowly modernizing. However, it has not resolved its backlog of cases, which is the product of inefficient procedures, funding shortfalls, and the growing popularity of litigation. Although competition for judgeships has increased, corruption cases against some judges have tarnished the prestige of the courts. Although the ombudsman's office is becoming increasingly visible, human rights violations remain a problem in the judicial system. Conditions in the country's old and inefficient prison network are

inhumane, and the system is criticized for not promoting rehabilitation. *Latvia's rating for judicial framework and independence remains unchanged at 1.75.*

Corruption. With support from several anticorruption advocates in the Saeima and other institutions, the government introduced policies and directives to enhance transparency and accountability in wealth acquisition, public procurement, campaign finance, and appointment procedures. The Corruption Prevention and Combatting Bureau (KNAB) uncovered several high-profile scandals and recommended prosecution against business figures and public officials implicated in the wrongdoing. *Owing to the enhancement of anticorruption mechanisms, Latvia's rating for corruption improves from 3.25 to 3.00.*

Outlook for 2013. Latvia's economic recovery will continue, despite the persistence of high unemployment. The flow of outmigration has slowed, but remains a source of concern. Russia's entry into the World Trade Organization may expand the market for Latvian products. The oligarchs, who have recently seen their power diminished, will seek to regain their previous political standing. However, strong forces of anticorruption in state institutions may help keep them at bay.

Main Report

National Democratic Governance

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
n/a	2.25	2.00	2.00	2.00	2.50	2.50	2.25	2.25	2.25

October 2012 marked the end of one full year in power for Latvia's new government. Contrary to widespread expectations, the ruling coalition remained stable in 2012, despite disagreements over the balance of power among coalition members. Unemployment remained high throughout the year, and the government continued to implement austerity measures on the heels of painful cuts to a wide range of state services, employment, and salaries in 2009–10.

Latvia's new government came to power after President Valdis Zatlers dissolved the Saeima (parliament) in May 2011—the first parliamentary dissolution in the country's history. The Saeima voted Zatlers out of power in June, but a popular referendum the following month confirmed the parliament's dissolution. In the ensuing elections, the predominantly Russophone Harmony Centre won more seats than any other party, but proved unable to build a governing coalition. The right to do so fell to ex-president Zatlers' center-right party (Zatlers' Reform Party, ZRP), in tandem with Unity, the center-right party of incumbent prime minister Valdis Dombrovskis. Ultimately, ZRP and Unity formed a coalition with National Alliance, a party with a strong ethnonationalist lean. The parties of powerful businessmen Andris Šķēle, a former prime minister, and Ainars Šlesers, received no seats in the Saeima, while the Union of Greens and Farmers, associated with oligarch Aivars Lembergs, was relegated to the opposition.

Ongoing efforts to reduce government spending and encourage growth yielded some notable results in 2012. For the second consecutive year, gross domestic product (GDP) growth exceeded 5 percent in 2012, reaching 5.6 percent, the highest rate in the European Union (EU).[1] According to numbers published in the fall, the number of state workers had declined by 26 percent and wage expenditures by 34 percent since 2008.[2] Such numbers facilitated the approval of the 2013 state budget without seriously disrupting the ruling coalition. Moreover, Latvia's credit ratings improved, and government-issued bonds allowed the country to repay its debt to the International Monetary Fund (IMF) in December, ahead of schedule.[3]

Other indicators were less rosy. Unemployment hovered above 13 percent throughout 2012.[4] The outmigration of Latvia's working-age population was smaller than in 2011, but still considerable. The economy ministry has projected that the country's population, which is among the oldest in the world, could shrink from approximately 2 million in 2012 to 1.6 million by 2030.[5] Eurostat data released in December also found that 31 percent of people in the country were "severely materially deprived."[6] Critics have argued that the government should have

devalued Latvia's currency and taken a gradual approach to fiscal consolidation, rather than making across-the-board cuts.

Issues of ethnic polarization were highly visible in 2012, brought to the forefront by an initiative on language. In late 2011, a group of Latvian ethnonationalists from the new ruling coalition attempted to call a referendum on Latvian as the sole language of instruction in all publicly financed school, arguing that this would entrench the national language and unify the country. The initiative did not gather enough signatures to move forward. In 2012, a Russophone advocacy group demanded a counter-referendum to make Russian the country's official second language and collected enough signatures to bring the matter to a national vote in February, despite open opposition from Prime Minister Dombrovskis and President Andris Bērziņš. A total of 70.7 percent of eligible voters turned out to cast their ballots, and nearly 75 percent voted against the proposition.[7] It is estimated that 27 percent of Latvia's residents speak Russian as their first language, and that around half of those do not speak fluent Latvian.

Meanwhile, approximately 15 percent of Latvia's residents are noncitizens, ineligible to vote or hold public office. In September, the parliament voted to approve amendments to the country's citizenship law, sponsored by the Unity bloc. The amendments would grant noncitizen and stateless children born after August 1991 Latvian citizenship only if they were already permanent residents and if their parents pledged to help them learn the Latvian language—conditions that were criticized by the Organization for Security and Cooperation in Europe (OSCE). The proposed amendments, which were still awaiting final approval at year's end, also allowed some Latvians living abroad to apply for dual citizenship and mandated that newborns be granted Latvian citizenship if at least one parent was a Latvian citizen, even if the child was not born in Latvia.

Russophone activists tried to stage a referendum on automatic citizenship in 2012 but the government rejected their initiative in early November.[8] A few days later, over the objections of the political opposition, the Saeima adopted amendments to the country's referendum law requiring 154,000 signatures to introduce a referendum. The changes included a requirement for gathering an initial 30,000 signatures for referendums proposed before the amendments go into full effect in 2015. The venues of signature collections were also expanded to include an electronic option.[9]

The current coalition government will face more challenges in the near future, as evidenced by popular discontent with pending policy changes. Among these policies is the adoption of the euro, planned for January 2014. However, only 13 percent of Latvians polled in August 2012 supported the move, a record low. In December, a separate poll found that only 10 percent of respondents were for a speedy introduction of the euro, while another 25 percent wanted the currency but "not in the near future."[10] There was another disconnect between the population and the government on raising the pension age from 62 to 65 in coming years. The public is against the move, while the government is for it.[11]

Several developments in 2012 sowed seeds of potential political conflict within the governing coalition. In October 2012, oligarch Aivars Lembergs was suspended from his position as mayor of Ventspils by Environment Protection and Regional Development (EPRD) Minister Edmunds Sprūdžs, a member of Zatlers' party. The cause of the suspension was reported corruption and conflicts of interest in Lembergs' tenure. This move, in addition to garnering resistance from Lembergs and his supporters in Ventspils, strained relations within the center-right Unity Party, whose youth membership criticized party leaders for their "unclear position" on the Lembergs case.[12] Moreover, six renegades from the Reform Party (the ZRP's new name since April 2012) have created a new right-wing group called Free Democrats. If they bolt from the ruling coalition and join the opposition, each side could wield 50 deputies in the 100-seat Saeima, creating the potential for gridlock.[13] The National Alliance also signaled its discontent with its two ministerial positions in the government, in comparison to the Reform Party's five.

Electoral Process

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
1.75	1.75	1.75	2.00	2.00	2.00	2.00	1.75	1.75	1.75

Latvia holds popular elections for national, local, and European parliaments. The president is elected in the Saeima by secret ballot. There were no elections in 2012, but a policy introducing public funding for political parties took effect that will affect campaigning for municipal elections in June 2013. The next Saeima elections are planned for 2014.

Starting in January, political parties began receiving LVL 0.5 (about $1) annually for every vote obtained if they surpassed a 2 percent threshold in the most recent parliamentary elections.[14] The intended effect of this funding is to limit dependence on outside donations by wealthy individuals with private agendas. In March, all parties also agreed to prohibit paid advertising on television 30 days prior to elections.[15]

The year witnessed the successful conclusion of a drawn-out case pertaining to illegal campaign financing by a party closely tied to Latvia's most infamous "oligarch," Aivars Lembergs. In August, after many court challenges, the Union of Greens and Farmers was fined for campaign funding it acquired illegally in 2006 when Latvia's Supreme Court affirmed the ruling of a lower administrative court.[16] A party led by Ainars Šlesers, which received 2.4 percent of votes in 2011, dissolved at the end of 2011 to avoid paying a large fine for its own campaign finance transgressions.[17] Fellow oligarch Andris Šķēle, dissolved his party for similar reasons in July 2011.

Civil Society

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
2.00	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75

Latvians are increasingly interested in organized public opinion and action. As of February 2012, there were 15,324 registered nongovernmental organizations (NGOs) in the country, indicating a growth of over 2,000 from the previous year. Sixty-two percent were located in Riga and the surrounding region,[18] but the powerful Association of Local and Regional Governments (LPS) and Latvian Rural Forum (LLF) have worked to improve the access small groups in other regions have to decision-makers. In 2012, politicians signaled growing interest in the health and work of civil society groups. Meanwhile, civil society groups banded together to protest government and EU policies.

Latvia boasts a sound foundation for civil society development, thanks to government, foreign, and private support. In 2012, the government bolstered this infrastructure by limiting property taxes for many NGO headquarters. Seeking greater collaboration with independent groups, Minister of Foreign Affairs Edgars Rinkēvičs asked civil society for input on the development of the EU budget, and the Corruption Prevention and Combating Bureau (KNAB) asked NGOs for help in its anti-graft activities. Still, public support for additional governmental aid to NGOs stood at 63 percent in June.[19] In response to public demand and civil society's growing importance, the Ministry of Culture allotted more than €10 million to strengthen NGO activities and programs over three years.[20]

The NGO umbrella organization Civic Alliance (eLPA) continued to dedicate substantial effort to educating and mobilizing civil society groups and their leaders. eLPA conducts research, holds trainings, provides information about EU legislation and funding, and offers legal and financial advice. It is also active in EU-wide and international organizations, including the global civil society network CIVICUS, of which eLPA's director became a board member in August.[21]

NGOs have fully embraced internet technology. They use websites to circulate and sign proposals for parliamentary deputies and to criticize bureaucratic transgressions or unnecessary, burdensome demands the government might place on civil society groups. Registered NGOs are also required to provide annual electronic reports on their activities, which are made available to the public. It was reported in April that Microsoft Latvia had provided free software to some NGOs and also installed internet for free in 900 libraries.[22]

Civil society mobilized for various protests in 2012. Among these was a demonstration organized by farmers discontented with disparities in EU agricultural subsidies. Latvian farmers, many of whom are active in the Latvian Farmers' Organization Cooperation Council (LOSP), were receiving the smallest subsidy in the EU—€90 (about $117) per hectare—compared to an EU average of almost $350. In response, farmers joined their counterparts from Lithuania and Estonia in demanding a minimum of 80 percent of the average EU payment. On top of a petition, they drove an old Soviet tractor to Brussels as a symbol of protest.[23]

In September, 54 groups, including Moral Revolution, the Evangelical Alliance, and various church organizations, demanded that Minister for Welfare Ilze Vinkele resign for supporting the publication of a children's book on the equality and interchangeability of gender roles. Religious critics said the book promoted homosexuality and undermined traditional morals.[24] However, it was reviewed and found acceptable by the country's ombudsman. Riga activists hosted a pride parade in June to support the rights of lesbian, gay, bisexual, and transgender (LGBT) people, despite opposition protests. Only 15 percent of respondents to a public poll in March had said the city should allow the celebration.[25]

A 2011 poll indicated that about one-third of Russians in Latvia feel themselves "territorially attached" to Russia, and questions of national loyalty are often fodder for disagreement and protest.[26] Many Latvians oppose the activities of foreign NGOs like Russky MIR, which donates books to Latvian schools. Such activities, while seemingly benign, are considered by some to be exertions of Russia's "soft power."[27] Mutual recriminations also arose over a suggestion by Catholic Archbishop Zbigniew Stankevičs that Latvian legionnaires, who on March 16 commemorate their comrades who died fighting the Red Army in World War II, share a remembrance with Russian veterans, who celebrate Soviet Victory Day on May 9. The proposal brought forth a volley of criticisms, including from Russia's Ministry of Foreign Affairs.

Independent Media

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
1.50	1.50	1.50	1.50	1.75	1.75	1.75	1.75	1.75	1.75

Latvia's laws protect media freedom, and the country has a wide selection of print and electronic sources of information in two languages, Latvian and Russian. Internet access and use continues to expand, providing Latvians with increasingly diverse news and networking websites. Yet many outlets, especially newspapers, are still reeling from the effects of the economic crisis, including declines in advertising revenues and readership. Many media also remain under the influence of oligarchs, both domestic and foreign, and in 2012, Latvian-Russian ethnic tensions manifested in debates over political programming.

Both Latvian- and Russian-language newspapers have faced growing economic pressures and losses in the last several years. Although overall advertising revenue across media increased slightly (3 percent) in 2012, it declined by 13 percent for newspapers.[28] Such downward trends have prompted changes to ownership patterns and a trend toward consolidation. In April 2012, however, the Latvian-language newspaper *Diena*—widely believed to have been controlled by oligarchs Šlesers, Šķēle, and Lembergs—was taken over by its major creditor, the Riga Commercial Port.[29] Another major paper, *Neatkariga Rita Avize*, was sold by the company Mediju Nams to three of the newspaper's leading executives for a minimal sum in 2010.[30] Meanwhile, two major Russian-language dailies, *Vesti Segodnija* and *Chas*, merged in December.[31]

Although the ad market for television rebounded slightly in 2012, general losses during the economic crisis were catalysts for the buyout of Latvian National Television (LNT) by Swedish holding company Modern Times Group (MTG), which was announced in early 2012. The move bolstered MTG's position in Latvia's TV market; the company already owned other major channels, including TV3 and TV6.[32] Meanwhile, the popular Russian-language First Baltic Channel (PBK) continued to minimize its costs by broadcasting Moscow-produced programs.

The popularity of online media continued to grow in 2012, evidenced by increasing advertising revenues and user numbers. At the beginning of 2012, just over 70 percent of the population reported being regular internet users, a 4 percent increase from the previous year. Eighty-eight percent of users said they got online to access news, newspapers, and magazines.[33] Daily newspapers provide digital content, and there are also several popular online-only news portals, many of which are owned by foreign proprietors. These include Delfi.lv, Tvnet.lv, and Apollo.lv. Also popular is the social networking website Draugiem.lv, which receives more daily visits than Facebook.[34]

Although the majority of households in the country have computers, researchers have reported a "digital divide" between cities and other areas. A 2012 survey found that 91 percent of urban residents described their internet service as "good," while only 31 percent of rural residents reported the same.[35] The Latvian government is proceeding with plans to expand connectivity, with support from EU structural funds.

Latvia generally permits media investigations and criticism of the government. For instance, journalist Lato Lapsa's website Pietiek.lv has published material embarrassing to many politicians, bureaucrats, and business leaders. However, journalist Leonids Jakobsons, known for writing about sensitive topics, was attacked in his apartment building and hospitalized in March 2012. He believed the attack was connected to his work.[36] The previous year, he had been detained for two days after publishing purportedly private e-mails between the mayor of Riga and a foreign diplomat.

A major source of discontent among many Latvians is the political orientation of Russian media, some of which are local and others of which are based abroad. Critics consider these media to be agitators and propagandists rather than sources of news. In 2012, the British media company Ofcon criticized REN TV Baltic and Mir Baltic, two Russian-language TV channels with Ofcon licenses, for using programming to promote a political agenda—a violation of the company's rules. A short segment, which Ofcon concluded was not sponsored advertising, had encouraged viewers to vote for Russian as an official language in the February referendum.[37]

Local Democratic Governance

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
n/a	2.50	2.50	2.50	2.25	2.25	2.25	2.25	2.25	2.25

Local governments are slowly adjusting to a 2009 restructuring policy, which blended 530 local units into 109 municipalities and 9 cities in order to enhance efficiency and service capacity. Responsibilities of local authorities and institutions, which received higher trust ratings than the central government in a 2012 poll,[38] include overseeing primary and secondary education, social assistance (except pensions and family care benefits), health care, water supply and sewage works, and a portion of the country's housing. Due in large part to the economic crisis, challenges in fulfilling these responsibilities include the stress of high unemployment, the outmigration of young people to urban centers and other EU states, and a lack of specialized labor. In 2012, local authorities clashed with the central government over income taxes and other funding sources, even as the country's president asserted the need to empower municipal and regional governments.

The interests of local governments are represented by LPS, the Association of the Large Cities of Latvia, and the Alliance of Regions. There is close coordination among these organizations, individual municipalities, and the Environment Protection and Regional Development (EPRD). In 2012, EPRD Minister Sprūdžs boasted that he had the phone numbers of "all leaders of self-governments stored in my phone."[39]

However, the relationships among these entities are not without strain. Local budgets are funded with shares of the country's income tax receipts, along with property taxes and, in poorer locations, contributions from a municipal equalization fund and other state subsidies. In 2012, a dispute arose between local governments and the EPRD regarding income taxes, with the LPS demanding that its constituents receive 85 percent of all receipts. However, in September, LPS signed an agreement limiting the share to 80 percent; in return, the EPRD promised to provide LVL 11.5 million ($21.5 million) in grants for the poorest municipalities and cities. The accord was challenged by 23 local governments, which demanded additional funding of LVL 49 million ($91.5 million) to pay for roads and kindergarten teachers.[40] The city of Riga, which would have benefited substantially from the share increase, reacted by cancelling its membership in LPS, claiming the organization had buckled under government pressure. The longtime leader of the LPS, Andris Jaunsleinis, in turn blamed the central government for splitting the solidarity of local governments.[41]

Sprūdžs proved himself an activist minister throughout the year. He spurred additional questions about relations between national authorities and local governments by suspending Lembergs, the elected mayor of Ventspils, for reported corruption. Both Lembergs, who said the EPRD minister did not have the authority to dismiss him, and the Ventspils city council, which backed Lembergs, challenged Sprūdžs's decision.[42] Moreover, Sprūdžs openly criticized the 2009 structural reforms, claiming they had not achieved their purported goals. In July, he described the disparities among local economic capacities, which affects the level and quality of

public services, as a "real mess."[43] Later in the year, he proposed reducing the number of officials that can be elected at municipal and Riga city council elections, citing a need to improve government transparency and effectiveness. According to a public poll, 72 percent of respondents strongly or moderately supported the reduction.[44]

Ethnic tensions continue to simmer at the local level, though political compromises and strong leadership have in some cases eased them. A longstanding demand by many Russophone citizens, who form majorities or large proportions of populations in certain municipalities and cities, is the increased use of Russian in public debates, consultations, and documentation. While Latvian remains the only official state language, in practice, many jurisdictions accommodate linguistic differences. This is especially true in the eastern province of Latgale, which has many Russian speakers. Meanwhile, Riga's Russophone mayor has been able to maintain his ethnic constituency while also attracting Latvian supporters.

The next local elections will be held 1 June 2013. One contentious issue associated with local elections is whether people who are not Latvian citizens but live in the country should be allowed to cast ballots. Former Latvian cabinet minister Nils Muižnieks, now the Council of Europe Commissioner for Human Rights, said in 2012 that he supports the extension of local voting rights to all permanent residents.[45] A poll conducted in October revealed that such a measure would be supported by over 78 percent non-citizens, but just 28.1 percent of citizens.[46]

Judicial Framework and Independence

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
2.00	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75

Latvia's constitution and legislation provide a framework for strengthening justice and the rule of law. In recent years, innovations have helped modernize the court system and enhance competition for judgeships. A 2011 survey found that 79 percent of people who have had direct dealings with the courts trust the judiciary.[47] Still, a backlog of cases has created frustration among those for whom justice has been delayed. Moreover, corruption is a problem among some judges, and the country's prisons remain in poor condition.

The country's judiciary includes courts of first instance, regional courts, the Supreme Court, and the Constitutional Court. In addition, there is an ombudsman's office, which provides a venue for public complaints regarding human rights violations. The current ombudsman, Juris Jansons, has raised the profile of the office's work, speaking out on issues such as raising the retirement age and granting automatic citizenship. Latvia also has a Judicial Council, established in 2010 to encourage collective problem-solving among judicial officers. The council has taken steps to improve courts' functioning and decrease the line of cases awaiting adjudication: Notaries may settle uncontested divorces, small court claims can be processed by correspondence, and requirements for proof of sickness among litigants are now more stringent to decrease absence rates and speed up court procedures.

Notwithstanding these improvements, the judicial system still faces a large accumulation of cases, which on average languish for close to two years. The backlog exists because of inefficient procedures, funding issues, and the growing popularity of litigation. New reforms are underway or in discussion to deal with the problem. Innovations planned for the coming year include an electronic calendar of lawyer engagements to avoid conflicts in setting court dates, and standardized working hours for all courts.[48]

In 2012, several judges were charged for various corruption offenses and reprimanded by the Judicial Disciplinary Committee. The head of the Zemgale Suburb Court, Ziedonis Strazds, and an accomplice were found to have collected income from non-existent employees. In October, Constitutional Court Justice Vineta Muižniece was found guilty of forging a document when she had been an elected deputy of the Saeima several years earlier.[49] These incidents cast a negative light on a profession that is still in the process of garnering public trust and respect.

The European Court of Human Rights receives several hundred complaints from Latvia each year, the vast majority of which are dismissed. Nevertheless, in 2012, the court issued 14 judgments on Latvia, 10 of which found violations of the European Convention on Human Rights.[50] Since Latvia came under the court's jurisdiction in 1997, many of the decisions against the country have related to abuses in the judiciary, including failures to guarantee detainees' rights.[51]

The Latvian prison system is dilapidated and inefficient, with widespread crowding and poor rehabilitation achievements. The low wages for prison employees have created a high turnover rate (258 employees left in 2011), many job vacancies (179 in early 2012), and the need for some employees to seek other sources of income to supplement the average monthly salary of LVL 230 ($430).[52] Inadequate supervision has promoted the circulation of drugs, physical abuse, and even rape among prisoners. According to one NGO, almost 30 percent of the country's inmates have HIV/AIDS.[53] The head of incarceration institutions, Visvaldis Puķīte, wants to follow Estonia's lead, building new prisons and developing electronic surveillance methods to track individuals convicted of crimes. According to him, Latvia each day on average spends only €10 ($13) per inmate compared to 500 ($655) in Germany and 300 ($393) in Norway.[54] In October, the Ministry of Justice announced plans to build several new prisons.

Corruption

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
3.50	3.50	3.25	3.00	3.00	3.25	3.25	3.50	3.25	3.25

Corruption remains a problem in Latvia. However, recent developments have helped curb its impact on politics and the country's economy. The parliamentary elections in September 2011 reduced the power of oligarchs Šlesers, Šķēle, and Lembergs, whose political parties have also faced recent charges and fines for various legal transgressions. One Saeima deputy said of the oligarchs' relative absence from the

parliament, "It doesn't mean all politicians have become honest, but the situation is more open and responsive to citizens' demand for a certain decency in politics."[55] In 2012, the new government successfully pursued several officials engaged in graft, halted corrupt business deals, and introduced new regulations and directives to improve transparency and accountability. In a March report, the Latvian chapter of Transparency International (also called Delna) said that while challenges remain, the "Latvian integrity framework is in good legal shape."[56]

The government currently contains a number of strong anticorruption advocates. Among these are three Saeima deputies: former KNAB Director Aleksejs Loskutovs, corruption specialist Rasma Kārkliņa, and Lolita Cigane, former head of Delna. Kārkliņa reinstituted the anticorruption subcommittee that was disbanded in 2006, and named Loskutovs its new chair. In late 2011, the Saeima appointed a new director of the KNAB, Jaroslav Strelcenoks, in a transparent and competitive process that has since become formalized in law. EPRD Minister Sprūdžs, who took over his position from a member of Lembergs' Union of Greens and Farmers, has also emerged as a strong anticorruption activist. In 2012, he halted a scheme to secure a monopoly in the waste management market—namely, an allocation of LVL 9 million ($16.7 million) that his predecessor had made from the EU Cohesion Fund for the firm Ekodoktrina, which is owned by Šlesers and Šķēle.[57]

Similarly, the KNAB exposed several deals throughout the year involving complicated kickback schemes. In September, after a lengthy investigation, the agency intervened and recommended indictments in a procurement scandal involving 17 management personnel, including the president, of the energy company Latvenergo. The case, the largest the KNAB had ever uncovered, involved a complex investigative network spreading over 14 countries. The research materials—262 files when delivered to the prosecutor—revealed that Latvenergo officials had accepted €8 million ($10.5 million) and were slated to receive another €11 million ($14.4 million) in exchange for contracts awarded to foreign companies chosen to reconstruct the Plavinas hydroelectric power station and Riga's Thermo Electric Station 2.[58] The KNAB also suspended a multi-layered corruption scandal involving roughly €4 million ($5.2 million) in bribes that the German car manufacturer Daimler AG paid to Riga officials for the purchase of 117 Mercedes Benz buses between 2002 and 2006.[59] In the fall, the agency opened a criminal case against several officials of the Riga City Council's Housing and Environment Department accused of accepting bribes in exchange for the distribution of municipal apartments.[60]

Not all high-profile corruption cases made progress during the year. Questions concerning cancelled orders, and thus potential contract violations, for new passenger trains and the disappearance of LVL 100 million ($186 million) from Latvijas Krajbanka (Latvian Credit Union) around the time that it began bankruptcy proceedings remained unanswered. According to KNAB Deputy Director Juta Strīķe, part of the problem in investigating corruption is that the culture has evolved from open demands for bribes into more refined, secret arrangements: "No one demands bribes from strangers anymore." Nevertheless, an

increasing number of people are willing to provide leads, in the form of documents or personal testimonies, to the authorities.[61] In 2012, the KNAB also launched a confidential hotline for reporting corruption.[62]

During the year, the government introduced several regulations aimed at improving transparency and accountability. As of 1 June, the Act on Initial Asset Declaration required all individuals to declare assets valued over LVL 10,000 ($18,625), including offshore accounts and properties, to the State Revenue Service. More than 130,000 individuals had filled out the required forms by the summer.[63] The state plans to use the information obtained to monitor wealth acquisition and prevent illegal enrichment. In January, the government also passed regulations requiring open voting in the Saeima for appointments to state offices, except the presidency and seats on the Constitutional Court.[64] The Saeima broadened transparency further by requiring all Parliamentary Commission Session protocols to be published on the body's website within 10 days. Moreover, state institutions must now publish on their website information about any conflict-of-interest transgressions identified among officials.[65] Lastly, in an effort to diminish corruption at the municipal level, the government introduced more stringent rules on public procurement and heavier penalties for violations; these rules will go into effect in April 2013.[66]

Although more limited than before, the presence of oligarchs is still felt in Latvia. The results of an opinion poll published in June found that 69 percent of respondents believe Šlesers, Šķēle, and Lembergs still influence politics and the economy.[67] Reports in 2012 linked Šķēle to Russian billionaire Vladimir Antonov's machinations to control shares in airBaltic.[68] Moreover, the oligarch trio allegedly met in March to plot strategies for regaining political power by exploiting weaknesses in the ruling government coalition. This included the possibility of forming a new "economically-oriented" configuration with some of the coalition's disillusioned members.[69]

▮ Author: Juris Dreifelds

Juris Dreifelds teaches political science at Brock University in Ontario, Canada. He is the author of many chapters and articles on the Baltic area. His book Latvia in Transition was published by Cambridge University in 1996.

---

1 Aaron Eglitis, "Latvia's Vilks Sees GDP Growth at About 5 Percent in 3rd Quarter," Bloomberg, 4 October 2012, http://www.bloomberg.com/news/2012-10-04/latvia-s-vilks-sees-gdp-growth-at-about-5-percent-in-3rd-quarter.html.

2 "Valsts iestades cetru gadu laika par 26% mazak darbinieku" [In state institutions over four years, 26% fewer workers], TVNet.lv, 19 October 2012, http://financenet.tvnet.lv/zinas/440232-valsts_iestades_cetru_gadu_laika_par_26_mazak_darbinieku.

3 "Latvia's credit rating improves," *The Baltic Times*, 14 November 2012, http://www.baltictimes.com/news/articles/32125/; "Bond issue pays back IMF in full," *The Baltic Times*, 12 December 2012, http://www.baltictimes.com/news/articles/32246/.

4 "Latvia's Official Unemployment Rate Drops to 13.5%," Agence France-Presse, 14 November 2012, http://www.ipotnews.com/index.php?jdl=Latvia_s_official_unemployment_rate_drops_to_13_5%&level2=&level3=&level4=LATVIA&news_id=706890&group_news=ALLNEWS&taging_subtype=ECONOMICS&popular=&search=y&q=LATVIA&x=1.

5 "Latvia struggles with 'demographic disaster,'" Agence France-Presse, 22 May 2012, http://www.france24.com/en/20120522-latvia-emigration-population-brain-drain-economy.

6 Eurostat, "In 2011, 24% of the population were at risk of poverty or social exclusion; Corresponding to around 120 million persons," news release, 3 December 2012, http://epp.eurostat.ec.europa.eu/cache/ITY_PUBLIC/3-03122012-AP/EN/3-03122012-AP-EN.PDF.

7 Andris Straumanis, "Voters slam Russian as state language: Referendum turnout sets records," LatviansOnline.com, 18 February 2012, http://latviansonline.com/site/print/8011/.

8 "Aptur referendumu par pilsonibu visiem" [The referendum about citizenship for all is stopped], NRA.lv, 2 November 2012, http://nra.lv/latvija/politika/82700-aptur-referendumu-par-pilsonibu-visiem.htm.

9 Until 2015, the initial threshold for referendums on dissolving the Saeima will remain at 10,000 signatures. "Nosaka 150 000 parakstu slieksni referendumu rosinasanai" [A threshold of 150 000 signatures was set for the initiation of a referendum], TVnet.lv, 8 November, 2012, http://nra.lv/latvija/politika/83119-saeima-nosaka-150-000-parakstu-slieksni-referendumu-rosinasanai-no-2015-gada.htm.

10 Public Opinion Research Center (SKDS), "Atbalsts Latvijas parejai uz eiro ir sasniedzis rekordzemu limeni" [Support for Latvia's transition to the Euro has reached a record low level], news release, August 2012, http://www.skds.lv/doc/Attieksme%20pret%20Eiro%20_SKDS_%20082012.pdf; and TNS Latvia, "Eiro ieviesanu atbalsta tresdala Latvijas iedzivotaju" [One third of Latvia's inhabitants support the introduction of the Euro], news release, 20 December 2012, http://www.tns.lv/?lang=lv&fullarticle=true&category=showuid&id=4047.

11 "Iedzivotaji neatbalsta pensionesanas vecuma paaugstinasanu" [People do not support the raising of pension age], Puaro.lv, 8 February 2012, http://puaro.lv/lv/puaro/iedzivotaji-neatbalsta-pensionesanas-vecuma-paaugstinasanu-.

12 "Unity's youth criticizes the party for its unclear position in the 'Lembergs case,'" Baltic News Network (BNN), 24 October 2012, bnn-news.com/unitys-youth-criticizes-party-unclear-position-lembergs-case-79147.

13 "'Olsteina grupa' nodibina biedribu 'Brivie demokrati'" [The Olstein Group establishes the "Free Democrats Society"], Puaro.lv, 23 March 2012, http://www.puaro.lv/lv/temas/olsteina-grupa-nodibina-biedribu-brivie-demokrati.

14 "Visas partijas pieteikusas sanemt valsts budzeta finansejumu" [All parties have registered to receive state budget financing], TVNet.lv, 31 October 2011, http://www.tvnet.lv/zinas/latvija/397699-visas_partijas_pieteikusas_sanemt_valsts_budzeta_finansejumu.

15 "Televizija prieksvelesanu laika aizliegs politiskas reklamas" [Political advertising on TV will be forbidden before the elections],TVNet.lv, 26 March 2012, http://www.tvnet.lv/zinas/latvija/415898-televizija_prieksvelesanu_laika_aizliegs_politiskas_reklamas.

16 "Greens and Farmers' Union to pay back the illegally acquired 11,626 LVL to the State," BNN, 31 August 2012, http://bnn-news.com/greens-farmers-union-pay-illegally-acquired-11-626-lvl-state-73875.

17 "Шлесерс покидает свой пост и ликвидирует ЛПП/ЛЦ" [Šlesers leaves his post and liquidates LPP/LC], Delfi.lv, 1 December 2011, http://rus.delfi.lv/news/daily/politics/shlesers-pokidaet-svoj-post-i-likvidiruet-lpplc.d?id=41949922.

18 Inta Simanska, *Pārskats par NVO sektoru Latvijā* [Review of the NGO sector in Latvia] (Riga: Latvijas Pilsoniska Alianse, 2012), 3.

19 TNS Latvia, "63% Latvijas ekonomiski aktivo iedzivotaju atbalsta papildus finansejuma pieskirsanu dazadam sabiedribas grupam no valdibas puses" [63% of the economically active population supports additional funds for different social groups from the government], news release, 21 June 2012, http://www.tns.lv/?lang=lv&fullarticle=true&category=showuid&id=3859&mark=Latvijas|ekonomiski|aktivo|iedzivotaju|atbalsta|papildus.

20 Latvijas Republikas Kulturas Ministrija, "14.novembri notiks programmas 'NVO fonds' atklasanas pasakums" [On November 14, there will be an "NGO Fund" opening event], 13 November 2012, http://www.km.gov.lv/lv/jaunumi/?news_id=2944.

21 CIVICUS, "Global civil society network CIVICUS welcomes new Directors to its Board," news release, 3 August 2012, http://www.civicus.org/news-and-resources-127/1010-global-civil-society-network-civicus-welcomes-new-directors-to-its-board.

22 "'Microsoft Latvia' atbalstu izmantojusas 70 sabiedriska labuma organizacijas" [Microsoft Latvia support has been used by 70 social benefit organizations], Puaro.lv, http://14 April 2012, http://puaro.lv/lv/puaro/microsoft-latvia-atbalstu-izmantojusas-70-sabiedriska-labuma-organizacijas.

23 "Agriculture Minister: Baltic farmer protests attract attention in Brussels," BNN, 29 June 2012, http://bnn-news.com/agriculture-minister-baltic-farmer-protests-attract-attention-brussels-67147; "Farmers protest: Soviet tractor vs. Brussels," BNN, September 2012, http://bnn-news.com/farmers-protest-soviet-tractor-brussels-75024.

24 ILGA Europe, "54 NGOs demand Welfare Minister Vinkele's resignation over 'gender-bender' books for children," news release, 28 September 2012, http://www.ilga-europe.org/home/guide_europe/country_by_country/latvia/54_ngos_demand_welfare_minister_vinkele_s_resignation_over_gender_bender_books_for_children.

25 "15% of interviewed residents support pride parade in Riga," BNN, 23 March 2012, http://bnn-news.com/15-interviewed-residents-support-pride-parade-riga-55163.

26 "Petijums: Tresdala Latvija mitoso krievu izjut piederibu krievijai" [Research: one third of Russians living in Latvia feel an attachment to Russia], Ir.lv, 30 November 2011, http://www.ir.lv/2011/11/30/petijums-tresdala-latvija-mitoso-krievu-izjut-piederibu-krievijai/viedokli.

27 "Krievijas 'maiga vara' – ari Latvijas skolas" [Russia's "mild power"—also present in Latvia schools], *Latvijas Avize*, 10 September 2012, http://la.lv/index.php?option=com_content&view=article&id=360508:krievijas-lmaig-varar-ar-latvijas-skols&catid=72:politika&Itemid=421.

28 TNS Latvia, "Latvijas mediju reklāmas tirgus apjoms 2012. gadā palielinājies par 3%" [Media advertising market grew by 3% in 2012], news release, 26 March 2013, http://www.lra.lv/files/varia/Mediju_reklamas_tirgus_dati_2012_26_03.pdf.

29 The Competition Council allowed the takeover at the end of March. "KP atļauj 'Rīgas tirdzniecības ostai' pārņemt 'Dienas' īpašnieku."[The Competition Council allows the Riga Commercial port to take over "Diena"], Delfi.lv, 30 March 2012, http://www.delfi.lv/bizness/uznemumi/kp-atlauj-rigas-tirdzniecibas-ostai-parnemt-dienas-ipasnieku.d?id=42247968.

30 "'Mediju nama' pārdošanas cena ir bijusi zem 60 000 latu" [The sales price for Mediju Nama was under 60 000 Lats], Delfi.lv, 15 January 2010, http://www.delfi.lv/bizness/biznesa_vide/mediju-nama-pardosanas-cena-ir-bijusi-zem-60-000-latu.d?id=29282483.

31 "Latvian paper discusses possible merger of Russian-language newspapers," BBC Monitoring International Reports, 12 July 2012, http://www.accessmylibrary.com/article-1G1-297434843/latvian-paper-discusses-possible.html; and "Apvienojas divas Latvijas krievu avizes" [Two Russian newspapers in Latvia merge].Ir.lv, 26 November 2013, http://www.ir.lv/2012/11/26/apvienojas-divas-latvijas-krievu-avizes.

32 "Sweden's Modern Times Group to Buy Latvia's LNT Commercial TV Channel," *Baltic Review*, 12 January 2012, http://baltic-review.com/2012/01/swedens-modern-times-group-to-buy-latvias-lnt-commercial-tv-channel/

33 "Latvija internetu regulari lieto 70,3% iedzivotaju" [In Latvia, the internet is used regularly by 70.3% of residents], TVNet.lv, 20 October 2012, http://www.tvnet.lv/tehnologijas/internets/440285-latvija_internetu_regulari_lieto_703_iedzivotaju; and "Latvija visbiezak internetu lieto zinu un avizu lasisanai" [In Latvia, the internet is most often used for news and newspaper reading], TVNet.lv, 16 October 2012, http://www.tvnet.lv/tehnologijas/internets/439772-latvija_visbiezak_internetu_lieto_zinu_un_avizu_lasisanai.

34 "Top 20: Favourite websites of Latvian residents," BNN, 26 July 2012, http://bnn-news.com/top-20-favourite-websites-latvian-residents-70041.

35 "Survey: There is 'digital divide' between cities and rural areas in Latvia," BNN, 2 October 2012, http://bnn-news.com/survey-digital-gap-cities-rural-areas-latvia-76912.

36 Committee to Protect Journalists, "Latvian journalist assaulted in Riga," news release, 30 March 2012, http://www.cpj.org/2012/03/latvian-journalist-assaulted-in-riga.php.

37 "Ierobezo Krievijas kanalu visatlautibu" [Russian channel unconstraint is circumscribed], *Latvijas Avize*, 1 October 2012, http://la.lv/index.php?option=com_content&view=article&id=362291:ierobeo-krievijas-kanlu-visatautbu&Itemid=436.

38 Municipalities received a 45 percent positive and 46 percent negative trust rating in the fall of 2012. The Latvian government was trusted by only 17 percent, the Saeima by 13 percent, and political parties by 6 percent. European Commission, *Eurobarometer 78: Public Opinion in the European Union* (Brussels: European Commission, December 2012), http://ec.europa.eu/public_opinion/archives/eb/eb78/eb78_en.htm.

39 "Minister: A ministry is not a trade union of municipal governments," BNN, 27 September 2012, http://bnn-news.com/minister-ministry-trade-union-self-governments-76465.

40 "'Top 10': 23 pašvaldības iesniegušas protestu pret LPS un valdības vienošanos par 2013. gada budžetu" ['Top 10': 23 municipal governments have handed in their protest against the agreement between LPS and the government about the 2013 budget], Delfi.lv, 7 October 2012, http://www.delfi.lv/news/national/politics/top-10-23-pasvaldibas-iesniegusas-protestu-pret-lps-un-valdibas-vienosanos-par-2013gada-budzetu.d?id=42728762.

41 "Jaunsleinis: Valsts atbalsta politika skel pasvaldibas" [Jaunsleinis: the State's support system ruptures municipal governments], Delfi.lv, 28 September 2012, http://www.delfi.lv/news/national/politics/jaunsleinis-valsts-atbalsta-politika-skel-pasvaldibas.d?id=42705154.

42 "Lembergs sacked as Ventspils' mayor—again," *The Baltic Times*, 31 October 2012, http://www.baltictimes.com/news/articles/32054/.

43 "Regional reform has not achieved the desired effect - Sprudzs," *The Baltic Course*, 18 July 2012, http://www.baltic-course.com/eng/direct_speech/?doc=60203.

44 TNS Latvia, "72% Latvijas ekonomiski aktivo iedzivotaju atbalsta deputatu skaita samazinasanu pasvaldibas," [72% of Latvia's economically active residents support the lowering of the number of deputies in municipal governments], news release, 3 August 2012, http://www.reitingi.lv/lv/archive/politika/69523-72-latvijas-ekonomiski-aktivo-iedzivotaju-atbalsta-deputatu-skaita-samazinasanu-pasvaldibas.html.

45 "Muiznieks uztas uz iespejam nepilsoniem piedalities pasvaldibu velesanas" [Muiznieks will stand for the rights of non-citizens to participate in municipal elections], Puaro.lv, 27 February 2012, http://puaro.lv/lv/puaro/muiznieks-uzstas-uz-iespejam-nepilsoniem-piedalities-pasvaldibu-velesanas.

46 "Aptauja: pilsonibu pieskirsanu nepilsoniem atbalsta 78.4% nepilsonu un 28.1% pilsonu" [Poll: providing citizenship to non-citizens supported by 78.4% of non-citizens and 28.1% of citizens], Delfi.lv, 1 November 2012.

47 "Survey: People with court experience trust judicial systems more," BNN, 21 March 2011, http://bnn-news.com/survey-people-court-experience-trust-judicial-system-21553.

48 "Tiesām no 1.jūlija ir vienots darba laiks" [From July 1 courts have joint working hours], 2 July 2012, http://www.tiesas.lv/aktualitates/tiesam-no-1julija-ir-vienots-darba-laiks-3939.

49 "Disciplinary Commission offers to dismiss Judge Strazds," BNN, 26 October 2012, http://bnn-news.com/disciplinary-commission-offers-dismiss-judge-strazds-79470; "Latvian Constitutional Court cannot dismiss Judge Muizniece yet," *The Baltic Course*, 3 November 2012, http://www.baltic-course.com/eng/legislation/?doc=65078.

50 European Court of Human Rights, "Press country profile: Latvia," January 2013, http://www.echr.coe.int/Documents/CP_Latvia_ENG.pdf.

51 "Eiropu var parpludinat sudzibas no Latvijas" [Europe can be flooded by complaints from Latvia], TVNet.lv, 21 March 2012, http://www.tvnet.lv/zinas/latvija/415052-eiropu_var_parpludinat_sudzibas_no_latvijas.

52 "'Delfi' intervija ar Visvaldi Pukiti: Sabiedribai jasaprot—koncentracijas nometne cilvekus neparaudzinasi" ['Delfi' interview of Visvaldis Pukitis: Society must understand—one cannot rehabilitate people in concentration camps], Delfi.lv, 9 March 2011; and "Pern dienestu atstajusas 258 Ieslodzijuma vietu parvaldes amatpersonas" [Last year, 258 officials left their employment in prisons], Delfi.tv, 2 February 2012, http://www.delfi.lv/news/national/politics/pern-dienestu-atstajusas-258-ieslodzijuma-vietu-parvaldes-amatpersonas.d?id=42104860.

53 "'Gara speks': galvena problema ir ta, ka noziegumus cietumos izmekle IeVP" ["Soul Power": the main problem is that crimes in prisons are investigated by the Board of Prisons], Delfi.lv, 12 July 2012, http://www.delfi.lv/news/national/politics/gara-speks-galvena-problema-ir-ta-ka-noziegumus-cietumos-izmekle-ievp.d?id=42505900.

54 "Delfi intervija ar Visvaldi Pukiti" [Delfi interview of Visvaldis Pukitis], Delfi.lv, 9 March 2011, http://www.delfi.lv/news/conference/interviews/delfi-intervija-ar-visvaldi-pukiti-sabiedribai-jasaprot-koncentracijas-nometne-cilvekus-neparaudzinasi.d?id=37261352.

55 Gabriel Kuris, *Surmounting State Capture: Latvia's Anti-Corruption Agency Spurs Reforms, 2002–2011* (Princeton, New Jersey: Princeton Innovations for Successful Societies, October 2012), www.princeton.edu/successfulsocieties/content/superfocusareas/traps/RT/policynotes/view.xml?id=215.

56 Transparency International, "Latvian integrity framework in good legal shape, yet challenges remain in implementation," news release, 9 March 2012, http://www.transparency.org/news/pressrelease/20110309_latvian_integrity_framework.

57 "The oligarch-related Ekodoktrina Project is halted," BNN, 15 August 2012, http://bnn-news.com/oligarch-related-ekodoktrina-project-halted-71944.

58 "Seifs jau tukss nestav" [The safe does not remain empty], Ir.lv, 19 September 2012, http://www.ir.lv/2012/9/19/seifs-jau-tukss-nestav; "Authorities: former Latvenergo executives bribed with millions of euros," Baltic Business News (BBN), 12 September 2012, http://balticbusinessnews.com/article/2012/9/12/authorities-former-latvenergo-executives-bribed-with-millions-of-euros.

59 Richard L. Cassin, "Latvia prosecuting officials in Daimler bribery case," The FCPA Blog, 19 February 2013, http://www.fcpablog.com/blog/2013/2/19/latvia-prosecuting-officials-in-daimler-bribery-case.html.

60 "Corruption watchdog detains several Riga City Council officials," BNN, 18 September 2012, http://bnn-news.com/corruption-watchdog-detains-riga-city-council-officials-75591.

61 "Pa KNAB uzticības tālruni saņem teju uz pusi vairāk zvanu kā pērn" [Almost 50% more calls received on the KNAB confidential phone as the previous year], Delfi.lv, 19 August 2012, http://www.delfi.lv/news/national/politics/pa-knab-uzticibas-talruni-sanem-teju-uz-pusi-vairak-zvanu-ka-pern.d?id=42605096.

62 "Jo aktivak apkaro korupciju, jo vairak ta lien pagride" [The more one fights corruption, the more it goes underground], *Latvijas Avize*, 10 October 2012, http://la.lv/index.php?option=com_content&view=article&id=363020:jo-aktvk-apkaro-korupciju-jo-vairk-t-lien-pagrd.

63 "VID lidz sim registrejis 130198 'nulles deklaracijas'" [The State Revenue Agency up to now has registered 130,198 initial declarations], Delfi.lv, 8 July 2012, http://www.delfi.lv/

bizness/budzets_un_nodokli/vid-lidz-sim-registrejis-130-198-nulles-deklaracijas-nelegali-ieguti-275-miljoni-latu.d?id=42493536.

64 "Saeima amatpersonas turpmak veles atklati" [Saeima will vote openly for office holders in the future], Delfi.lv, 19 January 2012, http://www.delfi.lv/news/national/politics/saeima-amatpersonas-turpmak-veles-atklati-10-000-pilsonu-no-16-gadiem-vares-parlamentam-nodot-kolektivo-iesniegumu.d?id=42066138.

65 "Sabiedriba bus jainforme par amatpersonas parkapumiem" [Society will have to be informed about any transgressions by office holders], TVNet.lv, 18 April 2012, http://nra.lv/latvija/politika/73930-sabiedriba-bus-jainforme-par-valsts-amatpersonas-darbiba-konstatetajiem-parkapumiem.htm.

66 "IUB vaditaja: Iepirkumos visnegodpratigakas ir pasvaldibas" [The Purchasing Surveillance Bureau: the most dishonest in purchases are municipal governments], TVNet.lv, 25 October 2012, http://www.tvnet.lv/zinas/viedokli/440872-iub_vaditaja_iepirkumos_visnegodpratigakas_ir_pasvaldibas.

67 TNS Latvia, "1/2 Latvijas ekonomiski aktīvo iedzīvotāju uzskata, ka pēdējā gada laikā Latvijas politikā nav radušies jauni oligarhi" [1/2 of Latvia residents consider that in the last year no new oligarchs have appeared in Latvian politics], news release, 6 June 2012, http://www.tns.lv/?lang=lv&fullarticle=true&category=showuid&id=3837.

68 Ieva Martina and Ramunas Bogdanas, "Inside Vladimir Antonov's reckless gamble with the Baltic banks," *The Baltic Times*, 13 June 2012, http://www.baltictimes.com/news/articles/31406/.

69 "'Vecie oligarhi' satikusies lai apspriestu valdibas gasanu" [The "old oligarchs" have met to discuss the overthrow of the government], TVNet.lv, 27 March 2012, http://www.tvnet.lv/zinas/latvija/415928-vecie_oligarhi_satikusies_lai_apspriestu_valdibas_gasanu.

Lithuania

by Kaetana Leontjeva

Capital: Vilnius
Population: 3 million
GNI/capita, PPP: US$20,760

Source: The data above are drawn from the World Bank's *World Development Indicators 2013.*

Nations in Transit Ratings and Averaged Scores

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Electoral Process	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	2.00
Civil Society	1.50	1.50	1.50	1.75	1.75	1.75	1.75	1.75	1.75	1.75
Independent Media	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	2.00	2.00
Governance*	2.50	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
National Democratic Governance	n/a	2.50	2.50	2.50	2.50	2.75	2.75	2.75	2.75	2.75
Local Democratic Governance	n/a	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50
Judicial Framework and Independence	1.75	1.75	1.50	1.75	1.75	1.75	1.75	1.75	1.75	1.75
Corruption	3.50	3.75	4.00	4.00	3.75	3.75	3.50	3.50	3.50	3.50
Democracy Score	2.13	2.21	2.21	2.29	2.25	2.29	2.25	2.25	2.29	2.32

** Starting with the 2005 edition, Freedom House introduced separate analysis and ratings for national democratic governance and local democratic governance to provide readers with more detailed and nuanced analysis of these two important subjects.*

NOTE: The ratings reflect the consensus of Freedom House, its academic advisers, and the author(s) of this report. The opinions expressed in this report are those of the author(s). The ratings are based on a scale of 1 to 7, with 1 representing the highest level of democratic progress and 7 the lowest. The Democracy Score is an average of ratings for the categories tracked in a given year.

Executive Summary

In the twenty years since gaining independence, the Republic of Lithuania has established a functioning democracy with well-protected political and civil rights. Lithuania joined the North Atlantic Treaty Organization and the European Union in 2004 and the Schengen Area in late 2007. The country was hit hard by the 2008–09 global economic crisis, recording a 15 percent plunge in gross domestic product in 2009.[1] After two years of spending cuts and tax increases, the economy resumed growth in 2011, but has yet to reach pre-crisis levels.

Political discourse in 2012 was dominated by competing campaign promises in the run-up to the October parliamentary elections. Citing widespread allegations of vote-buying by the Labor Party (DP), President Dalia Grybauskaitė initially refused to approve the new center-left coalition government between the DP, the Lithuanian Social Democratic Party (LSDP), the Order and Justice Party (TT) and the Electoral Action of Poles in Lithuania (AWPL). The six-week political standoff ended in December, when President Grybauskaitė approved an incomplete list of cabinet appointments made by the parliament and presented for her approval by Prime Minister Algirdas Butkevičius. The new government officially took office on December 13.

For the past decade, much-needed public sector reforms have moved sluggishly, and corruption has remained widespread. Throughout the year, politicians attempted to influence or undermine judicial decisions, compromising the independence of the courts.

National Democratic Governance. An episode related to the bankruptcy and nationalization of Snoras, one of the Lithuania's largest private banks, severely destabilized the ruling coalition in early 2012. However, the center-right government remained in office, becoming the first administration in independent Lithuania's history to serve out a full, four-year term. Throughout the year, the government maintained its focus on energy independence, passing bills to build a new nuclear power plant and a liquefied natural gas terminal. Otherwise, national governance in 2012 was characterized by slow progress in reducing bureaucracy and reforming the public sector. *Lithuania's national democratic governance rating remains unchanged at 2.75.*

Electoral Process. Parliamentary elections in October 2012 were compromised by a record-breaking number of vote fraud incidents. Most incidents involved vote buying on behalf of the DP, which is also a defendant in an ongoing false accounting criminal case. After the elections, President Grybauskaitė tried but failed to preclude the DP from joining the new ruling coalition. In early December

2012, Lithuania's sixteenth government, consisting of four parties—the LSDP, the DP, the TT, and the AWPL—was approved by the parliament. *Lithuania's electoral process rating declines from 1.75 to 2.00.*

Civil Society. Civil society in Lithuania is active and highly engaged in political discourse. Volunteerism and private donations to charity have been increasing in recent years. Following widespread violations of electoral law in October 2012, citizens organized protests and volunteered to observe the second round of elections. *Lithuania's civil society rating remains unchanged at 1.75.*

Independent Media. Owing to higher taxes and the rising popularity of online media, some media companies have partly moved into the shadow economy. Meanwhile, legally operating media companies complain that staying profitable under the current tax regime is virtually impossible. In 2012, the president of the Lithuanian Journalists' Union was found guilty of libel against the editor of *Respublika*, although this charge was later dropped by a superior court. *Lithuania's independent media rating remains unchanged at 2.00.*

Local Democratic Governance. A groundbreaking report by the Ministry of the Economy revealed a dire need for more efficient management and increased transparency of municipally owned enterprises. Business managers view local government as the most corrupt institution in Lithuanian society, a view reinforced by frequent corruption scandals involving municipal officials. Local government remained limited in its financial independence as municipal debts continued to increase. *Lithuania's local democratic governance rating remains unchanged at 2.50.*

Judicial Framework and Independence. The public continues to perceive the judiciary as insular, biased, and opaque. Eglė Kusaitė, a young woman accused of plotting a terrorist act in Chechnya in 2009, remained on trial throughout 2012, despite human rights groups' appeals over possible human rights violations. Kusaitė was fined twice during the year for calling her former prosecutors criminals. Events in 2012 also reflected an ongoing trend toward political interference in the judicial system. In one case, a parliamentary commission inquired into the dismissal of public officials even though the matter was already under pretrial investigation. Prominent politicians publicly encouraged the rejection of a court ruling in a highly publicized pedophilia case. *Lithuania's judicial framework and independence rating remains unchanged at 1.75.*

Corruption. The government made some progress in implementing a new anticorruption program in 2012 and continued to reform regulatory agencies, though the impact of these changes has yet to be seen. Corruption scandals and arrests made throughout 2012 by the Special Investigation Service indicate that corruption remains prevalent in Lithuanian business and politics. *Lithuania's corruption rating remains unchanged at 3.50.*

Outlook for 2013. In 2013, the government has pledged to maintain a focus on fiscal discipline, to continue its predecessor's fight against the shadow economy, and to lower the tax burden on labor. Some challenging key issues, such as the new nuclear power plant, may produce disagreements within the ruling coalition. The new government has already reversed some of the outgoing coalition's important administrative reforms, and may do the same to other areas, especially with regard to private healthcare services. Although Lithuania's economy is forecast to grow and unemployment to subside, these changes may not be enough to stem emigration.

Main Report

National Democratic Governance

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
n/a	2.50	2.50	2.50	2.50	2.75	2.75	2.75	2.75	2.75

In the first quarter of 2012, the center-right ruling coalition between the Homeland Union–Lithuanian Christian Democrats (TS-LKD), the Lithuanian Liberal Movement (LS), and the Liberal and Center Union (LiCS), was on the brink of collapse. However, the government remained intact, becoming the first administration in independent Lithuania's history to serve out a full, four-year term. Parliamentary elections in October brought to power a new, center-left coalition between the Lithuanian Social Democratic Party (LSDP), the Labor Party (DP), the Order and Justice Party (TT), and the Electoral Action of Poles in Lithuania (AWPL).

In November 2011, the daily newspaper *Lietuvos Rytas* reported on the imminent nationalization of Snoras, one of Lithuania's largest private banks, citing an unnamed source. In February 2012, during an investigation to identify the source, Interior Minister Raimundas Palaitis sacked the leadership of the Financial Crime Investigation Service (FCIS) without providing a clear reason for his dismissal, saying only that his decision was based on materials received from the State Security Department.[2] Prime Minister Andrius Kubilius challenged the decision and urged President Dalia Grybauskaitė remove Palaitis from his post. The president replied that such disputes should be settled in parliament, using voting procedures. The situation set off public protests calling for Palaitis to step down as well as tensions within the coalition, with members of the TS-LKD suggesting early elections. At the end of March, Palaitis's party, the LiCS, agreed to his resignation and replaced him with parliament member Artūras Melianas. The government crisis speaks to the political influence still wielded by Lithuania's State Security Department, even after a change in leadership in 2011.

In May, members of the opposition attempted to oust Justice Minister Remigijus Šimašius from the cabinet, citing slow progress on judicial reforms and the poor performance of the State Forensic Service, among other shortcomings. A no-confidence vote failed, and the opposition backed down.

By March, support for the prime minister on the Palaitis issue had brought government approval ratings to their highest point (15.5 percent) since the administration took office in October 2008.[3] President Grybauskaitė's usually high popularity rating, on the other hand, fell during the year, as a string of developments cast doubts on her leadership. Widespread reports of vote-buying during the October parliamentary elections called into question the effectiveness of legislation that had been proposed by the president and introduced in 2012 banning company

donations to political parties. The president's firm stance against allowing the DP to join the new ruling coalition was also heavily criticized, along with her reluctance to nominate LSDP leader Algirdas Butkevičius as prime minister due to the vote-buying allegations implicating the labor parties. In late 2012, a secret recording surfaced indicating Speaker of the Parliament Irena Degutienė's concern over alarming authoritarian tendencies in the president's governing style. By the end of 2012, the president had ceased to be the most popular figure for the first time since her 2009 inauguration.[4] Under pressure to approve the government, the president finally conceded, appointing Butkevičius as prime minister and allowing the DP in the government in December.

With the closure of the Soviet-era Ignalina Nuclear Power Plant in 2010, Lithuania went from being a net energy exporter to a net energy importer. Lithuania is entirely dependent on Russian energy giant Gazprom for its natural gas supplies and imports more than 80 percent of its energy from Russia. Hoping to reduce Lithuania's dependence on foreign energy, in June 2012, the parliament passed a bill allowing the government to sign a concession agreement with Hitachi to build a new nuclear power plant. However, in a consultative referendum on the power plant held in October, 65 percent of the electorate voted against its construction,[5] citing a lack of information about the new project's costs and safety. In another effort to strengthen the country's energy independence, the parliament adopted a law on the creation of a liquefied natural gas (LNG) terminal. The law requires Lithuanian consumers to purchase at least 25 percent of their gas from the LNG terminal, a provision criticized by the opposition for limited free competition.[6] Even before he was appointed prime minister, Butkevičius signaled a desire to scrap the 25 percent requirement, potentially rendering the LNG terminal an unprofitable state venture.[7]

Lithuania also continues to pursue electricity grid deals with Poland and Sweden, but the project with Poland has been hampered by delays since Lithuanian and Polish officials first agreed to link the two grids in 1992. Lithuania is set to interconnect with the Nordic electricity market in late 2015, but because Poland has delayed purchasing the necessary land, Lithuania's full interconnection with continental Europe will be postponed until at least 2016.

Lithuania's relations with Gazprom further deteriorated when the country filed a $1.9 billion claim against Gazprom at the Arbitration Institute of the Stockholm Chamber of Commerce for alleged distortion of natural gas prices between 2004 and 2012. Gazprom currently charges Lithuania one of the highest gas prices in the European Union. Lithuania's efforts to comply with EU recommendations to privatize its energy markets sparked unfair tariffs as Gazprom could no longer monopolize transmission or distribution networks inside the country, prompting the European Commission to file a separate lawsuit against Gazprom in September 2012.

In December 2012, the new government took office in an improving economic setting. By the third quarter of 2012, year-on-year real gross domestic product growth stood at 4.4 percent.[8] Unemployment continued a slow decline, falling

from 14.4 to 11.9 percent throughout 2012.[9] As of August, the monthly minimum wage was raised from $300 to $318, reportedly creating financial strain on small and medium enterprises and local government. Nonetheless, the new government has further raised the monthly minimum wage to $375, an action that may extend economic and fiscal challenges throughout 2013.

Electoral Process

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	2.00

The fairness of the national legislative elections on 14 October 2012 was compromised by a record-breaking number of vote fraud incidents. Overall, police received more than 500 reports and launched 26 pretrial investigations. Some voters complained their reports were immediately dismissed, indicating that the true scope of vote fraud could be much greater.[10] Most incidents were related to vote-buying on behalf of the DP, which is also a defendant in an ongoing false accounting criminal case. After the first round of elections, a series of secret video recordings surfaced incriminating the DP in large-scale vote-buying in prisons. Some prisoners were recorded saying they would exchange their votes for protection from physical assault. The public, especially youth groups, responded by organizing protests and volunteering to monitor the fairness of the second election round.

Despite widespread reports of electoral violations, the Central Electoral Commission (CEC) cancelled election results in just 1 of 70 single-mandate constituencies. The CEC dismissed an appeal from the LS to postpone its approval of the election results until ongoing investigations were resolved. After the elections, the president tried but failed to exclude the DP from the coalition. She also drafted laws aimed at tackling vote fraud, while some politicians called for the introduction of electronic voting. In November, the parliament amended the penal code to increase penalties related to vote fraud.

The first election round drew a voter turnout of 53 percent, a record high since 2004, and the runoff attracted a 36 percent turnout.[11] The large voter turnout in the first round was partially credited to the nuclear power plant referendum held at the same time. Nearly two-thirds of valid ballots were cast against the construction. However, because the referendum was merely consultative, the voters' opinion is nonbinding.

The elections marked a shift to the center left. The 141 seats in the parliament were contested for by 18 political parties; of those, 7 parties passed the required 5 percent threshold. The LSDP gained 38 seats; the incumbent TS-LKD, 33 seats; the DP, 29 seats; and the OJP, 11 seats. The parliament will also have 3 independent members. Lithuania uses a mixed electoral system in which half of the parliament is chosen through multi-mandate proportional balloting and half through single-mandate constituencies. In December 2012, the parliament approved Lithuania's sixteenth government, consisting of four parties: the LSDP, the DP, the OJP, and

the EAPL. Most political analysts criticized the new government's program for lacking a clear action plan.

Only one of Lithuania's three liberal parties, the LS, managed to cross the 5 percent threshold, winning 10 seats in the parliament. The other two liberal parties, the LICS and the HRFU, fell short with 2.1 and 1.8 percent of votes, respectively, and failed to win a single seat in the single-mandate constituencies.[9] This outcome may pave the way for a reunification of the split liberal forces. The fledgling Way of Courage (WC) party won 7 seats, a gain attributed to general dissatisfaction with the political scene. The voters also favored the EAPL, which increased its number of mandates from 3 seats to 8 and for the first time passed the 5 percent threshold, a success credited to heightened tensions over minority-related issues such as minority education policy and the official spelling of Polish names. The CEC decided not to enforce the 7 percent threshold usually applied for coalitions in the case of the EAPL, which ran in an informal coalition with a Russian minority party and the Lithuanian People's Party.

Former president Rolandas Paksas—impeached in 2004 as a result of his dealings with a Lithuanian-Russian businessman suspected of links to Russian organized crime—was again prevented from running in parliamentary elections in 2012. Following a 2011 European Court of Human Rights ruling that it was unjust to ban an impeached politician from public office for life, the Lithuanian parliament passed a bill in spring 2012 specifying a four-year period of exclusion from elected office following impeachment. Under these terms, Paksas could have run in the October elections on behalf of the TT party, which he heads; however, in early September the Constitutional Court ruled the bill unconstitutional, saying that such a change should come in the form of a constitutional amendment, instead. In December 2012, the newly elected parliament voted to begin hearings on a constitutional amendment to deal with the issue.

The false accounting criminal case against the DP, first opened in 2008, dragged on throughout 2012. On the last working day before the second round of elections, these charges were replaced with accusations of fraud, implying a harsher potential sentence and extending the statute of limitations from eight to ten years. In December 2012, the parliament voted to strip DP MPs of their parliamentary immunity. It remains unclear whether the case will be resolved in 2013.

As of 2012, a law came into effect banning both corporate and individual donations to political parties, excepting individual donations made during elections. Widespread vote fraud in 2012 confirmed this ban as ineffective, in line with predictions that previously legal, transparent donations would become illegal, unrecorded, and untraceable.

The lifespan for most new Lithuanian political organizations is quite short, as many are prone to unstable ad hoc coalitions, infighting, and weak leadership. With the exception of the WC party, Lithuanians did not favor newly formed parties, such as those led by deceased president Algirdas Brazauskas' widow or by businessman Vladimiras Romanovas, each of which received less than 1 percent of the vote. In 2012, there were 45 registered parties in Lithuania; a majority of

these did not participate in the October elections, and the 10 that did participate failed to win a single mandate. Political parties remain the most unpopular public institutions in the country; they are viewed positively by only 3.9 percent of the population.[12] This figure is nearly identical to the 3.6 percent of citizens with party membership.[13]

Civil Society

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
1.50	1.50	1.50	1.75	1.75	1.75	1.75	1.75	1.75	1.75

Although Lithuanian citizens are generally disinclined to express social or political frustration through mass demonstrations, there were signs of increased social mobilization in 2012, with youth groups protesting the year's flawed elections and the perceived rise of political cynicism in their country. Young people also launched a "White Gloves" campaign, volunteering to observe the second round of elections on 28 October and report any suspected incidents to the police.

Participation in volunteer work and donations to charities have been growing since the onset of the global economic crisis, signaling a possible rise in community spirit and compassion for those who suffered most from the crisis. According to the Civil Society Institute's 2010 Civic Empowerment Index, between 2007 and 2010 the number of charitable donors rose from 45 percent to 56 percent of the population, the number of participants in environmental cleanup events rose from 31 to 50 percent, and the number of individuals taking part in community service doubled from 17 to 34 percent.[14] At the same time, the share of people who do not participate in any civil activities decreased from 40 to 25 percent. Food donations to the Food Bank (Maisto Bankas), founded in 2001, increased nearly tenfold between 2008 and 2011, and the charity now distributes food to nearly 40 thousand individuals.[15]

Crisis-induced budget cuts mobilized various societal groups to organize into associations. Statistics on the number of nongovernmental organizations (NGOs) are ambiguous, with many more of them officially registered than are actually operational. At the beginning of 2012, there were 9,333 active associations, 2,709 public institutions (excluding schools and hospitals), and 209 charity and sponsorship funds.[16]

Private individual donations to NGOs receive a 2 percent tax deduction. Funding to NGOs through this provision has stabilized following a decrease in personal income due to the economic crisis and a cut in the personal income tax rate. While the number of recipient organizations increased in 2011, the number of donors decreased. The total amount donated increased from 37 million Litas (approximately $13.9 million) to 37.8 million Litas (approximately $14.2 million).[17] According to official data, donations to charities and sponsorships rose by 9 percent between 2010 and 2011.[18] Private companies account for 91 percent of total sponsorships and donations, with the remaining 9 percent coming

from individuals and anonymous donors. Sports teams are the major recipient of donations, followed by social care organizations, cultural groups, and healthcare organizations.

Business associations and trade unions are traditionally the most influential NGOs in the policymaking arena. In 2012, trade unions demonstrated their influence by blocking the parliament from passing changes to the Labor Code. Lithuanian businesses cite tight and inflexible employment regulations as one of the largest drags on the economy, but the most recent attempt to reduce the administrative burden failed.

Labor group coalitions include the Lithuanian Confederation of Trade Unions, the Lithuanian Labor Federation, and Solidarity; the country's leading employer organizations are the Lithuanian Confederation of Industrialists and the Lithuanian Business Employers' Confederation. These groups, together with the government, constitute the Tripartite Council, which makes recommendations on national labor policy. Despite its wide powers, the council has low representation—trade unions claim only about 9 percent of the workforce, and the employer confederations represent just 15 percent of enterprises.

Independent Media

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	2.00	2.00

Throughout 2012, Lithuania's media continued to suffer economic strain from higher taxes and the rising popularity of online media. After dropping dramatically during the economic crisis, advertising revenues grew by 5 percent in 2011, though these gains were unevenly distributed (mostly in online advertising).[19]

As of 2009, the media's tax rate quadrupled to a standard 21 percent value-added tax. After that time, journalists—previously exempt from paying into the state social security system—were required to make social security contributions, which reached 34 percent in 2011. To avoid the high tax burden, some businesses forced their employees to purchase business certificates or to receive part of their wages illegally. By late 2012, these illegal practices, most notably by outlets indirectly linked to the DP, became a matter of public debate. Meanwhile, legally operating media companies complained that it was virtually impossible for high-quality media to stay profitable under the current tax regime.

Throughout 2012, Lithuania's independent media were criticized for partisanship and a lack of investigative depth. Despite a promising increase in news-related daily television shows, coverage of political news was often perceived as lacking rigor, and media outlets remained divided on issues such as the infamous pedophilia case. Because most private mass media companies are owned by businesspeople or obscure conglomerates, they are widely regarded as representing business interests. In some cases, businesspeople used their media outlets for

personal attacks against competitors, a clear ethics breach. Public trust in mass media hovered around 36 percent in 2012, up by 1 percent since 2011 but down 50 percent over the past decade.[20]

Libel remains a criminal offense, though harsh penalties are rare. In June, a circuit court in Vilnius found the president of the Lithuanian Journalists Union, Dainius Radzevičius, guilty of libel against the editor of *Respublika,* Vitas Tomkus. Tomkus brought the libel suit after Radzevičius published his opinion on a report released by the whistleblower website WikiLeaks alleging that owners of Lithuanian media, primarily *Respublika*, were blackmailing businesses and politicians to secure advertising contracts. Tomkus was the first journalist to use the libel law to limit the press freedom of another journalist. Radzevičius was sentenced to a 2,600 Litas (approximately $980) fine and 10,000 Litas (approximately $3,745) in nonmaterial damages. However, in October, a board of Vilnius district court judges cleared Radzevičius of the libel charges.

With the exception of the state-owned Lithuanian National Radio and Television, media in Lithuania are privately owned. Of the 30 broadcasters in the television market, the leading national outlets are TV3 (owned by the Scandinavian conglomerate Modern Times Group), LNK (owned by Lithuania's MG Baltic), and Lithuanian National Television's LTV1. Between mid-2011 and June 2012, the number of digital television subscribers grew by one-fifth to 357,700 households.[21] In October 2012, Lithuania made a full transition to digital television, promising to increase viewership of channels like the news-oriented Lietuvos Rytas TV, which previously could be viewed only in major cities. Of the approximately 50 radio broadcasters in Lithuania, all are private except for the state-run Lithuanian National Radio, which in spring 2012 had the largest audience share at 18.9 percent.[22]

Lithuania has 4 national daily newspapers—*Lietuvos Rytas, Vakaro Žinios, Respublika*, and *Lietuvos Žinios*—and around 70 regional dailies. The Lietuvos Rytas and Respublika groups dominate the newspaper market.[23] In late 2011, 35.6 percent of Lietuvos Rytas shares were transferred to the public sector following the nationalization of Snoras. Lithuania does not have sector-specific regulations on the concentration of media ownership, but legislation on competition sets a general limit at 40 percent market share, implying no single business group can gain a dominant market share and exert unlimited influence.

The internet continues to grow in importance in the media market. In 2012, 55 percent of Lithuanian households were connected to the internet, and 67 percent of citizens were regular users, a slight increase over the previous year. Household surveys revealed that online newspaper reading, reported by 92 percent of internet users, was the most popular use of the internet.[24] News portals in Lithuania's extensive online media market competed intensively over the quality, quantity, and format of information. Television broadcasters have also upgraded the selection of shows available online, and some began offering live streaming. Social media use has also grown rapidly; more than 51 percent of Lithuanian internet users had Facebook accounts in 2012, up by 5 percent from 2011.

Local Democratic Governance

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
n/a	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50

A 2012 report by the Ministry of the Economy revealed a dire need for more transparent and efficiently managed municipally owned enterprises. In 2011, 262 such enterprises, employing 19,800 individuals and holding assets of 8.5 billion Litas (approximately $3.2 billion), produced a loss of 833,000 Litas (approximately $312,000).[25] A further 37 enterprises failed to submit their financial reports, in violation of the law. In many cases, these enterprises' socially and commercially oriented functions are not clearly separated. Municipally owned enterprises encompass a wide-ranging portfolio that includes utility companies as well as saunas, hairdressers, bookstores, and funeral companies.

Public confidence in local government is undermined by politicking, graft, and mismanagement. Throughout 2012, public trust remained in the range of 25–29 percent, unchanged from the previous year.[26] Municipal councils are viewed as lacking accountability to their electorate.[27] According to Corruption Map 2011, produced by the Special Investigation Service (SIS), citizens view municipal councils as Lithuania's fifth most corrupt institution.[28] Business leaders and managers, however, view local government as the country's most corrupt institution. This difference in the opinion may stem from businesses' daily dealings with municipalities. Corruption Map 2011 cites a tripling in the number of business representatives who have bribed municipal employees, from 8 percent in 2007 to 23 percent in 2011; the number of people extorted for bribes also rose considerably, from 17 to 29 percent.

At present, mayors are elected by municipal councils whose members are chosen in general elections. A move to popularly electing mayors has been debated, but owing to slow parliamentary procedures, a bill on constitutional amendments to institute direct mayoral elections was not passed in 2012. The government supported direct mayoral elections but challenged the proposal to make mayors accountable to both the citizens and the municipal council. Direct elections would allow mayors to focus on their immediate functions rather than engage in continuous political bargaining to maintain coalition support.

Local governments are limited in the functions they have the independence to perform. Currently, municipalities cannot manage urban or rural state-owned land, an ability that would allow them to more quickly realize investment projects. Local governments are also limited in their financial independence. Central budget allocations account for about half of municipal budgets; the remaining portion comes from property and land taxes and local fees. But in reality, because much of the municipalities' independent proceeds go to the central government wage fund and utility payments, municipal councils are free to distribute less than one-tenth of municipal budgets.[29] In the national budget, the portion of total personal income tax revenue allocated to local governments dropped from 73.5 percent in 2010 to 61.3 in 2012 and will be further reduced to 57.3 percent in 2013.[30] Many municipalities experienced financial difficulties following the August 2012

minimum wage increase because the government failed to offset this decision with additional allocations.

Wide regional disparities in local government revenues are leveled through revenue transfers. Cities with higher personal income tax revenues are net donors, while poorer regions are net recipients. In effect, the central government dictates the share of personal income tax revenues for each municipality, thus undermining municipalities' independence. The situation is particularly serious in the capital city of Vilnius, where 60 percent of personal income tax is redistributed among other cities. Despite this lower share of revenues, Vilnius is required to perform functions unique to the capital. In 2011, Vilnius and its municipally owned enterprises accrued debts of nearly 1 billion Litas (approximately $375 million), an amount equivalent to its yearly budget. Overall, year-on-year growth in municipal debt exceeded 20 percent in mid-2012.[31]

Judicial Framework and Independence

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
1.75	1.75	1.50	1.75	1.75	1.75	1.75	1.75	1.75	1.75

Lengthy investigations, trials, and occasional corruption scandals in the judiciary have damaged the reputation of Lithuania's court system. Throughout the year, discussions continued on reforming the prosecution service and state security with a view toward making them accountable to the government, rather than the president, but no tangible progress was made.

The independence and impartiality of the judiciary are widely challenged. At the beginning of 2012, after secret information was leaked in the Snoras case, politicians became actively involved in the case for dismissal of the FCIS leadership. Although the prosecution had already undertaken a pretrial investigation, a parliamentary anticorruption commission launched its own inquest. Concluding that Interior Minister Palaitis had failed to produce objective arguments for dismissing the heads of FCIS, the commission proposed reinstating the officials. Palaitis did not follow these recommendations and later resigned. In fall 2012, the Vilnius district court ruled that one of the FCIS leaders should be reinstated.

In another alarming development, senior politicians publicly encouraged disobeying court orders in the 2009 pedophilia case. In late 2011, a circuit court ordered a temporary guardian to hand over an alleged pedophilia victim to her mother. The guardian, herself a circuit judge and a newly elected member of the parliament, refused to obey the court order. The public was polarized on the issue, but numerous politicians, including the speaker of the parliament, supported the guardian, claiming that "unjust" court orders do not have to be implemented. The alleged victim was ultimately transferred to her mother, but the parliament members' determination to prevent the court order's implementation was a grave example of political meddling with the judicial system. The alleged victim's former guardian is now the leader of the WC party and ran in the parliamentary elections on a ticket of reforming the judicial system.

The public perceives the judiciary as insular and opaque; its impartiality is widely challenged. Only around 17 percent of the population trusts the courts.[32] A national anticorruption program planned for 2013 aims to increase judicial transparency by computerizing lawsuit allocation to judges and publishing information on court proceedings online. The number of complaints filed with the Judicial Ethics and Discipline Commission, an institution that adjudicates disciplinary cases within the judiciary, grew sevenfold between 2009 and 2011, although many complaints are unrelated to discipline and are dismissed.[33] The first half of 2012 brought a further 20 percent increase in complaints.

Throughout 2012, the court continued to conduct a controversial trial involving a young female Lithuanian Muslim convert, Eglė Kusaitė, who was detained in late 2009 after being accused by Lithuanian prosecutors of plotting a terrorist act in Russia. While in custody in 2010, Kusaitė reported physical and psychological abuse by Lithuanian authorities and Russian security officials who were allegedly allowed to participate in a pretrial investigation. Concluding that they were not supported by any objective records, the Lithuanian prosecution refused to conduct a pretrial investigation of Kusaitė's complaints. In 2012, Kusaitė was sentenced on two separate occasions by circuit courts for publicly calling her former prosecutors criminals. Her appeals were dismissed by the district court, and she was ordered to pay fines of 7,800 and 1,300 Litas (approximately $2,930 and $490). Human rights groups have appealed to the president and the speaker of the parliament over possible human rights violations, claiming that the court, the prosecution, and the State Security Department jointly operated without an adequate system of checks and balances.

In early 2012, the Constitutional Court ruled that school vouchers, an integral part of higher education reform, violate the constitution when given to private institutions of higher education. The court also challenged provisions of the law that undermined the autonomy of higher educational institutions. The number of laws deemed unconstitutional by the Constitutional Court grew threefold from 2010 to 2011. Lawyers view this phenomenon as exemplifying the low quality of the lawmaking process, although it could also be a sign that the constitution is out of date—for instance, when the constitution was passed in 1992, no private institutions of higher education existed, and thus their financing through school vouchers could not have been envisaged. If the constitution is not amended to bring it in line with the current sociopolitical landscape, it may become an impediment to transformation of the public sector.

Corruption

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
3.50	3.75	4.00	4.00	3.75	3.75	3.50	3.50	3.50	3.50

Throughout 2012, corruption investigations by the Special Investigation Service led to arrests of top-level municipal officials. The arrest in December 2011 of the mayor of Radviliškis was followed in 2012 by the detention of the vice mayors of

Kaunas and Vilnius. Most local government corruption cases are related to public procurements. Follow-through on corruption cases has reportedly increased in recent years, although corruption investigations continue to linger before reaching court. Politicians view the work of SIS Director Žimantas Pacevičius as successful and even rejected a bill to dismiss him when his tenure ended in late 2012. After a second vote, his dismissal was adopted; the new SIS director had yet to be appointed by the president at year's end.

The implementation of an updated national anticorruption program for 2011–14 progressed during the year. By the end of 2012, 7 measures had been fully realized and 4 had failed, with 84 still in the process of implementation.[34] The new program focuses on clear-cut objectives and measurable criteria for more accurate assessment of anticorruption efforts. One of its central aims is to reduce bureaucracy and introduce e-services, especially for the corruption-prone areas of territory planning and construction permits. The program will usher in new rules to increase transparency in the drafting of related legislation and the granting of permits. For example, all draft bills submitted to the parliament will be required to indicate their original initiators.

The new anticorruption program will also introduce procedures for increasing efficiency in the judiciary and improving central control of public procurements. The outgoing center-right coalition was vocal about reducing corruption in public procurement, yielding some tangible changes. In February 2010, the Public Procurement Office (PPO) began publishing all reports and decisions of purchasing organizations online. In 2011, the PPO investigated 324 public procurements, identifying violations of official procedures in roughly 23 percent. Public institutions' directors are not held personally liable for procedural violations, and penalties for violators are disproportionately low. The procurement of European Union assistance, which accounts for over a quarter of state budget revenues, is especially prone to mismanagement. The number of public tenders carried out through the centralized online public procurement system has risen but remains relatively low at 3.1 percent, accounting for 12.5 percent of the total value of public procurements.[35]

In 2011, the public perceived healthcare as Lithuania's most corrupt sector.[36] According to the SIS's "Corruption Map" study, 44 percent of respondents to the 2012 survey reported bribe extortions at public healthcare institutions and 34 percent reported giving bribes. The public healthcare system is prone to long queues and a lack of transparency in assigning procedures. Without legal copayments or a clear incentives structure for healthcare professionals, the system is very susceptible to corruption. Many individuals do not file official complaints of bribe extortion, fearing damage to their relationship with healthcare institutions.

In December 2012, a large corruption network was uncovered in the customs system, leading to the arrests of 30 customs officials accused of taking small bribes for real or apparent violations. Although the corruption network, encompassing more than one-third of a single customs post, appears troublingly large, its routing suggests that the customs system is committed to reducing corruption.

Lithuanian businesses are burdened with onerous reporting regulations, comprising some 900 requirements in the areas of statistics, consumer protection, and corporate, labor, and tax law as well as another 1,200 in vertical sectors of the economy such as transport, finance, trade, and construction.[37] In 2012, there were about 60 regulatory agencies in Lithuania.[38] The government continued its reforms of business protection procedures, coupled with functional and institutional mergers designed to prevent abuse, excessive interventions, and unjustified penalties. As of 2012, regulatory agencies perform inspections according to questionnaires, a measure useful to both businesses and inspectors. Breaches not covered by legally approved questionnaires may not be punished; however, 54 percent of surveyed companies reported that questionnaires were not used during inspections.[39]

▪ AUTHOR: KAETANA LEONTJEVA
Kaetana Leontjeva is a policy analyst at the Lithuanian Free Market Institute.

---

1 "Good news—Lithuania's GDP in 2009 fell 'only' by 15 pct," *The Lithuania Tribune*, 29 January 2010, http://www.lithuaniatribune.com/953/good-news-lithuania%E2%80%99s gdp-in-2009-fell-%E2%80%98only%E2%80%99-by-15-pct-2010953/.

2 "Interior Minister Raimundas Palaitis rejects calls to resign, political analysts miss transparency in FCIS chiefs case," *15min.lt*, *23* February 2013, http://www.15min.lt/en/article/politics/interior-minister-raimundas-palaitis-rejects-calls-to-resign-526-198530.

3 "Energetika augina Vyriausybės ir jos rėmėjų populiarumą" [Energy policy is raising the popularity of the government and its supporters], *Veidas*, 11 April 2012, http://www.veidas.lt/energetika-augina-vyriausybes-ir-jos-remeju-populiaruma.

4 "Lithuanian Prime Minister overtakes President Dalia Grybauskaitė in popularity ratings," 15Min.lt, 27 December 2012, http://www.15min.lt/en/article/politics/lithuanian-prime-minister-overtakes-president-dalia-grybauskaite-in-popularity-ratings-526-291381#ixzz2ZKCpXbrT.

5 The Central Electoral Commission of the Republic of Lithuania, *Election to the Seimas and the Referendum on the Construction of a New Nuclear Power Plant in the Republic of Lithuania—Results of Referendum in Constituencies* (Vilnius: Central Electoral Commission, 18 October 2012), http://www.vrk.lt/2012_seimo_rinkimai/output_en/referendumas/referendumas.html.

6 "Lithuanian Government fixes obligation to buy 25 percent of gas from LNG terminal," 15Min.lt, 2 November 2012, http://www.15min.lt/en/article/politics/lithuanian-government-fixes-obligation-to-buy-25-percent-of-gas-from-lng-terminal-526-270275.

7 "Algirdas Butkevičius: No ministerial post for Viktor Uspaskich and Lithuania doesn't need nuclear plant now," 15Min.lt, 31 October 2012, http://www.15min.lt/en/article/politics/algirdas-butkevicius-no-ministerial-post-for-viktor-uspaskich-and-lithuania-doesn-t-need-nuclear-plant-now-526-269488#ixzz2dCLX9D2e.

8 Department of Statistics of the Republic of Lithuania, "First GDP estimate (+revised estimate of previous quarter)," news release, 29 October 2012, http://www.stat.gov.lt/en/news/view?id=11144.

9 Department of Statistics of the Republic of Lithuania, *Registruoti bedarbiai. Požymiai: administracinė teritorija, statistiniai rodikliai ir metai* [Registered unemployed. By administrative area, statistical indicator, and year] (Department of Statistics: Vilnius, 25 January 2012), http://db1.stat.gov.lt/statbank/selectvarval/saveselections.asp?MainTable=M3050101&PLanguage=0&TableStyle=&Buttons=&PXSId=2365&IQY=&TC=&ST=ST&rvar0=&rvar1=&rvar2=&rvar3=&rvar4=&rvar5=&rvar6=&rvar7=&rvar8=&rvar9=&rvar10=&rvar11=&rvar12=&rvar13=&rvar14=.

10 "Dėl pažeidimų per Seimo rinkimus iš viso pradėti 26 ikiteisminiai tyrimai" [A total of 26 pretrial investigations launched following violations during the parliamentary elections], Lrt.lt, 29 October 2012, http://www.lrt.lt/naujienos/lietuvoje/2/6829/del_pazeidimu_per_seimo_rinkimus_is_viso_pradeti_26_ikiteisminiai_tyrimai_.

11 The Central Electoral Commission of the Republic of Lithuania, *Voting Results in the Multi-Member Constituency* (Vilnius: Central Electoral Commission, 29 October 2012), http://www.vrk.lt/2012_seimo_rinkimai/output_en/rezultatai_daugiamand_apygardose/rezultatai_daugiamand_apygardose1turas.html.

12 Vilmorus, *Pasitikėjimas institucijomis* [Trust in institutions] (Vilnius: Vilmorus, October 2012).

13 The Ministry of Justice of the Republic of Lithuania, *List of the political parties of the Republic of Lithuania* (Vilnius: Ministry of Justice, 23 September 2012), http://www.tm.lt/dok/Partiju%20sąrašas%202012-09-24.pdf.

14 Pilietinės Visuomenės Institutas, Pilietinės galios indeksas 2010 [Civil empowerment index 2010] (Vilnius: Pilietines Visuomenes Institutas, January 2011), http://www.civitas.lt/lt/?pid=74&id=78.

15 Maisto Bankas [Food Bank], "Istorija," http://www.maistobankas.lt/istorija.

16 Department of Statistics of the Republic of Lithuania, http://db1.stat.gov.lt/statbank/default.asp?w=1280.

17 "Paramos gavėjams VMI šiandien jau pervedė beveik 3 milijonus gyventojų skirtos paramos" [The State Tax Inspectorate has already wired almost 3 million Litas of people's donations to charity recipients], *State Tax Inspectorate*, 25 September 2012, http://www.vmi.lt/lt/?itemId=10829747.

18 Department of Statistics of the Republic of Lithuania, http://db1.stat.gov.lt/statbank/default.asp?w=1280.

19 "Interneto kulkos" [Internet bullets], *IQ.lt*, May 2012, http://old.iq.lt/iq-zurnalas/interneto-kulkos.

20 "Liepą sumažėjo pasitikėjimas prokuratūra ir teismais" [Trust in prosecution and courts fell in July], *Delfi.lt*, 14 July 2012, http://www.delfi.lt/news/daily/lithuania/liepa-sumazejo-pasitikejimas-prokuratura-ir-teismais.d?id=59115663.

21 Communications Regulatory Authority of Lithuania, *2012 Q2 Report on the Electronic Communications Sector* (Vilnius: Communications Regulatory Authority, 25 September 2012), http://www.rrt.lt/lt/apzvalgos-ir-ataskaitos/elektroniniu-rysiu-sektoriaus-mzkm/http www.rrt.ltltapzvalgos-ir-ataskaitoselektroniniu-7n66.html.

22 Tavs Neredzamais Sabiedrotais (TNS), *Radijo auditorijos tyrimas 2012 m. pavasaris* [Radio audience survey of spring 2012] (Vilnius: TNS, 2012), http://www.tns.lt/lt/ziniasklaidos-tyrimai-radijo-auditorijos-tyrimas-duomenys-radijo-auditorijos-tyrimas-2012-m-pavasaris.

23 TNS, *Populiariausių 2012 m. pavasario periodo leidinių penketukai* [Top 5 most popular periodicals of spring 2012] (Vilnius: Department of Statistics, 21 August 2012), http://www.tns.lt/lt/ziniasklaidos-tyrimai-nacionalinis-skaitytoju-tyrimas-duomenys-tns-lt-populiariausiu-2012-m-pavasario-periodo-leidiniu-penketukai.

24 Department of Statistics of the Republic of Lithuania, *Informacinių technologijų naudojimas namų ūkiuose 2012 m. pirmąjį ketvirtį* [Use of information technologies in households in 2012 Q1] (Vilnius: Department of Statistics, 21 August 2012), http://www.stat.gov.lt/lt/news/view/?id=10395&print=1&PHPSESSID=93820b219d5427a6b204623375315dbb.

25 Ministry of Economy of the Republic of Lithuania, *SVĮ portfelio apžvalga* [Review of the portfolio of municipally owned assets] (Vilnius: Ministry of the Economy, 2012), http://vvi.ukmin.lt/svi-portfelio-apzvalga.

26 "Augo pasitikėjimas prezidento institucija, Bažnyčia – menko" [Public trust in the president grew, in the Church—decreased], *Delfi.lt*, 19 May 2012, http://www.delfi.lt/news/daily/lithuania/augo-pasitikejimas-prezidento-institucija-baznycia-menko.d?id=58751633.

27 "Lietuvoje savivalda nyksta" [Self-government in Lithuania is disappearing], *Veidas*, 21 February 2011, http://www.veidas.lt/lietuvos-savivalda-nyksta.

28 Special Investigation Service of the Republic of Lithuania, *Lietovos korupcijos žemėlapis* [Lithuania's Corruption Map] (Vilnius: Special Investigation Service, July–August 2012), http://www.stt.lt/documents/soc_tyrimai/Korupcijos_zemelapis.pdf.

29 Law on Local Governments, I-533, October 2012, http://www3.lrs.lt/pls/inter3/dokpaieska.showdoc_l?p_id=435991.

30 Law on 2012 State Budget and Municipal Budgets, XI-1823, 20 December 2011, http://www3.lrs.lt/pls/inter3/dokpaieska.showdoc_l?p_id=415665&p_query=&p_tr2=2; Draft Law on 2013 State Budget and Municipal Budgets, XIP-4917, 17 October 2012, http://www3.lrs.lt/pls/inter3/dokpaieska.showdoc_l?p_id=435092&p_query=&p_tr2=2.

31 Ministry of Finance of the Republic of Lithuania, *Valdžios sektoriaus skola* [Public Sector Debt] (Vilnius: Ministry of Finance, 22 October 2012), http://www.finmin.lt/web/finmin/aktualus_duomenys/skola.

32 Vilmorus, *Pasitikėjimas institucijomis* [Trust in institutions] (Vilnius: Vilmorus, October 2012), http://www.vilmorus.lt/index.php?mact=News,cntnt01,detail,0&cntnt01articleid=2&cntnt01returnid=20.

33 "Teisėjų etikos ir drausmės komisija sulaukia vis daugiau skundų" [The Judicial Ethics and Discipline Commission receives an increasing number of complaints], 15min.lt, 13 January 2012, http://www.15min.lt/naujiena/aktualu/lietuva/teiseju-etikos-ir-drausmes-komisija-sulaukia-vis-daugiau-skundu-56-189994.

34 Special Investigation Service, "2011–2014 m. Nacionalinė kovos su korupcija programa" [National anticorruption program for 2011–2014], *Special Investigation Service of the Republic of Lithuania*, http://www.stt.lt/lt/nkkp-2011-2014/?search_type=1&eil_nr=0&pavadinimas=&prob_eil_nr=&prob_pavadinimas=&kryptis=0&sritis=0&tikslas=0&uzdavinys=0&kvykd=0&metai=0&ketvirtis=0&igyvendinimas=0&show_all.x=56&show_all.y=9.

35 Public Procurement Office. *2011 Metu Veiklos Ataskaita* [2011 Annual Report] (Vilnius: Public Procurement Office, 2012), http://www.vpt.lt/admin/uploaded/2012/VP%20Ataskaita%202012.pdf.

36 Special Investigation Service of the Republic of Lithuania, *Lietuvos korupcijos žemėlapis* [Lithuania's Corruption Map] (Vilnius: Special Investigation Service, July–August 2012), http://www.stt.lt/documents/soc_tyrimai/Korupcijos_zemelapis.pdf.

37 The Ministry of Economy of the Republic of Lithuania, *Taikomojo mokslinio tyrimo 'Administracinę naštą verslui sukuriančių informacinių įpareigojimų supaprastinimo galimybės geresnio reglamentavimo kontekste' ataskaita* [Report on applied scientific research 'possibilities of simplifying reporting requirements imposing administrative burden on business in the context of sounder regulation'] (Vilnius: Ministry of the Economy, 22 July 2010), http://www.ukmin.lt/lt/veikla/veiklos_sritys/reglamentavimas/studija/index.php.

38 *Act of the Government of the Republic of Lithuania on the Optimization of Supervisory Functions Performed by Agencies*, 511, 18 July 2012, http://www3.lrs.lt/pls/inter3/dokpaieska.showdoc_l?p_id=430888.

39 Ministry of the Economy of the Republic of Lithuania, *Ūkio subjektų apklausa dėl verslo priežiūrą atliekančių institucijų veiklos vertinimo* [Poll of companies regarding an evaluation of regulatory agencies] (Vilnius: Ministry of the Economy, August 2012), http://www.ukmin.lt/uploads/documents/imported/lt/verslo_aplinka/SIC%20ūkio%20subjektų%20apklausa%20dėl%20verslo%20priežiūrą%20atliekančių%20institucijų%20veiklos%20vertinimo.pdf.

Macedonia

by Ljubica Grozdanovska Dimishkovska

Capital: Skopje
Population: 2.1 million
GNI/capita, PPP: US$11,370

Source: The data above are drawn from the World Bank's *World Development Indicators 2013.*

Nations in Transit Ratings and Averaged Scores

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Electoral Process	3.50	3.00	3.25	3.25	3.25	3.50	3.25	3.25	3.25	3.25
Civil Society	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25
Independent Media	4.25	4.25	4.25	4.25	4.25	4.25	4.25	4.50	4.75	4.75
Governance*	4.00	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
National Democratic Governance	n/a	4.00	3.75	3.75	4.00	4.00	4.00	4.00	4.25	4.25
Local Democratic Governance	n/a	4.00	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75
Judicial Framework and Independence	4.00	3.75	3.75	3.75	4.00	4.00	4.00	4.00	4.00	4.25
Corruption	5.00	5.00	4.75	4.75	4.50	4.25	4.00	4.00	4.00	4.00
Democracy Score	4.00	3.89	3.82	3.82	3.86	3.86	3.79	3.82	3.89	3.93

** Starting with the 2005 edition, Freedom House introduced separate analysis and ratings for national democratic governance and local democratic governance to provide readers with more detailed and nuanced analysis of these two important subjects.*

NOTE: The ratings reflect the consensus of Freedom House, its academic advisers, and the author(s) of this report. The opinions expressed in this report are those of the author(s). The ratings are based on a scale of 1 to 7, with 1 representing the highest level of democratic progress and 7 the lowest. The Democracy Score is an average of ratings for the categories tracked in a given year.

Executive Summary

Delays in European Union (EU) and North Atlantic Treaty Organization (NATO) integration and the strain of the global economic crisis have significantly stalled nearly every area of democratic development in Macedonia. The governing coalition, comprised of the Internal Macedonian Revolutionary Organization–Democratic Party for Macedonian National Unity (VMRO-DPMNE) and the Democratic Union for Integration (DUI), has been challenged more by its own internal squabbles than by the actions of opposition parties. The largest opposition party, the Social Democratic Union of Macedonia (SDSM), struggles to gain traction with the public and to challenge Prime Minister Nikola Gruevski. At the end of the year, SDSM staged a boycott of the National Assembly to protest the government's budget proposal.

The independence of the judiciary came into question in 2012 amid allegations that the government and the health minister had exerted influence on the courts to stop a strike organized by doctors. On another judicial matter, interethnic tensions were fueled when five men were shot dead at close range while fishing at a lake near Skopje, an act the government hastily blamed on Islamic terrorists.

The lack of robust, independent media and civil society continues to leave Macedonia without strong watchdogs that can monitor legislation and hold the government accountable. The government faced criticism for launching tax investigations of a nationally broadcast television station (A1 TV) and three newspapers (*Vreme*, *Spic* and *Koha e Re*) considered critical of the administration, leading to their closure. In March 2012 the owner of these media was convicted of tax evasion, money laundering and defrauding creditors and sentenced to 13 years in prison. In addition, government spending on media campaigns and its strong influence on the overall media market drew criticism from human rights and press freedom organizations.

Despite the negative developments, there were positive steps: defamation was decriminalized and the Broadcasting Council moved to enforce conflict-of-interest laws designed to prevent political interests from controlling the media. Although the council's new approach toward enforcing conflict-of-interest laws marked a step forward in addressing this decade-old issue, it does not necessarily guarantee of the independence of the body since the government continues to interfere in its decision-making, especially with regard to the appointment of council members.

National Democratic Governance. In the middle of April, five Macedonian fishermen were killed near the capital of Skopje, leading to the arrests of several Muslim suspects. Officials called the killings a terrorist act, invoking memories of the 2001 ethnic conflict. Tensions grew again when, on the 11th anniversary of

the signing of the Ohrid Framework Agreement, the ethnic Albanian minister of defense dressed in a military uniform and laid flowers on the grave of Albanian fighters who died in the 2001 intercommunal conflict. *Macedonia's National Democratic Governance rating remains unchanged at 4.25.*

Electoral Process. Months ahead of local elections set for March 2013, political parties were already getting a running start on campaigning. By early November, the parliament had voted to revise the electoral code and reviewed several proposed changes, including a legal framework for dealing with campaign finance violations and increased transparency in the State Electoral Commission. The Council of Europe Group of States against Corruption (GRECO) published its annual report on transparency in party and electoral campaign financing, providing recommendations for Macedonia's electoral code. Of the 13 recommendations made by GRECO, three were fully implemented and four others partially implemented. *Macedonia's electoral process rating remains unchanged at 3.25.*

Civil Society. Nongovernmental organizations and other civil society actors remain politicized and polarized in 2012, undermining their advocacy and oversight roles. Likeminded organizations supported completely different measures depending on their relationship with the key parties in the country. Although the Law for Civil Organizations and Foundations prohibits NGOs from financing or organizing political activities for political parties, there are no sanctions for those that bend the law. Representatives from the civil sector contend the law must be amended to better define what direct political involvement really means. *Macedonia's civil society rating remains unchanged at 3.25.*

Independent Media. Lengthy negotiations in 2012 between the government and the Association of Journalists finally ended in September with the much-anticipated decision to decriminalize defamation. Critics of the draft law on the import and distribution of foreign print materials, movies and information services succeeded in removing language from the amendment that allowed for what critics said amounted to government censorship. The Broadcasting Council compelled three national media owners with direct political ties to either sell their enterprises or leave politics. Though these represented positive developments, it remains to be seen how these will affect press freedom and media market development in the future. *Therefore, Macedonia's independent media rating remains unchanged at 4.75.*

Local Democratic Governance. Some hurdles noted at the beginning of the decentralization process remained for many municipalities in 2012, such as the lack of financial independence; frequent lack of coordination between municipalities and the central government; and administrative inefficiency. In the buildup to local elections in 2013, it became evident there were big differences between the VMRO-DPMNE and DUI that form the governing coalition. This was especially evident when local mayors on their own renamed schools and streets after ethnic

heroes and religious figures, often without respecting formal procedures and despite objections from central government institutions. *Macedonia's democratic governance rating remains unchanged at 3.75.*

Judicial Framework and Independence. Several incidents in 2012 called into question the independence and professionalism of judicial and law-enforcement bodies. In one case, trade unionists accused Health Minister Nikola Todorov of pressuring a Skopje court to ban a general strike by doctors. In another instance, the Criminal Court, the State Public Prosecutor's Office, the Ministry of Interior and the Security and Intelligence Department came under scrutiny for their handling of the mid-April shooting deaths of five men at a lake near Skopje. At one point in the investigation, the testimony of a protected witness in the murder case was leaked to the public. Five suspects were charged with terrorism in October and their trial, scheduled to begin in December, was postponed. Also in 2012, the Constitutional Court applied a 2002 amnesty law to the four cases returned from the International Criminal Tribunal for the Former Yugoslavia in The Hague. Some legal experts contended amnesty could not be applied to cases involving crimes against humanity. *Macedonia's rating for judicial framework and independence declines from 4.00 to 4.25.*

Corruption. Macedonia's efforts to combat corruption in 2012 remained ad hoc and largely ineffective, even though almost every government since the country's independence in 1991 has claimed to prioritize the fight against graft. A number of large corruption cases that originated with the privatization of state companies in the 1990s led to back-and-forth accusations between the ruling VMRO-DPMNE and the SDSM as each side tried to discredit the other. *Macedonia's corruption rating remains unchanged at 4.00.*

Outlook for 2013. The lack of independent media and a strong civil society will hamper democratic development in Macedonia and leave it vulnerable to political heavy-handedness and official corruption. Macedonia's local elections in 2013 will indicate whether the current government will keep its cozy position or face a stronger and more effective opposition. Significant overall changes should be expected if the long-running name dispute with Greece is resolved or alternatively, if Macedonia manages to pursue EU and NATO integration while continuing to seek a resolution with Greece.

Main Report

National Democratic Governance

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
n/a	4.00	3.75	3.75	4.00	4.00	4.00	4.00	4.25	4.25

The internationally backed Ohrid Framework Agreement, which ended fighting between Albanian separatists and Macedonian security forces in 2001, grants Albanian-majority areas the right to education in their native tongue provides guarantees of multiethnic participation in government. Other legacies of interethnic conflict have gone unaddressed. These issues include financial support for the families of the members of the army and police who were killed during the fighting; the status of former members of the so-called Albanian National Liberation Army (NLA); the renaming of schools and streets inspired by ethnic differences; and the building of religious monuments and memorials.

A 2011 survey showed Macedonian citizens were primarily concerned about poverty and unemployment, with ethnic issues ranking 10th on their list of concerns.[1] However, the fatal shooting of five men at a lake near Skopje at Smilkovo Lake in April brought tensions between ethnic Macedonians (who are predominantly Christian) and the country's primarily Muslim ethnic Albanian population—back into the spotlight in 2012. Internal affairs Minister Gordana Jankulovska announced that evidence showed that the killers were most probably Islamic fundamentalists, without stating their ethnic or national origin. Some 20 people were initially suspected.[2] Interethnic tensions intensified to the point that police forces were engaged to prevent riots from breaking out in several locations throughout Skopje from the Macedonian and Albanian communities. Groups of young people organized protests demanding that the killers of the five men be brought to justice.[3] Some two weeks after the murders, Prime Minister Nikola Gruevski stated in a public address that the country's peaceful interethnic relations had not been jeopardized. Attempting to calm the public, he assured listeners that the investigation would focus on the crimes of the perpetrators, not their ethnicity.

Other politicians took the opposite approach, adopting radical stances towards the case and invoking the memory of the 2001 conflict. Former foreign affairs minister Antonio Miloshoski posted a statement on the Twitter networking site demanding that the murderers receive the death penalty, even though Macedonia does not practice capital punishment.[4] Experts claim that the authorities' imperfect handling of the situation reflects the irregular nature of relations within the ruling coalition—the Internal Macedonian Revolutionary Organization-Democratic Party for Macedonian National Unity (VMRO-DPMNE) and the Democratic Union for Integration (DUI))—as well as relations between its leaders, Prime Minister Gruevski (VMRO-DPMNE) and Ali Ahmeti (DUI).[5]

On the 11th anniversary of the signing of the Ohrid Framework Agreement, Defense Minister Fatmir Besimi (DUI), shocked many observers by appearing five other representatives of the Ministry of Defense dressed in Macedonian military uniforms placed flowers on the grave of Albanian fighters who fought and died in the 2001 conflict. Critics said the minister's action glorified opposition fighters while government officials from the ruling VMRO-DPMNE and the army command publicly distanced themselves. Besimi called his actions a gesture of reconciliation that was intended to close a painful chapter in history.[6]

A public poll conducted by the Macedonian Center for International Research (MCMS) and the Institute for Democracy showed that the majority of the ethnic Macedonians thought that Besimi's act was not an act of reconciliation, while most ethnic Albanians disagreed.[7] At the request of President George Ivanov, the army began an investigation—ongoing at year's end—to determine whether the civilian defense personnel who accompanied Minister Besimi to the monument of the Albanian fighters had breached the army's discipline code by wearing military uniforms.

The name dispute with Greece—which dates back to Macedonia's independence from Yugoslavia in 1991—continues to stall progress towards joining the North Atlantic Treaty Organization (NATO) and the European Union (EU). Greece believes the use of "Macedonia" should refer solely to its own province of the same name and has pushed Macedonia to adopt "the Former Yugoslav Republic of Macedonia" as its international moniker. Macedonia still does not have a start date for accession negotiations with the EU, but a European Commission progress report due in early 2013 is expected to focus on the country's relations with neighboring EU states Greece and Bulgaria.

Macedonia is under pressure from several EU states over the number of asylum-seekers, mostly Roma, it produces. Many of these seek asylum based on economic reasons. In response to EU pressure, Macedonia's government changed its Criminal Code[8] and the law governing border surveillance in 2011, introducing harsh penalties for those abuse the asylum principle.[9] In 2012, the European Roma and Travellers Forum in Strasbourg, France, claimed that customs officers at Macedonia's borders were practicing racial profiling, refusing to allow many Roma to exit the country on the assumption that they would seek asylum in Western European states.[10] Macedonia's Ministry for Internal Affairs has acknowledged that border controls have become more rigorous due to the threats from the EU in November 2011 to reinstate a visa regime with Macedonia as well as Serbia, another EU candidate and major source of asylum-seekers in Western Europe.

Many citizens have questioned the reliability of Macedonia's last population census, conducted a decade ago. Ethnic Albanians, in particular, contend that it did not accurately reflect minority populations working outside the country during the summer season. Albanians are the second largest ethnic group in the country, comprising about one-quarter of the population. The government's seeming inability to conduct a new census reflects the depth of the country's governance challenges and lack of national unity.

The year closed with an unsettling political drama when the largest opposition party, the Social Democratic Union of Macedonia (SDSM), sought reductions in the 2013 budget to prevent a rise in the national debt. The governing majority denied the request. On 24 December 2012 the MPs of the SDSM tried to boycott the vote on the 2013 budget but were removed from the National Assembly by security guards. Journalists covering the event were removed as well. The budget was approved by MPs from the ruling VMRO-DPMNE and its coalition allies, including the Albanian DUI. The next day, two separate groups, one supporting the boycotting SDSM and the other group supporting VMRO-DPMNE, divided by a police cordon, protested in front of the Assembly. SDSM leaders announced that they would hold daily protests in Skopje and block the capital's main streets and boulevards. Meanwhile, the Association of Journalists asked the government to investigate the events of 24 December, including the forced removal of reporters from the Assembly.

Electoral Process

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
3.50	3.00	3.25	3.25	3.25	3.50	3.25	3.25	3.25	3.25

Parliamentary elections in June 2011 gave Nikola Gruevski and the ruling VMRO-DPMNE a renewed mandate. The DUI party, which represents parties from the country's Albanian minority, is as a coalition partner, though the parties appear to disagree on some key issues, including EU and NATO integration and the name dispute with Greece. Elections put a dent in the VMRO-DPMNE's parliamentary majority, though it still held 56 seats in the 123-member National Assembly while DUI won 15 seats. The opposition SDSM took 42 seats by winning some of VMRO-DPMNE's former spots. Nevertheless, the elections marked the party's fifth consecutive electoral loss to VMRO-DPMNE (three parliamentary elections, the 2009 local elections, and the 2009 presidential contest).

Several surprising political alliances formed in 2012 ahead of the 2013 municipal elections. Early in the year, VMRO-DPMNE consolidated with some splinter parties on the right, including VMRO-Narodna (Internal Macedonian Revolutionary Organization-People's Party), United for Macedonia, VMRO United (Internal Macedonian Revolutionary Organization United), and VMRO-Makedonska (Internal Macedonian Revolutionary Organization-Macedonian). The merger was facilitated by the fact that all the leaders of these parties were previously members of VMRO-DPMNE. In October, SDSM formed an opposition bloc with smaller groups that included Dostoinstvo, a right-leaning party of army veterans from the 2001 conflict.

A total of 1,878,029 voters were registered in Macedonia as of 31 October 2012, but only citizens with new biometric documents can vote. A media report published in mid-November predicted that biometric document requirements would prevent 130,000 people from voting in the March 2013 local elections.

The State Electoral Commission appealed to citizens to update their documents in time for the next elections. Procedures for processing biometric documents take only two weeks. Authorities have even set up an emergency processing option for updating passports to biometric standards within 24 hours.

The SDSM challenged the number of registered voters listed by State Electoral Commission, pointing out that the Ministry for Internal Affairs' list counted 24,000 more voters.[11] The ministry responded that its figure included a projected number of people who would turn 18, the legal age to vote, by Election Day. Still, this explanation did not satisfy the SDSM since it believed that demographically it would be close to impossible for as many as 24,000 people to turn 18 in just five months. The discrepancy in voter lists remained unresolved at the end of the year.

By early November, the parliament had voted to revise the electoral code and reviewed several proposed changes. Based on recommendations from the OSCE's Office for Democratic Institutions and Human Rights (ODIHR), the National Assembly adopted measures requiring parties to campaign on the basis of their own programs and proposals, rather than promoting the accomplishments of state institutions. New legislation also sought to ensure the transparent functioning of the State Electoral Commission, penalized illegal campaign financing, and set deadlines for filing court decisions on complaints to the Broadcasting Council over the relationship between the media and the political parties. In previous elections, media were often the biggest donors to political parties, giving huge advertising discounts to favored parties and denying equal ad space to others.

The 2012 compliance report by the Council of Europe Group of States against Corruption (GRECO) describes a number of problems contributing to nontransparency of campaign finance in Macedonia.[12] The report notes that the State Audit Office lacks the capacity to effectively supervise, investigate, and implement political financing regulations, as required by law. GRECO also advised civil society organizations, civil associations, and think tanks against active non-financial support of political parties, such as organizing campaign activities, protests, and counter-protests. The National Assembly accepted some, but not all of the recommendations from GRECO, in its electoral revisions. Out of 13 recommendations, three were implemented and four were partially implemented.

The changes to Macedonia's electoral legislation were carried with the support of the governing coalition, but the opposition SDSM voted against them, claiming that not all of the recommendations for holding fair and democratic elections had been included.

Notwithstanding several years of efforts, the elections monitoring organization MOST, the Institute for Parliamentary Democracy, and the National Democratic Institute have been unable to convince decision-makers to replace the party-list system with open-list voting, which would allow citizens to vote for individual candidates rather than political parties.

Although local elections were not scheduled until March 2013, by the beginning of 2012 political parties had already started campaigning. Pre-election activities in 2012 focused on negative political rhetoric, with each side making accusations

against the other, instead of offering concrete solutions to local problems.

Political activities had an ethnic dimension, particularly in Kicevo, which is set to merge with the surrounding municipalities of Vraneshnica, Drugovo, Zajas and Oslomej. The merger will increase the ethnic Albanian population in a town that historically votes for Macedonian parties.[13] DUI leader Ali Ahmeti toured Switzerland, Germany, Italy and Austria, where many Albanians from Macedonia have emigrated, to lobby the diaspora from the Kicevo region to vote for an Albanian mayor.[14] Media reported that the Albanian opposition party DPA (Democratic Party of Albanians) threw its support behind the DUI candidate in order to prevent the election of a non-Albanian mayor.

In response, there was short-lived speculation that VMRO-DPMNE and SDSM might overcome their bitter rivalry to support an ethnic Macedonia for mayor of Kicevo.[15] But any hint of cooperation seemed to fade when the governing coalition in the National Assembly voted to set the date for the local elections for 24 March 24 2013 without the participation of either SDSM or smaller opposition parties, which were still boycotting the legislature. SDSM leader Branko Crvenkovski responded by threatening to sit out the local elections as well, further underscoring the dearth of political consensus in the country.

Civil Society

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25

Like the government, Macedonia's civil society sector remained highly polarized in 2012. Parallel civil movements with similar goals but different political loyalties organized protests and counter-protests throughout the year. Some protested against the government, others against the opposition. When medical specialists, represented by the Independent Union of Doctors, announced that they would stage a general strike to protest the introduction of a new performance- and efficiency-based salary model, a new health union was formed to demonstrate against the protestors and to seek solutions through negotiations.

In August, a civil movement called AMAN was formed to protest the steadily growing price of central heating, electricity, and fuel. The movement mobilized citizens to hold demonstrations every day in front of the Skopje-based Energy Regulatory Commission, accusing regulators of unfairly drawing up the rules for setting energy prices. It led a petition drive for legislation that would protect consumers from what organizers saw as unfair pricing imposed by energy monopolies. Another movement, Izgor Privatization, protested against what it considered to be the unnecessary privatization of the previously state-owned electricity distribution company, now owned by the Austrian energy company EVN.

The number of protests and counter-protests in 2012 elicited public ridicule, especially in social media. These events received much attention, especially by media, analysts and experts, who argued that the popular protests and fragmented

civil society were a mark of a weak democracy and highly politicized society.[16] The political parties sought to capitalize on the populism. It became common for representatives of opposition parties (especially SDSM) to support protests against government actions. On the other side, there were institutes and civil organizations, funded formally or informally by the government, that publish analyses, organized polls, and appeared at events in support of the government.

Under the Law for Civil Organizations and Foundations, NGOs are prohibited from organizing political party activities and directly or indirectly financing political parties.[17] Despite these declarative principles of impartiality, there are no sanctions for NGOs that bend these laws. Civil society representatives believe that a concrete definition for direct political involvement must be added to the law.

Based on statistics from the government's strategy for cooperation with the civil sector, as of March 2012 there were approximately 3,700 NGOs in the country.[18] Between €5 million and €10 million from the EU, the United Nations Development Program (UNDP), United States Agency for International Development (USAID), the Swiss Agency for Development and other organizations is available each year to support these NGOs.[19] Since 2004, a special department for increased inclusion of nongovernmental organizations has operated within the central government's general secretariat. The government prepared a strategy for cooperation with the civil sector in 2012, with activities planned for the 2012–17 period.[20]

One of the year's positive examples of civil society engagement was the "Green Force" movement, from the town of Veles, which unified against restarting the Topilnica smelting facility based on environmental and health concerns. Politicians and activists from across the political spectrum joined forces, including politicians from the SDSM opposition and the mayor of Veles, a member of the governing VMRO-DPMNE party. In the end, the Ministry for Environment and Physical Planning denied the permit to restart the smelter.

According to the NGO Sustainability Index (NGOSI) for Central and Eastern Europe and Eurasia, released by USAID in July 2012, the sustainability of NGOs declined slightly in Macedonia in 2011.[21] The index examines the overall enabling environment for civil society, focusing on the legal environment, organizational capacity, financial viability, advocacy, service provision, infrastructure and public image. The report notes the government's continued wariness of diverse policies and constructive criticism. It points out that ideas that are not in accordance with the "taste and views" of the ruling political party come under heavy criticism by governmental bodies, institutions and experts who support the ruling coalition (in this case, mostly the VMRO-DPMNE). In some cases, the government has accused NGOs of being enemies of the state by labeling them as close allies of the opposition. Additionally, the report found that the government supports government-organized NGOs (GONGOs) in order to provide the appearance of civil support for its initiatives.

The organizational capacity of NGOs remains low, marked by a lack of ideas, weak relationships with constituents, poor governance, and high turnover. In many cases NGOs stick to old campaigns rather than coming up with new and more

relevant projects, further undermining their outreach and the public's faith in them. A high percentage of Macedonian citizens do not believe in civil organizations and as many as 69 percent of those surveyed said they were not interested in joining civic associations. Public skepticism in the myriad of protests and counter-protests carried out by NGOs, plus the blurred lines of independence between organizations and political parties, did little to cement their image as vital independent institutions. This assessment is consistent with earlier reports, including a 2011 report by the World Alliance of Citizen Participation and a 2011 study conducted by the Macedonian Center for International Cooperation, showing a general lack of public interest in nongovernmental organizations.

As the European economic crisis continues, access to international funding is tightening, indicating that NGOs should be more proactive in seeking out new funding opportunities at home and abroad. The 2010 Law on Associations and Foundations allows all civil organizations to generate income through activities, such as the sale and marketing of goods. But few have capitalized on this opportunity.

NGOs face another constraint: they get little attention from the news media. There are exceptions, of course, but usually only when the NGOs hold an organized debate, call a news conference, or tackle controversial topics like LGBT rights, homophobia, sexual activities among young people, and interethnic relations. More generally, though, journalists rarely seek out civil society actors to provide balance in their political coverage or to tap independent expertise. This also weighs on the ability of NGOs to build credibility with the public and to raise money.

Independent Media

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
4.25	4.25	4.25	4.25	4.25	4.25	4.25	4.50	4.75	4.75

With an the abundance of local, national and especially internet outlets, media are increasingly dependent on political and interest groups for their economic survival, which compromises their impartiality. Lack of unity among media professionals continues to hamper the ability to challenge the influence of politicians or those close to the political elite.

Criminal penalties for defamation had long been regarded one of the key obstacles to press freedom, with journalists facing heavy monetary fines and even jail time if prosecuted for libel or slander. A proposal for decriminalizing defamation came from a Liberal party member in the National Assembly, Ivon Velichkovski, but was turned aside at the beginning of the year. However, due to significant pressure from international organizations and especially from the European Commission, the Associations of Journalists and the government established a dialogue with the goal of introducing legislative changes. The European Commission cited the dialogue as a progressive step toward fulfilling Macedonia's aspirations for becoming a member of the EU.[22]

Reaching a legislative deal was not so easy. In May, public statements from Association of Journalists President Naser Selmani expressing disappointment with the dialogue's progress caused many to doubt that it could succeed. On 10 June, the Association of Journalists organized a protest to show their dissatisfaction with court decisions against journalists, accused of defamation or offensive reporting.[23] Finally in September, an agreement was reached although many were unsatisfied with the cap on civil penalties included in the legislation, which allows fines of up to €2,000 for journalists, €10,000 for editors, and up to €15,000 for media companies. However, the legislation were regarded as a significant step towards strengthening freedom of speech in the country.

Journalists also rallied behind an effort to stop the Ministry of Justice seeking legislation that would require foreign correspondents and media to obtain accreditation from the Ministry of Foreign Affairs if they are to report from within Macedonia. At first glance, the requirement was quite straightforward, but for many the problem was that it was perceived as an attempt to censor foreign media operating inside Macedonia.[24] One of the most controversial segments of the proposal were measures aimed at restricting journalists from conducting "vox pops," or interviews with a cross-section of people on the street. The proposal was dropped in the face of opposition from journalism organizations.

The Association of Journalists, the Independent Union of Journalists and the Macedonian Institute for Media urged the National Assembly in October to change election laws to prohibit media from providing in-kind donations to political parties in the form of advertising discounts during the elections.[25] This has been a major problem during the past few elections, as media became the main "donors" to both the governing and opposition parties, thus undermining their independence. The initiative was still under consideration at the end of the year.

Another important step forward came in 2012 when the Broadcasting Council determined that people who are active in politics cannot also be owners of media and demanded that they either sell their media or leave politics. At the end of March, the owners of the Sitel and Kanal 5 television stations, and the Kanal 77 Radio station were determined to have direct political ties and ordered to resolve this conflict of interest within six months.[26] Kanal 5 and Kanal 77 changed ownership, while Ljubisav Ivanov Dzingo, whose son owns TV Sitel, decided to give up his seat in the Assembly.

Other events in 2012 did not augur well for the news media, at least in the short term. In early 2012, a change of ownership in the largest newspaper group, Media Print Macedonia—which publishes three national newspapers (*Dnevnik, Vest,* and *Utrinski Vesnik*)—upset the political opposition. *Westdeutsche Allgemeine Zeitung* (WAZ), the German newspaper company that owned Media Print and was in the process of shedding several media properties in the Balkans, sold its Macedonian affiliate to Orka Holding, a company owned by Orce Kamcev, whom the opposition believes has close ties to VMRO-DPMNE.[27] Opposition parties considered the deal another attempt by the government to control media in the country, although to some extent the papers already leaned towards the ruling party.

USAID announced a new $1.5 million program to support independent media. According to the agency, Macedonia has too many news media for such a small market, affecting their ability to be profitable and independent. USAID believes the situation emerged as a result of the Broadcasting Council's overly liberal licensing policies and the "political and corporative sponsorships that keeps unprofitable media alive, while manipulating the editorial policy."[28] The country has 76 television stations, 12 newspapers, eight weekly magazines, and over 160 radio stations, plus numerous internet media.

The Broadcasting Council came under fire from the Association of Journalists, the Macedonian Institute for Media and the US Embassy for deciding to revoke the license of the A2 TV station in June on the grounds that it had violated licensing rules by not providing enough locally produced programming and informative programs in general. The station was the last functioning news outlet connected to Velija Ramkovski, who was convicted of tax evasion in 2011 and saw several of his other news properties shut down. The US Embassy released a statement urging the council not to single out A2 TV and apply the same strict interpretation of the rules to other media.

Although there were several notable achievements in 2012—including the decriminalization of defamation and efforts to create a firewall between media ownership and politics—it remains to be seen whether these will encourage the development of more independent and self-sustaining news media.

Local Democratic Governance

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
n/a	4.00	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75

Though much emphasis has been given to the importance of the decentralization process called for under the Ohrid Framework Agreement in 2001, Macedonia's local self-government is still controlled by both the central government and the national leadership of the political parties of municipal mayors. There are 84 municipalities in Macedonia, plus the city of Skopje, a self-governing area which consists of 10 other municipalities.

In 2012, the second phase of the decentralization process was nearly finished, with only one municipality, Plasnica, the only one left without increased financial autonomy.[29] One of the outcomes of the 2001 Ohrid Framework Agreement, the decentralization scheme calls for the gradual increase in the financial autonomy of municipalities, both for the money that they receive as a lump sum from the state and the revenue that they generate themselves through taxes.

However, some hurdles noticed at the beginning of the decentralization process still remain for many municipalities, such as the lack of financial independence; frequent lack of coordination with other municipalities and the central government; and inefficient administration. The EU's progress report on Macedonia points out that rural and small municipalities are at a particular disadvantage and need

additional support to transform into effective local self-government units with the expertise to manage resources and raise operating revenue.[30]

With local elections coming up in 2013 and the country heavily polarized, electioneering was already under way at the beginning of 2012, significantly increasing political party activities from both ruling and opposition parties at the local level. Campaigning in advance of the local elections exposed big differences of opinion within the governing coalition, especially between VMRO-DPMNE and DUI.

This was especially evident in the seemingly unprovoked renaming of streets and schools by the newly empowered local governments, events that appeared to dominate developments at the local level in 2012. The project seems to have started as a continuation of the capital's ambitious public works project called Skopje 2014, which included new buildings, statues and landmarks to highlight the country's history but which critics saw as an overt play on nationalism that also led to ethnic disputes within governing coalition. Outside Skopje, local mayors began renaming schools and streets, often without respect for formal procedures and despite the objections and annulment of such actions by central government institutions.

The situation escalated further due to the decision to rename some schools and streets after Albanians who died in the 2001 conflict in the municipalities where the majority of the population is ethnic Albanian. Adding to the controversy, the ruling VMRO-DPMNE proposed a law to provide some financial support to the families of ethnic Macedonians killed in the conflict, rattling the coalition partner DUI, whose leaders vowed to block the law by any means necessary unless the Albanian fighters who lost their lives were also included in the draft law. The proposed legislation was still pending by the end of 2012.

Beyond the controversial renaming of streets and schools, one of the smaller political parties, Democratic Renewal of Macedonia (DOM), proposed amendments to the Law for Local Self–Government and the Law for Skopje calling for the revival of the city architect and the architectural council to improve coordination and oversight of urban planning and design. Proponents say the proposal is an attempt to bring order to the chaos of construction that has been occurring throughout the country, including the epic rebuilding of Skopje's center and numerous different styles of architecture that have appeared in recent years. The proposal was introduced in July 2012, but it is yet to be seen if it will attract support from the majority.[31]

There was a huge gender disparity at the local government level in 2012 that could continue beyond the 2013 elections. There were no female municipal leaders and few women were chosen to run for mayor. The EU report on Macedonia noted the absence of a strategy to diversify the gender representation in both public offices and the labor force in general.[32]

Judicial Framework and Independence

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
4.00	3.75	3.75	3.75	4.00	4.00	4.00	4.00	4.00	4.25

A report published by the Council of Europe in September 2012 actually notes some positive developments in the structure and efficiency of Macedonia's judiciary.[33] Based on statistical data presented in the report, Macedonia is now a middle performer compared to other countries in the region. The average time for solving one case is 259 days, a median rate compared with other European countries, and the country has a relatively high number of judges per 100,000 inhabitants. Judicial independence, however, remains a serious concern, and the high level of political pressure on the court system was in evidence throughout 2012.

For the first time since independence in 1991, the government sought a court order to bar a strike by doctors who opposed a new performance- and efficiency-based remuneration plan introduced by Health Minister Nikola Todorov. The minister sought an injunction from the Primary Court to stop the labor action on the grounds that the Independent Union of the Clinical Center did not follow the rules for organizing a strike. The next day, the court banned the strike in a ruling that was perceived as having been influenced by the government, especially since it was made in such a short time. The Independent Union of the Clinical Center claimed that the court's decision violated labor laws[34] as well as the constitution, as it guarantees the right to strike.[35] In the end, the strike took place anyway. Negotiations continued regarding the enforcement of the remuneration plan.

Public scrutiny focused on the Criminal Court, the State Public Prosecutor's Office, the Ministry of Interior, as well as on the Security and Intelligence Department, after state officials announced that the mid-April shooting deaths of five ethnic Macedonian fishermen at Smilkovo Lake had been carried out by Muslim terrorists, stoking tensions between the country's two largest ethnic communities and sparking thousands of Macedonia's Albanian to protest the government's handling of the investigation. In October 2012, five suspects were charged with terrorism for trying to incite fear and to undermine national security, and their trial began in December but was postponed. During the pre-trial investigation, the leaking of the testimony of a witness, who was under protection, triggered an avalanche of criticism of the courts and raised questions about both the motivation of the leak and the credibility of the judicial system. Judges involved in the case feared revenge, and the Criminal Court and the State Prosecutor's Office launched an investigation into the origin of the disclosure. Skopje's branch of the Helsinki Committee, a human rights organization, noted many irregularities during the arrests and throughout the case, including violations of the presumption of innocence and interrogation procedures.[36]

Right after the killings, State Prosecutor Ljupcho Shvrgovski stated that he would ask for the maximum penalty—life in prison. During the several months of investigation, interrogation, and witness testimony that followed, Shvrgovski

claimed that the State Prosecutor's Office had physical proof for pressing charges against the suspects. Media pressure on the Prosecutor's Office to solve the case was tremendous. The Prosecutor's Office urged news media to stop speculating about when the suspects would be charged. On 26 October, six months after the killings and on the last day before the deadline to press charges, the government filed charges against the suspects.

The Constitutional Court surprised many when it decided to apply the 2002 Amnesty Law to the four cases returned from the International Criminal Tribunal for the Former Yugoslavia in The Hague.[37] The Amnesty Law was created to relieve those involved in the conflict of 2001, excluding those found guilty of crimes against humanity, from prosecution. According to some legal experts, as crimes against humanity, the cases returned from the tribunal did not qualify for the amnesty scheme and should be processed in local Macedonian courts.[38] The four cases included charges of crimes against humanity against the leadership of the National Liberation Army (NLA)—headed by Ali Ahmeti, now leader of DUI and the Albanian partner in the government; charges that the NLA was involved in the disappearance and deaths 12 Macedonians in the Tetovo region; and accusations that the NLA blocked water supplies for villages in the Lipkovo region and Kumanovo city during the conflict in 2001, leaving more than 100,000 people without fresh drinking water for 40 days during the summer. A humanitarian crisis was narrowly avoided in the region.

Corruption

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
5.00	5.00	4.75	4.75	4.50	4.25	4.00	4.00	4.00	4.00

Macedonia's efforts to combat corruption continue to be vague and predominantly ineffective, even though nearly every government since the country's independence has prioritized the fight against corruption. A number of large corruption cases that originated during the 1990s privatization of state assets, triggering tit-for-tat accusations between the ruling VMRO-DPMNE and the opposition SDSM, dominated public attention in 2012. Some investigations of these cases were started and never finished, or never prosecuted.

One such long-running case, concerning the alleged bribery of high government officials in Macedonia connected to the sale of public assets to Hungary's Magyar Telekom, was revived following a related investigation by securities regulators in the United States.[39]

Following a number of accusations between VMRO-DPMNE and SDSM about who was responsible and who accepted bribes—which according to some sources totaled as much as €4.8 million in 2005–2006—in October 2012 the opposition SDSM decided to file a criminal complaint against an unnamed perpetrator involved in the Telekom case.[40] Under Macedonian law, a complaint

can be filed against an unknown perpetrator, leaving it to prosecutors to determine who could be charged with a crime.

Despite governmental promises to combat corruption, 65 percent of business leaders surveyed indicated that they have either offered or accepted to pay a bribe. The results of the poll, conducted by the Business Alliance of Slovakia and the Business Confederation of Macedonia, is not surprising.[41] The U.S. Department of State recognized corruption as one of the Macedonia's main problems in its annual country report on human rights published in May 2012. "The most important human rights problem was the government's failure to fully respect the rule of law, which was reflected in its interference in the judiciary and the media, selective prosecution of political opponents of the country's leaders, and significant levels of government corruption and police impunity," the report states.[42] Following the publication of the State Department report, Transparency International Macedonia said the fight against corruption in 2012 had deteriorated compared to a decade earlier, with little action taken to combat graft.

A new investigation of one case did little to help the image of the State Commission for the Prevention of Corruption (SCPC). Under the Law for the Prevention and Repression of Corruption, all government officials must declare the property they own as well as its value. The former director of the state Film Fund, Darko Bashevski, did not report his property when he was appointed to his position in 2009. However, it took two years for the SPCP to locate his address and his personal identity number in order to file charges against him.[43] To make matters worse, in 2012 some members of the commission failed to declare their own property. The SCPC has been accused by some media reports of favoring the opposition in its investigations.[44]

Access to public information is guaranteed by the law, but few measures were taken in 2012 to ensure that public institutions complied with the release of information requested by journalists. This was especially evident in cases of questionable public spending, mostly connected to the controversial Skopje 2014 urban renewal project. On very few occasions, persistent journalists received a response to their public information requests, but often they were given little detailed information. One of the weaknesses of the law is that public institutions are obliged to provide an answer when a request is made, but not necessarily the information requested.

▮ Author: Ljubica Grozdanovska Dimishkovska

Ljubica Grozdanovska Dimishkovska is a freelance journalist, analyst, and media consultant based in Skopje, Macedonia.

---

1 Македонски Центар за меѓународна соработка (МЦМС), Меѓуетничките односи во Македонија [Interethnic relations in Macedonia] (Skopje: МЦМС, June 2011), http://www.mcms.org.mk/images/docs/2011/megjuetnickite-odnosi-vo-makedonija.pdf.

2 Kole Casule, "Macedonia says arrests Islamists for lake murders," Reuters Canada, 1 May 2012, http://ca.reuters.com/article/topNews/idCABRE8400VC20120501.

3 Sinisa Jankov Marusic and Darko Duridanski, "Macedonian outrage grows over mystery killings," Balkan Insight, 13 April 2012, http://www.balkaninsight.com/en/article/five-boys-found-dead-near-macedonian-capital.

4 Svetlana Unkovska, "Милошоски бара смртна казна за убијците од Смилковско езеро" Milososki asks for death penalty for murders at Smilkovo Lake], Утрински Весник, 20 April 2012, http://www.utrinski.com.mk/default.asp?ItemID=146581CBB652674C89B559223729E621.

5 Mirjana Spasovska, "Jo-jo ефект кај меѓуетничките односи" [Yo-yo effect at interethnic relations], Radio Free Europe, 21 April 2012, http://www.makdenes.org/content/article/24555301.html.

6 Sinisa Jankov Marusic, "Macedonian minister slated for honoring Albanian fighters," Balkan Insight, 16 August 2012, http://www.balkaninsight.com/en/article/macedonian-defense-minister-takes-heat-over-memorialization-incident; "PM Gruevski says Slupcane event bad move, DM Besimi's regret—positive one," Macedonian Information Agency, 22 August 2012, http://www.mia.com.mk/default.aspx/default.aspx?mId=1&vId=96530864&lId=2&title=MACEDONIA+-+INTERNAL+AFFAIRS+ LINK DOES NOT WORK; "PM Gruevski admits to cracks in Coalition, Macedonian International News Agency, 22 August 2012, http://macedoniaonline.eu/content/view/21677/45/.

7 Institute for Democracy Societas Civilis-Skopje (IDSCS), Survey on political crisis and Besimi's act in Slupcane (Skopje: IDSCS, 19 September 2012), http://www.idscs.org.mk/images/soopstenie14172012mak.pdf.

8 Criminal Code, Official Gazette Nr.37, 29 July 1996, http://www.pravo.org.mk/documentDetail.php?id=233.

9 Law for border surveillance, Official Gazette, Nr.171/2010, 7 January 2011, http://www.pravo.org.mk/documentDetail.php?id=5136.

10 "FYROM News: President of the European Roma accuses FYROM of discrimination against Roma," HistoryofMacedonia.com, 4 June 2012, http://history-of-macedonia.com/2012/06/04/fyrom-news-president-european-roma-accuses-fyrom-discrimination-roma/.

11 "Околу 24.000 гласачи спорни за социјалдемократите" [About 24,000 voters challenged by the Social Democrats], NovaMakedonija.com, 15 November 2012, http://www.novamakedonija.com.mk/NewsDetal.asp?vest=111512846596&id=9&setIzdanie=22730.

12 Council of Europe (COE) and Group of States Against Corruption (GRECO), Compliance Report on "The Former Yugoslav Republic of Macedonia: Transparency of Party Funding (Strasbourg: COE and GRECO, 20–23 March 2012), http://www.coe.int/t/dghl/monitoring/greco/evaluations/round3/GrecoRC3(2012)2_FYROMacedonia_EN.pdf.

13 The Institute Liberta in early November released research showing that an ethnic Macedonian candidate was likely to win, based on early projects and voting patterns from the 2009 municipal election. "Liberta Institute: DUI will need 31 plains for victory in Kicevo," Netpress News Agency, 13 November 2012, http://www.netpress.com.mk/mk/vest.asp?id=113638&kategorija=3.

14 Since 2011, the diaspora may vote in all elections in Macedonia, Electoral Code, Official Gazette Nr.40/2006, http://www.pravo.org.mk/documentDetail.php?id=665.

15 Sinisa Jakov Marusic, "Macedonian Rivals Ally Against Albanians For Elections," Balkan Insight, 15 March 2013, http://www.eurasiareview.com/15032013-macedonian-rivals-ally-against-albanians-for-elections/.

16 Elena Stavrovska, "Отсуство на демократија-причина за паралелни здруженија" [The lack of democracy-Reason for parallel associations], Alpha TV, 27 September 2012, http://vesti.alfa.mk/default.aspx?mId=36&eventId=55664.

17 Law for associations and foundations, Official Gazette Nr. 52/2010, http://www.pravo.org.mk/documentDetail.php?id=4845.

18 Government of the Republic of Macedonia, Стратегија За Соработка На Владата Со Граганскиот Сектор (2012-2017) [Strategy for Cooperation between the Government and the Civil Sector (2012–2017)] (Skopje: Government of Macedonia, June 2012), http://www.nvosorabotka.gov.mk/dmdocuments/Strategija_za_sorabotka_na_Vladata_so_graganskiot_sektor2012-2017.pdf.

19 Katerina Neskova, "Невладините тешко го раскинуваат бракот со политичките партии" [The NGOs are hardly breaking the marriage with the political parties], Dnevnik, 10 August 2012, http://dnevnik.com.mk/?itemID=92E7841F8069954C8ABC9B345AC8FDB8&arc=1.

20 Assembly of the Republic of Macedonia, "Јавна расправа по Предлог-Стратегија за соработка на Владата со граѓанскиот сектор (2012–2017)" [Public debate on the draft-strategy for cooperation between the Government and the civil sector 2012–2017], news release, 27 February 2012, http://www.sobranie.mk/default.asp?ItemID=7C35A351E74C0447B15618B5622A4F06.

21 United States Agency for International Development (USAID), The 2011 CSO Sustainability Index for Central and Eastern Europe and Euroasia (Washington: USAID, 2011), http://transition.usaid.gov/locations/europe_eurasia/dem_gov/ngoindex/reports/2011/2011CSOSI_Index_complete.pdf#page=138.

22 "Владеењето на правото, слобода на медиумите—обврски на патот кон ЕУ" [The rule of law and the freedom of the press—obligations on the path towards the EU], Dnevnik, 15 March 2012, http://dnevnik.com.mk/?itemID=5039B01968E34544845124FA3D570280&arc=1.

23 G.D., "Новинарите бараат од судовите да не постапуваат селективно" [Journalists demand impartiality from the courts], 11 June 2012, http://www.utrinski.com.mk/?ItemID=53286D2070840745A2265D3123AABDBA.

24 G.D., "Странските дописници под контрола" [Foreign correspondents under control], Utrinski Vesnik, 17 January 2012, http://www.utrinski.com.mk/?ItemID=AD7879B9E2B26D40B18EEF14C02A249D.

25 "ЗНМ, ССНМ и МИМ предлагаат медиумите да не можат да бидат донатори на партиите" [ZNM, SSNM and MIM propose media not to be allowed to donate to the political parties], Makfax.com, 12 October 2012, http://makfax.com.mk/293895/znm__ssnm_i_mim_predlagaat_mediumite_da_ne_mozhat_da_bidat_donatori_na_partiite.

26 "'Сител,' 'Канал 5' и 'Канал 77' добија рок од шест месеци за нови газди" [Sitel, Channel 5 and Channel 77 have six months to find new owners], Dnevnik, 27 March 2012, http://dnevnik.com.mk/?itemID=D8AC528B22175940B0AAC8D76E557EF6&arc=1.

27 "И официјално Орка холдинг нов сопственик на медиумите на МПМ" [ORKA Holding officially new owner of MPM's media], Netpress, 10 January 2012, http://www.netpress.com.mk/mk/vest.asp?id=97151.

28 S.J., "Сад ќе го спасуваат новинарството во Македонија" [USA will try to salvage Macedonia's journalism], Utrinski Vesnik, 26 March 2012, http://www.utrinski.com.mk/?ItemID=7090C7879024A7419E226F8CD77D17A2.

29 "Втората фаза на децентрализацијата при крај" [The second phase of the decentralization nears its end], Macedonian Radio Television, 13 April 2012, http://mtv.com.mk/mk/sport/46401.

30 European Commission, The Former Yugoslav Republic of Macedonia 2012 Progress Report accompanying the document Communication from the Commission to the European Parliament and the Council (Brussels: EC, 10 October 2012), http://ec.europa.eu/enlargement/pdf/key_documents/2012/package/mk_rapport_2012_en.pdf.

31 "Собранието расправа за предлог-измени на законите за локална самоуправа" [The new proposal for changes in the laws in regards to local self governments discussed in the Assembly], Macedonian Radio Television, 17 July 2012, http://mtv.com.mk/mk/sport/55177.

32 European Commission, The Former Yugoslav Republic of Macedonia 2012 Progress Report accompanying the document Communication from the Commission to the European Parliament and the Council (Brussels: EC, 10 October 2012), http://ec.europa.eu/enlargement/pdf/key_documents/2012/package/mk_rapport_2012_en.pdf.

33 Council of Europe, the European Commission for the Efficiency of Justice, Evaluation of European Judicial Systems (Strasbourg: Council of Europe, 20 September 2012), http://www.coe.int/t/dghl/cooperation/cepej/evaluation/default_EN.asp.

34 Law for labor, Official Gazette Nr.62/2005, 28 July 2005.

35 The Constitution of Republic of Macedonia, Official Gazette Nr.52/1991, 17 November 1991, http://www.pravo.org.mk/documentDetail.php?id=538.

36 Helsinki Committee for Human Rights of the Republic Macedonia, "Квартален извештај за човековите права во Република Македонија" [Quarterly report on human rights in Republic of Macedonia], April–June 2012, http://mhc.org.mk/WBStorage/Files/Kvartalen_izvestaj_April_Juni_2012.pdf.

37 Sonja Nikolovska, "Уставниот суд ја потврди амнестијата на Хашките случаи" [The Constitutional Court confirmed the amnesty of Hague cases], Telma Television, 31 October 2012, http://www.time.mk/read/54781c4862/0852dd7173/index.html.

38 Leni Frckoska, "Експерти: Кривичните дела против цивили како Мавровски работници и Гробница Непроштено не застаруваат и не смеат да бидат амнестирани" [Experts: The criminal acts of violations against humanity, like Mavrovo workers and Neprosteno grave can't expire and must not be a subject of amnesty], Libertas, 31 October 2012, http://www.time.mk/read/54781c4862/53fb5c662a/index.html.

39 U.S. Securities and Exchange Commission, "SEC Charges Magyar Telekom and Former Executives with Bribing Officials in Macedonia and Montenegro," news release, 29 December 2011, http://www.sec.gov/news/press/2011/2011-279.htm.

40 "СДСМ со кривична пријава против непознат сторител за скандалот 'Телеком'" [SDSM filed criminal charges against an unknown perpetrator in the Telekom affair], Utrinski Vesnik, 14 November 2012, http://www.utrinski.com.mk/default.asp?ItemID=9D864B7B2E045341A6B4A8E28614BFA3.

41 "65% од македонскиот бизнис—митаџии" [65% of Macedonian businessmen paid or offered bribe], Vecer, 25 August 2012, http://vecer.com.mk/?ItemID=C74709F2B8107444B339F7CB24BCBE90.

42 US Department of State, 2011 Human Rights Report: Macedonia (Washington: U.S. Department of State, 24 May 2012), http://www.state.gov/j/drl/rls/hrrpt/2011/eur/186377.htm.

43 Katerina Topalova, "Две години Антикорупциска барала каде живее Башевски" [For two years, the Anticorruption commission looked for the address of Bashevski], Alfa TV, 8 February 2012, http://vesti.alfa.mk/default.aspx?mId=36&eventId=45917.

44 Naum Kotevski, "Антикорупциската се занимава само со опозицијата" [The Anticorruption commission deals with the opposition only], Utrinski Vesnik, 10 July 2012, http://www.utrinski.com.mk/?ItemID=6CF19405BF610C449CC8F26BEDE5EE13.

Moldova

by Stanislav Secrieru

Capital:	Chişinău
Population:	3.6 million
GNI/capita, PPP:	US$3,640

Source: The data above are drawn from the World Bank's *World Development Indicators 2013.*

Nations in Transit Ratings and Averaged Scores

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Electoral Process	4.00	4.00	3.75	3.75	3.75	4.00	4.25	4.00	4.00	4.00
Civil Society	4.00	4.00	4.00	3.75	3.75	3.75	3.50	3.25	3.25	3.25
Independent Media	5.00	5.00	5.00	5.25	5.50	5.75	5.75	5.50	5.00	5.00
Governance*	5.50	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
National Democratic Governance	n/a	5.75	5.75	5.75	5.75	5.75	6.00	5.75	5.75	5.50
Local Democratic Governance	n/a	5.75	5.75	5.75	5.75	5.75	5.75	5.75	5.75	5.75
Judicial Framework and Independence	4.50	4.75	4.50	4.50	4.50	4.50	4.75	4.50	4.50	4.50
Corruption	6.25	6.25	6.00	6.00	6.00	6.00	6.00	6.00	6.00	5.75
Democracy Score	4.88	5.07	4.96	4.96	5.00	5.07	5.14	4.96	4.89	4.79

** Starting with the 2005 edition, Freedom House introduced separate analysis and ratings for national democratic governance and local democratic governance to provide readers with more detailed and nuanced analysis of these two important subjects.*

NOTE: The ratings reflect the consensus of Freedom House, its academic advisers, and the author(s) of this report. The opinions expressed in this report are those of the author(s). The ratings are based on a scale of 1 to 7, with 1 representing the highest level of democratic progress and 7 the lowest. The Democracy Score is an average of ratings for the categories tracked in a given year.

Executive Summary

In 2012, Moldova broke out of a lengthy political stalemate by successfully electing a president for the first time since 2009, when four parties joined forces into the Alliance for European Integration (AIE) and pushed the Communist Party into the opposition. Moldova has been governed since that time by the AIE, but the formal power transition remained incomplete—the ruling coalition could not muster enough parliamentary votes to elect a head of state. In 2012, the AIE managed to enlist the support of parliament members who broke with the Communist Party, and the crisis came to an end. As a result, the government was able to turn its attention back to crucial reforms and diplomatic engagements that had languished during the protracted political deadlock.

In 2012 the government continued to make headway in negotiations with the European Union (EU) on a new bilateral treaty and advanced to the second stage of an action plan to establish a visa-free regime with the EU. Although it has moved relatively quickly on this front, Moldova is still struggling to build its institutional capacities and effectively implement legislation, both of which will be critical to the success of European integration. Early efforts made in 2012 toward reforming the judiciary and fighting entrenched corruption are important steps down that path. Some inroads were made at the "5+2" talks on resolution of the Transnistrian conflict, but this forward momentum is far from irreversible.

National Democratic Governance. The election in 2012 of a new head of state removed an obstacle that had hampered effective governance for the preceding three years. Though the parliamentary opposition refused to recognize the results of the vote, the election reduced dissent within the ruling alliance and helped to remobilize delayed reforms. Moldova registered progress toward European integration during the year, opening negotiations on a Deep and Comprehensive Free Trade Area (DCFTA) and finalizing the first phase of a Visa Liberalization Action Plan with the EU. The government's policy of "small steps" toward Transnistria significantly intensified direct dialogue between the two sides and yielded some concrete improvements in their relationship, though this forward momentum began to stall by the end of the year. *Moldova's democratic governance rating improves from 5.75 to 5.50.*

Electoral Process. The election of President Nicolae Timofti was saluted by the international community and validated by Moldova's Constitutional Court. Although the successful vote put an end to the political crisis, the constitution still needs changes in order to reduce the risk of the a similar political crisis in the future. The governing coalition formed a working group for constitutional modifications,

though without support from the opposition it will be difficult to pass constitutional amendments. In the Autonomous Territorial Unit of Gagauzia, authorities failed to enact improvements to electoral legislation in time for elections to the local popular assembly. The elections were held after some delay; though election monitors noted no major irregularities, the local Central Election Commission validated the results. *Moldova's electoral process rating remains unchanged at 4.00.*

Civil Society. In 2012 the parliament approved a document intended to boost the influence and financial sustainability of civil society organizations. Besides permanent participation in government meetings via the National Council for Participation, established in 2010, the civil sector is now represented in the Antidiscrimination Council and the National Integrity Commission. The civil sector was active throughout 2012 in monitoring the government's policies and was involved in the process of drafting legislation. The civil sector continued a campaign to improve its public image and work more closely with citizens. Though civil society is assuming an enhanced institutional role in monitoring antidiscrimination and anticorruption activities, its impact on government decisions is still limited. *Moldova's civil society rating remains unchanged at 3.25.*

Independent Media. In 2012, the mass media continued to report on corruption, reforms, and European integration. The Moldovan media market is characterized by a diversity of opinions and news formats; the internet's role as an alternative source of information has expanded significantly. Progress toward reorganizing the state-owned TeleRadio-Moldova stalled in 2012, and work in the parliament on the new Broadcasting Code progressed slowly. The pro-communist television station NIT TV had its license revoked in April; although independent media watchdogs do not question the station's systematic violations of law, political and economic motivations for this decision cannot be ruled out. *Moldova's independent media rating remains unchanged at 5.00.*

Local Democratic Governance. Several cases in 2012 demonstrated that local administrations are still plagued by corruption and lack of transparency. The national government approved a strategy designed to boost the autonomy of local authorities, pushing back against a trend toward overcentralization. However, the decentralization process became politicized as the opposition projected its conflict with the ruling coalition onto the local level, pushing for a referendum to expand the autonomy of the city of Bălți, one of its major power bases. Several other cities subsequently demanded a similar upgrade to municipality status, a process the central government promised to support. Owing to politicization and limited progress of the decentralization process, *Moldova's local democratic governance rating remains unchanged at 5.75.*

Judicial Framework and Independence. In 2012 Moldova continued to implement its judicial reform strategy. The parliament passed laws targeting court

organization, court proceedings, magistrates' self-administration, and judicial immunity. Another package of bills related to the justice sector awaits finalization and approval by the government. In the meantime, however, the justice system continues to exhibit political influence, abuse of authority, corruption, and inconsistent interpretation of legislation. For these reasons it still scores low in public opinion polls. Pending tangible results of recent legislative activity, *Moldova's judicial framework and independence rating remains unchanged at 4.50.*

Corruption. Driven by diplomatic incentives and burgeoning political will, Moldova began addressing corruption in a more systematic way in 2012. A new minister of internal affairs pushed aggressively to modernize the police and tackle abuses and corruption among police officers. Legislators also approved drastic reforms of the country's main anticorruption agency with the aim of making it efficient, independent, and apolitical. The executive branch strove to reduce red tape through the use of e-governance, though governmental websites still fall short of international standards for transparency. More time and bold political will are required to produce far-reaching impact. Due to important first steps after a period of relative stagnation via-à-vis anticorruption reform, *Moldova's corruption rating improves from 6.00 to 5.75.*

Outlook for 2013. Free from the threat of early general elections, in 2013 the government will likely focus on accomplishing major European integration objectives—namely, the conclusion of the Association Agreement, the DCFTA, and visa liberalization. The year 2013 will also bring tests of the political will to fight corruption, reform the justice system, and improve the investment climate. In the second half of 2013, Russia will likely pressure Chişinău regarding negotiations on the new long-term gas delivery and transit contract, with the aim of derailing Moldova's push for European integration. Moldova will be more vulnerable to pressure as the economy struggles to recover from significant growth slowdown in 2012. The unreformed PCRM, which was in power for 8 years before AIE, will continue its painful readjustment to political opposition status, and will probably lose several more deputies in the parliament. As a result, the restructuring of the center-left and left political flank in Moldova will continue. Not least, the "5+2" talks will likely determine whether the positive momentum established in 2012 toward resolving the conflict with Transnistria can be sustained or whether the reconciliation process will hit a wall.

Main Report

National Democratic Governance

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
n/a	5.75	5.75	5.75	5.75	5.75	6.00	5.75	5.75	5.50

After a 917-day political crisis, on 16 March 2012 the Moldovan parliament finally elected a new head of state. The election of former Supreme Council of Magistrates (CSM) head Nicolae Timofti as president averted the dissolution of the parliament and what would have been the third set of early general elections since 2009. The successful vote also eliminated a major source of discord inside the ruling Alliance for European Integration (AIE), as all members of the alliance seem to find President Timofti—who does not have an established political powerbase or strong ties to any one party—relatively nonthreatening. With the next general elections scheduled for no earlier than 2014, the ruling coalition operated in a more stable political environment for the rest of the year and was able to resume focus on governance reforms.

Between February and June 2012, the Communist Party of the Republic of Moldova (PCRM) boycotted parliamentary proceedings, claiming that the legislative body had lost its legitimacy and early elections were needed. In the run-up to the presidential elections and on voting day, the PCRM organized public protests, which proceeded peacefully under police monitoring. The PCRM faction continued to shrink: its representation in the parliament diminished to 34 mandates, down from the 42 mandates it won in the November 2010 elections. The party's strategy was further challenged by the Constitutional Court's decision to recognize the parliament's right to cut the salaries of deputies who are missing for political reasons from plenary or committee sessions.[1] In June, the PCRM resumed its participation in parliamentary sessions. To recover after the defeat of the boycott strategy, the party began actively championing the idea of joining the Customs Union of Belarus, Kazakhstan, and Russia, even though it had advocated for European integration while in power.

During 2012, Moldova continued to make progress toward European integration. In March, the European Union (EU) initiated negotiations on the Deep and Comprehensive Free Trade Area (DCFTA), with four rounds taking place by the end of the year. By July, the parliament had approved several laws (e.g., the Law on Competition and the Law on State Aid) designed to make Moldova compatible with EU Common Market rules. In June, Moldova signed an EU Common Aviation Area agreement and fulfilled the first phase of the Visa Liberalization Action Plan.[2] In line with the "more for more" principle, the EU rewarded Moldova in 2012 with an extra €28 million for progress, making it the top recipient of EU aid per capita (€41) in the European neighborhood.[3] Two landmark visits to Moldova in 2012,

by German chancellor Angela Merkel and European Commission president José Manuel Barroso, increased positive momentum in EU-Moldova relations.

Exacerbated by a recent drought and contraction of external demand, the growth of Moldova's economy declined from 6.4 percent in 2011 to –0.8 percent in 2012.[4] The EU's financial assistance will therefore be crucial to maintaining Moldova's macroeconomic stability and sustaining some costly reforms related to the DCFTA. The harassment of foreign investors by Moldovan tax authorities (e.g., the German automotive company Dräxlmaier, which withdrew from a planned €15 million investment to build a factory in Bălți) indicates that Moldova must improve its investment climate. External factors could hinder reforms as well. In a new gas contract negotiated since late 2011, Russia explicitly linked price discounts to Moldova's withdrawal from the European Energy Community, an action that would prevent Moldova from implementing the EU's Third Energy Package.[5] To pacify Russia, Moldova ratified the Commonwealth of Independent States free trade area (CIS FTA) agreement; however, the agreement does not counter the provisions of the DCFTA with the EU. Ultimately, Moldova managed to secure another extension of the existing gas contract, now due to expire at the end of 2013.

Negotiations with the breakaway region of Transnistria, relaunched in 2011 after a five-year hiatus, gained momentum in 2012, facilitated by the first power transition in Tiraspol in 20 years. The new head of the region, Yevgeny Shevchuk, moved to consolidate power, improve the economy, and foster businesslike relations with Chișinău. In 2012 there were eight formal and informal high-level meetings between the leaders of Moldova and Transnistria, with both sides agreeing on principles and procedures for negotiations as well as an agenda organized around socioeconomic, humanitarian/legal, and political issues. As a result of bilateral and multilateral talks in the "5+2" format—so named for the five negotiating parties (Moldova and Transnistria, with mediators Russia, Ukraine, and the Organization for Security and Cooperation in Europe) and two observers (the EU and the United States)— freight rail traffic through Transnistria was resumed, and two mixed customs posts were created to serve it; a Transnistrian representative joined the DCFTA talks as an observer; and both sides agreed to improve the procedure of nostrification (recognition) of Transnistrian diplomas in Moldova. Other issues discussed in 2012, but not yet resolved include the total resumption of passenger rail traffic across Transnistria; the reopening of Gura Bicului Bridge across the Dniester; the reestablishment of landline and mobile phone connections; cooperation in the banking sector; the activity of Romanian-language schools in Transnistria; and transportation licenses and vehicle registration plates issued by Tiraspol. To support the settlement process, the EU earmarked €12 million for confidence-building measures for the 2012–15 period and dropped the travel ban imposed in 2003 against Transnistrian leadership.[6] In late 2012, the EU pledged to allocate another €28 million for additional, trust-building projects.[7]

In September Transnistria's decision to reintroduce a customs duty for certain products imported from Moldova served as a reminder that progress in the negotiations is not irreversible. Likewise, Russia's unauthorized introduction of

weapons in the security zone between Moldova and Transnistria,[8] as well as renewed demands to open a Russian consulate in Tiraspol, raised serious doubts about Russia's willingness to constructively engage in the conflict resolution process.

Electoral Process

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
4.00	4.00	3.75	3.75	3.75	4.00	4.25	4.00	4.00	4.00

The ruling AIE coalition, which holds 58 mandates in Moldova's 101-member legislative body, is composed of three political parties: the Liberal Democratic Party of Moldova (PLDM), the Liberal Party (PL), and the Democratic Party (PD). The election of a head of state, attempted 5 times since 2009, requires at least 61 votes, and therefore became possible only after intense negotiations with three parliament members who left the communist faction in November 2011 and formed the Socialists Group (GS). From its inception, the GS had insisted on its own candidate for the presidency, Zinaida Greceanîi, but in March 2012 it finally agreed to vote for Nicolae Timofti, an independent candidate proposed by the AIE. Independent parliament member Mihai Godea, who broke with the PLDM in May 2011, also supported Timofti's candidacy, giving him a total of 62 votes. The PCRM did not recognize the legitimacy of the new president and challenged the elections in the Constitutional Court, but the court validated the elections. Timofti's election was welcomed by the Council of Europe (CoE) and the EU. Public opinion polls reveal that 49 percent of citizens believe that Timofti's election was legal, while 24 percent disagree.[9]

The recent political stalemate may be over, but constitutional provisions still do not provide any mechanism for avoiding repeating cycles of early elections and parliamentary dissolution in cases where at least 61 members of parliament cannot agree on a president. In 2011, in response to a request from Moldova's Constitutional Court, the CoE's Venice Commission recommended an amendment such that after two failed attempts to elect a president with a qualified majority and one subsequent parliamentary dissolution, the head of state would be elected with a relative majority. It also recommended adopting an organic law that would eliminate ambiguities in the election procedures.[10] There is no consensus within the ruling alliance on whether the president should be elected by the parliament or directly by citizens. According to opinion polls, 87 percent of citizens advocate direct presidential elections.[11] In the 1990s, Moldova elected presidents by popular vote under a semi-presidential model, but the president's drive to monopolize the wider powers he enjoyed under this system triggered constitutional amendments in 2000 that empowered the parliament to elect the head of state and limited the influence of the office.

In June 2012, the AIE formed a working group to discuss a potential amendment to Article 78, which regulates election of the president, as well as numerous other changes the coalition says are necessary in order to bring Moldova's constitution

into alignment with EU norms and eliminate contradictions between existing constitutional provisions.[12] However, without the 71 votes required to amend the constitution—and with little hope or interest in dialogue with the political opposition—AIE can only enact these changes through a parliamentary vote if more MPs desert the PCRM. Another option is to amend the constitution via popular referendum, but this has rarely succeeded in the past (a constitutional referendum organized by the governing coalition in 2010 failed due to low turnout). It is highly unlikely that the coalition will submit constitutional changes for popular approval unless the minimum participation threshold is lowered.

Two initiatives proposing specific changes to electoral process received attention in 2012. In February, the deputy speaker of the parliament, Vlad Plahotniuc (PD), announced an initiative to replace Moldova's current closed-list, proportional representation voting system with a uninominal one. The initiative made little headway during the year, as both political parties and the general public are divided on the issue. An opinion poll shows that 32 percent of respondents favor a proportional voting system, 30 percent favor a uninominal system, and 23 percent support a mixed voting system.[13] The second initiative came from the Central Election Commission, working in close cooperation with civil society groups, which finalized and submitted a bill to amend seven laws related to political parties and campaign financing. The draft proposes allocating 0.2 percent of the state budget to financing political parties,[14] lowers limits for private donations, and introduces other changes intended to increase accountability and transparency in management of party funds.[15] It remains to be seen whether the project will gain parliamentary support in 2013.

In September 2012, the Autonomous Territorial Unit of Gagauzia held elections to its 35-seat local legislative assembly. In late 2011, the Organization for Security and Cooperation in Europe (OSCE) Mission to Moldova and the Chişinău-based nongovernmental organization (NGO) Association for Participatory Democracy (ADEPT) jointly drafted amendments to local electoral legislation designed to remove irregularities identified during previous campaigns;[16] however, local authorities were unable to push through changes before the elections. Because of a conflict between the local executive and legislative branches over the formation of Gagauzia's Central Election Commission, elections were delayed by more than a month, in violation of local legislation.[17]

Elections to the legislative assembly are organized into 35 single-member constituencies. After two rounds of voting on 9 and 23 September, 35 deputies were elected: 25 independent candidates, 7 from the PCRM, 2 from the PLDM, and 1 from the Socialist Party of the Republic of Moldova (PSRM). The PLDM and the PSRM were newcomers; the PCRM lost 3 seats. Most of the self-proclaimed independent deputies belong to two civic platforms—United Gagauzia, headed by Gagauzia governor Mihail Formuzal, and New Gagauzia, headed by the mayor or Comrat, Nicolae Dudoglo.[18] The newly established Central Election Commission validated the results of the elections. Local monitors positively evaluated the voting process and results calculation, but noted irregularities concerning the secrecy of

the vote, overcrowded polling stations, a large number of requests to vote at home, and campaign posters near voting stations.[19] After the elections, key local players sought a political foothold at a national level: Governor Formuzal, who established the Party of Regions in 2011, confirmed his party's plans to run in the next national general elections, while Mayor Dudoglo merged his civic movement with the PD.

Civil Society

2004	2005	2006	2007	2008	2009	2010	2011	2012	...
4.00	4.00	4.00	3.75	3.75	3.75	3.50	3.25	3.25	3.25

The sustainability, legal environment, organizational capacity, and vibrancy of Moldova's civil sector have all improved since 2010, but the impact of NGOs on governance and their ability to mobilize social capital remain limited. Of the 8,200 NGOs registered in Moldova in 2012, only 25 percent were considered active. Geographically, the civil sector is over-concentrated in Chişinău, with 65 percent of NGOs based in the capital.[20] To improve the public image of NGOs and increase their visibility, 50 organizations from across the country gathered to form civil society fairs in the cities of Bălți and Chişinău in May and September, respectively. Participating NGOs provided information about their activities, engaging in discussions with visitors and inviting them to make donations. Despite these efforts, the civil sector's approval rating improved by only 2 percent compared with 2011.[21]

Through the National Council for Participation, established in 2010, representatives from prominent NGOs attend government meetings in order to formulate opinions on behalf of the civil sector; in 2012, the civil sector expanded its governmental participation through representation in the National Integrity Commission (CNI) and the Antidiscrimination Council. Civil society organizations made several public appeals to the government and the parliament regarding the need to pass or amend laws, reform institutions, or revise strategies. They lobbied against candidates for president of the CNI and director of the National Anticorruption Center who had tarnished professional records. Some of these appeals served to delay decisions or force minor changes in the government's position; others had no effect at all.

Civil society groups also challenged initiatives originating from the political opposition. For example, the National Council for Participation spoke out against a Social Democratic Party initiative to hold a referendum on accession to the Customs Union of Belarus, Kazakhstan, and Russia on grounds that the law prohibits referendums on the fiscal policy of the state, and that the procedure for accession to international organizations should follow a prescribed legal process.[22]

In 2012, the parliament approved the Civil Society Development Strategy for 2012–15, drafted with support from the United States Agency for International Development. The document aims to strengthen civil society's capacity to participate in the formulation of public policies and the monitoring of their

implementation, to improve financing of the civil sector, and to foster civic participation and volunteerism. Among the most important components of this strategy is the opportunity for citizens to direct 2 percent of their taxes toward NGOs of their choice. In the long run, this measure could substantially improve the financial situation of NGOs, which currently relies heavily on foreign donors. The dependence of NGOs on foreign donations has dropped slightly in recent years, from 95 percent in 2010 to 87 percent in 2011.[23] Until recently, the government did not provide direct financial support for NGOs.

Transnistria is estimated to host 1,000 NGOs, but only 50 of these are considered functional. Transnistrian NGOs enjoy less freedom than those in Chişinău, because the separatist leadership seeks to control them using security bodies and financial instruments.[24] During "5+2" talks in September, Moldova and Transnistria agreed to establish a joint forum for dialogue between civil society and the mass media in order to boost interaction between representatives of the nongovernmental sector.

The National Confederation of the Trade Unions of Moldova (CNSM) met in June 2012 to reelect its president and discuss challenges facing Moldova's trade unions. These include weak relations with the government, layoffs, declining membership, workers' rights, the shadow economy, and the need to raise the minimum wage. The CNSM followed up on its June congress by organizing an employee rights awareness campaign in seven cities in October. That same month, the government accepted the trade unions' proposal to launch negotiations on a gradual minimum wage increase until 2014.

Independent Media

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
5.00	5.00	5.00	5.25	5.50	5.75	5.75	5.50	5.00	5.00

A more competitive media market, faster delivery of news, and a more diverse selection of information sources and opinions have contributed to growing confidence in mass media since 2009. Throughout 2012, the mass media played an important role in uncovering the continuing "raider attacks" on Moldovan financial institutions and maintaining a national focus on the public agenda. They were also active in informing the public about ongoing justice reforms, arrests of corrupt officials, and various facets of EU-Moldova cooperation. There is a mix of private and public media in Moldova, but ownership transparency is still lacking, with many outlets employed to advance the business or political interests of their secretive owners. Delays in adopting a new Broadcasting Code continued in 2012.

In surveys by the Chişinău-based Institute for Public Policies, the percentage of respondents claiming to trust mass media jumped from 58 percent in November 2011 to 75 percent in May 2012—the highest level in a decade.[25] At the same time, confidence in television, traditionally Moldova's most influential media, decreased. While 81 percent of survey respondents still named television as their

most important source of information, the percentage of people claiming to trust it more than other media dropped from 58.5 percent in 2011 to 32 percent in 2012. Radio retained its position as second-most important source of information (though far behind television, with 32 percent), while experiencing an increase in public trust, from 5.6 percent to 11 percent. Internet use is on the rise in Moldova, with 34 percent of survey respondents claiming to use the internet every day, up from 24 percent in 2010. Twelve percent of survey respondents named the internet as their most trusted information source in 2012, up from 3 percent in 2007; only television ranked higher.[26] The government has not attempted to restrict internet content.

Probable explanations for declining confidence in television relate to the concentration and nontransparency of ownership of television channels, stagnant or diminishing quality of television products, and politically biased reporting at the local and national level. In 2012 the media group Prime—which is apparently owned by Vlad Plahotniuc and which already controls the channels Prime TV and 2 Plus—continued to expand its market share by launching a new channel, Canal 3.[27] Meanwhile, controversy surrounding ownership of the news channel Publika TV persisted. On state-owned TV Moldova 1, the quality of news programs has dropped slightly in several segments, according to the Electronic Press Association from Moldova,[28] though it remains the most popular informational channel. The quality of television programming was also affected by bias. In April 2012, the Broadcasting Coordinating Commission (CCA) withdrew NIT TV's license, citing repeated violations of the law, including failure to ensure plurality of opinions in the news coverage.[29] Allegations of bias of NIT TV were validated by an audio recording of PCRM leader Vladimir Voronin leaked in 2011, the authenticity of which he has confirmed.[30] Problems with partisan television or radio coverage also extended to the local level; in Gagauzia, chairman of TeleRadio Gagauzia (TRG) reportedly attempted to intervene in the editorial policy of a local TV channel and radio station.[31]

The decision to revoke NIT TV's license produced concern among international stakeholders. Local reactions were mixed: some NGOs disapproved of the sanctions but did not consider them illegal, while several journalists and opinion-makers asserted that viewers, not public officials, should decide whether or not a station is worth watching. The management of NIT TV challenged the CCA's decision in the Appeals Court; the trial, which began in July 2012, experienced suspicious delays, and no verdict had been delivered at year's end. Experts believe that although the rationale for sanctions against NIT TV was drawn from current legislation, the sanctions could also be motivated by business interests, as the station held national frequencies covering the entire country, making it very attractive for anyone wanting to set up a new television channel.[32]

The conflict between online news platform Unimedia and minority shareholder Newsmedia Group also drew national attention. Newsmedia Group, which is allegedly controlled by an offshore company, asked in court to exclude one of Unimedia's associates and to annul a decision recognizing that the trademark

for Unimedia belongs to its founders. A complaint to the prosecutor's office also launched a criminal investigation of Unimedia's general manager. As a result, Unimedia's owners claimed to be victims of an organized attempt to forcefully take over their business.[33] In September, ahead of the trial, the Independent Journalism Center and other NGOs released a public appeal to guarantee an equitable process in order to ensure freedom of the press.[34] Several high-profile politicians publicly upheld Unimedia's independence.[35]

In 2012, little headway has been made to restructure the state-owned TeleRadio-Moldova (TRM) into a true public broadcaster. The resignations of the director and the head of the news department at TV Moldova 1 in early 2012 signaled substantial obstacles to implementing the restructuring plan adopted in 2010. After two failed attempts, TRM's supervisory board selected a new director in December. In October, journalists from TRM made a public appeal to the government and the parliament decrying unjustified layoffs and censorship and demanding reform.

The draft of the new Broadcasting Code, finalized in 2011, has made little progress in the parliament. The bill proposes the separation of public television and radio and the introduction of a radio/television tax for citizens and a fee for private channels deducted from their monthly incomes. These provisions would give financial independence to public broadcasters, and are therefore directly linked with the reform of TRM. In July, the parliament passed amendments to the existing Broadcasting Code that redefine the concept of an "autochthon program," introduce the term "product placement," and forbid cable operators to insert advertising spots in programs retransmitted from television channels. In December, the parliament approved a reorganization of the CCA that will substantially boost the institution's administrative capacity.

In the continuing dialogue with Transnistria, progress in the field of mass media was followed by setbacks at the end of 2012. With financial support from the EU and the United Nations Development Programme, Publika TV hosted an intensive training program attended by journalists from both sides of the Dniester. TV Moldova 1 was broadcasted in test mode across Transnistria starting in March 2012, and the two sides held talks on the retransmission of the Transnistrian public channel (TV-PMR) in Moldova. Despite ongoing negotiations, Tiraspol suspended the retransmission of both TV Moldova 1 and Publika TV at the end of the year, citing Moldova's refusal to retransmit the TV-PMR channel.

Local Democratic Governance

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
n/a	5.75	5.75	5.75	5.75	5.75	5.75	5.75	5.75	5.75

Moldova is divided into regions, towns (municipalities), and villages (communes). Mayors and local councils of towns and villages, elected directly by citizens, represent the first level of self-governance. Regional councils and their presidents—as well as the authorities of Chişinău, the Autonomous Territorial Unit of Gagauzia, and

Transnistria—make up the second level, also elected by popular vote. Transnistria remains outside the control of the Moldovan government as the result of a conflict originating in 1992.

Local authorities enjoy relatively high public support, second only to the church and the media in a mid-2012 survey.[36] However, low salaries make it difficult to recruit qualified candidates to open positions and often force local government employees to look for alternative income. Corruption and lack of transparency are widespread. According to the Central Control Commission, 60 percent of mayors, vice mayors, presidents, and vice presidents of local councils have not submitted declarations of income for 2011.[37] In May 2012, officers of the state's main anticorruption agency, the Center for Combating Economic Crimes and Corruption (CCCEC) detained a lawyer from Chişinău's mayoral office for accepting a bribe.[38] Then, in September, the CCCEC launched a criminal investigation against five public servants from the mayoralty for abuse of office.[39] In another high-profile case, the mayor of the village Bahmut was arrested and charged with the organization of a criminal group that sought to forcefully take over the business enterprise in Chişinău.[40]

Despite the existence of a legal framework for autonomous local self-governance, in practice central authorities maintain the upper hand by controlling the flow of finances. The AIE has long advocated decentralization to improve this situation, but made little progress in this area during the 2009–12 political stalemate. In April, after the successful presidential election, the parliament green-lighted the National Decentralization Strategy (SND), drafted with the assistance of international donors and with input from a broad array of stakeholders from all sectors of Moldovan society. The SND aims to transfer more authority and financial resources to local governments, to increase transparency and accountability, and to empower local communities to address systemic social and political problems.[41]

The protracted conflict between the PCRM and the AIE spilled over to the local level in 2012, affecting implementation of the SND. In July, PCRM local councilors, who have a majority in the Bălţi municipal council voted to hold a referendum on extending the municipality's autonomy. The PCRM leader paid a visit shortly thereafter to show his support, despite the fact that, by law, the extension of autonomy is decided by the national parliament, not by local authorities. Initially, the central government reacted very strongly to this breach of protocol, asking law enforcement bodies to investigate the case. However, after meeting with local authorities and chairing a special central government session in Bălţi, Prime Minister Vlad Filat took a more conciliatory approach, approving amendments that extended Bălţi's autonomy to the second level of self-governance and placed the municipality on the same footing as Chişinău. The amendments were approved in December, rendering the planned referendum moot.

The central government's decision to accomodate the PCRM's demands in Bălţi reenergized the efforts of other local authorities to seek similar expansions to their autonomy. Building bottom-up pressure, working groups comprising representatives of local authorities in the towns of Ungheni, Cahul, Soroca, and Orhei proposed initiatives to gain municipality status for their communities. The

national government promised to support the proposals, as they fit into action plan for SND implementation. If the initiatives are approved, the number of municipalities in Moldova will rise from five (Chişinău, Bălţi, Bender, Comrat, and Tiraspol) to nine. Meanwhile, the PCRM continued to coopt local authorities in its national conflict with the AIE. Through city councils in which it has substantial representation, the PCRM generated requests to the parliament to hold a referendum on Moldova's accession to the Customs Union of Belarus, Kazakhstan, and Russia, hoping to build pressure on the government by demonstrating that European integration runs against the will of local communities.

As Gagauzia geared up for legislative elections in September, local authorities sought to mobilize voters by increasing the volume of certain demands directed at Chişinău. Authorities in Moldova's capital responded by accommodating some of Gagauzia's requests regarding school curricula and also agreed to invest in the modernization of Gaugazia's infrastructure. Meanwhile, despite high-level dialogue and some progress on technical issues in 2012, Chişinău and Tiraspol made no headway on the status of Transnistria within Moldova. The Transnistrian side was reluctant to engage in talks from the so-called "thematic basket" on "security, settlement and institutional issues."

Judicial Framework and Independence

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
4.50	4.75	4.50	4.50	4.50	4.50	4.75	4.50	4.50	4.50

Moldova's constitution contains adequate provisions for an independent judiciary, equality before the law, and basic human and civil rights. However, a high level of corruption and political influence continue to present serious problems in the judicial system, and judicial decisions are inadequately enforced. Asked to rank branches of government by level of corruption, 45.7 percent of household representatives in a 2012 Transparency International study ranked the court system first. Among businesspeople, 51.8 percent named the judiciary as the most corrupt branch of government.[42] Throughout 2012, the government dealt mainly with modernizing legislation, with a special focus on court proceedings, organization of the court system, and curbing corruption in the judiciary. Twenty-six percent of survey respondents reported some level of trust in the justice system in 2012; although this figure is low, it represents a substantial increase from 18 percent in 2011.[43]

The Ministry of Justice was the driving force behind judicial reforms in 2012. Its efforts received an additional boost when the CSM, after several failed attempts, managed to elect Mihai Poalelungi, previously Moldova's judge at the European Court of Human Rights (ECHR), as the new head of the Supreme Court of Justice. In 2012, the Ministry of Justice and the Supreme Court proposed several amendments and new laws on the judicial system, all of which were passed by the parliament. As a result, the number of judges at the Supreme Court was cut

from 49 to 33, and the institution was endowed with new powers designed to make judicial practices more uniform. The CSM's powers and composition were reviewed, and the role of the General Assembly of Judges within the magistrates' self-administration system was strengthened. Economic courts were replaced with commercial courts that have narrower, more precise powers. Civil procedure code was amended to streamline trials and prevent unreasonable delays.

One of the most significant legal changes of 2012 introduced new rules for the promotion of judges, which will now be based on triennial performance evaluations. Another key change is the removal of judicial immunity in relation to non-criminal offenses. The prosecutor general no longer needs CSM approval to start criminal proceedings against a judge suspected of corruption, and judges who were removed for incompetence or disciplinary violations, or who received a definitive sentence, will lose their right to a one-time severance payment and privileged pension. Finally, judges will no longer bear patrimonial liability for judicial errors, as it was under legislation introduced in 2007.

In September, the Ministry of Justice began work on a further package of laws and amendments aimed at curbing corruption in the justice system. The initiatives include the implementing a test of integrity and a polygraph test for judges, prosecutors, and officers who carry out criminal investigations; terminating social benefits for officials who have been sentenced for corruption; verifying the legality of the incomes and assets of judges and other officials; and increasing disciplinary liability of judges.[44] The latter initiative is motivated by the substantial number of ECHR rulings against Moldova based on judicial errors. To support anticorruption measures in the justice system, the government also drafted a law to raise judges' salaries.

Notwithstanding these promising efforts, the justice system's weaknesses—including noncompliance with the law, abuse of authority, and corruption—remained in evidence throughout the year. The Central Control Commission identified 16 judges and 97 prosecutors who did not submit declarations of income in 2011.[45] According to statistics made public in 2012, 65 disciplinary proceedings were initiated against 50 judges in 2011.[46]

Judges suspected of fraudulent rulings related to the so-called "raider attacks" of 2010 and 2011[47] suffered comparatively mild consequences: two were suspended and subjected to criminal investigations in 2012 (with one case sent to court), two resigned, and one was merely reprimanded. Others avoided punishment, either because their problematic rulings were upheld by higher courts or, in the case of one judge, because a petition allowed him to review the case on the basis of new information and reverse his original decision.[48]

In January, Moldova's appeals court ordered the Ministry of Finance to pay PLDM member Pantelei Sandulache €400,000 in damages for violating his right to trial within a reasonable timeframe.[49] The size of the award, unheard of in Moldovan judicial practice, raised questions of political influence, as well as concerns about setting an expensive precedent (as of May 2012, citizens had claimed approximately €275 million in damages from the state for similar violations).[50] The Supreme Court

upheld the decision in July, but lowered the damages to €1,000, a figure it claimed was more in line with ECHR practice.[51] In October Sandulache was excluded from the PLDM.

Corruption

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
6.25	6.25	6.00	6.00	6.00	6.00	6.00	6.00	6.00	5.75

During a session of the Supreme Security Council in June, President Timofti described corruption as a threat to national security that hampers the government's performance and puts European integration in jeopardy.[52] In response to diplomatic incentives and with the help of a gradually strengthening political will, Moldova began in 2012 to build and consolidate institutions to fight corruption. Though uneven, this progress has improved Moldova's standing in Transparency International's annual Corruption Perception Index[53] after two years of stagnation.[54]

Since assuming power, the AIE had, until recently, taken few steps to eliminate systemic corruption in Moldova. Opinion polls in mid-2012 reflect this state of affairs: 82 percent of respondents expressed dissatisfaction with how the government combats corruption.[55] The CCCEC report for the first half of 2012 identified local authorities, police, and educational and healthcare institutions as most affected by corruption,[56] largely confirming the findings of sociological research conducted by Transparency International identifying police, prosecutors, customs officers, teachers, and doctors as the primary recipients of everyday bribes.[57]

Reform efforts were set in motion in February when the parliament approved a two-year action plan to implement the National Anticorruption Strategy of 2011–15. The adoption of the action plan was an explicit precondition for Moldova to advance to the second phase of the Visa Liberalization Action Plan. In March, the law establishing the CNI went into force; a commission was established to review the incomes, assets, and conflicts of interest of state dignitaries, judges, prosecutors, and public servants. In June, after significant delays, the parliament approved five members of the CNI: three representing the parliamentary majority, one from the opposition, and one from civil society. In October, the parliament elected the president of the CNI, although their choice was contested by members of civil society, who had advocated for one of their own to occupy the post. Shortly thereafter, the civil sector representative in the CNI resigned, and the seat remained vacant through the end of the year.

In April and May the parliament passed amendments to the Penal Code redefining corruption in accordance with recommendations of the Group of States Against Corruption (GRECO). Legislators also approved drastic reforms of the CCCEC, now known as the National Anticorruption Center (CNA), with the aim of establishing a more efficient, independent, and apolitical agency. These reforms, which began in late autumn, place the institution under parliamentary oversight, focus its powers on fighting corruption, and impose high professional and moral

standards for employees; only 350 of the center's 540 employees will be selected, on the basis of stringent screening procedures, to stay.[58]

The government has redoubled its efforts to reform the police. Beginning in July, the Border Guards Service was integrated into the Ministry of Internal Affairs and transformed into the Border Police, with new competences to prevent and investigate transborder crimes. That same month, the prime minister fired the interior minister and replaced him with a civilian for the first time in the history of the institution. Several high-profile dismissals in the ministry soon followed. Less than 10 percent of traffic police officers passed a comprehensive written and physical evaluation organized in the fall, but 40 percent performed well enough to qualify for a six-month probation period.[59] A total of roughly 700 police officers resigned or were fired between July and November.[60] The ministry also canceled special permits issued to representatives of state institutions granting them immunity from traffic police controls. By October, the ministry had withdrawn 600 such permits.[61] In December, the parliament adopted the Law on Police and the Statute of Policemen, replacing a previous version dating back to 1990 and opening the way for further broad reforms of the Ministry of Internal Affairs.

The new interior minister pushed for closer cooperation with the general prosecutor and the head of the CCCEC on joint anticorruption measures. In the weeks following his appointment, a number of police officers suspected of corruption were arrested. These cases were widely reported in the mass media, sending a message of zero tolerance to both the public and the police force. The various involved law enforcement agencies strove for increased dialogue and improved coordination, but a few cases revealed the limits of such cooperation. For example, two police officers were arrested on duty when they tried to prevent prosecutors and CCCEC officers from entering a district police commissariat in Chișinău in order to arrest two other policemen suspected of corruption. Often, corrupt police officers do not face imprisonment even after multiple arrests. As the media reported in 2012, their cases are often delayed, or they are acquitted on the grounds that they were "provoked" to accept a bribe.[62]

In 2012 the executive branch continued to implement an e-governance strategy designed to reduce red tape. High demand for criminal record certificates (required for Schengen visas or Romanian citizenship applications) has propagated intermediaries and fueled corruption. Since September, applications for the certificate can be submitted online anytime from any computer or via e-form from two commercial banks. In future, this service will also be available via payment terminals. In October the parliament also passed amendments to simplify and increase the transparency of processes associated with opening new businesses.

Despite efforts to introduce new technologies into governance, public authorities' official websites still fall short of international standards for anti-corruption and transparency. After monitoring 20 websites between May and August 2012, Transparency International reported missing application forms and guidelines, legislative plans, and results of public consultations, as well as incomplete or absent information on institutional audits, budget execution, and minister and

deputy minister incomes. Monitoring reports showed the websites of the State Tax Inspectorate and ministries of justice, education, and health to be among the best in satisfying transparency benchmarks.[63]

▮ AUTHOR: STANISLAV SECRIERU

Stanislav Secrieru is an affiliated expert at the Romanian Centre for European Policies in Bucharest, Romania.

---

1 "Curtea Constitutională a "tăiat" poftele Comuniștilor" [Constitutional Court has cut Communists Appetites], Apropo Magazin, 12 July 2012, http://apropomagazin.md/2012/07/12/curtea-constitutionala-a-taiat-poftele-comunistilor/.

2 European Commission (EC), *Report from the Commission to the European Parliament and the Council on the Implementation by the Republic of Moldova of the Action Plan on Visa Liberalization* (Brussels: EC, 22 June 2012), http://ec.europa.eu/home-affairs/doc_centre/external/docs/COM%20Report%20VLAP%20Moldova%20June%202012%20FINAL.PDF.

3 ENP Info Center, "Barosso praises Moldova's commitment to EU integration," 30 November 2012, http://www.enpi-info.eu/maineast.php?id=31313&id_type=1&lang_id=450.

4 The World Bank Group, *World Bank Group–Moldova Partnership. Country Program Snapshot* (Washington, DC: The World Bank Group, April 2013), http://www.worldbank.org/content/dam/Worldbank/document/Moldova-Snapshot.pdf

5 "Russia Offers Moldova gas discount if EU energy links cut," Radio Free Europe/Radio Liberty, 19 September 2012, http://www.rferl.org/content/russia-offer-to-moldova-cheap-gas-or-eu-treaty/24706478.html.

6 "Building confidence funds for Moldova and Transnistria," Moldova.org, 15 March 2012, http://economie.moldova.org/news/building-confidence-funds-for-moldova-and-transnistria-229070-eng.html.

7 "Schuebel: UE va aloca încă 28 de milioane de euro pentru proiecte ce vizează regiunea transnistreană" [Schuebel: EU will allocate €28 million more for projects targeting Transnistrian region], Publika TV, 15 October 2012, http://www.publika.md/schuebel--ue-va-aloca-inca-28-de-milioane-de-euro-pentru-proiecte-ce-vizeaza-regiunea-transnistreana_1077831.html

8 "General Rus: Armamentul din Transnistria a fost introdus din incompetenă" [Russian general: Incompetence to blame for introduction of weapons to Transnistria], Publika TV, 18 October 2012, http://www.publika.md/general-rus--armamentul-din-transnistria-a-fost-introdus-din-incompetenta_1083641.html.

9 Institute for Public Policies (IPP), *Barometer of Public Opinion: Republic of Moldova April–May 2012* (Chișinău: IPP, May 2012), http://www.ipp.md/public/files/Barometru/Brosura_BOP_05.2012_prima_parte_final_English.pdf.

10 European Commission for Democracy Through Law (Venice Commission), *Amicus Curiae Brief on Three Questions Related to Article 78 of the Constitution of the Republic of Moldova* (Strasbourg: Council of Europe, 4 July 2011), http://www.venice.coe.int/docs/2011/CDL-AD(2011)014-e.pdf.

11 IPP, *Barometer of Public Opinion: Republic of Moldova April–May 2012.*

12 Marian Lupu, "Trebuie să asigurăm echilibrul politic între puterile din Stat, pentru ca acest echilibru este garanţia dezvoltării democratice" [We have to ensure checks and balances, because this equilibrium represents guarantee of democratic development], Radio Europa Liberă, 17 September 2012, http://www.europalibera.org/content/article/24615535.html.

13 IPP, *Barometer of Public Opinion: Republic of Moldova November 2012* (Chisinau: IPP, November 2012), http://www.ipp.md/libview.php?l=en&idc=156&id=624.

14 Money would be distributed according to electoral performance (number of seats in parliament, as of the last election). However, extraparliamentary parties would also receive funding.

15 Central Electoral Commission (CEC), "Preşedintele CEC: Partidele trebuie sa fie finanţate din bugetul de stat" [Head of CEC : Parties must be financed from the state budget], news release, 14 November 2012, http://www.cec.md/index.php?pag=news&tip=noutate&opa=view&id=634&l=.

16 OSCE Mission to Moldova, "Roundtable meeting on draft amendments to the Gagauzia election laws," 13 December 2011, http://www.osce.org/moldova/86054.

17 Igor Boţan, "Alegerile pentru Adunarea Populară a Găgăuziei din 2012" [Elections for Popular Assembly of Gagauz-Yeri in 2012], Association for Participatory Democracy (ADEPT), 5 September 2012, http://www.e-democracy.md/monitoring/politics/comments/gagauzia-legislative-elections-2012/.

18 Cristina Pendea, "Results of Elections in Gagauzia: 25 Independent MPs, 7–PCRM, 2–LDPM and One–PSRM," Tribuna.md, 24 September 2012, http://tribuna.md/en/2012/09/24/rezultatele-alegerilor-in-gagauzia-25-deputati-independenti-7-pcrm-2-%E2%80%93-pldm-si-unul-%E2%80%93-psrm/.

19 Piligrim-Demo, *Отчет и оценка наблюдателей У МЦ "Пилигрим-Демо" в Гагаузии по Итогом Наблюдения Первого Тура Голосования на Выборах Народное Собрание Гагаузии* [Monitoring and Evaluation Report of Piligrim-Demo in Gagauzia: Result of Observations of the First Round of Elections for the People's Assembly of Gagauzia] (Komrat: Piligrim-Demo, 9 September 2012), http://www.e-democracy.md/files/elections/gagauzia2012/report-piligrim-demo-elections-gagauzia-09-09-2012-ru.pdf; and Piligrim-Demo, *Отчет и оценка наблюдателей У МЦ "Пилигрим-Демо" в Гагаузии по Итогом Наблюдения Первого Тура Голосования на Выборах Народное Собрание Гагаузии* [Monitoring and Evaluation Report of Piligrim-Demo in Gagauzia: Result of Observations of the Second Round of Elections for the People's Assembly of Gagauzia] (Komrat: Piligrim-Demo, 24 September 2012), http://www.e-democracy.md/files/elections/gagauzia2012/report-piligrim-demo-elections-gagauzia-24-09-2012-ru.pdf.

20 National Council of NGOs of the Republic of Moldova, *Proiectul strategiei dezvoltării societăţii civile* [Draft of civil society development strategy], n.d., http://consiliulong.md/ro/advocacy/show/41.

21 IPP, *Barometer of Public Opinion: Republic of Moldova April–May 2012.*

22 National Council for Participation (CNP), *Buletin Informativ–August 2012* [Informative Bulletin–August 2012], (Komrat: CNP, August 2012), http://www.cnp.md/images/stories/Buletin_informativ_august.pdf.

23 United States Agency for International Development (USAID), *2011 CSO Sustainability Index for Central and Eastern Europe and Eurasia* (Washington, DC: USAID, 2012), http://transition.usaid.gov/locations/europe_eurasia/dem_gov/ngoindex/reports/2011/2011CSOSI_Index_complete.pdf.

24 USAID, *2011 CSO Sustainability Index for Central and Eastern Europe and Eurasia.*

25 IPP, *Barometer of Public Opinion: Republic of Moldova April–May 2012.*

26 Ibid.

27 "S-a lansat Canal 3" [Channel 3 has been launched], Unimedia.md, 13 August 2012, http://unimedia.info/stiri/S-a-lansat-Canal-3-50989.html.

28 Electronic Press Association from Moldova (APEL), *Monitorizarea programelor de stiri şi actualităţi ale IPNA Teleradio-Moldova 1 Iulie–31 August 2012* [Monitoring of news programs of the Teleradio-Moldova 1 July–31 August 2012] (Chisinau: APEL, 2012), http://www.apel.md/public/upload/md_120925_Raport_1_final_APEL_2012.pdf.

29 Broadcasting Coordination Commission, "Comunicat de presa" [Press Communiqué], news release, 6 April 2012, http://www.cca.md/news/comunicat-de-presa-4.

30 "Voronin Recunoaşte: Înregistrarea audio este autentică" [Voronin recognizes: The audio is authentic], Unimedia.info, 21 December 2011, http://unimedia.info/stiri/video-voronin-recunoaste-Inregistrarea-audio-este-autentica-42515.html.

31 Journalistic Investigation Centre (JIC), "Memo on press freedom in Moldova 3 May 2011–3 May 2012," news release, 8 May 2012, http://www.investigatii.md/eng/index.php?newsID=51.

32 Liliana Barbăroşie," Retragerea licenţei televiziunii NIT: Pro şo contra" [Withdrawal of NIT TV license: Pros and cons], EuropaLibera.org, 10 April 2012, http://www.europalibera.org/content/article/24543691.html.

33 "Atac raider asupra portalului de stiri Unimedia" [Raider attack on web-platform Unimedia], Jurnal.md, 25 September 2012, http://www.jurnal.md/ro/news/-atac-raider-asupra-portalului-de-tiri-unimedia-393634/.

34 Independent Journalism Center (IJC), "Call on the Government Institutions Regarding I.M. "Newsmedia Group" vs. "Interact Media" S.R.L. Case," news release, 27 September 2012, http://www.ijc.md/eng/index.php?option=com_content&task=view&id=457&Itemid=1.

35 "Dumitru Diacov susţine Unimedia" [Dumitru Diacov supports Unimedia], Unimedia.info, 3 October 2012, http://unimedia.info/stiri/video-dumitru-diacov-sustine-unimedia-sper-ca-va-veti-pastra-independenta-52845.html; and "Dorin Chirtoacă susţine Unimedia" [Dorin Chirtoaca supports Unimedia], Unimedia.info, 27 September 2012, http://unimedia.info/stiri/dorin-chirtoaca-sustine-unimedia-lichidarea-institutiei-ar-fi-de-neinchipuit-52646.html.

36 IPP, *Barometer of Public Opinion: Republic of Moldova April–May 2012*. The highest percentage of respondents in this survey expressed some level or trust in the church (81 percent), and the second highest percentage expressed trust in the media (75 percent).

37 "Judecători şi procurori vor fi sancţionaţi disciplinar pentru nedeclararea veniturilor" [Judges and prosecutors will be punished disciplinarily for non-declaration of incomes], Info-Prim Neo, 17 February 2012, http://info-prim.md/?a=10&nD=2007/12/&ay=44539.

38 "Jurist din cadrul Primăriei Chişinău, reţinut cu mită de 10 mii euro" [Law from Chusunau mayoral office has been detained with 10 thousan Euro bribe], Unimedia.info, 4 May 2012, http://unimedia.info/stiri/jurist-din-cadrul-primariei-chisinau--retinut-cu-mita-de-10-mii-euro-47235.html.

39 "Viceprimarul Grozavu şi alţi funcţionari vor fi cercetaţi penal" [Vice-Mayor Grozavu and other public servants will be investigated], Moldova.org, 19 September 2012, http://social.moldova.org/news/viceprimarul-grozavu-si-alti-functionari-vor-fi-cercetati-penal-233019-rom.html.

40 "Primar din Călăraşi, în arrest" [Mayor from Calarasi was arrested], Jurnal.md, 20 September 2012, http://www.jurnal.md/ro/news/primar-din-calara-i-in-arest-371741/.

41 Official website of the United Nations in Moldova, "Undă verde pentru strategia naţională de descentralizare" [Green light for national decentralization strategy], 26 April 2012, http://www.un.md/news_room/pr/2012/UNMagazine_505/index_rom.shtml.

42 Transparency International (TI) Moldova, *Sociological Study. Corruption in Republic of Moldova: Perceptions vs. Personal Experiences of Households and Business People* (Chisinau: TI

Moldova and Embassy of the United States of America, 2012), http://www.transparency.md/content/view/1654/48/lang,en/.

43 IPP, *Barometer of Public Opinion: Republic of Moldova April–May 2012.*

44 Ministry of Justice, "Ministerul Justiţiei a demarat elaborarea unui pachet de iniţiative legislative pentru combaterea corupţiei în sistemul jusriţiei" [Justice Ministry began drafting package of laws to combat corruption in the justice system], news telease, 6 September 2012, http://justice.gov.md/libview.php?l=ro&idc=4&id=1078.

45 "Judecătorii şi procurorii vor fi sancţionaţi disciplinar pentru nedeclararea veniturilor" [Disciplinary sanctions will be applied to judges and prosecutors for non-declaration of incomes], Info-Prim Neo, 17 February 2012, http://info-prim.md/?a=10&nD=2007/12/&ay=44539.

46 Superior Council of Magistrates (CSM), "Notă informativă cu privire la activitatea Colegiului Disciplinar de pe lîngă CSM în anul 2011" [Information note on activity of Disciplinary Collegium of CSM in 2011], news release, 2012, http://www.csm.md/files/CDisciplinar/Nota_inform__2011_CD.pdf.

47 The term "raider attacks" refers to fraudulent misappropriation of stock from chief shareholders in five financial institutions in 2010 and 2011. News of the actual fraud was soon followed by charges that justice officials had either failed to act in the case or supported the perpetrators. For more on this subject, see "Recentele atacuri raider şi exproprieri fără precedent în RM" [Recent raider attacks and unprecedented expropriations in Republic of Moldova], Jurnal.md, 13 September 2011, http://jurnal.md/ro/news/recentele-atacuri-raider-i-exproprieri-fara-precedent-in-rm-memoriu-210319/.

48 Victor Moşneag, "Cei 12 'Judecători Raider'" [12 "Raider Judges"], *Ziarul de Gardă*, 26 January 2012, http://www.zdg.md/investigatii/cei-12-judecatori-raider; and Anastasia Nani, "Află cine sunt judecătorii care au dat undă verde atacurilor raider din Republica Moldova" [Find who are the judges who approved raider attacks in the Republic of Moldova], Adevărul.ro, 19 September 2011, http://www.adevarul.ro/moldova/unda-verde-atacurilor-raider_0_557344272.html.

49 Anastasia Nani, "Despăgubiri record într-o instanţă naţională" [Record damages redress decided by national court], Adevarul, 19 July 2012, http://adevarul.ro/moldova/actualitate/despagubiri-record-intr-o-instanta-nationala-1_50ae4bd87c42d5a6639b6a40/index.html.

50 "Gafele judecătorilor ar putea sărăci statul cu 4,5 miliarde de lei" [Judicial errors may impoverish state budget by 4.5 billion lei], PublikaTv, 4 May 2012, http://www.publika.md/gafele-judecatorilor-ar-putea-saraci-statul-cu-4-5-miliarde-de-lei_827301.html.

51 Anastasia Nani, "Despăgubiri record într-o instanţă naţională."

52 "Integrarea Europeană va fi imposibilă fără dezrădăcinarea corupţiei, Nicolae Timofti" [European integration will be impossible without corruption eradication, Nicolae Timofti], Info-Prim Neo, 5 June 2012, http://www.info-prim.md/?a=10&nD=2008/04/&ay=46885.

53 TI, *Corruption Perceptions Index 2012* (Berlin: TI, 2012), http://www.transparency.org/cpi2012/results#myAnchor1.

54 TI, *Corruption Perceptions Index 2010* (Berlin: TI, 2010), http://www.transparency.org/cpi2010/results#myAnchor1; and TI, *Corruption Perceptions Index 2011* (Berlin: TI, 2011), http://www.transparency.org/cpi2011/results#myAnchor1.

55 IPP, *Barometer of Public Opinion: Republic of Moldova April–May 2012.*

56 Centrul pentru Combaterea Crimelor Economice şi Corupţiei (CCCEC), *Notă Informativă privind Activitatea Centrului pentru Combaterea Crimelor Economice şi Corupţiei Ianuarie–Iunie 2012* [Informative Note on Activity of the Center for Combating Economic Crimes and Corruption from January to June 2012] (Chisinau: CCCEC, July 2012), http://cccec.md/Sites/cccec_md/Uploads/w%20Raport%206%20luni%2012.files1.pdf.

57 TI Moldova, *Sociological Study. Corruption in Republic of Moldova.*

58 "Vechiul nou director. Chetraru: Jumătate din angajații CNA vor fi demiși. Nu va fi loc de cumetrism" [New old director. Chetraru: Half of employers of CNA will be dismissed. There will be no nepotism], InProfunzime.md, 26 October 2012, http://www.inprofunzime.md/stiri/politic/video-vechiul-nou-director-chetraru-jumatate-din-angajatii-cna.html.

59 "Doar 10% din polițiști au susținut examenele" [Only 10% of policemen passed the exams], Jurnal.md, 15 October 2012, http://www.jurnal.md/ro/news/doar-10-la-suta-din-poli-i-ti-au-sus-inut-examenele-495921/.

60 "700 polițiști și+au dat demisia în ultimele 3 luni" [700 policemen resigned over last 3 month], Radio Chișinău, 13 November 2012, http://www.radiochisinau.md/700_de_politisti_si_au_dat_demisia_in_ultimele_trei_luni-5787.

61 "Adio taloanelor special care permit șoferilor să scape de controlul Poliției Rutiere!" [Bye to special permits that allow drivers to eschew Traffic Police controls], InProfunzime, 10 October 2012, http://www.inprofunzime.md/stiri/politic/video-adio-taloanelor-speciale-care-permit-soferilor-sa-scape.html.

62 "Reținuți spectaculos, apoi achitați. Zeci de polițiști, cercetați pentru luare de mită, declarați nevinovați" [Spectacularly detained and later acquitted. dozen policemen investigated for corruption have been declared not guilty], Ştirile PROTv Chișinău, 8 September 2012, http://m.protv.md/stiri/social/retinuti-spectaculos-apoi-achitati-zeci-de-politisti-cercetati.html?.

63 "Pe paginile web ale instituțiilor de stat lipsesc informații obligatorii, monitorizare" [State institution's webpages miss mandatory information, monitoring], Info-Prim Neo, 18 September 2012, http://www.info-prim.md/?x&y=49218.

Montenegro

by Daliborka Uljarević and Stevo Muk

Capital: Podgorica
Population: 0.6 million
GNI/capita, PPP: US$13,700

Source: The data above are drawn from the The World Bank's *World Development Indicators 2013*.

Nations in Transit Ratings and Averaged Scores

	Montenegro									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Electoral Process	3.50	3.25	3.50	3.50	3.25	3.25	3.25	3.25	3.25	3.25
Civil Society	2.75	2.50	3.00	3.00	2.75	2.75	2.75	2.75	2.75	2.75
Independent Media	3.25	3.25	3.25	3.50	3.75	3.75	4.00	4.25	4.25	4.25
Governance*	4.00	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
National Democratic Governance	n/a	4.50	4.50	4.50	4.25	4.25	4.25	4.25	4.25	4.25
Local Democratic Governance	n/a	3.50	3.50	3.25	3.25	3.25	3.25	3.25	3.25	3.25
Judicial Framework and Independence	4.25	4.25	4.25	4.25	4.00	4.25	4.00	4.00	4.00	4.00
Corruption	5.25	5.25	5.25	5.50	5.25	5.00	5.00	5.00	5.00	5.00
Democracy Score	3.83	3.79	3.89	3.93	3.79	3.79	3.79	3.82	3.82	3.82

** Starting with the 2005 edition, Freedom House introduced separate analysis and ratings for national democratic governance and local democratic governance to provide readers with more detailed and nuanced analysis of these two important subjects.*

NOTE: The ratings reflect the consensus of Freedom House, its academic advisers, and the author(s) of this report. The opinions expressed in this report are those of the author(s). The ratings are based on a scale of 1 to 7, with 1 representing the highest level of democratic progress and 7 the lowest. The Democracy Score is an average of ratings for the categories tracked in a given year.

Executive Summary

In June 2012, the European Union (EU) officially invited Montenegro to begin accession negotiations thanks to continued progress on key reforms, especially regarding rule of law. The talks began that month. Early parliamentary elections followed in October. The long-ruling Democratic Party of Socialists (DPS) and its allies won with a simple majority. DPS leader Milo Đukanović was subsequently elected to a seventh term as prime minister in December and formed a governing coalition with several parties representing ethnic minorities.

National Democratic Governance. In June, Montenegro officially began EU accession negotiations, and numerous working groups were formed in 2012 to facilitate the process. In its October progress report, the European Commission praised Montenegro on key EU reforms but urged further gains in anticorruption and the prosecution of organized crime. Amendments to the rules for calling a parliamentary inquiry were introduced, but further legislative improvements are needed to improve parliamentary oversight. Meanwhile, the struggle between coalition partners for dominance over state institutions continued as the DPS succeeded in installing its representatives in several high-level posts in government. In the first half of 2012, rising electricity prices sparked protests that escalated into ultimately unsuccessful calls for the prime minister's resignation. *Montenegro's rating for national democratic governance remains unchanged at 4.25.*

Electoral Process. In October 2012, Montenegro held early parliamentary elections and local elections in three municipalities. In the national vote, the long-dominant DPS and its allies won with 46 percent, but fell short of an absolute majority for the first time in 10 years. Nevertheless, it formed a coalition with several smaller parties representing ethnic minorities. International observers deemed the election competitive and fair while noting some irregularities, including out-of-date electoral rolls and the misuse of public resources by the DPS. They called for improvements to the voter registration system and oversight of state resources to raise public confidence in the electoral process. Meanwhile, recent amendments to strengthen the Law on Financing of Political Parties have been ineffective, especially in imposing obligatory financial reporting. *Montenegro's rating for electoral process remains at 3.25.*

Civil Society. Montenegro has a diverse civil society with influential nongovernmental organizations (NGOs) that nevertheless struggle to be a strong presence in some parts of the country, as well as on certain issues. Cooperation between the government and NGOs has been improving, and the leadership continued to

work on this area in 2012 with various legislative efforts. However, cooperation remains insufficient. Implementation of the new Law on NGOs enhanced internal democratic structures within NGOs and began a registration process to identify which NGOs are actually active. Financing remains the biggest challenge for civil society, as most small NGOs rely on public funding, which fell in 2012 due to various government missteps and oversights. *Montenegro's rating for civil society remains unchanged at 2.75.*

Independent Media. While freedom of the press is legally protected in Montenegro, journalists face harassment and threats, and several reporters were attacked in 2012. The ruling parties favor certain outlets they consider sympathetic, usually through advertising purchases. The public broadcasting service RTCG is becoming more open to a range of viewpoints, and the parliamentary election coverage was generally fair. Reporting in print media, on the other hand, is often sensationalistic and irresponsible in how it handles publication of private information such as medical and financial records. Between March and May, various media established three self-regulatory bodies after years of failed attempts to establish such an organization to improve reporting standards. Online media are proliferating as internet use rises, though editorial boards often fail to curate comments sections to remove hate speech and discriminatory or defamatory language. *Montenegro's rating for independent media remains unchanged at 4.25.*

Local Democratic Governance. Local governments in Montenegro are generally underfunded, inefficient, and weak. In 2012, the government made no progress on decentralization, though some positive legislative changes were introduced to increase transparency at the local level. The State Audit Institution only conducts one audit per year in municipalities, allowing irregularities to slip through. A new municipality in northern Montenegro was formed during the year. Five municipalities held local elections. *Montenegro's rating for local democratic governance remains unchanged at 3.25.*

Judicial Framework and Independence. The government made some progress on judicial reform in 2012, but constitutional changes to ensure the independence, integrity, and accountability had not yet been adopted at year's end. As a result, judges and prosecutors are still not elected based on fair and transparent criteria. Independence is undermined by a highly centralized funding system, and disciplinary measures must be strengthened to enhance accountability. The case backlog fell 4 percent, but efficiency remains problematic in a bloated judiciary by European standards. Little progress was made on prosecuting ongoing war crimes cases in 2012. Public confidence in the judiciary fell to its lowest level in two years. With only modest progress made on judicial reforms in 2012, *Montenegro's rating for judicial framework and independence remains unchanged at 4.00.*

Corruption. Corruption continues to be a key challenge in Montenegro's democratization efforts. Graft and misconduct, as well as nepotism and patronage in government, remain widespread. In October, the EC noted that numerous supervisory institutions created to monitor and contain corruption lack independence and adequate staff and resources. The government has yet to establish a track record of prosecuting high-profile corruption cases. In a positive development, several pieces of legislation were strengthened regarding whistleblower protection, free access to information, the seizure and confiscation of property, and conflicts of interest. *Montenegro's rating for corruption remains at 5.00.*

Outlook for 2013. In 2013, the government's priorities will be economic policy, especially managing the deficit and public debt, tackling the fallout from mismanaged privatizations, and EU accession talks. Negotiations on the next chapters of EU reforms are expected to open with talks on two key chapters—Judiciary and Fundamental Rights (Chapter 24) and Justice, Freedom, and Security (Chapter 25). The pace and quality of this process will hinge on the government's commitment to advancing rule of law and democratic reforms in general, as the country still struggles with widespread corruption and weak institutions. Scheduled for April 2013, the presidential elections will be pivotal in shaping Montenegro's near-term political climate by demonstrating whether the opposition can consolidate its growing popularity after over 20 years of dominance by Prime Minister Đukanović's DPS.

Main Report

National Democratic Governance

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
n/a	4.50	4.50	4.50	4.25	4.25	4.25	4.25	4.25	4.25

Montenegro made steady progress towards European integration in 2012. Accession negotiations with the European Union (EU) began in June and the screening process for harmonizing the country's legislation with EU standards was ongoing in the second half of the year. However, domestic politics remained tense as political forces, even within the governing coalition, struggled for control over state institutions.

In accordance with instructions from the Council of European Union from December 2011,[1] the European Commission (EC) published a progress report on Montenegro in the spring, confirming the country's progress in strengthening the rule of law and fundamental rights, anticorruption, and organized crime.[2] With the green light from the EC, the European Council endorsed the opening of accession negotiations on 29 June 2012. By February, the government had set up a negotiation structure that incorporated representatives from various civil society organizations.

During the second half of 2012, Montenegrin and EU authorities screened Montenegro's legislation for compatibility with EU standards. The process integrated a new approach for improving laws regulating the judiciary and fundamental rights as well as justice, freedom, and security that focused on the rule of law and provided substantial guidance for ensuring the permanence of the reforms.[3] Montenegrin authorities formed working groups to examine the remaining 18 areas subject to the screening process, which is expected to be completed in mid-2013. The conclusions of the EC's October Progress Report confirmed Montenegro's continued positive trajectory, but noted a lack of results in tackling high-level corruption and organized crime, despite the adoption of improved legislation in these areas.[4] Although Montenegro made formal advancements towards EU membership in 2012, its bid for NATO membership at the Chicago Summit in May was unsuccessful. However, the heads of NATO member states and governments positively recognized the country's progress towards entry into the alliance.

During 2012, the government pushed through several reforms that were recommended for the country's continued progress towards EU accession. In December, the government began reforming the public sector with the adoption of legislation in accordance with the Action Plan for Implementation of the Law on Civil Servants and State Employees that will come into force in January 2013.[5] Acting upon recommendations from the European Union, the government drafted a document on Optimization of the Size and Structure of Public Administration and submitted it to the EC for review. The parliament took steps towards harmonizing

legislation on access to information with international standards by adopting a new law on free access to information in July. The parliament also approved draft amendments to the laws on classified information and protection of personal data that will introduce bilateral agreements with the country's neighbor for enhancing regional information security.[6] Some members of parliament pushed for the adoption of another set of amendments to the Law on Classified Information granting members of parliamentary inquiry committees access to classified data.

Montenegro began actively participating in the Open Government Partnership by adopting an action plan for its implementation in April that was drafted with input from prominent civil society organizations. Although a number of the plan's activities have yet to commence, the government successfully launched a platform allowing citizens to submit e-petitions in October, boasting that the option would improve direct communication between state institutions and citizens.[7] However, civil society groups ctiticized the threshold of 6,000 signatures required for the e-petitions as excessive, especially considering Montenegro's relatively small number of internet users.[8]

While the country's international relations developed positively in 2012, domestic politics remained contentious with political parties, even within the coalition, struggling for control over state institutions. The Democratic Party of Socialists (DPS) attempted to uproot the presence of the Social Democratic Party (SDP) by placing its representatives in several high positions in the government, despite their lack of relevant professional experience. In March, Minister of Defense Boro Vučinić from the DPS was appointed the new head of the National Security Agency and was replaced by the former Montenegrin ambassador to France and telecommunications specialist Milica Pejanović-Đurišić, also a member of the DPS.[9] The controversy surrounding the attempts to appoint the former director of the customs administration and DPS member Božidar Vuksanović as director of police in late 2011 was finally resolved in July when a new law on interior affairs changed the requirements for the position to fit his background.[10] The Administrative Court twice annulled the decision to appoint Vuksanović based the fact that he had no prior experience in the police department. After the adoption of the new requirements, Vuksanović was finally appointed. The DPS believe the police should remain an independent body, whereas the SDP would like to see it return under the aegis of the Ministry of Interior, which is headed by one of their own officials, the vice president of the SDP, Ivan Brajović.

Tensions between the opposition and the parliamentary majority spiked early in the year when a parliamentary inquiry committee, headed by the opposition MP Andrija Mandić,[11] was tasked with investigating allegations of corruption concerning the privatization of the country's national telecommunications company, Telekom Montenegro.[12] The inquiry was called after the US Security and Exchange Commission alleged in December 2011 that the former executives of Hungary's Magyar Telekom company had paid more than €7 million in bribes to Montenegrin officials and their relatives in order to acquire the Telekom Montenegro in 2005.[13] The committee undertook a thorough investigation of former heads of the telecom

company and current and former government officials, including former prime minister and long-time head of the ruling DPS, Milo Đukanović. However, the committee failed to submit a report of its conclusions to the parliament by the October deadline because its members could not reach a consensus. Members of the opposition suspected Đukanović and his relatives of criminal liability,[14] which the ruling majority denied. In July, the parliament adopted a law setting new rules for the establishment and functioning of parliamentary inquiries and strengthening their role as an oversight tool.[15] Previously, provisions for launching inquiries were regulated by the constitution and rarely applied due to a lack of political will.

Electoral Process

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
3.50	3.25	3.50	3.50	3.25	3.25	3.25	3.25	3.25	3.25

Montenegro has had a multiparty political system since 1990, with one dominant party, the DPS, holding power for 23 consecutive years. The 2007 Constitution and the 2011 Law on the Election of Representatives and Councilors guarantee universal suffrage, with votes cast by secret ballot under a proportional system. Under the current election legislation, passed in September 2011 after a four-year delay, parliamentary seats are awarded based on candidates' order on electoral lists. Women must comprise 30 percent of the candidate lists.[16]

The Law on Political Parties makes it fairly easy for parties to register, requiring just 200 voter signatures. Judicial officials, civil servants charged with protecting human rights and freedoms, and police and military personnel may not establish a political party. Amendments to the Law on Political Party Financing took force in January 2012, but the legislation remains insufficient, especially as regards financial reporting.[17]

On 14 October 2012, Montenegro held early parliamentary elections—pushed up from spring 2013 so the government could begin EU accession talks with a fresh mandate. Early local elections were held in three municipalities: Nikšić, Budva and Kotor. (Two municipalities held regular local elections in April). Voters could choose among 13 parliamentary lists, with a total of 841 candidates, 264 of whom were women. Eight of these lists made it into the 81-seat parliament. Voter turnout was 69.6 percent.

The DPS and its allies—the SDP and Liberal Party (LPCG)—won with a simple majority of 46 percent, or 39 seats. The opposition Democratic Front, comprising the reform-minded Movement for Changes and NOVA, took 20 seats, followed by the Socialist People's Party with 9, Positive Montenegro with 7, and the Bosniak Party (BS) with 3. The Croat Citizens' Initiative (HGI) and two Albanian parties won 1 seat each. In order to form a government, the main ruling parties were forced to form a coalition with BS and HGI.

The polls were monitored by the OSCE Office for Democratic Institutions for Human Rights (OSCE/ODIHR), the OSCE Parliamentary Assembly (OSCE

PA), and the Parliamentary Assembly of the Council of Europe (PACE), as well as more than 1,200 local observers working at over 90 percent of polling stations. In a joint statement, the international observation mission said the elections "took place in a peaceful and pluralistic environment with respect for fundamental rights and further consolidating the conduct of democratic elections in line with OSCE commitments and CoE standards."[18] However, it noted several shortcomings, including weak campaign finance oversight and misuse of public resources.

Problems with updates to the electoral roll and voter registration were also reported, including the prevalence of ballots apparently cast by deceased ("ghost") voters.[19] The ministries of interior and information dismissed these concerns, but the international observation mission called for a better voter registration system to accurately identify deceased voters and protect personal data. It noted that the public still lacks confidence in the integrity of voter lists.

The 2012 campaign season was among the shortest ever, and the tone of campaigning was intensely negative. National identity issues dominated, as the ruling parties sought to avoid discussion of the government's work and the serious problems facing the citizenry, including 19 percent unemployment. Media covered the candidates closely, and the public broadcaster RTCG held a series of candidate debates. Political advertising on RTCG was free, while private television charged and produced additional campaign coverage.

Despite the existence of 4–6 effective political parties in Montenegro, the DPS remains overwhelming dominant. Its leader, Milo Đukanović, has held the presidency once and was elected to a seventh term as prime minister on 4 December 2012. While the DPS lost an absolute majority in the elections, it managed to form a governing coalition with several parties representing ethnic minorities.[20]

The DPS's longstanding dominance has become self-perpetuating, as the party controls all state institutions with large staffs, allowing it to exert pressure in the preelection period by offering or threatening job security in exchange for loyalty in the elections.[21] The ruling party routinely abuses public resources to promote itself and denigrate opponents while promising various permits, business licenses, and patronage positions during elections. Montenegro's next presidential election is scheduled for spring 2013, when the opposition will try to capitalize on its growing support.[22]

Civil Society

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
2.75	2.50	3.00	3.00	2.75	2.75	2.75	2.75	2.75	2.75

The laws on nongovernmental organizations (NGOs) and trade union representativeness, as well as related legislation, provide a solid framework for the independent registration and operation of these groups. Most Montenegrin NGOs are small, with underdeveloped organizational structures and insufficient human

resources. However, at the national level there is a small but influential core of well-established NGOs working on human rights, good governance, European integration and the needs of marginalized groups. These larger organizations rely on foreign funds, mostly from the EU, whereas the smaller groups depend on inconsistent and often insufficient public funding. There are two main national trade unions in Montenegro.

In its October report, the EC noted progress on freedom of association and assembly, and improved cooperation between public administration and civil society. NGOs participate in several government advisory bodies and the Open Government Initiative. In February, a government decree on conducting public debates took force. It gave CSOs an explicit, participative role in debates on draft legislation and strategic documents. Also in February, a separate decree establishing procedures for cooperation between public administration and NGOs took force. As a result, 38 members of NGOs were appointed in transparent and competitive selection processes to 30 working groups in the first nine months of 2012. The government also formed a joint working group with NGOs to draft the 2013–15 Strategy for Development of the NGO sector, a process led by the Ministry of Interior.

However, cooperation between state institutions and civil society is uneven, often hinging on the leadership in the respective ministries. The Centre for Development of NGOs (CRNVO), which monitored implementation of the decrees, noted that only 3 out of 16 ministries have published lists of the legislation open for consultations with NGOs, which generally have limited access to information and documents. The CRNVO also noted that only 15 out of 51 state bodies have published on their websites the contact details of NGO liaison officers who were formally appointed in 2006.[23]

While the state's Council for Cooperation between the Government and NGOs met twice in 2012 to discuss problems implementing related legislation and reports, former Prime Minister Lukšić held fewer consultations with leading civic groups than in 2011. In fact, the most visible communication between the political leadership and an NGO in 2012 was a confrontation between Lukšić and MANS, a high-profile anti-corruption watchdog that co-organized the aforementioned protests. As a result, the government began describing MANS as political and, during the campaign season, as "part of the opposition."

By mid-August 2012, registered NGOs were required to align their internal statutes with the 2011 Law on NGOs in order to enhance internal democratic governance. This process also helped clarify the number of active NGOs in Montenegro because groups were forced to re-register with the government. While the Ministry of Interior was still processing registrations at year's end, the final figure will probably be around 2,000, well below the 6,500 previously registered NGOs, most of which exist only on paper.

Financing—and especially access to public funds—remained a key problem for civil society in 2012. Throughout the year, the government discussed implementation of public funding provisions in the Law on NGOs through the creation of a single,

centralized government fund. Bylaws establishing application criteria for NGOs wishing to receive money from the centralized fund were still under discussion at year's end. Meanwhile, the parliamentary committee responsible for NGO financing did not publish a call for proposals—as a result, €200,000 in earmarked funds went undistributed during the year.[24] Lottery distributions remained the primary public funding source for NGOs in 2012, despite the fact that these funds dropped from €4.5 million in 2010 and 2011 to €2.4 million in 2012.[25]

According to a November poll, public confidence in NGOs is improving. Most citizens have confidence in NGOs, with the number of those with a negative opinion down since a 2008 survey.[26]

Independent Media

2004	2005	2006	2007	2008	2009	2010	2011	2012	[illegible]
3.25	3.25	3.25	3.50	3.75	3.75	4.00	4.25	4.25	4.25

The constitution and other legislation harmonized with European standards guarantee freedom of the press, and libel was decriminalized in July 2011. In practice, however, journalists face frequent harassment and even physical attacks. Olivera Lakić, a reporter for the daily *Vijesti*, was assaulted in March 2012 after nearly a year of threats following her exposé on collusion between public officials and a company allegedly engaged in the production of counterfeit cigarettes.[27] On 20 June 2012, a man was sentenced to nine months in prison for the attack, but Lakić remained under police protection. Two journalists from the dailies *Dan* and *Vijesti* were also attacked during the election campaign.[28]

Montenegro has 14 local public broadcasting services, a national public broadcasting television service (RTCG), and 40 private radio stations. There are 3 local and 30 private television stations.[29] Additionally, there are 5 daily newspapers, one news agency, and several online news portals. Given Montenegro's relatively small population, media penetration is high. *Vijesti* is the country's largest media conglomerate with a daily newspaper, online news portal, and radio and television stations.

Media owned or financially supported by the state serve as mouthpieces for the ruling parties. Consequently, the government supports these media, in addition to several private outlets considered friendly, by buying advertising. NGOs have called for the establishment of objective criteria for spending public money in the media.[30]

The media environment is generally immature, and professional standards are still underdeveloped. While the public broadcaster has become more open to a range of opinions and viewpoints, private media are influenced by their owners' corporate interests, politics, and audiences. Reporting is increasingly sensational. Dailies such as state-owned *Pobjeda* publish medical, financial, and other personal data and defame private citizens.[31] In a positive development, three self-regulatory bodies for journalists were formed in 2012 after years of failed attempts despite EU

requirements. They are the Media Council for Self-regulation, the Self-regulatory Council for Local and Periodical Press, and the Press Council.[32]

During the election campaign a Parliamentary Board of 10 legislators from various political parties was established to monitor media reporting, but it had little authority.[33] As the public broadcaster, the RTCG had to give equal airtime to the candidates, but in general the debates, interviews, and other election coverage on private television were superior.

Internet use is increasing. Fifty-five percent of households had internet access in 2012,[34] compared to 44.1 percent in 201.[35] Online media are becoming more important as a result. The online portals Vijesti, Analitika, and Café del Montenegro are among the most popular nationally. Moreover, social media increasingly influence public opinion because they are considered to be inclusive and more transparent than traditional outlets. At the same time, social media risk becoming channels for hate speech and discrimination, especially when anonymous comments are directed at marginalized groups or individuals, particularly from the LGBT (lesbian, gay, bisexual, transgender) community. This is also an issue in legacy media, but editorial boards have refused to accept responsibility for the content of comment sections despite regional and European legal precedent that media must curate comments, which have become an integral part of reporting published online.

Local Democratic Governance

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
n/a	3.50	3.50	3.25	3.25	3.25	3.25	3.25	3.25	3.25

The constitution and 2003 Law on Local Government define the foundations of the local government system. Local government comprises 21 municipalities, including the capital city of Podgorica, two city municipalities, and the historic royal capital of Cetinje.

Bigger municipalities such as Podgorica have significantly larger budgets than their smaller counterparts. To increase funding for poorer municipalities, an Equalization Fund was created, distributing more than €16 million to 13 municipalities in the first nine months of 2012. However, most cities and towns continue to struggle amid the global economic downturn, weak investment, poor financial management, and bad governance. Legislative changes in 2010 stipulating that 70 percent of concessions income should go to local instead of national budgets did not benefit local governments as expected. While some coastal municipalities benefited from revenue from tourism and related investment, in 2012 most municipalities, including Podgorica, were in the red at year's end.

During the year, municipalities were invited to sign a financial restructuring agreement in which the government agreed to co-fund the retirement of surplus workforce. The few municipalities that signed the agreement significantly reduced

employee numbers, which, in the medium term, is expected to trim employment budgets and increase productivity in local administrations. In its October report, the EC said local governments need to be streamlined.

Local parliaments are largely inactive, perform little oversight, and most lack their own premises—some even meet in hotels or restaurants. The state-level government calls decentralization a priority, but related policy changes haven't followed. Nevertheless, some progress was made on local self-governance in 2012. In June, the state-level government adopted an analysis of the functioning of local self-government and, a month later, approved legislative changes including a requirement that local governments publish all contracts with individuals and legal entities on their websites. While implementation is thus far weak, these changes represent a stride to improve local governance and transparency.

Informal settlements—houses built by private citizens on municipal and state lands without legal permission—remain an important concern for local government, and a related draft law was under parliamentary review at year's end. According to some estimates, informal settlements comprise one-third of all construction in Montenegro. Changes to the Law on State Property in 2009 require local governments to gain the permission of the Ministry of Finance before selling their own property, sometimes causing conflicts such as the ongoing dispute between the ministry and the mayor of Podgorica.

The State Audit Institution lacks the capacity to perform thorough and regular audits of local governments and local enterprises. As a result, many irregularities slip through. In a 2012 audit of Bar, a coastal municipality, the institution found violations of the Law on Public Procurement, significant arrears on taxes and civil servant salaries, bookkeeping and accounting problems, and omissions in municipal asset records.

Following the introduction of the 2011 Law on Territorial Organization, a referendum was held in 2012 for a new municipality in Petnjica, a remote part of northern Montenegro, with an ethnic Bosniak (Bosnian Muslim) majority. Despite a low turnout, most voters supported the new municipality, and, on the eve of the October elections, the government backed the initiative—the first attempt to use the new legislation to add municipalities.

As at the national level, local elections are held according to a proportional system, with a municipality as a single electoral unit. In April 2012, regular elections were held for local parliaments in the municipalities of Herceg Novi and Tivat. Opposition parties accused the DPS of buying votes, and there were indeed reports of citizens approached to sell their votes in Herceg Novi. Following a police investigation, in June a Herceg Novi court convicted several suspects for "violation of the freedom of vote."

Nikšić, Budva, and Kotor held local elections alongside the early parliamentary polls in October. In Tivat, the DPS-SDP government held onto power, as did NOVA, the Movement for Changes, and the Socialist Peoples' Party (SNP). A DPS-SDP government also held on in Budva. In Nikšić, Montenegro's second-largest city, a new coalition nearly formed between Positive Montenegro, the SNP,

and the Democratic Front. However, a local Positive Montenegro official voted for a DPS candidate over the joint candidate proposed by the three parties, and no coalition agreement had been reached by year's end. In Kotor, most votes (almost 33 percent) went to the DPS, followed by the SDP (11 percent).

Judicial Framework and Independence

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
4.25	4.25	4.25	4.25	4.00	4.25	4.00	4.00	4.00	4.00

Judicial appointments in Montenegro are permanent, and judges enjoy functional immunity under the constitution. The Supreme Court is the highest judicial authority, and parliament appoints its president. The current president is a former supreme state prosecutor, an appointment widely perceived as a conflict of interest.

Judges and presidents of courts are appointed and dismissed by the Judicial Council, comprising a president and nine members. The Supreme Court president also presides over the Judicial Council, comprising four judges, one ruling and one opposition parliamentarian, two prominent lawyers, and the minister of justice. Under the constitution, the state prosecutor is a unique and independent public authority charged with prosecuting criminal and other punishable acts. The state prosecutor and his or her deputies are parliamentary appointees.

In 2012, implementation continued on 2011 amendments to legislation on the courts and state prosecutor's office intended to enhance independence, impartiality, and professionalism. The Judicial Council and Prosecutorial Council adopted rules for procedure that outline their organization structure, among other issues, and the new councils were appointed in June and July, respectively. The first written tests for judges were also held during the year. However, judges are still not appointed in a fair and unbiased manner, and many lack adequate training before assuming the bench, according to the EC.[36] Montenegrin NGO Human Rights Action argues, meanwhile, that "Decisions on the appointment of judges are poorly reasoned, and do not include the Council's method of weighing different criteria or the explanation on why the Council appointed a certain candidate." It added that seven judges with inferior evaluation scores—relative to their competitors—have been appointed or promoted without explanation.[37]

With no judicial budget to house judges, accommodation is funded on a case-by-case basis through loans from a government commission, deepening the dependence of the judiciary on the executive. Meanwhile, the entire judicial budget is centralized within the Supreme Court president's office, undermining the autonomy and accountability of basic, higher, and other courts.

Regarding accountability, some progress was made in 2012, with the rulings of the Administrative Court and Appellate Court made available to the public. Ethics and disciplinary commissions were also appointed. However, much work is to be done on monitoring corruption and conflict of interest in the judiciary

and strengthening the disciplinary system, according to the EC's October report.[38] Meanwhile, the Administrative Court, while long a pillar of the judiciary, is relatively weak regarding public administration. With many of its verdicts ignored by state bodies, citizens and companies often simply abandon complaints, to the detriment of rule of law.

The Constitutional Court has seven members appointed by a simple parliamentary majority. It lacks independence and is notorious for lengthy proceedings and delays in controversial judgments. The same can be said of the state prosecutor's office, which despite extraordinary media attention took months to file a request for information from the U.S. Department of Justice on corruption allegations in the Telekom privatization. Many observers considered the delay a deliberate obstruction of the investigation and parallel parliamentary inquiry, as DPS leader Đukanović is implicated in the case.

In general, efficiency is problematic. Montenegro has among the most first instance courts, judges, prosecutors, and administrative personnel per capita in Europe. The budget for the judiciary and prosecution in 2012 was €24.9 million, or 7.5 percent of GDP, most going to the salaries of judges and administrative staff, with little money left for infrastructure and equipment upgrades to improve efficiency.[39] In 2012, the case backlog fell roughly 4 percent but remains high. Public confidence in the judiciary is at its lowest level in two years, according to a September 2012 poll.[40]

Four war crimes trials continued in 2012. In each case, only subordinates, not commanders, were indicted. In January, two former Yugoslav People's Army officers charged with crimes against prisoners-of-war and civilians at the Morinj detention camp in 1991–92 were acquitted in a retrial of a 2011 conviction. Four other defendants received 12 years in prison, but an appeals court overturned the verdict in July and ordered a retrial. In November, a court acquitted the defendants in a case regarding the deportation of Bosnian refugees in 1992, but the prosecution appealed.[41] The so-called Kaluđerski Laz case involving the murder of 21 ethnic Albanians who fled to Montenegro during the 1998–99 conflict in Kosovo progressed in 2012 but, with the presiding judge retiring in October, a retrial is required under the Law on Criminal Procedure. The only war crimes trial that was concluded in 2012 was the so-called Bukovica case. In April, an appeals court ruled that the suspects could not be held criminally liable for inhumane treatment of Bosniaks in Bukovica in 1992–93 because the international legal instruments against "crimes against humanity" had not been ratified by the Federal Republic of Yugoslavia at the time. In several trials, the defense said judgments were rendered on insufficient evidence and often under political pressure. Many observers doubt the judiciary has the capacity to resolve these war crimes cases.

Corruption

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
5.25	5.25	5.25	5.50	5.25	5.00	5.00	5.00	5.00	5.00

Graft and misconduct remain widespread in Montenegro. Police and supervisory bodies lack independence and are underfunded.[42] Interagency cooperation, especially between the police and prosecution, is also inadequate.

Due to weak political will, there is a poor track record of investigations, prosecutions, and convictions in high-level corruption cases, despite significant financial investments from the EU, U.S., and state budget. There are ongoing investigations and indictments against the directors of public companies, judges, and police and custom officers, but final verdicts take too long to reach and rarely reinforce the public's trust in authorities' commitment to fight corruption. At least five high-level corruption cases during the year ended with financial settlements, including a case against the major of Ulcinj, Gzim Hajdinaga, and alleged drug lord Naser Keljmendi.

Nevertheless, some of the year's anticorruption efforts bore fruit. The legal framework has been strengthened, especially protections for whistleblowers. Scheduled to take force in 2013 after amendments in July 2012, the Law on Free Access to Information (FAI) will expand publicly available information to include the salaries of public officials, the contracts of state-owned companies, and various legislation and government documents. While data and personal privacy laws limit the scope of the FAI, the amendments reflect an understanding on the government's part that it serves the public interest to publish information that could reveal corruption, the misuse of public resources, or threats to public safety, health, and the environment.[43]

In June, the Law on Custody of Seized and Confiscated Property was amended to define how seizures are managed, but there have been no relevant corruption cases thus far. Within the judiciary, the government has introduced various anticorruption efforts, from training on the implementation of the new Criminal Code and bolstering the administrative capacities of the Disciplinary Commission to pursuing complaints of judicial misconduct. Other pressing issues requiring attention include the introduction of effective mechanisms to evaluate data on the assets of prosecutors and judges.[44] Regulations must also be introduced to address the problem of nepotism within the judicial system.

Following the enforcement of March amendments to the Law on Conflict of Interest, 36 parliamentarians resigned from the boards of state-owned companies, and 16 stepped down from executive positions. The asset declarations of civil servants are still not being adequately reviewed because the Commission for the Prevention of the Conflict of Interest lacks both the investigative mandate and sufficient staff. In Montenegro, approximately 31 percent of the workforce is state-employed, and patronage is a concern—especially during elections—because most positions are advertised internally.[45]

NGOs and other civic groups are very active and influential in raising awareness on corruption, proposing anti-corruption measures, and identifying problematic cases in spatial planning, public procurement, and education, a field several prominent NGOs say is prone to corruption and political entanglement, with little response by relevant authorities. Citizens perceive corruption as widespread but rarely report cases out of fear of reprisal.

▮ AUTHORS: DALIBORKA ULJAREVIĆ AND STEVO MUK

Daliborka Uljarević is a political scientist with extensive experience working with international organizations, media, and NGOs in Montenegro. She is the executive director of the Centre for Civic Education in Podgorica. Stevo Muk is a lawyer with a long track-record of work in Montenegro's civil sector. He is president of the managing board of the Institute Alternative.

---

1 European Council, *Conclusions—9 December 2011* (Brussels: European Council, 25 January 2012), http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/en/ec/126714.pdf.

2 European Council, *Conclusions—28/29 June 2012* (Brussels: European Council, 29 June 2012), http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/en/ec/131388.pdf #page=5.

3 European Commission (EC), *Montenegro 2012 Progress Report Accompanying the Document Communication from the Commission to the European Parliament and Council, Enlargement Strategy and Main Challenges 2012–2013* (Brussels: EC, October 2012), http://ec.europa.eu/enlargement/pdf/key_documents/2012/package/mn_rapport_2012_en.pdf.

4 Ibid.

5 Montenegro Ministry of Foreign Affairs and European Integration "Contribution to the European commission's Spring Report on Fulfillment of Seven Key Priorities," 1 September 2011–1 March 2012, http://www.mip.gov.me/en/images/stories/EI_download/08_III_12_CONTRIBUTION_TO_THE_SPRING_REPORT_fin.pdf.

6 Linda Karadaku, "Agreements on classified information enhance regional security," 21 November 2012, http://www.setimes.com/cocoon/setimes/xhtml/en_GB/features/setimes/features/2012/11/21/feature-02.

7 Government of Montenegro, "Government of Montenegro launches e-petitions platform aimed at involving citizens in decision-making," press release, January 2012, http://www.gov.me/en/search/117011/Government-of-Montenegro-launches-e-petitions-platform-aimed-at-involving-citizens-in-decision-making.html.

8 Dejan Georgievski, "Civic Alliance Demands Improvements of e-Petitions Project," Oneworldsee.org, 1 November 2012, http://oneworldsee.org/content/civic-alliance-demands-from-montenegro-government-improvements-of-e-petitions-platform.

9 Chronicled on the website of Montenegro's Ministry of Defense: http://www.mod.gov.me/en/ministry/minister.

10 The Law on Internal Affairs was adopted in order to harmonize regulations in this area with the newly adopted Criminal Procedure Code and Law on State Administration as well as approximation of its provisions with the standards of the EU and the Council of Europe.

11 Leader of the New Serbian Democracy (NOVA) party.

12 Drazen Remikovic, "Corrupt Telekom sale shakes Montenegro years later," SETimes, 16 January 2012, http://www.setimes.com/cocoon/setimes/xhtml/en_GB/features/setimes/features/2012/01/16/feature-02.

13 "Bad Signal," *The Economist*, 10 August 2010, http://www.economist.com/blogs/easternapproaches/2010/08/magyar_telekom.

14 Predrag Milic, "Montenegro's ruling coalition expected to win vote," *The San Diego Union-Tribune*, 14 October 2012, http://www.utsandiego.com/news/2012/oct/14/montenegros-ruling-coalition-expected-to-win-vote/all/?print.

15 Institute Alternativa, "Parliamentary Inquiry in Montenegro: Oversight Tool Lacking Political Support," 4 October 2012, http://institut-alternativa.org/parlamentarne-istrage-u-crnoj-gori-kontrolni-mehanizam-bez-politicke-podrske/?lang=en.

16 EC, *Montenegro 2012 Progress Report*.

17 *Zakon o Izmjenama i dopunama Zakona o finansiranju politickih partija* [Amendments to the Law on the Financing of Political Parties] (Podgorica: Assembly of Montenegro), http://www.skupstina.me/cms/site_data/DOC24/737/737.pdf.

18 Organization for Security and Cooperation in Europe (OSCE), *International Election Observation: Montenegro—Early Parliamentary Elections, 14 October 2012* (Podgorica: OSCE, 15 October 2012), http://www.osce.org/odihr/elections/96396.

19 "Na birackom spisku sest hiljada umrlih" [On the electoral roll are six thousand deceased], *Vijesti*, 24 September 2012, http://www.vijesti.me/izbori-2012/na-birackom-spisku-sest-hiljada-umrlih-clanak-92977.

20 Some of these minority parties were previous coalition members and ran in the 2012 elections independently, including the Bosniak Party and Croatian Civic Initiaive.

21 "BJR: Zarade, zaposleni i fond zarada po delatnostima XII 2011" [BJR: Salaries, employment and income fund by activities XII 2011], *Makroekonomija*, 8 March 2012, http://www.makroekonomija.org/zaposlenost-nezaposlenost-zarade-fond-zarada/bjr-zarade-zaposleni-i-fond-zarada-po-delatnostima-xii-2011/.

22 "Rezultati izbora po opštinama" [Election results by municipality], CDM.me, 16 October 2012, http://www.cdm.me/politika/izbori-2012/rezultati-izbora-po-opstinama.

23 Center for NGO Development (CRNVO), *Izvjestaji o saradnji NVO i organa drzavne uprave* [Reports on the collaboration of NGOs and the government] (Podgorica: CRNVO, 5 October 2012), http://www.crnvo.me/index.php/vijesti/crnvo-vijesti/7889-izvjetaji-o-saradnji-nvo-i-organa-dravne-uprave.

24 CRNVO, *Finansiranje nevladinih organizacija iz javnih fondova* [Funding of NGOs from public funds] (Podgorica: CRNVO, 2012).

25 Ibid.

26 Technical Assistance for Civil Society Organizations (TACSO), *Stavovi Gradana Crne Gore o Nevladinim Organizacijama* [The Attitudes of Citizens of Montenegro toward NGOs] (Podgorica: TACSO), http://www.tacso.org/doc/Stavovi%20gradjana%20Crne%20Gore%20o%20nevladinim%20organizacijama.pdf.

27 Dimitrije Jovicevic, "Napad na novinarku 'Vijesti' prijetnja slobodi medija" [Attack on a "Vijesti" journalist a threat to press freedom], Radio Slobodna Evropa, 8 March 2013, http://www.slobodnaevropa.org/content/napad_na_novinarku_vijesti_opasan_udarac_na_bezbjednost/24509257.html.

28 "Napadnuti novinari 'Vijesti' i 'Dana'" [Journalists of "Vijesti" and "Dan" attacked], *Dan Online*, 5 October 2012, http://www.dan.co.me/?nivo=3&rubrika=Vijest%20dana&datum=2012-10-05&clanak=350322.

29 Listed on the website of the Agency for Electronic Media of Montenegro: http://www.ardcg.org/index.php?option=com_sobi2&Itemid=84.

30 Centar za Građansko Obrazovanje (CGO), *Odgovornost i transparentnost vlasti : Koliko i kome poreski obveznici placaju reklamiranje?* [Accountability and transparency in government: How much and which tax do taxpayers pay for advertising?] (Podgorica: CGO, 2012), http://www.cgo-cce.org/saopstenja/2012/Institucije%20i%20mediji%2019042012.pdf.

31 "Kusovac: Lekicu, podrzavate li prijetnje novinarima?" [Kusovac, Lekic, supporting threats to journalists?], *Pobedja*, 28 August 2012, http://www.pobjeda.me/2012/08/28/kusovac-lekicu-podrzavate-li-prijetnje-novinarima/. For example: "Mrtvu bebu našli u kesi" [Dead baby found in a bag], *Pobjeda*, 11 September 2012, http://www.dan.co.me/?nivo=3&datum=2012-09-11&rubrika=Vijest%20dana&najdatum=2012-09-11&clanak=347181&naslov=Mrtvu%20bebu%20na%B9li%20u%20kesi.

32 "Osnovan saviet za štampu" [Tip found for the press], *Vijesti*, 28 May 2012, http://www.vijesti.me/vijesti/osnovan-savjet-stampu-clanak-75612.

33 Centar za Građansko Obrazovanje (CGO), *Odgovornost i transparentnost vlasti : Koliko i kome poreski obveznici placaju reklamiranje?* [Accountability and transparency in government: How much and which tax do taxpayers pay for advertising?] (Podgorica: CGO, 2012), http://cgo-cce.org/en/programi/demokratija/mediji-i-demokratija/#.UhUdHRajC8U

34 "Formiran Odbor za praćenje medija u predizbornoj kampanji" [Committee formed to monitor the media in the election campaign], *Vijesti*, 26 July 2012, http://www.vijesti.me/vijesti/formiran-odbor-pracenje-medija-predizbornoj-kampanji-clanak-84579.

35 According to the International Telecommunications Union (ITU): http://www.internetworldstats.com/euro/me.htm.

36 EC, *Montenegro 2012 Progress Report.*

37 Human Rights Action (HRA), *Judicial Council of Montenegro Analysis of Operation 2008–2012* (Podgorica: HRA, 2012), http://www.hraction.org/wp-content/uploads/JC_OPERATION_ANALYSIS_EN.pdf.

38 EC, *Montenegro 2012 Progress Report.*

39 Ibid.

40 Center for Democracy and Human Rights (CEDEM), *Political Public Opinion Poll* (Podgorica: CEDEM, September 2012), http://www.cedem.me/en/programmes/empirical-research/political-public-opinion/viewdownload/42-political-public-opinion/347-political-public-opinion-september-2012.html.

41 Six former Montenegrin police officers were indicted in February 2006 for the enforced disappearance of 83 Bosnian civilians in 1992 from the territory of Montenegro.

42 EC, *Montenegro 2012 Progress Report.*

43 Regarding the scope of the FAI, it will no longer be possible to obtain information on the beneficiaries of ad hoc social aid by the governmental commission, aid that was often misused to gain support during elections. Also, information on the work of state institutions in the field of security, defense, foreign, economic, and monetary policy will be restricted.

44 "Carinik i biznismen, a zvanično živi od 150 eura" [Tax collector and businessman, was officially living on 150 euros], *Vijesti*, 8 November 2012, http://www.vijesti.me/vijesti/carinik-biznismen-a-zvanicno-zivi-150-eura-clanak-99498.

45 "BJR: Zarade, zaposleni i fond zarada po delatnostima XII 2011" [BJR: Salaries, employment and income fund by activities XII 2011], *Makroekonomija*, 8 March 2012, http://www.makroekonomija.org/zaposlenost-nezaposlenost-zarade-fond-zarada/bjr-zarade-zaposleni-i-fond-zarada-po-delatnostima-xii-2011/.

Poland

by Natalia Letki and Maciej A. Górecki

Capital: Warsaw
Population: 38.5 million
GNI/capita, PPP: US$20,260

Source: The data above are drawn from the World Bank's *World Development Indicators 2013.*

Nations in Transit Ratings and Averaged Scores

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Electoral Process	1.50	1.75	1.75	2.00	2.00	2.00	1.75	1.50	1.25	1.25
Civil Society	1.25	1.25	1.25	1.50	1.25	1.50	1.50	1.50	1.50	1.50
Independent Media	1.75	1.50	1.75	2.25	2.25	2.00	2.25	2.25	2.25	2.50
Governance*	2.00	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
National Democratic Governance	n/a	2.50	2.75	3.25	3.50	3.25	3.25	2.75	2.50	2.50
Local Democratic Governance	n/a	2.00	2.00	2.25	2.25	2.00	1.75	1.75	1.75	1.75
Judicial Framework and Independence	1.50	2.00	2.25	2.25	2.50	2.25	2.50	2.50	2.50	2.50
Corruption	2.50	3.00	3.25	3.00	3.00	2.75	3.25	3.25	3.25	3.25
Democracy Score	1.75	2.00	2.14	2.36	2.39	2.25	2.32	2.21	2.14	2.18

** Starting with the 2005 edition, Freedom House introduced separate analysis and ratings for national democratic governance and local democratic governance to provide readers with more detailed and nuanced analysis of these two important subjects.*

NOTE: The ratings reflect the consensus of Freedom House, its academic advisers, and the author(s) of this report. The opinions expressed in this report are those of the author(s). The ratings are based on a scale of 1 to 7, with 1 representing the highest level of democratic progress and 7 the lowest. The Democracy Score is an average of ratings for the categories tracked in a given year.

Executive Summary

A series of political controversies and scandals contributed to growing dissatisfaction with Polish political leadership and institutions in 2012. In January, the right-wing Catholic television station TRWAM was denied a digital broadcasting license in what appeared to be a politically motivated decision by the National Council of Radio and Television (KRRiTV). Video footage released in July captured a conversation between a leading member of the ruling coalition's Polish People's Party (PSL) and the former head of the governmental Agriculture Market Agency (ARR), implicating the PSL-dominated ARR in offenses ranging from nepotism to mismanagement of the state-owned enterprises it oversees. The collapse of quasi-bank Amber Gold in August shook public confidence in the financial services industry and the institutions supposed to police it. In the fall, media revealed data on the surprising scale of surveillance activities by government agencies. Changes to the Law on Public Assembly in October and an aborted change to the Law on Access to Public Information were criticized for infringing upon civil liberties. In September, a website creator was sentenced under Article 135.2 of the criminal code, which penalizes defamation of the president.

National Democratic Governance. Changes to the Law on Access to Public Information—including a controversial provision granting state bodies the right to withhold information when protecting "important state interests"—were struck down by the Constitutional Tribunal in April, on procedural grounds. Data unveiled during the year showed that surveillance of citizens and collection of sensitive information has increased in recent years. In October, Prime Minister Donald Tusk won a parliamentary vote of confidence he himself had requested in order to slap down criticism of the way he has handled Poland's slowing economy. *Poland's national democratic governance rating remains unchanged at 2.50.*

Electoral Process. The next elections in Poland will be local elections and elections to the European Parliament in 2014. No changes to electoral legislation were made during the year. *Poland's electoral process rating remains unchanged at 1.25.*

Civil Society. In the name of forestalling violent clashes between competing demonstrations, the government passed an amendment to the Law on Public Assembly in October. Some nongovernmental organizations criticized the law for potentially hampering spontaneous political demonstrations. Overall, Polish citizenry and the nongovernmental sector remained extremely active in 2012, pushing back against perceived threats to their civil liberties and influencing policy decisions at the local and national levels. *Poland's civil society rating remains unchanged at 1.50.*

Independent Media. Polish news media are free and diverse, but operate under a legal framework that limits several forms of free expression. Political partisanship is a major feature of the media landscape, and was evident throughout 2012 in the actions of news outlets and media regulating bodies. In January, the right-wing Catholic television station TRWAM was denied a digital broadcasting license in what appeared to be a politically motivated decision by the National Council of Radio and Television (KRRiTV). In September, a website creator received a first-instance sentence under Article 135.2 penalizing the defamation of the president. In October, Poland's Constitutional Court ruled that a person may be found guilty of offending religious sensibilities, even if the defendant did not "directly" intend to do so, potentially paving the way for broader use of Poland's controversial blasphemy law. *Poland's independent media rating declines from to 2.25 to 2.50.*

Local Democratic Governance. The year witnessed efforts by a number of city councils to get citizens involved in policy design and monitoring. Local councils also continued to be effective in acquiring European funds and spending them on local infrastructure and environmental protection projects. The level of financial irregularities encountered by auditing bodies declined slightly in comparison to 2011, but local authorities limited public access to information on public spending. *Poland's rating for local democratic governance remains unchanged at 1.75.*

Judicial Framework and Independence. The Polish judicial system still suffers from deficiencies inherited from the communist era or produced by the irregularities of the transition period. Longstanding and recently adopted regulations limit freedom of expression and freedom of assembly, respectively. *Poland's judicial framework and independence rating remains unchanged at 2.50.*

Corruption. Poland has a well-developed network of institutions dealing with the problem of corruption. Nevertheless, corruption scandals remain a common feature of political life. Tapes released in the media in July implicated the Ministry of Agriculture and Rural Development in nepotism and mismanagement of European Union funds. *Poland's corruption rating remains unchanged at 3.25.*

Outlook for 2013. The economic slowdown will emerge as a major issue in 2013, further undermining citizens' confidence in government. Constitutional Tribunal rulings on surveillance laws, including the practice of so-called "billing" (accessing information on phone and internet use), are due in 2013. With European Parliament and local elections scheduled for 2014, the coming year is likely to be dominated by covert but aggressive campaigning. A number of unresolved issues—including the Amber Gold case and the details surrounding the 2010 Smoleńsk crash—are likely to resurface in 2013, with the public demanding answers. The manner in which Polish legislative, executive, and judicial bodies conduct themselves in response will be crucial for the levels of citizens' confidence in the system and its political elites.

Main Report

National Democratic Governance

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
n/a	2.50	2.75	3.25	3.50	3.25	3.25	2.75	2.50	2.50

In 2011, Donald Tusk of the Civic Platform (PO) party became the first prime minister in independent Poland's history to be reelected to a second consecutive term. Since then, however, the popularity of Tusk's center-right coalition government has visibly declined. Though Poland was the only country in the European Union (EU) to avoid recession throughout the economic crisis, the country's economy slowed in 2012. The government pushed an agenda of difficult, long-postponed reforms, accelerating privatization and cutting the privileges of protected workers such as journalists, professors, police, and firemen. In May, the parliament finally approved the government's plan to raise the retirement age to 67 for both sexes, prompting protests from trade unions and the center-left. In October, Prime Minister Tusk won a parliamentary vote of confidence he himself had requested as an opportunity to reassert his legitimacy in face of so much criticism. Against this backdrop, the year 2012 produced a series of political controversies and scandals that fanned the flames of acute political polarization within the country and contributed to growing dissatisfaction with Polish political leadership and institutions.

In 2011, the Polish parliament introduced changes to the Law on Access to Public Information intended to improve access to information and harmonize Polish legislation with that of the EU. The bill was rushed through in an effort to meet a European Commission (EC) deadline and avoid a fine, though ultimately the government neglected to send word that the law had been passed and was fined, anyway. One specific element of the bill met with extensive criticism from nongovernmental organizations (NGOs) and opposition members of parliament (MPs) for giving state bodies the right to limit or deny access information when protecting "important state interests." The provision was removed from the original bill but resubmitted in the upper house of parliament (the Senate) by Senator Marek Rocki after the bill's initial acceptance in the lower house (the Sejm). Additions by the Senate are not supposed to substantively expand regulations that have already been approved by the Sejm, but the revised bill passed its second review in the lower house and became law. Very shortly after signing the bill, President Bronisław Komorowski responded to public criticism of the so-called "Rocki amendment" by submitting it to the Constitutional Tribunal (TK) for review. The court ruled in April 2012 that the manner in which the Rocki amendment had been added was unconstitutional, though it did not offer an opinion on the actual content of the amendment. Following the announcement of the TK verdict, Paweł Olszewski, a prominent member of PO, declared that the party would not abandon the idea of

restricting access to public information, and would work to reintroduce a similar amendment in the future.[1]

The debate was significant in part because it touches upon a wider concern that public institutions conceal information that would enable effective monitoring of their activities. It took the Central Anti-Corruption Bureau (CBA) three years to comply with a 2009 request from the Polish branch of the Helsinki Foundation for Human Rights (HFHR) for access to statistics on surveillance (mostly taping) activities, which are classified as public information. HFHR's initial application was rejected, leading to a lengthy legal case that went (twice) through all levels of the administrative legal system before the Highest Administrative Court (NSA) finally agreed in September 2012 that the HFHR as well as the public should have access to these statistics.

The data themselves caused a stir in the media by revealing that the CBA makes between 300 and 450 surveillance applications a year, and that an eightfold increase in surveillance applications took place in the election year 2007.[2] Data on subsequent years have not been revealed. In 2012 the Ombudsman for Civil Rights questioned the scale of surveillance of citizens by various public institutions in her application to the TK.[3] HFHR prepared an opinion supporting the Ombudsman's applications, showing that there are between 6,000 and 8,000 successful applications for surveillance made every year by the Anti-Corruption Bureau, the army, and various police forces.[4] Data from the Office for Electronic Communications show that in 2011 various public institutions accessed information about phone calls made and text messages sent by citizens and their access to the internet over 1.8 million times. This constitutes the highest rate (per 1,000 inhabitants) in the EU, and is significantly higher than in previous years.[5]

A number of public institutions reacted to information on the scale of surveillance of Polish citizens and undertook actions to change to it. Like the ombudsman, the Attorney General applied to the TK for a ruling on the constitutionality of surveillance operations and of accessing information on phone and internet use. At year's end, the court was considering 5 relevant applications. In September, the National Chamber of Audits (NIK) started a wide-ranging audit of the Anti-Corruption Bureau, the Agency for Internal Security, and some courts over the allegations of abuse of the law on access to information about phone connections.

The April 2010 plane crash that killed President Lech Kaczyński and 95 other dignitaries remained a political lightning rod in 2012.[6] The Law and Justice (PiS) party continued to accuse PO officials of deliberately obfuscating the true facts of the crash and even of complicity in the events. In the summer, a parliamentary group led by Antoni Maciarewicz from PiS produced a paper pointing to a number of flaws in official Polish and Russian reports on the crash and claiming that explosions aboard the plane had caused it. Public opinion data show that even Poles who do not necessarily share PiS's view of the event are dissatisfied with the way the investigation and follow-up have been handled.[7] In September, media revealed that the bodies of two Smolensk crash victims, legendary Solidarity activist Anna Walentynowicz and Teresa Walewska-Przyjałkowska, the deputy head of

the Golgota Wschodu Foundation,[8] had been mixed up and buried in the wrong graves, despite the fact that they had been correctly identified by their families in Moscow immediately following the crash. Ewa Kopacz, who replaced Bronisław Komorowski as speaker of the Sejm in 2011 and who had represented the Polish authorities in Moscow, claimed at the time that she had personally supervised the identification process; however, in 2012 she admitted publicly that neither she, nor Polish doctors, nor Polish prosecutors had been involved in the identification process. In October, it was confirmed that the corpse of the last Polish President in exile, Ryszard Kaczorowski, had also been accidentally switched with that of another crash victim and placed in the wrong grave.

Electoral Process

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
1.50	1.75	1.75	2.00	2.00	2.00	1.75	1.50	1.25	1.25

No elections were conducted in Poland in 2012. Local elections and elections to the European Parliament will take place in 2014, while the next presidential and national parliamentary elections are scheduled for 2015.

Elections to the Sejm are held under an open-list proportional representation system. Seats are allocated in 41 multimember districts. Gender quota regulations enacted in 2011 require every party's district-level list to include at least 35 percent of candidates of each gender and the State Electoral Commission is legally obligated to refuse registration of any list that does not abide by this quota. Members of the Senate are elected in 100 single-member constituencies.

Legislative election results from 2011 confirmed the dominance of the rival PO and PiS parties, which together collected 70 percent of the popular vote, essentially the same as in 2007 (74 percent), and in the first rounds of the presidential elections in 2005 (69 percent) and 2010 (78 percent). The 2011 elections also illustrated the known demographic characteristics of PO and PiS: the latter has a devoted following in rural areas, particularly among people with elementary-level or vocational education, and among those over the retirement age. PO enjoys strong support among the urban middle class, especially voters with higher levels of education, and in the middle-aged and younger segments of the population. Postelection analyses published by the Center for Public Opinion Research (CBOS) indicate that the socially liberal Palikot's Movement (RP) party, which emerged as the third-strongest party in the Sejm in 2011, did particularly well among the country's young, non-religious voters.

In 2012, popular support for RP and the formerly communist Democratic Left Alliance (SLD) party seemed to stabilize below 10 percent but above the electoral threshold of 5 percent.[9] Polls showed that the ultraconservative United Poland party, whose leadership defected from PiS in November 2011 and officially formed a new party in March 2012, had just 1–2 percent public support in December 2012. At

year's end, there was no political party on the scene with clear potential to challenge the dominance of PO and PiS or shift the balance of power between them.

Between December 2011 and April 2012, the Independent and Self-Governing Trade Union Solidarity (NSZZ Solidarność) collected over 2 million signatures calling for a national referendum to keep the retirement age at 60 for women and 65 for men. Under Polish law, a proposal to hold a referendum must be considered by the Sejm if it is supported by more than 500,000 citizens.[10] However, on 2 April 2012, members of parliament representing the PO and the PSL voted against the referendum and the proposal was turned down. When the government passed the legislation in May 2012, major trade unions organized demonstrations in front of the presidential palace, joined by representatives of PiS, SLD, and other opposition parties.

Civil Society

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
1.25	1.25	1.25	1.50	1.25	1.50	1.50	1.50	1.50	1.50

Polish citizens participated in grassroots campaigns and demonstrations throughout 2012. The year opened with mass protests against Poland's participation in the Anti-Counterfeiting Trade Agreement (ACTA), which ultimately caused the government to suspend the process of ACTA ratification.[11] In May and June, Poles campaigned for civil partnerships.[12] Protesters, including union activists, also rallied against the new, long-anticipated retirement law that will gradually raise the retirement age to 67. Meanwhile, NGOs continued the campaign "Strike out 212 KK," whose aim is to remove an article of the penal code that criminalizes defamation and prescribes fines or even jail time for defamatory statements disseminated via mass media, including the internet. The organizers of the campaign say Article 212 is used to curb criticism of authorities, especially at the local level, rather than to defend personal dignity.

A 2012 report by the Warsaw-based Klon/Jawor research association estimates that there are around 4,200 active NGOs (foundations and associations) in Poland.[13] According to this report, 22 percent of NGOs operate on a full-time basis, 5 days a week, and another 29 percent work "a lot and regularly, but not full time." The most popular field of NGO activities is sports and hobbies (38 percent), followed by art and culture (17 percent). Only 12 percent of NGOs declare that all of their members are active, and as many as 63 percent declare that fewer than 50 percent of their members are active. The report also notes that the average Polish NGO has very little funding—as many as 48 percent do not own any property.[14] In a January 2012 study by CBOS, 32 percent of respondents claimed to actively support at least one nongovernmental organization.[15] In the same study, civic activism appeared to coincide with higher levels of education, professional achievements, and/or religiosity.

Public funds collection, including crowd-sourced fundraising ("crowdfunding"), has until now been regulated by legislation that dates back to the 1930s. In 2012, the Polish government initiated amendments to the old laws in order to bring them up to date. At the last minute, the Ministry of Administration and Digitization (MAC) proposed an allegedly "cosmetic" change to the amendments that effectively extended their reach to include online fundraising. NGOs criticized these changes for imposing a high level of institutional control and bureaucratic red tape on activities that can be successful only when they are grassroots-based and spontaneous. MAC Minister Michał Boni supported their position before the parliament and invited NGOs to cooperate on a new draft amendment.[16] In July, the NGO sector and the ministry reached an agreement on ten new basic principles for the regulation of funds collections; drafting of a new amendment was ongoing at year's end.[17]

Despite criticism from the nongovernmental sector, changes to the Law on Public Assembly were signed into law in October, making it almost impossible to organize two demonstrations in the same place at the same time. The changes also extend the minimum time that must lapse between registration of a demonstration and the event itself—radically reducing, if not eliminating, opportunities for spontaneous gatherings of more than 15 people. The official reason for the legislation was to preempt violent clashes between rival groups of protesters such as erupted on Polish Independence Day in November 2011. The original draft amendment was reviewed by the Organization for Security and Cooperation in Europe (OSCE), which made a number of recommendations. In July, 167 organizations also wrote a letter to the speaker of the Sejm, criticizing the draft.[18] The combined input of domestic and international critics resulted in minor modifications, but did not change the substance of the amendment.

Even before the new regulations went into effect, there were quite frequent reports of local authorities' denying legitimate registration applications from would-be demonstrators. The most often cited reason for banning a public gathering has been that it may "endanger life or health by blocking traffic." Among other cases, this reason was used in May 2011 by the mayor of Szerzyny to prevent a freedom-of-speech demonstration directed against local officials; by authorities in Skawina who banned a demonstration against plans to build a crematorium in September 2011; and by officials in Kraków who barred demonstrators from gathering in protest of local urban planning policy a number of times in 2011 and 2012.[19] The new regulations introduced in 2012 may make such refusals easier to justify and therefore more frequent.

Although the Polish constitution guarantees every citizen the right to petition the government directly, Polish law does not define what a petition is. The nongovernmental sector believes that a law on petitioning would prompt a reengagement of citizenry into political decision-making, noting that 72 percent of Poles feel they cannot influence public institutions and public life.[20]

A number of racist and anti-Semitic incidents were noted throughout 2012. Some attacks were random acts committed by thugs, while others actions were

pre-planned and organized by racist and nationalist organizations. In August, the radical nationalist organization National Revival of Poland (NOP) rented a tram from the Municipal Transport Enterprise in Wrocław, Poland's fourth-largest city, covered it with fascist symbols, and drove it through the streets of the city center for several hours while NOP activists on board called out for a "nationalist revolution." Nongovernmental organizations have accused the police and courts of lightly dismissing such incidents.[21] In June 2012, the HFHR applied to the Agency for Internal Security (ABW) to intervene in Lublin District, where repeated anti-Semitic attacks (some of them violent) had been taking place since 2010.[22] As a result of HFHR's application, state authorities organized a series of special training sessions in the Lublin area geared at teaching police, prosecutors, and judges how to recognize and deal with hate crimes.[23]

Educational materials in Polish schools are perceived as reinforcing gender stereotypes. Media reports in October 2012 highlighted sexist content—usually portraying boys as knowledge-hungry and girls as stupid—in a number of textbooks that had been approved by the Ministry of Education. The ministry responded with a promise to introduce changes in a new edition of the textbooks.[24] It has also been noted by a number of prominent human rights organizations, such as the HFHR, Amnesty International, and Polish Humanitarian Action (PAH), that children of foreigners (including refugees) in Poland live in conditions that prevent them from being integrated into society.[25]

Independent Media

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
1.75	1.50	1.75	2.25	2.25	2.00	2.25	2.25	2.25	2.50

Polish print, broadcast, and electronic media are diverse, but strongly partisan. Collectively, they serve the public interest well by playing a watchdog role with respect to government policies and the actions of all political factions. They typically act as agents of civil society, and in return receive support of NGOs and the public when threats to press freedom arise. The public response to ACTA—which included protests and marches in nearly all major Polish cities[26]—illustrates both Polish society's respect for media freedom and its awareness that that freedom is increasingly vulnerable to political and economic pressures.

Polish media operate under a legal framework that penalizes some forms of free speech. In 2011, Article 135.2 of the penal code, which forbids defamation of the president, was applied for the first time to a website creator and blogger—Robert Frycz, whose website Antykomor.pl is dedicated to mocking and insulting President Komorowski. In September 2012, Frycz was sentenced to 15 months of restricted freedom and 600 hours of compulsory community service.[27] This first-instance sentence is open to appeal, but has already been criticized by a number of relevant organizations, including the OSCE,[28] the HFHR,[29] and the Polish Association of

Free Speech (SWS).[30] Over the years, a number of politicians, including Prime Minister Tusk, have declared that Article 135.2 should be removed from the penal code, though no actual steps have been taken in that direction.

Another regulation constraining the freedom of speech in Poland, Article 212 of the penal code, penalizes defamation of any person in the mass media. Campaigns advocating removal of this article have also appeared from time to time, but have yet to succeed. However, according to recent reports, penalties for defamation (currently up to 1 year in prison) will shortly be lowered. In October 2012, the European Court of Human Rights (ECHR) ruled that Polish authorities had twice infringed upon the right to free speech by imposing monetary fines on journalists for alleged defamation of local officials under Article 212; the journalists' sentences were revoked and the state compensated them financially.[31]

Article 196 of the Polish penal code makes "offending religious feelings" through public speech or actions a crime punishable by up to two years in prison. In October, Poland's Constitutional Court ruled that a person may be found guilty of offending religious sensibilities, even if the defendant did not "directly" intend to do so, potentially paving the way for broader use of the so-called blasphemy law.

Poland's main regulatory body for broadcast media, the National Council of Radio and Television (KRRiTV), was created in 1992 to provide unbiased control of both public and private media. Since its inception, however, the KRRiTV has been a highly politicized body. It is currently dominated by the ruling PO party and as such is highly vulnerable to political influences. An example of this vulnerability is the refusal to grant a concession to TV Trwam, an ultraconservative TV station linked to PiS, PO's primary political opponent. The decision was made on 17 January 2012.[32] In July, Ombudsman Teresa Lipowicz, declared that the decision had been arbitrary and made on the basis of unconstitutional regulations. She subsequently asked the Constitutional Tribunal (TK) to assess that case.[33] The court had not ruled on the case at year's end.

The Association of Polish Journalists (SDP), another body whose role is to protect journalistic standards, also faced accusations during the year of having an inappropriately close relationship with leading opposition party PiS. In October 2012, SDP chairman Krzysztof Skowroński hosted a press conference for PiS leader Jarosław Kaczyński, and only a couple of days earlier he hosted a meeting for PiS leaders with a group of economists. Many observers found this inappropriate, and some members of the SDP protested Skowroński's activities as conflicting with the journalists' ethical code.[34]

On 30 October, the well-known conservative daily *Rzeczpospolita* published a frontpage article on the 2010 Smolensk plane crash titled "TNT in the wreckage of the Tupolev." Though the state attorney's office immediately denied that TNT had been discovered at the scene of the crash, the story provoked a widespread reaction, with Kaczyński calling for an immediate resignation of the government. In the days that followed, *Rzeczpospolita*'s owner, Grzegorz Hajdarowicz, sacked the newspaper's editor-in-chief, the author of the article, and a few other journalists who had not been directly involved in writing the piece. This move was criticized by

the European Federation of Journalists (EFJ) as a violation of the rights of media.[35] Later on, military chief prosecutor Jerzy Artymiak testified before the Sejm that instrumentation used at the site of the wreck had indicated elements of TNT; he noted, however, that the instruments react the same way to shoe polish.[36] Some media subsequently reported that on the night before the article's publication Hajdarowicz had met with Paweł Gras—a government spokesman and his longtime friend—to inform the latter in advance about the content of the publication.[37]

Hajdarowicz is also an owner of *Uważam Rze*, a popular right-wing weekly. After firing the author of the *Rzeczpospolita* article, Cezary Gmyz, he also fired *Uważam Rze*'s editor-in-chief, who had criticized Hajdarowicz for politicizing *Rzeczpospolita* and who had refused to ban Gmyz from contributing to his weekly. As a result, a number of journalists left both *Uważam Rze* and *Rzeczpospolita* to form a new weekly, called *W sieci*.[38]

Local Democratic Governance

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
n/a	2.00	2.00	2.25	2.25	2.00	1.75	1.75	1.75	1.75

Local governments, next to private companies, have been the main consumers of EU funds, receiving over 30 percent of all EU money made available to Poland since 2007. According to the Ministry of Regional Development, local authorities have made over 51,000 successful applications for funding in this period and 28 percent of these projects have already been completed. Their main spending goals are infrastructure and environment, which directly improves living conditions of citizens. Recent data show that the lowest (*gmina*) and middle (*powiat*) levels of local government have been more successful in obtaining and spending European funds than central state institutions.[39]

Public spending at the local level is not fully transparent. Inspections carried out in gminy in 2011 revealed a relatively high number (15,800) of legal and administrative transgressions, though the number declined significantly from the previous year's figure (16,480). Such transgressions cost taxpayers an estimated 4.9 million Polish złoty in 2011 (approximately $1.46 million), down from 6.9 million złoty (about $2 million) in 2010.[40] Certain spending decisions reported in 2012 were difficult to explain: in Warsaw, large sums of money were paid for outsourced legal opinions despite the fact that local government employs almost 200 lawyers.[41] Most local governments carry significant debt—an average of approximately 2,000 złoty ($600) per capita.[42]

In 2012, several larger cities in Poland experimented with participatory budgeting (so-called "citizens' budgets"), allowing local inhabitants to decide how a certain portion of their total city budget should be spent. Members of the public can submit investment projects, and later vote to select the ones to be implemented. The goal of this practice is to increase citizens' participation in governance, their

sense of civic efficacy, and the legitimacy of local authorities' spending decisions. The first Polish city to introduce the idea of participatory budgets was Sopot, where in 2011 local inhabitants voted on the allocation of 1 percent of the Sopot city budget.[43] In most cities, this new approach is still applied only to small and narrowly defined policy objectives—in Warsaw, for example, citizens are designing the budget for the central Cultural Center. Citizens' interest in these projects is moderate, and a turnout of 10 percent is considered acceptable, but it is hoped that with time the idea will become more popular.[44] The idea of participatory budgets is also supported and promoted by the Ministry of Administration and Digitization.

In 2012 the Parliament began work on changes to the Law on Local Government. New amendments are intended to strengthen lower-level administrative bodies. These include a projected increase in local government's share of state income from personal income tax.[45] Another significant event affecting local governance in 2012 was a ruling by an administrative court at the province (*województwo*) level that clarified previously confusing rules for holding local referenda.

Judicial Framework and Independence

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
1.50	2.00	2.25	2.25	2.50	2.25	2.50	2.50	2.50	2.50

With respect to both its institutional framework and day-to-day practice, the Polish judicial system still suffers from a number of weaknesses inherited from the communist era or produced by the irregularities of the transition period. Polish judges and prosecutors are overworked, which leads to delays and hasty decision-making at all stages of the judicial process. They are also underpaid, which exposes them to the temptations of bribery and to undue pressure from elected and appointed state officials. New legislative proposals that seek to narrow the scope of civil liberties frequently emerge and are sometimes enacted successfully. Attempts to reduce or prevent the expansion of existing freedoms are sometimes made in the name of the dominant Catholic orthodoxy.

Article 212 of the penal code is an example of an infringement of the freedom of press (see *Independent Media*), but also a more general violation of the freedom of speech and expression. In 2012, Izabela Lewandowska-Malec, a local councilor from a small town in the south of Poland, wrote a letter to the media where she criticized the mayor of her town. On the basis of the Article 212, she was brought before a criminal court and fined heavily. On 18 September 2012 the European Court of Human Rights (ECHR) ruled that Lewandowska-Malec's letter belonged to the domain of public debate and as such should not have been of interest to a criminal court.[46] This case shows that not only does the Article 212 limit the freedom of press but also the freedom of speech and expression in general. The same is true of the so-called blasphemy law (Article 196) under which popstar Dorota Rabczewska was fined in January 2012.[47]

Flaws in Polish law enforcement expose the government not only to the criticism of the public, but also to scrutiny by international institutions, such as the European Court of Human Rights (ECHR). Polish citizens brought a number of cases against their state at the ECHR in 2012, usually related to violations of Articles 3, 5, and 6 of the European Convention on Human Rights. Cases under Article 3, which prohibits torture and inhuman or degrading treatment, have often pertained to inhumane conditions in Polish prisons. Article 5 guarantees the right to liberty and security, and forbids unlawful arrest or detention, while Article 6 guarantees the right to a fair and speedy trial. In the case of *Wenerski vs. Poland*, the ECHR condemned inhumane living conditions (overpopulation) and inadequate medical care in Polish prisons.[48]

The costly collapse of a fraudulent financial services company in summer 2012[49] highlighted a lack of follow-through on the part of the judicial system. Amber Gold, a provider of quasi-banking services, was founded in the city of Gdańsk in 2009 by a young entrepreneur with several past convictions for fraud. The company promised its customers unusually high interest rates from investments in gold and platinum. The National Financial Audit Committee sent multiple alerts to the relevant authorities, including the State Attorney's Office and the Anti-Monopoly and Consumer Protection Office, stating that the company had acted according to the logic of a financial pyramid, a type of financial services effectively illegal in Poland. These messages elicited no reaction. Meanwhile, the company extended its activities by establishing an unusually cheap airline, OLT Express, that declared bankruptcy in July 2012, just 3 months after its first flight. Amber Gold itself declared bankruptcy in the summer of 2012, costing their customers approximately 290 million złoty (almost $90 million) in savings.[50] After the collapse, the judicial system was heavily criticized, especially the State Attorney's Office and the Consumer Protection Office. Amber Gold had not even been penalized for failing to file annual reports required by the Tax Office.

Media used the Amber Gold affair as an opportunity to highlight the extent to which courts are influenced by political and business pressures. One journalist phoned the chairman of the Gdańsk court dealing with the Amber Gold case, introducing himself as an employee at the Prime Minister's Office. According to the published recordings of the conversation, the judge openly asked the journalist for instructions of how to deal with the Amber Gold case and was ready to make an appointment with the prime minister to discuss the case in person.[51]

Most reports indicate that Polish courts have lost control over their respective domain of interest less because of political pressures (and their apparent willingness to submit to them), but due to understaffing. In June 2012, the National Audit Chamber's reports revealed that many courts had to hire private law firms to draft rulings.[52]

Corruption

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
2.50	3.00	3.25	3.00	3.00	2.75	3.25	3.25	3.25	3.25

Poland has a well-developed network of institutions that deal with the problem of corruption. The Central Anticorruption Bureau (CBA), established in 2006, has been charged with both coordinative and investigative tasks. The Internal Security Agency (ABW), the Central Bureau of Investigations (CBŚ), and other police units and state prosecutors' offices also participate in combating corruption. Nevertheless, the level of political corruption in the country is significant and has seen no notable improvement in recent years. Polish politicians continue to treat their positions as an opportunity to enrich themselves and advance private interests making politics a competition for finite resources, rather than a means of public service. This damages the functioning of public institutions and undermines citizens' confidence in them.

Political corruption scandals emerge quite frequently, usually resulting in dismissals and resignations. Video footage released in July 2012 captured a conversation between a leading member of PO's junior coalition partner, PSL, and the former head of the governmental Agriculture Market Agency (ARR), a state institution controlled by the Ministry of Agriculture and Rural Development.[53] The conversation implicated the PSL-dominated ARR in offenses ranging from nepotism to fraudulent use of public funds and mismanagement of the state-owned enterprises it oversees. The revelations led to the almost immediate resignation of the minister of agriculture and rural development, Marek Sawicki, a prominent PSL politician.[54]

When allegations emerged that members of the government had been somehow complicit in the Amber Gold affair, the ruling coalition fueled conspiracy theories by voting against the establishment of a parliamentary investigatory committee to explore the extent of purported relationships[55] between prominent PO politicians and the owner of Amber Gold.[56] Though the allegations of the political opposition were unaccompanied by hard evidence, the PO's refusal to establish an investigative committee to dispel the rumors was interpreted by government critics as a sign of willful nontransparency. The same critics noted that PO had been consistently willing to support internal investigations when members of PiS had been implicated in previous years.

A few key corruption cases made progress or reached their conclusion in 2012. In April, Tomasz Lipiec was fined and sentenced to 3.5 years in prison for accepting bribes when he was minister of sports in 2007. In May, former PO parliamentary deputy Beata Sawicka was sentenced to 3 years in prison for taking a bribe to rig a tender for the purchase of commercially desirable land on the Hel peninsula in 2007.[57] Mariusz Kamiński, the former head of the CBA, and his onetime deputy Maciej Wąsik, were awaiting trial at year's end for allegedly entrapping politicians from the populist Self-Defense party in a famous 2007 bribery investigation known as the "land affair" (*afera gruntowa*).[58] The case led indirectly to the collapse of the

ruling coalition between PiS, Self-Defense, and the nationalist League of Polish Families (LPR) later that year.

▮ Authors: Natalia Letki and Maciej A. Górecki

Natalia Letki is a Principal Investigator of the European Research Council project "Public Goods through Private Eyes. Exploring Citizens' Attitudes towards Public Goods and the State" (PGPE) at the Institute of Sociology, University of Warsaw. Maciej A. Górecki is a Post-doctoral Researcher at the PGPE project. *The authors would like to thank Stowarzyszenie Liderów Lokalnych Grup Obywatelskich for sharing their news bulletins.*

---

1 "PO o wyroku Trybunału Konstytucyjnego: poprawka potrzebna, wrócimy do niej w sejmi" [PO on the Constitutional Tribunal rulin: the amendment is needed, we will go back to it in parlament], WP.pl News, 18 April 2012, http://wiadomosci.wp.pl/kat,1342,title,PO-o-wyroku-Trybunalu-Konstytucyjnego-poprawka-potrzebna-wrocimy-do-niej-w-sejmie,wid,14420773,wiadomosc.html?ticaid=1fe4f&_ticrsn=5.

2 Helsinki Foundation for Human Rights (HFHR), "ABW ma udostępnić dane statystyczne dotyczące kontroli operacyjnej" [Internal Security Agency has to release data concerning operational control], news release, 21 September 2012, http://www.hfhr.pl/abw-ma-udostepnic-dane-statystyczne-dotyczace-kontroli-operacyjnej/.

3 Rzecznik Praw Obywatelskich [Ombudsman for Civil Rights], "Wniosek do Trybunału Konstytucyjnego w sprawie Krajowego Systemu Informacji Policji" [Application to the Constitutional Tribunal in the Matter of the National Police Information System], 27 April 2012, http://www.sprawy-generalne.brpo.gov.pl/szczegoly.php?pismo=1641487.

4 HFHR, *Opinia przyjaciela sądu opracowana przez Helsińską Fundację Praw Człowieka dla Trybunału Konstytucyjnego sygn. K 23/11* [Opinion of a court's friend prepared by Helsinki Foundation for Human Rights for the Constitutional Tribunal K 23/11], 13 June 2012, http://www.hfhrpol.waw.pl/precedens/images/stories/opinia_srodki_techn_13_06_12.pdf.

5 Ewa Siedlecka, "W śledzeniu obywateli Polska jest mistrzem Europy" [In citizens' surveillance, Poland is the master of Europe], Wyborcza.pl, 2 April 2012, http://wyborcza.pl/1,75478,11463553,W_sledzeniu_obywateli_Polska_jest_mistrzem_Europy.html; Panoptykon Foundation, "Ile razy państwo sięgało po nasze dane telekomunikacyjne w 2011 roku? Publikujemy najnowsze dane" [How many times did the state used the our telecommunication data in 2011? We publish the most recent data], news release, 1 April 2012, http://panoptykon.org/wiadomosc/ile-razy-panstwo-siegalo-po-nasze-dane-telekomunikacyjne-w-2011-roku-publikujemy-najnowsze.

6 A delegation of Poland's political, academic, and military elite had been en route to attend a ceremony commemorating the 70th anniversary of the Soviet massacre of Polish officers in Katyn Forest near Smolensk, Russia.

7 In May 2012, only 16 percent of respondents polled expressed a belief that their government had done everything possible to explain the circumstances of the crash. See Center for Public

Opinion Research (CBOS), *Katastrofa pod Smoleńskiem: kto wierzy w teorię zamachu* [The catastrophe at Smolensk: who believes in the assassination theory] (Warsaw: CBOS, 2012), http://cbos.pl/SPISKOM.POL/2012/K_085_12.PDF.

8 Golgota Wschodu is an organization whose official mission is the memorialization of victims of the Katyń massacre.

9 "Sondaże TNS Polska i CBOS: Platforma spada, PiS odrabia straty" [Polls of TNS Poland and CBOS: PO loses, PiS gains], 8 December 2012, http://opcja.wordpress.com/2012/12/08/sondaze-tns-polska-i-cbos-platforma-spada-pis-odrabia-straty/.

10 Adam Mrozowicki, "Retirement age raised despite trade union opposition," EIROnline, 30 July 2012,http://www.eurofound.europa.eu/eiro/2012/06/articles/pl1206019i.htm.

11 "'Internauci mają rację'—Tusk zawiesza ratyfikację ACTA" ["Internauts are right" —Tusk suspends ACTA ratification], WP.pl News, 3 February 2012, http://wiadomosci.wp.pl/kat,1342,title,Internauci-maja-racje-Tusk-zawiesza-ratyfikacje-ACTA,wid,14224470,wiadomosc.html?ticaid=1fe09.

12 "Kampania na rzecz związków parterskich" [Campaigning for civil partnerships], Onet.pl, 1 June 2012, http://wiadomosci.onet.pl/kraj/kampania-na-rzecz-zwiazkow-partnerskich,1,5149235,wiadomosc.html.

13 Jaga Przewłocka, Piotr Adamiak i Aleksandra Zając, *Życie codzienne organizacji pozarządowych w Polsce* [Everyday life of NGOs in Poland] (Warsaw: Stowarzyszenie Klon/Jawor, 2012), http://civicpedia.ngo.pl/files/civicpedia.pl/public/2012_Klon_ZycieCodzienneNGO.pdf.

14 Ibid.

15 CBOS, *Aktywność społeczna w organizacjach obywatelskich* [Social activity in citizens' organizations] (Warsaw: CBOS, February 2012), http://www.cbos.pl/SPISKOM.POL/2012/K_018_12.PDF.

16 "MAiC pracuje z organizacjami nad przepisami o zbiórkach publicznych" [The Ministry of Administration and Digitization collaborates with associations on the regulations regarding public fundraising], NGO.pl, 5 July 2012, http://wiadomosci.ngo.pl/wiadomosci/785090.html.

17 Magda Dobranowska-Wittels, "Nowy dekalog zbiórek publicznych" [New decalogue of public collection], NGO.pl, 17 July 2012, http://wiadomosci.ngo.pl/wiadomosci/787007.html.

18 "List otwarty do Pani Ewy Kopacz, Marszałek Sejmu" [An open letter to Miss Ewa Kopacz, the Speaker of the Sejm], Watchdog.org.pl, 12 June 2012, http://watchdog.org.pl/wwwdane/files/list_otwarty___ust_t5zi._o_zgromadzeniach_12.06.pdf; and HFHR, "Kolejny apel w sprawie nowelizacji prawa o zgromadzeniach" [Another plea concerning the changes to the law on public gatherings], news release, 18 July 2012, http://www.hfhr.pl/kolejn-apel-w-sprawie-nowelizacji-prawa-o-zgromadzeniach/.

19 Ewa Siedlecka "Jak zakazują nam zgromadzeń" [How they ban us from gathering], *Gazeta Wyborcza,* 25 July 2012, http://wyborcza.pl/1,75478,12185342,Jak_zakazuja_nam_zgromadzen.html.

20 "Prawo petycji ma pobudzić wspólnotę" [The right to petition should revive the community], NGO.pl, 29 June 2012, http://wiadomosci.ngo.pl/wiadomosci/783971.html.

21 "'Otwarta Rzeczpospolita': Chcemy potępienia nienawiści" ["Open Republic": We want hatred condemned], TVN 24, 13 August 2012, http://www.tvn24.pl/wiadomosci-wroclaw,44/otwarta-rzeczpospolita-chcemy-potepienia-nienawisci,270830.html.

22 HFHR, "HFPC wystąpiła do ABW w sprawie antysemickich ataków w regionie lubelskim" [HFHR appealed to the ABW regarding anti-Semitic incidents in the Lublin region], news release, 18 June 2012, http://www.hfhr.pl/hfpc-wystapila-d-abw-w-sprawie-antysemickich-atakow-w-regionie-lubelskim/.

23 Anna Gmiterek-Zabłocka, "'Stałem się ofiarą nienawiści, byłem w szoku. A prokuratorzy i policjanci byli kompletnie nieprzygotowani.' Będą szkolenia" ["I was a victim of hatred,

I was in shock. And the prosecutors and police were completely unprepared." There will be training.], Gazera.pl (Lublin edition), 5 September 2012, http://lublin.gazeta.pl/lublin/1,48724,12429607,_Stalem_sie_ofiara_nienawisci__bylem_w_szoku__A_prokuratorzy.html.

24 "O głupich dziewczynkach i głodnych wiedzy chłopcach—stereotypy w szkolnych podręcznikach" [On stupid girls and knowledge hungry boys—stereotypes in school textbooks], Grupa Ponton, October 2012, http://ponton.natemat.pl/37293,o-glupich-dziewczynkach-i-glodnych-wiedzy-chlopcach-srereotypy-w-szkolnych-podrecznikach.

25 HFHR, "Światowy Dzień Uchodźcy—organizacje alarmują o trudnej sytuacji dzieci cudzoziemców w Polsce" [World Refugee Day—associations sound the alarm on the difficult situation of foreigners' children in Poland], news release, 20 June 2012, http://www.hfhr.pl/swiatowy-dzien-uchodzcy-organizacje-alarmuja-o-trudnej-sytuacji-dzieci-cudzoziemcow-w-polsce.

26 "Protesty przeciw ACTA w polskich miastach" [Protests against the ACTA in Polish cities], Interia.pl, 25 January 2012, http://fakty.interia.pl/raport/internauci-przeciwko-acta/news/proresty-przeciw-acta-w-polskich-miastach,1751282,7906.

27 "Robert Frycz, twórca strony antykomo.pl skazany 'Najpewniej odwołamy się'" [Robert Frycz, the author of the antykomor.pl website sentenced: "We will certainly appeal"], Gazeta.pl, 14 September 2012, http://wiadomosci.gazeta.pl/wiadomosci/1,114883,12485832,Robert_Frycz__tworca_strony_Antykomor_pl_skazany_.html.

28 "OBWE krytykuje polski wyrok za "Antykomora" [OSCE criticizing the Polish sentence for "Antykomor"], TVN 24, 18 September 2012, http://www.tvn24.pl/wiadomosci-z-kraju,3/obwe-krytykuje-polski-wyrok-za-antykomora,277515.html.

29 "Twórca blogu antykomor.pl: Nie chcę łaski prezydenta, przenoszę serwis do USA" [The author of the antykomor.pl blog: I don't want the president's mercy, I'm moving my website to the United States], *Gazeta Wyborcza*, 15 September 2012, http://m.wyborcza.pl/wyborcza/1,105226,12492081,Tworca_blogu_Antykomor_pl__Nie_chce_laski_prezydenta_.html.

30 "Stowarzyszenie Wolnego Słowa o skazaniu Roberta Frycza za Antykomora: wyrok oddala nas od standardów zachodniej cywilizaji" [The Association of Free Speech on the sentence on Robert Frycz for Antykomor: the sentence takes us away from the standards of the western civilization], Wpolityce.pl, 18 September 2012, http://wpolityce.pl/wydarzenia/36494-stowarzyszenie-wolnego-slowa-o-skazaniu-roberta-frycza-za-antykomora-wyrok-oddala-nas-od-standardow-zachodniej-cywilizacji.

31 "Kolejna wygrana polskich dziennikarzy w Strasburgu" [The next victory of Polish journalists in Strasbourg], Onet.pl, 23 October 2012, http://wiadomosci.onet.pl/swiat/kolejna-wygrana-polskich-dziennikarzy-w-strasburgu,1,5285016,wiadomosc.html.

32 "Ojciec Rydzyk nie nada: TV Trwam bez koncesji" [Father Rydzyk will not broadcast: TV Trwam without a licence], Polskie Radio, 5 January 2012, http://www.polskieradio.pl/5/3/Artykul/511874,Ojciec-Rydzyk-nie-nada-TV-Trwam-bez-koncesji.

33 "RPO: Odmowa koncesji dla TV Trwam niezgodna z konstytucją" [Ombudsman: Refusal of license for TV Trwam unconstitutional], Polskie Radio, 5 July 2012, http://www.polskieradio.pl/5/3/Artykul/640034,RPO-Odmowa-koncesji-dla-TV-Trwam-niezgodna-z-konstytucja.

34 "Odlot Skowrona" [Skowron's departure], *Polityka*, 9 October 2012, http://www.polityka.pl/kraj/ludzie/1531151,1,sylwetka-krzysztof-skowronski.read?utm_source=rss&utm_medium=rss&utm_campaign=rss.

35 "List EFJ do Grzegorza Hajdarowicza" [EFJ's letter to Grzegorz Hajdarowicz], Interia.pl, 13 November 2012, http://img.interia.pl/wiadomosci/nimg/u/c/List_Europejskiej_List_5968316.pdf.

36 "Prokurator: urządzenia wykazały trotyl" [Attorney: devices indicated the presence of trotyl], Niezalezna.pl, 5 December 2012, http://niezalezna.pl/35547-prokurator-urzadzenia-wykazaly-trotyl.

37 "Wróblewski: Hajdarowicz rozmawiał z Grasiem. Mnie tam nie było" [Wroblewski: Hajdarowicz talked to Gras. I was not there], Dziennik.pl, 8 November 2012, http://wiadomosci.dziennik.pl/media/artykuly/409979,tomasz-wroblewski-byly-redaktor-naczelny-o-spotkaniu-pawla-grasia-z-grzegorzem-hajdarowiczem.html.

38 "Lisicki zwolniony z funkcji szefa 'Uważam Rze.' Kolejni dziennikarze odchodzą" [Lisicki fired from his post as a 'Uważam Rze' Chief Editor. More journalists leave], TokFM.pl, 28 November 2012, http://www.tokfm.pl/Tokfm/1,103085,12941853,Hajdarowicz_zwolnil_Lisickiego_z_funkcji_szefa__Uwazam.html.

39 Artur Osiecki, "Gminy prą do przodu" [Local communities are going forward], *Rzeczpospolita,* 16 July 2012, http://www.rp.pl/galeria/706944,914375.html.

40 "Uchybienia w gminach na 4,9 mld złotych" [Infringements in local communities amount to 4.9 billion złoty], Ekonomia24.pl, 15 August 2012, http://www.ekonomia24.pl/artykul/706229,924922-Uchybienia-w-gminach-na--4-9-mld-zl.html.

41 Izabela Kraj, "Tajne informacje o umowach z prawnikami" [Secret information on contracts with lawyers], *Rzeczpospolita,* 6 August 2012, http://www.rp.pl/artykul/10,922524-Tajne-informacje-o-umowach-z-prawnikami.html.

42 Piotr Aleksandrowicz, "Participatory budgeting or pocket money for voters," Obserwator finansowy.pl, 11 June 2013, http://www.obserwatorfinansowy.pl/tematyka/in-english/participatory-budgeting-or-pocket-money-for-voters/.

43 "Budżet partycypacyjny w Sopocie" [Participatory budget in Sopot], 29 December 2012, http://edemokracja-polska.pl/index.php?option=com_content&view=article&id=14:budzet-partycypacyjny-w-sopocie&catid=40&Itemid=128.

44 "Współdecydowanie wszystkim się opłaca" [Co-deciding pays for all], Maszglos.pl, 15 October 2012, http://www.maszglos.pl/2012/10/wspoldecydowanie-wszystkim-sie-oplaca/.

45 "Sejm za pracami nad projektem zwiększającym udział samorządów w dochodach PIT" [The Sejm to proceed working on the amendment increasing local government's share of income from PIT], WP.pl, 6 December 2012, http://podatki.wp.pl/kat,1342,title,Sejm-za-pracami-nad-projektem-zwiekszajacym-udzial-samorzadow-w-dochodach-PIT,wid,15158455,wiadomosc.html?ticaid=110f8b&_ticrsn=5.

46 HFHR, "Izabela Lewandowska-Malec przeciwko Polsce. ETPCz stwierdza naruszenie prawa do wolności słowa" [Izabela Lewandowska-Malec v. Poland: ECtHR confirms an infringment on free speech], news release, 18 September 2012, http://www.hfhrpol.waw.pl/obserwatorium/index.php?option=com_content&view=article&id=4315:izabela-lewandowska-malec-przeciwko-polsce-etpcz-stwierdza-naruszenie-prawa-do-wolnoci-sowa&catid=41:etpcz&Itemid=53.

47 "Mytkowska: Przepis o obrazie uczuć religijnych jest nadużywany" [The law on the defamation of religious beliefs is abused], Gazeta.pl, 29 October 2012, http://wiadomosci.gazeta.pl/wiadomosci/1,114883,12760266,Mytkowska__Przepis_o_obrazie_uczuc_religijnych_jest.html.

48 "Wyroki Europejskiego Trybunału Praw Człowieka w sprawach wydanych przeciwko Polsce w dniu 24 lipca 2012 roku" [ECtHR verdicts in cases against Poland ruled on 24 July 2012], *Public Information Bulletin,* 6 August 2012, http://bip.ms.gov.pl/pl/prawa-czlowieka/europejski-trybunal-praw-czlowieka/aktualnosci/news,4184,wyroki-europejskiego-trybunalu-praw-czlowieka-w.html.

49 "Raport specjalny: Afera Amber Gold" [Special report: Amber Gold affair], Wiadomosci.wp.pl, story installments span 2012–2013, http://wiadomosci.wp.pl/kat,133954,title,Afera-ws-Amber-Gold,raport.html?ticaid=1f702.

50 "Klienci Amber Gold stracili 290 milionów złotych" [Amber Gold customers lost 290 million złoty], *Wprost,* 7 September 2012, http://www.wprost.pl/ar/346607/Klienci-Amber-Gold-stracili-290-milionow-zlotych/.

51 "Autor prowokacji opisanej w GPC ujawnił się we Wprost" [The author of the entrapment described in GPC revealed himself in Wprost], *Rzeczpospolita,* 15 September 2012, http://www.rp.pl/artykul/933726.html.

52 "Sławomir Jastrzębowski: Polska 2012. Umowy o dzieło na wyroki!" [Slawomir Jastrzebowski: Poland 2012. Contracts on sentences!], Se.pl, 28 June 2012, http://www.se.pl/wydarzenia/opinie/sawomir-jastrzebowski-polska-2012-umowy-o-dzieo-na-wyroki_265778.html.

53 "Nagrania z ukrytej kamery pogrążą PSL?" [Will recordings from a hidden camera destroy the PSL?], Fakt.pl, 16 July 2012, http://www.fakt.pl/Kompromitujace-tasmy-PSL,artykuly,169025,1.html.

54 "Afera taśmowa pogrążyła ministra. Dymisja Sawickiego" [The tape scandal destroyed the minister. Sawicki's resignation], Dziennik.pl, 17 July 2012, http://wiadomosci.dziennik.pl/polityka/artykuly/398188,afera-tasmowa-pograzyla-ministra-dymisja-sawickiego.html.

55 Among other connections, much was made of the fact that Prime Minister Tusk's son was an employee of the airline established by the owner of Amber Gold, Marcin Plichta.

56 "Nie będzie komisji śledczej. Sejm zdecydował" [There will be no investigatory committee. The Sejm decided], *Gazeta Wyborcza,* 31 August 2012, http://wyborcza.pl/1,75478,12395871,Nie_bedzie_komisji_sledczej__Sejm_zdecydowal.html.

57 Bogdan Wróblewski, "Wyrok w najgłośniejszej aferze polityczno-korupcyjnej IV RP—Sawicka winna," *Gazeta Wyborcza,* 17 May 2012, http://wyborcza.pl/1,75478,11738595,Wyrok_w_najglosniejszej_aferze_polityczno_korupcyjnej.html.

58 Andrzej Walaszczyk, "Ruszy proces Kamińskiego," *Nasz Dziennik,* 7 December 2012, http://www.naszdziennik.pl/wp/17310,ruszy-proces-kaminskiego.html.

Romania

by Andrea Wagner, Bogdan Iancu, and Valentina Dimulescu

Capital: Bucharest
Population: 21.4 million
GNI/capita, PPP: US$15,780

Source: The data above are drawn from the World Bank's *World Development Indicators 2013*.

Nations in Transit Ratings and Averaged Scores

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Electoral Process	2.75	2.75	2.75	2.75	2.75	2.50	2.75	2.75	3.00	**3.00**
Civil Society	2.50	2.25	2.25	2.25	2.25	2.50	2.50	2.50	2.50	**2.50**
Independent Media	3.75	4.00	4.00	3.75	3.75	3.75	4.00	4.00	4.00	**4.25**
Governance*	3.75	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	**n/a**
National Democratic Governance	n/a	3.50	3.50	3.50	3.75	3.75	4.00	3.75	3.75	**4.00**
Local Democratic Governance	n/a	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	**3.00**
Judicial Framework and Independence	4.25	4.00	4.00	3.75	4.00	4.00	4.00	4.00	3.75	**3.75**
Corruption	4.50	4.25	4.25	4.00	4.00	4.00	4.00	4.00	4.00	**4.00**
Democracy Score	3.58	3.39	3.39	3.29	3.36	3.36	3.46	3.43	3.43	**3.50**

** Starting with the 2005 edition, Freedom House introduced separate analysis and ratings for national democratic governance and local democratic governance to provide readers with more detailed and nuanced analysis of these two important subjects.*

NOTE: The ratings reflect the consensus of Freedom House, its academic advisers, and the author(s) of this report. The opinions expressed in this report are those of the author(s). The ratings are based on a scale of 1 to 7, with 1 representing the highest level of democratic progress and 7 the lowest. The Democracy Score is an average of ratings for the categories tracked in a given year.

Executive Summary

Romania has experienced a series of unstable governments in the last decade. Austerity measures imposed since the economic recession in 2009, including an increased sales tax and 25 percent cut in public sector wages, fueled dissatisfaction with the government led by President Traian Băsescu and Prime Minister Emil Boc, both affiliated with the Liberal Democratic Party (PDL). This frustration came to a head in January 2012, when thousands of protesters took to the streets of Bucharest, calling for the two leaders to resign. Prime Minister Boc stepped down in February, but the government led by his replacement, Mihai Răzvan Ungureanu, fell to a no-confidence vote in April. Băsescu then named Victor Ponta as prime minister, and a ruling alliance of Ponta's former communist Social Democratic Party (PSD), the National Liberal Party (PNL), and the Conservative Party (PC) was approved by Parliament in May.

In late June and early July, the new government took a series of widely criticized steps to consolidate its power over state institutions. It replaced the ombudsman, the only official with the authority to challenge government decrees before the Constitutional Court; issued an emergency order to limit the Constitutional Court's powers; replaced the PDL leaders of both chambers of parliament; and passed a motion to suspend President Băsescu, eventually leading to a referendum on his impeachment. In the 29 July referendum, an overwhelming majority of participating voters favored Băsescu's impeachment, but the results were invalidated due to low voter turnout, a subject of further political contestation. Parliamentary elections in December brought a decisive victory to the Ponta-led alliance. Despite the by-now extremely poor relations between the two men, President Băsescu confirmed Ponta to another full term as prime minister.

The enormous strain placed on Romania's rule of law and democracy in 2012 reminded onlookers that the country's 2007 accession to the European Union (EU) was largely a political decision on the part of Brussels, and possibly premature. Romania experienced a very difficult transition after the 22-year rule of Nicolae Ceaușescu. It was the last country in East Central Europe to register a political power swing from former communists to anticommunist challengers, and the only one to harbor violent popular movements as late as 1999. Since its EU accession, Romania has stagnated in terms of economic and other policy reform, crippled by political infighting and endemic corruption entrenched during and since the Ceaușescu era.

National Democratic Governance. The year 2012 began with a shakeup of Romania's government, followed by a power grab on the part of the country's new leadership. After the resignation of Boc and a no-confidence vote that ended the

brief tenure of his successor, Prime Minister Ponta's government took numerous steps to circumvent checks and balances on its authority, including ruling by emergency ordinance, annexing state institutions, and seeking to alter the country's voting system. External intervention by the EU was needed to defend the country's rule of law during a presidential impeachment[1] crisis that stretched over the summer. Parliamentary elections in December brought a decisive victory to the Ponta-led alliance. Due to a series of destabilizing political events and problematic government decisions that undermined checks and balances, *Romania's rating for national democratic governance declines from 3.75 to 4.00.*

Electoral Process. Romania hosted three national votes in the midst of its political crisis: local elections, a referendum on the president's impeachment, and parliamentary elections. Although polling processes were relatively free and fair, parties in power took steps to manipulate electoral legislation to their advantage. The Constitutional Court and pressure from international actors were able to check these steps to some extent. Nepotism and clientelism also persisted within the country's electoral landscape, as did politicians' frequent migration between parties. *Romania's electoral process rating remains unchanged at 3.00.*

Civil Society. Civil society in Romania began the year with a strong demonstration of power in antigovernment street protests. However, the protests eventually lost momentum and did not translate into a sustainable political movement. Throughout the year, violating promises to be different from its predecessors, Prime Minister Ponta's government subjected nongovernmental organizations (NGOs) to undemocratic legal restrictions. Moreover, civil society remained widely politicized, and many NGOs suffered from the government's incompetent management of EU funds. *Romania's rating for civil society remains unchanged at 2.50.*

Independent Media. The year's political turmoil exposed just how fragile and narrow the space for independent media in Romania has become. Journalists covering January's protests experienced violence and harassment, and government officials exhibited hostility toward independent outlets while seeking to use legislation to influence the dissemination of information. Politicization and polarization plagued the media sector, which remains dominated by a group of corrupt media moguls. *Romania's rating for independent media declines from 4.00 to 4.25.*

Local Democratic Governance. Local elections in June brought success to parties of the Ponta government, delivering a blow to President Băsescu and his allies. The year was also characterized by a tug-of-war among municipal, county, and national authorities over the politicization of discretionary funding. The process of decentralization and local empowerment continued to stagnate, due in part to Romania's low absorption rate of EU funds. *Romania's rating for local democratic governance remains unchanged at 3.00.*

Judicial Framework and Independence. The 2012 political crisis required the Constitutional Court to adjudicate a number of contentious issues. Some of its decisions upheld democratic principles, but others exposed problems with the court's consistency and impartiality. There was little progress in various areas of judicial reform, including the appointment process for prosecutors. The politicized and opaque nature of these appointments was evident in disputes surrounding the selection of public prosecutors. *Romania's rating for judicial framework and independence remains unchanged at 3.75.*

Corruption. In January, the public issued strong and clear demands that the government address Romania's pervasive culture of graft. Agencies tasked with addressing corruption had various rates of success and experienced intense political pressure. There was also a series of high-profile corruption cases in 2012, such as the conviction and sentencing of former prime minister Adrian Năstase and one far-reaching case against Băsescu appointees, which was brought about by the president's party losing political power. *The country's corruption rating remains unchanged at 4.00.*

Outlook for 2013. The year 2012 began with promising demands for change but ended on the heels of an unprecedented political crisis that challenged Romania's democratic credentials and drew sharp criticism from the international community. Still emerging from the throes of this crisis, the country is primed for further confrontation between its political factions in 2013. Prime Minister Ponta and President Băsescu, now intense rivals, will both remain in office. However, with PSD's landslide electoral victory and the referendum on Băsescu's impeachment fresh in the public's memory, Ponta has the upper hand politically. The two sides are likely to clash over multiple issues, including legal and judicial reform, political appointments, corruption investigations, and local budgets. Although the sides have agreed to respect Romania's international and regional obligations, including protection of the country's fragile rule of law, continued animosity is likely to elicit more concern from the EU and raise new questions about Romania's suitability as a member state.

Main Report

National Democratic Governance

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
n/a	3.50	3.50	3.50	3.75	3.75	4.00	3.75	3.75	4.00

A series of destabilizing events shook Romania in 2012, reversing some recent progress the country had made in the area of democratic governance. The year began with a shakeup of Romania's government, followed by a widespread power grab on the part of the country's new leadership. These events, which dominated Romania's political landscape for months, involved fast-track parliamentary procedures, annexation of state institutions, behind-the-scenes political pressures, and other questionable maneuvers. Consequently, they drew intense international criticism, particularly from European authorities.

In January, thousands of Romanians staged demonstrations in Bucharest and other cities demanding the removal of the country's top two leaders, both members of the center-right Democratic Liberal Party (PDL). The protests erupted after the resignation of the undersecretary of the Ministry of Health, who objected to a controversial proposal to partially privatize Romania's health care system. Protestors condemned a number of measures promoted by President Traian Băsescu and the government of Prime Minister Emil Boc, including cuts to government salaries, the freezing of pensions, and tax increases.[2] Demonstrators also criticized the government's poor anticorruption record, calling for greater accountability and transparency in public life.

In response to the protests, Prime Minister Boc resigned in early February, and President Băsescu, who possesses the authority to nominate a new prime minister, replaced him with Mihai Răzvan Ungureanu, another PDL official. Ungureanu, who left his position as director of foreign intelligence to become prime minister, was unable to keep his coalition together for more than two months, due to a wave of political defections from the increasingly unpopular PDL and growing public support for the opposition. The Ungureanu government fell to a no-confidence motion by parliament in April.

Promising to reverse Romania's unpopular austerity measures, Victor Ponta, leader of the opposition Social Democratic Party (PSD), was appointed prime minister in May. His coalition, consisting of the PSD, the National Liberal Party (PNL), and the Conservative Party (PC) and calling itself the Social Liberal Union (USL), initially formed in February 2011 despite concerns the parties would not be able to overcome ideological differences and past rivalries. Soon after Ponta's appointment, the USL proved its relative stability and capitalized on anti-PDL sentiment by winning local elections with as much as 65 percent of the vote in some areas.[3]

Soon after Prime Minister Ponta took office, accusations emerged that he had plagiarized his 2003 Ph.D. dissertation, which he had defended with former prime minister and USL politician Adrian Năstase as an academic advisor. The accusations emerged in an article published by the international science journal *Nature,* which said an "anonymous whistleblower" had compiled documentary evidence showing Ponta had copied more than half of his paper.[4] Ponta, in turn, claimed the Băsescu camp brought the accusation for political reasons. Just days after the *Nature* article was published, a court confirmed that Năstase must serve two years in prison on a corruption conviction that had been handed down earlier in the year. Năstase, too, had claimed his prosecution was a political one driven by Băsescu.

Undeterred, the USL initiated an unprecedented power grab through a series of actions that targeted various state institution and high-ranking officials. On 6 July, the USL led a vote in parliament to impeach President Băsescu for allegedly overstepping his constitutional powers by intervening in the work of the prime minister's office and the judiciary, engaging in illegal phone tapping, and using Romania's secret services against his political enemies. This was not Băsescu's first impeachment: he survived a previous removal process in 2007. The July parliamentary vote went against Băsescu, 256 to 114.[5] According to the constitution, an impeachment must be approved in a popular referendum. Thus, Romanians voted on Băsescu's impeachment on 29 July. The referendum, however, devolved into a politicized debate about required voter turnout. So heated and controversial was the debate that the European Union (EU) weighed in to help salvage the process. After the poll was completed, the Constitutional Court waited nearly a month to confirm the outcome, providing further time and space for argument. Ultimately, Băsescu spent 52 days suspended from office between the 6 July parliamentary impeachment vote and his official reinstatement on 27 August, six days after the Constitutional Court's ruling.[6]

In addition to the impeachment proceedings, Prime Minister Ponta's government removed a trio of key PDL officials from their positions and challenged the authority of the judiciary. In early July, the USL voted out the leaders of both houses of parliament, the Senate and the Chamber of Deputies. In accordance with the constitution, the new head of the Senate, the USL's Crin Antonescu, replaced Băsescu as interim president during his suspension. The USL also dismissed the country's ombudsman and replaced him with one of its own. Furthermore, it swiftly issued two emergency ordinances, one stripping the Constitutional Court of its power to check decisions of parliament and the other changing the impeachment referendum process. These emergency ordinances elicited critical rulings from the Constitutional Court and sharp EU disapproval. The EU expressed concern that checks and balances were under attack in Romania, whose accession treaty has still a safeguard clause attached to its performance on judiciary reform and anticorruption.

Not forgetting the embarrassment of the plagiarism scandal, the Ponta government also reshuffled official educational bodies. In late June, it dissolved the general committee of the National Council for Attestation of Titles, Diplomas, and University Certificates (CNATDCU) as it was preparing to conclude that Ponta had

engaged in academic misconduct. The government announced the CNATDCU's new composition in early September, prompting concerns among some academics that the committee's professional quality had diminished.[7]

Unsurprisingly, little attention was dedicated to the actual business of governing during the intense political upheaval of summer 2012. Although the country remained within the margins of a previous agreement with the International Monetary Fund (IMF) that Prime Minister Ponta pledged to respect after coming to power, a clear indicator of Romania's underperformance in governance was its use of EU funds. By the end of 2012, Romania had absorbed only about 10 percent of the €25 billion allocated to it in structural and cohesion funds for the 2007–13 period.[8] The EU announced in October that it was halting further funding due to incompetent and corrupt management by Romanian authorities. In November, the country signed an agreement with the European Bank for Reconstruction and Development (EBRD) to help authorities make better use of EU money.

Parliamentary elections in early December ended the year with a decisive victory for the USL, which won a majority of seats in both houses of parliament. With Ponta remaining prime minister and Băsescu reinstated as president after the impeachment crisis, the elections set the stage for further political battles in 2013.

Electoral Process

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
2.75	2.75	2.75	2.75	2.75	2.50	2.75	2.75	3.00	3.00

Romania held three nationwide elections in 2012: local elections in June, the referendum on President Băsescu's impeachment in July, and parliamentary elections in December. Over the course of these events, and in keeping with the country's recent history of national polls, parties in power made numerous attempts to manipulate electoral legislation, prompting criticism from the domestic judiciary and the EU. Nepotism, clientelism, and politicians' frequent migration from one party to another remained problematic in electoral processes.

On 25 January, the Constitutional Court ruled against a law promoted by the Boc government that would have delayed June's local elections to have them on the same day as the parliamentary elections. Although promoted as a cost-saving measure, the law was also intended to postpone the increasingly unpopular government's encounter with voters. The local elections were thus held in June, when another PDL-engineered law proved problematic for its creators. The law, passed in 2011, required that mayors be elected in the first round of voting, regardless of turnout. Because the PDL had lost so much popular support, it failed to win many mayoral positions under this voting scheme, including in Bucharest and its districts. Indeed, of 3,180 mayoral positions, USL, PSD, or PNL candidates won 1,964. Meanwhile, the same coalition won 20,408 of 29,888 offices in local councils and 36 of 41 county president mandates. County counselor results were split: 49.8 percent voted for the USL, 15.28 percent for the PDL, and 8.96 percent

for the new Popular Party of Dan Diaconescu (PP-DD), led by a station owner and showman-journalist under indictment for corruption.

The next national vote was the referendum on President Băsescu's impeachment. The USL attempted to ensure the results in advance by using an emergency measure to change a law stating that a referendum is only valid if more than 50 percent of voters participated. The move unleashed a torrent of criticism from the EU, which expressed concern about the "speed and consequences of the decisions taken in the past few weeks."[9] Moreover, the Constitutional Court ruled against the emergency measure on 10 July. Consequently, the USL backed down, pledging to respect the turnout threshold. Initial results from the referendum on 29 July showed about 87 percent of voters opposing Băsescu, but turnout was only 46 percent.[10] Nonetheless, the Constitutional Court took nearly a month to confirm the referendum results, opening the door for further political jockeying, accusations of fraud, and efforts to manipulate turnout numbers. This prompted the resignations of Minister of Internal Affairs Ioan Rus, who cited "unacceptable" pressures on his office, and his deputy, who was tasked with organizing the vote.[11] The court finally reinstated Băsescu on 21 August, ending a prolonged process that strained Romania's democratic credentials.

Parliamentary elections in December were preceded by controversy, as well. After the USL gained power in May, it introduced a bill to establish a first-past-the post voting system. This would have replaced the mixed majority and proportional system adopted in 2008. It also would have helped ensure even more seats for the USL, which receives more votes than other parties in most districts. The PDL challenged the law, and the Constitutional Court struck it down on 27 June. Using the 2008 system, about 42 percent of Romanians voted on 9 December for 2,457 candidates from a dozen parties or alliances and 18 minority groups, as well as 12 independent candidates. The USL won in a landslide, claiming about 59 percent of votes (273 seats) in the Chamber of Deputies and 60 percent of votes (122 seats) in the Senate. The Right Romania Alliance (ARD), of which the PDL was a part, won less than 20 percent of the vote, taking just 56 seats in the Chamber and 24 in the Senate. The newly popular PP-DD won 68 seats overall. Remaining seats went to a series of ethnic minority groups.[12]

The main concern after the USL's victory was whether Băsescu, who will be president until 2014, would again name Ponta as prime minister. Băsescu had indicated his unwillingness to make the appointment, prompting threats from the USL of new impeachment proceedings. The debate stoke fears of further political upheaval, particularly considering that the constitution does not offer a mechanism for dispute resolution if the president chooses a prime minister other than the leader of the party or alliance dominating parliament. In the end, Băsescu bowed to pressure and custom, reappointing Ponta on 17 December.

Romania's national votes in 2012 were not free of campaign misconduct. The controversial referendum was the poll most fraught with accusations of wrongdoing. In addition, June's local elections produced more than 1,200 complaints of electoral fraud, of which 38 percent were confirmed. Overall, authorities investigated 320

people.[13] Problems in the elections included vote-buying, verbal and physical violence directed against candidates and electoral committee members, missing ballots, and prolonged campaigning on election day.[14] Meanwhile, although a mission from the Organization of Security and Cooperation in Europe's Office for Democratic Institutions and Human Rights (OSCE/ODIHR) found that December's parliamentary elections were "administered professionally and efficiently," there were some problems, including the destruction of campaign banners and posters and offers of gifts to voters.[15] Moreover, Romania's entrenched practices of nepotism and clientelism were on clear display in the December vote. Thirty percent of the candidates reportedly made their fortunes from government contracts or enjoyed other government rents. Twelve candidates were the children of local politicians, seven were wives, and eight others were relatives. Contributing to this milieu, many candidates switched parties prior to the elections, often more than once, seeking a greater chance of winning.[16] This political migration prompted the National Integrity Agency (NIA) to investigate 24 candidates for potential conflicts of interest ("incompatibility problems") between management or leadership positions they held in addition to public office.[17]

Civil Society

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
2.50	2.25	2.25	2.25	2.25	2.50	2.50	2.50	2.50	2.50

The year 2012 began with remarkable civil society mobilization during a series of protests and rallies in January. This was followed, however, by business-as-usual once the political crisis began, and a new, sustained civil society movement failed to emerge. Nongovernmental organizations (NGOs) continued to face a host of legal restrictions and financial problems, and many remained coopted by political parties.

January protests, the largest in recent memory, brought thousands of Romanians to the streets demanding an end to political corruption and the introduction of policy reforms to benefit those suffering from the economic downturn. Protests spread to some 60 cities; one rally in Bucharest was reported to host about 7,000 demonstrators.[18] The events successfully forced Prime Minister Boc's resignation in February, but they were not without incident. Police reportedly assaulted and abusively detained protestors and limited the freedom of movement of some individuals traveling to Bucharest to participate in rallies.

Despite their fervor, the protests ultimately failed to generate a sustainable political movement. A chief reason for this failure was that the groups protesting were highly diverse and thus unable to find definitive common ground. They included supporters of the right and left wings of Romanian politics, retired communist officials, and veterans of the Romanian Revolution, tens of thousands of which were granted special government benefits 22 years ago. Thus, the energy and message of the protests did not manifest itself in the local and parliamentary elections. Although the PDL lost significant ground in both these votes, the

victorious USL scarcely represented a transformative vision for the country, and new parties with promising politicians largely failed to materialize.

The younger, more urban protestors managed to preserve some of the movement's momentum, evidenced in a 10 percent share of the vote in June's local elections going to independent candidate Nicusor Dan, who ran for the Bucharest mayor's office.[19] Without the backing of major political parties and relying on volunteers, Dan, a mathematician, former youth activist, and proponent of revitalizing Bucharest, gained support through online social networks and favorable op-eds in domestic and international outlets. After Dan lost the mayoral race, his popularity petered out over the course of the year. Due to high entrance barriers for new political parties, he did not attempt to register one for the December parliamentary elections.

Civil society in Romania has long been politicized, with most NGOs acting in consensus with one of the main political camps. This trend continued in 2012. However, when it was still in the political opposition, the USL was keen to ensure the support of independent civil society. In early February, Prime Minister Ponta and his allies signed a charter with the Alliance for Clean Romania, a coalition of NGOs, unions, and students.[20] The White Charter of Good Governance, as it is known, calls for transparency of public expenses, consultation with civil society on legislation, and limits on the use of emergency ordinances.[21] Once in power, however, the USL breached the charter. In June, for instance, it adopted an emergency ordinance that required the Romanian Cultural Institute (ICR), a nonpartisan force for promoting the arts both domestically and abroad, to subordinate itself to parliament. The government also accused the ICR of "financial and legal irregularities."[22] Romanian artists and activists protested the developments, which occurred without the consultation of civil society. The Alliance for Clean Romania petitioned the ombudsman to challenge the emergency ordinance, and he did so before the Constitutional Court in late June. However, the USL dismissed the ombudsman, and at the end of July, the court ruled in favor of the ordinance. The ICR's leadership soon resigned in protest of parliament-approved cuts to the institution's budget.

Various legal threats continued to menace NGOs in 2012. On 19 June, the USL-dominated parliament approved a draft law that restricted the naming of associations and foundations. The text said NGOs should avoid confusion by not using words like "bar," "chamber," "union," "institute," and "council" that would make their names similar to existing entities. Only the government could approve the use of the words "national" and "Romanian." Moreover, established entities whose names contained certain words or phrases were required to change their titles within six months of the law's entrance into force. Otherwise, they could be legally dissolved. Prominent NGOs protested the law as an attempt to restrict freedom of association under the guise of administrative streamlining. They argued that the law would jeopardize civil society's stability. The groups called on the ombudsman, the president, and the government to address the problem.[23] President Băsescu, in turn, declined to sign the law, returning it to the Senate for review; thus the draft law must repeat the entire legislative process.

Civil society groups petitioned throughout the year to modify the 1991 Law on Public Gatherings (Law no. 60/1991), which effectively forbids even a small group of people from gathering in any public space without authorization from local authorities. In 2012 NGO groups petitioned for changes to a number of the law's more restrictive provisions, including the requirement that gatherings register three days in advance and declare an identified organizer. NGOs also proposed to remove authorities' right to ban demonstrations on the basis of violent actions by individual demonstrators and requested a new provision requiring police gendarmes to wear visible identification numbers on their uniform.

Romanian NGOs continued to face financial problems brought on by mismanagement of EU funds by the government. In the fall, about 150 organizations sent a letter to the government demanding promised reimbursement from EU structural funds. Because the government had failed to deliver money, the NGOs had been forced to fire staff, cut services, or face bankruptcy.[24] The EU's freezing of further funding on October placed NGOs in an even more precarious position, and money acquired through a legislative scheme that allows citizens to direct 2 percent of their taxes to a NGO or church of their choice proved insufficient to cover the gaps. Romania is currently negotiating a new budget framework and format for the 2014–20 period, but no one has yet proposed the creation of an independent operational program dedicated to financing civil society development.

Independent Media

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
3.75	4.00	4.00	3.75	3.75	3.75	4.00	4.00	4.00	4.25

The year's political turmoil exposed an increasing fragility and narrowing of space for independent media in Romania. In January, while covering the antigovernment demonstrations, numerous journalists fell victim to violence by protestors and police. Officials exhibited hostility toward independent outlets and continued to use legislation to influence the dissemination of information. The political antagonism between pro- and anti-governmental forces also translated into growing politicization and polarization in the media sector, which remains dominated by a group of corrupt media moguls.

Physical and verbal attacks against media intensified in 2012. During the January protests, During the January protests, demonstrators threw stones at some reporters, while riot police hit and detained at least one. Moreover, police assaulted citizens who were peacefully filming the events.[25] Later in the year, when the USL faced foreign pressure to cease its undemocratic political tactics, the government criticized journalists working in Romania for international media. It accused them of being Băsescu's "anti-Romanian agents."[26]

A Civil Code that came into force in 2011, as well as specific media laws, purport to safeguard freedom of the press. However, parliament's use of media laws to serve

the interests of its leadership in 2012 revealed strong overregulating tendencies. In 2012, the new USL majority ignored a law according to which political groups should nominate public television and radio board members according to their respective weight in the legislature. Employing dubious maneuvers, members of the USL coalition prevented Băsescu's PDL from nominating candidates.[27] The Constitutional Court reinstated opposition appointees to the TV board, but overall, no serious protest was staged against the USL's actions because previous governments also politicized the selection of the boards' membership.

Exacerbating the problem of politicization was the continued concentration of media outlets in the hands of a few wealthy businessmen, who typically use them to advance their political and economic interests. Many of these businessmen—some of whom were hit hard by a large decline in nationwide advertising revenues—faced corruption charges in 2012 or began serving time in prison. Dan Voiculescu, owner of the Intact media group, resigned in June from the Senate in order to move his corruption case from a high court to a lower one. Dinu Patriciu, owner of the Adevărul Media Holding, was acquitted in August on charges of embezzlement, money-laundering, and stock manipulation. His media empire subsequently closed under the weight of €100 million in debt.[28] Sorin Ovidiu Vântu, who owns the Realitatea-Catavencu media group, was sentenced in June to one year in prison, for blackmail. Dan Diaconescu, the populist leader of the PP-DD, which did relatively well in the June and December elections, is a media tycoon accused of using blackmail to build his business empire. The National Audiovisual Council makes some efforts to control these forces and other businessmen's media ventures, but the council itself is politicized,[29] making the enforcement of any meaningful regulation difficult.[30]

One bright spot in an otherwise dismal year for media in Romania was the internet. Online penetration rates surged to 39 percent of citizens. Social media networks, especially Facebook (21.3 percent penetration), also helped mobilized people during the year's protests. Facebook groups such as "Piața Universității," named after the square in Bucharest where many of the January rallies were held, enjoyed widespread popularity. Close to 50,000 supporters helped Piața Universității engage in effective antigovernment "internet protesting."[31] The page featured a live video section where activity within the square could be seen in real time and encouraged followers to post their own recordings, share their thoughts, and join various discussion topics related to the antigovernment movement.

Local Democratic Governance

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
n/a	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00

In 2011, local budgets shrank considerably and the central government micromanaged spending, transfers, hiring, and other processes, resulting in a tug-of-war between municipal, county, and national authorities in 2012 over discretionary

funding and the decentralization of political and economic power. Local elections in June brought success to parties of the Ponta government, delivering a blow to the previously powerful PDL.

Romania's Emergency Fund is increased at the programming stage of each fiscal year to ensure a surplus and distributed at the end of it to municipalities and counties without clear criteria for allocation. Consequently, funds have tended to be distributed by parties in power on a political basis. Upon taking power, Prime Minister Ponta emphasized his commitment to ending the clientelistic use of the fund and taking back unused allocations his predecessor had given to local offices controlled by the PDL and its allies. One of the first ordinances the USL government issued in May obliged local authorities to transfer back these funds, totaling 648 million Romanian lei (€147 million), on the grounds that some offices did not meet the necessary legal criteria for such transfers.[32] The ombudsman challenged this ordinance before the Constitutional Court, which decided that the government was entitled to demand restitution if the recipient localities did not meet certain criteria, like having arrears or needing to co-finance projects with external funds. Following the court's decision, the government returned 107 million lei (or €24 million) of the funds it had reclaimed to local authorities who were able to prove their qualifications;[33] at the same time, it demonstrated that some 47 percent of applicants did not qualify.[34] The dispute between local and national officials was renewed at the end of the summer, this time over financial allocations the USL government had made. In August, PDL officials in Cluj county accused the Ponta government of issuing preferential distributions and failing to send any to Cluj's municipalities.[35]

In August, the Ponta government distributed an additional 10 million lei out of the Emergency Fund to 69 municipalities of 21 counties.[36] When Cluj county received no allocations, local PDL officials accused the Ponta government of issuing preferential distributions.[37] The Ponta cabinet argued that the August allocations had done nothing but finalize an allocation determined by the previous government.[38]

The year saw no substantial progress in implementing the European Charter of Local Self-Government and dismantling Romania's lingering centrist political culture. This problem was connected to the low absorption and implementation rates of EU structural and cohesion funds. A report published in April pointed out that regional structures created to handle EU funds were not functioning efficiently because they lacked genuine decision-making authority.[39] Prime Minister Ponta declared in July in front of representatives from counties with large Hungarian minorities—some of whom are in favor of autonomy from the state, thus making the issue especially sensitive—that he supports a genuine decentralization process that would relieve existing bureaucratic hurdles while also contributing to a better absorption process.[40] In doing so, Ponta set the stage for a serious political debate about local empowerment, likely to occur in 2013 and beyond.

Judicial Framework and Independence

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
4.25	4.00	4.00	3.75	4.00	4.00	4.00	4.00	3.75	3.75

In the midst of the year's unprecedented political crisis, there was an increase in high-stakes adjudication by the Constitutional Court. Although some of the court's decisions upheld democratic principles, contradictions with and departures from the body's past jurisprudence raised concerns about the consistency and impartiality of judges. Also troubling were attacks on the autonomy of the court by authorities seeking to tame the judiciary's ability to question or strike down new legislation.

The court was a target of the USL's power grab over the summer. By emergency ordinance, the new government endeavored to remove from the court's jurisdiction the ability to review parliamentary decisions. On 9 July, the court declared this ordinance unconstitutional insofar as it restricted judicial competence to scrutinize decisions "affecting constitutional principles and values."[41] The same day, the court ruled on petitions regarding the USL's removal of the heads of the Chamber of Deputies and Senate. The court declared these petitions inadmissible, judging with reference to its simultaneous decision on judicial competence that the removal of the parliamentary leaders did not impinge upon constitutional principles and values.[42] Yet the USL had removed the leaders without the agreement of the faction to which they belonged (the PDL), in contradiction to a 2005 court decision. Moreover, the leaders had been replaced with representatives of the USL, despite the court's previous holding that "replacement can only be made with a person of the same parliamentary group."[43] (Three judges dissented in the 9 July court opinion related to the removal of the Senate leader, citing the 2005 decision.) The court revisited its stance on judicial competence in September. It held this time that a law approving the emergency ordinance endeavoring to restrict the court's functioning was wholly unconstitutional; the law said the court could review decisions of a normative character, but not individual acts. In response, the PDL filed a new petition regarding the USL's removal of the Senate leader in June, citing a judicial development that could affect the outcome. However, the court again rejected the petition.[44]

The Constitutional Court also exhibited inconsistencies when it ruled on the USL's emergency ordinance changing the 50 percent voter turnout threshold required for the validity of presidential impeachment referenda. The court had decided in 2007 that parliament could use its discretion "to opt for a relative majority for dismissing the President."[45] In 2012, however, the court opposed the USL and upheld the requirement of 50 percent voter turnout.[46] This decision, bolstered by EU and other international support, helped set the stage for the eventual failure of the referendum against President Băsescu. Nonetheless, the court's departure from its past jurisprudence was noteworthy.

In a more bizarre controversy, an August court decision regarding the validation of the presidential referendum was modified prior to publication. The insertion

was introduced through an erratum, or post-decision amendment. The ostensible correction was sent for publication without approval by the court's plenum. Three of the justices declared publicly that they had not been consulted (they had learned of the erratum through the media) and disagreed with the practice.[47] Along with the court's vacillation with regard to its own jurisprudence, the erratum diminished the credibility of the body as Romania's most important legal umpire.

A July report issued under the European Commission's Mechanism for Cooperation and Verification Mechanism (CVM) found that there had been only limited progress in three key areas of broader judicial reform: efficiency of procedures, consistency of jurisprudence, and accountability of the judiciary.[48] Persistent procedural problems include a lack of transparency and politicization in the selection and promotion of various justice officials. This includes the appointment of the country's public prosecutors. The minister of justice selects nominees and submits them to the president for confirmation. Before the president appoints prosecutors, nominees undergo a hearing in front of the Superior Council of Magistrates (CSM), but the council's opinions are not binding. The EU and some domestic entities, including the CSM, have criticized this process for allowing political selections in lieu of ones based on merit and other clear criteria.

Legally, the minister of justice may select prosecutor nominees however he or she sees fit. After a nontransparent contest and interview process, Minister of Justice Mona Pivniceru appointed Tiberiu Nițu as Romania's prosecutor general and Ioan Irimie as chief prosecutor of the National Anticorruption Directorate (DNA) in November. The CSM, in turn, issued a negative opinion regarding the two nominees' suitability for office because of their past professional records. Irmie had been dismissed from a previous administrative post because of poor management, and Nițu dealt with files pertaining to the Romanian Revolution while also holding a certificate proving he participated in the revolution.[49]

Corruption

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
4.50	4.25	4.25	4.00	4.00	4.00	4.00	4.00	4.00	4.00

The year 2012 began with strong and clear public demands that the government address Romania's pervasive culture of graft. However, the tumultuous political climate was not conducive to promoting anticorruption policies. This exacerbated longstanding problems within the state agencies tasked with addressing the problem of corruption, the depth of which was evident in cases brought against multiple high-level officials. The country remained under special EU monitoring for corruption and Transparency International scored it among the most corrupt in Europe, although its 2012 ranking was up a few slots from the year before.[50]

Public resentment of the political elite's abuse of their offices and power was widespread in 2012. Antigovernment slogans used during the January protests often focused on corruption ("We apologize that our production capacity is so much

inferior to your stealing capability.") Moreover, a Eurobarometer study published in February found that 67 percent of respondents believed the level of corruption in their country had increased, while 78 percent agreed that corruption in Romania is much more pervasive than in other EU member states. In addition, 79 percent did not believe their government was effectively fighting corruption.[51]

Several bodies are tasked with leading this fight, including the DNA, a judicial structure that handles corruption cases; the National Integrity Agency (ANI), which was created after Romania joined the EU; and the General Directorate for Anticorruption, which operates under the umbrella of the Ministry of Internal Affairs. These bodies have had varying degrees of success in their mandates. Despite some political attempts over the years to dismantle the DNA, the organization continues to be the leading institution for investigating and prosecuting high-level corruption. It has increased the number of indictments and investigations carried out against offenders irrespective of their party affiliation. In the first nine months of 2012, for instance, the DNA reported that 552 offenders were convicted—nearly double the number during the same period in 2011.[52] Still, media leaks of wiretaps taken in DNA investigations have generated suspicions that the institution is politicized and uses questionable tactics.[53] Meanwhile, the ANI's performance continues to lag behind DNA's due to poor budgeting and a lack of human resources. The number of integrity inspectors working in the middle of the year was 35, down from 54 in 2010, leaving one inspector to handle 106 cases[54] Moreover, the head of the ANI reported experiencing the "most aggressive" political pressure in the institution's history to drop investigations against high-level figures in advance of December's parliamentary elections.[55]

Set against this bureaucratic landscape, there were mixed outcomes in an array of high-profile corruption cases. Former prime minister Adrian Năstase was sentenced to two years in prison, becoming the country's first head of government imprisoned in the post-communist era. He was convicted of illegal campaign financing during his failed 2004 presidential campaign, when he took nearly €2 million euros ($2.6 million) from the profits of a state-organized event.[56] After being sentenced in June, Năstase staged a suicide attempt, ostensibly to avoid jail time, and accused the DNA of partaking in a political conspiracy against him. In addition to Năstase's conviction, PSD member Vasile Emilian Cutean, the former secretary of state for the problems of the revolutionaries of 1989, was sentenced to five years in prison for embezzling approximately €85,000 ($109,300).[57] Senate and PSD member Cătălin Voicu was also sentenced to five years for corruption in June, and businessman Corneliu Iacubov received a seven-year sentence. Other corruption cases had less successful results. Businessman Ilie Carabulea was sentenced to jail for 18 months, only to be released again in October. Dinu Patriciu, general manager of Rompetrol SA, was acquitted in August. Moreover, some defendants used various maneuvers to delay court proceedings. Media owner and rising political star Dan Voiculescu, for instance, resigned from the Senate to move his corruption case from the High Court of Cassation and Justice to the lower Bucharest Tribunal, a move likely to protract proceedings.

The rivalry between Prime Minister Ponta and President Băsescu also gave rise to complications and allegations in various corruption cases, some of which were enabled by the PDL losing its grasp on governance. Prosecutors initiated an investigation against the former president of the National Agency for Fiscal Administration, Sorin Blejnar; the head of the National Customs Authority, Viorel Comanita; and several other defendants on suspicion of tax evasion. Blejnar, a Băsescu appointee, denied all accusations and alleged that Ponta and other USL leaders were threatening him. In addition, after the referendum on Băsescu's impeachment, Liviu Dragnea, the secretary general of the PSD, was accused of developing a national network to commit electoral fraud. He remained under investigation at the end of the year, but after winning a seat in parliament, Ponta appointed Dragnea as a deputy prime minister.

Ultimately, the year 2012 closed on an uncertain note. The mandates of several Băsescu appointees to anticorruption positions ended, meaning that with new nominations, the USL was positioned to expand its influence over the work of the DNA and other agencies. In turn, this opened the door for increased protection of Ponta government officials and allies from corruption investigations and convictions.

▮ Authors: Andrea Wagner, Bogdan Iancu, Valentina Dimulescu, et al.

This report was compiled by the research staff at the Romanian Academic Society (SAR) in Bucharest, with notable contributions by anticorruption expert Andrea Wagner, research project director Bogdan Iancu (PhD), and policy coordinator Valentina Dimulescu.

---

1 The Romanian Constitution displays a special feature relating to the presidential impeachment procedure in the sense that there is a distinction between "suspension from office" (Article 95) and "impeachment" (Article 96). Most constitutional texts do not make such a distinction between acts violating the Constitution and those consisting in high treason or criminal offences. It is safe to say that the Romanian suspension procedure can be included in what is generally described as a presidential "impeachment." Throughout the present report we will use the term "impeachment" for the suspension procedure, which took place in summer 2012 since it was a parliamentary sanction against the head of state for alleged unconstitutional behavior.

2 Nicholas Kulish, "Romanian protestors urge government's ouster," *The New York Times*, 19 January 2012, http://www.nytimes.com/2012/01/20/world/europe/romanian-protesters-urge-governments-ouster.html.

3 Radu Marinas, "Romania's new government wins local polls," Reuters, 10 June 2012, http://www.reuters.com/article/2012/06/10/us-romania-vote-idUSBRE8590EN20120610.

4 Quirin Schiermeier, "Romanian prime minister accused of plagiarism," *Nature*, 18 June 2012, http://www.nature.com/news/romanian-prime-minister-accused-of-plagiarism-1.10845.

5 "Romania's president impeached amid international concern," The Associated Press, 6 July 2012, http://www.guardian.co.uk/world/2012/jul/06/romania-president-impeached.

6 "Basescu reinstated as Romanian president," Euronews.com, 21 August 2012, http://www.euronews.com/2012/08/21/basescu-reinstated-as-romanian-president/.

7 Elisabeth Pain, "In Plagiarism Protest, Expat Researchers to Boycott Romanian Conference," ScienceInsider.com, 21 September 2012, http://news.sciencemag.org/scienceinsider/2012/09/in-plagiarism-protest-expat-rese.html.

8 "Romania doubles EU fund absorption rate in one year, minimum 15% target to be reached by end of 2012," Romania-Insider.com, 5 December 2012, http://www.romania-insider.com/romania-doubles-eu-fund-absorption-rate-in-one-year-minimum-15-target-to-be-reached-by-end-of-2012/70696/.

9 Neil Buckley and James Fontanella-Khan, "Romania president gets impeachment lifeline," *The Financial Times*, 10 July 2012, http://www.ft.com/cms/s/0/f4beda04-caab-11e1-89be-00144feabdc0.html#axzz2T5yiutVD.

10 Grigore Pop-Eleches, "Post-Election Report: Romania's Presidential Impeachment Referendum, and Request for Help in Identifying Potential Fraud," TheMonkeyCage.org, 9 August 2012, http://themonkeycage.org/2012/08/09/post-election-report-romanians-presidential-impeachment-referendum-and-a-request-for-help-in-identifying-potential-fraud/.

11 "Romanian interior minister resigns amid impeachment row," Agence France-Presse, 6 August 2012, http://www.hurriyetdailynews.com/romanian-interior-minister-resigns-amid-impeachment-row.aspx?pageID=238&nid=27171.

12 Organization for Security and Cooperation in Europe's Office for Democratic Institutions and Human Rights (OSCE/ODIHR), *Romania: Parliamentary Elections 9 December 2012: OSCE/ODIHR Election Expert Team Final Report* (Warsaw: OSCE/ODIHR, 16 January 2013), http://www.osce.org/odihr/elections/98757.

13 "Alegeri locale 2012. MAI: Peste 1200 de incidente electorale au fost sesizate" [2012 local elections. MAI: Over 1200 electoral incidents have been reported], Gandul.info, 11 June 2012, http://www.gandul.info/news/alegeri-locale-2012-m-a-i-peste-1-200-de-incidente-electorale-au-fost-sesizate-9733191.

14 "Probleme la alegerile locale 2012: BEC anunta repetarea alegerilor la Mangalia si Curcani, atat pentru primar, cat si pentru CL" [Problems with the local elections 2012: The Central Electoral Bureau announces that the elections for mayor and local council will be repeated], Gandul.info, 13 June 2012, http://www.gandul.info/news/probleme-la-alegerile-locale-2012-bec-anunta-repetarea-alegerilor-la-mangalia-si-curcani-atat-pentru-primar-cat-si-pentru-cl-9744361; "Incidente electorale. Batati, impuscaturi, retineri pentru mita electorala, fraude electorale" [Electoral incidents. Fights, gun shots, electoral bribe arrests, electoral frauds], RTV.net, 10 June 2012, http://www.rtv.net/incidente-electorale-batai-impuscaturi-retineri-pentru-mita-electorala-fraude-electorale_31783.html; and "Alegerile locale 2012: Un test pentru capacitatea democratiei locale de a se adapta cerintelor societatii sau un vot sanctiune?" [2012 local elections: A test for the capacity of local democracy to adapt to society's requests or a punishment vote?], ProDemocracy Association, June 11, 2012, http://www.apd.ro/comunicat.php?id=304.

15 OSCE/ODIHR, *Romania: Parliamentary Elections 9 December 2012.*

16 Romanian Academic Society (SAR), *Landslide Victory for Left-Right Coalition in Romanian Politics (Bucharest: Romanian Academic Society* (Bucharest: SAR, December 2012), http://sar.org.ro/wp-content/uploads/2012/12/Policy-Brief-SAR-63-3.pdf.

17 "Citeste cine si-arputeapierdemandateleindatadupavalidarealor. Veziceparlamentariincompatibili, condamnati, cu banoasecontracte cu statulsau care rude vorpopulaviitorulLegislativ" [Read about who might lose his/her mandate right after they are validated. See the MPs who

are incompatible, have received a court sentence, are enjoying contracts with the state and which relatives will occupy seats in the future Legislative], Romania Curata, 11 December 2012, http://www.romaniacurata.ro/ltfont-colorblackgtciteste-cine-si-ar-putea-pierde-mandatele-indata-du-3610.htm.

18 Nathan Kulish, "Romanian protestors urge government's ouster."

19 Sam Cage and Andreea Birsan, "Romanians lose faith in squabble ling politicians," Reuters, 26 June 2012, http://www.reuters.com/article/2012/06/26/romania-politics-idUSL5E8HM24E20120626.

20 Simona Popescu, "USL a anuntat ARC ca doreste sa semneze Carta Alba a Bunei Guvernari" [The USL informed ARC that it wishes to sign the White Charter of Good Governance], Alianta pentru o Romania Curata, 9 February 2012, http://www.romaniacurata.ro/usl-a-anuntat-arc-ca-doreste-sa-semneze-carta-alba-a-bunei-guvernari-2369.htm.

21 Simona Popescu, "Romania curate militeaza pentru realizarea objectivelor din Carta Alba a Bunei Guvernari" [The Alliance for a Clean Romania advocates for objectives contained in the White Charter of Good Governance], Alianta pentru o Romanie Curata, 11 March 2012, http://www.romaniacurata.ro/articol-2516.htm.

22 Randy Gener, "Romania's Cultural Institute under siege; Ponta's online minions attack character and integrity of ICR leadership," TheaterofOneWorld.org, http://theaterofoneworld.org/2012/06/30/romanias-cultural-institute-under-siege-pontas-online-minions-attack-character-and-integrity-of-icr-leadership/.

23 Pro-Democracy Association, "Activitati recente" [Recent activity], news release, 2012, http://www.apd.ro/noutati.php?id=145.

24 "Sistarea POSDRU falimenteaza ONG-urile" [The stopping of POSDRU funds leads to the bankruptcy of NGOs], *Gazeta de Cluj*, 27 September 2012, http://www.gazetadecluj.ro/stiri-eveniment/sistarea-posdru-falimenteaza-ong-urile/.

25 Reporters Without Borders, "Activewatch—MMA and Reporters Without Borders condemn acts of violence during protests," news release, 17 January 2012, http://en.rsf.org/romania-activewatch-mma-and-reporters-17-01-2012,41692.html.

26 "Press freedom in Romania—Journalists under fire," *The Economist*, 1 September 2012, http://www.economist.com/blogs/easternapproaches/2012/09/press-freedom-romania.

27 Ioana Avadani and Cristian Ghinea, "The 'piranha' model: Power plays and dynamics of media policy-making in Romania," *MEDIADEM, Hertie School of Governance*, forthcoming in 2013.

28 IREX, "Romania Media Sustainability Index," 7 April 2013, http://www.irex.org/resource/romania-media-sustainability-index-msi.

29 By law, the Council has 11 members who are appointed by Parliament on the basis of proposals put forward by the Senate (3 members), the Chamber of Deputies (3 members), the president (2 members) and the government (3 members).

30 "Active Watch: Anul 2012 a insemnat politizarea cronica a pietei de media" [Active Watch: The year 2012 brought a chronic politicization of the media market], Realitatea.net, 8 May 2013, http://www.realitatea.net/active-watch-anul-2012-a-insemnat-politizarea-cronica-a-pietei-de-media_1175932.html.

31 Piața Universității Facebook page, "Comunicat: Noi, dupa 10 zile de protest" [Communiqué: Us, after 10 days of protests], https://www.facebook.com/PiataUniversitatii/posts/281812868548515.

32 Vladimir Ionescu, "Guvernul Ponta returneaza primariilor banii pe carei luase pentru ca fusesera dati de guvernul Ungureanu" [The Ponta Government returns the money taken away from the Ungureanu Government], Cursdeguvernare.ro, 19 July 2012, http://cursdeguvernare.ro/guvernul-ponta-returneaza-primariilor-banii-pe-care-i-luase-pentru-ca-fusesera-dati-de-guvernul-ungureanu.html.

33 Ibid.

34 Government of Romania, "Informatie de presa privind unele acte normative incluse pe Agenda de lucru a sedintei Guvernului Romaniei din 18 iulie 2012, ora 13:00" [Press release regarding the laws included on the Romanian Government's agenda on 18 July 2012, 13:00], news release, 18 July 2012, http://www.gov.ro/informatie-de-presa-privind-unele-acte-normative-incluse-pe-agenda-de-lucru-a-sedintei-guvernului-romaniei-din-18-iulie-2012-ora-13-00__l1a117763.html.

35 "Guvernul transmite PDL ca sumele din Fondul de rezerva au fost alocate de Cabinetul Ungureanu" [The Government tells the DLP that the sums from the Emergency Fund had been allocated by the Ungureanu cabinet], Mediafax.ro, 28 August 2012, http://www.mediafax.ro/politic/guvernul-transmite-pdl-ca-sumele-din-fondul-de-rezerva-au-fost-alocate-de-cabinetul-ungureanu-9989557.

36 Government Decision 864/23 August 2012, http://www.lege-online.ro/lr-HOTARARE-864-2012-(140815).html.

37 "Guvernul transmite PDL ca sumele din Fondul de rezerva au fost alocate de Cabinetul Ungureanu" [The Government tells the DLP that the sums from the Emergency Fund had been allocated by the Ungureanu cabinet], Mediafax.ro, 28 August 2012, http://www.mediafax.ro/politic/guvernul-transmite-pdl-ca-sumele-din-fondul-de-rezerva-au-fost-alocate-de-cabinetul-ungureanu-9989557.

38 "Guvernul transmite PDL ca sumele din Fondul de rezerva au fost alocate de Cabinetul Ungureanu" [The Government tells the DLP that the sums from the Emergency Fund had been allocated by the Ungureanu cabinet], Mediafax.ro, 28 August 2012, http://www.mediafax.ro/politic/guvernul-transmite-pdl-ca-sumele-din-fondul-de-rezerva-au-fost-alocate-de-cabinetul-ungureanu-9989557.

39 SAR, *Cu ce ne alegem din fondurile europene pentru dezvoltare regionala si de ce?* [What do we get from the European regional development funds and why?] (Bucharest: SAR, April 2012), http://www.sar.org.ro/wp-content/uploads/2012/04/SAR-25-461.pdf.

40 Ponta: In cursul anului 2013 trebuie sa ajungem la un accord privind o adevaratadescentralizare" [Ponta: In 2013 we must reach an agreement on a genuine decentralisation], *Ziarul Faclia*, 21 July 2012, http://www.ziarulfaclia.ro/ponta-in-cursul-anului-2013-trebuie-sa-ajungem-la-un-acord-privind-o-adevarata-descentralizare/.

41 DCC No. 727, 9 July 2012.

42 DCC Nos. 728 and 729, 9 July 2012.

43 DCC No. 601, 14 November 2005.

44 Larisa Dumitrescu, "Crin Antonescu keeps his Senate speaker job," Nineoclock.ro, 27 September 2012, http://www.nineoclock.ro/crin-antonescu-keeps-his-senate-speaker-job/.

45 DCC No. 355, 4 April 2007.

46 DCC No. 731, 10 July 2012.

47 Constitutional Court ruling on July 29 referendum published in Official Journal," Agerpres, 28 August 2012, http://www.agerpres.ro/english/index.php/news-of-the-day/item/144383-Constitutional-Court-ruling-on-July-29-referendum-published-in-Official-Journal.html.

48 Council of Brussels, *Report from the Commission to the European Parliament and the Council on Progress in Romania under the Cooperation and Verification Mechanism* (Brussels: Council of Brussels, 18 July 2012), http://www.montesquieu-institute.eu/9353000/1/j9vvhfxcd6p0lcl/vj6ipmn771zw.

49 Ovidiu Albu, "Nominializarile Monei Pivniceru pentru Parchet si DNA: Cine sunt Nitu si Irimie" [Mona Pivniceru's nominations for General Prosecutor and DNA: Who are Nitu and Irimie], Ziare Online Daily, 1 November 2012, http://www.ziare.com/stiri/procuror/nominalizarile-monei-pivniceru-pentru-parchet-si-dna-cine-sunt-nitu-si-irimie-1199132; and "Aviz negative de la CSM pentru Ioan Irimie si Tiberiu Nitu. Decizia finala ii apartine lui

Basescu," Stirileprotv.ro, http://stirileprotv.ro/stiri/actualitate/propus-pentru-sefia-dna-ioan-irimie-a-confundat-comisia-europeana-cu-consiliul-european.html. (The CSM's opinion effectively undermined the two men's appointments, and the president refused to confirm them in January 2013.)

50 "Transparency International Study: Greece Plunges in Global Corruption Rankings," *Der Spiegel*, 5 December 2012, http://www.spiegel.de/international/world/transparency-international-ranks-greece-as-most-corrupt-in-eu-a-871074.html.

51 European Commission (EC), *Special Eurobarometer 374—Corruption* (EC, February 2012), http://ec.europa.eu/public_opinion/archives/ebs/ebs_374_en.pdf.

52 Andrei Margaritescu, "Bilantul lui Daniel Morar la DNA. 2010–2011, record de condamnări pentru corupţie" [Balance Daniel Morar to the DNA. 2010–2011, record of convictions for corruption], RomaniaLibera.ro, 11 October 2012, http://www.romanialibera.ro/actualitate/justitie/bilantul-lui-daniel-morar-la-dna-2010-2011-record-de-condamnari-pentru-coruptie-280310.html.

53 Daniela Baragan, "Basescu intercepted in 'Diesel fuel' case against Sorin Blejnar," Nineoclock.ro, 21 October 2012, http://www.nineoclock.ro/basescu-intercepted-in-%E2%80%98diesel-fuel%E2%80%99-case-against-sorin-blejnar/.

54 Agentia Nationala de Integritate (ANI), "Aprilie- Iunie 2012: Raport de Activitate" [April-June 2012: Report of Activity] (Bucharest: ANI, 2012), http://www.integritate.eu/UserFiles/File/Rapoarte/RaportActivitate_ANI_Apr-Iun2012(1).pdf; ANI, "Aprilie- Iunie 2010: Raport de Activitate" [April-June 2010: Report of Activity] (Bucharest: ANI, 2010), http://www.integritate.eu/UserFiles/File/Rapoarte/RaportDeActivitate_Apr-Iun2010.pdf.

55 Luiza Ilie, "Romania anti-graft agency says faces political intimidation," Reuters, 14 November 2012, http://thestar.com.my/news/story.asp?file=/2012/11/14/worldupdates/2012-11-13T190214Z_1_BRE8AC101_RTROPTT_0_UK-ROMANIA-CORRUPTION&sec=Worldupdates.

56 Dan Bilefsky, "Ordered to Prison, Former Romanian Prime Minister Shoots and Wounds Himself," *The New York Times*, 20 June 2012, http://www.nytimes.com/2012/06/21/world/europe/romanian-ex-premier-adrian-nastase-shoots-and-wounds-himself.html.

57 Michael Hein, "(Non-)Fighting Governmental Corruption in Post-Socialist Romania: The Misue of Constitutional Rules and the Anti-Corruption Discourse," Paper prepared for the 11th Annual International Young Researchers Conference at the Havighurst Center for Russian and Post-Soviet Studies, 29-31 March 2012, http://www.units.muohio.edu/havighurstcenter/conferences/documents/MichaelHein_GovernmentalCorruptioninRomania.pdf.

Russia

by Robert W. Orttung

Capital:	Moscow
Population:	143 million
GNI/capita, PPP:	US$21,210

Source: The data above are drawn from the World Bank's *World Development Indicators 2013.*

Nations in Transit Ratings and Averaged Scores

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Electoral Process	5.50	6.00	6.25	6.50	6.75	6.75	6.75	6.75	6.75	6.75
Civil Society	4.50	4.75	5.00	5.25	5.50	5.75	5.75	5.50	5.25	5.50
Independent Media	5.75	6.00	6.00	6.25	6.25	6.25	6.25	6.25	6.25	6.25
Governance*	5.25	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
National Democratic Governance	n/a	5.75	6.00	6.00	6.25	6.50	6.50	6.50	6.50	6.50
Local Democratic Governance	n/a	5.75	5.75	5.75	5.75	5.75	5.75	6.00	6.00	6.00
Judicial Framework and Independence	4.75	5.25	5.25	5.25	5.25	5.50	5.50	5.75	6.00	6.00
Corruption	5.75	5.75	6.00	6.00	6.00	6.25	6.50	6.50	6.50	6.50
Democracy Score	5.25	5.61	5.75	5.86	5.96	6.11	6.14	6.18	6.18	6.21

** Starting with the 2005 edition, Freedom House introduced separate analysis and ratings for national democratic governance and local democratic governance to provide readers with more detailed and nuanced analysis of these two important subjects.*

NOTE: The ratings reflect the consensus of Freedom House, its academic advisers, and the author(s) of this report. The opinions expressed in this report are those of the author(s). The ratings are based on a scale of 1 to 7, with 1 representing the highest level of democratic progress and 7 the lowest. The Democracy Score is an average of ratings for the categories tracked in a given year.

Executive Summary

Prime Minister Vladimir Putin returned to the presidency in May 2012 after winning the deeply flawed 4 March election. In response to growing civil society activism and an increasingly outspoken protest movement, he immediately adopted a series of repressive measures. The government imposed draconian new fees on people arrested for participating in unsanctioned demonstrations, recriminalized slander, enacted legislation labeling nongovernmental organizarions (NGOs) with funding from abroad as "foreign agents," introduced a new mechanism for blocking websites, and expanded the definition of treason to include many forms of contact with foreigners and international organizations. Putin also worked to hollow out political concessions made earlier. For example, a law signed in May allowed the first direct gubernatorial elections in eight years, but the Kremlin used a screening system built into the legislation to eliminate the strongest opposition candidates and ensure victory for representatives of the ruling United Russia party.

Citizen activists sought ways to counter this state crackdown. The most prominent leaders used internet-based voting to set up a Coordinating Council tasked with facilitating opposition cooperation in future elections and institutionalizing resistance to the regime. However, the movement faced stiff headwinds. The authorities used their control of the national television networks to disseminate propaganda aimed at undermining the credibility of the opposition in the eyes of the broader public.

Meanwhile, systemic corruption, from the heights of the energy industry to the most mundane aspects of municipal government, transferred a considerable share of the country's wealth into the accounts of well-connected individuals, limiting spending on social needs and hindering attempts to diversify the economy beyond extractive industries.

National Democratic Governance. Putin returned to the Kremlin with the intention of maintaining the basic contours of the authoritarian system that he has built since 2000, while ensuring the continued protection of his closest associates, who have enriched themselves through corruption. He worked assiduously to eliminate the appearance of any potential opposition that could challenge his rule, bolstering the impression that there is no viable alternative to him. The parliament remained wholly subordinate to the executive branch, doing its bidding with little resistance. Because the return of Putin from the premiership to the presidency has simply extended the repressive tendencies that were already apparent in the system he created, *Russia's rating for national democratic governance remains unchanged at 6.50.*

Electoral Process. The presidential election was deeply flawed and roundly condemned by international monitors. The Kremlin eliminated Putin's potential opponents using technicalities, bolstered his candidacy with skewed media coverage, and manipulated the voting to ensure his victory. Statistical analyses raised serious questions about areas where voter turnout reached nearly 100 percent, with overwhelming support recorded for Putin. Separately, the president signed legislation placing all future regional elections on a single date in September, forcing the opposition to campaign during the summer months, when voters are least likely to be paying attention. Given the tightly controlled and superficial character of its elections, *Russia's rating for electoral process remains unchanged at 6.75.*

Civil Society. In a trend apparent since 2010, Russian citizens continued to assert their right to shape public policy and their willingness to mobilize in support of civic goals in 2012. Key opposition leaders set up a Coordinating Council, young activists won seats in municipal councils, and volunteers organized to help flood victims. However, civil society faced strong resistance from the state, which targeted NGOs with new legislation that made it difficult for them to obtain independent funding. Groups with non-Russian funding were labeled as "foreign agents," and sponsor entities such as the U.S. Agency for International Development (USAID) and the UN Children's Fund (UNICEF) were compelled to withdraw from the country. Draconian new fines for participating in unsanctioned rallies and an expansion of the definition of treason were designed to deter ordinary citizens from criticizing their leaders or cooperating with international organizations. Because of the state's aggressive pushback against the increased activism of recent years, *Russia's rating for civil society declines from 5.25 to 5.50.*

Independent Media. The government sought to limit the scope of independent media in 2012 by detaining journalists at protest rallies, imposing new limits on internet content, and recriminalizing libel. The authorities used their control of the television broadcast networks to undermine the credibility of the opposition through smear campaigns and tendentious documentaries such as "Anatomy of a Protest." While several independent news outlets continued to function, they faced harassment and political pressure. A deputy editor of the newspaper *Novaya Gazeta* was directly threatened by a senior law enforcement official, for instance, and changes to the board of the indirectly state-owned Ekho Moskvy made it easier to fire the radio station's editor. Due to these ongoing repressive measures, *Russia's rating for independent media remains unchanged at 6.25.*

Local Democratic Governance. The return of gubernatorial elections, which had been replaced with a system of presidential appointments in 2004, brought little change to the central authorities' domination of regional politics. Only five relatively unimportant regions held such elections during 2012, and the Kremlin manipulated the voting to ensure victory for all of the incumbent governors, even those who had grown extremely unpopular. As in the past, municipal governments

had few sources of direct funding and had to rely on transfers from the federal and regional budgets, limiting their ability to function autonomously. *Russia's rating for local democratic governance remains unchanged at 6.00.*

Judicial Framework and Independence. Russia's judicial system remains heavily dependent on the Kremlin for guidance in political cases. In one of many examples of politicized prosecutions during 2012, members of the feminist performance group Pussy Riot were sentenced to two years in prison for attempting to record an antigovernment protest video in a church. International bodies continue to criticize harsh prison conditions in Russia, including the use of torture. *Russia's rating for judicial framework and independence remains unchanged at 6.00.*

Corruption. Graft and the abuse of public office for private gain continue to be definitive characteristics of the country's governance system. Putin serves as an arbiter among a small group of individuals who have used their connections to him to amass considerable wealth, particularly in the energy sector. Corruption at lower levels of government has imperiled the delivery of basic public services, such as residential heating in St. Petersburg. Those who attempt to uncover official corruption often face retaliation, and impunity for such actions is the norm. The authorities have made little progress in prosecuting the individuals responsible for the 2009 death in custody of lawyer Sergey Magnitskiy, who had exposed a graft scheme that netted $230 million. *Russia's rating for corruption remains unchanged at 6.50.*

Outlook for 2013. With the next parliamentary and presidential elections not due until December 2016 and March 2018, respectively, Putin appears unlikely to face formal challenges to his rule in the foreseeable future. It is unclear whether the opposition will be able to rally the Russian public against him in the interim, particularly as continuing selective application of the repressive new laws will reduce popular participation in protests and other forms of civil disobedience. Preparations for the February 2014 Winter Olympics in the southern city of Sochi are likely to dominate the concerns of top policymakers in 2013, as the project will draw public attention to corruption among the numerous contractors building the new facilities and infrastructure as well as ongoing security threats and instability in the broader North Caucasus area.

Main Report

National Democratic Governance

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
n/a	5.75	6.00	6.00	6.25	6.50	6.50	6.50	6.50	6.50

Having won the tightly controlled 4 March election, Vladimir Putin was inaugurated for a new six-year term as president on 7 May, after a violent police crackdown on protesters who had gathered in Moscow on the eve of the ceremony. However, he had remained the country's paramount leader even during his four-year stint as prime minister. Putin has served as either president or prime minister since 1999, and he will be eligible to run for another six-year term as president in 2018. It would be difficult for him to leave office due to the pervasive corruption and lawlessness infusing the system he leads. He must retain control in order to avoid repercussions for himself and his closest allies, many of whom have abused their positions to enrich themselves. Putin personally enjoys a lavish lifestyle, as his office gives him access to an outsized array of palaces, planes, yachts, and other trappings of wealth.1 The turmoil and speculation surrounding his unexplained absence from public view for several weeks in October and November—including the cancellation of five foreign trips amid reports that he was suffering from a back injury—highlighted the opaque and personalized nature of the Russian political system, which currently depends on Putin to serve as arbiter among various informal elite factions and competing patronage networks.[2]

The parliament has little influence over the government's policies. According to a 2012 survey, some 72 percent of Russians feel that the parliament is either "fully" or "significantly" dependent on the executive branch in its decision making.[3] Large majorities also believe that the executive branch controls the judiciary, the media, and the business sector. Although the ruling United Russia party's majority in the lower house, the State Duma, was significantly reduced by the December 2011 elections, the legislature remains a reliable partner for the Kremlin in enacting measures to further constrain the already weak opposition.[4] A short-lived filibuster on 5 June, for example, failed to prevent the passage of punitive new fines on protesters. On 14 September, the Duma voted, 291 to 150, to expel Gennadiy Gudkov for allegedly combining business dealings with his official duties as a member of parliament.[5] Gudkov had strongly criticized Putin's policies and accused several of his fellow lawmakers of illegal business dealings. His ouster marked the first time that a member of the Duma was expelled without first being convicted of a crime. The upper chamber, the Federation Council, which is supposed to provide representation to the regions, has instead become a collection of indirect Kremlin appointees and corporate representatives.[6]

After returning to the formal apex of this system, Putin quickly reversed the rhetorical shift toward modernization and political reform that Dmitriy Medvedev,

the placeholder president from 2008 to 2012, had cultivated but never put into practical effect.[7] Opposition activists had mounted a series of large protests since the fraudulent parliamentary elections of December 2011, and Putin used his first months in office to enact measures aimed at deterring further demonstrations and intimidating any members of society who might mobilize to challenge his rule or threaten the regime's economic and political interests.[8] In addition to the new fines for participants in unsanctioned rallies, he signed a rapid succession of laws that increased control over the internet, greatly expanded the definition of treason, recriminalized slander, and required nongovernmental organizations (NGOs) that received foreign funding and engaged in vaguely defined "political activities" to take on the stigmatizing label of "foreign agent." These laws amounted to a fresh assault on freedoms of speech, assembly, and association and gave the authorities new tools to wield selectively against targeted groups or activists.

The protest movement faded over the course of the year, as opposition efforts seemed only to bring a harsher response by the authorities, and many citizens reverted to a sense of powerlessness.[9] The overwhelming majority of Russians reportedly feel that they have no say in the political development of the country.[10] Nevertheless, many observers argued during 2012 that Putin's refusal to leave the stage and his efforts to block all forms of change were driving Russia toward a political crisis.[11]

Electoral Process

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
5.50	6.00	6.25	6.50	6.75	6.75	6.75	6.75	6.75	6.75

Despite growing discontent with the political status quo at the beginning of 2012, Putin was able to secure victory in the 4 March presidential election, officially winning 63.6 percent of the vote against a field of hand-chosen nominal challengers.[12] He benefited from preferential media treatment, the numerous advantages of incumbency, and procedural irregularities during the vote count.[13] In 2008, Putin had installed Medvedev in the presidency and moved to the prime minister's office so that he could return four years later without violating the constitutional ban on more than two consecutive terms. However, this maneuver contradicted the spirit of the restriction, and the noncompetitive nature of the 2012 election undermined any legitimacy that the regime hoped to gain from the process.[14]

The election's flaws were numerous and obvious. The Central Election Commission disqualified veteran liberal politician Grigoriy Yavlinskiy as a candidate on the grounds that too many of the requisite signatures he collected were invalid. The Supreme Court upheld the decision.[15] Putin did not participate in televised debates with the other candidates, instead sending surrogates to defend his policies. His press secretary said he did not have time for the encounters.[16] In addition, there is strong statistical evidence of voter fraud. Official voter turnout was extremely high in several regions, with overwhelming majorities logged for Putin. In some

places, both turnout and support for Putin approached 100 percent, suggesting that votes for opposition candidates were removed.[17] Typical forms of voter fraud in Russia include abuse of absentee balloting, "carousel voting" in which people are bused among polling stations to cast multiple votes, ballot stuffing, copycat political parties whose names are confusingly similar to the names of real parties, and spoiler candidates who aim to split the opposition vote or create the semblance of competition without ever endangering the chances of the favored candidate.[18] Despite the prevalence of such practices, few if any suspects have been prosecuted for electoral violations in Russia. A large number of domestic observers were able to document these problems in the March 2012 vote, but they could do little to reduce the impact of the abuses on the outcome.

As part of a reform package adopted in the wake of mass protests over fraud in the December 2011 Duma elections, the authorities enacted new legislation that made it much easier for Russian citizens to set up and register political parties. The law, signed by President Medvedev on 2 April 2012, reduced the number of required members from 40,000 to 500.[19] Before the law was adopted, Russia had only seven registered political parties. The relaxed rules allowed 42 more parties to register by mid-December 2012,[20] but none posed a significant challenge to the authorities, and the reform seemed designed mainly to encourage fragmentation of the opposition. The new law could make it even more difficult for democratic activists to unite in one organization that would be able to cross the 5 percent vote threshold—lowered from the previous 7 percent—required to win representation in the next Duma, especially if the ban on forming electoral blocs remains in place.[21]

In October, Putin signed a new law that combined the existing two annual days for regional elections—in March and October—into one day each year, the second Sunday in September. The only exception will occur every five years, when there are Duma elections; in those years, Duma and regional elections will be combined and held on a single day in December.[22] The opposition complained that the new September election day would make it difficult for them to gain voter attention, as the campaign period would coincide with summer vacations. The main beneficiary would be the ruling party, whose superior resources would ensure that its supporters turn out to vote.

New laws that came into effect at the end of the year required all members of the Federation Council who are appointed by a regional legislature to be members of that regional body; the previous rules allowed members of local-level legislatures as well. Governors and their nominees to the Federation Council will be elected together.[23] In his 12 December address to the parliament, Putin announced plans to replace the party-list voting system for the 2016 Duma elections with one that elected half of the members from party lists and half from single-member districts.[24] The proposal appeared to be motivated by the declining popularity of the ruling United Russia party, which would otherwise be unlikely to win a majority in the next parliament. Single-member districts could allow administrative resources to be used more effectively on behalf of progovernment candidates, who would also benefit from divisions in the opposition under a first-past-the-post voting system.

Civil Society

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
4.50	4.75	5.00	5.25	5.50	5.75	5.75	5.50	5.25	5.50

As in the previous two years, civil society in Russia continued to play a more active role in public life in 2012, but it met with increased repression following Putin's return to the Kremlin. Street protests continued throughout the year, though their size dropped in the months after the presidential inaugutation. In an effort to maintain its momentum and focus growing dissatisfaction with the regime, the Russian opposition movement held online elections on 21–22 October for a 45-member Coordinating Council.[25] Internet voters chose anticorruption blogger Aleksey Navalniy, who was facing three criminal investigations by year's end, as the council's chairman. The new body will decide which candidates the opposition will back in upcoming elections and where and when to hold protest activities.[26]

Dozens of young activists have won elections at the municipal level, where they advocate for small changes. One example is Maksim Kaz, 27, a member of the Coordinating Council who in March 2012 won a seat on the district council of Shchukino in Moscow, where he has supported the introduction of bike paths.[27] Another is Irina Oleynikova, who was elected mayor of Kuleshovka, a town with a population of 14,000, after leading a local protest movement to halt the destruction of a popular forest. Such grassroots efforts are considered an effective way to challenge Kremlin authority from below over the long term.

After flooding killed more than 170 people and devastated much of the southern city of Krymsk in July, ordinary citizens from across the country quickly organized an effort to send aid to the affected region. Russian commentators pointed to these activities as evidence of a growing confidence that citizens can take action without the involvement of the state.[28] Similar efforts had been mounted in response to destructive wildfires that had spread across Russia in previous years.

However, over the course of 2012, the government dramatically escalated its efforts to stamp out independent civic activities, particularly those that touch on political issues.[29] On 6 May, the eve of Putin's inauguration, the police used force to break up a protest rally in Moscow's Bolotnaya Square. At least 18 participants faced criminal charges during the year, and the one defendant tried and convicted by year's end received four and a half years in prison in November, after he admitted to attacking the police. In an effort to prevent such events from happening in the future, a new law officially published on 9 June increased the fines for participating in unsanctioned rallies by 150 times, from a maximum of 2,000 rubles ($64) to 300,000 rubles ($9,600) for individuals and 1 million rubles ($32,000) for legal entities.[30] According to the Council of Europe's Venice Commission, the law violates a number of European standards, for example by allowing the authorities to change the location of a rally on arbitrary grounds.[31]

The government also stepped up its restrictions on NGOs that receive foreign funding. A law passed in July required all such groups that take part in vaguely defined "political activities" to register as "foreign agents" with the Justice Ministry.[32]

Political activity, according to the law, consists of seeking to change state policy and influencing public opinion with that aim. The Agora Association has filed suit against the Justice Ministry to obtain more specific definitions of the law's clauses and reduce the uncertainty faced by the NGO community.[33] The legislation allows the authorities to suspend the activities of noncompliant groups for up to six months and levy substantial fines. Its ultimate impact will depend on how it is implemented and to what degree the authorities intend to intimidate civil society. By the end of the year, only one organization had registered as a "foreign agent"—Shchit i Mech (Shield and Sword), a Chuvashiya-based human rights organization.[34]

In December, the government enacted a law that allows the suspension of NGOs and freezing of their assets if they engage in "political activities" and are headed by a U.S. citizen or accept money from U.S. sponsors. Lyudmila Alekseyeva, the head of the Moscow Helsinki Group, is a U.S. citizen, and many observers assumed that the law was partly aimed at her.[35] The measure also barred Americans from adopting Russian orphans in retaliation for the so-called Magnitskiy Act, a new U.S. law allowing visa bans and asset freezes for Russian officials who engage in human rights abuses.

A law that expanded the definition of treason went into effect on 14 November. Proposed by the Federal Security Service (FSB), the measure was apparently aimed at deterring substantive contact between Russian citizens and foreigners.[36] According to the new definition in Article 275 of the criminal code, high treason includes the provision of "financial, technical, consultative, or other assistance" to foreign states or organizations for "activities directed against the security of the Russian Federation." Critics said the vague wording could criminalize the ordinary activities of human rights activists, journalists, and businesspeople. It also gives the FSB expanded powers to monitor such activities.[37] FSB deputy director Yuriy Gorbunov reportedly explained that the legislation was specifically aimed at Russian NGOs, which he claimed were engaged in espionage.[38] In the first case under the new law, the authorities charged activist Ivan Moseyev with treason and inciting interethnic hatred for potentially destabilizing the far northern region of Arkhangelsk through his advocacy of Pomor ethnic identity, which entails associations with northern Norway.[39] The charges amount to a claim that Moseyev was using support from the Norwegian special services to promote ethnic separatism in the high north. All of these new laws build on previous legislative efforts to quash "extremism," another vaguely defined term that is applied arbitrarily to the government's perceived enemies.

The authorities have taken several other steps to end direct foreign assistance to Russian civil society. They requested that the U.S. Agency for International Development (USAID) end its activities in the country by 1 October. USAID had funded about 60 Russian organizations, including Memorial, which works to preserve the memory of Soviet-era repression and fight ongoing rights abuses in the North Caucasus, and Golos, an election-monitoring organization.[40] The government also asked the UN Children's Fund (UNICEF) to wind down its operations in Russia by 31 December.

Other groups have also run afoul of the authorities for various reasons. In November, the Justice Ministry shut down the Russian Association of Indigenous Peoples of the North (RAIPON), which apparently drew official ire through its objections to the hostile takeover of a jade mining project in Buryatiya by a company led by the head of the local FSB branch.[41] The decision had international implications, since RAIPON formally represents the interests of minority peoples at the eight-nation Arctic Council and is widely respected. Separately, Human Rights Watch senior researcher Tanya Lokshina received detailed threats via text messages on 28–30 September. The messages included information that could only have been gleaned from surveillance of her activities and likely involved the security agencies.[42] In addition, nine Russian regions, including the city of St. Petersburg, passed laws banning "homosexual propaganda,"[43] meaning activists can be arrested if they do anything to promote the human rights of lesbian, gay, bisexual, or transgender (LGBT) people.

Russian tax laws do not encourage private philanthropy, and there are no significant Russian charitable foundations. State money generally does not flow to groups engaged in human rights work.[44] Most independent Russian NGOs rely on foreign funding because no alternative resources are available in Russia. However, Navalniy and Olga Romanova—a prominent business journalist and opposition leader who started Russia Behind Bars, a group with 60,000 members dedicated to defending wrongly accused businessmen—have demonstrated that it is possible to convince Russian citizens to contribute money to causes they deem worthy. Some NGOs like the Moscow Helsinki Group have been able to raise more funds from domestic sources, including business magnates like Mikhail Prokhorov, who contributed 1 million rubles ($32,000) to the organization in 2012. The group also received a presidential grant of 4 million rubles to monitor the human rights implications of the implementation of new laws.[45]

Independent Media

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
5.75	6.00	6.00	6.25	6.25	6.25	6.25	6.25	6.25	6.25

Putin's return to the Kremlin was accompanied by increased pressure on independent media and online news sources. After the 6–9 May street demonstrations in Moscow surrounding the inauguration, OSCE media representative Dunja Mijatović complained about the "indiscriminate detention of journalists" who covered the events and "recent cyber attacks on Russian media websites."[46] She cited reports that the police had harassed and detained dozens of reporters. The OSCE also pointed out that the websites of *Kommersant*, Ekho Moskvy, *Bolshoy Gorod*, the online television station Dozhd, and the Slon.ru news portal were rendered temporarily unavailable on 6 May by distributed denial-of-service (DDoS) attacks. The outlets had planned to report live from the demonstrations. In a further effort to weaken independent media, Putin signed a new law in July that recriminalized

defamation.[47] Medvedev had just decriminalized the offense in late 2011. Fines in the new law were raised to a maximum of 5 million rubles ($160,000), but there is no threat of a prison term.

The authorities also used their control over Russia's main television networks to discredit the opposition. The state-controlled network NTV, for example, broadcast smears in the form of a documentary series entitled "Anatomy of a Protest."[48] The first episode, aired in the middle of March, alleged that protest organizers had to pay participants to take part in rallies that called for free and fair elections and sought Putin's resignation. The broadcast brought several hundred protesters to the Ostankino television tower in Moscow, and more than 100 were arrested, including opposition leaders Boris Nemtsov and Sergey Udaltsov. "Anatomy of a Protest 2," aired on 5 October, claimed that Udaltsov and his colleagues Konstantin Lebedev and Leonid Razvozzhayev had conspired with Georgian lawmaker Givi Targamadze to plot terrorist attacks in Russia.[49] On 17 October the authorities charged Udaltsov with preparing mass riots in Moscow in connection with the 6 May protests, citing evidence from the television program. Lebedev was already under arrest, and Razvozzhayev was apparently kidnapped in Ukraine on 10 October, brought back to Russia, tortured, and forced to sign a confession.[50] The authorities have refused to launch an investigation into his claims of torture.[51] Razvozzhayev had been meeting in Ukraine with representatives of the Office of the UN High Commissioner for Refugees in an effort to win asylum in a third country.

In the face of such obvious propaganda, the proportion of Russians who get their information from state-controlled television sources fell to 73 percent in February 2012, from 87 percent a year earlier.[52] In contrast, the number of internet users grew in the last year from 52 to 57 percent of the population.[53] Moreover, as much as 25 percent of the population uses the internet to follow the latest news. The Yandex news aggregator had a total of 19.1 million daily visitors in April, while the number of viewers of state-controlled Channel One—the country's leading television channel by viewers—reached 18.2 million, according to estimates by TNS Russia, which surveyed people between the ages of 12 and 54 in cities with a population of more than 100,000.[54] However, people spent an average of 63 minutes per day watching Channel One that month, compared with only 10 minutes per day on Yandex.

Given its growing importance, the internet has drawn more attention from the government. A new law that took effect on 1 November gave the state an additional mechanism to censor the web and ordered Roskomnadzor, the telecommunications regulator, to create a blacklist of banned sites.[55] While the measure ostensibly targets content that is harmful to children, such as child pornography and websites that encourage suicide and drug use, critics raised objections to the legislation's vague wording and the fact that it allowed websites to be shut down without a court order. More than 180 sites were shuttered soon after the law came into force, including a satirical encyclopedia and an electronic library on the grounds that they carried material about marijuana and suicide. The list of banned sites is not publicly available, but a government portal allows users to check if specific sites are included

and to suggest the proscription of other sites.[56] In addition, the technology required to implement the law, deep-packet inspection, will greatly increase the ability of the authorities to monitor content transmitted across the internet.[57]

Several sources of independent news continue to function. These include *New Times*, *Novaya Gazeta*, Ekho Moskvy, and Dozhd, along with the business newspapers *Kommersant* and *Vedomosti*. Since the massive December 2011 protests, state-controlled television has begun to acknowledge opposition rallies, an improvement over past years in which the opposition was virtually ignored. On 15 September, television stations even showed Navalniy, one of the most effective opposition leaders, who had generally been kept off the airwaves. Channel One quoted him out of context, but his statement broadcast on NTV was coherent, according to the account in *Kommersant*.[58] Ekho Moskvy and other radio stations provide live coverage of opposition rallies, and their commentators present a variety of views.

However, these outlets regularly face harassment, and impunity for past assaults and murders of journalists is the norm. *Novaya Gazeta* editor Dmitriy Muratov claimed that Aleksandr Bastrykin, the chairman of the powerful Investigative Committee, had abducted deputy editor Sergey Sokolov in June, had him driven to a forest, and directly threatened him with violence in response to a critical article.[59] Bastrykin subsequently issued a partial apology for his "emotional outburst,"[60] apparently under pressure from Putin, though observers suggested that the president was likely concerned more about the form than the spirit of the incident.[61] On 29 March, the board of directors of Ekho Moskvy terminated the positions of four independent directors—editor in chief Aleksey Venediktov, first deputy editor in chief Vladimir Varfolomeyev, Yevgeniy Yasin, and Aleksandr Makovskiy. The first two retained their editorial positions, but their removal as directors left no journalists on the board, which will make it easier to fire the editors, according to Varfolomeyev.[62] Separately, the authorities have filed charges of hooliganism motivated by political, ideological, racial, ethnic, or religious hatred or enmity against Aleksandr Lebedev, a banking magnate who is the main funder behind *Novaya Gazeta*. The charges resulted from an incident in which Lebedev punched former real estate mogul Sergey Polonskiy on a 16 September 2011 NTV talk show.[63]

The new law that forced NGOs with foreign funding to adopt the label of "foreign agent" also banned radio stations with more than 48 percent foreign ownership. The legislation forced U.S.-funded Radio Free Europe/Radio Liberty to discontinue its AM broadcasts, and the management controversially fired many of its Russian journalists as it restructured the organization to focus more on the internet.

At the end of April, just before leaving the presidency, Medvedev signed a decree establishing a new public-service television station that was scheduled to begin broadcasting on 1 January 2013.[64] Putin appointed the respected journalist Anatoliy Lysenko as its director general in July. The programing will be broadcast on the Defense Ministry's Zvezda network. Critics pointed out that the Kremlin will retain de facto control over editorial policy, meaning the new station is likely to become another progovernment outlet rather than a Russian version of the

British Broadcasting Corporation (BBC). Funding is to come from a foundation established by the federal government.[65]

Local Democratic Governance

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
n/a	5.75	5.75	5.75	5.75	5.75	5.75	6.00	6.00	6.00

At the end of 2011, as a concession to the demonstrators protesting fraud in the State Duma elections, Medvedev announced that Russia was returning to a system of elected regional governors; Putin replaced such elections with presidential appointments in 2004. However, between the announcement and the implementation of the new law on 1 June, the president appointed 22 governors to delay the need for elections in those regions as long as possible.[66] The regions in question were typically important locations where United Russia had performed poorly in the Duma elections.

On 14 October 2012, the authorities allowed five relatively minor regions to hold gubernatorial elections: Amur, Belgorod, Bryansk, Novgorod, and Ryazan. Thanks to the extensive use of administrative resources, mobilization of employees of state companies, and early voting schemes, all five incumbents were able to win new terms, even in Ryazan and Bryansk, where the sitting governors were unpopular.[67] Most candidates had difficulty registering because they had to pass through "municipal filters," a feature of the law that required each candidate to obtain the signatures of between 5 and 10 percent (each region sets its own threshold) of the elected officials in three-quarters of rural and urban districts to get on the ballot, effectively allowing the incumbent authorities to manipulate who entered the race.[68] One leaked document from the office of the Novgorod governor showed that he planned to win by allowing only two other candidates to compete—one from the "spoiler party" Patriots of Russia and one from Vladimir Zhirinovskiy's populist but typically obedient Liberal Democratic Party of Russia (LDPR).[69] According to Novgorod officials, the Kremlin had rejected the governor's idea of allowing a more open race that would have granted him more legitimacy after he won.[70]

In addition to the formal "municipal filter," there was also a de facto presidential filter, as the Kremlin proved able to block candidates that it did not support. In Ryazan, candidate Igor Morozov, who likely would have defeated the sitting governor, withdrew from the race after being summoned to the Kremlin for consultations and then appointed to the Federation Council.[71] By the end of the year, the Constitutional Court had ruled that the new system did not violate the constitution.[72]

In local elections held in March, the opposition had scored a few symbolic victories, for example by winning up to 30 percent of the seats in Moscow's neighborhood councils and electing the opposition-minded Sergey Andreyev as mayor of Togliatti in a protest vote. In April, Yevgeniy Urlashov, with the support

of a broad opposition coalition, won the mayoralty of Yaroslavl.[73] However, opposition candidate Oleg Shein lost the 4 March mayoral election in Astrakhan. Alleging that the vote was rigged, he mounted a 40-day hunger strike that drew considerable media attention, but failed to force a rerun. He was later fined for holding an unsanctioned protest.

Municipal governments face a number of budget problems that make it difficult for them to implement independent policies. Many expenses, such as teacher and police salaries, are set at the federal level. When federal politicians raise compensation for public employees, local governments are often forced to find the funds necessary to cover the increases. In addition, local governments are dependent on regional budgets for 70 percent of their revenue, and this source of income is not stable.[74] Municipal governments lack the tax base to support their own spending; only 5 percent of their revenue comes from local taxes. Large cities are typically obliged to share their funds with smaller towns, weakening their ability to invest in their own development.

In 2012, the federal government took some steps to reduce the enormous advantages that the city of Moscow enjoys over other parts of the country. New legislation that took effect in January forced companies to pay taxes based on their economic activity rather than the location of their headquarters. The ultimate effect will be to shift tax payments from Moscow to other regions. However, the Duma passed legislation in April that slows the full implementation of the law until 2016.[75]

Putin's efforts to quell persistent violence in the North Caucasus area have met with little success. During the first eight months of 2012, some 500 people were killed in the North Caucasus, including both security officials and insurgents.[76] The government's central policy is to spend large sums on economic development in an effort to undermine the appeal of the Islamist militants. However, plans for such extensive federal spending have angered ethnic Russians, who resent the diversion of resources to the area, particularly when it is used for seemingly ill-conceived projects like ski resorts.[77] The policy is also hampered by pervasive corruption, and does little to address abuses by the security forces, which help fuel the insurgency.

Judicial Framework and Independence

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
4.75	5.25	5.25	5.25	5.25	5.50	5.50	5.75	5.50	5.50

Russia's judicial system remains heavily dependent on the political authorities. The country holds approximately 60 political prisoners, and predatory schemes to seize property through manipulation of the legal system have left thousands of victimized businessmen behind bars.

Several prominent cases in 2012 highlighted the degree to which judges appear to follow political directives. In the widely reported Pussy Riot case, in which the group attempted to perform and record a "punk prayer" calling on the Virgin Mary to remove Putin from office in Moscow's Christ the Savior Cathedral

on 21 February,[78] critics such as the Parliamentary Assembly of the Council of Europe (PACE) argued that the prison sentences given to two of the women were excessively harsh.[79] Mariya Alyokhina and Nadezhda Tolokonnikova received two-year terms after being convicted of hooliganism motivated by religious hatred. A third member of the group, Yekaterina Samutsevich, was released with a suspended sentence in October.

The PACE also criticized the eight-year prison sentence given to Taisiya Osipova, the wife of an activist with the opposition umbrella group Other Russia. She was imprisoned for selling illegal drugs, which she says were planted on her. A previous conviction had been overturned by a higher court.[80] Similar international criticism was leveled at the criminal investigations targeting opposition leaders like Navalniy, Udaltsov, and Nemtsov.[81] Even as such cases proliferate, the authorities have failed to conduct adequate investigations into the deaths of human rights and anticorruption activists such as Anna Politkovskaya (2006), Natalya Estemirova (2009), and Sergey Magnitskiy (2009).

The criminal justice system often appears to protect members of the ruling elite from the consequences of their misdeeds. In October, television host Vladimir Pozner raised the question of why Anna Shavenkova, the daughter of a high-ranking official in Irkutsk who ran over two women, killing one and maiming the other, received a suspended sentence because she has a small child, while the Pussy Riot performers, who also have small children but no high-ranking relatives, must serve two-year sentences.[82]

The business arbitration courts are growing more professional, and businesses increasingly turn to them to solve disputes, though many large firms continue to rely on foreign courts if they have the resources to access them.[83]

Prison conditions in Russia are often deplorable. On 23 November, the UN Committee against Torture complained of "numerous and consistent reports" of threats, reprisals, and deaths suffered by human rights defenders and journalists in Russia.[84] The body pointed to increased allegations of abuse and many reports documenting torture. The March death of 52-year-old Sergey Nazarov after being tortured while in police custody in Kazan drew international attention to the problem, but it was far from the only case. Some analysts argue that the new definition of treason in the criminal code could prevent Russians from sharing information on torture and other abuses with UN human rights bodies.

Corruption

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
5.75	5.75	6.00	6.00	6.00	6.25	6.50	6.50	6.50	6.50

Corruption remains the defining feature of the Russian political system. Sergey Stepashin, chairman of the Audit Chamber, claimed in November 2012 that $30 billion is embezzled from state procurements each year.[85] A small group of

individuals around Putin effectively compete among themselves for control of Russia's key energy and financial resources. The group includes Igor Sechin, security services coordinator and head of the state oil company Rosneft; Sergey Chemezov, chief executive of the state-owned industrial conglomerate Russian Technologies (Rostec) State Corporation; Gennadiy Timchenko, owner of the energy trading firm Gunvor; Yuriy Kovalchuk, owner of Rossiya Bank; appointed Moscow mayor and former Kremlin chief of staff Sergey Sobyanin; current Kremlin chief of staff and former defense minister Sergey Ivanov; first deputy chief of staff of the presidential administration Vyacheslav Volodin; and Prime Minister Dmitriy Medvedev.[86] Putin is the arbiter in this system, and his word is decisive among the rival factions.

Much of the wealth of these men is tied to their personal connections with Putin. Kovalchuk turned his small St. Petersburg bank into a major business partner of the state-owned energy giant Gazprom. Timchenko's company Gunvor handles more than $70 billion in oil sales, mostly through its dealings with Rosneft.[87]

Money apparently moves freely between Kremlin-friendly businessmen and high-ranking government officials. First Deputy Prime Minister Igor Shuvalov attracted considerable unwanted attention in early 2012 when Navalniy published documents on his web site that showed a transfer of $50 million from billionaire business magnate Roman Abramovich to a British Virgin Islands trust held by Shuvalov's wife in 2004. The money was supposedly for legal work Shuvalov had done before entering government in 1997.[88] One way that the Russian press and internet users track corruption among officials is by pointing out the value of their wristwatches, which often exceeds their reported annual salaries.[89]

Although the leadership frequently denounces widespread corruption, such rhetoric typically does not produce a consistent or substantive response in practice. However, an effort launched in the fall of 2012 was different from previous anticorruption campaigns in terms of its scale and reach, extending to almost all elite clans. It serves to intimidate the factions, suppress destabilizing divisions that would weaken the regime, force all established groups to share spoils with new elites like police generals, increase regime efficiency, and push out the most scandalous individuals who make easy targets for the opposition.

In November, Putin fired Defense Minister Anatoliy Serdyukov amid allegations of fraud in the Defense Ministry, though no criminal charges were immediately filed against him. The ministry-controlled corporation Oboronservis was accused of selling $95 million worth of property at below-market prices. In December, Putin ordered state-owned companies and banks to publicly disclose how much they pay their top officers, while proposed legislation would require officials to repatriate foreign assets.[90] As in past campaigns, the top leaders have avoided prosecution, though some lower-level officials face charges.

Large-scale corruption in Russia is fueled primarily by the country's oil and gas wealth. One of the key indicators of graft in the country is the performance of Gazprom, which has been an object of Putin's personal attention since he became president. Financial analysts believe that in 2011, Gazprom wasted up to $35

billion in inefficient capital investments. Its low stock price reflects the market's concern about the high level of corruption in the company.[91]

Another key source of corruption is state-mandated megaprojects surrounding international events. Construction associated with the Asia-Pacific Economic Cooperation (APEC) summit in Vladivostok in September 2012 cost $22 billion, with considerable sums siphoned off as graft. Similarly, Russia at year end was planning to spend more than $30 billion on preparations for the 2014 Winter Olympics in the southern resort town of Sochi. The projected costs have risen dramatically from the approximately $12 billion listed in the original bid in 2007 and further escalation is expected.

Corruption has a catastrophic impact on municipal governance. In November 2012, the authorities arrested a group of officials who had allegedly stolen more than 3 billion rubles ($100 million) from the St. Petersburg municipal services system by claiming to procure high-quality pipes, but instead purchasing cheaper products and pocketing the difference. Repairs were carried out by companies under the bureaucrats' control for artificially inflated prices.[92] The scheme led to the installation of more than 600 kilometers of substandard central heating pipes.

Watchdogs who expose corruption often face retribution by the authorities. In the case of Sergey Magnitskiy, a lawyer working for Hermitage Capital who accused officials of stealing $230 million and subsequently died in prison of an untreated illness in 2009, a court in December 2012 acquitted Dmitriy Kratov, the former deputy head of Butyrka prison and the only person tried in the case to date. The judge cited a lack of evidence that Kratov's negligence led to Magnitskiy's death.[93] Magnitskiy's mother testified in court that she had asked Kratov to provide medical care for her son, but he refused.[94]

▮ Author: Robert W. Orttung

Robert Orttung is the assistant director of the Institute for European, Russian, and Eurasian Studies at the George Washington University's Elliott School of International Affairs, the president of the Resource Security Institute, and a nonresident scholar at the Center for Security Studies of the Swiss Federal Institute of Technology, Zurich. He is a coeditor of the Russian Analytical Digest *and managing editor of* Demokratizatsiya: The Journal of Post-Soviet Democratization.

---

1 Boris Nemtsov and Leonid Matynyuk, *Жизнь раба на галерах (дворцы, яхты, автомобили, самолеты и другие аксессуары)* [The life of a galley slave (palaces, yachts, automobiles, planes, and other accessories)] (Moscow: Putin-Itogi.ru, 2012), http://www.putin-itogi.ru/rab-na-galerah/.

2 Daisy Sindelar, "Putin Back in the Saddle, But Doubts about Absence Remain," Radio Free Europe/Radio Liberty (RFE/RL), 16 November 2012, http://www.rferl.org/content/putin-back-doubts-about-health-absence-remain/24773406.html.

3 Levada Center, "Россияне о независимости ветвей власти" [Russians on the independence of the branches of government], news release, 22 October 2012, http://www.levada.ru/22-10-2012/rossiyane-o-nezavisimosti-vetvei-vlasti.

4 Viktor Khamrayev and Maksim Ivanov, "Законодательная сохранила исполнительность—Закончилась первая сессия нижней палаты нового созыва" [The legislative branch retains its executive nature—The first session of the lower chamber of the new convocation has ended," *Kommersant*, 16 July 2012, http://www.kommersant.ru/doc/1981580.

5 Liliya Biryukova and Natalya Kostenko, "Моралес, Ганди, Гудков" [Morales, Gandhi, Gudkov], *Vedomosti*, 17 September 2012, http://www.vedomosti.ru/politics/news/3990241/morales_gandigudkov.

6 Cameron Ross and Rostislav Turovsky, "The Representation of Political and Economic Elites in the Russian Federation Council," *Demokratizatsia: The Journal of Post-Soviet Democratization* (Winter 2013): 59–88.

7 Richard Sakwa, "Putin Redux: Continuity and Change," *Open Democracy*, 14 September 2012, http://www.opendemocracy.net/od-russia/richard-sakwa/putin-redux-continuity-and-change.

8 Yury Dzhibladze, "Russian Government Declares 'Cold War' on Civil Society," *Open Democracy*, 21 August 2012, http://www.opendemocracy.net/od-russia/yury-dzhibladze/russian-government-declares-%E2%80%98cold-war%E2%80%99-on-civil-society.

9 "Хомячки не выбирают" [Hamsters do not vote], *Gazeta.ru*, 15 October 2012, http://www.gazeta.ru/comments/2012/10/15_e_4812377.shtml.

10 Galina Mursaliyeva, "Лев ГУДКОВ, 'Левада-центр': Равнодушие—фундамент действующей власти" [Lev Gudkov, 'Levada Center': Indifference is the foundation of our current government], *Novaya Gazeta*, 30 January 2013, http://www.novayagazeta.ru/politics/56510.html.

11 Maxim Trudolyubov, "The Kremlin's Revolutionaries," *Open Democracy*, 20 June 2012, http://www.opendemocracy.net/od-russia/maxim-trudolyubov/kremlin%E2%80%99s-revolutionaries.

12 The official results from the Central Election Commission are available here: http://www.cikrf.ru/banners/prezident_2012/itogi/protokol.pdf.

13 Organization for Security and Cooperation in Europe, Office for Democratic Institutions and Human Rights (OSCE/ODIHR), *Russian Federation, Presidential Election, 4 March 2012: OSCE/ODIHR Election Observation Mission Final Report* (Warsaw: OSCE, 2012), http://www.osce.org/odihr/90461.

14 Maksim Glikin, Liliya Biryukova, Nataliya Kostenko, and Polina Khimshiashvili, "Преемник Медведева" [Medvedev's successor], *Vedomosti*, 5 March 2012, http://www.vedomosti.ru/newspaper/article/276853/preemnik_medvedeva.

15 Natalya Bashlykova and Sofya Samokhina, "Григорию Явлинскому отказано в регистрации" [Grigoriy Yavlinskiy denied registration], *Kommersant*, 24 January 2012, http://www.kommersant.ru/doc-y/1857761; "Russian Court Upholds Bar on Yavlinsky Presidential Bid," RFE/RL, 8 February 2012, http://www.rferl.org/content/russia_court_upholds_bar_on_yavlinsky_presidential_bid/24477713.html.

16 Michael Bohm, "Why Putin Is So Scared of Debates," *Moscow Times*, 27 January 2012, http://www.themoscowtimes.com/opinion/article/why-putin-is-so-scared-of-debates/451813.html.

17 Peter Klimek, Yuri Yegorov, Rudolf Hanel, and Stefan Thurner, "Statistical Detection of Systematic Election Irregularities," *Proceedings of the National Academies of Science* 109, no. 41 (9 October 2012): 16469–16473, http://www.pnas.org/content/109/41/16469.full.pdf+html?with-ds=yes; Sergey Shpilkin, "Явка опять сработала в пользу одного из кандидатов" [Turnout again worked in favor of one candidate], *Gazeta.ru*, 6 March 2012, http://www.gazeta.ru/science/2012/03/06_a_4026805.shtml.

18 Nataliya Vasilyeva, "A Look at Ways to Manipulate a Russian Election," Associated Press, 15 October 2012, http://news.yahoo.com/look-ways-manipulate-russian-election-173718291.html.

19 "Федеральный закон Российской Федерации от 2 апреля 2012 г. N 28-ФЗ 'О внесении изменений в Федеральный закон "О политических партиях"'" [Federal law of the Russian Federation from 2 April 2012 No. 28-FЗ 'On the amendment to the federal law "On political parties"'], *Rossiyskaya Gazeta*, 4 April 2012, http://www.rg.ru/2012/04/04/partii-dok.html.

20 "Численность зарегистрированных в России партий увеличилась до 42" [Number of registered parties in Russia increased to 42], Radio Golos Rossii, 12 November 2012, http://rus.ruvr.ru/2012_11_12/CHislennost-zaregistrirovannih-v-Rossii-partij-uvelichilas-do-42/. For the current list of political parties registered by the Justice Ministry, see http://minjust.ru/nko/gosreg/partii/spisok.

21 Anna Sulimina, "Party Law Is 'Surkov's Kiss,'" *Moscow News*, 16 April 2012, http://themoscownews.com/politics/20120416/189636868.html.

22 President of Russia, "Подписан закон о едином дне голосования" [Law on single voting day signed], news release, 3 October 2012, http://kremlin.ru/acts/16581.

23 Yevgeniy Kozichev, "Законы вступили в права" [Laws come into force], *Ogonek*, 17 January 2013, http://kommersant.ru/doc/2102631.

24 President of Russia, "Послание Президента Федеральному Собранию" [Address of the President to the Federal Assembly], news release, 12 December 2012, http://news.kremlin.ru/news/17118.

25 The results of the elections are available at "Результаты голосования" [Election results], Central Election Committee, accessed 7 November 2012, http://cvk2012.org/news/rezultaty_golosovaniya/.

26 Brian Whitmore, "Free Elections Are Coming to Russia! No, Really!" RFE/RL, 27 September 2012, http://www.rferl.org/content/free-and-fair-elections-are-coming-to-russia-no-really/24722038.html.

27 Benjamin Bidder and Matthias Schepp, "'We are the State': Grassroots Movement Gains Momentum in Russia," *Der Speigel*, 21 November 2012, http://www.spiegel.de/international/world/grassroots-movement-gains-momentum-in-russia-a-868338.html.

28 Masha Gessen, "The Flood That Changed Russia," *The New York Times*, 16 July 2012, http://latitude.blogs.nytimes.com/2012/07/16/russians-mobilize-to-help-flood-victims; Mikhail Zakharov, "Крымск как предчувствие гражданского общества" [Krymsk as foretaste of civil society], Polit.ru, 9 July 2012, http://www.polit.ru/article/2012/07/09/kuban_tragedia/.

29 Vladimir Ryzhkov, "Anatomy of Putin's Battle against the Opposition," *Moscow Times*, 16 October 2012, http://www.themoscowtimes.com/opinion/article/anatomy-of-putins-battle-against-the-opposition/469807.html.

30 "Федеральный закон Российской Федерации от 8 июня 2012 г. N 65-ФЗ г. Москва, 'О внесении изменений в Кодекс Российской Федерации об административных правонарушениях и Федеральный закон "О собраниях, митингах, демонстрациях,

шествиях и пикетированиях"'" [Federal law of the Russian Federation from 8 June 2012 No. 65-F3, Moscow, 'On the amendments to the Code of Laws of the Russian Federation on federal offenses and the federal law "On gatherings, political rallies, demonstrations, processions, and picketing"'], *Rossiyskaya Gazeta*, 9 June 2012, http://www.rg.ru/2012/06/09/mitingi-dok.html.

31 Vladimir Ryzhkov, "How the Protest Law Violates European Norms," *Moscow Times*, 13 June 2012, http://www.themoscowtimes.com/opinion/article/how-the-protest-law-violates-european-norms/460217.html.

32 "Федеральный закон Российской Федерации от 20 июля 2012 г. N 121-ФЗ 'О внесении изменений в отдельные законодательные акты Российской Федерации в части регулирования деятельности некоммерческих организаций, выполняющих функции иностранного агента'" [Federal law of the Russian Federation from 20 July 2012 No. 121-F3 'On amendment to certain legislative acts of the Russian Federation to regulate noncommercial organizations performing the function of a foreign agent'], *Rossiyskaya Gazeta*, 23 July 2012, http://www.rg.ru/2012/07/23/nko-dok.html.

33 Anastasiya Kornya, "Уклонение Минюста" [Reluctant Justice Ministry], *Vedomosti*, 21 November 2012, http://www.vedomosti.ru/newspaper/article/347931/uklonenie_minyusta.

34 "Only One Russian NGO Registered as Foreign Agent," RIA Novosti, 16 January 2013, http://en.ria.ru/politics/20130116/178817659.html.

35 President of Russia, "Подписан закон о мерах воздействия на лиц, причастных к нарушениям основополагающих прав и свобод человека, прав и свобод граждан России" [Law on measures against persons involved in violations of fundamental human rights and freedoms, rights and freedoms of Russian citizens], 28 December 2012, http://kremlin.ru/acts/17233; and Natalya Gorodetskaya, "Московская Хельсинкская группа сохранила главу" [The Moscow Helsinki Group has retained its head], *Kommersant*, 11 January 2013, http://kommersant.ru/doc/2102586.

36 "Федеральный закон Российской Федерации от 12 ноября 2012 г. N 190-ФЗ, 'О внесении изменений в Уголовный кодекс Российской Федерации и в статью 151 Уголовно-процессуального кодекса Российской Федерации'" [Federal law of the Russian Federation from 12 November 2012 No. 190-F2, 'On the amendment to the criminal code of the Russian Federation and to statute 151 of the criminal procedure code of the Russian Federation'], *Rossiyskaya Gazeta*, 14 November 2012, http://www.rg.ru/2012/11/14/izmenenia-dok.html.

37 Andrei Soldatov, "Now, Almost Anyone Is a Traitor," *Moscow Times*, 31 October 2012, http://www.themoscowtimes.com/opinion/article/now-almost-anyone-is-a-traitor/470739.html.

38 Dan Peleschuk, "Critics Fear Wide Reach of New Anti-Treason Bill," RIA Novosti, 1 November 2012, http://en.rian.ru/russia/20121031/177087828.html.

39 Bjarge Schwenke Fors, "Pomor Brotherhood?" *Barents Observer*, 22 November 2012, http://barentsobserver.com/en/opinion/2012/11/pomor-brotherhood-22-11.

40 Kathy Lally, "As USAID Stops Work in Russia, Activists Wonder How They Can Continue Operations," *Washington Post*, 2 October 2012, http://articles.washingtonpost.com/2012-10-01/world/35501913_1_usaid-russian-activists-russian-organizations.

41 Aleksey Tarasov, "Народ только мешает: впервые об этом заявлено открыто" [The people just interfere: Openly stated for the first time], *Novaya Gazeta*, 15 November 2012, http://www.novayagazeta.ru/economy/55433.html; and "Ассоциация Коренных Малочисленних Народов Севера, Сибиря, и Дальнего Востока Российской Федераци" [Association of Indigenous People of the North, Siberia, and the Far East of the Russian Federation], RAIPON, accessed 15 January 2013, http://www.raipon.info.

42 "HRW Says Dangerous for Rights Workers in Russia," RFE/RL, 4 October 2012, http://www.rferl.org/content/hrw-says-dangerous-for-rights-workers-in-russia/24729448.html.

43 Human Rights Watch, "Russia," in *World Report 2012* (New York: Human Rights Watch, 2012), http://www.hrw.org/world-report-2012/world-report-2012-russia.

44 Bill Bowring, "Russian Legislation and NGOs in Russia," *Russian Analytical Digest* no. 120 (23 November 2012), http://www.css.ethz.ch/publications/pdfs/RAD-120-7-9.pdf2.

45 Maksim Glikin, Mariya Zheleznova, and Darya Ilyashenko, "Как не стать агентом" [How not to become an agent], *Vedomosti*, 12 December 2012, http://www.vedomosti.ru/newspaper/article/361421/kak_ne_stat_agentom.

46 OSCE, "OSCE Media Representative Concerned by Detention of Journalists, Cyber Attacks on Media Websites in Russia," news release, 10 May 2012, http://www.osce.org/fom/90417.

47 "Федеральный закон Российской Федерации от 28 июля 2012 г. N 141-ФЗ 'О внесении изменений в Уголовный кодекс Российской Федерации и отдельные законодательные акты Российской Федерации'" [Federal law of the Russian Federation from 28 July 2012 No. 141-F3 'On the amendment to the criminal code of the Russian Federation and certain legislative acts of the Russian Federation'], *Rossiyskaya Gazeta*, 1 August 2012, http://www.rg.ru/2012/08/01/kleveta-dok.html.

48 "Анатомия протеста" [Anatomy of a Protest], *ChP. Rassledovaniye*, NTV, 16 March 2012, http://www.ntv.ru/video/peredacha/296996/.

49 "Анатомия протеста–2" [Anatomy of a Protest 2], *ChP. Rassledovaniye*, NTV, 5 October 2012, http://www.ntv.ru/novosti/347117/.

50 Nikolaus von Twickel and Yekaterina Kravtsova, "Razvozzhayev Tells Harrowing Tale," *Moscow Times*, 25 October 2012, http://www.themoscowtimes.com/news/article/razvozzhayev-tells-harrowing-tale/470419.html.

51 Nikolaus von Twickel, "Investigators Refuse to Open Case into Razvozzhayev 'Torture,'" *Moscow Times*, 23 November 2012, http://www.themoscowtimes.com/news/article/investigators-refuse-to-open-case-into-razvozzhayev-torture/471820.html.

52 "Russians' Confidence in State TV slipping," *Moscow Times*, 5 April 2012, http://www.themoscowtimes.com/news/article/russians-confidence-in-state-tv-slipping/456214.html.

53 Levada Center, "57% россиян пользуются Интернетом" [57 percent of Russians use the internet], news release, 12 November 2012, http://www.levada.ru/12-11-2012/57-rossiyan-polzuyutsya-internetom.

54 Irina Filatova, "Internet Shows Signs of Challenging TV for Attention," *Moscow Times*, 28 May 2012, http://www.themoscowtimes.com/business/article/internet-shows-signs-of-challenging-tv-for-attention/459337.html.

55 "Федеральный закон от 27 июля 2006 года № 149-ФЗ 'Об информации, информационных технологиях и защите информации' (в ред. Федеральных законов от 27.07.2010 N 227-ФЗ, от 06.04.2011 N 65-ФЗ, от 21.07.2011 N 252-ФЗ, от 28.07.2012 N 139-ФЗ)" [Federal law from 27 July 2006 No. 149-F3 'On information, information technology, and the protection of information' (in redaction to federal laws from 27.07.2010 No. 227-F3, from 06.04.2011 No. 65-F3, from 21.07-2011 No. 252-F3, from 28.07.2012 No. 139-F3)], Zapret-info.gov, 11 January 2011, http://zapret-info.gov.ru/docs/149.pdf.

56 The site is available at http://zapret-info.gov.ru/.

57 Andrei Soldatov and Irina Borogan, "The Kremlin's New Internet Surveillance Plan Goes Live Today," *Wired*, 1 November 2012, http://www.wired.com/dangerroom/2012/11/russia-surveillance/all/.

58 Arina Borodina, "Алексея Навального стало больше в телеэфире" [More Aleksey Navalniy on television], *Kommersant*, 17 September 2012, http://www.kommersant.ru/doc/2024214.

59 Dmitriy Muratov, "Председателю Следственного комитета Российской Федерации генерал-полковнику юстиции А.И. Бастрыкину—о незаконченных делах" [Chairman of the Investigative Committee of the Russian Federation Colonel-General Justice A.

I. Bastrykin—pending cases], *Novaya Gazeta*, 13 June 2012, http://www.novayagazeta.ru/columns/53061.html.

60 "Бастрыкин принес извинения 'Новой газете' и Сергею Соколову. Конфликт исчерпан" [Bastrykin apologized to 'Novaya Gazeta' and to Sergey Sokolov. Conflict settled], *Novaya Gazeta*, 14 June 2012, http://www.novayagazeta.ru/news/57466.html.

61 Georgy Bovt, "Media Don't See the Forest for the Truth," *Moscow Times*, 20 June 2012, http://www.themoscowtimes.com/opinion/article/media-dont-see-the-forest-for-the-truth/460658.html.

62 Roman Dobrokhotov, "Владимир Варфоломеев: 'Уволить Венедиктова стало проще'" [Vladimir Varfolomeyev: 'It has become easier to fire Venediktov'], Slon.ru, 29 March 2012, http://slon.ru/russia/vladimir_varfolomeev_uvolit_venediktova_stalo_proshche-770598.xhtml.

63 Nikolaus von Twickel, "Russian Billionaire Lebedev Charged with Hooliganism," *Moscow Times*, 27 September 2012, http://articles.washingtonpost.com/2012-09-26/world/35494404_1_alexander-lebedev-sergei-polonsky-gennady-gudkov.

64 "Указ Президента Российской Федерации от 17 апреля 2012 г. N 455, 'Об общественном телевидении в Российской Федерации'" [Decree of the President of the Russian Federation from 17 April 2012 No. 455, 'On public television in the Russian Federation], *Rossiyskaya Gazeta*, 19 April 2012, http://www.rg.ru/2012/04/19/otv-dok.html.

65 Anna Arutunyan, "Medvedev's Public TV Raises Questions," *Moscow News*, 18 April 2012, http://themoscownews.com/politics/20120418/189643085.html.

66 Vladimir Kara-Murza, "Russia's Local Elections: Politics in Spite of Putin," *World Affairs Journal* (September/October 2012), http://www.worldaffairsjournal.org/article/russia%E2%80%99s-local-elections-politics-spite-putin; and President of Russia, "Дмитрий Медведев подписал закон о выборах губернаторов" [Dmitriy Medvedev signed the law on gubernatorial elections], news release, 2 May 2012, http://kremlin.ru/acts/15186.

67 Nikolay Petrov, "Надутые грубо" [Grossly inflated], Grani.ru, 18 October 2012, http://grani.ru/Politics/Russia/Election/m.207521.html.

68 Olga Kuzmenkova, "Госдума приняла закон о выборах губернаторов" [State Duma adopted the law on gubernatorial elections], *Gazeta.ru*, 25 April 2012, http://www.gazeta.ru/politics/2012/04/25_kz_4563701.shtml.

69 Novgorod Regional Election Headquarters, *Стратегия Кампании по Выборам Губернатора Новгородской Области* [Campaign strategy for gubernatorial elections for the Novgorod region] (Novgorod: Novgorod Regional Election Headquarters, 2012), 16, http://forumnov.com/index.php?showtopic=3467006; and Simon Shuster, "The Managed Democracy: A How-To Manual from Putin's Russia," *Time*, 15 October 2012, http://world.time.com/2012/10/15/the-managed-democracy-a-how-to-manual-from-putins-russia/.

70 Rostislav Turovskiy, "Между народом и Москвой" [Between the people and Moscow], *Vedomosti*, 24 July 2012, http://www.vedomosti.ru/newspaper/article/284790/mezhdu_narodom_i_moskvoj.

71 Natalya Bashlykova, Maksim Ivanov, Vsevolod Inyutin, Svetlana Rassmekhina, and Pavel Koshelenko, "Выборы подтверждают назначения" [Elections confirm appointments], *Kommersant*, 4 October 2012, http://www.kommersant.ru/doc/2036637; Ellen Barry, "Not in Script for Kremlin: A Real Race for Governor," *The New York Times*, 28 September 2012, http://www.nytimes.com/2012/09/28/world/europe/hopes-for-competitive-governors-race-in-ryazan-are-dashed.html.

72 Aleksandr Prizhnikov, "КС РФ: президентские и муниципальные фильтры не нарушают Конституцию" [Constitutional Court of the Russian Federation: Presidential and municipal filters do not violate the constitution] *Kommersant*, 24 December 2012, http://slon.ru/fast/russia/ks-rf-prezidentskie-i-munitsipalnye-filtry-ne-narushayut-konstitutsiyu-868353.xhtml.

73 Alexander Bratersky, "Underdog Elected Mayor of Yaroslavl," *Moscow Times*, 3 April 2012, http://www.themoscowtimes.com/news/article/underdog-elected-mayor-of-yaroslavl/455996.html.

74 Rachel Nielsen, "Towns Face Budget Battles They Can't Win," *Moscow Times*, 16 October 2012, http://www.themoscowtimes.com/business/article/towns-face-budget-battles-they-cant-win/469827.html.

75 "New Laws Diminish Moscow's Tax Revenues," *BOFIT Weekly*, 31 August 2012, http://www.suomenpankki.fi/bofit_en/seuranta/seuranta-aineisto/pages/vw201235_2.aspx.

76 International Crisis Group, *The North Caucasus: The Challenges of Integration, Ethnicity, and Conflict* (Brussels: International Crisis Group, 2012), http://www.crisisgroup.org/~/media/Files/europe/caucasus/220-the-north-caucasus-the-challenges-of-integration-i-ethnicity-and-conflict.pdf.

77 Valery Dzutsev, "Moscow's Complicated System of Governance in the North Caucasus Set to Become Even More Complex," *Eurasia Daily Monitor*, 21 May 2012, http://www.jamestown.org/single/?no_cache=1&tx_ttnews%5Btt_news%5D=39399.

78 "Pussy Riot gig at Christ the Savior Cathedral (original video)," YouTube video, 1:35, from event on 21 February 2012, posted by "timurnechaev77," 2 July 2012, http://www.youtube.com/watch?v=grEBLskpDWQ.

79 György Frunda and Andreas Gross, *The Honouring of Obligations and Commitments by the Russian Federation* (Strasbourg: Parliamentary Assembly of the Council of Europe, 14 September 2012), http://assembly.coe.int/ASP/Doc/XrefViewPDF.asp?FileID=18998&Language=EN.

80 Alexander Bratersky, "Wife of Opposition Activist Gets 8 Years on Drug Charges," *Moscow Times*, 29 August 2012, http://www.themoscowtimes.com/news/article/wife-of-opposition-activist-gets-8-years-on-drug-charges/467268.html.

81 "European Parliament Condemns Russian 'Political' Use of Judiciary," RFE/RL, 13 September 2012, http://www.rferl.org/content/european-parliament-condemns-russian-political-use-of-judiciary/24707340.html.

82 "О Развозжаеве и 'басманном правосудии'" [On Razvozzhayev and 'Basmanny justice'], Pozner Online, 29 October 2012, http://pozneronline.ru/2012/10/3096/.

83 "Cabinet Prepares Measures to Crack Down on Offshoring," *BOFIT Weekly*, 11 January 2013, http://www.suomenpankki.fi/bofit_en/seuranta/seuranta-aineisto/pages/w201302_2.aspx.

84 Nick Cumming-Bruce, "U.N. Panel Criticizes Russia for Record on Human Rights," *The New York Times*, 23 November 2012, http://www.nytimes.com/2012/11/24/world/europe/un-panel-criticizes-russia-on-human-rights-treaty.html.

85 Interfax, "Russian Chief Auditor: 30bn Dollars a Year Embezzled from State Procurement," *Johnson's Russia List*, 14 November 2012, http://russialist.org/russian-chief-auditor-30bn-dollars-a-year-embezzled-from-state-procurement/.

86 Yevgeniy Minchenko and Kirill Petrov, "Большое правительство Владимира Путина и 'Политбюро 2.0'" [The big government of Vladimir Putin and the 'Politburo 2.0'], Stratagema.org, 21 August 2012, http://www.stratagema.org/exclusive/research/research_2391.html.

87 Andrew E. Kramer and David M. Herszenhorn, "Midas Touch in St. Petersburg: Friends of Putin Glow Brightly" *The New York Times*, 1 March 2012, http://www.nytimes.com/2012/03/02/world/europe/ties-to-vladimir-putin-generate-fabulous-wealth-for-a-select-few-in-russia.html.

88 "Шувалов" [Shuvalov], Aleksey Navalniy's blog, 30 March 2012, http://navalny.livejournal.com/697198.html; and Andrew E. Kramer, "Activist Presses for Inquiry into Senior Putin Deputy," *The New York Times*, 31 March 2012, http://www.nytimes.com/2012/03/31/world/europe/navalny-presses-for-inquiry-into-putin-deputy.html.

89 "Corruption Watch: Putin Spends More on Watches Than He Earns," *Business New Europe*, 8 June 2012, http://www.bne.eu/dispatch21108/Russia_daily_Fri_8_Jun.

90 Brian Whitmore, "Putin's Little Helper," RFE/RL, 29 January 2013, http://www.rferl.org/content/putins-little-helper/24887425.html.

91 Anders Aslund, "Why Gazprom Resembles a Crime Syndicate," *Moscow Times*, 28 February 2012, http://www.themoscowtimes.com/opinion/article/why-gazprom-resembles-a-crime-syndicate/453762.html.

92 Oleg Rubnikovich, Vladislav Litovchenko, and Anna Pushkarskaya, "В Петербурге проворовало трубы" [In Petersburg, pipes were embezzled], *Kommersant*, 30 November 2012, http://www.kommersant.ru/Doc/2078938.

93 "Court Acquits Former Deputy Chief of Butyrka Detention Centre in Magnitsky Death Case," ITAR-TASS, 28 December 2012, http://www.itar-tass.com/en/c32/612252.html; and Andrew E. Kramer, "Russian Acquittal Escalates Human Rights Feud with U.S.," *The New York Times*, 28 December 2012, http://www.nytimes.com/2012/12/29/world/europe/russian-acquittal-escalates-human-rights-feud-with-us.html.

94 Interfax, "Trial of Prison Warden Where Magnitsky Died to Continue in Moscow," *Johnson's Russia List*, 16 October 2012, http://russialist.org/trial-of-prison-warden-where-magnitsky-died-to-continue-in-moscow/.

Serbia

by Dragana Pećo

Capital: Belgrade
Population: 7.3 million
GNI/capita, PPP: US$11,090

Source: The data above are drawn from the World Bank's *World Development Indicators 2013.*

Nations in Transit Ratings and Averaged Scores

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Electoral Process	3.50	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25
Civil Society	2.75	2.75	2.75	2.75	2.75	2.75	2.50	2.25	2.25	2.25
Independent Media	3.50	3.25	3.25	3.50	3.75	3.75	4.00	4.00	4.00	4.00
Governance*	4.00	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
National Democratic Governance	n/a	4.00	4.00	3.75	4.00	4.00	3.75	3.75	3.75	3.75
Local Democratic Governance	n/a	3.75	3.75	3.75	3.75	3.75	3.50	3.50	3.50	3.50
Judicial Framework and Independence	4.25	4.25	4.25	4.25	4.50	4.50	4.50	4.50	4.50	4.50
Corruption	5.00	5.00	4.75	4.50	4.50	4.50	4.50	4.25	4.25	4.25
Democracy Score	3.83	3.75	3.71	3.68	3.79	3.79	3.71	3.64	3.64	3.64

** Starting with the 2005 edition, Freedom House introduced separate analysis and ratings for national democratic governance and local democratic governance to provide readers with more detailed and nuanced analysis of these two important subjects.*

NOTES: The ratings reflect the consensus of Freedom House, its academic advisers, and the author(s) of this report. The opinions expressed in this report are those of the author(s). The ratings are based on a scale of 1 to 7, with 1 representing the highest level of democratic progress and 7 the lowest. The Democracy Score is an average of ratings for the categories tracked in a given year.

Executive Summary

General elections in May 2012 yielded a new coalition government comprised of the Serbian Progressive Party (SNS), the Socialist Party of Serbia (SPS), and the United Regions of Serbia (URS), with SPS leader and former Slobodan Milošević spokesman Ivica Dačić as prime minister. The Democratic Party (DS), which had led the government for most of the previous decade, was relegated to the opposition, reflecting broad public dissatisfaction with its stewardship of the economy, anticorruption efforts, and other governance issues. SNS leader Tomislav Nikolić also defeated incumbent and DS leader Boris Tadić in the presidential polls.

The new government placed European Union (EU) integration, relations with Kosovo, and anticorruption efforts at the top of its agenda. Despite calls for decentralization from the government and during the election campaign, the division of responsibilities between the central and local levels of power remained unclear in 2012. Right after the government's formation, the Constitutional Court handed down a ruling limiting the powers of the multiethnic Autonomous Province of Vojvodina in northern Serbia.

Though Belgrade remained emphatic in its non-recognition of Kosovo's independence, relations between the two governments showed some progress as a result of EU-facilitated bilateral negotiations. Brussels rewarded this progress by granting Serbia EU candidate status in March, a long-awaited milestone. Negotiations stalled during Serbia's election season but resumed in October with EU-mediated meetings between Dačić and Kosovo's prime minister, Hashim Thaçi, the first high-level political encounter between the neighbors since 2008. The EU says Serbia must develop good neighborly relations with Kosovo to begin accession negotiations, which will commence no earlier than December 2013.

Burdened with a high budget deficit, the new government pushed through a package of revenue-raising measures, including a 2 percent increase in value added tax (VAT) in October. In addition to priorities such as Kosovo and EU integration, the new leadership pledged to fight organized crime and corruption. Compared with previous governments, it has shown the first real political will to take on graft and misconduct.

National Democratic Governance. Following the May general elections, the new government prioritized EU integration, anticorruption efforts, and the ongoing bilateral dialogue with Kosovo. Top-level meetings between prime ministers Dačić and Thaçi in October resulted in the implementation of a significant border management agreement in December, in connection with which Serbia won EU candidate status and was awaiting a start date to begin accession talks at year's end.

Some EU countries demanded the reintroduction of visa requirements for Serbian citizens in an effort to reduce asylum seekers, but there were no formal requests to suspend visa-free travel during the year. To bolster the country's struggling economy and reduce the budget deficit, the government increased VAT for the first time. In October, President Nikolić claimed that police had tapped his phones and those of Deputy Prime Minister Aleksandar Vučić; the case that remained unresolved at year's end. *Serbia's national democratic governance rating remains unchanged at 3.75.*

Electoral Process. May parliamentary elections deemed free and fair by monitors resulted in the formation of a new governing coalition between the SNS, SPS, and URS, led by Prime Minister Dačić of the SPS. With voters disappointed by the former government and other options on the parliamentary candidate list, the number of "white," or unmarked, ballots doubled from the previous elections, in 2008. The same month, SNS leader Nikolić defeated incumbent President Tadić in a runoff. Political parties were required to submit various financial and other campaign reports to the independent Anticorruption Agency, but many were incomplete. *Serbia's electoral process rating remains unchanged at 3.25.*

Civil Society. Civic groups in Serbia continued to struggle financially in 2012, with some 80 percent unable to even cover their annual costs. Most civil society organizations (CSOs) see the state as an important funder of the nonprofit sector, but still complain that government institutions are generally uninterested in their work. The leadership made no progress on minority rights in 2012 and banned the Belgrade gay pride parade for the second consecutive year on the basis of security concerns. *Serbia's civil society rating remains unchanged at 2.25.*

Independent Media. Although the government adopted a Media Strategy in October 2011 that aims to improve the transparency of media ownership and privatize state-owned outlets, it remains to be implemented. The state continues to own many media outlets and control the dissemination of information. Most media are struggling financially, and see state ownership as a key to their survival. Political influence on the media is high, especially during the preelection campaign season. Several print media closed shortly after the elections. There were a number unsolved attacks on journalists during the year. *Serbia's independent media rating remains unchanged at 4.00.*

Local Democratic Governance. Serbian politicians promoted further decentralization in their election campaigns, but once in office the government decided to cut costs by closing the Office of the National Council for Decentralization. After the new government was formed in July, many local governments reconfigured to reflect the new SNS-SPS-URS state-level coalition. The Statute of the Autonomous Province of Vojvodina and its jurisdiction were drastically reduced after the Constitutional Court ruled some of its provisions unconstitutional. Some local nongovernmental organizations said the ruling

threatened the province's development. *Serbia's local democratic governance rating remains unchanged at 3.50.*

Judicial Framework and Independence. Though the EC noted some positive steps in 2012 to improve accountability and efficiency, the judiciary continues to struggle with excessively long trials, a large case backlog, and poor access to justice, partly owing to a previous overhaul of the court network that the new government has announced plans to reverse. In September, the Constitutional Court reinstated around 300 judges, prosecutors, and deputies who lost their jobs in a controversial reappointment procedure that was part of the judicial reform. In early 2012, three years after appointing Nata Mesarović as president of the Supreme Court of Cassation (VKS), the Constitutional Court ruled unconstitutional the Law on Judges under which she was elected. To ease prison overcrowding, the government adopted a new amnesty law that will affect some 3,500 prisoners. *Serbia's judicial framework and independence rating remains unchanged at 4.50.*

Corruption. One of the new government's stated priorities is the fight against corruption and organized crime. During the year, authorities pursued major corruption cases, including suspect privatizations and an ongoing, large-scale investigation of loan fraud at state-owned Agrobanka. Anticorruption Agency Director Zorana Marković was dismissed in November after allegations surfaced that she had tried to allocate a state-owned apartment for herself. Independent polls indicate that nearly half of Serbian citizens believe corruption increased in 2012, while almost 90 percent see graft and misconduct as commonplace. While the government has demonstrated the first real political will in years to tackle corruption and launched several investigations, the fight is just beginning. *Serbia's corruption rating remains unchanged at 4.25.*

Outlook for 2013. In 2013, Serbia's priorities will be revitalizing the economy, fighting organized crime and corruption, and continuing bilateral negotiations with Kosovo. In the next round of talks, the two sides are expected to discuss the "parallel" public health, education, and other services Belgrade funds in majority-Serb areas of Kosovo. The EU wants these shadow institutions dismantled.

At year's end, Brussels was expected to give Serbia a firm date in 2013 to start accession negotiations, which will begin no earlier than December. Among young Serbians, support for joining the EU has fallen in recent years, and stood at 41 percent at the end of 2012.[1] At the same time, 66 percent of respondents to a December survey declared support for EU accession reforms, and 62 percent specifically support "solving problems in relations between Belgrade and Priština."[2]

To improve the economy, leaders will focus on attracting foreign investment. At the end of 2012, the government began talks with the International Monetary Fund on a new loan agreement.[3]

Main Report

National Democratic Governance

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
n/a	4.00	4.00	3.75	4.00	4.00	3.75	3.75	3.75	3.75

Parliamentary elections in May yielded a new ruling coalition comprised of the Serbian Progressive Party (SNS), the Socialist Party of Serbia (SPS), and the United Regions of Serbia (URS). SPS leader and former Slobodan Milošević spokesman Ivica Dačić became prime minister, while the Democratic Party (DS), which had led the government for most of the previous decade, was relegated to the opposition. In a runoff vote on 20 May, DS leader and incumbent president Boris Tadić lost to former ultranationalist Tomislav Nikolić, the head of the SNS. President-elect Nikolić subsequently resigned as SNS leader, saying he wanted to represent all Serbians. Tadić effectively assumed blame for DS's electoral loss by giving up his party's leadership in November.

The new government inherited a challenging economic and budgetary situation. In September, State Audit Institution (DRI) President Radoslav Sretenović informed URS leader Mlađan Dinkić, the newly appointed minister of finance and economy, that public debt in 2011 had been 49.6 percent of Gross Domestic Product (GDP), rather than the 45.1 percent originally claimed by the Ministry of Finance—a difference of some €1.3 billion.[4] Shortly following this revelation, the government approved amendments to increase the value added tax (VAT) for the first time since 2005 as part of a larger package of revenue-raising measures. These efforts, the new leadership claimed, had saved the state from bankruptcy.[5]

Though Belgrade remained emphatic in its non-recognition of Kosovo's independence, relations between the two governments showed some progress in 2011 and 2012 as a result of bilateral negotiations facilitated by the European Union (EU). Following a series of meetings in 2011, negotiating envoys from Pristina and Belgrade reached two key deals in February 2012. First, Belgrade agreed to participate in regional meetings with Pristina (previously, Serbian leaders had boycotted meetings attended by Kosovar officials); and second, the two sides agreed to allow Kosovar and Serbian officials joint management of their shared border. In March, Brussels recognized this progress by granting Serbia EU candidate status, a long-awaited milestone.[6]

The official date for beginning Serbia's accession negotiations will be set in 2013. In September, a group of German parliamentarians led by Andreas Schockenhoff from the Christian Democrats visited Belgrade to present seven conditions for accession, from improving relations with Kosovo to officially recognizing as genocide the 1995 Srebrenica massacre of some 8,000 Bosnian Muslim men and boys by Bosnian Serb forces. Responding that these conditions

Main Report

National Democratic Governance

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
n/a	4.00	4.00	3.75	4.00	4.00	3.75	3.75	3.75	3.75

Parliamentary elections in May yielded a new ruling coalition comprised of the Serbian Progressive Party (SNS), the Socialist Party of Serbia (SPS), and the United Regions of Serbia (URS). SPS leader and former Slobodan Milošević spokesman Ivica Dačić became prime minister, while the Democratic Party (DS), which had led the government for most of the previous decade, was relegated to the opposition. In a runoff vote on 20 May, DS leader and incumbent president Boris Tadić lost to former ultranationalist Tomislav Nikolić, the head of the SNS. President-elect Nikolić subsequently resigned as SNS leader, saying he wanted to represent all Serbians. Tadić effectively assumed blame for DS's electoral loss by giving up his party's leadership in November.

The new government inherited a challenging economic and budgetary situation. In September, State Audit Institution (DRI) President Radoslav Sretenović informed URS leader Mlađan Dinkić, the newly appointed minister of finance and economy, that public debt in 2011 had been 49.6 percent of Gross Domestic Product (GDP), rather than the 45.1 percent originally claimed by the Ministry of Finance—a difference of some €1.3 billion.[4] Shortly following this revelation, the government approved amendments to increase the value added tax (VAT) for the first time since 2005 as part of a larger package of revenue-raising measures. These efforts, the new leadership claimed, had saved the state from bankruptcy.[5]

Though Belgrade remained emphatic in its non-recognition of Kosovo's independence, relations between the two governments showed some progress in 2011 and 2012 as a result of bilateral negotiations facilitated by the European Union (EU). Following a series of meetings in 2011, negotiating envoys from Pristina and Belgrade reached two key deals in February 2012. First, Belgrade agreed to participate in regional meetings with Pristina (previously, Serbian leaders had boycotted meetings attended by Kosovar officials); and second, the two sides agreed to allow Kosovar and Serbian officials joint management of their shared border. In March, Brussels recognized this progress by granting Serbia EU candidate status, a long-awaited milestone.[6]

The official date for beginning Serbia's accession negotiations will be set in 2013. In September, a group of German parliamentarians led by Andreas Schockenhoff from the Christian Democrats visited Belgrade to present seven conditions for accession, from improving relations with Kosovo to officially recognizing as genocide the 1995 Srebrenica massacre of some 8,000 Bosnian Muslim men and boys by Bosnian Serb forces. Responding that these conditions

only reflected "one opinion," Vincent Degert, head of the EU Delegation to Serbia, said all EU countries, not just Germany, would make the final decision on Serbia's EU application.[7]

Negotiations with Kosovo stalled after the May elections but resumed in October with meetings in Brussels between Prime Minister Dačić and Kosovo's prime minister, Hashim Thaçi. Both sides called the meetings—the first high-level summits between these countries since 2008—a positive step toward further cooperation. Nevertheless, issues like the so-called "parallel" governing structures funded by Belgrade in majority-Serb areas of Kosovo remained unresolved by year's end, despite EU pressure. In December, Dačić and Thaçi did finalize the Integrated Border Management (IBM) agreement agreed to in February, which was implemented that month.[8]

At the end of 2012, some EU countries demanded the reintroduction of visa requirements for Serbian citizens wishing to travel within the union in order to decrease the number of asylum seekers, especially to Germany, which no longer deports asylum seekers under legislation passed in winter. However, there were no formal requests to revoke visa-free travel, the most concrete benefit Serbian citizens have received in the EU accession process.

In October, President Nikolić accused police of tapping his phone and that of Defense Minister Aleksandar Vučić, the new head of the SNS. Media reported that Criminal Investigations Police Chief Rodoljub Milović had signed a wiretapping warrant, which then "disappeared."[9] Milović flatly denied the allegations, calling the episode an "attack from behind."[10] A preliminary investigation showed that Nikolić and Vučić were indeed under surveillance, but no one had been charged by year's end. Vučić has pledged to get tough on corruption, even if that means investigating cases involving coalition members.[11]

Electoral Process

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
3.50	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25

Led by Nikolić, the SNS and its allies won 73 seats in the May 2012 parliamentary elections. The DS-led bloc took 67 seats, followed by the SPS-led bloc, including the Party of United Pensioners of Serbia (PUPS) and United Serbia (JS)—which won 44. The Serbian Radical Party (SRS), led by Vojislav Šešelj, currently on trial for alleged war crimes at the International Criminal Tribunal for the former Yugoslavia, lost all of its seats.

Having won twice as many votes in 2012 as it did in 2008, the SPS bloc emerged as the kingmaker in coalition negotiations, since neither the SNS nor the DS took enough seats to govern alone. As a result, Dačić called his coalition the "real winner of the Serbian 2012 elections."[12] Initially, Dačić agreed to form

a coalition with the DS, but this fell through after Nikolić defeated Tadić in a 20 May presidential runoff with 51.2 percent of the vote.[13] (Tadić had called early presidential elections after Serbia won EU candidacy.) The DS had also lost public support due to a foundering economy beset by 20-plus percent unemployment and numerous political corruption scandals.

After receiving Nikolić's blessing in June, Dačić formed a coalition government with SNS and URS in July. The DS went into opposition, and Tadić effectively assumed blame for the party's electoral losses by stepping down as its leader. He was succeeded by Belgrade Mayor Dragan Đilas in November.

While the elections reflected dissatisfaction with the DS, they also revealed a general loss of confidence in Serbia's political elite. Around 170,000 voters (or 4.3 percent) expressed their displeasure with all the options on offer by casting "white," or unmarked, ballots.[14] Several smaller and former opposition parties ran in the elections together on one list, called Preokret, winning 6.53 percent of the popular vote. Preokret received 19 seats in the national legislature, but did not get enough votes in Belgrade to enter the city parliament. Some Preokret members blamed the "white ballots" for their loss.

After the first round of presidential voting, on 6 May, Nikolić accused Tadić of election fraud, saying the DS had printed extra ballots. The SNS filed criminal charges,[15] but dropped them in October. DS discounted the lawsuit as part of a campaign to bolster support for Nikolić between the first round of presidential voting and the runoff. Nikolić's win was greeted with surprise in most Serbian and regional media, especially since state-owned media had reported throughout the campaign that Tadić was leading the polls.[16]

After the elections, political parties were required by law to submit campaign expense reports and donor lists to the Anticorruption Agency, which also collected parties' annual financial reports. The agency received some 400 reports, but according to a review by the Serbian branch of Transparency International (TS), most parties did not take the endeavor seriously, submitting incomplete reports with difficult-to-decipher data.[17] The agency has yet to establish a track record of effective oversight of party funding, according to an annual progress report by the European Commission (EC), published in October 2012.[18]

The May 2012 polls followed a 2011 amendment to the Law on the Election of Members of Parliament that introduced closed electoral lists, as well as a comprehensive and up-to-date voter database. Ranking on voter lists now determines who wins a parliamentary seat, so seats can no longer be transferred to other party members between elections. Under the new law, one-third of listed parliamentary candidates in May 2012 were women.

International observers declared the May elections "free, fair, and peaceful," noting an improved range of voter choice and more peaceful atmosphere than in 2008.[19] However, monitors also stated that "additional efforts are needed to further enhance the integrity of the election process, particularly with regard to the transparency of voter registration."[20]

Civil Society

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
2.75	2.75	2.75	2.75	2.75	2.75	2.50	2.25	2.25	2.25

Roughly 18,000 civil society organizations (CSOs) operate in Serbia, but their impact on governance and other key areas is rather weak. According to a 2011 report by the Belgrade-based Civic Initiatives watchdog, nearly 80 percent of CSOs are underfunded. The same report finds that 70 percent of CSOs say financing is their biggest problem, and only a little more than 20 percent are able to support themselves without direct government support.[21] Some organizations do not fully understand how to access funding for projects, often because staff members are undertrained. Many CSOs also complain that international donors are pulling money out of Serbia since the 2008 global economic downturn. The private sector, meanwhile, rarely donates to CSOs.

Cooperation between civil society and government institutions is still relatively infrequent. According to Civic Initiatives, around 40 percent of CSOs say the state takes little interest in their work. In 2012, the government announced plans to cut costs by closing its Office for Cooperation with Civil Society, though ultimately the office was spared. Since launching in 2011, the office has played an important role in encouraging cooperation between CSOs and public officials.[22]

As the May elections approached, CSOs became more politically engaged. Some openly supported certain political parties, while others had members who sought office themselves. For example, Civic Initiatives founder Miljenko Dereta won a parliamentary seat on the Preokret list.

Citizens enjoy freedoms of assembly and association, though a 2009 law banned meetings of fascist organizations and the use of neo-Nazi symbols. Radical right-wing organizations and violent "sports fans" remain a serious concern, and the Constitutional Court banned a second such group in 2012.

Attacks on LGBT (lesbian, gay, bisexual, and transgender) citizens occur every year. In September, a young gay man brutally beaten in Belgrade. On 6 October, the day of a planned gay pride parade in Belgrade, police banned all public demonstrations, evidently fearing a recurrence of the violence that occurred after extremists attacked a similar event in 2010. The parade has been banned for the last two years on the basis of security concerns, despite vocal objections from rights groups. Instead, a week's worth of LGBT rights–related events were held indoors, including a press conference in Belgrade's Media Center, conducted under police security. Three members of the European Parliament attended, including Marije Cornelissen of the Netherlands, who called the ban a disappointment and said the new government failed its first test by allowing extremists to win.[23] Swedish Minister for EU Affairs Birgitta Ohlsson warned: "This ban in a European city means discrimination, and that's not the Europe I want to live in. The EU won't accept inequality and homophobia."[24] Members of the LGBT community protested outside the Media Center where the other events were held.

The Serbian Orthodox Church remains influential and takes active positions on

a number of politically sensitive issues. Patriarch Irinej openly supported banning the gay pride parade in October.[25] Media also reported that the Holy Synod of the Serbian Orthodox Church had sent a strongly worded letter to President Nikolić demanding that the government reject the Integrated Border Management agreement with Kosovo, though it was not clear who sent the letter on the church's behalf.[26] Nikolić met with Patriarch Irinej a number of times in 2012, seeking support for government policy on Kosovo.

Independent Media

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
3.50	3.25	3.25	3.50	3.75	3.75	4.00	4.00	4.00	4.00

Every Serbian government since the country gained independence has promised to end state media ownership, but none has. Transparent media ownership and privatization are the main principles of the government's Media Strategy, which was adopted in 2011 but has yet to be implemented, despite a similar mandate in the 2003 Law on Media and EU pressure to expedite the process. The president of the Independent Journalism Association of Serbia (NUNS), Vukašin Obradović, warned in a July interview: " ... in this way the state wants to keep media under control by being its owner even if it knows that by owning media it is breaking the law."[27]

With most media struggling financially, state ownership is one of the only ways to ensure their survival. Even outlets that criticize state ownership of media are not usually in a position to risk going it alone.

Media owned by the state or by persons with clear political interests became a ready political tool before and during the 2012 elections. The daily *Pravda,* for instance, is owned by an SNS member and promoted the party throughout the campaign season. The Bureau for Social Research said election reporting was characterized by "latent censorship" and "elements of propaganda."[28] According to the report, positive coverage of incumbent president Tadić completely overwhelmed positive (or even neutral) discussion of challenger Nikolić in all mainstream media, including public broadcasters.

Media ownership in Serbia is opaque and volatile, contributing to the lack of reliably balanced and analytical reporting in the country. In July, the ownership structure of *Politika*, the oldest daily newspaper in the Balkans, changed overnight when German media group WAZ sold its 50 percent stake to East Media Group, a murky Moscow-based company registered in January 2012. The media reacted with shock to the sudden sale, hinting at foul play. Most political parties and press associations accused DS of being behind the sale,[29] though DS denied these allegations. In November, the businessman and Delta Holding owner Miroslav Mišković announced his withdrawal from the daily *Press* after hiding ownership for years. In December, police arrested Mišković on corruption charges in connection with several privatizations.

Days after the end of the election season, *Pravda* canceled its print edition, switching to online publication only. The *Econom:east* magazine, which was connected to the former deputy prime minister for EU integration and minister of science and technical development, Božidad Đelić (DS), also stopped publishing only after the elections, despite the fact that the magazine had been unable to pay its staff's salaries for six months.[30] The daily *Kurir* founded another tabloid called *San*, which published for only a month-and-a-half.[31] *Press* canceled its print edition in November. Also in November, Avala Television stopped broadcasting, with a new channel, Pink 2, appearing on its station almost overnight. The change came after regulators blocked the sale of Avala by co-owner Željko Mittović, who also owns TV Pink, and stripped its broadcast license for failing to pay certain fees.[32]

Internet use is rising in Serbia. In 2011, 41 percent of Serbian households had internet access, compared with 26 percent in 2007, according to the EC's October 2012 progress report.[33]

Physical attacks and harassment of journalists continued in 2012. In September, the tires of Pink TV editor Mladen Mijatović were slashed. In two separate incidents in October, attackers threw Molotov cocktails at the homes of Damir Dragić, director of the daily *Informer*, and Kopernikus TV journalist Biljana Vujović. Also in October, family members of former B92 journalist Tanja Janković were attacked and beaten by police; several days later a bomb was found in their yard. None of these cases had been resolved by year's end. The murders of journalists Slavko Ćuruvija (1999), Dada Vujasinović (1994), and Milan Pantić (2001) are also as yet unpunished. In 2012, the government announced plans to form a commission to determine why the investigations have failed and launch new ones with the help of international investigators.[34]

Defamation was officially decriminalized in December 2012. Earlier in the year, press freedom organizations had strongly criticized Serbia for imprisoning a journalist, Laszlo Šaš, who was unable to pay a 150,000 dinar ($1,800) defamation fine. Šaš had been convicted of insulting ultranationalist Hungarian politician Laszlo Toroczkai in a 2007 article. Two weeks into Šaš's 150-day prison sentence, President Nikolić announced a presidential pardon and the journalist was released. Towards the end of his presidential campaign, Nikolić himself brought civil defamation charges against two dailies, *Kurir* and *Blic*, demanding 200 million dinars ($2.4 million) from each.[35]

Local Democratic Governance

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
n/a	3.75	3.75	3.75	3.75	3.75	3.50	3.50	3.50	3.50

Municipal governments formed relatively quickly after local elections in May 2012. However, after a state-level coalition emerged in July, a number of newly formed local governments reconfigured themselves to reflect the power dynamics at the

central level (i.e., the exclusion of the DS from the ruling coalition). In Novi Sad, Serbia's second-largest city, the local government changed in September, with the SNS candidate becoming mayor. Prime Minister Dačić expressly stated that local governments should align with the state-level coalition wherever possible.[36]

Belgrade proved a notable exception to this practice. Dragan Đilas was reelected mayor and the DS maintained power in coalition with the SPS. Representatives of the SNS announced after the elections that they would not participate in the Belgrade city administration out of respect for the party that won the majority there. Aleksandar Vučić, the SNS mayoral candidate, insisted that he could not be mayor because "it [was] known how the citizens of Belgrade [had] voted."[37] The coalition remained intact at year's end.

Most political parties publicly promote decentralization as necessary for balanced governance in Serbia. It was a key issue during the elections, and defined the URS party's entire political campaign. However, since coming to power the new government has done little more than pay lip service to decentralization, even going so far as to cut costs by shutting down the state Office of the National Council for Decentralization in October.

Before coming to power, SNS leaders warned of increased separatism in the Autonomous Province of Vojvodina, a multiethnic territory in northern Serbia. After Nikolić won the presidency and it became clear the SNS would join the new government, the Constitutional Court declared unconstitutional certain provisions in the law on establishing the jurisdiction of Vojvodina. Under the decision, Novi Sad can no longer be called the "capital city" but, rather, the "administrative center" of the province. Additionally, Vojvodina cannot have a representative office in Brussels or in other regions within its jurisdiction.[38] Some Vojvodina-based NGOs said the ruling would drastically reduce the province's autonomy and characterized it as a serious threat to Serbia's development as a modern European country—one capable of returning Serbia to "the politics of centralization during Slobodan Milošević's regime."[39] The DS, which won a majority in Vojvodina in 2008 and again in 2012, made campaign promises to protect the autonomy of the province.

Judicial Framework and Independence

2004	2005	2006	2007	2008	2009	2010	2011	2102	2103
4.25	4.25	4.25	4.25	4.50	4.50	4.50	4.50	4.50	4.50

Serbia's judiciary lags behind and impedes broader efforts to ensure rule of law in the country. Judicial reform in Serbia began in late 2009, but a number of its elements have proved problematic, and it has yet to be completed. In September, Serbia's new justice minister, Nikola Selaković, accused failed reforms of contributing to crime and corruption, and called the repair of the judicial system "an absolute priority."[40] Fallout from these reforms is such that the Ministry of Justice has promised to reverse the unpopular measures and introduce no new ones.[41]

Civil proceedings remain extremely slow and their effectiveness is hindered by poor implementation of judicial decisions, among other factors. In some cases, witnesses and even defendants do not show up in court. The backlog of cases continues to grow and was at nearly 3.34 million cases at the end of 2011, according to the Supreme Court of Cassation's analysis.[42]

Among other changes, the judicial overhaul initiated in 2009 attempted to increase efficiency by merging the country's 138 municipal courts into 37 basic courts, a move that has actually limited access to justice, according to Judges' Association of Serbia President Dragana Boljević: "With slower proceedings and higher costs, the judiciary is less accessible, and the court network is non-functional."[43] In October 2012, the government announced plans to roughly double the court network to 65 courts in 2013.

When the courts were merged, the number of full-time prosecutors, judges, and judicial employees was cut from 6,000 to 4,000. Particularly controversial was a related reappointment procedure in 2009 and 2010 that ultimately cost hundreds of judges and prosecutors their jobs. In July 2012, the Constitutional Court abrogated this procedure—carried out by the High Judicial Council (HJC) and State Prosecutorial Council (SPC)—because it was not impartial, as required by law, and because the SPC's decisions were based on criteria that could not be challenged by prosecutors.[44] Some 300 officials who had appealed their non-reappointment had been reinstated at year's end.

The judicial system remains vulnerable to political influence. In December 2012, the Constitutional Court ruled unconstitutional the Law on Judges under which Nata Mesarović had been elected president of the Supreme Court of Cassation under the previous government, three years earlier. In November, Goran Knežević, SNS minister of agriculture, forestry, and water management, was acquitted of abuse of office charges after spending 13 months in detention. Knežević insisted the prosecution had been politically motivated and engineered by members of his former party, the DS. Also in November, President Nikolić pardoned—without explanation—former Red Star FC soccer player and president Dragan Džajić, who was arrested in 2010 on charges that he illegally received millions of dollars from the sale of four former Red Star players to foreign teams. The pardon came right after Deputy Prime Minister Vučić had reinstated Džajić as Red Star president.

In November, the Constitutional Court rejected a request to ban SNP Naši, a far-right extremist group. Similar organizations were banned in 2012, reflecting the subjectivity of such decisions.

Despite these shortcomings, the European Commission noted some improvements in judicial accountability during the year. The HJC and SPC introduced new internal disciplinary procedures, though the SPC has yet to establish the relevant bodies to investigate cases of misconduct and impose penalties. New laws to improve efficiency also came into force in 2012. In January, the new Criminal Procedure Code took effect in organized crime and war crimes cases, giving prosecutors primacy in gathering and presenting evidence in court. The code, which will apply to all criminal cases as of January 2013, is intended to reduce the length of investigations.[45]

To ease chronic prison overcrowding, the government fast-tracked a bill to amnesty prisoners sentenced for up to three months; those sentenced to up to six months will see their prison time halved. Passed in October, the measure affects some 3,500 of Serbia's roughly 8,000 prisoners.

Corruption

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
5.00	5.00	4.75	4.50	4.50	4.50	4.50	4.25	4.25	4.25

Graft and misconduct remain widespread, especially in public procurement and privatization. The state has yet to establish a track record of investigating and prosecuting corruption, especially in high-profile cases. However, the new government has declared a strong commitment to anticorruption efforts and Deputy Prime Minister Vučić, who is also the coordinator of the Intelligence Services, has called the fight against corruption his "life mission."[46] Vučić says investigations will be blind to political affiliation or rank.

There was a marked uptick in high-profile arrests in the last months of 2012. In early December, Miroslav Mišković, owner of Delta Holding, a conglomerate that is the largest private-sector employer in Serbia, was arrested in connection with over 20 suspect privatization deals. Between August and November, some 20 people were arrested on suspicion of abuse of office, bribery in capital valuation, and receiving fraudulent loans from the state co-owned Agrobanka, which saw its license revoked in May after regulators discovered that the bank was €300 million in debt.[47] Former Deputy Prime Minister Jožef Kasa was among those detained in what Vučić predicted would be a lengthy investigation.[48]

Some members of the former ruling party DS were arrested or indicted in 2012. At the end of October, prosecutors indicted Oliver Dulić for abusing his former office as minister of environment and spatial planning by awarding the Slovenian company Nuba with a contract to install optical cables along Serbian roads without opening the opportunity to other bidders in 2009. In November, Saša Dragin, the former DS minister of agriculture, was also detained on abuse of office charges. The DS supports the fight against corruption while simultaneously accusing the ruling SNS of "political persecution" against its members.[49] Goran Knežević, who quarreled with his fellow DS party members when he was mayor of Zrenjanin, was charged with abuse of office and embezzlement of urban land in 2009. Knežević joined the SNS in 2010, and spent 13 months in detention before being acquitted in November 2012. Knežević's lawyers described the trial as a "political proceeding... in which he was found guilty in advance by President Boris Tadić and Minister Oliver Dulić."[50] There are others who view Knežević's release after the new government took power as evidence of SNS pressure on the judiciary. Shortly after his release, Knežević was appointed minister of agriculture, forestry, and water management.

The alleged Balkan drug lord Darko Šarić remained at large in 2012, though at least 12 of his purported associates have already been indicted. Šarić and Montenegrin businessman Rodoljub Radulović, allegedly a key member of the venture, will be tried in absentia in 2013 before the Belgrade Special Court for Organized Crime. Šarić's alleged drug operation functioned largely unhindered until 2009, when authorities intercepted a shipment of 1.8 tons of cocaine bound for Europe from Argentina. Media speculated throughout 2012 that the network of people involved in Šarić's money-laundering efforts may have included politicians from the past and current ruling coalitions.[51]

Serbia's Anticorruption Agency, established in 2010, is tasked with coordinating the work of state bodies in the fight against corruption, though in practice its accomplishments have been limited. In 2012, the agency began to implement the 2011 Law on the Financing of Political Activities.[52] In October, the EC criticized the agency for failing to exercise the full scope of its powers and cooperate with various stakeholders to investigate asset declarations effectively.[53] In November, agency director Zorana Marković was dismissed by the agency's supervisory board for "actions harmful to the agency's reputation."[54] Marković is accused of shielding politicians from investigation and trying to allocate a state-owned apartment in Belgrade for herself. Lawyer Tatjana Babić was appointed acting director.

An official Anticorruption Council was formed in December 2001 as an advisory body to the government. Council president Verica Barać, one of Serbia's most respected anticorruption activists, died of cancer in March 2012. During Barać's tenure, the council issued approximately 30 reports on the most important corruption cases in Serbia, though few of the criminal complaints filed by the council has ever been prosecuted.[55]

Nearly 50 percent of Serbians believe the level of corruption in the country increased in 2012, and almost 90 percent agree that corruption is a "common practice" in Serbia, according to a June poll by TNS Medium Gallup.[56] Respondents reported giving bribes most frequently to doctors, police officers, and civil servants, and perceived corruption to be most widespread in public procurement. At the end of 2012, the government passed a new law, in line with EU and International Monetary Fund standards, to criminalize public procurement violations.

In 2012, the EU demanded that Serbia investigate and prosecute two-dozen controversial privatizations—a request it has made of every government for the last decade. An official 2012–16 anticorruption strategy was still pending at year's end.

▪ Author: Dragana Pećo

Dragana Pećo is an investigative journalist covering organized crime and corruption. She graduated in journalism at the Faculty of Political Science, University of Belgrade.

1 Government of the Republic of Serbia European Integration Office, "High level of support for the reforms necessary for EU accession," news release, 2 February 2013, http://www.seio.gov.rs/news.101.html?newsid=1393.

2 Ibid.

3 Boris Cerni and Misha Savic, "IMF Starts New Loan Talks with Serbia as Inflation Rises," Bloomberg, 13 November 2012, http://www.bloomberg.com/news/2012-11-13/imf-starts-new-loan-talks-with-serbia-as-inflation-rises.html.

4 "Državni revizor: Podaci o visini javnog duga do kraja oktobra" [State auditor: Information on amount of public debt by the end of October], *Blic*, 18 September 2012, http://www.blic.rs/Vesti/Ekonomija/343426/Drzavni-revizor-Podaci-o-visini-javnog-duga-do-kraja-oktobra.

5 "Mere donete da izbegne mo bankrot" ["Measures made to avoid bankruptcy"], B92, 16 September 2012, http://www.b92.net/info/vesti/index.php?yyyy=2012&mm=09&dd=16&nav_category=9&nav_id=643650.

6 "EU Offers Serbia Candidacy for Membership," Radio Free Europe/Radio Liberty (RFE/RL), 2 March 2012, http://www.rferl.org/content/european_union_serbia_membership/24502015.html.

7 Iva Martinović, "Srbija i pregovori sa EU: Kakav je značaj nemačih uslova" [Serbia and the EU: What is the importance of the German conditions], Radio Slobodna Evropa (Serbian RFE/RL service), 14 September 2012, http://www.slobodnaevropa.org/content/srbija-i-pregovori-sa-eu-nemacki-uslovi/24708782.html.

8 Edona Peci and Bojana Barlovac, "Kosovo, Serbia Put Border Deal in Action," Balkan Insight, 10 December 2012, http://www.balkaninsight.com/en/article/kosovo-serbia-put-border-deal-in-action.

9 "Listinzi otkrivaju sumnjiva lica" [Listings reveal suspicious people], *Večernje Novosti*, 5 November 2012, http://www.novosti.rs/vesti/naslovna/aktuelno.290.html:404701-Listinzi-otkrivaju-sva-sumnjiva-lica.

10 Ibid.

11 "Vučić: U novoj vladi neće biti zaštićenihhttp," Politika.rs, 23 July 2012, http://www.politika.rs/rubrike/Politika/Vucic-U-novoj-vladi-nece-biti-zasticenih.lt.html.

12 "Dačić: SPS-PUPS-JS istinski pobednik izbora" [Dačić: SPS-PUPS-JS is the real winner of the elections], RTV, 27 May 2012, http://www.rtv.rs/sr_lat/politika/dacic:-sps-pups-js-istinski-pobednik-izbora_321928.html.

13 "Serbian Socialist Gets Mandate to Form Government," RFE/RL, 28 June 2012, http://www.rferl.org/content/serbian-socialist-gets-mandate-form-government-dacic/24628866.html.

14 Bojana Barlovac, "Social Networks Mobilise Army of 'White' Voters," Balkan Insight, 18 May 2012, http://www.balkaninsight.com/en/article/social-networks-mobilise-army-of-white-voters.

15 In the absence of a specific, suspected culprit, the charges of voter fraud were filed against N.N. (*nomen nescio*).

16 "Reakcije na pobedu Nikolića," [Reactions to Nikolić's victory], RTS, 21 May 2012, http://www.rts.rs/page/stories/sr/story/1950/Izbori+2012/1106242/Reakcije+na+pobedu+Nikoli%C4%87a.html.

17 Transparency Serbia, *Opšti osvrt na finansijske izveštaje stranaka sa majskih izbora 2012* [Monitoring of campaign financing, Review on financial reports of political parties in 2012 elections] (Belgrade: Transparency Serbia, 2012), http://www.mc.rs/upload/documents/saopstenja_izvestaji/2012/071012-TS_Osvrt_na_finansijske_izvestaje_stranaka.pdf.

18 European Commission (EC), *Serbia 2012 Progress Report accompanying the document Communication from the Commission to the European Parliament and Council, Enlargement*

Strategy and Main Challenges 2012–2013 (Brussels: EC, October 2012), http://ec.europa.eu/enlargement/pdf/key_documents/2012/package/sr_rapport_2012_en.pdf.

19 "EU: Čestitamo na izborima" [EU: Congratulations on the elections], B92, 7 May 2012, http://www.b92.net/info/izbori2012/vesti.php?yyyy=2012&mm=05&dd=07&nav_id=607075.

20 Organization for Security and Cooperation in Europe/Office of Democratic Institutions and Human Rights (OSCE/ODIHR), the OSCE Parliamentary Assembly (OSCE PA), and the Parliamentary Assembly of the Council of Europe (PACE), *Statement of Preliminary Findings and Conclusions* (Belgrade: OSCE/ODIHR, OSCE PA, and PACE, 7 May 2012), http://www.osce.org/odihr/90335.

21 Civic Initiatives, *Procena stanja u sektoru organizacija civilnog društva 2011* [Assessment of the Situation in the Civil Society Organizations Sector in Serbia] (Belgrade: Civil Initiatives, September 2011), https://docs.google.com/a/gradjanske.org/file/d/0B3GsycnrBBm-RGZjNk5kVHFRaktuWnA3MjI2emxOZw/edit?pli=1.

22 Support to Civil Society, "Održana završna konferencija projekta 'Podrška civilnom društvu'" [The final conference of the project "Support to Civil Society"], news release, 3 October 2012, http://www.civilnodrustvo.rs/sr/projects.php?page=news#91.

23 "Prajd: 4 zida i minut na stiroporu" [Pride: 4 walls and a minute on styrofoam], B92, 6 October 2012, http://www.b92.net/info/vesti/index.php?yyyy=2012&mm=10&dd=06&nav_category=12&nav_id=649136.

24 Ibid.

25 "Serbian patriarch calls for ban of gay parade, exhibit," B92, 3 October, 2012, http://www.b92.net/eng/news/society.php?yyyy=2012&mm=10&dd=03&nav_id=82467.

26 Bojana Barlovac, "Serbian Church Accuses Govt of 'Suicide' on Kosovo," Balkan Insight, n.d., http://www.balkaninsight.com/en/article/serbian-orthodox-church-criticizes-state-on-kosovo-policy.

27 Interview with Vukašin Obradović, president of the Independent Journalism Association of Serbia (NUNS), 28 July 2012.

28 Bureau for Social Research (BIRODI), *Mediji u kampanji* [Media in election campaign] (Belgrade: BIRODI, 2012), http://www.mediamonitor.rs/images/Mediji-u-izborima-WEB.pdf.

29 "Germany's WAZ in surprise sale of stake in Serbian daily," B92, 17 July 2012, http://www.b92.net/eng/news/politics-article.php?yyyy=2012&mm=07&dd=17&nav_id=81319.

30 Ekonomist prestao da izlazi, zaposleni u štrajku" [Economist ceased to be published, employees on strike], *Blic*, 1 June 2012, http://www.blic.rs/Vesti/Drustvo/326334/Ekonomist-prestao-da-izlazi-zaposleni-u-strajku.

31 "Ugašen tabloid SAN," *Blic*, 2 January 2013, http://www.blic.rs/Vesti/Drustvo/360771/Ugasen-tabloid-SAN.

32 Bojana Barlovac, "Pink 2 Replaces Serbia's Troubled TV Avala," Balkan Insight, 6 November 2012, http://www.balkaninsight.com/en/article/pink-2-replaces-serbia-s-troubled-tv-avala.

33 European Commission (EC), *Serbia 2012 Progress Report accompanying the document Communication from the Commission to the European Parliament and Council, Enlargement Strategy and Main Challenges 2012-2013* (Brussels: EC, October 2012), http://ec.europa.eu/enlargement/pdf/key_documents/2012/package/sr_rapport_2012_en.pdf.

34 D. Čarnić, "Osnovana međunarodna komisija za ubistva novinara" [International commission for murders of journalists is founded], *Politika*, 22 September 2012, http://www.politika.rs/rubrike/Hronika/Osnovana-medjunarodna-komisija-za-ubistva-novinara.lt.html.

35 Media Center Belgrade, "Media Institutions and Activities" in *Media News Bulletin* (biweekly), May 2012, http://www.mc.rs/media-institutions-and-activities.3169.html.

36 "Dačić: Promena na lokalu gde je izvodljivo" [Dačić: Changes on local level where it is possible], RTS, 27 August 2012, http://www.rts.rs/page/stories/sr/story/9/Politika/1163454/Da%C4%8Di%C4%87%3A+Promena+na+lokalu+gde+je+izvodljivo.html.

37 "Vučić: Vlast u Beogradu ostaje ista" [Vučić: Belgrade city government stays the same], B92, 28 August2012,http://www.b92.net/info/vesti/index.php?yyyy=2012&mm=08&dd=26&nav_category=11&nav_id=637731.

38 The Constitutional Court of Serbia (USS), Decision No. У3-353/2009, July 2012, http://www.ustavni.sud.rs/Storage/Global/Documents/Misc/Odluka%20APV.pdf.

39 "Reagovanja na odluku Usravnog suda" [Reactions to the Constitutional Court's decision], RTS, 11 July 2012, http://www.rts.rs/page/stories/sr/story/9/Politika/1137700/Reagovanje+na+odluku+Ustavnog+suda.html.

40 "Selaković: Loša reforma doprinela korupciji" [Selaković: Bad reform contributed to corruption], *Kurir*, 27 September 2012, http://www.kurir-info.rs/selakovic-losa-reforma-doprinela-korupciji-clanak-431128.

41 "Neće biti nove reforme pravosuđa" [There will be no new judicial reform], *B92*, 18 September, http://www.b92.net/info/vesti/index.php?yyyy=2012&mm=09&dd=18&nav_category=11&nav_id=644120.

42 Republic of Serbia Court of Cassation, "Анализа рада судова опште и посебне надлежности за 2011. годину" [Analysis of special and general jurisdiction courts for the year 2011], 3, http://www.vk.sud.rs/assets/files/aktuelno/analiza_rada_sudova_za_2011_sa_zakljuccima.pdf.

43 Interview with Dragana Boljević, president of rhe Judges' Association of Serbia, 17 February 2012.

44 European Commission (EC), *Serbia 2012 Progress Report accompanying the document Communication from the Commission to the European Parliament and Council, Enlargement Strategy and Main Challenges 2012-2013* (Brussels: EC, October 2012), http://ec.europa.eu/enlargement/pdf/key_documents/2012/package/sr_rapport_2012_en.pdf.

45 EC, *Serbia 2012 Progress Report.*

46 "Life Mission," *Cord Magazine*, 27 September 2012, http://www.cordmagazine.com/component/content/article/570/570.html.

47 "New Arrests in Serbian Corruption Scandal," SETimes, 24 October 2012, http://www.setimes.com/cocoon/setimes/xhtml/en_GB/features/setimes/features/2012/10/25/feature-01.

48 "Serbia Arrests Ex-Deputy PM in Agrobanka Affair," Balkan Insight, 20 November 2012, http://www.balkaninsight.com/en/article/serbia-continues-arrests-in-agrobanka-affair.

49 "DS: Žale se na hajku" [DS: They complain on chase], *Večernje Novosti*, 12 October 2012, http://www.novosti.rs/vesti/naslovna/aktuelno.289.html:400945-DS-Zale-se-na-hajku.

50 Vuk Cvijić, "Advokati: Kneževića su unapred krivim proglasili Boris Tadić i Oliver Dulić" [Lawyers: Boris Tadić and Oliver Dulić found Knežević guilty in advance], *Blic*, 17 October 2012, http://www.blic.rs/Vesti/Hronika/348293/Advokati-Knezevica-su-unapred-krivim-proglasili-Boris-Tadic-i-Oliver-Dulic.

51 "Political Ties of Alleged Serbian Drug Lord Come under Spotlight," RFE/RL, 16 January 2013, http://www.rferl.org/content/saric-serbia-drug-lord-political-protection/24825516.html.

52 EC, *Serbia 2012 Progress Report.*

53 Ibid.

54 "Serbian Anti-Corruption Agency Looks for a New Leader," SETimes, 15 November 2012, http://www.setimes.com/cocoon/setimes/xhtml/en_GB/features/setimes/features/2012/11/15/feature-01

[55] The reports are indexed on the Anticorruption Council's official website: http://www.antikorupcija-savet.gov.rs/izvestaji/cid1028/index/.

[56] TNS Medium Gallup, *Ispitivanje javnog mnjenja o korupciji, Peti talas* [Survey of public opinion on corruption, the fifth wave] (Belgrade: UNDP Serbia, June 2012), http://www.scribd.com/doc/153872811/Istrazivanje-javnog-mnenja-o-korupciji.

Slovakia

by Grigorij Mesežnikov, Miroslav Kollár, and Martin Bútora

Capital: Bratislava
Population: 5.4 million
GNI/capita, PPP: US$22,300

Source: The data above were provided by The World Bank's, *World Development Indicators 2013*.

Nations in Transit Ratings and Averaged Scores

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Electoral Process	1.50	1.25	1.25	1.50	1.50	1.50	1.75	1.50	1.50	1.50
Civil Society	1.25	1.25	1.25	1.50	1.50	1.75	1.75	1.75	1.75	1.75
Independent Media	2.25	2.25	2.25	2.25	2.50	2.75	3.00	3.00	2.75	2.75
Governance*	2.25	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
National Democratic Governance	n/a	2.00	2.00	2.25	2.50	2.75	3.00	2.75	2.75	2.75
Local Democratic Governance	n/a	2.25	2.00	2.00	2.25	2.50	2.50	2.50	2.50	2.50
Judicial Framework and Independence	2.00	2.00	2.00	2.25	2.50	2.75	3.00	2.75	2.75	3.00
Corruption	3.25	3.00	3.00	3.25	3.25	3.25	3.75	3.50	3.50	3.75
Democracy Score	2.08	2.00	1.96	2.14	2.29	2.46	2.68	2.54	2.50	2.57

** Starting with the 2005 edition, Freedom House introduced separate analysis and ratings for national democratic governance and local democratic governance to provide readers with more detailed and nuanced analysis of these two important subjects.*

NOTE: The ratings reflect the consensus of Freedom House, its academic advisers, and the author(s) of this report. The opinions expressed in this report are those of the author(s). The ratings are based on a scale of 1 to 7, with 1 representing the highest level of democratic progress and 7 the lowest. The Democracy Score is an average of ratings for the categories tracked in a given year.

Executive Summary

After a series of coalitions between nationalist and populist parties, two consecutive, pro-reform administrations launched extensive structural socioeconomic reforms and secured Slovakia's accession to the European Union and NATO in 2004. The social impact of reforms in this period reinvigorated nationalist, anti-reform parties, which gained enough support to form a ruling coalition from 2006 to 2010. The coalition led by Direction–Social Democracy (Smer-SD) pursued an agenda of broadened state interventionism, characterized by hostility to the independent press and clientelism in filling public service positions and spending public funds. Parliamentary elections in 2010 once again reconfigured the balance of power between political parties, with center-right forces gaining the upper hand. During the tenure of Prime Minister Iveta Radičová, Slovakia's parliament approved key legislation aimed at increasing transparency in public procurement and the judiciary and reducing political pressure on journalists. However, Radičová's government collapsed in October 2011 after the ruling coalition's failure to reach consensus on the expansion of the eurozone rescue fund—the European Financial Stability Facility (EFSF)—resulted in a vote of no confidence. Early parliamentary elections in March 2012 brought victory to former opposition party Smer-SD, which formed a one-party government with an absolute parliamentary majority. High-profile corruption scandals further eroded support for the incumbent ruling parties, which fared poorly at the polls.

Relations between left-leaning Smer-SD and the now-opposition center-right remained confrontational throughout 2012. The new government began quite early to dismantle ot amend the previous government's reforms affecting the economy, social welfare, the pension and health care systems, and the judiciary. While declaring support for necessary austerity measures, the state also sought to decrease public debt through increased revenues, replacing Slovakia's flat tax with a progressive one that will raise the burden on corporations and higher-earning individuals. Anticorruption efforts stagnated throughout the year, with the year's most high-profile investigation making no visible progress. In September, the government proposed a draft amendment to the law on public procurement that would restrict the application of control mechanisms in the procurement process.

National Democratic Governance. Following the disintegration of the center-right ruling coalition in October 2011, the Radičová government played a caretaker role, with reduced powers, until the March 2012 elections. The new government led by Prime Minister Robert Fico continued dialogue with civil society organizations, while at the same time reversing many of the previous administration's liberal socioeconomic measures. Throughout the year, opposition MPs accused the

ruling party of deliberately ignoring codified parliamentary procedures and blocking them from defining the parliamentary agenda. Several key positions in public administration were not filled during the year as a result of political actors' inability to compromise. *Slovakia's rating for national democratic governance remains unchanged at 2.75.*

Electoral Process. The collapse of the center-right ruling coalition in fall 2011 led to early parliamentary elections in March. Voter turnout was 59.1 percent, slightly higher than in 2010. Center-left Smer-SD won 83 out of 150 seats, leaving five center-right parties, including the newly formed Ordinary People and Independent Personalities (OĽaNO), in the opposition. *The country's rating for electoral process remains unchanged at 1.50.*

Civil Society. Slovakia's civic sector remains independent, vibrant, and diverse. It is treated with respect by the media and operates in a favorable legal and regulatory environment. Its greatest challenge is sustaining itself financially. The new government entered into dialogue with the civic sector and preserved a general framework for communication, including continuing the work of the plenipotentiary for civil society. *Slovakia's rating for civil society remains unchanged at 1.75.*

Independent Media. Press freedom in Slovakia is constitutionally guaranteed and generally respected, and independent media outlets freely disseminate diverse views. Media coverage of political scandals early in the year influenced the 2012 election campaign, focusing mostly on the "Gorilla" corruption scandal. In June, Slovakia's parliament voted to dismiss the general manager of Slovakia's main public broadcaster, Miloslava Zemková. The opposition boycotted the vote, calling the accusations against Zemková politically motivated. *Slovakia's Independent Media rating remains unchanged at 2.75.*

Local Democratic Governance. Municipal self-governments continued to struggle financially in 2012. In October, the parliament approved a law replacing the system of so-called "specialized" state administration with a more centralized, integrated system. One association of municipalities (ZMOS) agreed to support proposed spending cuts intended to help bring the state budget deficit below 3 percent, while another association (ÚMS) put forth numerous objections. *The country's rating for local democratic governance remains unchanged at 2.50.*

Judicial Framework and Independence. The new government entered office promising to "review" reform measures initiated by the previous minister of justice, some of which had increased the transparency and efficiency of the court system. Supreme Court Chairman Štefan Harabin made repeated attempts to influence the election of judges to the Judicial Council, the principal organ of self-governance within the judiciary. In September, the government prematurely replaced three

members of the Judicial Council with its own appointees. A few months earlier, the minister of justice recalled two of Harabin's longtime opponents from chairman positions in Bratislava and Žilina regional courts, without explanation. Throughout the year, the Constitutional Court was criticized for its lengthy processing of complaints, especially in connection with the appointment of Jozef Čentéš as prosecutor general. *Slovakia's rating for judicial framework and independence worsens from 2.75 to 3.00.*

Corruption. Although Slovakia's new government declared its intention to fight corruption, it presented no serious legislative measures to improve transparency during the year. Investigations of high-profile political corruption cases, like the notorious "Gorilla" case, were not completed despite clear public concern. Government-backed legislative proposals under discussion include a draft amendment to the law on public procurement that would restrict the application of control mechanisms in the procurement process and possibly jeopardize future EU funding. Due to a clear lack of forward momentum on anticorruption efforts in the face of mounting pressure for reform, *Slovakia's rating for corruption worsens from 3.50 to 3.75.*

Outlook for 2013. The ruling party's reliable majority in parliament will enable it to push through any planned legislative and administrative measures. Socioeconomic policies will continue to be marked by state interventionism, potentially lowering the enthusiasm of foreign investors. Smer-SD's promises to improve the living standards of different citizen groups may conflict with commitments to pursue financial discipline and consolidate public finances in accordance with EU rules. The response to this discrepancy may come in the form of social discontent and worker protests. Existing opposition parties may seek closer mutual cooperation in order to offer more a robust political alternative to Smer-SD. Alternatively, the degree of fragmentation may remain high, resulting in new political formations.

Main Report

National Democratic Governance

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
n/a	2.00	2.00	2.25	2.50	2.75	3.00	2.75	2.75	2.75

The center-right government led by Iveta Radičová collapsed in October 2011 when the prime minister tied a parliamentary vote on the expansion of the European Financial Stability Facility (EFSF) bailout fund to a vote of confidence in her own government. The plan had been to force the hand of coalition partner SaS, which argued that Slovakia's struggling economy was in no position to bail out Greece and other indebted EU members. After the no-confidence vote, early elections were scheduled for March 2012, with Radičová and her cabinet serving in a caretaker capacity—with reduced powers—until then. As a result of the government's curtailed powers and the disintegration of the ruling coalition, the five months before the elections were characterized by bureaucratic inefficiency. A number of important draft laws were set aside or abandoned, and severe problems with the tax system went unaddressed.

March elections brought a landslide victory to Robert Fico's Direction–Social Democracy (Smer-SD) party, which had led a coalition government from 2006 to 2010 in partnership with the People's Party–Movement for a Democratic Slovakia (HZDS) and the Slovak National Party (SNS). This time, Smer won enough seats to form Slovakia's first-ever one-party parliamentary majority, falling just seven seats short of the three-fifths majority required to unilaterally amend the constitution.

The transition of power in April followed constitutional procedures, without inhibiting the stability and functionality of state institutions. The new parliament's internal bodies were constituted in accordance with the principle of proportional representation. At the same time, a number of personnel changes in state institutions followed the transition, many of which appeared politically motivated. In some cases, important posts in the state administration were filled by persons with track-records of unethical performance in office, or business and personal ties constituting a clear conflict of interest.

Upon entering office, the new government began revising liberal socioeconomic measures introduced by the previous administration, strengthening the position of the state in the economy, tightening market regulation, and making plans to abolish private health insurance. While declaring support for necessary austerity measures, the new cabinet also sought to decrease public debt through increased revenues, replacing Slovakia's flat tax with a progressive one that will raise the burden on corporations and higher-earning individuals.[1]

Throughout the year, opposition MPs accused the ruling party of deliberately ignoring codified parliamentary procedures. In November, Smer-SD MPs violated the principle of procedural consensus by refusing to approve the agenda of an

extraordinary session of parliament, convened by request of the opposition to discuss the situation in the judiciary. Smer-SD also prevented an extraordinary session of parliament whose aim was to discuss a proposed recall of Justice Minister Tomáš Borec on the grounds of poor job performance.

A few times during the year, Smer-SD deputies also opposed parliamentary inquiries into accusations against members or allies of their party. In May, Smer-SD deputies used their majority in the Committee for Education, Science, Youth, and Sport to prevent a parliamentary inquiry into the authenticity of Labor and Social Affairs Minister Jan Richter's undergraduate degree. In July, Smer-SD members blocked the Committee on Conflicts of Interest from investigating a complaint lodged against longtime Smer supporter and court chairman Štefan Harabin by the committee's chairman, SDKÚ MP Miroslav Beblavý. Beblavý accused Harabin of abusing his position to get a 44 percent discount on an apartment.[2]

After a period of serious gridlock before the March elections, lawmaking accelerated in the remainder of 2012. However, the increased speed and efficiency of legislation was accompanied by unjustified use of the expedited legislative procedure and indirect amendments to laws that reduced the transparency of the legal system. The amendment of laws to include provisions only tangentially related to their stated purpose has created a chaotic situation for lawyers or everyday citizens following specific issues, who may easily miss a relevant change.[3]

Throughout 2012, the position of prosecutor general remained vacant as a result of President Ivan Gašparovič's refusal to appoint Jozef Čentéš, the candidate elected by parliament in June 2011. Dobroslav Trnka, who vacated the post in February 2011, was backed by Smer-SD in the election. In 2012, the Constitutional Court ruled that the president is obligated to appoint the elected prosecutor general within a reasonable timeframe, and that a decision not to do so must be formally explained. However, at year's end Gašparovič had yet to officially explain his reason for keeping Čentéš from office.

The chairmanship of the Supreme Audit Office (NKÚ), another key position in public administration, also remained vacant for the majority of 2012. Prime Minister Robert Fico had promised that the opposition would be allowed to nominate the officeholder and that his Smer party would support the opposition's joint candidate. However, three separate elections in July, September, and December all failed to bring opposition nominees the 76 votes required for a win. In July and September, Smer-SD withheld support for joint opposition nominee Kamil Krnáč (SaS), without giving any reason. The candidate put forth in December, Vladimir Klimeš, was endorsed by only four of five opposition parties (all but OL'aNO) and the ruling party insisted he must have undivided support from all opposition lawmakers before they would vote for him.

In September, the parliament approved an amendment to the Law on Military Intelligence, which merged two special military services—the Military Defense Intelligence (VOS) and Military Intelligence Service (VSS)—into one single Military Intelligence (VS) unit. The government says increased control over military intelligence is necessary to prevent possible political abuse.[4] In the past, persons

employed in the military services have misused surveillance or leaked politically sensitive information, which was then used for political blackmail.

One long-awaited and significant accomplishment during the year was the introduction of a constitutional amendment, approved in July by all party caucuses, limiting parliamentary immunity. As of September 2012, only voting records and statements made during parliamentary sessions are automatically safe from being used as grounds for criminal prosecution. The ability of law enforcement organs to take MPs into custody during criminal proceedings is still conditioned upon approval by a simple parliamentary majority and by the parliamentary immunity and mandate committee. There have been numerous past attempts to abolish parliamentary immunity, always opposed by Smer-SD and its allies.

Electoral Process

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
1.50	1.25	1.25	1.50	1.50	1.50	1.75	1.50	1.50	1.50

Every election held in Slovakia since the collapse of the Communist regime in 1989 has been assessed as free and fair by domestic and international monitors. Twenty-six of the 63 political parties registered with the Ministry of the Interior in 2012 competed in early parliamentary elections in March.[5]

In 2011, Slovakia's Interior Ministry drafted a new electoral code to unify rules for all elections and introduce changes such as standardization of ballot design and guaranteed mail delivery of ballots to voters' homes ahead of each vote. The fall of the Radičová government in October preempted public review of the draft code in late 2011 or early 2012. After the March elections, Prime Minister Fico announced that his party would propose more substantial changes to electoral rules, including increasing the number of electoral districts and replacing the proportional electoral system with a mixed one. Fico added that these changes would be made only with the support of other parties in parliament.[6] New Interior Minister Robert Kaliňák reported that his ministry planned to submit a new version of the draft electoral code by the end of 2013.

March 2012 parliamentary elections brought a sweeping victory to Smer-SD, which won 44.41 percent of the vote and received 83 seats in parliament, enabling it to form the country's first non-coalition government since 1990. The rest of the seats went to five parties: The conservative Christian Democratic Movement (KDH) won 8.82 percent and 15 seats, one fewer than the new populist formation Ordinary People and Independent Personalities (OĽaNO), which received 8.55 percent of the vote. Most-Híd received 6.89 percent of the vote and 13 seats, giving it a significant presence in the parliament for the second time since its formation in 2009.

Disappointed with the failure of the last center-right coalition and disgusted by evidence of corruption in previous, center-right governments, the voters who brought the Radičová government to power in 2010 proved difficult to mobilize.

The center-right Slovak Democratic and Christian Union–Democratic Party (SDKÚ-DS) won just 6.09 percent and 11 seats, while the liberal Freedom and Solidarity party (SaS) won 5.88 percent and 11 seats. The radical nationalist Slovak National Party (SNS), which had been part of the previous Smer-SD–led coalition, received only 4.55 percent of votes, not enough to win a seat in parliament. With just 4.28 percent of the vote, the Party of Hungarian Coalition (SMK) also fell short of the 5 percent minimum threshold for parliamentary representation.[7]

Voter turnout in 2012 increased slightly compared to 2010 (from 58.83 percent to 59.11 percent), continuing a moderate upswing after a dramatic decline in voter participation from 2002 to 2006.[8] Political party membership in Slovakia is low, overall, and citizens who count themselves as members of parties currently represented in the parliament number less than 50,000 out of more than 4 million eligible voters. Of those, 18,817 belong to Smer-SD; 14,704 are registered members of KDH; 6,481 are members of SDKÚ-DS; 4,642 are members of Most-Híd; and 281 belong to SaS. The new movement OĽaNO has only 4 officially registered members. As far as bigger extraparliamentary parties are concerned, the Peoples' Party–Movement for a Democratic Slovakia (ĽS-HDZS) has 19,709 members; SMK has 10,950 members; the Communist Party of Slovakia (KSS) has 5,050 members; and SNS has 2,412 members.[9]

Civil Society

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
1.25	1.25	1.25	1.50	1.50	1.75	1.75	1.75	1.75	1.75

Slovakia's civic sector is a uniquely vibrant, diverse, and flexible network, operating in a favorable legal and regulatory environment. Slovakia's nongovernmental organizations (NGOs) and associations foster dialogue and research, propose alternative public policies and social reforms, monitor government activities, and defend the interests of various citizen groups. There are around 40 different platforms, federations, and ad hoc coalitions of civic organizations operating in the country. Among more than 37,000 officially registered non-governmental organizations, there are nearly 33,000 civic associations. In addition, there are almost 3,000 of church-affiliated organizations.[10] The number of people engaged in public affairs appears to be increasing, with greater participation in community and urban activism, more formal and informal volunteerism, more engagement in the work of professional associations, greater civic mobilization through social networks, and greater frequency of protests and strikes.

Cooperation between government and the civic sector made some formal progress under the Radičová administration, which created a new office to facilitate communication between the state, civil society organizations, and the general public. As Slovakia's first governmental plenipotentiary for the development of civil society, Filip Vagač organized an ongoing dialogue between government and NGO representatives, contributed to the approval of a law on volunteering, and prepared

a strategy for civil society development approved by the government at the end of February 2012. He was also commissioned to oversee Slovakia's entry into the Open Government Partnership Initiative, an international organization that seeks to increase the transparency of public institutions by supporting free and easy access to information and greater public participation in policymaking.

At year's end it was unclear whether the change of government would affect the momentum for more systematic communication between the cabinet and civil society actors. Throughout 2012, representatives of the third sector continued to participate in the government's Council of the Government for Nongovernmental Nonprofit Organizations and its Council of the Government for Human Rights, National Minorities, and Gender Equality. They also attended meetings of the Council of Solidarity and Development, which includes the cabinet's social partners (trade and pensioners' unions, churches, associations of employers or small enterprises, etc.).

Watchdog organizations, think tanks, and individual civic activists continue to monitor and react to the activities of the government and public institutions. In September 2012, a conference of nonprofit sector representatives agreed on 10 demands addressed to the government, calling for changes in securing the sector's financial sustainability, in legislation, and in improving control over EU-based structural funds.

In recent years, particularly after entry into the European Union, NGOs in Slovakia have struggled with insufficient financial resources. An amendment reducing the potential tax benefits to corporations who donate to nonprofits was expected to take force in 2013, but a negotiation between representatives of the third sector and the Ministry of Finance in November 2012 ended with the date being pushed back to 2014.

In September, Slovakia's parliament approved an amendment to the Competence Act, abolishing the office of deputy prime minister for human rights, ethnic minorities and gender equality and redistributing the position's responsibilities among several ministries and government offices. The decision was controversial for symbolic reasons—Slovakia is a multiethnic society with a history of human rights violations and problematic treatment of minority groups, and some fear that dividing responsibility for these issues among disparate offices could weaken their focus and influence in government. Meanwhile, the Fico government has appointed a nominee of Most-Híd, the primary party representing ethnic Hungarians and ethnic Hungarian–Slovak cooperation, to serve as Slovakia's plenipotentiary for ethnic minorities. It has also replaced the longtime plenipotentiary for Roma communities with a member of OĽaNO.

Tensions between Slovakia's ethnic majority and Roma minority populations increased in 2012. This was evident in more strident expressions of xenophobic rhetoric by extremist groups, as well as some city mayors who organized petition drives and marches calling for the defense of the rights of so-called "decent people" and for stricter legislation and punishment of those they called "socially inadaptable individuals."[11] Several NGOs asked politicians to stop using populist rhetoric and

encouraged the government to implement comprehensive measures that would improve the poor social, health and educational situation of Roma communities in accordance with the respect for human and civic rights.

Independent Media

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
2.25	2.25	2.25	2.25	2.50	2.75	3.00	3.00	2.75	2.75

Press freedom in Slovakia is constitutionally guaranteed and generally respected, and independent media outlets freely disseminate diverse views. Slovakia's media hold significant sway over public opinion, which political parties use to their advantage where possible. The existence of the so-called "Gorilla file," a purported intelligence document whose emergence in December 2011 implicated numerous high-level politicians in corrupt dealings with one of Slovakia's leading investment groups in 2005–06, had actually been known to insiders for at least two years before it was posted online. It had even been made available to some media, who refused to publish its findings or investigate out of fear of political and legal repercussions.[12] The scandal went viral only in the run-up to the 2012 parliamentary elections, when it became the focus of most campaign coverage.[13]

In general, the media report freely on corruption and other issues, though the popularity of civil defamation suits remains a deterrent to criticism of public figures. Under the first Fico government, politicians of Smer-SD and SNS regularly filed defamation suits against the media, often demanding sums that could bankrupt small periodicals. The number of such cases decreased under the Radičová government, which also eliminated the so-called "right of reply" for officials in cases where the disputed facts pertain to their public lives.

In 2012, Prime Minister Fico withdrew of all but one of his own pending libel suits and maintained respectful relations with the media.[14] By contrast, Supreme Court Chairman Štefan Harabin continued using the legal system to punish criticism by media and other public figures. As of December 2011, Harabin had personally won an estimated €181,000 from defamation lawsuits.[15] In 2012, Harabin sued the public broadcaster Radio and Television of Slovakia (RTVS) for €400,000 over a statement featured in a documentary broadcast by the RTVS one day before the elections of Judicial Council members in May 2012.[16]

In August 2011, reporter Zuzana Petková published an article in the popular daily *SME*, revealing the onetime salary of Harabin's wife, a judge, when she worked at the Ministry of Justice. In response to a complaint by Mr. Harabin, the district prosecutor's office in Bratislava filed a criminal suit against Petková for unauthorised use of personal data. The case against Petkova continued throughout 2012, despite the fact that Justice Minister Tomáš Borec, former Attorney General Dobroslav Trnka, and even Harabin himself have said that Petkova was not to blame for the breach in privacy.[17]

The main legislative development affecting the media in 2012 was the decision to continue financing RTVS through direct payments by households, rather than from the state budget, as the previous administration had intended. In any case, low revenues from households will leave RTVS partly dependent on state financing, leaving room for political pressure on the broadcaster's management.

Less than three months after the new parliament came to power, RTVS general manager Miloslava Zemková was removed from her position after 82 MPs voted in support of a motion from parliament's media committee. The opposition boycotted the vote, saying the action was a political move by Smer-SD to take control of the public broadcaster. The official grounds for dismissing Zemková were that she had announced a tender to rent out premises owned by RTVS without first informing the RTVS Council, the broadcaster's governing body. Zemková filed two complaints with the Constitutional Court, alleging that her basic rights had been violated by parliament. The first motion was rejected on procedural grounds, while the second was still under consideration at year's end. The removal of Zemková before the end of her five-year term was criticized by representatives of international organizations such as the European Broadcasting Union (EBU) and the International Press Institute.[18] Zemková was replaced by an experienced television professional, Václav Mika, who managed the largest private television station in Slovakia for many years.

The public news agency TASR continued to suffer financially in 2012. TASR's state budget subsidy was reduced from €2.3 million in 2010 to €1 million in 2011, but was again increased to €1.7 million in 2012 after the agency recorded a loss of €474,000 for the 2011 fiscal year.[19]

A court decision in April 2012 set a notable precedent on regulation of online discussions and website operators' liability for their content. A participant in an anonymous discussion on a small portal described a certain entrepreneur as "a thief," prompting the entrepreneur in question to sue the portal operator and demand €5,000 in compensation, as well as an apology. The court ordered the internet portal's operator to remove all expressions that were found illegal by the court, but also rejected the demand for a fine and apology, reasoning that "the operator of the internet portal cannot be held responsible for contributors' anonymous comments and therefore has not interfered in privacy rights."[20] The decision effectively prevents potential future attempts at collecting damages from internet portals or online discussion forums in Slovakia.

Local Democratic Governance

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
n/a	2.25	2.00	2.00	2.25	2.50	2.50	2.50	2.50	2.50

The Slovak constitution and other applicable laws provide an adequate framework for self-governance at the regional and local levels. There are three levels of elected bodies: central (parliament), regional (regional assemblies), and local (municipal councils). Representatives of self-governments (deputies of municipal councils

and regional assemblies, mayors of villages and towns, and regional governors) are elected in direct, free and democratic competitions, which are open to political party candidates as well as independent candidates. Slovakia's last municipal elections were held in November 2010. Most new mayors were elected off the candidate list of Smer-SD.

Slovakia's mainstream center-right parties favor a decentralized model of governance with stronger powers for elected municipal authorities, while left-leaning and nationalist parties prefer a centralized model with a stronger position for state institutions. After Smer-SD's electoral victory in March 2012, it began implementing policies aimed at strengthening the state's positions in key sectors, including public administration. In October, the parliament approved a law replacing the system of so-called "specialized" state administration introduced at the regional level as a result of radical public administration reforms in 2001–05 with a more centralized, integrated system. As of January 2013, the new law abolishes regional offices for education, construction, environment, land, transportation, and other areas, transferring their responsibilities to newly created district regional state offices. These are to be funded by the Ministry of Interior, which will consequently become more powerful than other ministries. The model of a single integrated government office at the local level was used during the 1994–98 coalition government of the HZDS, SNS, and Workers' Association of Slovakia (ZRS). The central government says the changes are a necessary step toward reduction in the number of civil servants and reduction in public spending.

Several additional laws on self-governed authorities were approved in 2012. In February, the parliament approved an amendment to the law on the transfer of real estate administered by the defense ministry to municipalities or higher territorial units. The amendment states that any surplus state property worth €3,300 or less that is not claimed by a state organization shall eventually be offered to the municipality in which the property is located. If no municipality wants the property, the defense ministry is obliged to offer it to the self-governed region in which it is located.

In October, the parliament also approved an amendment expanding the powers of mayors in Slovakia's two largest cities, Bratislava and Košice. Mayors of these cities may now appoint deputy mayors and determine their powers without formal approval from city council members. Mayors, rather than city council members, now have the authority to establish municipal organizations and approve salaries for their employees. The current mayors of Bratislava and Košice are Smer-SD nominees elected in the 2010 municipal elections.

In October, the central government signed a memorandum on cooperation with the Association of Towns and Communities of Slovakia (ZMOS), the largest and the most representative organization of municipalities in the country, which exists to promote the rights and interests of local entities by actively participating in advocacy and policymaking processes. ZMOS agreed with the government's proposal to cut municipal authorities' expenditures by 10 percent in 2013, and salaries of their employees by 5 percent—measures intended to help bring the state

budget deficit below 3 percent. However, Slovakia's second major association of local self-governments, the Union of Slovak Towns (ÚMS), refused to endorse the memorandum, claiming it would adversely affect cities that had saved resources in previous years for development projects the memorandum would now preclude them from implementing. ÚMS also criticized the ineffectiveness of public procurement procedures for disbursement of finances from EU funds, demanding an amendment to the law on public procurement.

Self-governments are subject to internal as well as external supervision. Internal control is entrusted to chief controllers, who are appointed to six-year terms. Externally, the Supreme Audit Office (NKÚ) controls all funds expended by self-government organs and supervises the financial management of legal entities established by self-government organs. Most self-governance organs have adequate capacities to manage their operations; employee training continues to improve due to various education projects that have been initiated and implemented by the government, self-governance associations, nongovernmental organizations, and international partners. The situation is significantly better in cities and large towns than in smaller towns and rural areas.

Judicial Framework and Independence

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
2.00	2.00	2.00	2.25	2.50	2.75	3.00	2.75	2.75	3.00

Slovakia's constitution provides for an independent judiciary and an independent Judicial Council oversees the assignment and transfer of judges. However, the court system has long suffered from corruption, intimidation of judges, and a significant backlog of cases. A series of reforms in 2010–11 sought to increase the transparency and accountability of the judiciary, despite resistance from then-opposition party Smer-SD and the controversial head of Slovakia's Supreme Court, Štefan Harabin, in office since 2009. In 2012, however, areas targeted for further reform stagnated; the government prematurely replaced three members of the Judicial Council with its own appointees; and the indecisiveness of the Constitutional Court allowed President Gašparovič to continue delaying the appointment of a prosecutor general. According to a 2012 opinion poll by the Institute for Public Affairs, only 28 percent of Slovakia's citizens trust the courts.[21]

Upon entering office, the new government declared its intention of implementing measures to increase the overall efficiency and independence of the judicial system. It declared the necessity to re-codify some laws, such as the Code of Civil Procedure, Notary Code, Execution Code, and the Arbitration Act. However, the government manifesto (the official programme approved by the parliament) also includes a commitment to review "interference in the judicial system and prosecution system made in the years 2010–11,"[22] which many interpret as a promise to revise reforms and legislative changes implemented under former justice minister Lucia Žitňanská. In 2011, a revision of the Act on Judges and Judicial

Assistants allowed Žitňanská to remove 14 judges for failing to process cases in a timely manner—a common grievance among the public. Harabin accused Žitňanská of "political cleansing."[23] Žitňanská is also responsible for legislation that requires prosecutors to publish their decisions on the internet, limits their service to a single term, and reforms the selection process for new prosecutors.

Harabin himself wields significant personal influence in the judiciary. Under the first Fico administration, he concentrated power within this position as Supreme Court chairman by manipulating nominations and disciplinary proceedings to protect his supporters and punished his opponents, among other practices. Under the short-lived Radičová administration, Harabin continued to bring libel actions and provoke conflicts with judges who criticized his leadership or drew attention to problems in the judiciary; he also generously rewarded those who supported him, offering them career growth opportunities and other remuneration. Harabin was an outspoken critic of the Radičová government and remains a vocal supporter of Smer-SD. A documentary film criticizing Harabin's dominance of the judiciary was released in 2012; at year's end the film's director, Zuzana Piussi, was facing two years in prison for allegedly having used recognizable shots of one judge's face without her permission.[24] In October, Harabin won €150,000 plus interest in compensation from the Attorney General's Office in connection with an unauthenticated recording of an alleged conversation between Harabin and Albanian drug mafia boss, Baki Sadiki.[25]

As Supreme Court chairman, Harabin presides over the 18-member Judicial Council, the principal organ of self-governance within the judiciary, which appoints all judges save those of the Constitutional Court. The council consists of 8 members elected by judges; 3 members elected by the parliament; 3 members appointed by the president; and 3 members appointed by the government. In February 2012, the Judicial Council, acting on Harabin's initiative, tried to prevent newly elected member Dušan Čimo from taking office on the grounds of an alleged technical error by the parliament. Harabin also attempted to postpone elections to the Judicial Council in May on the basis of a technicality; when these efforts failed, he tried to influence the other judges voting in the election by sending them the list of candidates he planned to vote for and publishing their names on his blog. Ultimately, four of the eight candidates elected in May were Harabin's choices. In June, the parliament elected Smer-SD–endorsed replacements for two council members whose terms had finished. In September, the government appointed three more members, this time replacing the incumbents before their terms had expired. The three recalled members—one judge and two academic experts on constitutional law—had all been criticized by Harabin throughout their tenures in connection with efforts to reform the judiciary. Prime Minister Fico said the replaced members had been "political appointees."[26]

June 2012 brought more surprising personnel changes when Slovakia's new justice minister, Tomáš Borec, suddenly replaced the chairmen of regional courts in Bratislava and in Žilina, without explanation. Both recalled court officials had faced pressure from Harabin during his tenure as justice minister from 2006 to 2009.

In November, the Judicial Council decided to make appointments to court chairman positions based on the advice of selection commissions created by new justice minister, rather than those formed by Minister Žitňanská. Shortly thereafter, opposition parties tried to convene an extraordinary session of parliament to discuss the situation of the judicial system, but could not do so without the support of Smer-SD MPs, who refused to approve the session agenda.

The Constitutional Court is an independent element of the judicial system, and its verdicts are legally binding. In 2012, the Constitutional Court was heavily criticized for the lengthy processing of some complaints, particularly the case filed by parliamentary deputies in February regarding the appointment of Jozef Čentéš as prosecutor general. MPs asked the court to rule whether President Gašparovič had violated the constitution by refusing to appoint Čentéš after he was elected by the parliament in June 2011. When the court finally submitted its ruling in October, a majority of judges ruled that Gašparovič must either appoint Čentéš or clearly explain his reasons for not doing so. However, four judges submitted dissenting opinions, resulting in an ambivalent verdict that allowed Gašparovič to continue delaying the appointment of a new prosecutor general.

Corruption

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
3.25	3.00	3.00	3.25	3.25	3.25	3.75	3.50	3.50	3.75

Corruption in Slovakia is longstanding and widespread. In 2010–11, the cabinet led by Iveta Radičová implemented an impressive number of legislative and administrative measures designed to increase transparency and public oversight of government spending and crack down on corrupt activities. However, a series of high-level corruption scandals overshadowed the incumbent government's anticorruption accomplishments. The new government declared its intention to fight corruption, but did not suggest any comprehensive anticorruption strategy or legislation during the year. Investigation of the so-called "Gorilla" case continued, without result.

A constitutional law on conflict of interest bars the president, cabinet members, constitutional court justices, and other top officials from pursuing any business activities, receiving pay for brokering deals between the government and private entities or corporations, or receiving income generated by a side job or contract that exceeds the minimum wage. Other bills adopted during the last decade have sought to introduce the principle of zero tolerance for corruption among notaries and marshals, compulsory disclosure for customs officers, protection of whistleblowers in the workplace and witnesses in court cases, and the post of controller for local and regional self-governance bodies. All Slovak institutions financed from public funds are subject to the supervisory authority of the Supreme Audit Office (NKÚ).

Nevertheless, nontransparent public procurement processes provide ongoing opportunities for high-level graft. A 2009–12 study by Transparency International

Slovakia reports that the three Slovak state hospitals with the biggest procurement volumes receive on average only 1.1 bids per tender.[27] *According to the same report, many state-owned companies still do not publish basic information online in accordance with 2011 legislation.* The same study finds that state-owned companies' board members are very often replaced after national elections.[28]

After a series of investigations and smaller corruption scandals in 2011, it was a corruption case from 2005–06 that most weakened the already-struggling ruling center-right parties before the March 2012 parliamentary elections. The "Gorilla file," purportedly a leaked intelligence document, raised allegations of secret privatization deals involving millions of euros in bribes paid to Slovak politicians by associates of the country's largest private equity firm, Penta, during former prime minister Mikuláš Dzurinda's second term. The leaked parts of the file, published online in December 2011, contained an analytical summary of transcripts of wiretapped conversations between Penta representatives and then minister of economy Jirko Malchárek, Chairperson of the Executive Board of the National Property Fund Anna Bubeníková, and other high-ranking politicians. Robert Fico, who at that time was an opposition MP, was also implicated. The file's disclosure caused public outrage, which manifested itself in rallies in several cities in early 2012.

Another notable aspect of the Gorilla case has been its duration. If the file is authentic, the investigation into government dealings with Penta began a full six years ago. At the beginning of 2012, Interior Minister Daniel Lipšic established a special investigation team for the case, but the investigation had made no visible headway by the end of 2012. Other high-profile investigations progressed slowly during the year, including the case against Radičová's former advisor, Martin Novotný, who in 2011 was accused of accepting a bribe to arrange a €300,000 state subsidy for the completion of the Osrblie national sports facility. The trial was just beginning in December 2012.[29]

New corruption cases involving public officials attracted attention throughout the year. In May, the vice-governor of the Nitra region, Vladislav Borík, was accused of manipulating public tenders. In July, police arrested Václav Krajník, rector of the police academy in Bratislava, for allegedly taking bribes for admission to the college. In September, police began to investigate possible misuse of funds from the Norwegian Financial Mechanism (the Norwegian equivalent of EU funds), under the first Fico government. The funds were allegedly misallocated toward the financing the construction of a football center in Senec.[30]

The Fico government has declared its commitment to fighting corruption, but did not suggest any comprehensive anticorruption measures or legislation. In September 2012, Interior Minister Robert Kaliňák introduced a revision to the public procurement law requiring large deals deemed to be of societal significance to go through a special procurement process. Critics from the opposition and NGOs claim that the subjectivity of this process would actually increase opportunities for corruption, allowing for government manipulation.[31] The draft amendment restricts the use of control mechanisms in the procurement process and selection

committees will be given the option to reduce the number of candidates at their own discretion. According to TI Slovakia, if the proposed amendment is adopted, two-thirds of public procurement in Slovakia would no longer be subject to obligatory public tenders.[32] If the legislation passes, there is a risk that he country could lose funds provided by the European Union, which has strict conditions for allocating subsidies through open tenders. The draft amendment provoked opposition from the ministries of justice, labor, social affairs and family, economy, agriculture, environment, and transportation Minister Kaliňák, however, refuses to withdraw the proposal from preliminary deliberation.

▮ AUTHORS: GRIGORIJ MESEŽNIKOV, MIROSLAV KOLLÁR, AND MARTIN BÚTORA

Grigorij Mesežnikov is the president of the Institute for Public Affairs (IVO) in Bratislava. He is the author and editor of numerous publications on Slovakia's political development and party system, including IVO's annual Global Report on the State of Society in Slovakia. Miroslav Kollár is a senior analyst at IVO and a coeditor of the Global Report on the State of Society in Slovakia. He frequently writes about the media, culture, and the church. Martin Bútora is the founder of IVO and the author of several books and many articles. He writes on civil society, foreign policy, and democratic transformation.

---

1 "The End of Slovakia's Flat Tax," The Slovak Spectator, 2 December 2012, http://spectator.sme.sk/articles/view/48438/3/the_end_of_slovakias_flat_tax.html.

2 Beblavý seeks probe into Harabin's cut-price flat purchase," The Slovak Spectator, 25 July 2012, http://spectator.sme.sk/articles/view/47087/10/beblavy_seeks_probe_into_harabins_cut_price_flat_purchase.html.

3 For example, instead of directly amending the act on privatization regulating activities of National Property Fund, the parliament amended the Law on Administrative Fees; or instead of amending the Law on Advocates, it amended the Law on Judges.

4 "NR SR: Dve vojenské tajné služby by sa mali zlúčiť" [National Council of the Slovak Republic: Two military secret services should be merged], Aktuality.sk, 24 July 2012, http://www.aktuality.sk/clanok/210959/nr-sr-dve-vojenske-tajne-sluzby-by-sa-mali-zlucit/.

5 Ministry of Interior of the Slovak Republic, "Register of Parties," 22 January 2013, http://portal.ives.sk/registre/zoznamPS.do?action=azza.

6 "Smer by rád menil volebný zákon" [Smer would like to alter the electoral law], SME.sk, 26 March 2012, http://www.sme.sk/c/6315315/smer-by-rad-menil-volebny-zakon.html.

7 Statistical Office of the Slovakian Republic, "Number and share of valid votes for political parties," 22 January 2013, http://app.statistics.sk/nrsr2012/sr/tab3.jsp?lang=en.

8 Turnout was 70.06 percent in the 2002 parliamentary elections and just 54.67 percent in 2006. Statistical Office of the Slovak Republic, "Summary Results of Voting for the SR," years 2002 and 2006, http://app.statistics.sk/volby2002/webdata/engl/tab/tab1.htm and http://app.statistics.sk/nrsr_2006/angl/obvod/results/tab1.jsp.

9 Statistical Office of the Slovak Republic, "Výročné správy politických strán za rok 2011" [Annual reports of political parties in 2011], 22 January 2013, http://www.nrsr.sk/web/default.aspx?sid=financne_spravy_stran/financne_spravy_2011.

10 Register of Non-profit Organizations, Ministry of Interior, http://portal.ives.sk/registre/startrno.do; and Register of Church-affiliated Organizations, Ministry of Culture, http://old.culture.gov.sk/cirkev-a-nabozenske-spolocnosti/registrovane-cirkv.

11 In September, for example, the leader of the far-right Peoples Party–Our Slovakia invited his Facebook friends to help him "clean up" a piece of his land by demolishing the dwellings of Roma squatters; police prevented the event from taking place. For more on this subject, see "Slovakia: Anti-Roma demos lead to warning," The Slovak Spectator, 22 October 2012, http://spectator.sme.sk/articles/view/47940/2/anti_roma_demos_lead_to_warning.html.

12 Institute for Public Affairs, *IVO Newsletter—Barometer: 2nd quarter of 2012* (Bratislava: Institute for Public Affairs, 12 July 2012), http://www.ivo.sk/buxus/docs//IVO_barometer/IVO_barometer_2012_2q.pdf.

13 MEMO 98, *Prezentácia politických predstaviteľov a subjektov pred voľbami do NR SR* [Presentation of Political Subjects and Their Representatives before Elections to the National Council of the Slovak Republic] (Bratislava: MEMO 98, 10 June 2012), http://www.infovolby.sk/index.php?base=data/monitoring/1276121173.txt.

14 According to official information the Press Department of the Slovak Government's Office provided to the *Sme* daily, Fico received €235,294 in libel suits between 2007 and 2012. Monika Todova, "Od médií vysúdil Fico za päť rokov vyše dvestotisíc" [Fico has received from the media over two hundred thousand euro in last five years], Sme.sk, 11 October 2012, http://www.sme.sk/c/6565515/od-medii-vysudil-fico-za-pat-rokov-vyse-dvestotisic.html.

15 "Harabin Sues EUR 187,000 from Attorney General's Office in Sadiki Case," The Daily Slovakia, 31 October 2013, http://www.thedaily.sk/harabin-sues-eur-150000-from-attorney-generals-office-in-sadiki-case/.

16 "Ďalšie odškodné pre Harabina: Od RTVS žiada 400-tisíc eur!" [Additional compensation for Harabin: he demands 400,000 euro from RTVS!], Čas.sk, 6 September 2012, http://www.cas.sk/clanok/231747/dalsie-odskodne-pre-harabina-od-rtvs-ziada-400-tisic-eur.html.

17 Jan Glovičko, "Novinárku stíhajú, hoci sú proti Harabin aj Trnka" [Journalist prosecuted, even though Harabin and Trnka are against it], Sme.sk, 7 June 2012, http://www.sme.sk/c/6409328/novinarku-stihaju-hoci-su-proti-harabin-aj-trnka.html.

18 "EBU bude vývoj odvolávania Zemkovej sledovať" [EBU will follow the development of Zemková removal], SITA, 19 June 2012; and "Medzinárodný novinársky inštitút hovorí o politizácii odvolávania Zemkovej" [International Press Institute talks about the politicization of Zemková removal], SITA, 30 June 2012.

19 Tomáš Czwitkovics, "Maďarič zvýšil dotáciu pre TASR viac než trojnásobne" [Maďarič increased subsidy for TASR more than three times], Medialne.sk, 8 June 2012, http://medialne.etrend.sk/tlac-spravy/madaric-zvysil-dotaciu-pre-tasr-viac-nez-trojnasobne.html.

20 "Prevádzkovateľ stránky nenesie zodpovednosť za príspevky, rozhodol súd" [The court ruled: The site operator is not liable for contributions], Zive.sk, 26 April 2012, http://www.zive.sk/prevadzkovatel-stranky-nenesie-zodpovednost-za-prispevky-rozhodol-sud/sc-4-a-300785/default.aspx.

21 Institute for Public Affairs, *Slovenská justícia očami verejnosti, odborníkov a sudcov. Výsledky výskumného projektu Inštitútu pre verejné otázky. Júl 2012* [Slovak judiciary as seen by the public, experts, and judges. The results of the research project of the Institute for Public Affairs. July 2012] (Bratislava: Institute for Public Affairs, July 2012), http://www.ivo.sk/buxus/docs//vyskum/subor/Slovenska_justicia_vyskum_IVO_jul_2012.pdf.

22 Official website of the Government of Slovakia, http://www.vlada.gov.sk/uloha-statu-a-verejneho-sektora/.

23 "Region: Slovakia's Justice Minister Sacks 14 Judges," *The Prague Post*, 18 May 2011, http://www.praguepost.com/news/8684-region:-slovakias-justice-minister-sacks-14-judges.html.

24 Martin M. Šimečka, "The Crooked Judges of Slovakia," *Respekt*, 19 November 2012, http://www.presseurop.eu/en/content/article/3041771-crooked-judges-slovakia.

25 "Harabin Sues EUR 187,000 from Attorney General's Office in Sadiki Case."

26 "VLÁDA: V súdnej rade budú noví členovia nominovaní vládou" [GOVERNMENT: New Judicial Council members will be nominated by the government], Noviny.sk, 26 September 2012, http://udalosti.noviny.sk/politika/26-09-2012/vlada-v-sudnej-rade-budu-novi-clenovia-nominovani-vladou.hrml.

27 Transparency International Slovakia, "V nemocničných tendroch sa súťaží málo" [Only a few competitors in hospital tenders], press release, 16 August 2012, http://www.transparency.sk/sk/analyza-verejneho-obstaravania-nemocnic-v-rokoch-2009-2012-intenzita-sutaze-v-tendroch-je-nizka/; and "Ďakujeme, konkurenciu neberieme" [Thank you, but we're not accepting competition at this time], eTREND, 16 August 2012, http://blog.etrend.sk/transparencyblog/2012/08/16/dakujeme-konkurenciu-neberieme/.

28 Transparency International Slovakia, "Slovak state-owned companies remain non-transparent and politicized," press release, n.d., http://www.transparency.sk/en/slovenske-statne-firmy-su-netransparentne-a-spolitizovane/

29 "Suspects in the Osrblie corruption to stand trial," The Slovak Spectator, 20 December 2012, http://spectator.sme.sk/articles/view/48631/10/suspects_in_the_osrblie_corruption_to_stand_trial.html.

30 "Ihriská v Senci za nórske peniaze boli predražené o štvrť milióna" [Soccer fields in Senec built for Norwegian money were overcharged by a quarter-million euro], Sme.sk, 24 September 2012, http://www.sme.sk/c/6543816/ihriska-v-senci-za-norske-peniaze-boli-predrazene-o-stvrt-miliona.html.

31 "'Strategic' procurement stirs debate," The Slovak Spectator, 17 September 2012, http://spectator.sme.sk/articles/view/47576/3/strategic_procurement_stirs_debate.html; and "Zitnanska: Government can abuse public procurement," The Daily Slovakia, 6 September 2012, http://www.thedaily.sk/zitnanska-government-can-abuse-public-procurement/.

32 Transparency International Slovakia, "SDKÚ kritizuje, ako Smer chce nakupovať" [SDKÚ criticizes how Smer wants to purchase], September 2012, http://www.transparency.sk/en/sdku-kritizuje-ako-chce-smer-nakupovat/.

Slovenia

by Damjan Lajh

Capital: Ljubljana
Population: 2.1 million
GNI/capita, PPP: US$26,500

Source: The data above were provided by the World Bank's *World Development Indicators 2013.*

Nations in Transit Ratings and Averaged Scores

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Electoral Process	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
Civil Society	1.50	1.75	1.75	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Independent Media	1.75	1.50	1.75	2.00	2.25	2.25	2.25	2.25	2.25	2.25
Governance*	2.00	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
National Democratic Governance	n/a	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Local Democratic Governance	n/a	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
Judicial Framework and Independence	1.75	1.50	1.50	1.50	1.50	1.75	1.75	1.75	1.75	1.75
Corruption	2.00	2.00	2.25	2.25	2.25	2.50	2.50	2.50	2.25	2.25
Democracy Score	1.75	1.68	1.75	1.82	1.86	1.93	1.93	1.93	1.89	1.89

** Starting with the 2005 edition, Freedom House introduced separate analysis and ratings for national democratic governance and local democratic governance to provide readers with more detailed and nuanced analysis of these two important subjects.*

NOTE: The ratings reflect the consensus of Freedom House, its academic advisers, and the author(s) of this report. The opinions expressed in this report are those of the author(s). The ratings are based on a scale of 1 to 7, with 1 representing the highest level of democratic progress and 7 the lowest. The Democracy Score is an average of ratings for the categories tracked in a given year.

Executive Summary

Slovenia declared its independence from Yugoslavia in 1991, establishing itself as an internationally recognized state. It joined the United Nations in 1992, the Council of Europe in 1993, and the European Union and North Atlantic Treaty Organization (NATO) in 2004. In January 2007, the Slovenian currency, the tolar, was replaced by the euro, and at the end of December 2007 Slovenia entered the Schengen zone. In July 2010, Slovenia became a full member of the Organization for Economic Cooperation and Development (OECD).

Once Southeastern Europe's most economically successful postcommunist country, in 2012 Slovenia found itself heavily in debt, with rising unemployment and a banking sector saddled with over $8 billion in bad loans. In response to the crisis, the new government led by controversial prime minister Janez Janša of the Social Democrats proposed a range of austerity measures, including cuts to public wages and benefits. The proposal prompted Slovenia's largest public sector strike in 20 years, as well as several mass demonstrations all over the country. Demonstrations in Slovenia's two largest cities turned into violent protests, resulting in physical injuries and material damage. Nevertheless, the government approved the austerity measures in May. It also passed a law, effective from November, enabling the state to buy bad loans. Throughout the year, Slovenian citizens' low trust in their government and economic elites was exacerbated by revelations of corrupt or unethical behavior among new members of parliament.

National Democratic Governance. After the leader of the center-left Positive Slovenia movement Zoran Janković failed to forge a coalition government, a group of deputies elected Janez Janša prime minister on 25 January 2012, despite concerns that his indictment in the Patria bribery case rendered him ineligible for the post. In early 2012, the government proposed austerity measures amid a dual economic and banking crisis that appeared to protect the interests of some officials, while making drastic cutbacks in the public sector. Anger over the handling of the crisis led to Slovenia's largest public-sector strikes in 20 years. *Slovenia's national democratic governance rating remains unchanged at 2.00.*

Electoral Process. Two rounds of presidential elections in November and December pitted incumbent candidate Danilo Türk against Borut Pahor of the Social Democrats, with Pahor ultimately wining by a landslide. The elections were marked by the lowest voter turnout in independent Slovenia's history—only 48 percent of voters participated in first round of voting and only 42 percent in the second. *Slovenia's rating for electoral process remains unchanged at 1.50.*

Civil Society. Trade unions reacted energetically to the threat of austerity measures in the public sector. The April 2012 public sector strikes were the largest in independent Slovenia's history. Spontaneous mass demonstrations organized via Facebook and other online social networks also took place throughout the country later in the year. Some demonstrations in Maribor and the capital city of Ljubljana turned violent, resulting in injuries to protesters and police officers and material damage. *Slovenia's rating for civil society remains unchanged at 2.00.*

Independent Media. Despite many appeals for comprehensive renovation of legislation on mass media, only minor amendments to the media law were adopted in 2012, mostly affecting digital broadcasting. In line with austerity measures, Slovenia's National Assembly voted to reduce funding to the public service broadcaster Radiotelevision Slovenia/RTV Slovenia by 5 percent, effective January 2013. The government also planned to adopt an amendment that would raise the value-added tax for print media from 8.5 to 20 percent, but the proposal was later withdrawn. *Slovenia's rating for independent media remains unchanged at 2.50.*

Local Democratic Governance. Rising unemployment rates, a growing number of people at the risk of poverty, and the increasing emergence of corruption scandals implicating local elite triggered an avalanche of protests in Maribor in November. In March, mayoral by-elections were held in the 10 municipalities where mayors had been elected as deputies to the National Assembly, including Ljubljana. Having left the parliament after failing to form a governing coalition, Zoran Janković was reelected Ljubljana's mayor with more than 60 percent of the vote in the first round. The elections to the National Council attracted unusual attention due to the extraordinary non-confirmation of the mandate of Franc Kangler, who was in the process of resigning as mayor of Maribor on suspicions of corruption. *Slovenia's rating for local democratic governance remains unchanged at 1.50.*

Judicial Framework and Independence. Within the context of forming a new government in early 2012, the decision to transfer the competencies of the Prosecutor's Office to the Interior Ministry raised concerns over the separation of powers. Funding to the judiciary also suffered as a consequence of austerity measures with deep financial cuts in 2012. The budget for 2013 foresees lower wages for judges and public officials. There is some apprehension court backlogs might increase again due to the budget cuts. *Slovenia's rating for judicial framework and independence remains unchanged at 1.75.*

Corruption. TAgainst the backdrop of steadily emerging accusations of corruption, Slovenian politics ran up against an angry populace in 2012. Protestors who participated in the wave of demonstrations that swept across the country blamed the political elite for the country's economic woes and called for the resignation of several politicians suspected of corruption. The integrity of newly elected members of the National Assembly also came into question when it was revealed that some

had falsified their educational credentials. Janša's implication in the ongoing Patria bribery case cast a shadow on his candidacy for prime minister, but did not preclude his election. *Slovenia's rating for corruption remains at 2.25.*

Outlook for 2013. The Slovenian government will continue to feel pressured to resolve the banking and economic crises perpetuated by economic stagnation and increasing rates of unemployment. Rescuing the weak banking sector will be priority for the government. The governing coalition will continue to work on resolving internal political conflicts and instability, and move forward with the implementation of strict austerity measures, notwithstanding strong opposition from trade unions. The adoption of changes to referenda legislation will remain on the political agenda. Mass protests against cuts to public wages and benefits are forecasted to continue in 2013.

Main Report

National Democratic Governance

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
n/a	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00

Once Southeastern Europe's most economically successful postcommunist country, Slovenia struggled to overcome a deepening economic crisis in 2012, compounded by rising public debt and a collapsing banking sector. Attempting to keep markets afloat, the government promised to guarantee loans valued at up to 11 percent of gross domestic product (GDP) in September.[1] Failing businesses and a halted construction boom left Slovenia's major banks with billions of dollars in bad loans. Although the government adopted austerity measures early in the year, major credit agencies doubted that planned cuts would generate capital necessary to save the country's majority state-owned banks. Consequently, Slovenia's credit rating was downgraded again by all three major credit agencies in August. Throughout the year, the situation continued to deteriorate, forcing the government to confront predictions that Slovenia would become the sixth European country to require a bailout.

Meanwhile, the political turbulence of late 2011 carried over into 2012, shifting the government from a pro-stimulus, center-left alliance to a pro-austerity, center-right coalition. Failure to pull the country out of a snowballing recession caused Prime Minister Borut Pahor's government to collapse after a vote of no confidence in September 2011. The National Assembly (parliament) was unable to choose a new prime minister within the designated 30-day time period, forcing President Danilo Türk to call Slovenia's first early parliamentary elections on 4 December 2011. The newly established Positive Slovenia party, led by Zoran Janković, won a narrow victory, beating out favored winner Janez Janša's Slovenian Democratic Party. However, by early 2012 Janković had failed to get support from a majority of members of parliament and was subsequently rejected as a candidate for prime minister. On 28 January, Janša was elected prime minster for a second term (the first was 2004–2008) with the support of deputies from five different parties. Although President Türk believed Janša's indictment in the ongoing Patria bribery case made him ineligible for the post, he upheld the legality of his candidacy and declined to propose an alternative candidate.

On 10 February, the new center-right government led by Prime Minister Janša took office, immediately announcing the adoption of a comprehensive austerity package. The first measure included the creation of a 12-member ministerial team (including one without a portfolio)—the smallest in independent Slovenia's history. The number of ministries was reduced by combining them into "super ministries." The first to undergo this restructuring was the Ministry of Culture, which was folded

into the Ministry of Education, Science, Culture, and Sport. The decision agitated the opposition and various social groups, especially employees of the ministry, who petitioned against its abolishment. Nevertheless, the government insisted the measures were designed to integrate, rather than eliminate ministries, and finalized the move. Most ministries were taken over by men; the only woman in the cabinet Ljudmila Novak, the president of the New Slovenia party, was appointed minister without a portfolio of the Office for Slovenians Abroad.

Pessimistic forecasts for economic growth in 2012 coupled with high public debt led the new government to prioritize austerity measures, despite the insistence of the opposition that severe spending cuts would produce savings without stimulating growth for Slovenia's export-dependent economy. The austerity measures were heavily criticized by the public because they were drafted without any public debate and appeared to disproportionally cut public services and wages, while protecting the interests of the political and business elite. Most of the cuts targeted the public sector because the government claimed it was oversized, even though only 5.5 percent of the active working population is employed in public administration in Slovenia, compared to the EU average of 7.1 percent and the OECD country average of 14.5 percent.[2] The measures introduced adjustments to subsidies and social transfers for kindergartens and schools and a reduction in funding for public education and scientific research activities. Meanwhile, the state budget will continue to fund one private university and 20 private higher education institutions, in which some government officials have personal stakes.

A bleak economic outlook and the uncovering of a number of high profile corruption cases further fueled public criticism, leading to a series of mass demonstrations. Unions staged large public sector strikes in the spring, which were followed by public protests in November. Protests escalated in December, especially in Maribor, resulting in violent clashes with police and the arrest of more than 119 people. Authorities brought charges against 28 of those arrested. Two pleaded guilty and received a suspended prison sentence of several months, while ten others who claimed their innocence remained in detention for more than three weeks, again triggering public criticisms. Protestors largely blamed the financial situation on the government's poor decision-making and corrupt practices, accusing officials of using public funds to undo their own mistakes. With most of the issues left unresolved at years end, demonstrations are expected to continue into 2013.

In March, the countries in the eurozone agreed to adopt a so-called "fiscal rule," an agreement under which participating countries' expenditures must not exceed their revenues. The government wanted to inscribe the rule into the constitution in order to send a strong signal to international financial markets that Slovenia was taking serious measures to counter the financial crisis, but the motion was blocked by the opposition, weakening international confidence in Slovenia's economy. When the government was obliged to issue a ten-year, dollar-denominated bond at an inflated price of $2.25 billion in order to avoid an EU bailout in October, Prime Minister Janša blamed what he claimed was a 25 percent rise in the cost of borrowing on the opposition's refusal to support the constitutional amendment.[3]

In August, all three major credit agencies further reduced Slovenia's rating for reasons ranging from the imminent need for Slovenian banks to recapitalize (potentially increasing public debt) to stalled structural reforms caused by a lack of consensus between coalition parties. At the end of the year, the government adopted a number of structural reforms again seeking to avoid an international bailout. The least controversial was the adoption of a long-delayed pension reform, which was approved by the National Assembly by a solid majority in December 2012. Pension reform will enter into force on 1 January 2013. More contentious reforms included the Law on Slovenian State Holding designed to manage all state capital funds, and the so-called "Law on Bad Banks" that aims to strengthen the stability of banks with the establishment of a special institution for absorbing insolvent debts. These reforms were vetoed by the National Council, but nevertheless confirmed by the National Assembly. The Constitutional Court declared referendums on both laws unconstitutional on the grounds that the smooth functioning of government takes precedence over the tight to demand a legislative referendum. The court's decision led public sector trade unions to withdraw their initiative for a referendum on removing the wage cuts included in the new budget legislation.

Electoral Process

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	[illegible]

The Slovenian government gains its authority through universal and equal suffrage, and the will of the people is expressed by regular free and fair elections conducted by secret ballot. The electoral system is multiparty based; political parties have equal campaigning opportunities, and the public's choices are free from domination by any specific interest group.

Under the Slovenian constitution, after parliamentary elections, the president formally proposes one or more candidates for prime minister to the National Assembly, which elects one of his nominees via a majority vote or at least 46 votes from the 90-seat chamber. As leader of the winning party after parliamentary elections in December 2011, Zoran Janković was the first candidate proposed by President Danilo Türk. The Social Democrats and Democratic Party of Pensioners of Slovenia (DeSUS) supported Janković's candidacy—giving him 44 of the 46 necessary votes—but the newly formed centrist party, Gregor Virant's Civic List (LGV), declined to vote for a Positive Slovenia candidate.

In the event that the first candidate proposed by the president fails to get sufficient parliamentary support, the president can propose his first pick again, or nominate a new candidate. Parliamentary deputies, meanwhile, have the option of banding together to formally propose a candidate of their own. Accordingly, deputies from 5 political parties—LGV, the Slovenian Peoples Party (SLS), DeSUS, and the New Slovenia party—joined forces to nominate and elect Janez Janša as prime minister. Although President Türk declared that Janša's indictment in the

ongoing Patria bribery case should preclude him from the post, he agreed to abide by constitutional procedures and respect the outcome of the election, rather than nominating an alternative candidate. Janša, elected with 51 votes, was confirmed as prime minister on 28 January.

The president is elected by direct majority vote for no more than two consecutive, 5-year terms and serves as the head of state, though the role is primarily representative. Presidential elections took place in November 2012. Although 12 candidates were initially announced, ultimately only three entered the race: incumbent president Danilo Türk, former prime minister and former president of the Social Democrats Borut Pahor, and Milan Zver, a member of European Parliament as well as the Slovenian Democratic Party. The Social Democrats endorsed the candidacy of Pahor, even though he had lost his position as president of the party in June. Some on the political left objected to Pahor's nomination because they considered entering two left-wing candidates (Türk and Pahor) politically unwise. The rivalry of the two candidates was further nuanced by the fact that Türk had explicitly supported his opponent during the last presidential elections in 2007.

Because most of them carry significant debts, political parties entered the preelection period with limited financial resources, spending less on their campaigns than was legally permitted. Costly poster ad campaigns were replaced by less expensive televised debates and candidates concentrated their campaigning activities on conventions and meetings with the electorate. The Social Democrats chose not to contribute any financial resources to Pahor's campaign, offering only their volunteer staff to support his efforts. Relying on limited funds, Pahor self-organized his "Together We Support Each Other" campaign, travelling daily to different cities and meeting with various demographic groups; even volunteering to work alongside voters at their places of employment. Although preelection public opinion surveys predicted a victory for Türk, Pahor's inclusive approach to campaigning gained him support from a broader section of the electorate than was expected. On Pahor won the first round with 39.87 percent of the vote, while Türk trailed behind with 35.88 percent, followed by Zver with 24.25 percent.

Since neither of the candidates received a majority in the first round, runoff elections were set for 2 December. Pahor finally defeated incumbent president Türk with 67.37 percent of vote, becoming independent Slovenia's fourth president.[4] Coinciding with mass antigovernment demonstrations, the record low voter turnout—48.41 percent of voters participated in first round of elections and only 42.41 percent in the second[5]—was another indication of declining public trust in Slovenian politics.

Although national referenda have been a stable feature in Slovenian politics in the past, some experts argue they are often used in an undemocratic and illegitimate manner.[6] During recent years, referendums have been blamed for causing instability and political obstruction. While nearly all political parties in the National Assembly agree on the need to amend referendum legislation, they have not been able to gather the two-thirds majority vote necessary to change the constitution due to

a lack of consensus on the nature of the changes. However, in 2012 the court set precedence for tightening the rules on calling legislative referendums by declaring a public vote on two controversial pieces of austerity legislation unconstitutional. While upholding the right to request a legislative referendum, the court ruled—eight votes to one—that the constitution equally protects the government's obligation to ensure fiscal sustainability, an effectively functional state, and respect accepted international obligations.

Civil Society

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
1.50	1.75	1.75	2.00	2.00	2.00	2.00	2.00	2.00	2.00

Most statistics show that Slovenian civil society is vibrant; of the country's approximately 24,000 nongovernmental organizations (NGOs), the majority are organized as associations and work at the local level in the fields of sports, culture and art, and fire brigades, with others taking the form of private foundations and institutes. The country has more civil society organizations per capita than most states.[7] Yet, like in most countries in the region, the sector in Slovenia struggles financially. In contrast to the "golden era" of civil society during the 1980s, which featured the establishment of an independent state and the transition to democracy, today most NGOs are not involved in public affairs in Slovenia.

Unions are most directly engaged with government policymaking within the Economic and Social Council of the Republic of Slovenia (ESC), a tripartite national body that brings together representatives of government, employers, and trade union organizations.[8] The ESC was founded in 1994 as the main consultative and coordinating institution for social dialogue in Slovenia on issues of wage policy, social policy, labor relations, employment, and employment-related topics. Social partners, such as employers and trade union organizations, are certainly the most important civil society actors engaged in policymaking, but some other groups, such as environmental organizations, university research centers, or other interest groups, also play active roles on specific topics.

The new government's austerity package sought to generate savings by reducing state bureaucracy and internal government expenditures; introducing new employment, educational, and healthcare regulations; and trimming down government-funded policies and programs, including child benefits and the co-financing of kindergartens. Public sector trade unions reacted energetically by organizing a general strike with 100,000 participating public sector workers on 18 April, the largest in independent Slovenia's history. After a month of negotiations, the unions tentatively agreed to a cut in public sector wages, beginning in June, if the government refrained from introducing further cuts until 2013. However, when the government revealed plans for additional austerity measures a few days later, many unions backed out of the deal. In mid-December, public sector unions announced another general strike for the second half of January 2013.

However, discontent was not limited to the disapproval of public sector cuts. Simmering anger over the government's handling of the economic and banking crisis intensified during the year, as some budget cuts appeared to benefit special interests. The public complained the government carried out its decisions without open debate or concern for the future of Slovenia's welfare state. Moreover, growing perceptions of corruption and impunity among the political and business elite stoked public frustration.

Owing to a perceived lack of responsiveness from politicians, various antigovernment groups emerged late in the year, organizing spontaneous mass demonstrations via Facebook and other online social networks. The first protests took place in early November in Maribor, where the mayor, Franc Kangler, and the city council, were suspected of high-level corruption and the misuse of public funds. The accusations focused on a controversial public-private partnership scheme to install automated speed radars throughout the city. Officials explained that the fines paid for speeding offenses would generate income for the cash-strapped city, although the contract with the manufacturer stipulated that most of the revenue would go to the private company. A few days after the cameras were put in place, at least 10,000 people were fined, sparking angry commentary from Maribor residents on social networks.[9] Numerous demonstrations were staged and an online petition called for the mayor's resignation.[10] Protests quickly spread throughout the country. Though demonstrations began peacefully, some in Maribor and Ljubljana ended in violence, with injuries to demonstrators as well as police officers and material damage; protesters destroyed some of the radars in Maribor. Although Kangler resigned at the end of year, more protests are forecasted for 2013.

In June, the European Court of Human Rights upheld its 2010 judgment regarding the case of the "erased" (Kurić and others versus Slovenia). The decision confirmed that Slovenia had violated the rights of the individuals it had erased from the civil registry in 1992 for failing to apply for citizenship within six months after the country's declaration of independence. The case was logged in 2006 by eleven residents of Slovenia, who believed the state had not sufficiently repaired the damage caused to them by the erasure.[11] The court gave the Slovenian government one year to prepare a compensation scheme. In the meantime, Slovenia was obliged to pay each plaintiff €20,000 within three months for nonpecuniary damage and €30,000 to the applicants collectively for the expense of the trial.

Independent Media

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
1.75	1.50	1.75	2.00	2.25	2.25	2.25	2.25	2.25	2.25

Slovenia's constitution and legal system guarantee freedom of the press, and media for the most part operate without direct political interference. However, press outlets are sometimes punished or threatened for reporting on controversies and corruption surrounding powerful political figures and parties.

The privatization model established in the early 1990s enabled the state to keep significant ownership in privatized companies through state-controlled funds. In the 2005–07 period there were controversial changes to media regulations and takeovers of several daily newspapers, the public service radio and television, and the national press agency. In those outlets, governing bodies, managers, editors, and reporters have in many cases been replaced by professionals loyal to the political parties in power.

In 2012, two of Slovenia's largest print publications, *Delo* and *Večer*, experienced personnel changes. In mid-October, editor-in-chief of *Delo* Dobnikar Šeruga resigned amidst controversy surrounding a story the newspaper had published in August about Slovenian Cardinal Franc Rode supposedly fathering a child. DNA analysis later showed that Rode was not the father of the 42-year-old German citizen who had claimed to be his son in the article.[12] Šeruga publicly stated that *Delo* accepted the validity of the test results, but stopped short of admitting any wrongdoing.[13] In response, Rode lodged civil lawsuits against the author of the article and the company that owns the publication, Media House Delo, for violating his right to privacy. The story attracted great attention in Slovenia, launching a debate about the responsibility of journalists to draw a line between public interest and respect for individuals' privacy. The civil suits were ongoing at year's end.

The search for a new buyer for *Večer* continued in 2012. *Večer* went back for sale on the international market in the spring of 2011, after being purchased by the computer company 31an in a secret deal in 2010. *Delo* acquired a majority stake in *Večer* in November 2008, but when the Office for the Protection of Competition detected an excess of concentrated media ownership in 2009, it ordered *Delo* to sell most of its shares. Although the decision to allow the sale to 31an was confidential, *Mladina* magazine published the document from the Office for Protection of Competition authorizing the deal, claiming it contained numerous irregularities. Exposure of the details of the sale led small shareholders of *Večer* to sue the Office for Protection of Competition for ignoring proper procedures and as the Ministry of Culture had not consented to the sale, it was annulled. Nevertheless, in January, the state prosecutor charged *Mladina* journalist Borut Mekina with the unauthorized use of data protected as a trade secret. A district judge dismissed the indictment on the grounds that the alleged offense did not constitute a criminal act. The prosecutor appealed the decision and the case will continue into 2013. Although there were a number of interested new buyers, the resale of *Večer* had not been concluded by the end of the year.

Appeals for a comprehensive overhaul of mass media legislation continued in 2012, particularly in the realm of digital broadcasting. During the digital switchover in 2010, two digital multiplexes were put into operation: one managed by the public service broadcaster Radiotelevision Slovenia/RTV Slovenia and the other by the Norwegian firm Norkring. The latter pulled out of Slovenia in 2012 citing poor business conditions, leaving RTV control over all digital transmissions in the country. Fearing that the dominance of commercial programming on the public broadcaster would exclude programs of public interest, the National Assembly

passed an amendment in June requiring all commercial programs to submit a bid for broadcasting over RTV's multiplex. Additionally, the parliament also passed changes to the media law requiring RTV make its digital broadcasting infrastructure available at no cost to terrestrial broadcasters airing special interest programming, such as regional and local media. While the opposition supported the amendment, it objected to the government's continued piecemeal approach of solving systemic problems in media policy caused by the interference of special interest groups.

As part of the austerity package, the government voted to reduce state funding for RTV by 5 percent, cutting its budget by €4.2 million in 2013.[14] The opposition objected to any reduction in support to the public broadcaster, since the state is its most important funder. The government also planned to introduce an amendment that would raise the value added tax (VAT) for print media from 8.5 to 20 percent.[15] After journalist associations warned the measure would have a devastating impact on media sustainability, print media were removed from the list of products subject to the tax increase.

In the fall of 2012, TSmedia, a subsidiary of the majority state-owned Telekom Slovenia, launched a new private television station called Planet TV, raising several concerns about state interference in the media market. Other private media outlets worried that the new station would enable the government to gain greater influence over Slovenia's weak advertising market, jeopardizing their financial sustainability.[16]

Local Democratic Governance

2004	2005	2006	2007	2008	2009	2010	2011	2012	[illegible]
n/a	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50

The basic unit of local self-governance in Slovenia is the municipality. In 1994, the Law on New Municipalities established 147 municipalities, but in the years that followed many of these split into smaller units, creating a total of 210 municipalities in a country with a total population of only 2 million. The vast majority of these are very small and inadequately staffed, with limited financial and political power. Based on changes to the constitution in mid-2006, procedures for setting up the size, number, responsibilities, and financing of provinces as well as other related issues should be arranged under a special law, which has yet to be established.

The problem of limited municipal budgets was highlighted again in 2012 with the cancellation of the 2013 Winter University Games in Maribor. While the city successfully hosted the European Capital of Culture in 2012 despite financial concerns, Janša's government decided that it would no longer financially support the hosting of the games. When the withdrawal of funding led to the dissolution of the organizational committee, the International University Sports Federation (FISU) decided to move the games to an alternative venue in Trentino, Italy because Maribor could no longer guarantee the appropriate infrastructure. The mayor of Maribor, Franc Kangler, criticized the government's decision to withdraw funding,

claiming that since a 2008 decision by the National Assembly's had mandated the hosting of the games, only the parliament had the authority to revoke financial support.[17] After the games were cancelled, FISU sued the city of Maribor and the Slovenian University Sports Association for damages.

Rising unemployment rates and allegations of corruption exacerbated public frustration with government elites, triggering an avalanche of protests that eventually spread across the country. The first protests targeted local authorities in Maribor over a scheme to install speed radars. Local residents complained that the radars did not improve road safety and facilitated the replenishment of the city's empty coffers at the public's expense. Moreover, the private-public partnership that oversaw the installation of the radars was questioned for its legality and public benefit, as over the next ten years the municipality would transfer 92 percent of all collected fines to the private partner. Furthermore, the Ministry of Finance pointed out irregularities in the city's decision to forge the partnership, which were ignored by the local administration. Residents of Maribor primarily held Mayor Kangler responsible for the suspicious deal, calling him and the city council to resign. While Kangler resigned at the end of December, the local administration remained in office, provoking the continuation of protests.

In 2011 the National Assembly finally adopted a long-anticipated amendment to the Law on Deputies, making it illegal to serve as both a parliamentary deputy and a mayor at the same time. In March 2012, by-elections took place in 10 municipalities where mayors had been elected as deputies to the National Assembly in parliamentary elections in 2011. Having left parliament after failing to form a governing coalition, Zoran Janković was reelected mayor of Ljubljana in the first round with 60 percent of the vote.[18]

Elections to the National Council also took place at the end of 2012. The 40-member upper chamber of parliament is indirectly elected from representative local and functional interest groups each with a fixed numbers of seats. The elections revived long-held questions about the status of the council; due to the upper house's limited powers, the parliament does not function as a truly bicameral system, which has led some observers to call for its restructuring or altogether abolishment. The elections to the National Council attracted unusual attention due to the extraordinary non-confirmation of the mandate of Franc Kangler, who was in the process of resigning as mayor of Maribor on suspicions of corruption. Kangler's election to the council sparked a mass demonstration outside city hall. Normally, the new members of the National Council are confirmed as a group in a formal procedure. However, due to concerns that Kangler might be seeking council membership merely to regain the immunity he would lose after resigning as mayor, the Mandate Immunity Commission insisted the council decide separately on his mandate along with Jernej Verbič, the mayor of Postojna. On 12 December, the council voted by secret ballot to confirm Verbič, but not Kangler. The soon-to-be-ex-mayor of Maribor appealed the decision at the Constitutional Court and the case was ongoing at year's end.

Judicial Framework and Independence

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
1.75	1.50	1.50	1.50	1.50	1.75	1.75	1.75	1.75	1.75

Slovenia's judicial branch of government consists of the Supreme Court and Constitutional Court. Judges are independent and are not allowed to participate in political party organs, though they may be members, formally. They are elected by the National Assembly after being nominated by the eleven-member Judicial Council. The National Assembly elects five members to the council on proposal of the president from among law professors and attorneys; the remaining six members are judges chosen by their peers holding permanent judicial office. The council selects one of its members as its president. The Constitutional Court is composed of nine judges nominated by the president and elected by the National Assembly; these nine judges elect the president from among their own number for a term of three years.

The controversial legislation to create "super ministries" that was introduced by the new government in February 2012 also foresaw the transfer of the Prosecutor's Office from the Justice Ministry to the Ministry of Interior. The amendment was pushed through parliament by the leading coalition member, the Slovenian Democratic Party, despite strong opposition from Positive Slovenia and fellow coalition member Civic List. Minister of Justice and Public Administration Senko Pličanič from Civic List admitted to the dominance of the Slovenian Democratic Party in pushing the coalition to pass the necessary changes to the Law on the Government in January[19] and the Law on the State Prosecutor in June, which passed with a narrow majority of 49 votes.[20] Both opposition parties voted against the transfer and representatives of Positive Slovenia accused the Slovenian Democratic Party of disregarding constitutional rulings that defend the state prosecutor's place within the judiciary as well as the principle of the separation of powers. Moreover, Positive Slovenia warned that the transfer made criminal proceedings more susceptible to political interference. While the realization of these speculations was not yet clear by the end of the year, the transfer resulted in some technical adjustments as well as some positive changes, such as a new requirement obliging the state prosecutor to consult with collegiate bodies in vetting candidates for prosecutors, and the suspension of the prosecutor's function while acting as the state secretary or minister elsewhere in the government.

Legal experts expressed mixed opinions about the amendment to transfer the Prosecutor's Office. Some believe that it neither threatens the separation of powers nor violates the constitution because the legislation does not diminish the role of the prosecutor; it merely moves its competency to another ministry. Others fear that the move will blur the separation between the prosecutor and the police, raising doubts about the former's independence during criminal investigations.

The government's austerity package also imposed deep spending cuts on the judicial system. Representatives of the judiciary complained that the cutbacks

were hastily decided without proper understanding of the sector's needs or the potential consequences of the cuts. The government did not discuss the judiciary's own proposals for improving its efficiency that it had submitted before the passing of austerity measures. The revised budget reduces funding to the judiciary by 7.5 percent in 2013 and lowers the average wage of judges and public officials. Most of the wage cuts affect Project Lukenda, which the government chose not to extend past December 2012.[21] Implemented in 2008, Project Lukenda was intended as a temporary project aimed at improving efficiency in the judicial system and reducing court backlogs.[22] However, over time it became apparent that the project effectively remedied the persistent shortcomings of the judicial system and was essential for maintaining its efficiency. There is some concern among judges that the discontinuation of the project will lead to a resurgence of court backlogs.[23]

In November, the high-profile "Balkan Warrior" case finally came to an end. Of the 17 people accused, 4 Slovenian citizens were convicted of drug trafficking and received prison sentences ranging from 4 to 10 years, while the remaining 14—including the alleged leader of the crime ring Dragan Tošić—were acquitted. The convictions were based upon evidence acquired in Italy, where police had conducted three major cocaine busts related to the case. Experts anticipated the acquittals when key evidence collected by investigators in Slovenia and Serbia was surprisingly excluded from the case, though the prosecutor argued it had been legally obtained. Minister of Justice and Public Administration Senko Pličanič accepted the court's explanation for the verdicts, but asserted that the case exemplified the inefficiency of Slovenian courts, since it took a year-and-a-half for a first instance court to reach any decision. The prosecutor appealed the acquittals as well as the decision to exclude evidence. At the end of the year, the appeals were under consideration at the Supreme Court.

Corruption

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
2.00	2.00	2.25	2.25	2.25	2.50	2.50	2.50	2.25	2.25

Against the backdrop of a double-dip recession, unpopular austerity measures, and steadily emerging accusations of corruption against the political elite, Slovenian politics ran up against an angry populace in 2012. Beginning in November, a wave of demonstrations swept across the country with protestors calling for the resignation of members of the old elite in Maribor and Ljubljana. Meanwhile, low trust in government was exacerbated by revelations of corrupt or unethical behavior among new members of parliament. A new Civic List deputy allegedly wracked up an enormous business debt, leading his company into bankruptcy, while deputies from the Democratic Party of Pensioners of Slovenia and the Slovenian Democratic Party were accused of falsifying their education credentials. Another deputy of Positive Slovenia was exposed for having worked as an informant for the State

Security Service during the 70s. Throughout the year, Slovenian politics struggled to maintain a positive image in the face of a major integrity crisis that was never fully resolved. Despite the resignation of Maribor mayor Franc Kangler amidst corruption allegations at the end of the year, protests were scheduled to continue into 2013.

Allegations of corruption also surrounded the election for a prime minister in early 2012. President Türk initially refused to nominate Janez Janša for the post due to his involvement in the ongoing Patria affair. Since the case finally went to trial in September 2011, Prime Minister Janša has avoided most court proceedings, citing work responsibilities as an excuse for his absence. In early December, thousands of protestors demanded that Janša resign, but the prime minister remained in office through the end of the year.

Slovenia adopted the Law on Prevention of Corruption in 2003, and then in 2004 adopted the country's first anticorruption strategy with 172 measures to eliminate the conditions for corruption in Slovenia. These measures were prescribed for the areas of politics, state administration, investigative, prosecuting and judicial bodies, business, NGOs, the media, and the general public. In October 2004, the five-member Commission for the Prevention of Corruption began operations, and although it struggles with various problems, including threats of abolishment, the commission appears to be an effective enforcer of the Law on Prevention of Corruption as well as a confident watchdog of public employees.

Public sector organizations collaborate with various watchdog agencies as is required by law. While their engagement is generally positive, it is not usually initiated voluntarily. Moreover, high-ranking officials often avoid actively cooperating with anticorruption agencies, such as the commission and the Court of Audit. The commission plays a key role in monitoring and investigating cases of alleged corruption and other breaches of the Integrity and Prevention of Corruption Act and works closely with the police, the Public Prosecutor's Office, and Inspector General as well as civil society organizations when conducting investigations. In April 2011, the National Assembly adopted a code of ethics for civil servants in state bodies and local community administrations that outlines 10 basic guidelines and minimum standards for preventing corruption.

Slovenia was ranked 37th among 176 surveyed countries in Transparency International's 2012 Corruption Perceptions Index with a score of 61 on a scale from 0 to 100 (100 represents almost no corruption in the country).[24]

▪ Author: Damjan Lajh

Damjan Lajh is Associate Professor at the Faculty of Social Sciences, University of Ljubljana, Slovenia, and a researcher in the university's Centre of Political Science Research.

1 Stephen Castle, "Slovenia Encounters Debt Trouble and May Need Bailout," *The New York Times,* 14 September 2012, http://www.nytimes.com/2012/09/15/business/global/slovenia-runs-into-debt-trouble.html?_r=0.

2 Etika Repovž, "Državni uradniki: Preštevilni, premalo učinkoviti, slabo organizirani?" [State officials: Too many, too ineffective, poorly organized?], *Delo,* 9 January 2010, http://www.delo.si/clanek/96547.

3 "Slovenija prodala za 2,25 milijarde dolarjev desetletnih obveznich" [Slovenia sold 2.25 billion 10-year bonds], *Delo,* 19 October 2012, ttp://www.delo.si/gospodarstvo/finance/slovenija-prodala-za-2-25-milijarde-dolarjev-desetletnih-obveznic.html.

4 State Electoral Commission, Official data for the second round of elections of the president of the republic (Ljubljana: State Electoral Commission, 2 December 2012), http://www.dvk-rs.si/arhivi/vp2012/en/index.html.

5 "DVK: Pahor 40,00 %, Türk 35,84 %, Zver 24,16 %!" RTV SLO, 11 November 2012, http://www.rtvslo.si/predsedniske-volitve-2012/dvk-pahor-40-00-tuerk-35-84-zver-24-16/295603.

6 Andraž Teršek, "Referendum kot okno politicne realnosti" [Referendum as a Window of Political Reality], *Delo,* 12 July 2008, 5; and Andraž Teršek, "O zlorabi referenduma, s primerom 'votlosti' referendumskega odlocanja" [On Abuse of Referendum with a Case of Hollowness of Referendum Decision-Making], *Revus-European Constitutionality Review No. 4* (2005), 75–82.

7 Tatjana Rakar et al, *Civilna družba v Sloveniji* [Civil Society in Slovenia] (Ljubljana: Uradni list RS, 2011).

8 *Social Dialogue and Conflict Resolution in Slovenia* (Dublin: the European Foundation for the Improvement of Living and Working Conditions), http://www.uni-mannheim.de/edz/pdf/ef/04/ef0455en.pdf.

9 "Mariborski radarji zaznajo 1212 kršitev na dan" [Maribor radars detect 1212 violations a day], *Vecer,* 5 February 2012, http://web.vecer.com/portali/vecer/v1/default.asp?kaj=3&id=2013020505881618.

10 "Mayor of Maribor, Franc Kangler, resign immediately!," Avaaz.org, 24 November 2012, http://www.avaaz.org/en/perition/Mayor_of_Maribor_Franc_Kangler_resign_immediately_GOTOF_JE/?wgYfmbb.

11 The Erased is the name used for a group of residents in Slovenia that remained without a legal status after the declaration of Slovenian independence in 1991.

12 *Delo* published the story in August 2012.

13 "Test Shows Cardinal Rode Not Stelzer's Father," Slovenska Tiskovna Agencija, 2 October 2012, http://www.sta.si/vest.php?s=a&id=1805920.

14 "Rtv-prispevek od danes nižji" [RTV licensing fee lowered as of today], *Dnevnik,* 1 Janury 2013, http://www.dnevnik.si/slovenija/v-ospredju/rtvprispevek-od-danes-nizji.

15 "Na koalicijskem vrhu o morebitnem dvigu DDV" [Coalition heads to discuss possible rise in VAT], SIOL.net, 13 November 2012, http://www.siol.net/novice/slovenija/2012/11/koalicijski_vrh_dvig_ddv.aspx.

16 Klara Škrinjar, "Nova televizija in njene (pravne) zagate" [New Television and its (legal) dilemmas], *Delo,* 8 August 2012, http://www.delo.si/novice/slovenija/nova-televizija-in-njene-pravne-zagate.html; and "Dnevnik Fears 'Italianisation' of Slovenian Media," Slovenska Tiskovna Agencija, 16 July 2012, http://www.sta.si/en/vest.php?s=a&id=1779995&q=MEDIA.

17 "Kangler: Končna odločitev glede usode univerzijade v rokah poslancev" [Kangler: Final decision about the fate of the Olympics is in the hands of MPs], RTV SLO, 6 March 2012, http://www.rtvslo.si/slovenija/kangler-koncna-odlocitev-glede-usode-univerzijade-v-rokah-poslancev/278309.

[18] "Janković Sworn In as Ljubljana Mayor Again," Slovenska Tiskovna Agencija, 11 April 2012, http://www.sta.si/en/vest.php?s=a&id=1746295.

[19] Zakon o spremembah in dopolnitvah Zakona o Vladi Republike Slovenije, Ur.l. RS, st 8/2012 [Law Amending the Law on the Government of the Republic of Slovenia, Official, RS No 8/2012], http://zakonodaja.gov.si/rpsi/r04/predpis_ZAKO6324.html.

[20] "Poslanci sprejeli noveli zakonov o državnem tožilstvu in medijih" [Members adopted the amended laws of the state prosecutor and the media], RTV SLO, 12 June 2012, http://www.rtvslo.si/slovenija/poslanci-sprejeli-noveli-zakonov-o-drzavnem-tozilstvu-in-medijih/285139.

[21] Judiciary of the Republic of Slovenia, "Posledice znižanja proračuna sodstva" [Consequences of a reduction of the budget of the judiciary], 8 January 2013, http://www.sodisce.si/sodni_postopki/objave/2013010815562817/.

[22] Lukenda project represents the common state plan to eliminate the backlog. Operational Work Plan was adopted in December 2005. Ministry of Justice of the Republic of Slovenia, *Projekt Lukenda: Odprava sodni zaostanki* [Projeckt Lukenda: Elimination of backlog] (Ljubljana: Ministry of Justice, 12 December 2005, http://www.arhiv.mp.gov.si/fileadmin/mp.gov.si/pageuploads/2005/PDF/projekt_Lukenda.pdf.

[23] "Projekt Lukenda se bo verjetno nadaljeval" [Lukenda project likely to continue], RTV SLO, 1 May 2012, http://www.times.si/slovenija/projekt-lukenda-se-bo-verjetno-nadaljeval--f4c2757c76-81d3f4a6de.html.

[24] Transparency International, *Corruption Perceptions Index 2012* (Berlin: Transparency International, 2012), http://www.transparency.org/cpi2012/results.

Tajikistan

Capital: Dushanbe
Population: 7 million
GNI/capita, PPP: US$2,300

Source: The data above are drawn from the World Bank's *World Development Indicators 2013*.

Nations in Transit Ratings and Averaged Scores

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Electoral Process	5.75	6.00	6.25	6.50	6.50	6.50	6.50	6.50	6.50	6.50
Civil Society	5.00	4.75	5.00	5.00	5.50	5.75	6.00	6.00	6.00	6.25
Independent Media	5.75	6.00	6.25	6.25	6.00	6.00	5.75	5.75	6.00	6.25
Governance*	5.75	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
National Democratic Governance	n/a	6.00	6.25	6.25	6.25	6.25	6.25	6.25	6.25	6.25
Local Democratic Governance	n/a	5.75	5.75	5.75	6.00	6.00	6.00	6.00	6.00	6.00
Judicial Framework and Independence	5.75	5.75	5.75	5.75	6.00	6.25	6.25	6.25	6.25	6.25
Corruption	6.25	6.25	6.25	6.25	6.25	6.25	6.25	6.25	6.25	6.25
Democracy Score	5.71	5.79	5.93	5.96	6.07	6.14	6.14	6.14	6.18	6.25

** Starting with the 2005 edition, Freedom House introduced separate analysis and ratings for national democratic governance and local democratic governance to provide readers with more detailed and nuanced analysis of these two important subjects.*

NOTE: The ratings reflect the consensus of Freedom House, its academic advisers, and the author(s) of this report. The opinions expressed in this report are those of the author(s). The ratings are based on a scale of 1 to 7, with 1 representing the highest level of democratic progress and 7 the lowest. The Democracy Score is an average of ratings for the categories tracked in a given year.

Executive Summary

Since the end of the 1992–97 civil war, President Emomali Rahmon and a network of government elites have steadily asserted control over Tajikistan and its people, systematically suppressing independent political and economic activity and civil society through the use of the country's security apparatus and judicial system. Violence in the form of open military conflict has declined since the 1990s; however, in recent years the government has conducted a number of military operations to take firmer control over peripheral areas and to eliminate independent political and social actors as well as insurgents. In summer 2012, one such offensive was launched in the eastern Gorno-Badakhshan Autonomous Province, when men loyal to a former local opposition commander killed the head of the province's State Committee for National Security branch, prompting the central government's police, military, and security forces to take control of the region and arrest or kill former opposition commanders serving in local security (e.g., as border guard commanders). Government forces committed a bevy of human rights violations during these operations. Dozens of civilians were killed, and local opposition leaders were tortured and occasionally assassinated; meanwhile, the government cut off communication to the region and actively suppressed both media coverage and public demonstrations.

Substantial barriers to free speech endure, and torture remains a standard tool of law enforcement. In 2012, state authorities made increasing efforts to censor online news and social media outlets, particularly in relation to the events in eastern Tajikistan.

National Democratic Governance. President Rahmon and his supporters continue to dominate politics and the economy. The president has strong control over all positions of power in the state bureaucracy and the judicial and legislative branches are unable to exercise their constitutionally appointed independent powers. The police, military, and security services serve primarily to protect the power of the president and his allies. Any new government programs that could liberalize or democratize national governance are closely monitored and constrained in order to ensure that operations and reforms do not weaken the executive's control over security, the economy, or other high-priority areas. In late July 2012, President Rahmon ordered military and security forces to forcefully take full control of the eastern Badakhshan Province. Dozens died during these operations, and government security forces committed several human rights violations, including the killing of noncombatants and the arrest and torture of local political figures. *Tajikistan's rating for national democratic governance remains unchanged at 6.25.*

Electoral Process. Elections in Tajikistan are managed closely to ensure the continued rule of President Rahmon and his party. After years of government-led harassment, repression, exile and jailing of potential opponents, President Rahmon faces no serious challengers in the upcoming 2013 elections. Nevertheless, in 2012 the government continued its efforts to mute opposition parties and figures, with the Islamic Revival Party being targeted in particular. Any sector related to elections (the media, education, etc.) is constrained in a manner to give the incumbents an unassailable electoral advantage. *Tajikistan's rating for electoral process remains unchanged at 6.50.*

Civil Society. In 2012 the Tajik government remained vigilant against perceived threats to its authority within civil society and especially among independent nongovernmental organizations (NGOs). In October, the government, citing several minor administrative violations, shut down Amparo, a local NGO consisting of young lawyers who advocate for the legal rights of vulnerable citizens and military conscripts. Tajik authorities also continued their relentless harassment of independent religious leaders and Islamic groups, both legal and illegal. Throughout the year the government shut down or installed surveillance equipment in various mosques and closely monitored the activities of various religious actors and groups. *Tajikistan's rating for civil society declines from 6.00 to 6.25.*

Independent Media. In early 2012 the government decriminalized libel, a commonly used tool to silence journalists. At the same time, censorship of online media increased dramatically. Numerous news and social media websites were blocked for extended periods, sometimes in retaliation for specific published articles, and most notably in relation to the government's extended military campaign in eastern Tajikistan. The most commonly targeted news organization for the government's censorship campaign has been *Asia-Plus*, a respected local news outlet. Tajik journalists continued to be physically attacked in 2012, almost always by men who could not be identified. *Tajikistan's rating for independent media declines from 6.00 to 6.25.*

Local Democratic Governance. Tajikistan's local government bodies continue to serve as an extension of the national government, rather than a counterbalance to centralized authority or a mechanism for meeting local communities' needs. The presidential administration appoints the heads of local districts and the provinces directly. In some areas the government does allow a certain level of local decision-making, usually in sectors where it has no serious interest or where total cooperation by local authorities is assured. Local governance structures are most often used as instruments of control and repression by both local and central government elites. *Tajikistan's rating for local democratic governance remains unchanged at 6.00.*

Judicial Framework and Independence. Tajikistan's justice system is deeply corrupt and subservient to the Rahmon administration, serving the interests of the

regime at every opportunity. Law enforcement and the judiciary target potential political rivals, businessmen outside of government networks, journalists, and civil society groups. The rate of acquittal in Tajikistan's courtrooms is almost zero. For most citizens, substantial bribes are the only way to successfully navigate interactions with the police and courts. Police investigations and security operations are noted for their consistent use of torture as an interrogation tool. In 2012 the Minister of the Interior and President Rahmon himself made statements on the impermissibility of torture by security and judicial officials, yet there have still been only a few token prosecutions of offenders. The release of a comprehensive report by Amnesty International in 2012 revealed a scale and severity of torture in Tajikistan that was not known with such certainty in previous years. Furthermore, the use of torture by the government extended to interrogations of representatives of legal political parties, in particular the Islamic Revival Party. *Tajikistan's rating for judicial framework and independence remains unchanged at 6.25.*

Corruption. Corruption pervades every part of Tajik society and government. Bribes are required for education, operation of businesses, securing of various permits, avoiding military service, legal problems and interactions with the police. The year 2012 saw token prosecutions of select, low-to-mid-level public figures and government bureaucrats on corruption-related charges. However, these infrequent and unsystematic prosecutions have had no effect on scale or ubiquitousness of corruption in Tajikistan. *Tajikistan's rating for corruption remains unchanged at 6.25.*

Outlook for 2013. Despite the authoritarian tactics of his regime, President Rahmon remains genuinely popular among some segments of the population, who credit him with the relative security and stability of the postwar era. The economy, too, has grown steadily since the late 1990s, though the benefits to society have been very uneven. Presidential elections in 2013 will almost certainly be a scripted performance, calculated to reinforce the authority of President Rahmon and the circle of elites who benefit from his power. While numerous examples of seemingly unassailable governments falling have been seen elsewhere in the world in the last couple of years, the continuation of the poor political and social situation in Tajikistan seems likely to continue.

Less clear is the regime's ability to control the eastern part of the country, where security operations to eliminate the independent local social and political actors ended in late July with a ceasefire, the outcome of which is still unclear. The government will continue to treat independent Muslim leaders and Islamic groups as key threats to its rule. Alongside its campaign against independent Islam, the government of President Rahmon can be expected to suppress independent media outlets and any civil society groups that seek to empower citizens. Corruption and torture in the judicial system and by security forces show no signs of abating.

Main Report

National Democratic Governance

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
n/a	6.00	6.25	6.25	6.25	6.25	6.25	6.25	6.25	6.25

President Emomali Rahmon and his inner circle of supporters dominate both politics and the economy in Tajikistan. Separation of powers exists only in the country's largely disregarded constitution; in practice, the president controls both houses of the parliament (*Majlisi Oli*) and other government institutions through his political party, the People's Democratic Party of Tajikistan (PDP),[1] and an informal system of patronage and corruption that encourages government officials to implement Rahmon's desired policies in return for personal enrichment. In 2012, the central government's police, military, and security forces responded to the killing of a key local official by taking control of the Gorno-Badakhshan province that borders Afghanistan.

The judicial and legislative branches of government serve as rubber stamps for the executive branch. The president has the power to appoint individuals to all relevant positions of power, including ministerial roles and judgeships. Top-level appointments, particularly within the state's security apparatus, typically go to appointees from the president's home region. Some members of Rahmon's own family hold powerful and lucrative government positions, including his son Rustam, who was appointed in 2011 to head the State Customs Services' department responsible for combatting illegal activity.[2] However, most of the president's relatives use their privileged position to amass wealth in the private sector.[3]

For the last 20 years, the Rahmon regime has systematically sidelined or eliminated possible rivals at all levels of government and society. The president and his inner circle have done this by jailing individuals on politically motived charges of corruption and other criminal activities and reportedly assassinating some political rivals. They have also employed less harsh techniques, such as appointing rivals to embassy positions outside the country and reshuffling appointees between government positions to prevent them from becoming too powerful in any one role. The perception of many observers in Tajikistan is that the only two leaders in the country whose positions are stable are the defense minister, who has held his position since 1995, and the mayor of Dushanbe, who has held his post since 1996.[4]

In some cases, the leadership reshuffles high-ranking bureaucrats to demonstrate its displeasure with their performance. In January 2012, the president removed several appointees in the education and security sectors from their positions. Some were arrested on charges of drug trafficking. Reportedly, this was in response to media criticism of government corruption. However, several commentators rejected any notion that the removal of these bureaucrats would lead to improvements in

governance and accountability. Many of the sacked officials were just moved to other positions within the government.[5]

In summer 2012, President Rahmon ordered a military offensive in the eastern Gorno Badakhshan Autonomous Province, a mountainous region along the Afghan border that has existed largely outside Dushanbe's control for decades. In July, Major-General Abdullo Nazarov, the head of the province's State Committee for National Security (the GKNB, still known locally as the KGB) branch, was stabbed to death by men loyal to another former opposition commander. The central government responded by deploying police, military, and security forces to seize control of the region and arrest or kill former opposition commanders serving in the local security apparatus (e.g., as border guard commanders). Reportedly, dozens to hundreds of civilians and militaty personnel were killed or injured during these operations, the region's communications were cut off, and many residents were trapped in their homes.[6] Although negotiations led to a short period of peace, the killing in August of another former opposition leader, Imomnazar Imomnazarov, prompted protestors to gather at government buildings to protest the continuing military operations and killings. Security forces responded to one escalating confrontation with gunfire, repottedly injuring two people in the crowd.[7] The government subsequently announced it would completely withdraw forces from the still-unstable region.[8]

The year witnessed occasional small-scale street demonstrations in Dushanbe to protest very specific issues. In August students who believed their university spots had been given to children of high-level government officials gathered at the education ministry and presidential palace.[9] In September, vendors at the Korvon bazaar in Dushanbe demanded payment for their businesses and stock that were lost in what some believed was an intentionally set fire.[10] Both of these groups were promised some concessions and ended their protests. There were no open protests in the capital over broader or more political issues, and no demonstration was sustained for a significant period of time.

Electoral Process

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
5.75	6.00	6.25	6.50	6.50	6.50	6.50	6.50	6.50	6.50

Elections in Tajikistan are closely managed performances devoid of any real democratic character. President Rahmon has been the country's top leader since November 1992 and faces no serious opposition—not because citizens are especially enthusiastic about his rule, but because potential rivals are routinely discredited or removed.[11] It is overwhelmingly probable that the 2013 presidential elections will bring another victory for Rahmon, who will sidestep constitutional term limits by claiming that his 2006 electoral victory—the first since the constitution was reformed in 2003—marked his first term in office. By this interpretation, he could serve until 2020.

Rahmon and his supporters closely control all dimensions of the electoral process. Nongovernmental organizations (NGOs) are restricted from participating in many election-related activities and media outlets are controlled in a manner that heavily favors the incumbent. Potential challengers are targeted for disqualification or arrest. To appear on the ballot, new candidates must amass an often-prohibitive number of signatures. Ruling party incumbents spend state funds on campaigns, with impunity, whereas rivals face strict spending limits.[12] After the PDP landslide in the 2010 parliamentary elections, the Organization for Security and Cooperation in Europe (OSCE) noted many irregularities[13] and the U.S. State Department reported widespread fraud.[14]

Opposition parties are weak and marginalized, and all key opposition leaders have been exiled or permanently removed from active political life. In August 2012, three prominent members of an unregistered wing of the opposition Democratic Party applied for political asylum in Sweden.[15] With two seats in the parliament, the legally registered Islamic Renaissance Party (IRP) is the country's dominant opposition party, though most experts estimate that it has the support of only about 10 percent of the electorate. Some observers claim public support for the IRP is much higher, and that it has been growing, especially since 2010.[16] Meanwhile, the IRP's criticism of Rahmon's government is becoming more direct. In response, the government has stepped up its harassment of the party and interference with IRP activities.

Civil Society

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
5.00	4.75	5.00	5.00	5.50	5.75	6.00	6.00	6.00	6.25

The Tajik government treats civil society groups with increasing distrust and hostility. It maintains restrictions on foreign and local NGOs[17] and harasses independent religious leaders and Islamic groups, both legal and illegal, sometimes resorting to violence. Programs that include a liberalization or democratization component are closely managed to ensure that they cannot achieve genuine reform.[18]

In late October, a court decided in northern Tajikistan to shut down the Association of Young Lawyers (Amparo), which monitors and advocates for the rights of orphans, the poor, the disabled, and Tajik army recruits. The alleged violations included changing its office location without informing the government of its new address, illegally running a website, engaging in activities outside the northern Sughd province where it is registered, and conducting unapproved human rights seminars for high school students. Amparo maintains it had permission for all these activities. Human Rights Watch assessed the case as "politically motivated and devoid of substance from the beginning...and a major step backward for human rights in Tajikistan."[19] Of the organization's broad roster of causes, the government objected in particular to Amparo's advocacy for the rights of military conscripts; ultimately, the government shut down the group's activities.[20]

In recent years, the government has been increasingly concerned about the influence and popularity of Islam and the spread of other religions. Targets for continued persecution in 2012 included two underground Islamist groups, Hizb-ut Tahrir and Jamaat ut-Tabligh. Since banning the latter organization—a nonviolent missionary Islamic organization with roots in South Asia—in 2006, the government has regularly sentenced members to jail for allegedly planning to overthrow the government. In February 2012, a court sentenced seven accused members in northern Tajikistan to between three and five years in prison.[21] The Tajik government also arrested and convicted many alleged members of Islamic groups, including Jamaat Ansarullah and the Islamic Movement of Uzbekistan, that openly advocate violence against the state.

The government continued throughout 2012 to exercise control over the practice of Islam, restricting private religious lessons and even extending its reach into the operations of local mosques. The previous year's ban on children attending prayer at mosques has been enforced only sparingly, but some penalties have been imposed. In early October, the muezzin at a Dushanbe mosque was fined for having children present when he made the call for prayer.[22] Even those Tajik citizens who live and work in Russia felt the grip of the Tajik government on their freedom of religion; the government-controlled Council of Ulema—official representatives of Islam in Tajikistan—secured an assurance from Russian authorities that independent religious figures would not be permitted to address Tajik worshippers in Russia without permission.[23] One family of independent religious figures, the Turajonzoda family, has suffered particular government scrutiny and harassment. The government accused the family of practicing foreign Shia Muslim rites and consequently stripped their mosque of its right to hold large Friday prayers.[24] Then, in late May, a court issued a written order that the mosque be closed altogether; the family vowed to ignore the ruling.

The government has also increased pressure and attacks on the IRP, the country's strongest opposition party.[25] According to commentators and the party itself, government tactics in 2012 included audits and fines for alleged legal violations,[26] strong pressure against members to leave the party,[27] and threat of prosecution over unspecified allegations of involvement in crime and terrorism.[28] Independent observers blame Tajik government security forces for the abduction, torture, and killing of Sabzali Mamadrizoyev, the IRP's leader in Badakhshan.[29] Mamadrizoyev had participated in a demonstration in Khorog protesting the government's large-scale military operations in the region. Security forces detained him on July 23, and three days later his body was discovered close to a nearby military base. The GKNB also arrested Sherik Karamkhudoyev, the head of the IRP office in Khorog, and detained him for two weeks before admitting that he was in their custody.[30]. He is still being held in Dushanbe on politically motivated charges; his lawyer claims that he was tortured when arrested in Khorog.[31]

Independent Media

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
5.75	6.00	6.25	6.25	6.00	6.00	5.75	5.75	6.00	6.25

In July, President Rahmon approved a law decriminalizing libel and insult and placing them instead under the jurisdiction of civil law (except for libeling the president, which remains a criminal offense punishable by up to five years in prison). Though this move was commended by advocates of press freedom,[32] it was overshadowed by the government's persistent censorship and blocking of access to online news, as well as continuing violence toward Tajik journalists at home and abroad.

In the first half of 2012, the Tajik government blocked access to several news and social media websites for extended periods. In early March, the State Communications Agency, citing first technical reasons and then cybercrimes and national security, ordered internet providers to block access to Facebook and several Russian-language news websites, including centrasia.ru, tjk.news.com, and zvezda.ru.[33] State Communication Agency head Beg Zuhurov at first denied any government responsibility for the restriction but then remarked that people had started "to post lying articles and comments defaming the honor and dignity of the Tajik authorities," and that "by such lying articles, some persons are trying to split Tajik society and destabilize the situation in the country." Zuhurov maintained that the authors of such articles should be brought to justice.[34] By mid-March, local media outlets reported that the government had ordered the website blocks in response to an article published by the online Russian newspaper *Polyarnaya Zvezda* that blamed President Rahmon's government for corruption, poverty, and the authoritarian system in Tajikistan. The article was republished and shared on several of the blocked websites.[35] Access to Facebook was restored after one week—in response to criticism from international organizations and embassies, according to one media report.

The country's largest private newspaper, *Asia Plus*, published a broad attack on Rahmon's leadership in late 2011, in response to which the government targeted the paper with restrictions throughout 2012.[36] In June, online access to the paper was blocked. Beg Zuhurov again obfuscated, claiming unconvincingly that the blockage was due to technical problems before eventually conceding that the government had shut down access because of reader comments that insulted and libeled high-ranking government officials.[37] In mid-July Zuhurov announced that the government was forming a monitoring organization, consisting of volunteers and journalists, that would be tasked with finding and exposing online publications critical of the government.[38] However, nothing has been heard of the group since this announcement. Around the same time, an 18-year-old in Dushanbe claimed that the GKNB had summoned him for questioning and warned him about his criticism of the president on Facebook.[39]

In late July, the government's military operations in Badakhshan brought an intensive new round of online censorship. The government first cut off all phone, mobile, and internet connections to the area (Zuhurov claimed the outage was

caused by a bullet that struck a telephone wire).[40] Within the rest of the country the Tajik government blocked access to YouTube; the *Asia-Plus* website; the local forum site Pamir-vesti.ru; the Russian news sites vesti.ru, Fergana.ru, Lenta.ru, and Centrasia.ru; and the British Broadcasting Corporation's Russian service, a move criticized harshly by Reporters Without Borders.[41] All telecom and internet providers, including the Swedish company TeliaSonera, cooperated with the government's demands to cut off communication and censor websites.[42] Two internet service providers interviewed by Eurasianet.org stated that the blocks were ordered directly from Zuhurov's office, and that failure to follow the order could result in a tax audit or license revocation. By late September, several internet providers had unblocked *Asia-Plus*, and by mid-October the government had lifted restrictions on many of the approximately 50 blocked websites.[43] However, in late November the government again temporarily blocked several websites, including Facebook and Radio Free Europe/Radio Liberty's Tajik language service. While the blocks on Facebook are usually short term, other websites, particularly Russian news sites, have been blocked permanently since March.[44]

Violence against journalists persisted throughout 2012. In March, unidentified men attacked Nuriddin Qarshiboev, the head of the National Association of Independent Media of Tajikistan, at the airport in Khujand after he lobbied for reporters' right to interview passengers whose flights had been delayed. Qarshiboev believes that the men, whose orders were followed by both police and airport security, were part of an organized crime group.[45] One month later, unidentified men attacked TV Safina reporter Daler Sharipov, an incident that drew the attention of Reporters Without Borders.[46] Attacks against Tajik reporters extended beyond the borders of Tajikistan. Dodojon Atovulloev, an independent journalist and critic of the Tajik government, was stabbed and hospitalized in Russia; one commentator suggested that the Tajik government may have been responsible for the attack.[47] Although the Tajik government may not have perpetrated any or all of these assaults, the perception that they did creates a climate of fear for independent journalists.

Local Democratic Governance

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
n/a	5.75	5.75	5.75	6.00	6.00	6.00	6.00	6.00	6.00

Local government in Tajikistan acts as an extension of the national government, rather than as an independent, decentralized, or democratic set of institutions. The heads of local districts and provinces are appointed directly by the president's administration. Areas of the country that enjoy more autonomy do so either because they are deemed to be of limited economic or political significance to Dushanbe, or because the central government has full confidence in the obedience of local officials.

Kinship networks, village and neighborhood "communities" and Islamic identity play an important role in shaping some local political and economic

structures."[48] However, even governance at the local level that is technically outside the state's control serves the state's economic interests and maintains local stability.

The cotton harvest exemplifies the penetration of state directives into local governance and economics. As cotton is a valuable cash earner for elites tied to the state leadership, there is a structure in place to ensure that farmers are compelled to grow the crop. Those involved in local governance, both formal and informal, participate in efforts to maximize the cotton harvest, forcing locals to pick cotton for next to nothing.[49]

The state also continually interferes in the religious lives on Tajiks at the most basic levels. This interference includes harassment of and discrimination against men wearing beards and women wearing the hijab and restrictions against what can and cannot be said in a mosque. Local mosques are monitored via a comprehensive system of surveillance, and mosques deemed to have violated state rules suffer forced closure or conversion.[50]

Local, informal, social structures are permitted to handle most legal disputes that do not affect the agenda of the central government. This both reduces burdens on state institutions and allows for more effective enforcement of resolutions to conflicts than might be possible via state courts. However, because the system of informal justice reflects local culture, it often reinforces the marginalization of the more vulnerable members of society, including women and children.[51]

Judicial Framework and Independence

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
5.75	5.75	5.75	5.75	6.00	6.25	6.25	6.25	6.25	6.25

Tajikistan's judicial and law enforcement systems are deeply corrupt and exercise almost no independence in cases of relevance to government authorities. Violations of due process and the use of torture to extract real or false confessions are common, while acquittals are virtually unheard of.

Executive leadership routinely applies pressure to judges and prosecutors.[52] In June 2012, a court began proceedings against Supreme Court judge Nur Nurov, who admitted (on a secretly recorded tape leaked by the media in 2010) that "his leadership" had ordered him to give a harsh sentence to a high-profile defendant the Tajik government had had extradited from Russia.[53] The judiciary is firmly under the control of the president thanks to his ability to appoint and remove judges and prosecutors.

Police frequently make arbitrary arrests and beat detainees to extract confessions. Suspects are detained for extended periods, and often have insufficient access to a lawyer during the detention and pretrial period.

Although the government of Tajikistan is a signatory to several international human rights treaties, the use of torture is pervasive and the prosecution of police or jailers who use torture is rare. Amnesty's International's special 2012 report on Tajikistan describes methods of torture including, but not limited to, the use of

electric shocks, boiling water, burning with cigarettes or chemicals, mutilation of genitals, and regular beatings.[54] Representatives of the local NGO Avesto told Amnesty that victims of torture suffered from "burst ear drums, broken teeth, broken noses; dislocated jaws; loss of function in fingers after electroshock torture [...] post-traumatic stress disorders such as depression, chronic insomnia, nightmares and emotional instability."[55]

In January 2012 the newly appointed Minister of the Interior stated that the government would no longer tolerate police and security officials who illegally mistreated suspects. In the same month, the Minister of Justice claimed that there were no incidents of torture in jails during the previous year.[56] Following the release of the Amnesty International report in July, a spokesman for President Rahmon refuted the organization's findings and stated that there were only a few isolated cases of torture in Tajikistan.[57]

Police have strong incentives to use torture. It increases their ability to secure bribes for the release or protection of suspects and to meet conviction quotas. The government claims a 91 percent success rate in solving crimes and conviction rates are close to 100 percent.[58] In late 2012 the media in Tajikistan continued to report cases of torture by police and jailers,[59] and in some cases were able to produce video evidence.[60] In late September 2012, the lawyer for Sherik Karamkhudoev, the leader of the Islamic Revival Party in the city of Khorog, reported KGB interrogators had been torturing his client for nearly two months.[61]

Corruption

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
6.25	6.25	6.25	6.25	6.25	6.25	6.25	6.25	6.25	6.25

Corrupt practices are deeply embedded in Tajik society and political life. Citizens pay bribes in order to access higher education, operate businesses, secure various permits, avoid military service, and resolve legal problems. Throughout the country, road police routinely stop drivers demanding "fines." Tajiks are so accustomed to the system of bribery and corruption that they are quite likely to initiate the payment of a bribe in return for a service or favor, reacting with incredulity if their offer is rebuffed.

In comparison to other countries, Tajikistan received a very unfavorable ranking in Transparency International's most recent Corruption Perceptions Index, ranking 157 out of 182 countries on the list.[62] One survey from 2011 with a local focus found that the Tajik public considers prosecutors and police to be the most corrupt of all government representatives.[63] The U.S. Department of State reports: "Serving the interests of the Tajik citizenry, upholding the rule of law, and maintaining public order are secondary police functions that are undertaken in a serious manner only if the security of the state is threatened."[64] However, corruption extends beyond law enforcement to all sectors of government and public life, involving university instructors and officials, district level officials, city government employees, officials

in charge of the Hajj pilgrimage to Mecca, customs officials, in the prison system and in various ministries.[65]

While the law provides criminal penalties for official corruption, they are not systematically enforced. Graft is endemic and nepotism and regional hiring bias pervade all levels of government.[66] The state anticorruption agency charges a few low- and mid-level offenders, usually from government sectors that are not vital for maintaining control over the population (for example, healthcare, education, and agriculture). However, these arrests are too infrequent and arbitrary to deter graft. In general, charges of corruption against high-ranking officials and politicians are more likely a sign of that person's fall from the favor of the leadership rather than part of a genuine effort to combat corruption and embezzlement. In June, Supreme Court judge Nur Nurov was arrested following a recorded admission that his leadership had pressed him to pass harsh sentences against several high-profile defendants.[67]

---

1 U.S. State Department Bureau of Democracy, Human Rights, and Labor (USDRL), *Country Reports on Human Rights Practices for 2011: Tajikistan* (Washington, DC: USDRL, 2012), http://www.state.gov/j/drl/rls/hrrpt/humanrightsreport/index.htm.

2 "Tajik President's Son to Head Customs Service Department," Radio Free Europe/Radio Liberty (RFE/RL), 28 February 2011, http://www.rferl.org/content/tajik_president_son/2323586.html.

3 The most prominent personalities in this regard are the president's brother-in-law, his eldest son, and one of his daughters. See Alexander Sodiqov, "Tajik Authorities Vow to Fight Nepotism," CACI Analyst, 16 November 2011, http://old.cacianalyst.org/?q=node/5664.

4 "Tajikistan's 20 Most Influential People," Tajikistan Monitor, 29 December 2011, http://tjmonitor.wordpress.com/2011/12/29/top20/#more-334.

5 Konstantin Parshin, "Tajikistan: Who Let the Watchdogs Out?" Eurasianet.org, 9 February 2012, http://www.eurasianet.org/node/64980.

6 "Tajikistan Clashes: 'Many dead' in Gorno-Badakhshan," BBC News, 24 July 2012, http://www.bbc.co.uk/news/world-asia-18965366.

7 "Two demonstrators reportedly wounded in Khorog," *ASIA-Plus*, 22 August 2012, http://news.tj/en/news/two-demonstrators-reportedly-wounded-khorog.

8 "Will Tajikistan's Restive East Explode Again?" RFE/RL, 18 September 2012, http://www.rferl.org/content/tajikistan-restive-badakhshan/24712386.html.

9 "Tajik Student Protests Signal New Culture of Government Accountability," RFE/RL, 11 September 2012, http://www.rferl.org/content/tajik-student-protests-signal-new-culture-of-government-accountability/24704744.html.

10 "Tajikistan: Bazaar Blaze Highlights Market Shortcomings," Eurasianet.org, 11 September 2012, http://www.eurasianet.org/node/65895.

11 Martha Brill Olcott, *Tajikistan's Difficult Development Path* (Washington, DC: Carnegie Endowment for International Peace, 2012), 12.

12 For more on this subject, see Lawrence P. Markowitz, "Tajikistan: authoritarian reaction in a postwar state," *Democratization*, Vol. 19, No. 1 (2012), 98–113.

13 Organization for Security and Cooperation in Europe/Office for Democratic Institutions and Human Rights (OSCE/ODIHR), *Республика Таджикистана—Парламентские Выборы, 28 Февраля 2010* [Republic of Tajikistan—Parliamentary elections, 28 February 2010] (Warsaw: OSCE, 6 July 2010), http://www.osce.org/ru/odihr/74504.

14 USDRL, *Country Reports on Human Rights Practices for 2011: Tajikistan.*

15 "Three Tajik Democrats seek political asylum in Sweden," *ASIA-Plus*, 31 August 2012, http://news.tj/en/news/three-tajik-democrats-seek-political-asylum-sweden.

16 Alexey Malashenko, "Tajikistan: Civil War's Long Echo," *Carnegie Moscow Center Briefing*, Vol. 14, No. 3 (2012), 7–8, http://carnegieendowment.org/files/MalashenkoBrifing_14-3-12_eng_web.pdf.

17 "Tajikistan: NGOs feeling heat in winter," Eurasianet.org, 14 November 2012, http://www.eurasianet.org/node/66177.

18 This information is based on personal discussions between the author and representatives of local and foreign NGO and civil society groups in 2012 and early 2013.

19 Human Rights Watch, "Tajikistan: Rights group forced to close," news release, 25 October 2012, http://www.hrw.org/news/2012/10/25/tajikistan-rights-group-forced-close.

20 Zarangez Navruzshoh, "Д. Самадова: 'Дар комиссариат гуфтанд, 'шумо пашшае ҳастед, ки бо фил мечангед'" [D. Samadova: "In the commissariat they said, 'you are a fly that is fighting with an elephant'"], Radio Ozodi, 13 August 2012, http://www.ozodi.org/content/article/24675656.html.

21 "Seven members of Jamaati Tabligh convicted in northern Tajikistan," *ASIA-Plus*, 23 February 2012, http://news.tj/en/news/seven-members-jamaati-tabligh-convicted-northern-tajikistan.

22 "Муаззини масҷидро 280 сомонӣ ҷарима бастанд" [Mosque's Muezzin fined 280 Somoni], Radio Ozodi, 5 October 2012, http://www.ozodi.org/archive/tajik_domestic_news/20121005/538/16058.html?id=24729577.

23 Avaz Yuldoshev, "Only official clerics of Tajikistan may speak at mosques in Russia," *ASIA-Plus*, 16 October 2012, http://news.tj/en/news/only-official-clerics-tajikistan-may-speak-mosques-russia.

24 "Масҷиди бародарон Тӯраҷонзода бо ҳукми додгоҳ панҷвақта шуд" [With the Court's Decision the Mosque of the Turajonzoda Brothers Became a Five-Time Daily Prayer Mosque], BBC Tajik, 3 May 2012, http://www.bbc.co.uk/tajik/institutional/2012/05/120503_if_turajonzoda.shtml.

25 For an example of government pressure and harassment, see "E'tirozi Hizbi Nahzati islomi ba Kymutai amniyati milli," BBC Tajik, 10 February 2012, http://www.bbc.co.uk/tajik/institutional/2012/02/120210_sq_islam_nehzat_kgb.shtml.

26 Avaz Yuldoshev, "IRPT pays 20.000 Somoni fine," *ASIA-Plus*, 23 May 2012, http://news.tj/en/news/irpt-pays-20000-somoni-fine.

27 Mehrangez Tursunzoda, "Strength of the Islamic Renaissance party of Tajikistan grows month by month," *ASIA-Plus*, 11 April 2012, http://news.tj/en/news/strength-islamic-renaissance-party-tajikistan-grows-month-month.

28 "Prosecutor-General accuses Islamic Renaissance Party," RFE/RL, 30 August 2012, http://www.rferl.org/content/prosecutor-general-accuses-islamic-renaissance-party/24693037.html.

29 For one example of many, see Sébastien Peyrouse, *Battle on Top of the World: Rising Tensions in Tajikistan's Pamir Region* (Washington, DC: The German Marshall Fund of the United States, 29 August 2012), 1.

30 "Tajikistan: Islamic Party under pressure," Eurasianet.org, 10 August 2012, http://www.eurasianet.org/node/65773.

31 Avaz Yuldoshev, "Karamkhudoyev's lawyer says his client was tortured," *ASIA-Plus*, 27 September 2012, http://news.tj/en/news/karamkhudoyev-s-lawyer-says-his-client-was-tortured.

32 "Tajik President repeals law criminalizing libel," RFE/RL, 4 July 2012, http://www.rferl.org/content/tajikistan-president-rahmon-repeals-law-criminalize-libel/24634761.html.

33 "Tajik official cites 'crime' as Facebook, news sites still blocked," RFE/RL, 9 March 2012, http://www.rferl.org/content/tajik_envoy_osce_cites_crime_facebook_news_sites_still_blocked/24510537.html; "Tajik groups condemn blocking of Facebook, news websites," RFE/RL, 6 March 2012, http://www.rferl.org/content/tajik_groups_condemn_blocking_of_facebook_news_websites/24506665.html.

34 "An official letter with solicitation to block Facebook exists," *ASIA-Plus*, 5 March 2012, http://news.tj/en/news/official-letter-solicitation-block-facebook-exists.

35 "Access to Facebook restored in Tajikistan," *ASIA-Plus*, 12 March 2012, http://news.tj/en/news/access-facebook-restored-tajikistan.

36 Olga Tutubalina and Ramziya Mirzobekova, "Вся президентская рать" [All the President's Men], *ASIA-Plus*, 24 November 2011, http://news.tj/ru/news/vsya-prezidentskaya-rat.

37 "Beg Zuhurov explains why he ordered to block Asia-Plus website," *ASIA-Plus*, 13 June 2012, http://news.tj/en/news/beg-zuhurov-explains-why-he-ordered-block-asia-plus-website.

38 Payrav Chorshanbiyev, "Tajik communications service agency sets up body to monitor online publications," *ASIA-Plus*, 13 July 2012, http://news.tj/en/news/tajik-communications-service-agency-sets-body-monitor-online-publications.

39 Roman Kozhevnikov, "Tajikistan launches crackdown on Internet critics," Reuters, 13 July 2012, http://www.reuters.com/article/2012/07/13/net-us-tajikistan-internet-idUSBRE86C0MY20120713.

40 Payrav Chorshanbiyev, "Tajik official blames technical problems for lack of communications link with Khorog," *ASIA-Plus*, 26 July 2012, http://news.tj/en/news/tajik-official-blames-technical-problems-lack-communications-link-khorog.

41 "Интиқоди созмонҳои мудофеъи озодии баён аз амалкарди Идораи иртиботот" [Criticism of the organizations that defend freedoms of expression regarding the communications agency], BBC Tajik, 3 August 2012, http://www.bbc.co.uk/tajik/institutional/2012/08/120803_zkh_massmedia_badakhshan_operation.shtml; and "Tajikistan criticized for blocking access to news websites," RFE/RL, 2 August 2012, http://www.rferl.org/content/dushanbe-criticized-for-blocking-access-to-news-websites/24665126.html.

42 "Интиқод аз ширкати суэдӣ дар робита ба бастани интернет дар Тоҷикистон" [Criticism from Swedish Company in Relation to the Blocking of the Internet in Tajikistan], BBC Tajik, 16 August 2012, http://www.bbc.co.uk/tajik/institutional/2012/08/120815_l16_swedish_telecom.shtml.

43 Konstantin Parshin, "Tajikistan: Journalists push back against mounting media restrictions," Eurasianet.org, 12 October 2012, http://www.eurasianet.org/node/66043.

44 Roman Kozhevnikov, "Tajikistan blocks Facebook access to silence critics," Reuters, 27 November 2012, http://www.reuters.com/article/2012/11/27/net-us-tajikistan-facebook-idUSBRE8AQ0JY20121127.

45 "Media watchdog head reportedly attacked by unknown people at Khujand airport," *ASIA-Plus*, 6 March 2012, http://news.tj/en/news/media-watchdog-head-reportedly-attacked-unknown-people-khujand-airport.

46 Nargis Hamroboyeva, "Reporters Without Borders' provide assistance to TV Safina's reporter," ASIA-Plus, 25 May 2012, http://news.tj/en/news/reporters-without-borders-provide-assistance-tv-safina-s-reporter.

47 Payrav Chorshanbiyev, "Attack on Atovulloyev may have been politically motivated, says Tajikinfo editor," *ASIA-Plus*, 16 January 2012, http://news.tj/en/news/attack-atovulloyev-may-have-been-politically-motivated-says-tajikinfo-editor.

48 Hafiz Boboyorov, "Kinship and Islam: The Role of Collective Identities in Shaping Institutional Order of Patronage in Southern Tajikistan" (Dissertation, Rheinischen Friedrich-Wilhelms-Universität, December 2011), 94.

49 For full analyses of the system of incentives and coercion used to enforce the cotton harvest, see Shinan N. Kassam, "One explanation for why farmers produce cotton collectively in post-Soviet Tajikistan" (Dissertation, University of British Columbia, July 2011); and Hafiz Boboyorov, "Kinship and Islam: The Role of Collective Identities in Shaping Institutional Order of Patronage in Southern Tajikistan" (Dissertation, Rheinischen Friedrich-Wilhelms-Universität, December 2011).

50 Mekhrangez Tursunzoda, "В Таджикистане соборные мечети оснащают камерами видеонаблюдения" [In Tajikistan, the grand mosques are equipped with surveillance cameras], *ASIA-Plus*, 11 August 2012, http://www.news.tj/ru/news/v-tadzhikistane-sobornye-mecheti-osnashchayut-kamerami-videonablyudeniya; and "Illegal Tajik mosques turned into teahouses," Central Asia Newswire, 29 June 2012, http://www.universalnewswires.com/centralasia/viewstory.aspx?id=12315.

51 Azita Ranjbar, "Informal Justice in Tajikistan" (Eurasia Foundation, January 2012), 4.

52 USDRL, *Country Reports on Human Rights Practices for 2011: Tajikistan.*

53 "Criminal proceedings will be instituted against Supreme Court Judge Nour Nourov," ASIA-Plus, 15 June 2012, http://news.tj/en/news/criminal-proceedings-will-be-instituted-against-supreme-court-judge-nour-nourov.

54 Amnesty International, *Shattered Lives: Torture and Ill-Treatment in Tajikistan* (London: Amnesty International, 2012), 5.

55 Ibid, 19.

56 Nargis Hamroboyeva, "No cases of use torture in penitentiary facilities reported in Tajikistan," *ASIA-Plus*, 19 January 2012, http://news.tj/en/news/no-cases-use-torture-penitentiary-facilities-reported-tajikistan.

57 "Tajik authorities deny Amnesty Int'l report about torture in Tajikistan as baseless," *ASIA-Plus*, 13 July 2012, http://news.tj/en/news/tajik-authorities-deny-amnesty-int-l-report-about-torture-tajikistan-baseless.

58 In 2011, there were only 15 full acquittals out of 5,973 cases. US State Department Bureau of Democracy, Human Rights and Labor, *Country Reports on Human Rights Practices for 2011: Tajikistan* (Washington, DC: US State Department, 2012), http://www.state.gov/j/drl/rls/hrrpt/humanrightsreport/index.htm.

59 "Маҳбуси собик: 'Аз зиндонҳо касе солим бадар намеравад'" [Former Prisoner: "Those Released from Prison do not come out Healthy"], BBC Tajik, 13 October 2012, http://www.bbc.co.uk/tajik/news/2012/10/121012_zkh_prison_torture_interview.shtml; and "Шикояти пайвандони Сангов аз тасмими додситонии Душанбе" [Complaint of Sangov's Relatives about Decision of the Dushanbe Prosecutor], BBC Tajik, 18 October 2012, http://www.bbc.co.uk/tajik/news/2012/10/121018_zkh_court_torture_police.shtml.

60 Farangis Najibullah and Salimjon Aioubov, "Video footage shows alleged ill-treatment of Tajik inmates," RFE/RL, 13 December 2012, http://www.rferl.org/content/tajikistan-prisoner-abuse-video-footage/24797911.html.

61 Avaz Yuldoshev, "Karamkhudoyev's lawyer says his client was tortured," *ASIA-Plus*, 27 September 2012, http://news.tj/en/news/karamkhudoyev-s-lawyer-says-his-client-was-tortured

62 Transparency International, *Corruption Perceptions Index 2012* (Berlin: Transparency International, 2012), http://www.transparency.org/cpi2012/results.

63 Center for Strategic Studies under the President of Tajikistan, *Социологический обзор по восприятию и отношению к коррупции и борьбе против коррупции в Таджикском обществе* [Sociological review on perceptions and attitudes toward corruption and the fight against corruption in Tajik society] (Dushanbe: Center for Strategic Studies, 2011).

64 United State Department of State Bureau of Diplomatic Security, *Tajikistan 2012 OSAC Crime and Safety Report* (Washington, DC: US State Department, 5 April 2012), https://www.osac.gov/Pages/ContentReportDetails.aspx?cid=12321.

65 "Коррупция" [Corruption], *ASIA-Plus*, 2011-2012, http://news.tj/ru/news/bezopasnost/korruptsiya.

66 USDRL, *Country Reports on Human Rights Practices for 2011: Tajikistan.*

67 "Criminal proceedings will be instituted against Supreme Court Judge Nour Nourov," *ASIA-Plus*, 15 June 2012, http://news.tj/en/news/criminal-proceedings-will-be-instituted-against-supreme-court-judge-nour-nourov.

Turkmenistan

by Annette Bohr

Capital: Aşgabat
Population: 5.1 million
GDP/capita, PPP: US$8,690

Source: The data above are drawn from the World Bank's *World Development Indicators 2013.*

Nations in Transit Ratings and Averaged Scores

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Electoral Process	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00
Civil Society	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00
Independent Media	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00
Governance*	7.00	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
National Democratic Governance	n/a	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00
Local Democratic Governance	n/a	7.00	7.00	7.00	6.75	6.75	6.75	6.75	6.75	6.75
Judicial Framework and Independence	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00
Corruption	6.25	6.50	6.75	6.75	6.75	6.75	6.75	6.75	6.75	6.75
Democracy Score	6.88	6.93	6.96	6.96	6.93	6.93	6.93	6.93	6.93	6.93

** Starting with the 2005 edition, Freedom House introduced separate analysis and ratings for national democratic governance and local democratic governance to provide readers with more detailed and nuanced analysis of these two important subjects.*

NOTE: The ratings reflect the consensus of Freedom House, its academic advisers, and the author(s) of this report. The opinions expressed in this report are those of the author(s). The ratings are based on a scale of 1 to 7, with 1 representing the highest level of democratic progress and 7 the lowest. The Democracy Score is an average of ratings for the categories tracked in a given year.

Executive Summary

Despite initial hopes that the rule of President Gurbanguly Berdimuhamedow would result in a gradual opening of society, independent Turkmenistan has experienced no meaningful democratic liberalization since the death of its first ruler, Saparmurat Niyazov, in 2006. The leadership is able to sustain its rule through extensive security services and patronage networks financed by revenues from hydrocarbon exports. This continuity has rendered the person of the leader relatively interchangeable, despite the existence of a highly developed presidential personality cult. The acute shortage of qualified personnel and the relatively small size of Turkmenistan's intelligentsia also limit opportunities for reform.

In 2012, Berdimuhamedow was elected to a second term in a tightly controlled, multicandidate election. Turkmenistan's human rights record drew criticism from the United Nations Human Rights Committee, which in March reviewed the country's first-ever report to the body, submitted over a decade after its initial due date. Throughout the year, the leadership maintained extreme restrictions on citizens' personal freedoms. Nevertheless, the growth of social-networking and video-sharing websites has increased the possibilities for coordinating potential opposition.

National Democratic Governance. Turkmenistan's political institutions continue to be manipulated by government leadership to provide a veneer of legitimacy to the regime; in reality, all decision-making power is concentrated in the executive branch. The parliament opetates as a presidential appendage, and presidential decree is the usual mode of legislation. In February 2012, Berdimuhamedow, entering his second term, confirmed the appointments of all government ministers and the heads of law enforcement and military organs. Unlike former president Niyazov, who avoided developing kinship-based networks, Berdimuhamedow has appointed relatives and persons from his home region in the Western Ahal Province to a number of senior government posts. *Turkmenistan's rating for national democratic governance remains unchanged at 7.00.*

Electoral Process. February 2012 saw the first multicandidate presidential election in Turkmenistan's history, though the process and outcome of the vote remained carefully controlled. Elections in independent Turkmenistan retain many of the features of the Soviet era, such as full participation and near-unanimous support for the winning candidate. Every one of the 2012 election's eight candidates, including Berdimuhamedow belonged to the government-sponsored Democratic Party of Turkmenistan (DPT). Berdimuhamedow was reelected with a predictable landslide majority. In January, the Mejlis adopted a long-awaited Law on Political Parties—too late for candidates from alternative parties to participate in the 2012

presidential poll. The law, which eventually led to the creation of Turkmenistan's first state-sponsored, "opposition" party, also placed onerous restrictions on the creation and operations of new parties. *Turkmenistan's rating for electoral process remains unchanged at 7.00.*

Civil Society. The work of domestic and foreign nongovernmental actors remains strictly monitored, and the leadership introduces hurdles and penalties against entities whose operations it wishes to impede. The Peace Corps, which had operated in Turkmenistan since 1993, closed all its programs in December. Unregistered NGO activity is punishable by a fine, short-term detention, and confiscation of property. All political parties, public associations, and religious congregations are required to register with the Ministry of Fairness to gain legal status. In 2012, there were numerous prisoners of conscience in the country, including Jehovah's Witnesses who refused or evaded compulsory military service. In February, a Pentecostal pastor sentenced in 2010 to four years in prison on trumped-up charges was freed under a general amnesty, but later in the year Protestant Christians became subject to increased raids and pressure. *Turkmenistan's rating for civil society remains unchanged at 7.00.*

Independent Media. Despite nominal constitutional protections for press freedom and freedom of expression, the government maintains near-total control over the media. The state employs a number of censorship techniques, from information blackouts in state media to internet and text-message filtering, cyber-attacks, and surveillance. Turkmenistan's first media law, which claims to forbid censorship and "interference in the activities of the media," was passed by the Mejlis in December 2012. Turkmenistan has one of the world's lowest official internet penetration rates, though an additional 14 percent of the population accesses the internet through mobile phones. In August, Russia's Mobile TeleSystems (MTS) resumed service to Turkmen users after being cut off by the government in 2010. *Turkmenistan's rating for independent media remains unchanged at 7.00.*

Local Democratic Governance. Tribal identities remain strong in Turkmenistan and play an important role in Turkmen society and informal local politics. The country's *hokims*, or governors, are directly appointed by the president. Since 2007, Berdimuhamedow has made a number of changes to the decaying education infrastructure. In 2012, national universities accepted more students than in the previous year, and it was announced that general secondary schools would switch to a 12-year system. However, there is a chronic shortage of qualified teachers; bribes are regularly accepted for places in universities; students enrolled at foreign universities are often barred from traveling abroad to continue their studies; and youth are required to miss significant amounts of instruction time to participate in state events. Berdimuhamedow's regime has also invested heavily in the country's healthcare infrastructure: in April 2012, the government announced plans to pour an additional $500 million into the healthcare system by the end of 2016. However, new medical

facilities are neither accessible to the vast majority of the population nor staffed with qualified medical personnel. Meanwhile, relatively few funds have gone toward the modernization of basic infrastructural needs, particularly in Turkmenistan's villages. *Turkmenistan's rating for local democratic governance remains unchanged at 6.75.*

Judicial Framework and Independence. In March 2012, Turkmenistan submitted its initial report to the United Nations Human Rights Committee, which pointed to various aspects of the country's "troubling" human rights record, including the use of torture and degrading treatment in detention facilities.. Turkmenistan's imprisonment rate is reported to be among the highest in the world, which has led to serious overcrowding and the spread of disease in the prison system. In April, after years of rebuffed requests, the International Committee of the Red Cross (ICRC) was permitted to visit a juvenile correction facility, though the government has yet to allow the ICRC to visit a standard prison. The former chairman of parliament, Ovezgeldy Atayev, once designated to succeed Niyazov as interim president, was released from prison in March. Authorities have used "blacklists" and arbitrary confiscation of passports to restrict freedom of movement, and a the revised Law on Migration adopted in April gives officials even greater discretion to restrict entry to and exit from Turkmenistan. There were reports of a sharp growth in the number of deportations of Turkmen citizens living illegally in Turkey and other countries, prompting authorities to step up border controls. Residents holding both Turkmenistani and Russian passports continued to feel pressure to relinquish their Russian citizenship in order to receive new biometric passports, possession of which will become mandatory in 2013 for travel outside the country. *Turkmenistan's rating for judicial framework and independence remains unchanged at 7.00.*

Corruption. Turkmenistan ranks among the world's worst performers in annual indices measuring corruption and economic freedom. There is still a notable lack of transparency with regard to economic figures, including government income, spending, and extra-budgetary accounts. Berdimuhamedow presides over a system that enables him to legally appropriate and use at his own discretion the revenues from hydrocarbons sales. The country's patronage networks have given rise to a political culture of bribery, nepotism, and embezzlement, and in 2012, there were several reports alleging cronyism among the president's relatives. Berdimuhamedow also continued to use public monies to fund showcase architectural projects carried out by foreign firms. *Turkmenistan's rating for corruption remains unchanged at 6.75.*

Outlook for 2013. Investment in the country's infrastructure—including the construction of expensive vanity projects—will continue, while strict political controls and a lack of qualified specialists will persist in impeding the implementation of political and economic reforms. Liberalization is unlikely to come to Turkmenistan until a collection of social and cultural changes occur, including higher levels of education and a concomitant growth in the number of intellectual elites, increased levels of occupational specialization and urbanization, and a freer media environment.

Main Report

National Democratic Governance

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
n/a	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00

Despite constitutional stipulations regarding the separation of powers, only the executive branch exercises any real authority in practice. President Gurbanguly Berdimuhamedow retains broad powers to appoint officials and enact laws, and the parliament (*Mejlis*) operates as a presidential appendage. Presidential power draws strength from a cult of personality that Berdimuhamedow's administration (including public officials at all levels) actively nurtures, as well as an extensive security apparatus that suppresses political opposition.

President Berdimuhamedow holds the posts of president of the republic, chairman of the Council of Ministers (prime minister), chairman of the Council of Elders, head of the Council for Religious Affairs (*Genges*), supreme commander-in-chief of the National Armed Forces, chairman of the Higher Council of Science and Technology, and chairman of the Democratic Party of Turkmenistan (DPT). He has also accumulated honorific titles and degrees, including "Hero of Turkmenistan," two doctor of sciences degrees (for economics and medicine), the title of army general, and a black belt in karate that was awarded to him for his contribution to the development of the sport. In 2010, the anniversary of the president's inauguration (February 14) began to be celebrated as a national holiday. In 2012, the president's activities remained the primary focus of state media and, by mid-year, five volumes of his selected works, entitled *Towards the New Heights of Progress*, had been published.

Reminiscent of former president Saparmurat Niyazov's honorific title of *Turkmenbashi* ("head of all Turkmen"), in 2011, the Council of Elders bestowed on Berdimuhamedow the title of *Arkedag*, which means "Protector" or "Protective Mountain." In October 2012, a national contest among writers, artists, and singers to praise the country produced winning songs titled, for example, "Together with Arkedag" and "Arkedag the Hero."[1] Theaters throughout the country staged productions glorifying the president, such as *The Heart of the Protector Beats for His People* and *Protector, Let Your Path be Glorious*.[2] The personality cult was also extended to Berdimuhamedow's still-living father in October 2012, when a monument to him was unveiled in the president's hometown of Yzgant.

Particularly lavish or innovative ways of praising the ruler can result in promotion or access to scarce resources. Thus, the leadership cult is not simply manufactured and promulgated "from the top" but is also sustained "from below," as both an accepted and familiar means for civil servants to facilitate social mobility and remain above suspicion. Turkmenistan is a police state in which the Ministry of

National Security (MNS) has the responsibility of ensuring that the regime remains in power by tightly controlling and discouraging dissent. The Ministry of Internal Affairs directs the criminal police, who work closely with the MNS on matters of national security. Both ministries, as well as the president's private militia, abuse the rights of individuals. The armed forces have been stripped of any real security functions, with the consequence that the MNS is responsible for military counter-intelligence, rather than the Ministry of Defense. Meanwhile, the revised 2008 constitution grants notable authority to the State Security Council, a body of leading defense and security officials that is empowered to choose a deputy prime minister to serve as acting president in the event that the president is no longer able to perform his duties.

The president appoints the members of government and the Central Election Commission, as well as high-ranking judges. He was also granted the power under the 2008 constitution to directly appoint the country's governors. In February 2012, Berdimuhamedow confirmed the appointments of all government ministers and heads of law enforcement and military organs.

Over time, the fear of potential political challengers has led to widespread, regular purges of officials. However, after large-scale shakeups in 2007-2008, Berdimuhamedow's regime has replaced or rotated officials much less frequently, allowing them greater possibilities to establish their own power bases. Whereas during the final years of Niyazov's rule, governors (*hokims*) typically served less than a year, under Berdimuhamedow, it has not been uncommon for some regional *hokims* to serve 30 months or even longer. When they are replaced, it is generally by a native to the region in question, as opposed to an outsider.[3]

A disproportionate number of influential positions in the central government tend to go to members of Niyazov and Berdimuhamedow's own tribe, the Ahalteke, although this is in part owing to the fact that the capital of Aşgabat is located in the Ahal Region, where Ahaltekes predominate. Notable under Berdimuhamedow is the appointment of relatives and persons from his home region in the Western Ahal Province to some senior posts, in sharp contrast to the orphaned Niyazov, who steered clear of kinship-based networks.

Electoral Process

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00

Elections in independent Turkmenistan have retained many of the features of the Soviet period, such as reportedly full participation and near-unanimous support for winning candidates. The 2012 presidential election marked the first time that an incumbent president ran in a multicandidate election for the presidency. Niyazov had a lifelong tenure in the post, and Berdimuhamedow was interim president at the time of the 2007 presidential election. The authorities solved the problem of

finding candidates to run against the exalted *Arkedag* by hand-picking candidates, all from the government-sponsored Democratic Party of Turkmenistan (DPT), through orchestrated nominations by citizens' initiative groups comprised of public sector employees.

The seven candidates to run against Berdimuhamedow came from all regions of the country and represented a variety of industries and professions, thereby diluting the standing of any single opponent while giving the contest the necessary appearance of pluralism. One schoolteacher from Aşgabat who was supported by an unregistered nongovernmental organization (NGO) claimed that her application to run for president was rejected by election officials.[4] Berdimuhamedow won with a predictable landslide majority (97 percent).[5] Elections were later held in August for district, town, and village councils (*gengeşlar*). The Central Election Commission announced that these elections were multicandidate as well.

All political parties are required by law to register with the Ministry of Justice (renamed the Ministry of Fairness in September 2003), thereby allowing the government to deny official status to groups that are critical of its policies. Until 2012, other than the DPT and the Galkynyş National Revival Movement, which had been established to unite several state-sanctioned NGOs, no parties or movements were legally registered. In December 2011, Galkynyş was dissolved when the president declared that public associations must henceforth "act on their own, feeling their responsibility to state and society."[6]

Despite the registration requirement, no law on political parties had been adopted in Turkmenistan prior to 2012, meaning even the DPT was formed without a legal basis. The *Mejlis* finally adopted legislation in January 2012—too late, however, for candidates from alternative parties to contest the forthcoming presidential election. Moreover, the Law on Political Parties included several onerous restrictions on the formation of new parties: No fewer than 1,000 members are required to found a party; a party must be represented in all regions and cities with regional status; and the names of all members must be reported to the Ministry of Fairness, whose representatives must be permitted to attend party meetings.

Using this new legislation to its strategic advantage, the state-sponsored Union of Industrialists and Entrepreneurs launched Turkmenistan's first "opposition" party, the Party of Industrialists and Entrepreneurs, in August. Ostensibly, the party would bring together representatives of small- and medium-sized businesses. Little information was published about the party's agenda or its chairman, Orazmammed Mammadov, except that he had studied teaching at Turkmenistan State University and was a "specialist" for the union.[7] By making the superficial shift to multiparty politics, Turkmenistan's leadership is able to claim that it meets one of the criteria set by some international financial institutions and Western governments for further investment and cooperation. It also enables the country to keep pace with its Central Asian neighbors: Uzbekistan has long had artificially created "pocket parties" in its parliament, while Kazakhstan finally allowed two additional parties—both of which are loyal to the regime—to enter its parliament in January 2012.

Unrelenting harassment by the authorities has driven Turkmenistan's relatively small, unofficial opposition either underground or into exile, primarily in Russia and some Western European countries. The opposition-in-exile remains weak and prone to internal division, although some independent human rights activists operating abroad publish regular reports on the country's domestic and foreign politics.

Civil Society

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00

The state of civil society has changed little on the ground under Berdimuhamedow's leadership. The work of domestic and foreign nongovernmental actors remains strictly monitored, and the leadership introduces hurdles and penalties against entities whose operations it wishes to impede. After years of government wariness towards the program, the Peace Corps, which had sent more than 740 volunteers to the country since 1993, closed all its programs in December 2012.[8]

The 2003 Law on Public Associations requires all NGOs to register with the Ministry of Fairness, which also approves their internal governance structures. The law demands a high number of founding members for registration, and authorities can suspend registration after two written reprimands.[9] All foreign assistance must be also registered with the Ministry of Fairness and coordinated with the Ministry of Economics and Development and the Ministry of Foreign Affairs.

Groups without official sanction wishing to register as NGOs continue to have their applications either turned down or dragged out for years. Consequently, many groups have chosen either to register as business societies or to forego the bureaucratic process and operate covertly, although the penalties for unregistered activity can be severe: fines, short-term detention, and confiscation of property. While in 2000 there were approximately 200-300 registered and unregistered NGOs, by 2011, that number had dwindled to 99 public associations registered with the Ministry of Fairness, the vast majority of which either supported the government or received direct government support. Sports groups and government-organized NGOs were reported to account for more than three-quarters of the list of registered public associations.[10]

Human rights activists live under constant threat of persecution and imprisonment. According to Human Rights Watch, state security services warned human rights defenders in July and August 2012 not to attend welcoming meetings for either the new ambassador to Turkmenistan from the Organization for Security and Cooperation in Europe (OSCE) or the OSCE representative on freedom of the media.[11] In February, one of the few openly active human rights defenders in the country found a bloody sheep's head on her door in Aşgabat after giving an interview to the Turkmen Service of the U.S.-funded Radio Free Europe/Radio Liberty (RFE/RL).[12]

Religious activity also remains tightly controlled in Turkmenistan. Religious matters are administered by the Council on Religious Affairs (CRA), whose members are appointed by the government and report to the president. The CRA controls the hiring, promotion, and firing of Sunni Muslim and Russian Orthodox clergy, who are required to report regularly to the CRA.

All religious congregations are required to register with the Ministry of Fairness. Unregistered religious activity is banned. In its first-ever report to the United Nations Human Rights Committee, reviewed in March 2012, Turkmenistan's government stated that 128 religious communities were registered, among which 104 were Muslim (Sunni and Shiite), 13 were Russian Orthodox, and 11 were of other faiths, including Protestant religions, Baha'i, Catholicism, and Hare Krishna.[13] Minority religious groups such as the Lutherans, Jehovah's Witnesses, the Armenian Apostolic church, and Jewish communities remain unregistered.

According to a joint report issued in 2010 by the religious freedom watchdog Forum 18 and the Open Society Foundations (OSF), Berdimuhamedow's regime has taken "a significant step backward" in the sphere of religious rights by "presid[ing] over the renewed imprisonment of conscientious objectors to compulsory military service."[14] In October 2012, Forum 18 reported that, in addition to an unknown number of Muslim prisoners of conscience, at least four Jehovah's Witnesses were in prison for refusing compulsory military service. Another five were serving suspended prison sentences.[15]

Other systematic religious rights violations under Berdimuhamedow include severe restrictions on religious education, raids on both registered and unregistered groups, and restrictions on places of worship. In February 2012, a Pentecostal pastor sentenced in 2010 to four years in prison on trumped-up charges of swindling was freed under a general amnesty.[16] Later in the year, however, Protestant Christians became subject to increased raids and pressure.[17] Forum 18 and OSF have found that the only religious group to be exempt from some government restrictions is the Russian Orthodox Church, though it is not clear why.

Since the late 1980s, the country's leadership has attempted to co-opt Islam as a fundamental component of its overarching nation-building campaign and prevent its emergence as a locus of oppositional activity. In 2012, as in most previous years, one planeload of 188 pilgrims—including MNS secret police and other officials—was allowed to travel to Mecca, which represented less than 5 percent of the quota believed to be allocated to Turkmenistan by authorities in Saudi Arabia.[18] Muslims are not allowed to travel abroad for religious education, and the Magtymguly Turkmen State University remained in 2012 the only university-level institution where the government allowed a small number of men to be trained as imams.

Little is known about the existence of radical Islamist groups in Turkmenistan beyond a few allusions in unofficial media. According to the seasoned Turkmen blogger and journalist operating under the pen name Annasoltan, pockets of followers of Hizb-ut-Tahrir and other groups, including Tablighi Jamaat, Atageldi aga, and Myrat aga, "play a much more significant role in Turkmenistan's underground political life than the government ever admitted," although the

evidence is circumstantial. According to Annasoltan, rather than advocating jihad, "hidden Islamists" are using the internet "to directly propagandize regular Turkmen."[19]

Independent Media

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00

Turkmenistan's first media law, which claims to forbid censorship and "interfering in the activities of the media," was passed by the *Mejlis* in December 2012.[20] Having been drafted with the assistance of the OSCE, the law conforms to international standards, but it is highly unlikely to serve any practical effect in liberalizing the country's carefully controlled media. Turkmenistan continues to employ a number of techniques to censor information, from internet and text-message filtering, cyber-attacks, and surveillance to old-fashioned blackouts in state-run media. In the lead-up to the presidential election in February, for example, the website of the Austria-based Turkmen Initiative for Human Rights was disabled for nine days owing to hacking, which was widely believed to have been undertaken by state officials.[21]

The country's media organizations uphold the ideological line of the state, which controls the mass media through the State Information Agency of Turkmenistan (TDH). In addition to 25 newspapers and 15 journals, 7 state television channels and 4 state radio stations function as mouthpieces for government propaganda. Much of their content focuses on praising the president. Turkmenistan regularly denies visas to foreign correspondents; the few correspondents who manage to enter the country are accompanied by "minders" from the security services who severely restrict their movements and choice of interview partners. According to the Russian newspaper *Argumenty i Fakty* (Arguments and Facts), foreign journalists in Turkmenistan who meet with unauthorized persons are subject to a fine and/or a 14-day jail sentence and expulsion from the country.[22] Ordinary citizens are still unable to subscribe to any foreign periodicals at their home addresses, and foreign print matter remains generally inaccessible.[23]

In May 2011, Turkmenistan founded a National Space Agency, a major goal of which is to launch a commercial satellite in 2014 to develop the country's communications systems.[24] The satellite should end Turkmenistan's dependence on the Russian JSC Gazprom Space Systems satellite for TV transmissions. Aside from the radio programs of the Turkmen Service of RFE/RL and the Russian service of Deutsche Welle that are specifically targeted at Turkmenistani listeners, satellite television—widely viewed throughout Aşgabat and in other cities—provides the most popular as well as the only source of alternative media information. A new presidential order to remove private satellite dishes was issued in August 2011, which the government is likely to enforce with greater vigor once Turkmenistan launches its own satellite and creates a cable network, thereby enabling the

authorities to control the selection of both domestic and foreign channels available to the country's viewers.

The expansion of mobile telephone services, estimated to be used by 63 percent of the population,[25] is arguably has been the Berdimuhamedow regime's greatest contribution towards increased personal freedom, although this progress experienced a major setback at the end of 2010. In December, Turkmenistan's Communications Ministry suspended the operations of Russia's Mobile TeleSystems (MTS), the largest mobile services provider in the country, instantly cutting off nearly half of the population's mobile phone access and drastically reducing their internet usage. The move was widely viewed as an attempt on the part of Turkmenistan's government to halt MTS's rapid takeover of the country's market at the expense of Altyn Asyr, a subsidiary of state-owned Turkmen Telekom. It was also posited that the authorities had been dissatisfied with their ownership stake in MTS as well as with their dwindling ability to monitor the mobile access to the internet that MTS provided. Following the suspension of MTS's operations, huge lines formed at the offices of Altyn Asyr, requiring officials to call in troops to maintain order. Altyn Asyr proved unable to meet demand, with the result that authorities were forced to ration SIM cards[26]and ultimately decided to restore MTS's license. MTS resumed providing services in August 2012 and reported that it had connected 615,000 subscribers on its first day of operation alone.[27]

Turkmenistan has one of the world's lowest official internet penetration rates at 2.2 percent, excluding mobile access. (Mobile internet users are estimated at 14 percent of the population, of which 6 percent had 3G service.) Turkmen Telekom undertook to connect private citizens to the internet for the first time only in June 2008, and long waits and administrative requirements, including a signature from the local police station, continue to hinder access. Additionally, dial-up access rates are inordinately expensive for the average citizen and service is unreliable and slow—even Afghanistan's average download speed is more than twice as fast.[28] Authorities block internet websites critical of official government policy and many independent news sites, although patterns of censorship are inconsistent. Unlike in other closed societies, such as China and Iran, circumvention tools used to bypass internet blocking systems are relatively unknown in Turkmenistan, while many internet users who are aware of them are fearful of using them.[29] However, in April 2012, there were over 80,000 page views of a popular Turkmen news service via Psiphon, an open-source web proxy that can be used to access blocked sites.[30]

Although many sites like YouTube and LiveJournal remain blocked, Berdimuhamedow's rule has seen the advent of a small Turkmen-language online community, or the "Turkmenet." Although pseudonyms are widely used and overtly political discussions are generally avoided, the Turkmenet has allowed for limited sharing of views that dissent from the official government line.[31] Blogs have also been posted on a number of subjects not discussed in state media, ranging from Turkmen-language hip-hop and other popular underground music to political Islamism. Chat sites, such as Talyplar.com and Teswirler.com, have grown in popularity. Teswirler.com, which was heavily used by graduates of the Turkmen-

Turkish schools, closed in July 2011, due to pressure from the government to monitor comments of a political nature.[32] It has been replaced by Ertir.com. While Facebook and Twitter can be very slow to open, prompting increasing numbers of Turkmen to try forums such as Vkontakte.ru and Odnoklassniki.ru, one of the most active pages on the Turkmenet is the Facebook page "JaPBaKlaR," named after characters in a novel by the Turkmen writer Berdi Kerbabayew. It receives as many as 30,000 unique visits per week.[33]

Local Democratic Governance

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
n/a	7.00	7.00	7.00	6.75	6.75	6.75	6.75	6.75	6.75

Power in Turkmenistan's five regions (*welayatlar*), its districts (*etraplar*), and its cities is vested in the largely decorative people's councils (*halk maslahatlary*). Villages have legislative councils (*gengeşlar*), whose members are directly elected for five-year terms. The more than 600 *gengeşlar* are administered by councilors (*arçinlar*), who are elected from among their respective memberships. The gengeşlar are responsible for confirming local budgets, accounting for the rational use of natural resources, protecting the environment, overseeing sanitation and water-supply sources, and organizing moral and patriotic education among youth.[34] In reality, however, they follow the instructions of the *hokims*, who are directly appointed by the president.

Tribal identities, which continue to play an important role in Turkmen society and informal politics, manifest in the maintenance of preferential networks, endogamy, and the persistence of dialects. Virtually all Turkmen have at least a minimal knowledge of their own tribal affiliation, which is still a relatively reliable indicator of birthplace. There are some 30 tribes, comprising more than 5,000 clans. The state flag contains five carpet guls (a design used in producing rugs), each of which is associated with a different tribe.

With the advent of independence, Turkmenistan accorded a *de facto* higher status to its titular population, ethnic Turkmen, and adopted policies and practices to promote their interests. Many jobs in the public sector were effectively closed to non-Turkmen, particularly in the judicial system, law enforcement, security agencies, and financial and military organizations. A de facto ban exists on all ethnic cultural centers and non-Turkmen media sources (with the exception of two print publications in the Russian language). In December 2012, Turkmenistan carried out its first census since 1995, the information-gathering stage of which was completed in just 12 days by 25,000 workers across the country, according to the State Statistics Committee.[35] The 1995 census data listed a population of 4.481 million, 77 percent of whom were Turkmen, 9.2 percent Uzbek, and 6.7 percent Russian.[36] Turkmenistan told the UN Committee on the Elimination of Racial Discrimination in the mid-2000s that the country's ethnic composition was 94.7 percent Turkmen and 5.3 percent minorities, which, if accurate, would mean a more than 17 percent increase in the share of the titular population over roughly

ten years.[37] The results of the 2012 census will reveal the government's new official breakdown of population groups.

From approximately the year 2000, Niyazov's government dismantled key areas of the country's public sector, including education. Since coming to power, Berdimuhamedow has made a number of changes to the decaying education infrastructure, including restoring the tenth year of compulsory education, extending the period of higher education from two to five years, and widening the range of academic subjects available for study. He reopened the Academy of Sciences, which, before its closure in 1993 had acted as the mainstay of the scientific and academic communities, and established a Supreme Council on Science and Technology. In August 2012, it was announced that general secondary schools would switch to a 12-year system starting in 2013.[38] One month later, the president asked his cabinet to consider setting up a new English-language university in Aşgabat—a proposal that bears a striking resemblance to the establishment of Nazarbayev University in neighboring Kazakhstan.[39] National universities also accepted more students in 2012 than in the previous year, and the newly established State Oil and Gas Institute welcomed its first students in September.

In practice, however, many of Berdimuhamedow's educational reforms lack substance. The tenth year's curriculum is reported to be the same as that of the ninth year; textbooks for most years and subjects are outdated, ideologized and in short supply; and despite the flurry of new schools being built, there is a chronic shortage of qualified teaching personnel. Furthermore, unofficial reports indicate that the long-standing practice of paying large bribes—sometimes thousands of U.S. dollars—to procure a place in universities, institutes, and even some secondary schools has not abated.

The government sponsors students each year to study in foreign countries, although a far greater number arrange to go abroad privately,[40] particularly in Kyrgyzstan and Tajikistan, where tuition fees are relatively low. In a continuation of a practice begun in 2009, in July and August 2012, the migration office of the Aşgabat airport barred some students enrolled at foreign universities from traveling to continue their studies. As on previous occasions, the government did not provide an explanation for these actions, although they appear to have been attempts to circumscribe the exposure of students to alternative models of education and ideologies; moreover, many young Turkmen studying abroad have chosen not to return to Turkmenistan after receiving their degrees. In 2011, the authorities transformed Turkmen-Turkish secondary schools that had been in operation since the early 1990s into regular state schools, ostensibly owing to concerns about the influence of the Turkish Islamic movement, Nurchilar, that had supported the schools since their inception; only the Turkmen-Turkish University in Aşgabat was unaffected.[41]

Participation in state-sponsored events, such as national holiday celebrations, cultural festivals, and greetings for high-ranking visitors, continue to be compulsory for teachers and students, reducing instruction time by up to 80 days a year. In the run-up to the anniversary celebrations of Turkmenistan's independence in October

2012, hundreds of students from the sixth to the tenth grades were exempted from school for up to a month in order to participate in daily rehearsals at stadiums and squares. Moreover, in order to demonstrate large-scale participation, some celebrations were staged and prerecorded, and students and public sector employees were sent from one regional event to another so that TV crews could gather footage.[42] The Turkmen Initiative for Human Rights reported that festivities for Neutrality Day (12 December) were halted when two students caught pneumonia and died after having to rehearse outdoors for long periods in light clothing.[43]

In contrast to his predecessor, Berdimuhamedow has invested heavily in the country's healthcare infrastructure. The regime has constructed a number of sanatoria and diagnostic and specialist centers in regional capitals, including the International Center for Head and Neck Diseases and the Oncology Center in Aşgabat, which is eight stories with a gold façade. According to Turkmen media, the total cost of constructing health facilities over the past 10 years exceeded US$1.5 billion. From 2012–2016, the government plans to allocate another US$500 million for the construction of pharmaceutical factories, five emergency centers in regional capitals, and the purchase of modern medical equipment.[44] The regime has also liaised with international organizations to introduce maternity and immunization programs.

Despite this investment, most new medical facilities—many of which contain state-of-the art equipment—are neither accessible to the vast majority of the population, nor staffed with qualified medical personnel. Statistical data is notoriously unreliable, medical education is sub-standard, hospital staff are discouraged from reporting malpractice, and infant mortality rates are among the highest in the world. Not least, the existence of certain communicable diseases is neither acknowledged nor addressed. The multi-drug resistant form of tuberculosis in particular poses a high risk of creating a serious health crisis.[45]

Moreover, relatively few state funds have gone toward the modernization of basic infrastructural needs. Many parts of the country still lack sanitation systems and unified gas supply systems, despite the country's abundance of hydrocarbons. Dozens of villages lack steady supplies of electricity, and clean water supplies are often unavailable, requiring rural residents to use well or surface water that often contains residues from pesticides, fertilizers, and animal wastes.

Judicial Framework and Independence

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00

Unchanged since the Soviet era, the court system in Turkmenistan consists of a Supreme Court, 6 regional courts, and approximately 60 district and city courts. The Supreme Economic Court hears all commercial disputes and cases involving conflicts between state enterprises and ministries. There is no constitutional court,

and the president appoints all judges for five-year terms without legislative review. Judges and lawyers, however, play a marginal role in the legal system compared to the prosecutor general, a political appointee whose primary function is repression rather than oversight. In 2012, the Institute for War and Peace Reporting reported that the Soviet-era practice of holding show trials for individuals accused of relatively minor economic crimes continued.[46] Moreover, convictions are often based on confessions extracted by forcible means, including the use of torture and psychotropic substances.

In March 2012, the UN Human Rights Committee pointed to various aspects of the country's "troubling" human rights record, including the use of degrading treatment in prisons.[47] Under an annual amnesty mandated by law, the government releases thousands of inmates each year on state holidays, primarily to relieve overcrowding. According to a report released by the Vienna-based Turkmen Initiative for Human Rights (TIHR) in 2010, the country's imprisonment rate is among the highest in the world—534 per 100,000 inhabitants, compared to 348 in Kazakhstan and 80-90 in European countries. Overcrowding has led, among other things, to the spread of disease.[48] Although individuals convicted of serious crimes are theoretically ineligible for amnesty, those who can pay bribes are generally freed in the annual releases, regardless of the type of crime for which they were imprisoned. Of the thousands of prisoners amnestied by Berdimuhamedow, fewer than two dozen were considered political prisoners by international human rights groups.

The International Committee of the Red Cross (ICRC) has yet to be allowed to visit a standard prison. After years of rebuffed requests, however, in April 2012, the ICRC was reported to have visited a juvenile correction facility under the jurisdiction of the Ministry of Internal Affairs. It was also granted permission to visit an occupational therapy center for detainees in July 2011.[49] The ICRC and Turkmen officials have discussed joint plans for a new women's prison project in Dashoguz, which, if realized, the authorities are likely to use to showcase improvements in penal system conditions that will not be evident elsewhere.[50]

One notorious aspect of Turkmenistan's prison system is the number of persons who have disappeared without trace. This includes former foreign minister Boris Shikhmuradov, sentenced to life imprisonment in 2002 as a "traitor to the Motherland" and two members of the Turkmenistan Helsinki Foundation. The former chairman of parliament, Ovezgeldy Atayev, was once a part of this group of missing prisoners. He was designated under the constitution to succeed Niyazov as interim president, but when he proved to be a procedural impediment to Berdimuhamedow's takeover, Atayev was duly arrested the day of Niyazov's death, charged with criminal activity, and imprisoned. He was reportedly released in March 2012.[51]

Berdimuhamedow's government has eased internal travel restrictions by reducing the number of roadside checks and inspections between cities. However, at the same time, authorities have used a number of measures to prevent freedom of movement, such as drawing up an extensive "blacklist" of citizens prohibited from

leaving the country and the arbitrary confiscation of passports. A new edition of the Law on Migration adopted in April 2012 contains provisions giving officials even greater discretion to restrict entry to and exit from Turkmenistan. In particular, it cites the unspecific formulation "national security interests" as the basis for refusing an entry visa to a foreign or stateless person and for refusing to allow a citizen of Turkmenistan to exit the country.[52] There were reports in 2012 of a sharp growth in the number of deportations of Turkmen citizens living illegally in Turkey and other countries, prompting authorities to step up border controls. The deported citizens are reportedly placed on a central register upon their return to Turkmenistan, and a stamp is issued in their passports prohibiting them from leaving the country.[53]

The new constitution adopted in 2008 formally enshrined Turkmenistan's non-recognition of dual citizenship. The issuing of new biometric passports in the summer of 2008 exerted new pressure on residents holding both Turkmenistani and Russian passports under a 1993 agreement. A policy has reportedly gone into effect requiring dual citizens to give up their Russian citizenship in order to receive the new biometric passports, which will become mandatory in 2013 for travel outside the country. Dual citizens have also reportedly faced obstacles when attempting to renew their passports at the Russian Consulate in Aşgabat.

Corruption

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
6.25	6.50	6.75	6.75	6.75	6.75	6.75	6.75	6.75	6.75

Turkmenistan regularly features at the bottom of the list of countries in many annual indices measuring corruption and economic freedom, such as *The Wall Street Journal*'s Index of Economic Freedom and Transparency International's Corruption Perceptions Index. The lack of an established rule of law, inconsistent regulatory practices, and the absence of international business norms remain major disincentives to foreign investment, according to the U.S. State Department's Investment Climate Statement-Turkmenistan for 2012.[54] Under both Niyazov and Berdimuhamedow, Turkmenistan's government has canceled licenses and contracts with foreign firms, as with Russia's MTS, and in some cases had their assets seized.

There is a high degree of non-transparency with regard to economic figures, and state data are unreliable or unavailable. Both the overall amount of export revenues, which form the country's primary source of income, and the share of revenues diverted to extra-budgetary accounts remain closely guarded secrets. Moreover, other than a vague breakdown by sector, there is virtually no information available on government spending. In 2008, the authorities announced a stabilization fund to be based on the state budget surplus balance, but the specific investment rules and the overall amount of foreign exchange revenues channeled through the fund have never been made public.[55] In addition, it is difficult to discern whether there is a budget surplus in any given year.

Through the State Agency for the Management and Use of Hydrocarbon Resources under the President of Turkmenistan, Berdimuhamedow continues to preside over a system that enables him to legally appropriate and use at his own discretion the revenues from hydrocarbons sales.[56] The agency has the exclusive right to issue licenses for resource exploration and extraction, conclude contracts and production-sharing agreements, manage all oil and gas companies in the country, organize statistical reporting for hydrocarbon resources, and run international tenders.

After the collapse of the USSR, Turkmenistan saw its Soviet-era client-patron networks evolve and become entrenched as part of the system of governance. A limited number of networks commanded by Berdimuhamedow control the country's economy, which is divided into spheres of influence dominated by a close circle of presidential appointees, and imbued with a culture of bribery, nepotism, and embezzlement. Bribe-taking is particularly prevalent among customs, licensing and social service agencies. In 2012, there were several reports alleging cronyism among the president's relatives, who were said to hold lucrative positions in various economic sectors, particularly trade, where they amass personal fortunes.[57] Berdimuhamedow's son, Serdar, became a deputy minister of agriculture in June, giving rise to speculation that he is positioning himself for greater power.

In 2012, Berdimuhamedow continued to use public monies to fund "dictator chic" architectural projects. The awarding of construction contracts for ministry buildings, hotels, and airports is a preferred means of providing elites with opportunities to pocket funds owing to the nontransparency of capital expenditures. U.S. diplomatic cables obtained by WikiLeaks identified construction as the most corrupt industry in Turkmenistan, with contractors, including foreign ones that regularly pay kickbacks to officials, inflating costs by up to 30 percent to cover bribe payments. Among the showcase projects are an Olympic village in Aşgabat (US$1.9 billion)[58] and the ongoing transformation of the Caspian Sea town of Turkmenbashi into a free economic zone and world-class resort, complete with an artificial river, a yacht club, and an oceanographic center (est. $7 billion).[59] At the end of 2012, it was announced that the Turkish company Polimex had won a contract worth over $2 billion to build a new airport near the capital city.[60]

■ Author: Annette Bohr

Annette Bohr is an associate fellow of the Russian and Eurasia Program at the Institute of International Affairs in London (Chatham House). She is the author or coauthor of two monographs and numerous articles on Central Asian politics, contemporary history, and ethnic and language policies.

---

1 Natalia Moore, "Turkmenistan Domestic Developments," Eurasianet.org, 18 October 2012, http://www.eurasianet.org/node/66064.

2 Zach Peterson and Muhammad Tahir, "Silly Dictator Story 4: Celebrations Everywhere for Turkmenistan's 'Protector,'" Radio Free Europe/Radio Liberty (RFE/RL), 29 June 2012, http://www.rferl.org/content/silly-dictator-gurbanguly-berdymukhammedov-birthday/24630147.html.

3 Nicholas Kunysz, "From sultanism to neopatrimonialism? Regionalism within Turkmenistan," *Central Asian Survey* 31:1 (March 2012), 9.

4 "Turkmen schoolteacher says presidential candidacy rejected," RFE/RL, 10 January 2012, http://www.rferl.org/content/turkmenistan_teacher_candidacy_presidential_bid_rejected/24447751.html.

5 Joshua Foust, "Turkmenistan's Ridiculous, Predictable 'Election,'" Registan.net, 13 February 2012, http://registan.net/2012/02/13/turkmenistans-ridiculous-predictable-election/.

6 "National Movement 'Galkynysh' Ceases to Exist," Turkmenistan.ru, 16 December 2011, http://www.turkmenistan.ru/en/articles/15711.html.

7 Zach Peterson, "The Silent Treatment from Turkmenistan's New Political Player," RFE/RL, 27 August 2012, http://www.rferl.org/content/transmission-turkmenistan-political-party-leader/24689452.html.

8 Ashley Cleek, "Peace Corps Pulling out of Turkmenistan," Eurasianet.org, 3 September 2012, http://www.eurasianet.org/node/65853.

9 Bureau for Europe and Eurasia, United States Agency for International Development (USAID), *The 2011 CSO Sustainability Index for Central and Eastern Europe and Eurasia* (Washington: USAID, July 2012), 205, http://transition.usaid.gov/locations/europe_eurasia/dem_gov/ngoindex/reports/2011/2011CSOSI_Index_complete.pdf#page=212.

10 Ibid.

11 Human Rights Watch, "World Report 2013: Turkmenistan," January 2013, http://www.hrw.org/world-report/2013/country-chapters/turkmenistan.

12 Front Line Defenders, "Turkmenistan: Threats against human rights defender and journalist Mrs Natalia Shabunts," news release, 3 February 2013, http://www.frontlinedefenders.org/node/17277.

13 Human Rights Committee, UN General Assembly, "Human Rights Committee Notes Turkmenistan's 'New Willingness' to Improve Human Rights Record, But Says Gap Remains Between Legal Framework, Implementation," news release, http://www.un.org/News/Press/docs/2012/hrct743.doc.htm.

14 Open Society Foundations (OSF), *Violations of Freedom of Religion or Belief in Turkmenistan: A Systematic Challenge to Human Rights Commitments* (New York: OSF, 2010), 16, http://www.opensocietyfoundations.org/sites/default/files/violations-religion-turkmenistan-2011042.pdf.

15 Felix Corley and Mushfig Bayram, "TURKMENISTAN: Continuing haj restrictions, increasing raids on Christians, religious freedom prisoners of conscience remain jailed," Forum 18 News Service, 31 October 2012, http://www.forum18.org/Archive.php?article_id=1761.

16 Felix Corley, "TURKMENISTAN: Pastor freed, other religious prisoners of conscience remain jailed," Forum 18 News Service, 20 February 2012, http://www.forum18.org/Archive.php?article_id=1669.

17 Felix Corley, "TURKMENISTAN: Raids, fines, exit denial, bloodied hands," Forum 18 News Service, 27 September 2012, http://www.forum18.org/Archive.php?article_id=1748

18 Felix Corley and Mushfig Bayram, "TURKMENISTAN: Continuing haj restrictions, increasing raids on Christians, religious freedom prisoners of conscience remain jailed."

19 Annasoltan, "Turkmenistan's hidden Islamists, part 1: in the shadowy corners of the Turkmenet," Neweurasia.net, 7 March 2011, http://www.neweurasia.net/politics-and-society/the-turkmen-taliban-part-1/.

20 Reporters without Borders, "Country's First Media Law Starts Life as Dead Letter," news release, 9 January 2013, http://en.rsf.org/turkmenistan-country-s-first-media-law-starts-09-01-2013,43876.html.

21 Human Rights Watch, "Universal Periodic Review: Joint HRW Submission on Turkmenistan with Freedom Now and the Turkmen Initiative for Human Rights – Submitted in October 2012," posted April 2013, http://www.hrw.org/news/2013/04/19/universal-periodic-review-joint-hrw-submission-turkmenistan-freedom-now-and-turkmen-.

22 Elena Rykovtseva, "Туркмения без СССР" [Turkmenistan without the USSR], Gundogar.org, 4 January 2012, http://www.gundogar.org/?02340511951000000000000013000000.

23 "Turkmen Newspaper Readers Not Spoilt for Choice," Institute for War and Peace Reporting (IWPR), 3 January 2012, http://iwpr.net/report-news/turkmen-newspaper-readers-not-spoilt-choice-0.

24 "Artificial satellite to be built for Turkmenistan in 2014," Trend News Agency – McClatchy-Tribune Information Services via COMTEX, 29 June 2012, http://satellite.tmcnet.com/news/2012/06/29/6407367.htm.

25 The SecDev Group, *Neither Here Nor There: Turkmenistan's Digital Doldrums* (Ottawa, Ontario: The SecDev Group, October 2012), https://opennet.net/neither-here-nor-there-turkmenistan's-digital-doldrums.

26 Catherine Fitzpatrick, "Russian MTS Loses $140 Million, 2 Million Turkmens Lose Internet Connection," Eurasianet.org, 7 April 2011, http://www.eurasianet.org/node/63243.

27 "MTS manages [to] connect 615,000 subscribers in Turkmenistan," Trend.az, 31 August 2012, http://en.trend.az/capital/it/2060633.html.

28 The SecDev Group, *Neither Here Nor There: Turkmenistan's Digital Doldrums.*

29 "Turkmen Internet Users Fearful of Bypassing Censors," IWPR, 27 April 2011, http://www.unhcr.org/refworld/docid/4dbfa43ac.html.

30 The SecDev Group, *Neither Here Nor There: Turkmenistan's Digital Doldrums.*

31 Annasoltan, "State of Ambivalence: Turkmenistan in the Digital Age," *Digital Icons: Studies in Russian, Eurasian and Central European New Media* 3 (2010), http://www.digitalicons.org/wp-content/uploads/2010/07/Annasoltan-3.1.pdf.

32 Annasoltan, "Turkmen chat sites worry parents, teachers," *The Washington Times*, 21 October 2011, http://www.washingtontimes.com/news/2011/oct/21/turkmen-chat-sites-worry-parents-teachers/?page=all.

33 Annasoltan, "Cartoons + social media = e-civil society?" Neweurasia.net, 17 April 2012 http://www.neweurasia.net/media-and-internet/cartoons-social-media-e-civil-society/#more-19734.

34 "Укрепляя демократические основы туркменского общества" [Strengthening the democratic foundations of Turkmen society], Turkmenistan: The Golden Age, 17 August 2012, http://www.turkmenistan.gov.tm/?id=2085.

35 "Turkmenistan's Census Marches On," Central Eurasia Standard, 29 December 2012, http://cestandard.wordpress.com/2012/12/29/turkmenistans-census-marches-on/

36 *Neutral'niy Turkmenistan*, Ashgabat, 28 and 29 February 2006,.

37 Committee on the Elimination of Racial Discrimination, *Consideration of Reports Submitted by States Parties Under Article 9 of the Convention: Fifth Periodic Reports of States parties due in 2003: Addendum: Turkmenistan*, 1 April 2005, http://daccess-dds-ny.un.org/doc/UNDOC/GEN/G05/409/09/PDF/G0540909.pdf?OpenElement.

38 "Turkmenistan plans to change over to 11-12-year schooling," Turkmenistan.ru, 17 August 2012, http://www.turkmenistan.ru/en/articles/16563.html

39 Annasoltan, "Berdimuhamedov university?" Neweurasia.net, 19 September 2012, http://www.neweurasia.net/politics-and-society/berdimuhamedov-university/.

40 One education ministry official has put the total figure of Turkmenistani students studying abroad at more than 40,000. "Foreign Study Provides Escape for Turkmen Students," IWPR, 13 January 2012, http://iwpr.net/report-news/foreign-study-provides-escape-turkmen-students.

41 "В Туркменистане закрывают турецкие школы" [Turkish schools are closing in Turkmenistan], Turkmen Initiative for Human Rights, 14 August 2011, http://www.chrono-tm.org/2011/08/v-turkmenistane-zakryivayut-turetskie-sh/.

42 "TV broadcasts about celebrations of Independence Day are ready," Turkmen Initiative for Human Rights, 22 October 2012, http://www.chrono-tm.org/en/2012/10/tv-broadcasts-about-celebrations-of-independence-day-are-ready/.

43 Ashley Cleek, "Turkmenistan: students die during forced patriotism—news report," Eurasianet.org, 4 December 2012, http://www.eurasianet.org/node/66250?utm_source=Turkmenistan+News+Brief&utm_campaign=adb28343f7-my_google_analytics_key&utm_medium=email.

44 "Turkmenistan adopts public health development programme," Trend.az, 23 April 2012, http://en.trend.az/regions/casia/turkmenistan/2017635.html; and "Emergency centers to be built in Ashgabat and regions of Turkmenistan," Turkmenistan.ru, 7 April 2012, http://www.turkmenistan.ru/en/articles/16113.html.

45 Medecins Sans Frontieres, *Turkmenistan's Opaque Health System* (Berlin: Medecins Sans Frontieres, April 2010), http://www.doctorswithoutborders.org/publications/reports/2010/MSF-Turkmenistan-Opaque-Health-System.pdf.

46 "Show Trials in Turkmenistan," IWPR, 29 June 2012, www. iwpr.net/report-news/show-trials-turkmenistan

47 Human Rights Committee, UN General Assembly, "Human Rights Committee Notes Turkmenistan's 'New Willingness' to Improve Human Rights Record, But Says Gap Remains Between Legal Framework, Implementation."

48 Turkmenistan's Independent Lawyers Association and the Turkmen Initiative for Human Rights, *Turkmenistan's Penitentiary Facilities* (February 2010), http://www.europarl.europa.eu/meetdocs/2009_2014/documents/droi/dv/201/201010/20101025_8-7penitentiary_en.pdf.

49 Human Rights Committee, UN General Assembly, "Human Rights Committee Notes Turkmenistan's 'New Willingness' to Improve Human Rights Record, But Says Gap Remains Between Legal Framework, Implementation."

50 "Turkmenistan Builds New Model Prison," IWPR, 7 August 2012, http://iwpr.net/report-news/turkmenistan-builds-new-model-prison.

51 "Former Turkmen Parliament Speaker Reportedly Released from Prison," RFE/RL, 21 March 2012, http://www.rferl.org/content/turkmenistan_parliament_speaker_released_from_prison/24522801.html.

52 Zakon Turkmenistan O Migratsii (Law of Turkmenistan on Migration), Turkmenistan zolotoi vek, 31 March 2012, www.turkmenistan.gov.tm/zakony.

53 O. Shakhberdiev, "Миграционная политика в Туркменистане – дополнительный источник обогащения государственных чиновников страны" [Migration policy in Turkmenistan–an additional source the country's state officials to enrich themselves], Centrasia.ru, 21 September 2012, http://www.centrasia.ru/newsA.php?st=1348241280.

54 U.S. State Department, "2012 Investment Climate Statement – Turkmenistan," June 2012, http://www.state.gov/e/eb/rls/othr/ics/2012/191255.htm.

55 European Bank for Reconstruction and Development (EBRD), *Strategy for Turkmenistan* (EBRD, 23 March 2010), http://www.ebrd.com/downloads/country/strategy/turkmenistan.pdf.

56 Crude Accountability, *The Private Pocket of the President (Berdymukhamedov): Oil, Gas and Law* (Alexandria, VA: Crude Accountability, October 2011), http://crudeaccountability.org/wp-content/uploads/2012/04/20111016-PrivatePocketPresidentBerdymukhamedov.pdf.

57 D. Kuliyev, "Д. Кулиев: Туркменистан – президентский клан делит страну" [D. Kuliyev: Turkmenistan—the presidential clan is dividing the country], Centrasia.ru, 23 November 2012, http://www.centrasia.ru/newsA.php?st=1353615480.

58 "Turkmenistan Launches Campaign to Justify $1.9 Billion 'Olympic City'," RFE/RL, 7 September 2010, http://www.rferl.org/content/Turkmenistan_Launches_Campaign_To_Justify_19_Bln_Olympic_City/2150207.html.

59 "The New Pearl of Tourism: The New Pearl of Tourism: Avaza," http://www.hazarworld.com/2013-7/summary/the-new-pearl-of-tourism-avaza.

60 "Turkey's Polimex wins $2 billion Turkmen airport contract," http://www.reuters.com/article/2013/01/12/us-polimex-idUSBRE90B0CI20130112.

Ukraine

by Oleksandr Sushko and Olena Prystayko

Capital: Kyiv
Population: 45.7 million
GNI/capita, PPP: US$7,040

Source: The data above are drawn from the World Bank's *World Development Indicators 2013.*

Nations in Transit Ratings and Averaged Scores

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Electoral Process	4.25	3.50	3.25	3.00	3.00	3.50	3.50	3.50	3.75	4.00
Civil Society	3.75	3.00	2.75	2.75	2.75	2.75	2.75	2.75	2.75	2.75
Independent Media	5.50	4.75	3.75	3.75	3.50	3.50	3.50	3.75	4.00	4.00
Governance*	5.25	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
National Democratic Governance	n/a	5.00	4.50	4.75	4.75	5.00	5.00	5.50	5.75	5.75
Local Democratic Governance	n/a	5.25	5.25	5.25	5.25	5.25	5.25	5.50	5.50	5.50
Judicial Framework and Independence	4.75	4.25	4.25	4.50	4.75	5.00	5.00	5.50	6.00	6.00
Corruption	5.75	5.75	5.75	5.75	5.75	5.75	5.75	5.75	6.00	6.00
Democracy Score	4.88	4.50	4.21	4.25	4.25	4.39	4.39	4.61	4.82	4.86

** Starting with the 2005 edition, Freedom House introduced separate analysis and ratings for national democratic governance and local democratic governance to provide readers with more detailed and nuanced analysis of these two important subjects.*

NOTE: The ratings reflect the consensus of Freedom House, its academic advisers, and the author(s) of this report. The opinions expressed in this report are those of the author(s). The ratings are based on a scale of 1 to 7, with 1 representing the highest level of democratic progress and 7 the lowest. The Democracy Score is an average of ratings for the categories tracked in a given year.

Executive Summary

The president's concentration of power in the executive branch and misuse of the judiciary for political purposes has undermined the system of checks and balances, threatening Ukraine's pluralistic political model with growing authoritarianism.

Since gaining independence from the Soviet Union in 1991, Ukraine has held five presidential (1991, 1994, 1999, 2004, and 2010) and six parliamentary (1994, 1998, 2002, 2006, 2007, and 2012) elections. The latest parliamentary elections, held on 28 October 2012, were widely recognized as a step backward from previously achieved democratic standards. Viktor Yanukovych won the 2010 presidential election, and a Constitutional Court decision later that year reversed 2004 constitutional amendments that had shifted power from the presidency to the prime minister and parliament. According to the revised charter, the parliament is no longer authorized to appoint and dismiss cabinet ministers, though it retains the right to confirm the prime minister, who is appointed by the president. In practice, the parliament lost its authority over the executive branch.

Former prime minister Yuliya Tymoshenko, leader of the opposition party Batkivshchyna (Fatherland), was sentenced to seven years in prison in 2011 for "misuse of power," and one of her key allies also remained in prison during 2012 after what were widely seen as politically motivated trials. Nevertheless, three major opposition political forces—Batkivshchyna, the United Democratic Alliance for Reform (UDAR), and Svoboda (Freedom)—secured a combined 50 percent of the vote during the 2012 parliamentary elections, demonstrating a strong desire for change among voters.

The news media still present a variety of political views, and some national television channels improved their standards during the 2012 election campaign. At the same time, self-censorship remains common, and the number of physical attacks against journalists increased in 2012. Nongovernmental organizations (NGOs) continue to operate in a relatively free environment, representing a wide spectrum of interests. New legislation on NGOs was adopted in March, providing a more supportive legal framework.

Meanwhile, the Ukrainian economy began to decline again in the second half of 2012, leading to an overall growth in gross domestic product of just 0.2 percent for the year.

National Democratic Governance. Yanukovych has rearranged the structures of national governance, putting an emphasis on personal connections and the predominance of the executive over the legislature and judiciary. His close

entourage, known as the Family (with the president's son, Oleksandr, playing a key role), occupies important positions in the government, which dramatically strengthens its position in the economy and politics. At the same time, the role of wealthy business magnates, known as oligarchs, and Yanukovych's older allies from the Donetsk region has been decreasing. The politically motivated criminal case against Tymoshenko, an obviously biased judiciary, and other evidence of a broadly antidemocratic trend have damaged Yanukovych's relations with the United States and Europe, preventing the conclusion of a far-reaching Association Agreement with the European Union (EU) that would have included a reduction in trade barriers. Despite the shift toward authoritarian rule since 2010, a variety of political actors are represented at the national level. In May 2012, Yanukovych issued a decree establishing a Constitutional Assembly tasked with developing comprehensive constitutional reforms.[1] However, a law on referendums that was adopted in November may become a tool of manipulation, as it contains a provision allowing changes to or even annulment of the constitution without the approval of the parliament. The president could use it to bypass the two-thirds parliamentary majority normally required for constitutional amendments, potentially altering the conditions for his reelection in 2015. *Ukraine's rating for national democratic governance remains unchanged at 5.75.*

Electoral Process. The parliamentary elections held on 28 October were widely recognized as a step backward from previously achieved democratic standards. An election law adopted a year before the vote introduced a mixed proportional/majoritarian voting system that favored the ruling Party of Regions, allowing it and its coalition allies to sustain a slim majority even though most of electorate did not vote for it. Party of Regions candidates in majoritarian districts benefited from administrative resources, contributing to international monitors' conclusion that the elections were characterized by "the lack of a level playing field."[2] Other problems included a lack of transparency in party financing and the tabulation process. The imprisonment of Tymoshenko and a key ally, former interior minister Yuriy Lutsenko, barred them from running in the elections. Due to numerous irregularities detected during the parliamentary election process and the exclusion of central opposition figures, *Ukraine's rating for electoral process declines from 3.75 to 4.00.*

Civil Society. Civil society engages in a variety of activities and continues to play a crucial role in defending democratic values and practices. In particular, NGOs in 2012 participated in election monitoring and successfully blocked a proposed defamation law in October. Substantial progress has been achieved with regard to providing a supportive legal framework for nonprofit activity. The new Law on Civic Associations, adopted in March, emerged as a rare example of productive cooperation between the government and the NGO sector.[3] The law, set to take full effect on 1 January 2013, liberalized the registration process for new organizations and removed some administrative barriers. However, consultations between NGOs

and the government are often formal in nature and lack real impact. Civil society actors in many cases have been ignored when politically sensitive issues are at stake. *Ukraine's rating for civil society remains unchanged at 2.75.*

Independent Media. Ukraine has a diverse and competitive media market, and media freedoms are guaranteed by relevant legislation. However, the political environment is not conducive to full-fledged media freedom. Biased coverage in favor of the government continued at some television channels in 2012, and self-censorship remained a visible phenomenon. TVi, a station that carries criticism of the government, faced a tax investigation and reported pressure on cable companies to remove it from their offerings. During the parliamentary election campaign, most of the national television channels signed a memorandum to ensure fair and balanced political coverage, and some stations showed significant improvements.[4] Meanwhile, signs of administrative pressure were evident at the regional level, where media watchdogs warned of physical attacks against journalists. Freedom of expression advocates and journalists successfully prevented the adoption of the proposed defamation law on the eve of the parliamentary elections. *Ukraine's rating for independent media remains unchanged at 4.00.*

Local Democratic Governance. The key problems hindering the development of local self-government were left unaddressed during 2012. They included an excessive concentration of power and revenue at the national level, fragmentation of lower-level administrative units, vague criteria and procedures for establishing various territorial units, inadequate financing for local government budgets, and poor staffing of local self-government bodies. *Ukraine's rating for local democratic governance remains unchanged at 5.50.*

Judicial Framework and Independence. The country's justice system has been undermined by political influence and repeated attempts to alter the constitution. A new Code of Criminal Procedure came into force in November 2012. It was based on the input of experts from the Council of Europe and passed under pressure from the international community, though Ukrainian experts were more ambiguous in their assessments of the law. The cases against Tymoshenko and Lutsenko continued to draw criticism from international observers for their apparent political motivation and related violations of due process.[5] In addition to her 2011 sentence of seven years in prison for abuse of power, Tymoshenko faced additional charges, including claims that she organized the assassination of a member of parliament in 1996. *Ukraine's rating for judicial framework and independence remains unchanged at 6.00.*

Corruption. International and Ukrainian experts see corruption as "the greatest threat to Ukraine's democracy and sovereignty."[6] The National Anticorruption Committee, established in 2011 under the supervision of the president, did not meet during 2012. Yanukovych signed a new law on public procurements in August, but it was strongly criticized for exempting an extensive number of enterprises,

products, and services from provisions designed to enhance transparency. Corruption scandals marred the preparation and conduct of the European football championship, hosted jointly by Ukraine and Poland in June. *Ukraine's corruption rating remains unchanged at 6.00.*

Outlook for 2013. Consolidation of personal control by the president's close entourage may lead to a further deterioration of fundamental freedoms, though the political diversity illustrated by the October 2012 elections will obstruct the obvious authoritarian trend to some extent. The government and ruling party will seek other means to ensure their continuity in power, including misuse of the court system and law enforcement agencies. The referendum law may be used by president or his allies to bypass the parliament on key foreign and internal policy decisions. Economic and budgetary challenges could undermine the current government's stability. The signing of a comprehensive Association Agreement with the EU, due in November 2013, is threatened by the government's lack of political will to achieve criteria set by the bloc in December 2012. Ukraine may be forced to accept Russian financial assistance with important conditions attached, for example joining the Russian-led Customs Union or giving Russia's state-owned Gazprom control over the Ukrainian gas transit system.

There is little reason to expect a breakthrough in the area of local governance reform. Despite their decentralization rhetoric, the current authorities favor a concentration of power at the national level. Continued attempts to amend the constitution are very likely in 2013. In the judicial area, the government will work on amendments to the law on the functioning of the prosecutor's office, the criminal code, and the laws on the judicial system and the status of judges. A reconsideration of the role of the High Council of Justice and a reform of the police are also likely. The problem of corruption will probably not improve, as political will is still lacking.

Main Report

National Democratic Governance

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
n/a	5.00	4.50	4.75	4.75	5.00	5.00	5.50	5.75	5.75

President Viktor Yanukovych has reshaped the principles of the national governance since taking office in 2010, reasserting the predominance of the executive over the legislature and judiciary and building a network of power based on personal loyalty and connections. The formal restoration of executive power is based on the reversal of 2004 constitutional changes through a dubious Constitutional Court decision in October 2010, which effectively reinstated the 1996 version of the charter. In addition, the current versions of certain legal acts, such as the Law on the Cabinet of Ministers, give the president even more power than the 1996 constitution. The parliament in practice has lost its authority as a body providing checks on the executive branch.

The president's close entourage, known as the Family, has taken crucial positions in the government, dramatically strengthening its role in the economic and political spheres. In particular, officials belonging to the Family in 2012 occupied the positions of National Bank governor (Serhiy Arbuzov), tax service chief (Oleksandr Klymenko), interior minister (Vitaliy Zakharchenko), and finance minister (Yuriy Kolobov). In December, Arbuzov was appointed as first deputy prime minister. Oleksandr Yanukovych, the president's son, is considered to be a central figure in the Family, though he does not hold a government post.

This network's rise has coincided with a decline in influence on the part of the country's major business magnates, or oligarchs, and an older cohort of bureaucratic allies from Yanukovych's home region of Donetsk. The most important oligarch groups are led by Rinat Akhmetov, the country's wealthiest businessman, and Dmytro Firtash, who is best known for his assets in the gas industry. Serhiy Lyovochkin, the chief of the presidential administration, is associated with the latter.

The system of balances between different interest groups within government has been undermined by Yanukovych's personal power. No important political decision can be adopted by the cabinet of ministers or the parliament without approval from the president. Consequently, the policymaking process as a whole is constrained to a large extent by Yanukovych's own views, beliefs, and interests.

The parliament has mostly lost its independent role and been transformed into a legitimizing body for decisions taken by the president and his entourage. Highly controversial laws on referendums, language policy, and public procurements were adopted by the parliament in 2012 within a few minutes, despite procedural rules calling for debate and consideration of amendments. As a result, the legitimacy of many legal acts could be challenged. Many lawmakers ignored a constitutional requirement that they vote in person, delegating their voting cards to colleagues.

The language law, which proved to be one of the most contentious legislative acts of the year, allowed the Russian language to be granted official status in some eastern and southern regions. Designed to consolidate the Party of Regions' support among Russian-speaking voters before the October parliamentary elections, the law was adopted in the second reading on 3 July without any debate or consideration of amendments.

The law on national referendums was passed by the parliament in the second reading on 6 November and signed by the president on 27 November. Initiated by the presidential administration, the law provides the executive with another means to override the legislature's authority. In particular, it allows the adoption of both laws and constitutional changes via referendum, contradicting the role given to the parliament in the constitution; an existing constitutional provision holds that amendments must be approved by a two-thirds supermajority in the parliament. Civil society organizations largely agreed that the law also ran counter to European standards, due to the range of issues that can be decided by referendum, the procedure for forming commissions that would organize the votes, the funding procedures, and the campaign rules. Other provisions of the law limit the role of political parties in organizing a referendum and restrict citizens from expressing their opinion about the issues to be decided.[7] Many experts and politicians speculated that the new law would be used to circumvent or manipulate the 2015 presidential election, as Yanukovych currently lacks wide public support and would be unlikely to win reelection in a free and fair national vote.

Also during 2012, the politically motivated criminal cases against former prime minister Yuliya Tymoshenko and former interior minister Yuriy Lutsenko, combined with other evidence of an antidemocratic trend in the country, substantially damaged Yanukovych's relations with the European Union (EU), hampering progress on a far-reaching Association Agreement that would include the creation of a Deep and Comprehensive Free Trade Area between Ukraine and the bloc.

Despite the erosion of democratic institutions and standards, a variety of political parties remained active at the national level, demonstrating genuine pluralism. The October elections brought two new opposition factions into the parliament: the liberal Ukrainian Democratic Alliance for Reforms (UDAR), led by boxing star Vitaliy Klychko, and the far-right Svoboda (Freedom) party. Tymoshenko's Batkivshchyna (Fatherland) party remained the largest opposition force, and these three parties combined secured 40 percent of the seats in the new legislature. Moreover, the ruling Party of Regions lacked an outright majority, forcing it to rely on the Communist Party and allied independents.

Civilian control over the military and internal security forces has been not a major focus of the government. Ihor Kalinin, appointed as head of the Security Service of Ukraine (SBU) in February 2012, and Dmytro Salamatin, named as defense minister the same month, both have close connections to Russia and have never indicated an interest in security-sector reforms aimed at accountability and democratic oversight. A substantial increase in budget expenditures for the

prosecutor general's office despite an obvious shortage of public funds, and the expanding purview of the Interior Ministry, including an increased role in counterterrorism policy, have provoked concerns that these institutions could be misused in the future to help keep the incumbent leadership in power.

The economic and investment climate remains rather negative. Ukraine improved by 15 positions in the World Bank's *Doing Business 2013* report, rising from 152 to 137 out of 185 economies due in large part to significant gains in the "starting a business" and "registering property" indicators.[8] At the same time, according to the Heritage Foundation's *2013 Index of Economic Freedom*, Ukraine remains among the world's "repressed" economies, the worst of five categories, and ranked 161 out of 177 countries assessed.[9] In November, the National Bank of Ukraine attempted to introduce a bill that would establish a 15 percent tax on the sale of foreign currency, but it was withdrawn in the face of strong opposition from society and the business community. The incident was seen as an example of the government's broader failure to cope with budget deficits, weak economic growth, and a faltering national currency.

Electoral Process

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
4.25	3.50	3.25	3.00	3.00	3.50	3.50	3.50	3.75	4.00

The parliamentary elections held on 28 October 2012 were widely recognized as a step backward from previously achieved democratic standards. The electoral law adopted in November 2011 replaced the proportional voting system with a mixed proportional/majoritarian arrangement, raised the threshold for party representation from 3 percent to 5 percent of the vote, and barred parties from forming electoral blocs. Although the law included some important improvements, particularly with regard to voter and candidate registration, it generally created a favorable legal framework for the ruling Party of Regions, enabling it to build a slim working majority in the legislature despite the fact that 50 percent of voters chose one of three main opposition parties.

The contests in majoritarian districts were seen as especially favorable to Party of Regions candidates, partly because administrative resources could be brought to bear more effectively on their behalf. In addition, the districts' system of single-round voting with no majority threshold gave the centralized ruling party an edge, as multiple opposition candidates often split the antigovernment vote. Consequently, the Party of Regions secured just 30 percent of the votes in the proportional system, but captured 50 percent of the majoritarian seats.

Two leaders of the opposition, Tymoshenko and Lutsenko, were not allowed to run for seats due to criminal convictions in cases that were widely viewed as politically motivated. On 30 July, a Batkivshchyna party congress nominated Tymoshenko to top its list of candidates for the parliamentary elections. Lutsenko was nominated as No. 5 on the list. On 8 August, the Central Election Commission

(CEC) rejected their registration on the basis of Article 9 of the Law on Election of People's Deputies of Ukraine, which bars participation by those who have been sentenced in criminal cases.

According to the monitoring team from the Organization for Security and Cooperation in Europe (OSCE), the elections were characterized by "the lack of a level playing field."[10] Major shortcomings were noted in the abuse of administrative resources and a lack of transparency on campaign and party financing. With the exceptions of Tymoshenko and Lutsenko, the candidate registration process was deemed inclusive, resulting in a diverse field of candidates with a wide variety of political views. However, problems appeared with regard to the nomination of electoral commissions. Most positions in District Election Commissions (DECs) and Precinct Election Commissions (PECs) were filled by lottery, meaning some minor parties with little infrastructure or public support obtained representation in all DECs, while other parties with candidates across the country were not represented in DECs at all. Almost half of PEC and 60 percent of DEC members were subsequently replaced. There were claims, some of which were verified by the OSCE monitors, that election commissioners nominated by minor parties were in fact affiliated with other parties, especially the Party of Regions.[11]

Campaigning prior to election day was visible and active overall, especially in urban areas, with numerous party workers engaged and extensive funds dedicated to events and advertising. Races were competitive in most of the country. However, the ability of candidates to get their messages to voters and compete under equal conditions was hampered in a significant number of districts due to harassment, intimidation, and misuse of administrative resources that blurred the line between the state and the ruling party.

On election day the overall process was conducted without massive irregularities, though monitors indicated some concerns. The civil network OPORA's observers cited numerous ballot secrecy violations, illegal provision of ballots to voters, and cases of centralized transportation of voters to polling stations, which were combined with bribery.

Most observers referred to the tabulation process as the most negatively assessed component of the elections. The work of the election commissions was opaque and included artificial delays in the counting, damaging public confidence in the elections as a whole.[12] Problems were identified in one-third of the DECs observed. In some constituencies there were differences between the original PEC protocols and the final DEC protocols. Attempts at fraud in the production of results, sometimes with police interference, were detected.

Voter turnout was 58 percent, close to the figure from the 2007 parliamentary elections. The Party of Regions won 72 seats through its 30 percent share of the proportional vote and 113 in individual constituencies, for a total of 185 seats in the 450-seat parliament, the Verkhovna Rada (Supreme Council). Batkivshchyna obtained 62 proportional seats, with 25.5 percent of the vote, and 40 individual mandates. The UDAR placed third with 34 proportional seats (14 percent) and 6 individual mandates, followed by the progovernment Communist Party with 32

seats, all proportional (13 percent), and Svoboda with 25 proportional seats (10.4 percent) and 12 from constituency races. Small parties and independents won all but five of the remaining individual seats, which were left temporarily vacant due to evident irregularities during tabulation.

The CEC adopted a resolution on 5 November recognizing the impossibility of announcing election results in these five constituencies and asking the parliament to make a decision on holding new elections for the seats in question. On 6 November the Rada accepted the commission's conclusion, but failed to make legal changes necessary for the repeat elections. On 8 November the CEC stated that the parliament should duly amend the election law and the cabinet of ministers should determine the funding for the new polls. Neither had been done at year's end.

Meanwhile, the new Rada convened on 12 December. Despite bouts of physical brawling that have become common occurrences in the chamber in recent years, a majority composed of the Party of Regions, the Communists, and allied independents on 13 December elected Volodymyr Rybak as speaker and confirmed Prime Minister Mykola Azarov for another term.

Civil Society

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
3.75	3.00	2.75	2.75	2.75	2.75	2.75	2.75	2.75	2.75

Civil society organizations continued to operate in a relatively free environment in 2012, representing a wide spectrum of interests and playing a crucial role in defending democratic values and practices in Ukraine. According to official statistics, the number of registered nongovernmental organizations (NGOs) reached 71,767 in early 2012,[13] though a report by the Justice Ministry issued in 2011 found that about 65 percent of formally existent NGOs were not active.

Compared with the preceding years, there were few new signs in 2012 that law enforcement bodies were systematically pressuring nongovernmental groups, interfering in civil society activity, or discouraging foreign donors from making grants to Ukrainian organizations. Instead, the government seemed to pursue a more moderate policy of engaging those elements of the civic sector that it did not perceive as directly threatening its power.[14] In some cases this engagement provided real channels of civic participation, but NGOs warned that it was often aimed at creating only the appearance of consultation to legitimize certain government decisions.

Substantial progress has been achieved with regard to providing a supportive legal framework for nonprofit activity. The new Law on Civic Associations, adopted in March and signed by Yanukovych on 13 April, was a rather rare example of productive cooperation between the government and the civic sector.[15] It liberalized and simplified the registration process for new NGOs and removed some administrative barriers. These included restrictions on where organizations could physically operate within Ukraine, on their ability to conduct commercial activity to raise funds, and on their advocacy on behalf of third parties. The new

opportunities to improve financial sustainability through commercial activity were seen as particularly promising, as they could help reduce Ukrainian NGOs' dependence on foreign sources of funding. The law was scheduled to take effect on 1 January 2013, and the cabinet adopted a number of regulations to ensure proper implementation.

In an additional positive development during the year, on 24 March the government adopted the Strategy on State Policy for Support of Civil Society Development and Primary Implementation Steps. The strategy and its associated action plan were worked out by the presidential administration in close cooperation with civil society activists, who generally welcomed the resulting product.

At the same time, participation of NGOs in government initiatives often remains pro forma. Hundreds of civic councils continued to work at different levels of government in accordance with a new regulation (No. 996) adopted by the cabinet in late 2010. The efficacy of the councils was not obvious, and some played a largely decorative role. Influential NGOs—New Citizen Partnership and Transparency International, respectively—dropped out of the Constitutional Assembly and the National Anticorruption Committee, claiming a lack of influence and a growing risk of manipulation. The voices of civil society actors in many cases were ignored when politically sensitive issues were concerned.

The authorities reportedly exerted psychological pressure on activists and civil society organizations in some cases. For example, a number of NGOs complained that SBU officers had approached them to hold "preventative conversations" regarding their future projects and activities, especially in connection with the October parliamentary elections.[16]

A variety of public campaigns and activities that emerged or continued during 2012 indicated Ukrainian civil society's potential to organize and make an impact. A campaign for a clean election process (Chesno, or Honestly) had an important influence on the 2012 election discourse, pressing politicians to provide more information about themselves. Another campaign (SAM, or On My Own) sought stronger self-organization and civic involvement in public policy. Remarkable civic protests were held in October and November against what were perceived as unfair convictions and sentences against a father and son, Serhiy and Dmytro Pavlichenko, for the murder of judge in Kyiv. Citizens also mobilized to defend Kyiv's historical heritage, at Peyzazhna Alley in March 2012 and the iconic street Andriyivskyy Descent in April.

Independent Media

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
5.50	4.75	3.75	3.75	3.50	3.50	3.50	3.50	4.00	4.00

The constitution and legal framework generally provide for media freedom, but respect for these fairly progressive laws has diminished in recent years. The country's politicized state media remain unreformed and continue to serve the interests of

senior politicians and the state bureaucracy. While the private media sector is diverse and competitive at the national level, it has faced increasing political pressure, and regional media are generally more strictly controlled by the authorities. Self-censorship remains a visible phenomenon, and biased coverage in favor of the government continued at some television channels.

In the summer of 2012, the authorities made what appeared to be an attempt to silence the television station TVi, which broadcasts mostly critical views of the government. The State Tax Service said it had launched a criminal case against TVi's chief executive, Mykola Knyazhitskyy, accusing the channel of evading more than 3 million hryvnias ($371,000) in value-added tax (VAT) payments. Although the tax evasion case was dropped, the station reported that local cable companies came under pressure to either drop TVi or move it to more expensive packages, putting it beyond the reach of many viewers.[17]

On 18 September, a draft defamation bill backed by the ruling party was adopted in a first reading in the parliament. It would have allowed journalists convicted of defamation to be fined, banned from their profession, or even jailed. However, after numerous protests, the measure was withdrawn in early October.

Media watchdogs warned of physical attacks against journalists during the year. On 26 September, investigative reporter Dmytro Volkov of the television station 1+1 was badly beaten in Kyiv after he refused to cease his inquiries into land transactions near the city. Also that month, reporter Mykola Ryabchenko was beaten in the eastern city of Mariupol while attempting to report on a road accident involving wealthy local residents. Separately, on 30 July, well-known *Ukrayinska Pravda* journalist Mustafa Nayem was attacked by guards near the site where the ruling Party of Regions was holding its party congress. The prosecutor's office refused to launch an official investigation of the case.

For the parliamentary election campaign, most national television channels signed a memorandum under umbrella of the International Renaissance Foundation, part of the Open Society Foundations network, to ensure fair and balanced political coverage.[18] The monitoring study conducted within the framework of the memorandum indicated that there was notable progress in the channels' attention to politicians and the volume and frequency of their direct speech. In October, the channels also provided more balanced news coverage of participants in the election process. The most notable improvement was observed at the Inter channel, then owned by Valeriy Khoroshkovskyy, who was removed from his position as first deputy prime minister in December. The trend toward more balanced media attention and the ability of political parties to receive news coverage commensurate with their support in opinion polls could be also observed at ICTV, STB, and the Novyy Channel. Meanwhile, Ukrayina and First National Channel demonstrated notable bias in favor of progovernment political forces, giving them over two-thirds of their attention in the news.[19]

Media monitors continue to warn against a practice whereby many media employees are paid large parts of their salary under the table, leaving them vulnerable to arbitrary reductions for commercial reasons or as punishment for politically sensitive reporting.[20]

Internet-based media continue to extend their audience rapidly, playing a growing role in the Ukrainian media space. More than 25 percent of households have regular internet access, and about 30 to 35 percent of the adult population are regular internet users; the latter figure exceeds 60 percent in the major cities. However, television remains the main source of information for most of society.

Local Democratic Governance

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
n/a	5.25	5.25	5.25	5.25	5.25	5.25	5.50	5.50	5.50

Ukraine has four tiers of subnational administrative divisions: the Autonomous Republic of Crimea and oblasts (regions), including two cities with oblast status, Kyiv and Sevastopol; raions and cities with raion status; cities; and villages and townships. Each raion is divided into a number of village councils. Ukraine has 24 oblasts (plus Crimea), 490 raions, 118 city raions, 459 cities, 1,344 townships, and 29,787 rural populated localities.[21]

Local governance is regulated by Section XI of the constitution and a number of specific laws, including the 1997 Law on Local Self-Government and the 1999 Law on Local State Administrations. The laws have been amended many times since their original adoption, but they still reflect and operate on principles inherited from Soviet times, namely strong centralization, lack of local autonomy, and a disproportional distribution of the state budget.

The key problems hindering the development of local self-government have remained unchanged for some time: an excessive centralization of power at the national level; excessive fragmentation of lower-level administrative units; assumption of the powers of local self-governance bodies by the administrations appointed by the president and cabinet; vagueness of the criteria and procedures for establishing various territorial units; absence of an adequate financial basis for local government budgets; unfair and inefficient accumulation of funds by the central government; and poor staffing of local self-government bodies. Currently, nearly 90 percent of local governments depend on subsidies from the higher levels of government, which exceed 70 percent of the local budget in most cases.[22]

There were no local elections in 2012, though the more questionable results of the parliamentary elections in October could be attributed in part to the imperfect local governance system, which allowed the misuse of administrative resources. The OSCE reported that such abuses were observed in a significant number of electoral districts.[23]

Over the past 16 years, the authorities have repeatedly attempted to implement a package of legislation on local governance reform. However, each attempt failed to reach completion, and every successive government started the process anew. In May 2012, the Ministry for Regional Development drafted a Concept of Reform of Local Self-Government and Territorial Organization of Governance in Ukraine. According to the concept, the number of bottom-tier territorial units must be

reduced from 31,000 to 1,000 and the number of raions from 490 to 150. The plan had yet to be approved at year's end. A new self-government concept may be developed within the framework of the Constitutional Assembly and presented alongside its other results.

Judicial Framework and Independence

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
4.75	4.25	4.25	4.50	4.75	5.00	5.00	5.50	6.00	6.00

The authorities embarked on a new attempt to alter the constitution in 2012. On 17 May, Yanukovych issued a decree establishing the Constitutional Assembly,[24] a special auxiliary body under the presidency with the task of drafting amendments to the constitution. The assembly has 95 members, selected from parliamentary factions, political parties, academia, and civil society organizations. Opposition parties refused to take part in the project, dismissing it as an instrument designed to fulfill the president's wishes rather than serve the public interest. The assembly started its work in September and had held three plenary sessions by the end of the year. However, these yielded no tangible results. During the last session on 6 December, independent experts in the assembly sought unsuccessfully to persuade the body to appeal to the president to cancel the new referendum law, which allows him to bypass the parliament in amending the constitution.

On 13 April, the parliament adopted a new code of criminal procedure. The president signed it on 14 May, and it came into force on 20 November. The code had been drafted by the presidential administration under pressure from the international community and was welcomed as a positive example of cooperation with experts from the Council of Europe.[25] However, the Parliamentary Assembly of the Council of Europe emphasized that "this Code will only have the desired effect if it is implemented in its entirety and in good faith."[26] The reform included equalization of the rights of the defense and the prosecution; introduction of the principle of adversarial argument; an end to the exclusive right of investigators and prosecutors to produce evidence; a requirement that the defense be conducted only by lawyers, whereas previous rules allowed the defendant to be represented by relatives; a ban on pretrial detention in cases that do not involve grave or extremely grave crimes; and a ban on detention in the investigatory isolation ward for commercial crimes. The new code received mixed assessments from Ukrainian experts. They noted that it had been drafted without input from Ukrainian specialists or the opposition, and that some provisions may be contrary to the constitution and existing legislation. For instance, the rule allowing people other than lawyers, including relatives, to represent defendants had been established by a Constitutional Court decision.[27]

Long-awaited judicial reforms that would guarantee the independence and professionalism of judges were not undertaken in 2012. In his report on Ukraine, the Council of Europe's commissioner for human rights stated that "decisive action

is needed on several fronts to remove the factors which render judges vulnerable and weaken their independence."[28] Excessively lengthy judicial proceedings, lack of enforcement of judicial rulings, and abuse of pretrial detention have been identified by the European Court of Human Rights (ECHR) as structural problems in the administration of justice in Ukraine. In 2012, political powerbrokers continued to struggle over the chairmanship of the Supreme Court as a means of influencing the judicial system. The membership of the High Council of Justice still does not meet international standards, and the independence of the High Qualification Commission of Judges also remains insufficient.

The cases against former prime minister Tymoshenko and former interior minister Lutsenko continued to damage domestic political relations and international assessments of Ukrainian justice. The verdicts against both figures are generally considered by international community to have been "politically motivated convictions of members of the former government after trials which did not respect international standards as regards fair, transparent and independent legal process."[29] In addition to a seven-year prison sentence she received in 2011 for abuse of power, Tymoshenko faced a number of new charges and investigations in 2012, including a slow-moving trial for alleged tax evasion and accusations that she had organized the assassination of a lawmaker in 1996. In May she was transferred from prison to the premises of a hospital in Kharkiv oblast due to claims of inadequate treatment of health problems by prison officials. Doctors from Germany supervised her hospital treatment.

Meanwhile, Lutsenko was sentenced to four years in prison in February after being convicted of embezzlement and abuse of office. He was then sentenced to two years in prison in August in a separate case, having been convicted of ordering illegal surveillance of suspects in the poisoning of former president Viktor Yushchenko.

At the end of 2012, appeals on Tymoshenko's and Lutsenko's cases were pending before the ECHR. Ruling on an earlier appeal on 3 July, the court deemed Lutsenko's original arrest and detention a violation of human rights, obliging Ukraine to pay him €15,000 ($19,000) in compensation.

Ukrainians widely distrust the country's law enforcement bodies, according to opinion surveys. In one recent poll, the police were positively assessed by only 26 percent of respondents, and negatively by 64 percent. Similarly, public prosecutor's offices were assessed positively by 23 percent and negatively by 64 percent, while courts were assessed positively by 20 percent and negatively by 69 percent.[30]

Corruption

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
5.75	5.75	5.75	5.75	5.75	5.75	5.75	5.75	6.00	6.00

International and Ukrainian experts see corruption as "the greatest threat to Ukraine's democracy and sovereignty."[31] According to a 2012 poll, an estimated 48 percent of Ukraine's citizens see corruption among the authorities as the second

major problem in the country, after unemployment.[32]

A new anticorruption law entered into force in June 2011. It was welcomed by the Council of Europe and other international organizations, though it was also criticized in part because it failed to include mandatory declarations of expenditures by public officials or mandatory declarations of property, income, and expenses by their relatives. In January 2012, additional provisions of the law took effect, including Article 11, which introduced a system for the verification of data submitted by public officials. The law provides for the establishment of a National Anticorruption Committee under the supervision of the president, and although the body was formed in 2011, it did not meet during 2012.

In July 2012, the parliament passed new legislation on public procurements, marking the sixth amendment of the law since July 2010. Yanukovych signed it, and it came into force on 5 August. The amendment carved out extensive exceptions to the underlying law's transparency and competition requirements, exempting all procurements by public, municipal, and state-owned enterprises as well as private business entities in which the state interest exceeds 50 percent. According to Ukrainian expert assessments, the new rules effectively excluded 80 percent of all state procurements from the law's regulations.[33]

Following the adoption of the law on access to public information in 2011, central executive bodies and regional state administrations gave some 50,000 answers to inquiries and declassified 230 documents. Answers to 92 percent of the inquiries were given within five days, and only 3 percent were refused.[34] Nevertheless, the potential effect of the law in combating corruption was substantially impaired by the 2012 amendments to the law on state procurements.

In 2012, the National Anticorruption Strategy for 2011–15 and the State Program on Prevention and Combating Corruption for 2011–15 remained in force, though implementation was weak due to the absence of necessary resources. In particular, the creation of a single web portal for administrative services by the Ministry for Economic Development was delayed indefinitely.[35]

According to a report by the Council of Europe's Group of States against Corruption (GRECO), Ukraine's strategy and state program "still need to be adjustable instruments depending on needs expressed by the State institutions, by representatives of the civil society in Ukraine as well as by the international community."[36] Generally assessing the implementation of recommendations to Ukraine in the field of fighting corruption, GRECO noted that "out of the 25 recommendations issued to Ukraine, in total only twelve recommendations have been implemented satisfactorily or dealt with in a satisfactory manner," and that "several fundamental issues ... still need considerable attention."[37] GRECO found that "the pace of reforms so far has been very slow and that the legislative process has been full of obstacles."[38]

Corruption scandals clouded the preparations for and conduct of the European football championship, hosted jointly by Ukraine and Poland in June 2012. The amount of public funds spent on the championship in Ukraine, including the construction of sports facilities and infrastructure, remains unclear. The

government claims to have spent $5 billion, while the opposition argues that the cost was twice as high, with $4 billion siphoned off by officials and well-connected businessmen. The suspicions of corruption were bolstered by the fact that in 2010, state procurements for the upcoming event were excluded from the regulations in the law on state procurements, meaning the public had no guaranteed access to information on the expenses. In June 2012, a member of the European Parliament called on the European soccer federation's governing body to investigate why the Ukrainian authorities had canceled competitive tenders for projects related to the championship. Separately, Tymoshenko applied to the international Financial Action Task Force with a request to investigate corruption and money laundering by the current Ukrainian authorities. No results of any such investigations had been released by year's end.

▮ AUTHORS: OLEKSANDR SUSHKO AND OLENA PRYSTAYKO

Dr. Oleksandr Sushko is a research director at the Institute for Euro-Atlantic Cooperation in Kyiv, Ukraine. Dr. Olena Prystayko is a researcher based in Brussels, Belgium.

---

1 "Про Конституційну Асамблею" [On the Constitutional Assembly], President of Ukraine Decree No. 328/2012, 17 May 2012, http://www.president.gov.ua/documents/14752.html.

2 Organization for Security and Cooperation in Europe (OSCE) Office for Democatic Institutions and Human Rights (ODIHR), *Ukraine Parliamentary Elections, 28 October 2012, OSCE/ODIHR Election Observation Mission Final Report* (Warsaw: OSCE, 2013), http://www.osce.org/odihr/elections/98578.

3 Law on Civic Associations [Ukraine], No 4572-VI, 22 March 2012, http://zakon2.rada.gov.ua/laws/show/4572-17.

4 International Renaissance Foundation, "Civic Monitoring Makes TV News More Balanced before the Elections," news release, 1 November 2012, http://www.irf.ua/index.php?option=com_content&view=article&catid=81&id=38263&Itemid=43.

5 Council of the European Union, *Council Conclusions on Ukraine, 3209th Foreign Affairs Council Meeting* (Brussels: European Union, 2012), http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/EN/foraff/134136.pdf.

6 Eastern Partnership Civil Society Forum, "Resolution of the Eastern Partnership Civil Society Forum on the Law on Referendums in Ukraine Adopted on November 30, 2012," news release, 30 November 2012, http://www.eap-csf.eu/en/news-events/news/resolution-of-the-forum-on-the-law-on-referendums-in-ukraine/.

7 Ibid.

8 The World Bank Group, "Ease of Doing Business in Ukraine," in *Doing Business 2013* (Washington: The World Bank Group, 2012), http://www.doingbusiness.org/data/explore economies/ukraine.

9 Terry Miller, Kim R. Holmes, and Edwin J. Feulner, *Highlights of the 2013 Index of Economic Freedom* (Washington: Heritage Foundation, 2012), http://www.heritage.org/index/download.

10 OSCE/ODIHR, *Ukraine Parliamentary Elections, 28 October 2012, OSCE/ODIHR Election Observation Mission Final Report.*

11 Ibid.

12 OPORA, *ЗВІТ Громадянської мережі ОПОРА за результатами спостереження в день голосування на виборах народних депутатів 28 жовтня 2012 року* [OPORA report: The results of observations on the polling day for the parliamentary elections of 28 October 2012] (Kyiv: OPORA, 2012), http://map.oporaua.org/content/allresults/60/.

13 National Institute for Strategic Studies, "Про стан розвитку громадянського суспільства в Україні" [On the development of civil society in Ukraine] (Kyiv: National Institute for Strategic Studies, 2012), http://www.niss.gov.ua/content/articles/files/XXI-e3446.pdf.

14 Freedom House, *Sounding the Alarm Round 2: Protecting Democracy in Ukraine: A Follow-up Freedom House Report* (Washington: Freedom House, 2012), http://www.freedomhouse.org/sites/default/files/Ukraine%202012%20English%20FINAL.pdf.

15 Law on Civic Associations [Ukraine].

16 Freedom House, *Sounding the Alarm Round 2.*

17 Richard Balmforth, "Ukraine Media Feel the Squeeze ahead of Election," Reuters, 9 October 2012, http://uk.reuters.com/article/2012/10/09/uk-ukraine-election-media-idUKBRE8980AT20121009.

18 International Renaissance Foundation, "Civic Monitoring Makes TV News More Balanced before the Elections."

19 Ibid.

20 International Press Institute, "IPI Issues Report on Media Freedom in Ukraine," news release, 31 August 2011, http://www.freemedia.at/home/singleview/article/ipi-issues-report-on-media-freedom-in-ukraine.html.

21 Ministry of Regional Development, "Адміністративно-територіальний устрій України станом на 1 липня 2012" [Administrative-territorial system of Ukraine as of 1 July 2012], accessed 22 January 2013, http://www.minregion.gov.ua/index.php?option=com_k2&view=item&id=1672:adm%D1%96n%D1%96strativno-teritor%D1%96alnij-ustr%D1%96j-ukra%D1%97ni&Itemid=84&lang=uk.

22 President of Ukraine, "Виступ Президента на урочистих зборах з нагоди 20-річчя створення Асоціації міст України" [The president's speech at a solemn meeting on the occasion of the 20th anniversary of the establishment of the Association of Cities of Ukraine], news release, 28 September 2012, http://www.president.gov.ua/news/25563.html.

23 OSCE, *Ukraine Parliamentary Elections, 28 October 2012, OSCE/ODIHR Election Observation Mission Final Report.*

24 "Про Конституційну Асамблею" [On the Constitutional Assembly], President of Ukraine Decree No. 328/2012.

25 Council of Europe, "PACE Monitoring Rapporteurs Welcome Adoption of New Code of Criminal Procedure in Ukraine," news release, 13 April 2012, https://wcd.coe.int/ViewDoc.jsp?id=1932859&Site=DC; and Council of the European Union, *Council Conclusions on Ukraine, 3209th Foreign Affairs Council Meeting.*

26 Parliamentary Assembly, *Honouring of Obligations and Commitments by Ukraine: Information Note by the Co-Rapporteurs on the Fact-Finding Visit to Kyiv (26–30 March 2012) and to Kyiv*

and Kharkiv (14–18 May 2012) (Strasbourg: Council of Europe, 2012), http://assembly.coe.int/CommitteeDocs/2012/amondoc13rev_2012.pdf.

27 "Проект КПК—це не просто правовий нігілізм" [Draft CPC is not just legal nihilism], *Dzerkalo Tyzhnya. Ukrayina*, 13 April 2012, http://dt.ua/LAW/proekt_kpk__tse_ne_prosto__pravoviy_nigilizm_-100525.html.

28 Commissioner for Human Rights of the Council of Europe, *Administration of Justice and Protection of Human Rights in the Justice System in Ukraine* (Strasbourg: Council of Europe, 2012), https://wcd.coe.int/com.instranet.InstraServlet?command=com.instranet.CmdBlobGet&InstranetImage=2075485&SecMode=1&DocId=1883332&Usage=2.

29 Parliamentary Assembly of the Council of Europe, "PACE Monitoring Rapporteurs Welcome Adoption of New Code of Criminal Procedure in Ukraine," news release, 13 April 2012, https://wcd.coe.int/ViewDoc.jsp?id=1932859&Site=DC; and Council of the European Union, *Council Conclusions on Ukraine, 3209th Foreign Affairs Council Meeting* (Brussels: European Union, 2012), http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/EN/foraff/134136.pdf.

30 Democratic Initiative Foundation (DIF) and Razumkov Center (RC), *Оцінка населенням правоохоронної системи. Ставлення українців до самосуду* [Assessment of the law enforcement system by the public. The attitude of Ukrainians toward vigilantism] (Kyiv: DIF and RC, 2012), http://dif.org.ua/ua/polls/2012-year/1756.htm.

31 Freedom House, *Sounding the Alarm Round 2: Protecting Democracy in Ukraine*.

32 "Українці назвали найбільшими проблемами країни безробіття і корупцію" [Ukrainians named unemployment and corruption as the biggest problems for the country], *Dzerkalo Tyzhnya. Ukrayina*, 24 July 2012, http://news.dt.ua/SOCIETY/ukrayintsi_nazvali_naybilshimi_problemami_krayini_bezrobittya_i_koruptsiyu-105857.html.

33 "Робота в Національному антикорупційному комітеті не приносить жодної користі" [Work in the National Anticorruption Committee brings no benefit], *Hazeta Po-Ukrayinsky*, 12 July 2012, http://gazeta.ua/articles/comments-newspaper/445223.

34 President of Ukraine, "Практика виконання Закону 'Про доступ до публічної інформації' довела, що держава може оперативно надавати громадянам інформацію у зручний для них спосіб—Денис Іванеско" [Practice of implementation of the law 'On access to public information' has proven that the state can promptly give citizens information in a convenient form—Denys Ivanesko], news release, 12 October 2012, http://www.president.gov.ua/news/25734.html.

35 Eastern Partnership Civil Society Forum, "The Statement of the Ukrainian Platform of Eastern Partnership Civil Society Forum Regarding the Implementation of State Anti-Corruption Policy in Ukraine," news release, 14 June 2012, http://www.eap-csf.eu/en/news-events/articles-analytics/the-statement-of-the-ukrainian-platform-of-eastern-partnership-civil-society-forum-regarding-the-implementation-of-state-anti-corruption-policy-in-ukraine/.

36 Group of States against Corruption (GRECO), *Joint First and Second Evaluation Round: Second Addendum to the Compliance Report on Ukraine* (Strasbourg: Council of Europe, 2012), http://www.coe.int/t/dghl/monitoring/greco/evaluations/round2/GrecoRC1&2%282009%291_SecondAdd_Ukraine_EN.pdf.

37 Ibid., 13.

38 Ibid., 13.

Uzbekistan

by Sarah Kendzior

Capital: Tashkent
Population: 29.3 million
GNI/capita, PPP: US$3,420

Source: The data above are drawn from the World Bank's *World Development Indicators 2013.*

Nations in Transit Ratings and Averaged Scores

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Electoral Process	6.75	6.75	6.75	6.75	7.00	7.00	7.00	7.00	7.00	7.00
Civil Society	6.50	6.50	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00
Independent Media	6.75	6.75	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00
Governance*	6.25	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
National Democratic Governance	n/a	6.50	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00
Local Democratic Governance	n/a	6.25	6.75	6.75	6.75	6.75	6.75	6.75	6.75	6.75
Judicial Framework and Independence	6.50	6.25	6.75	6.75	6.75	7.00	7.00	7.00	7.00	7.00
Corruption	6.00	6.00	6.50	6.50	6.50	6.50	6.75	6.75	6.75	6.75
Democracy Score	6.46	6.43	6.82	6.82	6.86	6.89	6.93	6.93	6.93	6.93

** Starting with the 2005 edition, Freedom House introduced separate analysis and ratings for national democratic governance and local democratic governance to provide readers with more detailed and nuanced analysis of these two important subjects.*

NOTE: The ratings reflect the consensus of Freedom House, its academic advisers, and the author(s) of this report. The opinions expressed in this report are those of the author(s). The ratings are based on a scale of 1 to 7, with 1 representing the highest level of democratic progress and 7 the lowest. The Democracy Score is an average of ratings for the categories tracked in a given year.

Executive Summary

Since 1991, Uzbekistan has been ruled by Islam Karimov, a communist apparatchik turned nationalist dictator who has retained the most pernicious aspects of Soviet rule. Obsessed with threats to his power, Karimov employs a massive security apparatus to monitor the activities of real and perceived opponents and to scan the Uzbek population for signs of dissent. His regime has banned opposition groups, persecuted civil society activists, and nearly eradicated independent media. Citizens are arrested on arbitrary charges, denied due process, and tortured during interrogation and in prison. Since the events in Andijon in May 2005, when government forces opened fire on a crowd of protesters, including women and children, Uzbekistan's regime has become increasingly insular, opposing foreign efforts to monitor or intervene in domestic political affairs and rejectisng cooperation with international organizations.

Corruption remains pervasive. In 2012, a shakedown of Uzbekistan's leading telecommunications provider, a subsidiary of Russia-based Mobile TeleSystems (MTS), provided new evidence of expropriation and intimidation in Uzbekistan's government and financial sectors. Other corporate scandals, including bribery and money-laundering cases in Switzerland and Sweden, were linked to Karimov's daughter, Gulnara Karimova, a possible presidential successor who has been described as a "robber baron."

National Democratic Governance. The Karimov regime offers citizens no opportunities to meaningfully participate in the country's political system. Rampant surveillance and intimidation by the state's security apparatus persisted in 2012. Widespread poverty was exacerbated by an energy crisis apparently caused by the government's hoarding of natural gas reserves. Uzbekistan rejected cooperation with many international organizations and its Central Asian neighbors, while maintaining strained but functional relations with NATO and the United States. *Uzbekistan's rating for national democratic governance remains unchanged at 7.00.*

Electoral Process. Elections in Uzbekistan are preordained affairs, orchestrated to maintain the power of Karimov's allies. All opposition parties are banned. Despite the existence of a constitutional term limit, Karimov has been in office for more than 20 years. In 2012, the upcoming presidential election was pushed back from 2014 to 2015. *Uzbekistan's rating for electoral process remains unchanged at 7.00.*

Civil Society. Human rights activists, Karimov critics, and devout Muslims continued to be the targets of brutal attacks, bogus legal charges, and other punitive measures. State agents harassed dissidents and their family members, suppressed protest actions, and drove one of the country's few remaining political opponents,

Nigora Hidoyatova of the unregistered party Ozod Dehqonlar (Free Peasants), into exile. Surveillance and intimidation by the national security services is rampant and now extends beyond the country's borders, as exemplified by the shooting (reportedly by Uzbek agents) of Imam Obidkhon Qori Nazarov in Sweden, where he has political asylum. *Uzbekistan's rating for civil society remains unchanged at 7.00.*

Independent Media. The Karimov regime has all but eradicated free media in Uzbekistan. The few independent journalists who remain are subjected to harassment and detention. In 2012, the government made an example of several independent journalists, convicting them on the basis of articles they had not actually written. As most of the country's independent journalists have fled the country, foreign-based Uzbek websites and their contributors are now the primary targets of government censorship. The regime continued to restrict access to both domestic and foreign websites, issuing new censorship directives, attacking proxy servers, and blocking several popular news sources. *Uzbekistan's rating for independent media remains unchanged at 7.00.*

Local Democratic Governance. Most local and regional officials are chosen by the state, without input from Uzbek citizens. *Mahallas*, or neighborhood councils, serve as the eyes and ears of the central government, reporting suspicious activities to higher authorities and working to preempt manifestations of antigovernment sentiment. Attempts to reform local governance through official legal channels can lead to punishment, as evidenced by the arrest of two citizens, one a human rights activist, who filed complaints against local officials in 2012. In line with regime directives, local authorities continued to abuse their power by forcing citizens to work in cotton fields, at the expense of educational and professional activities. *Uzbekistan's rating for local democratic governance remains unchanged at 6.75.*

Judicial Framework and Independence. The Karimov regime maintains strict control over the judicial system, routinely violating citizens' fundamental legal rights. Citizens are arrested on arbitrary charges, denied due process, given lengthy prison terms, and even tortured. In recent years, authorities have disbarred lawyers for their political views and abolished independent bar associations. In 2012, a letter allegedly smuggled out of Uzbekistan that documents abuses in one of the country's most notorious prisons was published online, offering a glimpse of the harsh conditions endured by Uzbek detainees. *Uzbekistan's rating for judicial framework and independence remains unchanged at 7.00.*

Corruption. In 2012, several scandals revealed the extent to which Uzbekistan's government practices bribery and intimidation in order to advance elite business interests. Over the summer, authorities launched a mass expropriation of the Uzbek subsidiary of the Russian telecom company MTS, costing the business vast assets. Employees were arrested, threatened, and forced to sign false confessions, while nearly 40 percent of the Uzbek population lost mobile phone service. The MTS

expropriation compromised Uzbekistan's already fragile standing among foreign investors. A series of telecom industry money-laundering and bribery scandals in Europe have also been linked to President Karimov's daughter, Gulnara Karimova. *Uzbekistan's corruption rating remains unchanged at 6.75.*

Outlook for 2013. Survival, not politics, is likely to remain Uzbek citizens' primary concern in 2013. Corruption is endemic, and the national security services wield enormous power over Uzbekistan's civil affairs. The government's hoarding of natural resources compounds the already dire consequences of widespread poverty. Uzbekistan's firmly isolationist stance in international affairs indicates that the country will continue to ignore foreign pressure for political reform.

Despite rumors that Karimov is preparing a successor, there is no proof that the president intends to leave office at or before his next opportunity for reelection in 2015. Moreover, there is no reason to believe that a hand-picked successor would adopt a more humane approach to governing.

Main Report

National Democratic Governance

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
n/a	6.50	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00

According to a public opinion poll conducted by the government in August 2012, 95 percent of Uzbek citizens are happy to live in Uzbekistan.[1] Such statistics belie the everyday economic hardships and absence of civil liberties under Islam Karimov's rule, while at the same time demonstrating the degree of control his regime exercises over its citizens. Karimov's policies violate Uzbekistan's constitution—including guaranteed freedoms of speech, media, and religion—and deny citizens the ability to participate in political life. Throughout 2012, Uzbeks experienced tight restrictions on civic engagement and personal expression. The National Security Service (SNB), a massive surveillance force responsible for curtailing perceived threats to the regime, monitored and harassed citizens. In matters of foreign affairs, Uzbekistan eschewed connections with many international organizations and its Central Asian neighbors, while maintaining some cooperation with the United States and its allies over the war in Afghanistan.

The executive branch dominates Uzbekistan's political and judicial systems. Only four political parties, all progovernment, are currently registered in the country. Unregistered opposition groups function primarily in exile. In 2011, the parliament gained the right to nominate the prime minister, who must then be approved by the president. The chairman of the senate was also named the president's successor in case of death or incapacitation. These two reforms have served to minimize the power of the prime minister and strengthen the role of parliament. Analysts view the changes as either window-dressing or moves by Karimov to manipulate rival elites.

Despite government proclamations—bolstered by gross domestic product growth in 2011 and 2012[2]—that Uzbekistan's economy is thriving, poverty remains widespread. The low standard of living in the country was exacerbated in 2012 by the state's apparent siphoning off of energy resources. Despite Uzbekistan's rich natural gas reserves, many regions experienced a severe energy shortage in the winter. Households burned wood and dung for fuel, while businesses increasingly relied on coal. Makeshift heating devices caused several explosions, one of which killed two people and injured others.[3] Reports showed that the government was meeting natural gas export commitments but reducing extraction, leading analysts to surmise that the state was leaving gas in the ground—and keeping it from the public—so that it could be used to negotiate additional export deals.[4] The government claims the reason for the switch to coal and wood is increased public interest in "Uzbekistan's traditional types of fuel,"[5] despite the fact that much of Uzbekistan is a desert, with few trees and no tradition of coal mining.

There were also signs of the government's financial insolvency in 2012. Among other problems, authorities were unable to pay many public servants in a timely manner. In Bukhara, teachers and doctors were paid a portion of their salaries in chickens imported from Serbia.[6]

Internationally, Uzbekistan's primary concern remained protecting its sovereignty, which it perceives as being under constant threat. In June, Uzbekistan suspended its membership in the Russia-led Collective Security Treaty Organization (CSTO), which comprises a number of former Soviet republics.[7] In August, the country's parliament approved a new foreign policy strategy rejecting Tashkent's membership in any military or political blocs.[8] The government also moved to limit Uzbekistan's interactions with neighboring Central Asian states. In June, authorities reintroduced exit-visa regimes for Uzbek nationals traveling to Tajikistan and Turkmenistan and blocked Kazakh troops from passing through its territory en route to Tajikistan to participate in military training with the Shanghai Cooperation Organization, of which Uzbekistan is a member.[9]

Despite its isolationist stance, Uzbek authorities continued to host North Atlantic Treaty Organization (NATO) supply routes to Afghanistan. In January 2012, the United States temporarily lifted a ban on military assistance to the country, enacted in 2003 over human rights concerns. The U.S. government agreed to provide Uzbekistan with non-weapons grade military equipment that will support its ability to secure routes to Afghanistan.[10] High-level visits between U.S., European, and Uzbek officials continued throughout 2012.

Electoral Process

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
6.75	6.75	6.75	6.75	7.00	7.00	7.00	7.00	7.00	7.00

Since Uzbekistan gained independence in late 1991, no elections held there have been judged free and fair by the Organization for Security and Cooperation in Europe (OSCE). The OSCE's Office for Democratic Institutions and Human Rights (ODIHR) declined to send a full election monitoring team to the last parliamentary elections in 2009 because the system in Uzbekistan does not meet minimal standards for democratic elections by "offer[ing] the electorate a genuine choice."[11]

Popular elections are only held for the office of the president and the lower house of parliament (*Oliy Majlis*). Only four registered parties—the Democratic Party of Uzbekistan, the Adolat (Justice) Social Democratic Party, the Liberal Democratic Party, and Milliy Tiklanish (National Revival)—are allowed to nominate candidates and participate in elections. In the last presidential election, in 2007, all four parties proclaimed their loyalty to President Karimov. No opposition parties are allowed to register, and there is no way for an independent candidate or candidate from a civic group to run.

Though Uzbekistan's constitution states that the same person cannot be president for more than two consecutive terms, Karimov has already served

three since 1992.[12] In 1995 and 2000, national referendums extended his term and postponed elections. In 2002, the parliament passed a law lengthening the presidential term from five to seven years. Karimov's supporters argued that the change nullified his previous terms and justified his stay in power. In December 2011, the parliament cut the presidential term back to five years, a move that potentially creates a new loophole for his next reelection. The state press has praised the shortening of term length as emblematic of Karimov's tradition of democratic reform.[13]

In March 2012, the Oliy Majlis passed a law postponing the next presidential election—originally scheduled to coincide with the December 2014 parliamentary vote—until 90 days after the results of the parliamentary elections are made public, which will be sometime in spring 2015.[14] This has generated speculation that Karimov, who turns 75 in January 2013, is buying time to prepare a successor in case health issues prevent him from running again.[15] In recent years, rumored candidates to succeed Karimov have included First Deputy Prime Minister Rustam Azimov; the chairman of Uzbekistan's SNB, Rustam Inoyatov; Prime Minister Shavkat Mirziyayev; and Karimov's own daughter, Gulnara Karimova.[16]

Civil Society

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
6.50	6.50	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00

Backed by a formidable Interior Ministry and security forces, Karimov has eliminated nearly all civil society groups that do not embrace state policies. Criticism of local officials, judges, and law enforcement representatives is rarely permitted. A few small independent rights organizations remain in Uzbekistan, including Ezgulik (Virtue), the Human Rights Society of Uzbekistan (HRSU), the Expert Working Group (composed of members of Ezgulik and the HRSU), and the Initiative Group of Independent Rights Defenders of Uzbekistan. Other organizations, like the Birdamlik (Solidarity) People's Movement and Sunshine Uzbekistan, are run primarily by Uzbek exiles abroad but have members in Uzbekistan, all of whom face constant harassment by state officials.

Throughout 2012, the SNB and other law enforcement officials worked to stifle voices of dissent within Uzbekistan. One common tactic of intimidation has been to punish the family members and friends of dissidents in the hopes of curtailing their activity. In January, police took away the seven-year-old son of longtime activist Elena Urlaeva, threatening to send him to an orphanage if she did not cease her political activity.[17] This was the second time police had tried to remove the child, who sustained a concussion from the beating he received last time police attempted to remove him, in 2009. The daughter of human rights activist Adelaide Kim had her Russian passport seized by Uzbek officials in 2012. Kim protested, and eventually the Russian embassy demanded the return of her passport. In response, the Uzbek government attempted to deport Kim's daughter to Kazakhstan.[18]

Both Urlaeva and Kim took part in a Human Rights Defenders' Alliance picket in front of the state prosecutor's office to protest his refusal to meet with them in March 202. The group also attempted to organize a march to the presidential residence later that month. Both protest actions were quickly suppressed by Tashkent police.[19]

The Birdamlik movement, a prodemocracy movement that tries to promote tactics of civil disobedience to Uzbeks, continued to be targeted by state officials throughout 2012. One of their members, activist Gulshan Karayeva, was the target of multiple attacks that exemplify the tactics Uzbek state officials use to control dissidents. In May, Karaeva was recruited into the SNB but refused to join them. Two weeks later, she was beaten by strangers in a shop and her house was covered in obscene graffiti. In September, Karaeva was charged with "slander" and "insult" against two women said to have attacked members of Karaeva's family in July.[20] Karaeva denied the charges and pled not guilty during her December trial. She was convicted of slander and insult but pardoned four hours later. The move came in conjunction with other amnesties granted as part of the celebration of the twentieth anniversary of Uzbekistan's constitution.[21]

In July 2012, Nigora Hidoyatova, leader of the unregistered party Ozod Dehqonlar (Free Peasants) and one of the country's most outspoken government critics, fled Uzbekistan after weeks of threats from the SNB. Hidoyatova told Radio Free Europe/Radio Liberty that she left when she realized she was about to be charged with intent to overthrow the government: "I was recently summoned for interrogation 15 times as a witness. But on the 16th time I was summoned as a defendant. It meant I was going to be charged. The person who brought the summons told me to come with a defense lawyer."[22] Hidoyatova did not disclose the location of her self-imposed exile, citing personal safety concerns.

Exiled dissidents and activists had reason to be fearful in 2012, as the regime's security apparatus continued to target them in their new countries. In July, Sweden's prosecutor general accused Uzbekistan's secret services of orchestrating the February shooting of exiled Uzbek imam Obidxon qori Nazarov outside his home in Stromsund.[23] Nazarov was a popular imam in Uzbekistan before seeking political asylum in Sweden in 2006. While in exile, he worked with Uzbek opposition groups, including the People's Movement of Uzbekistan, led by exiled Erk party founder Muhammad Salih, and Tayanch, an Islamic organization led by Muhammadsalih Abutov, another refugee in Sweden who was denounced in a television special that aired on Uzbek state television in May.[24] Nazarov remained a regular target of harsh criticism in the Uzbek state press right up until the shooting.[25] He survived the attack but was still in a coma at year's end. Two Uzbeks living in Sweden initially charged with assisting a hit man with the shooting were acquitted.[26]

The attack on Nazarov follows other attacks on Uzbek exiles allegedly orchestrated by the Uzbek government and carried out by agents of the SNB, including the murder of the ethnic Uzbek journalist Alisher Saipov in his native country of Kyrgyzstan in 2007 and the murder of imam and People's Movement of Uzbekistan activist Fuad Rustamkhojaev in Russia in 2011.[27]

Independent Media

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
6.75	6.75	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00

Uzbekistan's national and local media outlets parrot state rhetoric, while independent media have been almost eradicated through decades of government intimidation and censorship. The 2005 Andijon events marked a turning point for Uzbek media, as state authorities sought to control coverage of the violence and its aftermath by expelling foreign journalists from Uzbekistan; most are still denied entry today.[28] The majority of independent Uzbek journalists have fled the country, and many now run websites that report on and critique state politics. As a result, foreign-based independent Uzbek websites and their contributors are now the primary focus of government censorship efforts.

The few remaining independent journalists in Uzbekistan are routinely harassed and imprisoned on charges ranging from defamation to extortion, forgery to smuggling. In 2012, a number of reporters found themselves prosecuted for articles they had not even written. In March, journalist Elena Bondar was summoned to a Tashkent police station and accused of "inciting national, racial, ethnic or religious hatred" and of intent to publish an interview "defaming the people of Uzbekistan." Bondar, a contributor to the news site Fergananews.com, had been accused of sending letters to media outlets about alleged Uzbek government harassment of a local branch of Russia's Tyumen University. During her interrogation, Bondar explained that she was the recipient of one of the letters and had begun to investigate its claims, but had dropped the story after determining the information was fabricated. Nevertheless, Bondar was found guilty by a Tashkent court on 6 April and fined approximately $3,700.[29] Bondar had previously been harassed after attending an OSCE journalism seminar in Kyrgyzstan in 2011.

In August 2012, the Uzbek Supreme Court upheld the sentence of Viktor Krymzalov, a journalist convicted of writing a defamatory article on the website Centrasia.ru, even though it did not have his byline. The article concerned legal battles among the family members of Viktor Kirnos, a Tashkent pensioner. Krymzalov had been sentenced on 26 March after Kirnos' relatives abroad filed a suit against him. Although no proof was produced at Krymzalov's hearings that he had written the article, he was fined $1,350.[30] Krymzalov believes he was targeted for criticizing government corruption and incompetence in other articles earlier in his career. He noted that the prosecution called on the judiciary "to make the case public so that others would be deterred from criticizing the judicial system in Uzbekistan."[31] A planned rally in defense of Krymzalov was canceled after state officials denied human rights activists permission to hold the gathering.

In July, journalists Sid Yanyshev and Pavel Kravets were photographing the Axia store in Tashkent when they were arrested and accused of "pursuing a strategic goal."[32] Officials never explained what the purported "goal" was or how Yanyshev and Kravets had violated the law. After an interrogation in which the reporters were

asked to explain who commissioned their work and how they chose their subjects, they were released.

The arrest of journalists working for websites like Fergananews.com and Centrasia.ru reflects the Karimov government's growing preoccupation with the content of electronic media hosted outside Uzbekistan's borders. In September, the information and analysis department of the Cabinet of Ministers rewrote a statute in order to grant itself the broad power to "preserve the integrity of the national information space,"[33] which it proceeded to do through censorship, surveillance, and intimidation. Throughout 2012, Uzbekistan continued to block access to foreign websites covering politics in Central Asia, including RFE/RL, Uznews.net, Eurasianet.org, and Registan.net, and blogging sites like LiveJournal. Authorities also cracked down on the proxy servers many Uzbeks use to access prohibited websites.[34]

Arbuz.com, an Uzbek discussion forum that had been around since the late 1990s, finally closed down in December 2011. Though mostly devoted to non-political topics, Arbuz had become a key venue for people to discuss events like the 2005 Andijon violence and 2010 Uzbek-Kyrgyz ethnic violence in southern Kyrgyzstan, and an important way for Uzbeks to exchange information across state lines. This displeased Uzbekistani officials, but because Arbuz was hosted abroad, they could not arrest its owner. Instead, they arrested a number of Arbuz users in Uzbekistan. The owner responded at first by removing political content, including the threads about Andijon and Osh, but ultimately he shut down Arbuz permanently out of concern for users' safety.[35]

The government and its supporters have introduced websites replicating those from which Uzbek citizens are routinely denied access. Launched in 2012, YouFace.uz is the latest attempt of progovernment Uzbeks to offer a state-sanctioned social media website.[36] The Uzbek-language site resembles Facebook except for the addition of a quote from Karimov on its main page. In 2011, the government launched Muloqot.uz, a social network that requires users to register with an Uzbekistan cell phone number, preventing people outside state borders from accessing the site.

In February, the government added the Uzbek-language version of Wikipedia to its blocked list but left versions of the website in other languages open, even though the Uzbek-language version contained far less inflammatory political content. This puzzling move can be seen as an attempt to mandate state control over the production and dissemination of Uzbek-language content.[37]

The Uzbek government has also attempted to physically impede access to online information. In 2011, a law was passed banning young people from visiting internet cafes between 8:30 am and 7:00 pm. In 2012, teachers were ordered to monitor internet cafes and expel high school and college students who used them.[38] The ban on internet cafes is likely to be somewhat ineffective as the majority of young Uzbeks get internet access through mobile devices.

Local Democratic Governance

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
n/a	6.25	6.75	6.75	6.75	6.75	6.75	6.75	6.75	6.75

In Uzbekistan, the state appoints key local officials based on their loyalty and ability to fulfill demands from Tashkent. Provincial governors are usually rotated every few years, apparently in order to prevent any single official from gaining significant power. *Mahallas*, or neighborhood councils, the most localized level of governance, are expected to report suspicious activities to higher authorities in order to eliminate antigovernment sentiment. Local officials also continue to follow national directives that force Uzbek citizens, including children, to work in the country's cotton fields.

Legally, Uzbek citizens have the right to file complaints when they believe their rights are violated, but in practice these complaints are viewed as acts of insubordination against local officials and are punished. In July 2012, libel charges were brought against human rights activist Shuhrat Rustamov of the HRAU by the chairman of the Shonguzar neighborhood in Tashkent's Shayhantahur district.[39] Rustamov had already faced libel fines in January after criticizing irregularities in the previous year's mahalla elections, and believes that his latest arrest was a pretext to deter his investigations of local government corruption. In August, Rustamov was acquitted in a surprise decision by judge Hamro Berdiklichev, who was praised by activists for his leniency.[40] Around the same time Rustamov was acquitted, 73-year-old activist Ergash Bobojonov was charged with libel and insult after filing a complaint against police in Fergana province.[41] Among other alleged offenses, Bobojonov was charged with violating his mahalla's rule against filing official complaints.

A major source of corruption and mismanagement in local governance is Uzbekistan's national cotton industry. Local officials in Uzbekistan are tasked with ensuring that enough residents work in cotton fields to meet government-set production targets. Children and teenagers are forced to pick cotton and are told it is their patriotic duty. In September 2012, a 17-year-old boy from Jizzakh who declined to "volunteer" to pick cotton this year was reportedly told by a local official, "If you don't want to pick cotton, get the f*** out of Uzbekistan!"[42] The official then harassed and interrogated the boy and his father. In October, a teenage boy, Navruz Muysinov, died from injuries allegedly sustained when he was beaten by police after leaving the cotton field early.[43]

The use of child labor in Uzbekistan's cotton industry has long been the target of domestic and international human rights campaigns. In 2012, numerous reports emerged that the number of children laborers had decreased. Cotton Campaign, an organization that tracks the Uzbek cotton industry, noted that "for the first time, children under the age of 16 were not massively mobilized to pick cotton."[44] However, adult labor was increased to compensate for the lack of child workers. In September, a 55-year-old man died while laboring in the cotton fields after local officials failed to run an advance medical check.[45] The increased use of adult

labor also led to a shortage of teachers, doctors, and nurses in villages, as these professionals placed in fields were unable to do their usual jobs.[46]

Uzbekistan's national cotton industry continues to exploit local officials' fears of disobeying state laws and citizens' fears of government punishment. There is little indication that the industry will be reformed in the foreseeable future.

Judicial Framework and Independence

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
6.50	6.25	6.75	6.75	6.75	7.00	7.00	7.00	7.00	7.00

Uzbekistan's judiciary functions as a tool of the executive branch, serving the president's interests. Judges are appointed, which compromises their independence. The presumption of innocence and right to an attorney are guaranteed by Uzbekistan's constitution but routinely overlooked in detention facilities and courtrooms. While the right to appeal exists, lower court rulings are rarely overturned by higher courts; at best, the appeals process provides an opportunity to reduce one's sentence.

In December 2011, Human Rights Watch released a comprehensive report on the erosion of *habeas corpus* in Uzbekistan.[47] Based on fieldwork conducted over three years, the report documents torture in Uzbekistan's prisons and the destruction of the country's legal field. According to the report, authorities have disbarred lawyers for their political views, abolished independent bar associations, and denied counsel to detainees.[48]

In September 2012, a letter describing torture and abuse in Uzbekistan's notorious Jaslyk prison was purportedly smuggled out and published on the internet by the Association for Human Rights in Central Asia (AHRCA), a human rights organization run by Uzbek citizens in exile.[49] The letter describes how an inmate was beaten in December 2011 for not showing any interest in the mandatory one-hour reading of books written by President Karimov. Radio Free Europe had access to the original copy of the letter and claimed that it seemed genuine, although it is unknown how it reached AHRCA.[50]

Judicial authorities frequently target Uzbekistan's political activists without due process, often resulting in lengthy prison terms. Muhammad Bekjon, the brother of exiled People's Movement of Uzbekistan leader Muhammad Salih, was scheduled to be released from prison in December 2011 after serving more than twelve years. In January 2012, his lawyer announced that Bekjon had been sentenced to five more years under Article 221, for "failure to obey prison rules."[51] No evidence was given to support the charge. In August, Birdamlik movement activist and website writer Gulhayo Bobojonova was detained for five days on charges that were never clarified. Some reports indicate she was accused of offending a police officer.[52]

Devout Muslims are another common target of the legal system. Between May and July 2012, nine men from Tashkent were arrested by national security service agents on charges of "establishing, leading and participating in an illegal

extremist religious organization," according to documents obtained by Forum 18, a religious rights organization.[53] While the exact nature of their crime has not been established, sources close to the men say their activity consisted largely of reading the Koran together and attempting to independently educate themselves on the tenets of Islam.

Legal observers have questioned not only who gets arrested in Uzbekistan, but also who gets released. In December 2011, President Karimov granted amnesty to a large number of political prisoners to celebrate the nineteenth anniversary of Uzbekistan's constitution. Among them was Rustem Ibragimov, a child rapist who had been sentenced to 17 years in prison that same month. He was released in January 2012.[54]

The internet is playing an increasingly important role in helping Uzbeks understand and document corruption in the legal system. The website Adolat.net was established in 2010 by a group of Uzbek lawyers living abroad to educate citizens back home about their legal rights and offer guidelines on how to file complaints and appeals in accordance with Uzbek law. After the site gained popularity, it was banned and blocked by the government.[55]

Corruption

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
6.00	6.00	6.50	6.50	6.50	6.50	6.75	6.75	6.75	6.75

Corruption is pervasive in Uzbekistan, which is ranked as the world's 7th most corrupt country in Transparency International's 2012 Corruption Perceptions Index.[56] Uzbek citizens must routinely pay bribes to public officials and both public and private sector jobs can be purchased. In 2012, scandals in the telecommunications sector showcased government elites' use of bribery, extortion, and intimidation. The shakedown of Uzbekistan's leading telecommunications provider also resulted in mass interruptions in cellular phone service, directly affecting the lives of everyday citizens and limiting their access to information.

In mid-2012, Uzbek authorities began a rapid expropriation of Uzdunrobita, the Uzbek subsidiary of the Russian telecom giant Mobile TeleSystems (MTS). At the time, MTS was the largest cell phone provider in Uzbekistan and Central Asia. Uzdunrobita's CEO, Behzod Ahmedov, fled the country in June. Not long after his abrupt departure, five members of Uzdunrobita's management were jailed. One, a Russian citizen, was released under pressure from the Russian foreign ministry. The four Uzbek employees remained in custody while other company employees were brought in for questioning. One of the jailed employees was paraded in handcuffs in front of his colleagues in order to intimidate them into providing the "right" evidence.[57] Witnesses were forced to sign false confessions that were submitted to the court with no discussion or questioning.

An Uzbek court ruled in July that MTS had violated contractual obligations and failed to respect national law, and Uzdunrobita's license was subsequently

revoked in August. Some 40 percent of Uzbek mobile phone users were left without service. The four Uzbek employees were convicted of numerous offenses, including "pseudo-entrepreneurial activities," and authorities ordered MTS to surrender some $700 million in company assets.[58] Following a November appeal, official pressure from Russia, and the seizure of millions of dollars in real estate owned by Gulnara Karimova in Moscow,[59] a Tashkent court reversed the asset seizure but instead demanded $600 million in fines on charges of tax evasion and embezzlement.[60] Ultimately, the company was forced to write off more than $1 billion.

The MTS case has poisoned business relations between Tashkent and Moscow and has made foreign companies more wary of investment in Uzbekistan. Although numerous corporations—including Coca-Cola, Newmont Mining, and Oxus Gold PLC—have struggled with the Uzbek government over the past decade, the unprecedented amount of media attention given to MTS has solidified Uzbekistan's reputation for predatory business dealings. Analysts have argued that the move against MTS, previously the largest foreign investor in Uzbekistan, shows a new audacity on the part of the government to exploit foreign investors.

Before it was sold to MTS in 2004, Uzdunrobita belonged to Gulnara Karimova. In 2012, Karimova herself was implicated in money-laundering investigations in Switzerland involving four Uzbek nationals, including Uzdunrobita's Ahmedov. Another member of this group, Gayane Avakyan, was simultaneously linked to another telecom scandal in Sweden through her offshore-registered company, Takilant. Takilant executives were accused of accepting $320 million in bribes from the Sweden-based company TeliaSonera in exchange for 3G licenses and access to the Uzbek market.[61] In December, Swedish investigative journalists broadcast interviews with TeliaSonera executives linking the transaction directly to Karimova. The executives said TeliaSonera knew Takilant was a shell company and that its negotiating partners were only acting as agents for Karimova.[62]

Both Swiss and Swedish investigations have argued that there are financial connections between Karimova and the four Uzbek nationals. Avakyan—who is only in her twenties and has no prior business experience—is the director of Karimova's Dom Stilya fashion house in Tashkent.[63] In October, RFE/RL published signed business contracts proving Karimova's ties to Alisher Ergashev, Avakyan's partner at Takilant and an executive at Coca-Cola Uzbekistan, once owned by Karimova's ex-husband.[64]

Karimova, whose personal fortune is estimated at $500 million, has become a symbol of ostentatious wealth and nepotism in impoverished Uzbekistan. In 2012, she released her first English-language album as her pop star alter ego "Googoosha," fabricating claims that it had climbed the Billboard charts.[65] She also launched an international perfume line and starred in a music video with French actor turned Russian patriot Gerard Depardieu.[66] In her spare time, Karimova has served as Uzbekistan's ambassador to Spain and representative to the UN Council in Geneva. In a memo leaked in 2010, U.S. State Department officials described Karimova as a "robber baron" who has bullied her way into gaining a slice of virtually every lucrative business in Uzbekistan.[67]

The 40-year-old Karimova is often named as a possible successor to her 75-year-old father. In contrast to Karimov, who largely ignores his international critics, Karimova addresses them directly. In late 2012, she engaged in a series of very public disputes on Twitter with several Western academics, NGO workers, and human rights activists.[68] Karimova called the head of one international organization a "fat-ass,"[69] but in later exchanges took a more conciliatory approach, promising Andrew Stroehlein of International Crisis Group that if he sent her proper documentation of specific human rights abuses in Uzbekistan, she would address them. She never did.[70]

▮ AUTHOR: SARAH KENDZIOR

Sarah Kendzior, PhD, is an analyst, researcher, and writer. She has published articles about Uzbekistan in a number of academic journals and mainstream news outlets.

---

1 "Silly dictator story #18: '95 percent of Uzbeks are happy to live in Uzbekistan'," Radio Free Europe/Radio Liberty (RFE/RL), 27 August 2012, http://www.rferl.org/content/silly-dictator-story-95-percent-of-uzbeks-are-happy-to-live-in-uzbekistan/24689764.html.

2 Boosted by high prices of major export commodities, Uzbekistan's high gross domestic product grew roughly 8 percent in 2011 and again in 2012. International Monetary Fund, "Statement at the Conclusion of the 2012 Article IV Consultation Mission to Uzbekistan," news release, 7 December 2012, http://www.imf.org/external/np/sec/pr/2012/pr12475.htm.

3 "Further explosions in Andijan highlight gas shortage problem," UzNews.net, 12 February 2012, http://www.uznews.net/news_single.php?lng=en&sub=hot&cid=4&nid=19089.

4 Nathan Hamm, "Where is Uzbekistan's gas?" Registan.net, 15 February 2012, http://registan.net/2012/02/15/where-is-the-gas/.

5 "'Gas-rich' Uzbekistan switching to coal," UzNews.net, 19 June 2012, http://www.uznews.net/news_single.php?lng=en&cid=2&nid=20144.

6 Barno Isakova and Claire Bigg, "Uzbekistan pays teachers with chickens," RFE/RL, 10 April 2012 http://www.rferl.org/content/uzbek_workers_chickens_in_salaries/24543840.html.

7 "Uzbekistan Suspends Its Membership in CSTO," Satrapia.com, 29 June 2012, http://www.satrapia.com/news/article/uzbekistan-suspends-its-membership-in-csto/. This was the second time Uzbekistan withdrew from the CTSO. The first time was in 1999.

8 "Uzbek Parliament approves document rejecting membership in military alliances," RFE/RL, 1 August 2012, http://www.rferl.org/content/parliament-approves-document-rejecting-membership-in-military-alliances/24663226.html.

9 "Uzbekistan Reinstates Exit Visas to Tajikistan, Turkmenistan," RFE/RL, 27 June 2012, http://www.rferl.org/content/uzbekistan-exit-visas-tajikistan-turkmenistan/24627994.html; Joshua Kucera, "Uzbekistan Blocks Kazakhstan's Military from SCO Exercises," Eurasianet.org, 14 June 2012, http://www.eurasianet.org/node/65552.

10 "U.S. Temporarily Lifts Ban on Military Assistance to Uzbekistan," RFE/RL, 1 February 2012, http://www.rferl.org/content/uzbekistan_united_states_military_assistance/24470588.html.

11 Deirdre Tynan, "Uzbekistan: Tashkent holds parliamentary elections," Eurasianet.org, 27 December 2009, http://www.eurasianet.org/departments/insight/articles/eav122809.shtml.

12 "Karimov surreptitiously shortens presidential term of office," UzNews.net, 29 March 2012, http://www.uznews.net/news_single.php?lng=en&sub=top&cid=30&nid=19440.

13 Courtney Ranson, "Uzbekistan: Reaction to Shortening of Presidential Term Muted," Al-Farabi News, Carnegie Endowment for International Peace, 27 March 2012, http://carnegieendowment.org/2012/03/27/uzbekistan-reaction-to-shortening-of-presidential-term-muted/a5a2.

14 "Uzbekistan delays presidential vote," RFE/RL, 23 March 2012, http://www.rferl.org/content/uzbekistan_delays_presidential_vote/24525102.html.

15 Nathan Hamm, "Of tea leaves and presidents," Registan.net, 28 March 2012, http://registan.net/2012/03/28/of-tea-leaves-presidents/.

16 "Узбекистан. Кто станет преемником Ислама Каримова?" [Uzbekistan. Who will succeed Karimov?], Newsland, 3 September 2010, http://www.newsland.ru/news/detail/id/554336/.

17 "Семилетний малыш в ответе за правозащитницу-мать" [-7year-old boy deemed responsible for human rights activist mother], UzNews.net, 17 January 2012, http://www.uznews.net/news_single.php?lng=ru&sub=&cid=3&nid=18781.

18 "Tashkent 'reacts' to Russian embassy note," UzNews.net, 19 May 2012, http://www.uznews.net/news_single.php?lng=en&cid=3&sub=all&nid=19837.

19 "В Ташкенте разогнали шествие к резиденции президента" [A march to the presidential palace is broken up in Tashkent], Uznews.net, 12 March 2012, http://www.uznews.net/news_single.php?lng=ru&sub=top&cid=3&nid=19294.

20 Front Line Defenders, "Uzbekistan: Arrest of human rights defender Gulshan Karaeva," news release, 5 October 2012, http://www.frontlinedefenders.org/node/19970.

21 "Gulshan Karayeva convicted, and immediately pardoned," UzNews.net, 18 December 2012, http://www.uznews.net/news_single.php?lng=en&cid=3&nid=21624.

22 Farangis Najibullah. "Voice Of Dissent Flees Uzbekistan" RFE/RL, 20 July 2012, http://www.rferl.org/content/voice-of-dissent-flees-uzbekistan/24651244.html.

23 "Tashkent most likely behind attack against cleric in Sweden," RFE/RL, 19 July 2012, http://www.rferl.org/content/tashkent-most-likely-behind-cleric-attack-sweden/24650493.html.

24 "Телеканал 'Узбекистан' стал 'рупором' оппозиции" [TV Channel 'Uzbekistan' was the 'voice' of the opposition], UzNews.net, 15 May 2012, http://www.uznews.net/news_single.php?lng=ru&sub=&cid=3&nid=19802.

25 "Организатор ряда терактов в Узбекистане стал жертвой покушения в Швеции" [Organizer of a series of terrorist attacks in Uzbekistan was the victim of an assassination attempt in Uzbekistan], 12.uz, 23 February 2012, http://www.12.uz/#ru/news/show/smi/8386/.

26 "Swedish prosecutors to appeal against Nazarov ruling," UzNews.net, 31 July 2012, http://www.uznews.net/news_single.php?lng=en&cid=31&nid=20464.

27 "Exiled Uzbek political activist shot dead in Russia," RFE/RL, 26 September 2011, http://www.rferl.org/content/exiled_uzbek_political_activist_shot_dead_in_russia/24340471.html; and Sarah Kendzior, "A Reporter without borders: Internet politics and state violence in Uzbekistan," in *Problems of Post-Communism*, Vol. 57, No. 1 (January/February 2010), 40–50, http://www.academia.edu/202142/A_Reporter_Without_Borders_Internet_Politics_and_State_Violence_in_Uzbekistan.

28 Two high-profile 2012 cases of foreign journalists turned away at the border were Natalia Anteleva, a Georgian reporter, and Victoria Ivleva, a Russian reporter. Neither reporter was given an official explanation.

29 Front Line Defenders, "Uzbekistan: Sentencing of independent journalist Ms Elena Bondar," news release, 13 April 2012, http://www.frontlinedefenders.org/node/17987.

30 "В Ташкенте осудили журналиста Крымзалова за чужую статью" [In Tashkent, the journalist Krymzalov is sentenced for someone else's story], UzNews.net, 27 March 2012, http://www.uznews.net/news_single.php?lng=ru&sub=&cid=3&nid=19421.

31 "Journalists targeted to deter others in Uzbekistan," Institute for War and Peace Reporting, 1 April 2012, http://www.unhcr.org/refworld/docid/4f7958022.html.

32 Reporters Without Borders, "Independent journalists detained in Tashkent freed after seven hours," news release, 2 August 2012, http://en.rsf.org/uzbekistan-two-independent-journalists-30-07-2012,43130.html.

33 "Uzbek government tightens Internet censorship," UzNews.net, 12 September 2012, http://www.uznews.net/news_single.php?lng=en&sub=usual&cid=30&nid=20825.

34 "Uzbekistan toughens Internet censorship," UzNews.net, 11 October 2012, http://www.uznews.net/news_single.php?lng=en&cid=30&nid=20980.

35 "Arbuz.com oxir-oqibat yopildi" [Arbuz.com shut down for good], Ozodlik.org, 18 December 2011, http://www.ozodlik.org/content/article/24415903.html.

36 Joanna Lillis, "Welcome to YouFace.uz, Uzbekistan's Copyright-Stomping Facebook Cline," *The Atlantic*, 1 June 2012, http://www.theatlantic.com/international/archive/2012/06/welcome-to-youfaceuz-uzbekistans-copyright-stomping-facebook-clone/257969/.

37 Sarah Kendzior, "Censorship as performance art: Uzbekistan's bizarre Wikipedia ban," *The Atlantic*, 23 February 2012, http://www.theatlantic.com/international/archive/2012/02/censorship-as-performance-art-uzbekistans-bizarre-wikipedia-ban/253485/.

38 "Lyceum students banned from e-cafes" Uznews.net, 31 May 2012, http://www.uznews.net/news_single.php?lng=en&sub=top&cid=4&nid=19973.

39 "Правозащитника Рустамова обвиняют в клевете" [Human rights activist Rustamov accused of defamation], UzNews.net, 19 July 2012, http://www.uznews.net/news_single.php?lng=ru&sub=&cid=3&nid=20331.

40 "Uzbek court acquits human rights activist charged with defamation," UzNews.net, 15 August 2012, http://www.uznews.net/news_single.php?lng=en&cid=3&nid=20585.

41 "Human rights activist in Fergana faces trial for complaints," UzNews.net, 14 August 2012, https://uznews.net/news_single.php?lng=en&cid=2&nid=20567.

42 "'Если не едешь на хлопок, выметайся на х... из Узбекистана!'" ["If you don't want to pick cotton, get the f*** out of Uzbekistan!"], UzNews.net, 20 September 2012, http://www.uznews.net/news_single.php?lng=ru&sub=&cid=3&nid=20857.

43 "'Several Arrested' over Uzbek teenager's death," RFE/RL, 10 October 2012, http://www.rferl.org/content/uzbekistan-teenager-death-arrests/24735034.html.

44 Cotton Campaign, "A chronicle of forced labor of children and adults: Harvest updates from Uzbekistan," news release, 20 November 2012, http://www.cottoncampaign.org/wp-content/uploads/2012/11/A-CHRONICLE-OF-FORCED-LABOUR-Issue-7-2012.pdf.

45 "На сборе хлопка в Узбекистане погиб работник профсоюза" [The cotton harvest in Uzbekistan has killed a union employee], UzNews.net, 27 September 2012, http://www.uznews.net/news_single.php?lng=ru&sub=top&cid=2&nid=20911.

46 "'Скорая помощь' в Ташкенте осталась без врачей" ["ER" in Tashkent left without doctors], UzNews.net, 17 September 2012, http://www.uznews.net/news_single.php?lng=ru&sub=top&cid=4&nid=20820.

47 Human Rights Watch (HRW), *No One Left to Witness: Torture, the Failure of Habeas Corpus, and the Silencing of Lawyers in Uzbekistan* (New York: HRW, December 2011), http://www.hrw.org/print/reports/2011/12/13/no-one-left-witness.

48 Ibid.

49 "Uzbekistan: letter from the penal colony 'Jaslyk' on new cases of torture," Nadejda Atayeva's blog, 13 August 2012, http://nadejda-atayeva-en.blogspot.cz/2012/08/uzbekistan-letter-from-penal-colony.html.

50 Luke Allnutt, "Letter from Uzbek prison purportedly reveals regime of torture," RFE/RL, 3 September 2012, http://www.rferl.org/content/letter-from-uzbek-prison-reveals-regime-of-torture/24696659.html.

51 Merhat Sharipzhanov, "Uzbek Opposition Leaders' Brother Sentences to Five More Years," RFE/RL, 26 January 2012, http://www.rferl.org/content/uzbek_opposition_leaders_brother_sentenced_to_five_more_years/24464415.html.

52 Sadriddin Ashur, "Shall we struggle against Karimov's system in Uzbekistan or censorship in 'Liberty' Radio broadcasting?" Birdamlik.info, 9 August 2012, http://birdamlik.info/?p=23815.

53 Mushfig Bayram, "Uzbekistan: 'Illegal extremists' or peaceful Muslims?" Forum 18 News Service, 5 October 2012, http://www.forum18.org/Archive.php?article_id=1751.

54 "Амнистия сената Узбекистана для педофила" [Senate grants amnesty to pedophile], UzNews.net, 3 April 2012, http://www.uznews.net/news_single.php?lng=ru&sub=&cid=3&nid=19500.

55 Sarah Kendzior, "Where following the law is radical," Al Jazeera, 14 June 2012, http://www.aljazeera.com/indepth/opinion/2012/06/201261013202639019 1.html.

56 Transparency International, "Corruption by Territory: Uzbekistan," http://www.transparency.org/country#UZB.

57 Shaun Walker, "Bad connections: How did a Russian mobile network get hijacked in Uzbekistan?" *The Independent*, 25 September 2012, http://www.independent.co.uk/news/world/europe/bad-connections-how-did-a-russian-mobile-network-get-hijacked-in-uzbekistan-8168238.html.

58 Ibid.

59 "Authorities Seize Gulnara Karimova's Moscow Apartment," RFE/RL, 2 November 2012, http://www.rferl.org/content/authorities-seize-gulnara-karimovas-moscow-apartment/24759226.html.

60 Peter Leonard, "Uzbek court overturns ruling to seize MTS assets," The Associated Press, 9 November 2012, http://bigstory.ap.org/article/uzbek-court-overturns-ruling-seize-mts-assets.

61 Daisy Sindelar, "Uzbek diplomats break silence on Swiss money-laundering case," RFE/RL, 12 October 2012, http://www.rferl.org/content/uzbek-diplomats-break-silence-on-swiss-money-laundering-case-gulnara-karimova/24737984.html.

62 Farruh Yusupov and Daisy Sindelar, "Swedish TV: How millions in telecoms bribes end up in Karimova's Pocket," RFE/RL, 12 December 2012, http://www.rferl.org/content/gulnara-karimova-telecom-bribes-swedish-tv/24796854.html.

63 "Gayane Avakyan—right-hand woman or Achilles heel?" UzNews.net, 21 September 2012, http://www.uznews.net/news_single.php?lng=en&cid=31&nid=20872.

64 Farruh Yusupov and Daisy Sindelar, "Documents Link Uzbekistan's Karimova to Money-Laundering Suspect," RFE/RL, 11 October 2012, http://www.rferl.org/content/uzbekistan-karimova-linked-to-money-laundering/24736143.html.

65 Sarah Kendzior. "Kim Kardashistan: A Violent Dictator's Daughter on a Quest for Pop Stardom", *The Atlantic*, 8 August 2012 http://www.theatlantic.com/international/archive/2012/08/kim-kardashistan-a-violent-dictators-daughter-on-a-quest-for-pop-stardom/260885/.

66 "Guli unveils new fragrances, presents latest collection," Style.uz, 8 October 2012, http://www.style.uz/en/news/guli-unveils-new-fragrances-presents-latest-collection/; and Robert

Mackey,"Bid for Stardom by Uzbekistan's 'Single Most Hated Person' Aided by Depardieu," *The New York Times*, 7 January 2013, http://thelede.blogs.nytimes.com/2013/01/07/music-video-from-most-hated-person-in-uzbekistan-features-depardieu-cameo/.

67 David Leigh. "WikiLeaks cables: US keeps Uzbekistan president onside to protect supply line," *The Guardian*, 12 December 2012, http://www.guardian.co.uk/world/2010/dec/12/wikileaks-us-conflict-over-uzbekistan.

68 Gulnara Karimova Takes the Fight to Twitter," RFE/RL, 30 November 2012, http://www.rferl.org/content/gulnara-karimova-twitter-fight/24785624.html.

69 Tweet from @GulnaraKarimova to @jilliancyork on 29 November 2012, https://twitter.com/GulnaraKarimova/status/274149531791290369.

70 Natalia Antelava, "Tweets from Gulnara: The dictator's daughter," *The New Yorker*, 3 January 2013, http://www.newyorker.com/online/blogs/newsdesk/2013/01/tweets-from-gulnara-the-dictators-daughter.html.

Freedom House Board of Trustees

William H. Taft IV, *Chair*
Ruth Wedgwood, *Vice Chair*
Thomas A. Dine, *Vice Chair*
John Norton Moore, *Secretary and Governance & Ethics Officer*
Bette Bao Lord, *Chairman Emeritus*
David Nastro, *Treasurer*

Carol C. Adelman, Kenneth Adelman, Zainab Al-Suwaij, Goli Ameri, Stuart Appelbaum, Susan J. Bennett, Stephen E. Biegun, David E. Birenbaum, Ellen Blackler, Dennis C. Blair, James H. Carter, Antonia Cortese, Lee Cullum, Charles Davidson, Kim G. Davis, Paula J. Dobriansky, Alan P. Dye, Anne Garrels, Rebecca G. Haile, D. Jeffrey Hirschberg, Kenneth I. Juster, Kathryn Dickey Karol, Jim Kolbe, Jay Mazur, Theodore N. Mirvis, Alberto Mora, Joshua Muravchik, Andrew Nathan, Diana Villiers Negroponte, Douglas E. Schoen, Scott Siff, Richard S. Williamson, Wendell L. Willkie II, Jennifer L. Windsor.

About Freedom House

Freedom House is an independent private organization supporting the expansion of freedom throughout the world.

Freedom is possible only in democratic political systems in which governments are accountable to their own people, the rule of law prevails, and freedoms of expression, association and belief are guaranteed. Working directly with courageous men and women around the world to support nonviolent civic initiatives in societies where freedom is threatened, Freedom House functions as a catalyst for change through its unique mix of analysis, advocacy, and action.

- **Analysis.** Freedom House's rigorous research methodology has earned the organization a reputation as the leading source of information on the state of freedom around the globe. Since 1972, Freedom House has published *Freedom in the World*, an annual survey of political rights and civil liberties experienced in every country of the world. The survey is complemented by an annual review of press freedom, an analysis of transitions in the post-communist world, and other publications.
- **Advocacy.** Freedom House seeks to encourage American policymakers, as well as other governments and international institutions, to adopt policies that advance human rights and democracy around the world. Freedom House has been instrumental in the founding of the worldwide Community of Democracies; has actively campaigned for a reformed Human Rights Council at the United Nations; and presses the Millennium Challenge Corporation to adhere to high standards of eligibility for recipient countries.
- **Action.** Through exchanges, grants, and technical assistance, Freedom House provides training and support to human rights defenders, civil society organizations and members of the media in order to strengthen indigenous reform efforts in countries around the globe.

Founded in 1941 by Eleanor Roosevelt, Wendell Willkie, and other Americans concerned with mounting threats to peace and democracy, Freedom House has long been a vigorous proponent of democratic values and a steadfast opponent of dictatorships of the far left and the far right. The organization's diverse Board of Trustees is composed of a bipartisan mix of business and labor leaders, former senior government officials, scholars, and journalists who agree that the promotion of democracy and human rights abroad is vital to America's interests abroad.

1301 Connecticut Avenue, NW, Washington, D.C. 20036 USA
(+1) 202 296-5101

120 Wall Street, New York, NY 10005 USA
(+1) 212 514-8040

www.freedomhouse.org

"This report plays a critical role in monitoring democratic progress in Central and Eastern Europe and the former Soviet Union and sounds an early warning to policymakers on both sides of the Atlantic."

—**Jeffrey Gedmin**,
chief executive officer,
Legatum Institute, London

"As post-Communist political experiences further diversify with every passing year, the value of *Nations in Transit* only grows. Its incisive and objective country surveys cut to the heart of complex political realities, greatly aiding comparative analysis by scholars and policymakers alike."

—**John Carothers**,
vice president,
Carnegie Endowment for
International Peace, Washington, D.C.

"*Nations in Transit* is an indispensable source; very well researched and reliable."

—**Michael Emerson**,
Centre for European
Policy Studies, Brussels

Since 1995, Freedom House's *Nations in Transit* series has monitored the status of democratic change from Central Europe to Eurasia, pinpointing the region's greatest reform opportunities and challenges for the benefit of policymakers, researchers, journalists, and democracy advocates alike.

Covering twenty-nine countries, *Nations in Transit* provides comparative ratings and in-depth analyses of electoral process, civil society, independent media, national and local democratic governance, judicial framework, and corruption. *Nations in Transit 2013* evaluates developments in these areas from January 1 to December 31, 2012.

Freedom House is a nonprofit, nonpartisan organization that supports democratic change, monitors freedom, and advocates for democracy and human rights.

ROWMAN &
LITTLEFIELD
800-462-6420 • www.rowman.com
Cover design by Jen Huppert Design

ISBN 978-1-4422-3118-4
90000
9 781442 231184