PN-ABZ-050

NATIONS IN TRANSIT

Civil Society, Democracy and Markets in East Central Europe and the Newly Independent States

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NATIONS

IN TRANSIT

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INTRODUCTION

The Democratic Revolutions in East Europe and the New Independent States: In Gear and Stalled

Adrian Karatnycky

The Survey

This survey was commissioned by the Europe and New Independent States Bureau of USAID, a principal funder of democracy initiatives in the region under review. The survey of democracy indicators can assist policymakers in making some broad assessments of the impact of some U.S.-funded programs in the sphere of democracy and governance. It also can be helpful as a tool for shaping program priorities at USAID. Because the study includes a six-month update, it can help measure incremental progress toward democratic governance, a more vibrant civil society, free and independent media, rule of law, open political processes, and privatization.

The survey was proposed and conceived by Freedom House. It was further developed with the substantial input of USAID experts. The final decisions about how to structure the survey were made by Freedom House, and survey conclusions are the organization's and not those of USAID. The report focuses on the states of Central and Eastern Europe, including the Baltic states, and the New Independent States of the former USSR. It excludes the countries of the former Yugoslavia, where inter-state war and ethnic conflict have made it difficult to sustain wide-ranging foreign assistance and democracy-building programs, and have thwarted or complicated the processes of democratic change and market reform.

Is there a balance sheet that can accurately reflect progress toward democratic governance and the growth of civil society? While there are many ways of measuring such progress, the questions we ask in this survey offer an approach that combines observable developments with political judgments. The questions are based on the ones Freedom House has asked for nearly a quarter century in its *Annual Survey of Freedom,* which remains the most widely cited benchmark on the status of political rights and civil liberties around the world. As stated in the methodology notes accompanying this study, we evaluate the state of political processes, including free and fair elections; the evolution of civil society; the status of independent media; rule of law including constitutional, civil and criminal law reform; governance and public administration, including transparency and democratic accountability; and privatization.

Each of these thematic areas is augmented by specific questions central to the emergence of democratic societies. Not surprisingly, these thematic concerns are also areas of major programmatic concern and funding emphasis at USAID, as well as the United States Information Agency, the National Endowment for Democracy, and the Eurasia Foundation.

The Setting

The changes that have occurred in Central and Eastern Europe since 1989 and in the states that emerged out of the collapse of the Soviet Union in August 1991 are without precedent in history. The progress many of the post-Communist states have made in a short time in the realms of individual liberty and economic reform are indeed impressive. However, it has not always been possible to take stock of what has really been achieved in these rapidly evolving societies. Yet the changes detailed in this study—and made more vivid by the accompanying charts and graphs—are extraordinary.

Since 1989, by Freedom House's reckoning, free and fair elections have occurred and democratically-elected governments are functioning in all ten countries of Central and Eastern Europe. This historic shift fundamentally changes the nature of governance in Albania, Bulgaria, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, and Slovakia.

In the twelve New Independent States (the fifteen constituent republics of the former Soviet Union minus the Baltic republics), the record of progress toward free and fair elections and democratic governance since the collapse of the USSR is far more uneven (*see Chart 1, page 4*). Free and fair elections have taken place in Georgia, Moldova, Russia, and Ukraine.

Chart 1 **Major Transition Indicators**

Country	Free and Fair Elections?	Private Share of GDP over 50 %?	Agriculture over 50 % private?	New Unions at least 1/3 of all Unions?	New Constitution?	Freedom House Rating
Albania	Yes	Yes	Yes	Yes	No	Partly Free
Armenia	No	No	Yes	No	Yes	Partly Free
Azerbaijan	No	No	No	No	No	Not Free
Belarus	No	No	No	No	Yes	Partly Free
Bulgaria	Yes	No	No	Yes	Yes	Free
Czech Republic	Yes	Yes	Yes	Yes	Yes	Free
Estonia	Yes	Yes	Yes	No	Yes	Free
Georgia	Yes	No	No	Yes	No	Partly Free
Hungary	Yes	Yes	Yes	Yes	No	Free
Kazakhstan	No	No	No	No	Yes	Not Free
Kyrgyz Republic	No	No	No	No	Yes	Partly Free
Latvia	Yes	No	Yes	No	No	Free
Lithuania	Yes	No	Yes	Yes	Yes	Free
Moldova	Yes	No	Yes	No	Yes	Partly Free
Poland	Yes	Yes	Yes	Yes	No	Free
Romania	Yes	No	No	Yes	Yes	Partly Free
Russia	Yes	No	Yes	Yes	Yes	Partly Free
Slovakia	Yes	Yes	Yes	No	Yes	Free
Tajikistan	No	No	No	No	Yes	Not Free
Turkmenistan	No	No	No	No	Yes	Not Free
Ukraine	Yes	No	No	No	No	Partly Free
Uzbekistan	No	No	No	No	Yes	Not Free

However, Armenia's most recent elections were assessed by international observers as "free but not fair" while the Kyrgyz Republic's 1995 legislative elections were plagued by problems before, during and after the vote. In Belarus and Kazakhstan, elections were conducted in the context of constraints on free media and without equal access and could not be judged as free or fair. In the case of Kazakhstan, the dissolution of parliament—with the apparent support of the country's President—strips this large Central Asian state of the right to claim that it has a democratically-elected government and legislature. In four states—Azerbaijan, Tajikistan, Turkmenistan, and Uzbekistan—electoral processes have been assessed as both unfree and unfair.

The detailed data on transitions in the twenty-two countries that are the focus of this study indicate that democratic reforms preceded fundamental economic reform in every case. Moreover, each of the six post-Communist states in which levels of privatization have now surpassed 50 percent—Albania, the Czech Republic, Estonia, Hungary, Poland, and Slovakia—has had free and fair elections and has democratically-elected leaders.

As the survey also shows, while economic reform has progressed in many countries there are many others where reform has stalled. In the eight countries in which privatization has not surpassed 20 percent of GDP *(See Chart 2, page 5)*, seven have not had free and fair elections. All of these countries are ex-Soviet republics. Indeed, as the detailed findings in this study show, there is now a sharp and deepening differentiation developing among the New Independent States. Some are making measurable progress toward rule of law, a free press, and a revived civil society. Occupying the middle ground is a number of states where progress toward democracy has been halting, whether due to a lack of political will, changing governments or other factors. Finally, there is a category of countries that are retreating from the democratic process and economic reform and moving toward patterns of wide-ranging political repression, often coupled with statism and corporatism.

Findings and Broad Trends

The study that follows, then, is a report card, one of law and market reform.

Not all the evidence is heartening. But setbacks on the path of democracy, human rights, due process, and economic reform ought not to be used as arguments against supporting initiatives that seek to strengthen and deepen democratic change and market reform. It is important to keep in mind that regression is not in itself an indicator of the failure of U.S.-supported democracy-building activities. Frequently, U.S. support for democratic reform initiatives and for nonpartisan civic groups can help avert even more substantial reversals.

Certainly, it would be wrong to conclude that countries where democratic forces and democratic values are in retreat should be ignored. Indeed, some countries where democratic progress has been derailed and where a new authoritarianism is on the march ought to be important priorities for programs and activities to help strengthen nongovernmental, independent civic groups and independent media.

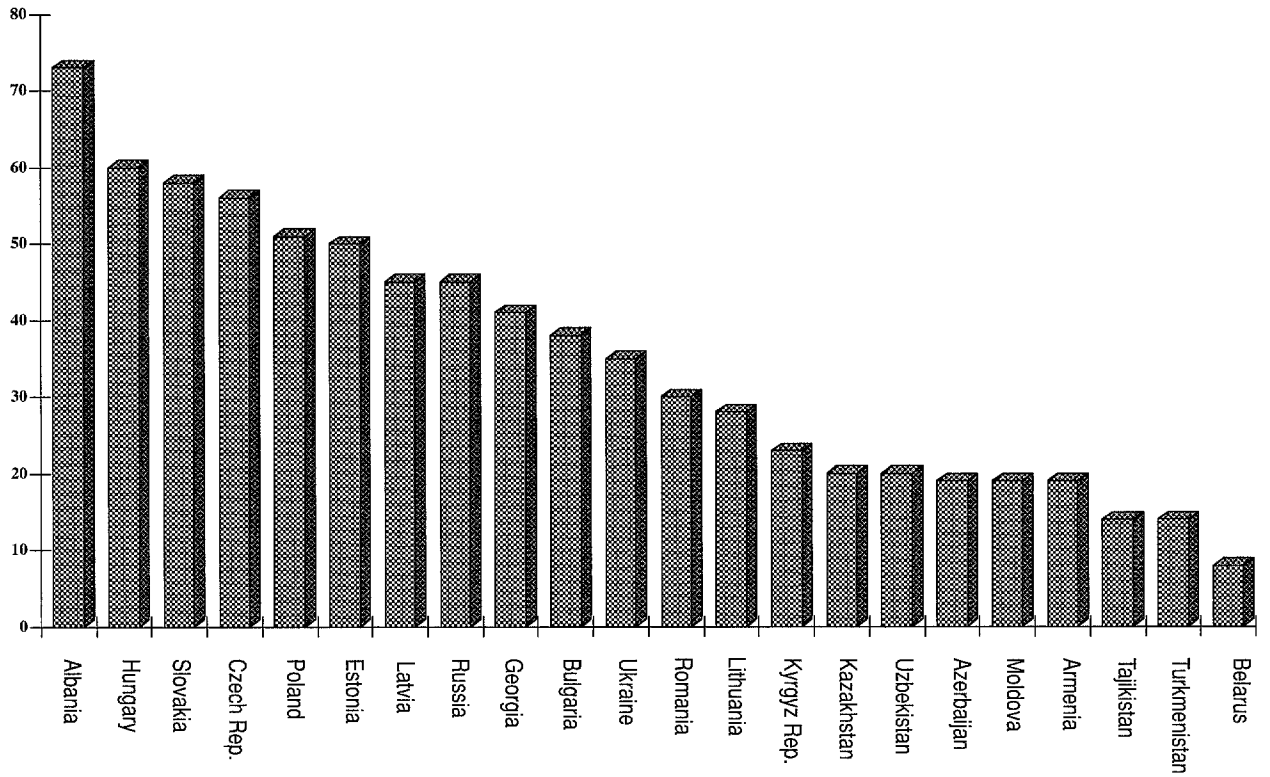
Freedom House makes no policy recommendations in this report. Our task, and the request made of us by USAID, has been to gather objective information and to present it in a uniform fashion. These data have been reviewed by the Freedom House Survey team and by a range of outside regional experts. Our data have also been checked with major research institutes and think tanks in many of the countries under review.

As policymakers and USAID experts in Washington and in the field examine the data assembled herein, we hope they will find information that can help them determine where various post-Communist countries are on their trajectories toward democracy and free markets. It is also our hope that this report will be useful in educational efforts aimed at strengthening the understanding of the democratic processes upon which depend strong economies and successful, stable states.

This survey's findings help point to areas of particular need, assisting policymakers in making informed judgments about where to allocate scarce U.S. government resources in ways that can address urgent needs most effectively.

Most significantly, this survey is the first of its kind. It represents a new approach to presenting data concerning democracy and economic reform. Such data can be used in discovering important trends, making

Chart 2 **Percent of GDP Generated by Private Sector**



Source: Most recent World Bank Estimates (Romania is official estimate for 1993).

Chart 3 Table of Constitutional Status

Showing Year of Ratification, Revision, Reinstatement or Adoption of Temporary Measures

Country	Constitutional Status			
	New	Reinstated pre-Soviet	Temporary and/or mixed	Revised Communist
Albania			1991	
Armenia	1995			
Azerbaijan		1991		
Belarus	1994			
Bulgaria	1991			
Czech Republic	1992			
Estonia	1992			
Georgia			1992	
Hungary				1989
Kazakhstan	1993			
Kyrgyz Republic	1993			
Latvia		1993		
Lithuania	1993			
Moldova	1994			
Poland			1992	
Romania	1991			
Russia	1993			
Slovakia	1992			
Tajikistan	1994			
Turkmenistan	1992			
Ukraine			1995	
Uzbekistan	1992			

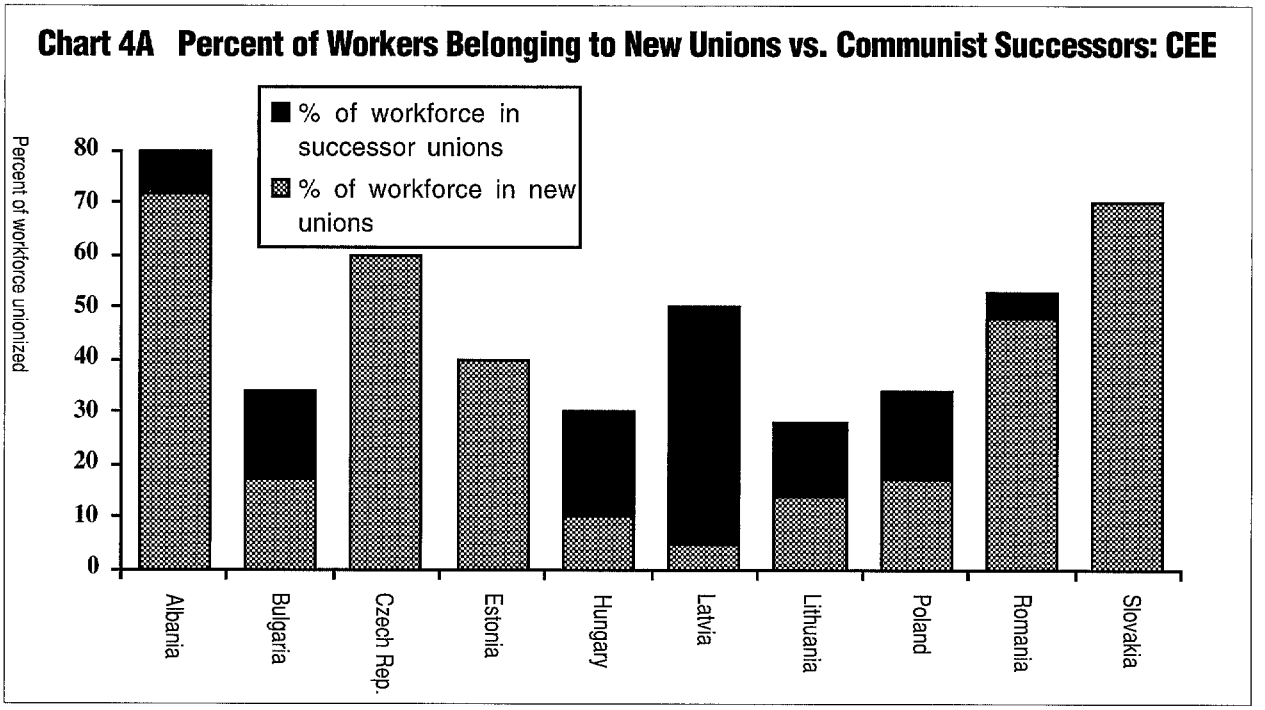
comparisons and finding interrelationships among various seemingly unrelated indicators.

Thus, while Freedom House does not make specific policy recommendations, it is important to point out some interesting correlations that are contained within the assembled data.

One correlation already discussed is the link between privatization and democratization. The evidence herein shows that states that have the most open political systems also make the most rapid progress toward economic reform. This finding appears to contradict the view held by some analysts that, in a democracy, discontent with the pain of economic reform may lead to electoral setbacks that retard the reform process, or may force democratically accountable reformers to scale back reforms. Indeed, the findings contradict the view that democratically-elected leaders will often shy away from needed economic reform measures, while authoritarian leaders—who need not take popular political sentiment into account—may be better able to push forward rapid economic reform. There is nothing in the evidence we have gathered to suggest such a phenomenon. In fact, the evidence in the post-Communist states is that authoritarian leaders, aware that they govern without popular consent, may well be less inclined to adopt fundamental economic reform measures for fear of setting off challenges to their legitimacy.

On the whole, the survey evidence indicates that, once a democratic political context is in place, even when some of the forces linked to the old Communist political establishment are voted back into power, they generally tend to respect private property, a free press, and the democratic political process.

Another issue that deserves careful examination is the matter of constitutional reform *(See Chart 3, page*



6). While no one will deny the absolute priority of promoting fundamental reform of the old Communist-era constitutions, the evidence contained herein is that countries that have completed comprehensive constitutional reform do not have significantly better records in the spheres of political rights and civil liberties than nations that have not seen the adoption of new fundamental post-Communist constitutions. Indeed, of the fifteen states with new, post-Communist constitutions five are, by Freedom House's reckoning, Free, six are Partly Free, and four are Not Free. Of seven post-Communist states without new permanent constitutions three are free—Hungary, Latvia, and Poland—three are Partly Free, and one is Not Free. The fact that a new constitution has been adopted rapidly may as often be a sign of the absence of vigorous political discourse as a sign of a wide-ranging national political consensus. In some cases a political deadlock that reflects a high degree of political pluralism can stand in the way of the adoption of a basic document.

Another interesting set of unexpected correlations is to be found in the sphere of organized labor *(See Charts 4A and 4B, pages 7 and 8)*. Of the nine post-Communist states where new, non-Communist trade unions have emerged and achieved parity or near parity with the old formerly state-controlled trade unions (which we define as at least one-third of union members belonging to new unions), six of the states are Free and three are Partly Free. Of equal significance is the fact that every state in which privatization now surpasses 50 percent—Albania, the Czech Republic, Estonia, Hungary, Poland, and Slovakia—there are significant new, independent labor movements. In only two states with significant trade union pluralism—Lithuania and Romania—does privatization fall far short of 50 percent. Thus, our survey appears to undercut the view that a dynamic organized labor movement is an impediment to basic economic reforms in the post-Communist states.

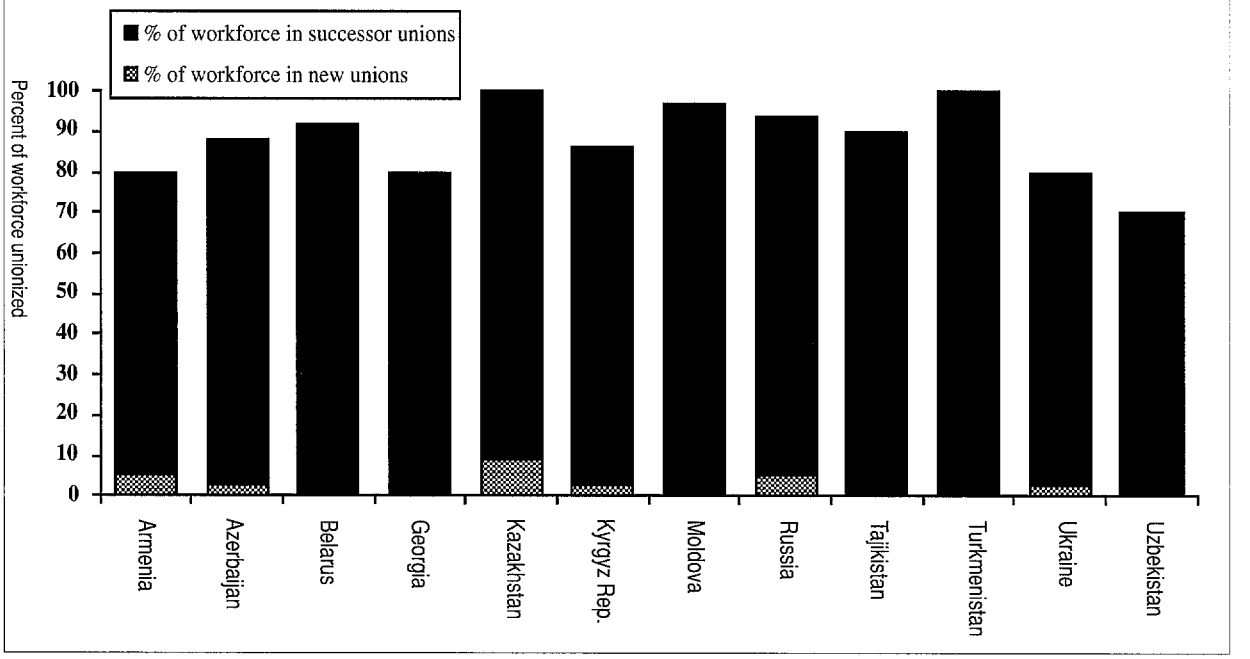
Recent Trends

The initial survey was completed to take into account developments through the end of 1994. Freedom House has also provided an update—through June 1995—of significant developments related to the thirty-six specific questions that address aspects of political process, civil society, media, rule of law, governance and privatization. The update includes trend arrows that Freedom House has applied to developments we believe represent significant improvement or substantial erosion of democratic progress and market reform. An examination of these trend arrows allows us to make some preliminary conclusions as to the overall direction of democratic and market reforms in the region.

In all, over the first six months of 1995, seven countries have made significant strides in the direction of further privatization: Armenia, Bulgaria, the Czech Republic, Estonia, Moldova, Romania, and Ukraine. Only two countries, Belarus and Slovakia, registered significant setbacks. In Belarus, a modest privatization effort quickly fell behind schedule in the first months of 1995, while in Slovakia the new Meciar administration dealt serious blows to the previous government's plans.

In the sphere of democratic development, the picture was somewhat more troubling. In Russia, many

Chart 4B Percent of Workers Belonging to New Unions vs. Communist Successors: NIS



democrats worried that the military conflict in Chechnya was strengthening the hand of opponents of reform and enhancing the political influence of representatives of the national security structures. Significant slippage in the sphere of democratization was registered in Armenia, Belarus, Kazakhstan, Slovakia, and Uzbekistan. Much of this trend was linked to the emergence in the former Soviet republics of highly centralized presidential rule. By contrast, in the first six months of 1995 only two countries registered significant gains in the sphere of democratic reform. These were Ukraine, where a temporary constitutional agreement clearly delineated authority among president, government, and parliament, and Estonia, where some progress was achieved in clarifying the process of naturalization of Soviet-era immigrants.

EXPLANATORY NOTES

Christopher Kean

This survey is intended to measure the status of the sweeping political and economic events underway in Central and Eastern Europe (CEE, excluding ex-Yugoslav states) and the Newly Independent States (NIS) of the former Soviet Union. The survey will make it possible to determine to what degree the twenty-two countries surveyed have been able to provide conditions for political and economic participation, free access to information, official accountability and public recourse to the law—and to what degree there has been retrenchment and even the strengthening of authoritarian tendencies. The survey data will indicate areas where improvement is needed, and where Western assistance could be targeted for maximum effect.

Country Reports

Each country report is divided into six major categories. The Political Process section deals with elections and referenda, party configurations, conditions for political competition, and popular participation in elections. The Civil Society section highlights the degree to which volunteerism, trade unionism and professional associations exist, and whether civic organizations are influential. Press freedom, public access to a variety of information sources, and the independence of those sources from undue government or other influences are covered in the Independent Media section. The Rule of Law section considers judicial and constitutional matters, as well as the legal and *de facto* status of ethnic minorities. Government decentralization, independence and responsibilities of local and regional governments, and legislative transparency are discussed in the section on Governance and Public Administration. Finally, the Privatization section details legislative and actual states of privatization in each country.

Together, these six areas provide a rounded view of progress, stagnation or retrogression in each country, offering analysis of the raw data.

Freedom House created the six-part structure of the survey. Freedom House staff compiled initial data and update material (see below) for a number of the country reports, and selected consultants for the remainder. Consultants were generally specialists at the graduate or Ph.D. level, recommended by recognized authorities on the regions studied. These included Senior Consultants Prof. Charles Fairbanks of the Paul H. Nitze School of Advanced International Studies (SAIS) at Johns Hopkins University, Prof. John Micgiel, Associate Director of the East-Central Europe Institute at Columbia University, and Prof. Alexander Motyl, Associate Director of the Harriman Institute at Columbia University. All reports were later reviewed by Freedom House staff, and then sent on for further review by Charles Gati, author of numerous books on CEE countries, and Ilya Prizel, Associate Professor, SAIS.

A wide variety of sources was used in compiling the data (see Acknowledgments). Sources included international lending institutions, U.S. and regional nongovernmental organizations, U.S. and regional independent media, and the governments themselves. Some country reports were sent for updating to independent, recognized institutions in the countries themselves, rather than to individual consultants.

Country reports are current through the end of 1994. In instances where significant changes have taken place since that time, however, updates are provided under the relevant questions. These updates are current through June 1995. Where the update material indicates a significant positive or negative trend in a given area, up or down arrows are provided next to the update information.

In many instances the facts speak for themselves. However, some interpretation is called for in most areas. For example, membership figures for trade unions and civic associations are notoriously unreliable. Similarly, while simple conversion of enterprises or state farms into stock may technically be described as privatization, in several countries the state remains the majority or sole shareholder. These instances are pointed out in the text.

Freedom House Surveys

Freedom House ratings for political rights and civil liberties and for press freedom are included in order to facilitate comparisons among countries. Using a unique

methodology, Freedom House's annual comparative survey of political rights and civil liberties rates countries on a one-to-seven scale for both categories, with a one indicating the greatest degree of enjoyment of political rights or civil liberties, and a seven representing the worst. Survey ratings do not represent assessments of governments *per se*, but rather the rights and freedoms individuals have in each country. A range of factors including insurgencies, powerful social or economic forces, inter-ethnic or inter-sectarian strife, andthe influence of other governments may affect the state of freedom in any country. Furthermore, ratings are based on *de facto* enjoyment of freedom, rather than *de jure* guarantees.

While none of the twenty-two countries surveyed has reached the 1,1 level (the Czech Republic and Hungary are closest, at 1,2), three countries (Tajikistan, Turkmenistan and Uzbekistan) score among the very lowest in the world, at 7,7. Survey results are presented from 1988 through 1994 at the top of each country report. For former Soviet republics, survey results are provided beginning with 1991.

The letters "F," "PF," and "NF" immediately below the political rights and civil liberties ratings stand for "Free," Partly Free" and "Not Free," respectively. These designations are useful for making broad comparisons among countries. Countries whose political rights and civil liberties ratings average between 1 and 2.5 are designated Free; those falling between 3 and 5.5 are Partly Free; and those falling between 5.5 and 7 are Not Free. For 1994 eight of the countries covered were rated Free, nine Partly Free and five Not Free. Significantly, all eight Free countries are in CEE (including the three Baltic republics), and all five Not Free countries are in the NIS.

Freedom House's survey of press freedom also rates countries as Free, Partly Free and Not Free. Survey results through early 1995 are provided for each country at the end of the section on Independent Media. As with the survey on political rights and civil liberties, all factors affecting media freedom are examined, not just government actions.

While the two Freedom House surveys concentrate on a more limited range of areas than this survey, both provide similar assessments to those found here and thus support the data in the present survey.

CHARTS

Chart 5A CEE Combined Average Ratings*, 1988-89 through 1994-95

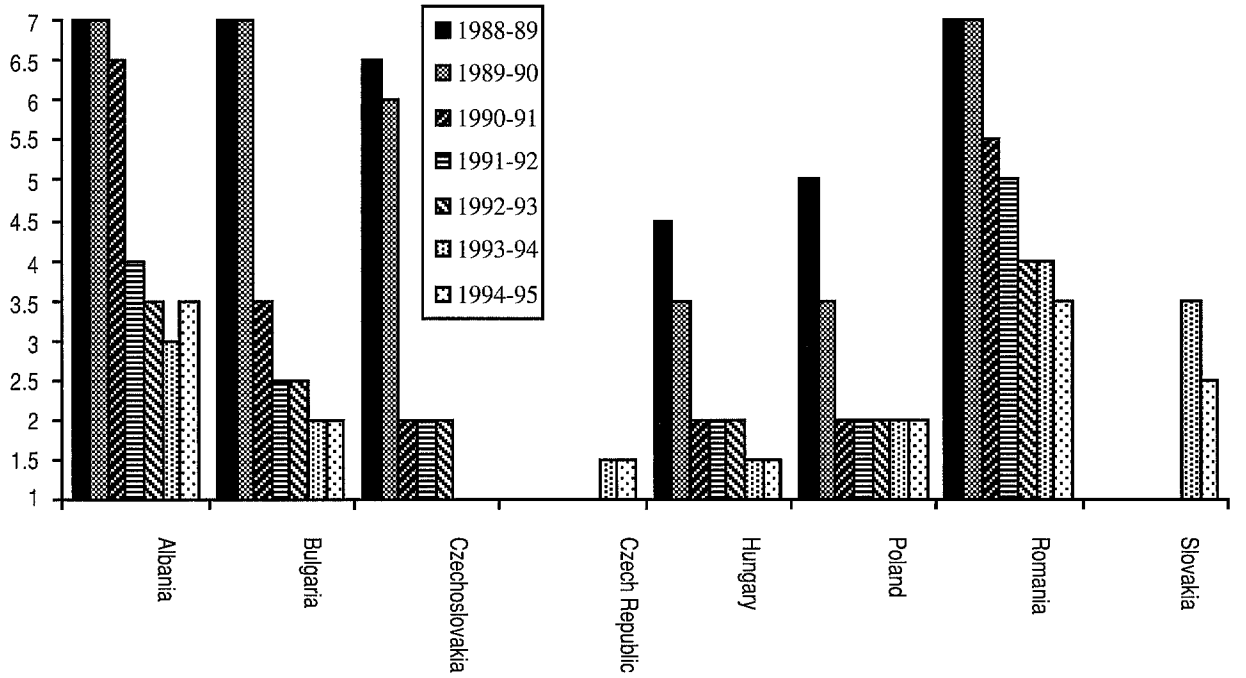
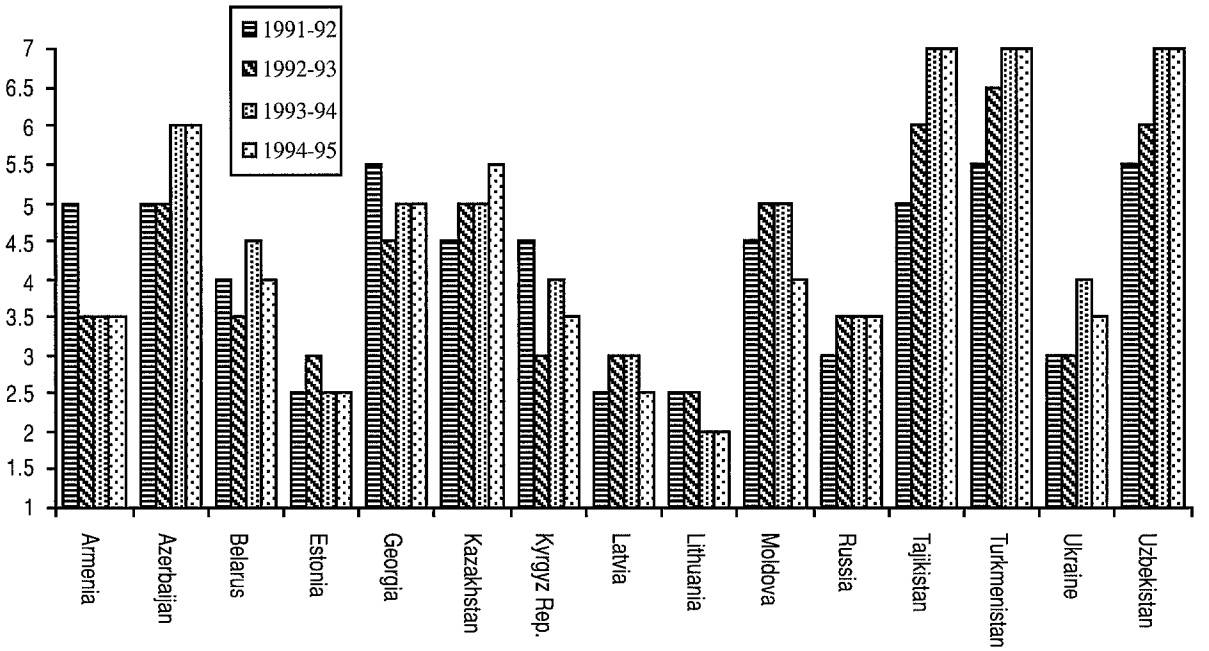


Chart 5B FSU Combined Average Ratings*, 1991-92 through 1994-95



* Average of ratings for political rights and civil liberties, which are tabulated on a 1 to 7 scale, with 1 representing the highest degree of freedom and 7 the lowest.

CHART 6 FREEDOM HOUSE PRESS FREEDOM RATINGS 1988-1994

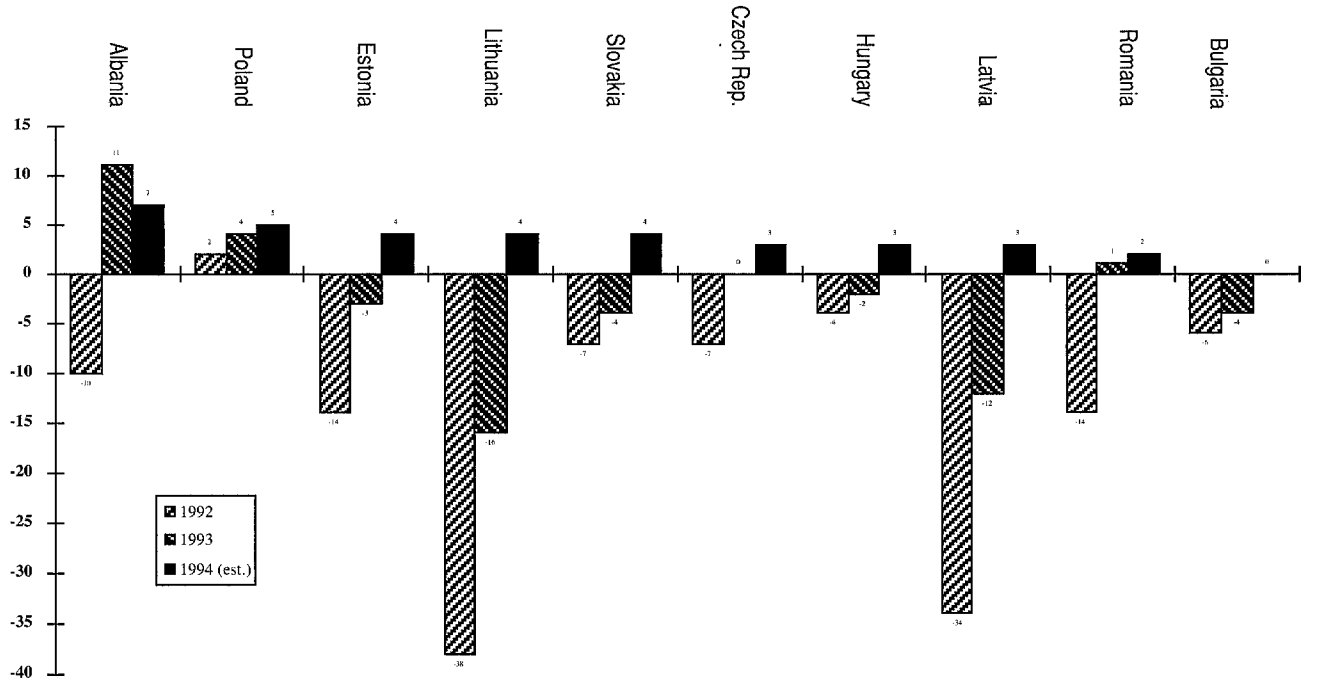
Country	1988-89	1989-90	1990-91	1991-92	1992-93	1993-94	1994-95
Albania	NF	NF	NF	PF	PF	PF	NF
Armenia					PF	PF	PF
Azerbaijan					NF	NF	NF
Belarus					PF	PF	PF
Bulgaria	NF	NF	PF	PF	PF	PF	PF
Czech Rep.*	NF	PF	F	F	F	F	F
Estonia					PF	F	F
Georgia					PF	PF	PF
Hungary	NF	PF	F	F	F	PF	PF
Kazakhstan					PF	PF	PF
Kyrgyz Rep.					PF	PF	PF
Latvia					PF	PF	PF
Lithuania					PF	F	F
Moldova					PF	PF	PF
Poland	NF	PF	F	F	F	F	F
Romania	NF	NF	NF	PF	F	PF	PF
Russia†	NF	NF	PF	PF	PF	PF	PF
Slovakia						PF	PF
Tajikistan					NF	NF	NF
Turkmenistan					NF	NF	NF
Ukraine					PF	PF	PF
Uzbekistan					NF	NF	NF

* Ratings through 1992-93 are for Czechoslovakia

† Ratings through 1991-92 are for USSR

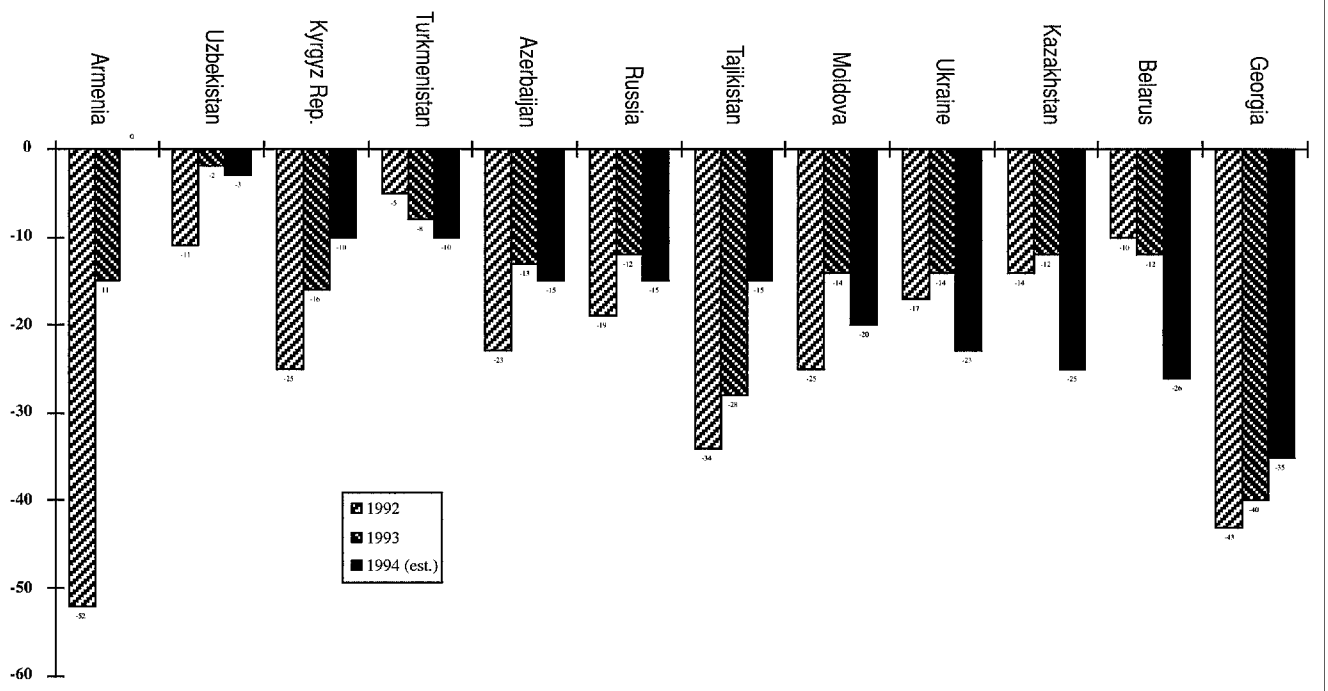
F, PF, and NF stand for Free, Partly Free and Not Free

Chart 7A Growth/Decline in GDP from 1992-1994: CEE

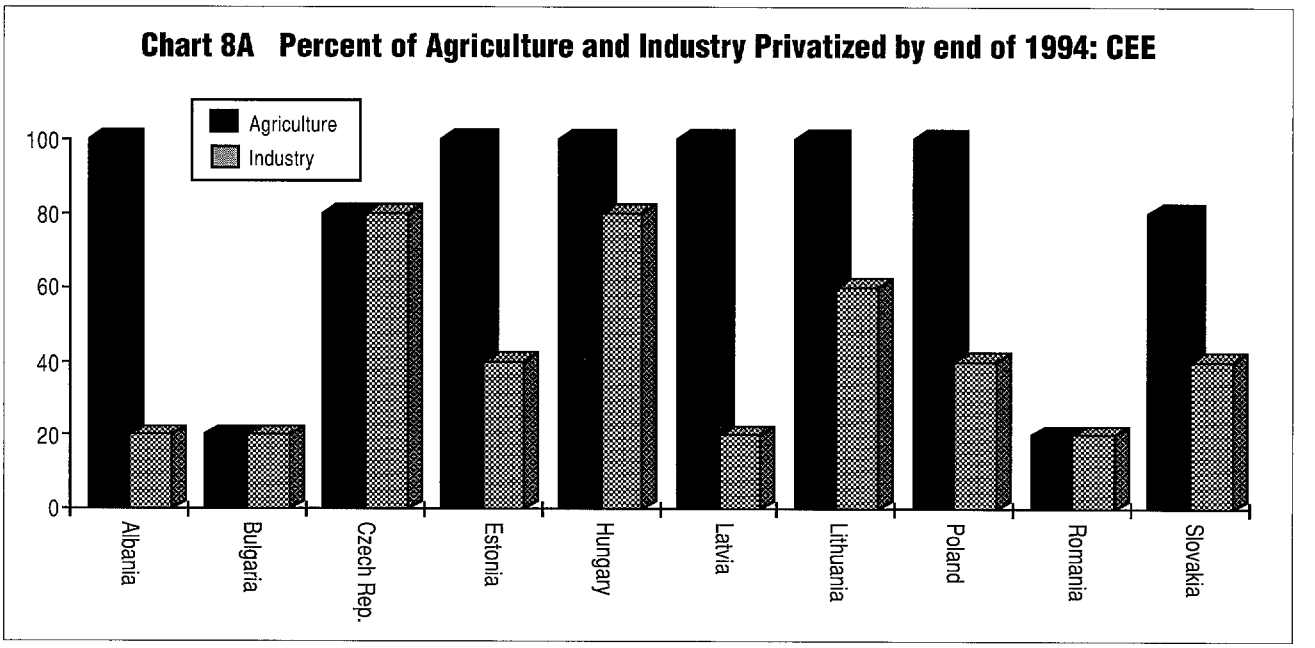


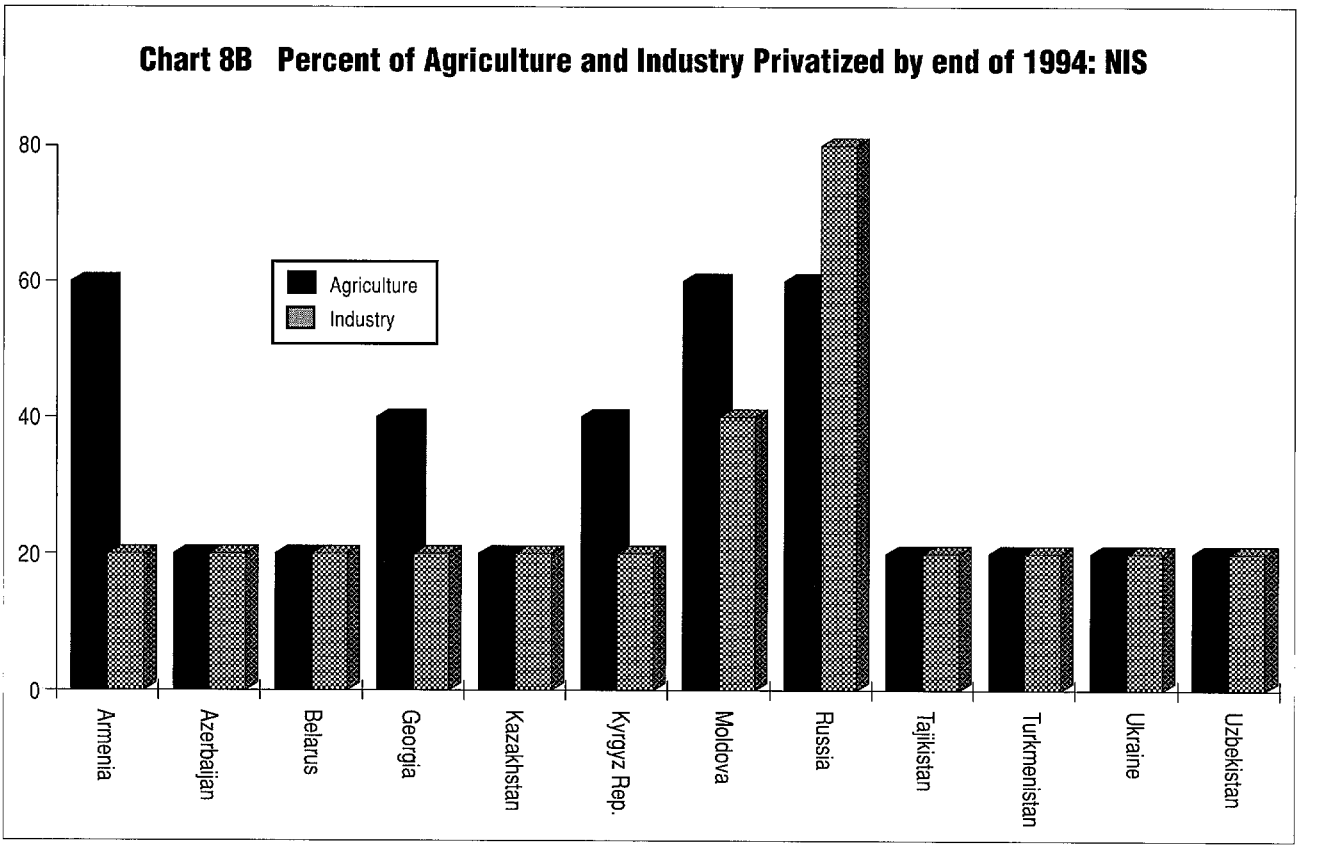
Source: EBRD

Chart 7B Growth/Decline in GDP from 1992-1994: NIS



Source: EBRD





Percentages are approximate, fixed in 20 percent increments

ALBANIA

Freedom House Ratings	1988-89	1989-90	1990-91	1991-92	1992-93	1993-94	1994-95
Political Rights	7	7	7	4	4	2	3
Civil Liberties	7	7	6	4	3	4	4
Status	NF	NF	NF	PF	PF	PF	PF

Polity: Presidential-parliamentary democracy
Economy: Transitional
Population: 3,403,000
PPP: $3,500 (est.)
Ethnic Groups: Albanians (96 percent; two main ethnic/linguistic groups: Ghegs, Tosks), Greeks (2.5 percent)
Capital: Tirana

Political Process

1. When did national legislative elections occur? The March 1992 parliamentary elections to the unicameral People's Assembly were deemed "free and fair" by CSCE and other international monitors (40-50 seats were filled by proportional representation from national party lists). In the 140-seat legislature, the Democratic Party won 92 seats; the Socialist (former Communist) Party, 38; the Social Democratic Party, 7; the Human Rights League, 2; and the Republican Party, 1. The Democratic Union of the Greek Minority (Omonia) was barred from participating directly in the elections because of the group's ethnic base.

2. When did presidential elections occur? President Dr. Sali Berisha (Democratic Party) was elected by the People's Assembly, 96-35, on 9 April 1992, to a five-year term, succeeding Ramiz Alia (Socialist Party of Albania), who had tendered his resignation on 3 April. Prime Minister Alexander Meksi (Democratic Party) was confirmed by the People's Assembly on 9 April 1992, and sworn in 19 April, succeeding Vilson Ahmeti (nonparty).

3. Is the electoral system multiparty-based? Are there at least two viable political parties functioning at all levels of government? In January 1990 the government announced multicandidate elections; in December, after days of protest, the leadership of the Communist Albanian Party of Labor announced its endorsement of the creation of independent political parties, ending the Communist monopoly on power. In early 1991, five parties were created: the Democratic Party of Albania, the Republican Party, the Agrarian Party, the Ecology Party and the Democratic Union of the Greek Minority (Omonia).

4. How many parties have been legalized? Through 1990 Albania was a one-party dictatorship dominated by the Albanian Party of Labor. An umbrella Democratic Front of Albania (DFA) included all social and political organizations. In July 1992, the People's Assembly banned all parties identifiable as "fascist, anti-national, chauvinistic, racist, totalitarian, Communist, Marxist-Leninist, Stalinist, or Enverist," the last in reference to former long-time Communist leader Enver Hoxha. In 1994, there were 11 main parties and 12 smaller political groupings registered. The two leading parties are the Democrats and the Socialist Party. In July 1992, the Socialists won a majority of seats in local council elections.

5. What proportion of the population belongs to political parties? Precise membership figures are unreliable. There is a strong mistrust of political parties among Albanians, who were long dominated by one party. No party has massive popular membership, though the Socialists claim 100,000 members. Polls in 1994 found extremely low party identification among voters across a broad range of demographic strata.

6. What has been the trend of voter turnout at the municipal, provincial and national levels in recent years? National elections, 1991, voter turnout: 59 percent; national elections, March 1992, voter turnout: 95 percent; local elections, July 1992, voter turnout: 70.5 percent; November 1994 constitutional referendum: over 75 percent.

Civil Society

1. How many nongovernmental organizations have come into existence since 1988? How many charitable/nonprofit organizations? Before the collapse of communism, Albania had been the most closed society in East-Central Europe. Over the last three to four years there has been a proliferation of citizen organizations, including political groups, human rights organizations, and cultural associations. At least twelve environmental organizations have been set up since 1991. Exact membership figures are unavailable. There is virtually no concrete information on the number of charitable/nonprofit organizations.

2. What forms of interest group participation in politics are legal? Petitions and public demonstrations are the main mechanisms for popular pressure on government, though public rallies need local authorization and organizations must be certified by the justice ministry.

3. Are there free trade unions? Workers obtained the right to form independent trade unions in 1991 under Article 1 of Law No. 7516. The Independent Confederation of Trade Unions of Albania (BSPSH) was created as an umbrella organization for a number of smaller unions. A separate, rival federation continued to operate in close cooperation with the Socialist Party. The latter—the Confederation of Unions—is a continuation of the "official" federation of the Communist period, and has very few members. In 1993, municipal employees and workers in communications and bakeries founded their own independent associations. Some unions have organized to represent workers in Greek- and Italian-owned shoe and textile factories. According to the Law on Major Constitutional Provisions, all workers (excluding employees of military enterprises) have the right to strike. Soon after the spring 1991 general strike, membership in the BSPSH was roughly 80 percent of the labor force, as people defected *en masse* from the Communist union. However, unemployment in recent years topped 70 percent, with a resulting decline in union membership. With unemployment now falling, membership is again increasing, although current statistics are unavailable, according to the Washington-based Free Trade Union Institute. A new independent confederation split from the BSPSH in 1994.

4. What is the numerical/proportional membership of farmers' groups, small business associations, etc.? De-collectivization begun in 1991-92 created 400,000 new peasant farmers in a country where 65 percent of the people still live off the land or in villages. Subsequent to its founding in February 1991, the Albanian Agrarian Party was reported to be the country's fastest-growing party. The number of farmers' groups is unavailable. Small-scale business, trade and investment projects make up a rapidly growing private sector. Business associations exist, particularly in the capital, but exact membership numbers are unavailable.

Independent Media

1. Are there legal protections for press freedom? The press law passed by the People's Assembly on 11 October 1993 is rather restrictive. Among provisions susceptible to abuse are Article 9 (enumerating stringent personal requirements for editors-in-chief); Articles 12-17 (guidelines for the confiscation of press publications); and Article 18 (temporary security measures which allow a prosecutor to remove a publication from circulation on the basis of broad, poorly defined criteria).

2. Are there legal penalties for libeling officials? Are there legal penalties for "irresponsible" journalism? Under law, persons can face imprisonment for from three months to five years for denigrating the president of the republic or the Albanian nation and its symbols. In May 1994, President Sali Berisha pardoned four journalists convicted of violating the press law. Penalties range from imprisonment to fines.

3. What proportion of media is privatized? In the print media, approximately 250 newspapers, magazines and journals exist, many of them published by political parties, trade unions, or various societies. The larger ones include *Zeri i Popullit* (Voice of the People, 105,000 circulation), a daily tied to the Socialist Party; *Rilindja Demokratike* (Democratic Awakening, 30,000), published daily by the Democratic Party; *Baskimi* (Unity, 30,000), a journalist's union daily; *Respublika* (Republic), a daily published by the Republican Party. Most major newspapers receive party or state subsidies. Unaffiliated, independent publications face economic hardships and government pressure. The government controls electronic media. Radio and Television of Albania (*Radiotelevisione Shqiptar*), a government facility, controls all broadcasting. There is no legal basis for the establishment of independent broadcasting stations, despite the apparent interest in opening independent radio stations. Satellite dishes are

Independent Media

popular in Tirana, bringing in foreign broadcasts. The principal source for both domestic and foreign news is the official Albanian Telegraph Agency.

4. Are the private media financially viable? Newspapers in Albania face newsprint shortages, a poor delivery system and a shortage of printing presses. In August 1994, six newspapers— *Zeri i Popullit*, *Koha Jone* (the leading independent, non-party paper), *Aleanca*, *Dita Informacion*, *Java*, and *Populli Po* —accused government agencies of favoring the government press, charging that the government "exhibited the outlines of a strategy to bankrupt the independent and opposition press."

Update: In April 1995, the Association of Professional Journalists in Albania issued a statement protesting high taxes and tariffs on the independent and opposition press, which it said are leaving many newspapers facing bankruptcy. During the first quarter of 1995, tariffs on distribution agencies increased by 30-40 percent, and in April the main government-owned printing house dramatically raised its rates.

5. Are the media editorially independent? Government, party and union newspapers generally expound the views of their sponsors.

6. Is the distribution system for newspapers privately or governmentally controlled? Albania does not have a national distribution agency for newspapers. Publications are distributed through the state-run postal system or through small private distributors and kiosks.

7. What has been the trend in press freedom? Freedom House's annual Survey of Press Freedom rated Albania Not Free from 1988 through 1990; and Partly Free from 1991 through 1994.

Update: The Survey of Press Freedom covering 1994 through March 1995 downgraded Albania's media to Not Free, citing an increase in police harrasment, mass arrests of Greek journalists, and exorbitant taxes on publications.

Rule of Law

1. Is there a post-Communist constitution? No. The Law on Majority Constitutional Provisions of 29 April 1991 (No. 7491), as amended in 1992, serves as a temporary constitution. A referendum on the newly drafted constitution was held on 6 November 1994 but was rejected by 60 percent of voters.

Update: After the failed constitutional referendum, the Council of Europe, which approved Albania's application for membership on 29 June 1995, recommended that parliament should be the vehicle for adopting a post-Communist constitution. In February 1995, four leftist opposition parties—the Socialists, the Social Democratic Party, the Democratic Alliance and the Union for Human Rights—adopted an "opposition constitution draft," which stressed parliamentary over presidential power. As of June, there were several drafts and it seemed unlikely that Albania would have a new constitution before 1996.

2. Does the constitutional framework provide for human rights? Do the human rights include business and property rights? Article 2 of the temporary constitution declares that the state is based on the rule of law and has the duty of respecting, *inter alia*, the constitutional order as well as human dignity, rights, freedoms and equality under the law. Article 4 guarantees individual human rights accepted by international conventions. Property and land ownership are permitted.

3. Has there been basic reform of the criminal code/criminal law? In 1992, parliamentary amendments added a new chapter to the provisional constitution titled "The Organization of Justice and the Constitutional Court." Part I of the amendment established a judicial system comprised of a seven-member Court of Cassation, an appellate court, courts of first instance (district courts), and military courts. Part II established a nine-member Constitutional Court. Post-Communist revisions of penal and criminal codes continue, though restrictions on assembly and association, for example, still exist.

Update: In early 1995, the government proposed a new penal code "free of the ideology that characterized the code of the former totalitarian society" and that "conforms to international standards" as recommended by the

Rule of Law

Council of Europe and international conventions. The code, which enhanced defendants' rights and reduced sentences, was approved by parliament on 21 March 1995, and took effect 1 June.

4. Do most judges rule fairly and impartially? How many remain from the Communist era? Parliament has the authority to appoint and dismiss judges on the Constitutional Court and the Court of Cassation. The Supreme Judicial Council appoints and dismisses all other judges. Since 1991, 70 percent of Communist-era judges have been replaced.

5. Are the courts free of political control and influence? Are the courts linked directly to the Ministry of Justice or any other executive body? Prosecutors serve at the pleasure of the Supreme Judicial Council. Because of a rapid turnover of prosecutors and judges and their insufficient experience and training, the rule of law and the principle of a truly independent judiciary are not yet firmly established.

Update: In January 1995, the Association of Judges of Albania criticized the interference of the general procurator's office and other government organs that "directly affect the independence of the judicial powers and create uncertainties to the courts in rendering justice." On 31 March 1995, three Senior Judges of the Tirana court resigned, to protest "the control that Justice Minister Hektor Frasheri and his deputy minister...are attempting to impose on our court" in defiance of the Law on the Organization of Justice and the Law on the Prerogatives of the Justice Ministry, as well as "the well-known principle of the independence of the judiciary." They accused the ministry of such practices as suspending or annulling trials, which can only be done by the Court of Appeal, the Supreme Court and the plenum of the Supreme Court. The judges also accused the officials of "monopolizing the appointments and dismissals of judges and administrative personnel" that fall under the prerogative of the Supreme Council of Justice.

6. What proportion of lawyers is in private practice? All defense attorneys are in private practice under a 1994 law, as are notaries. Prosecutors are state employees. Local bar associations exist countrywide.

7. Does the state provide public defenders? Yes, defendants have the right to legal counsel, which is appointed free of charge if they are unable to afford a private attorney.

8. Has there been a comprehensive reform of anti-bias/discrimination laws, including protection of ethnic minority rights? Greeks, numbering about 70,000-80,000, make up the largest minority group, and there are smaller groups of Gypsies and Romanian-speaking Vlachs. In 1993, the CSCE High Commissioner for Minorities visited Albania twice to investigate the situation of the Greeks. He recommended the creation in the government of a special office for minority issues. While existing laws pay lip service to equality and human rights, in August 1994 five members of the Greek minority group Omonia went on trial for treason in what was largely considered a political trial. Greek-Albanian relations continued to deteriorate sharply through the latter half of 1994.

Governance and Public Administration

1. Is the legislature the effective rule-making institution? The ambiguity of the temporary Law on Major Constitutional Provisions has raised questions about the character of the political system and the issue of balancing power between the executive and legislative branches of government. Thus, one of the main concerns of Albanian politics has been the power of President Berisha and his willingness to issue decrees and make decisions on his own.

2. Is substantial power decentralized to subnational levels of government? For the purpose of local administration, Albania is divided into thirty-seven districts (*rrethet*), over 310 communes, and forty-three municipalities. A Local Council, elected by direct universal suffrage, is the governing body of each subdivision.

3. Are subnational officials chosen in free and fair elections? The country's first democratic local elections on 26 July 1992, when viewed nationwide by parties, placed the Socialists less than two percentage points behind the Democratic Party. The Socialists also won a plurality of the seats contested, revealing that their following at the local level in rural areas remained fairly strong. Few problems were reported by international monitors, and the Socialists' strong showing, just like the strong showing of the Democrats in the national vote, confirmed the ability of the opposition to run and win. In all, thirteen parties fielded candidates.

Governance and Public Administration

4. Do legislative bodies actually function? Yes, such bodies do function and are able to debate and pass laws. Executive and legislative officials in districts, municipalities and communes were elected in July 1992. After the fall of the Communist regime, regional and local governments enjoyed greater autonomy from the central administration.

5. Do the executive and legislative bodies operate openly and with transparency? National executive and legislative bodies operate with limited transparency. Parliamentary sessions are not open to the public. Journalists, particularly from independent outlets critical of the government, are frequently denied access to government officials and party leaders. The government has contended that financial restrictions prohibit government publication of laws and statutes, but parliamentary debates or discussions are covered in government-owned, party and independent newspapers and on government-controlled television, though each can be selective and biased in interpretation. Local officials often make decisions which remain unknown to the majority of the population, partly because in this predominantly rural country, media centers tend to be in the cities.

6. Do municipal governments have sufficient revenues to carry out their duties? Do municipal governments have control of their own local budgets? Do they raise revenues autonomously or from the central state budget? The 26 July 1992 local elections marked the introduction to Albania of a new, decentralized administrative system in the Western style. Following the collapse of the Communist government—which had controlled the provinces through powerful district party secretaries—the status of local government was placed in limbo, and representatives of various political parties governed collectively on a temporary basis. Under the democratization process, municipalities and communes enjoy greater material, financial and executive rights at the expense of the center. The position of mayor (formerly, executive committee chairman) is much more important. Mayors are empowered to make decisions in the critical housing sector, and local authorities are responsible for distributing state payments to poor families. The commune, the smallest unit of local authority, has its own administrative apparatus, including specialists such as doctors, policemen, etc., and may also provide public services. All plans depend on finding adequate funding and developing a local tax base, a daunting challenge in such a poor country. Local governments make their own budgets.

7. Do the elected local leaders and local civil servants know how to manage municipal governments effectively? While local self-government is more of a reality now than in the past, the dearth of qualified personnel, underdevelopment of the local tax base and continued dependence on the central budget undermine the efficacy of local officials.

8. Has there been constitutional/legislative reform regarding local power? Has there been a reform of the civil service code/system? Are local civil servants employees of the local or central government? No legislative changes on local power have been made since the 1992 local elections. A new civil service code took effect 1 November 1994. Local civil servants are employees of their local governments.

Privatization

1. What percentage of the GDP comes from private ownership? It is estimated that private activity accounted for up to 60 percent of GDP at the end of March, 1994. The figure may currently be as high as 70 percent, as private farming has boomed and large state enterprises have been closed.

Update: The World Bank estimated in mid-1995 that private share of GDP was between 70 and 75 percent.

2. What major privatization legislation has been passed? In April 1992, parliament approved a government plan that included price liberalization, land privatization, the gradual but full privatization of most state enterprises as well as trade, transportation, and the fishing and mining industries, and the selling of state housing to inhabitants. A year earlier, the government had lifted a twenty-two-year-old ban on foreign credits, loans and investments, reintroduced private farming, and abolished the command-structure State Planning Commission. Privatization included the closing of large loss-making enterprises, vouchers for citizens, cash purchases and private foreign investment. Under law, profits can be repatriated freely. Thanks mainly to emigrant remittances and the abolition of all restrictions on foreign exchange dealing and foreign trade, thousands have rapidly found employment in a fast growing private trading sector.

Privatization

Update: In February 1995, the government announced a program of mass privatization to transform large- and medium-sized state enterprises into shareholding companies. The plan outlined three privatization options: the state retaining over 50 percent of shares, thereby controlling administration and management; the state owning less than 50 percent and not administering the enterprises; and the state selling 100 percent of enterprise shares. The legislation eliminated the creation of "joint enterprises," citing the fact that "70 percent of joint venture enterprises have turned out to be utterly unsuccessful." Privatization bonds were due to be distributed from 1 July to 30 July 1995, on the basis of age, with older citizens receiving more. Citizens may use the bonds to become shareholders in commercial companies created by the privatization of state enterprises, or in investment agencies to buy specific assets of enterprises being privatized.

3. What proportion of agriculture, housing and land, industry, and business and services is in private hands?

Agriculture: With the abolition of collective farms in 1990-91 and the redistribution of their lands, over 505,000 hectares, or 95 percent of the country's total farmland, has been privatized. About 425,000 hectares of land that formerly belonged to the agricultural cooperatives have been distributed in 3.5 acre plots, resulting in the creation of more than 315,000 private farms. Approximately 90 percent of the land of the former state farms has also been privatized. Agriculture has been the driving force behind Albania's economic growth, the fastest in Europe in 1993. Twelve agricultural joint-ventures were created in 1993, mainly with Greek and Italian partners.

Update: In June 1995, the Albanian press reported that only two of 24 joint-ventures in agriculture were still operating due to the forcible seizure of land by local peasants and the failure to fulfill contracts.

Housing and Land: Under the 1991-93 privatization laws, homes may be bought and sold by Albanians. All homes and 97 percent of arable land are currently in private hands. However, high prices, unemployment, and housing shortages have hampered the market. A controversial land restitution law allows former landowners (or their heirs) dispossessed by the Communists to reclaim their property, which has caused some unexpected legal problems for foreign businesses. Foreign companies lease land from the government.

Industry According to the World Bank, there has been virtually no privatization of large, outmoded Soviet- and Chinese-built state-owned enterprises (i.e. mining, utilities, metals). Many unprofitable concerns have simply been shut down or downsized by laying off workers or giving them indefinite vacations.

Business and Services: Emigrant remittances and subsequent increases in consumer goods and disposable income have stimulated a rapid rise in small-scale trade and investment projects, principally cafes, small food kiosks, informal markets and, increasingly, gasoline stations. The service sector as a whole provided only 12 percent of employment under the old regime; it is now expanding faster as deregulation, privatization and the abolition of subsidies have combined with remittances to create fast-rising disposable incomes. Some 2,000 small- and medium-sized enterprises are in private hands. This demand-led economy has created new jobs in retailing, storage, transport and other services.

ARMENIA

Freedom House Ratings	1988-89	1989-90	1990-91	1991-92	1992-93	1993-94	1994-95
Political Rights	-	-	-	5	4	3	3
Civil Liberties	-	-	-	5	3	4	4
Status	-	-	-	PF	PF	PF	PF

Polity: Presidential-parliamentary (transitional)
Economy: Mixed-statist (transitional)
Population: 3,676,000
PPP: $4,610
Ethnic Groups: Armenians (93 percent), Kurds (1.7 percent), Russians (1.5 percent), others
Capital: Yerevan

Political Process

1. When did national legislative elections occur? The May 1990 elections and subsequent runoffs that brought the current parliament into office were judged to be "relatively free by Soviet standards" in the 1992 U.S. Department of State Report on Human Rights Practices. The current composition of the 260-seat parliament is as follows: Armenian National Movement (ANM), 52; Armenian Democratic Liberal Organization, 14; Armenian Revolutionary Federation (Dashnak), 12; National Democratic Union (NDU), 9; Constitutional Rights Union, Union for National Self-Determination, Christian Democratic Union, and Republican Party, 1 each; the remaining seats are vacant or filled by independents. Some 32 parliamentarians, mostly from the Dashnak Party and NDU, refused to attend sessions of parliament at the end of 1994, but later returned. The next elections are scheduled to take place in 1995.

Update: The first parliamentary elections and constitutional referendum since Armenia's independence took place on 5 July, 1995. Observers from the Organization for Security and Cooperation in Europe (OSCE) described the elections as "free but unfair" because nine opposition parties including Dashnak were banned from participation. The OSCE also noted poorly-organized voting procedures, as well as broadcast and distribution of biased information to voters. Thirteen political organizations and blocks participated. The new 190-seat parliament will include 150 popularly-elected deputies and forty chosen according to a proportional party-list system. Of the 150 popularly-contested seats, 124 were filled in the first round of elections, with the remaining twenty-six to be decided in a second round to be held on 29 July. All forty proportional seats were filled, twenty by the ruling Republican coalition, led by the ANM. The ANM also reportedly won 85 of the popularly-chosen seats, giving it a majority in the new National Assembly.

2. When did presidential elections occur? Levon Ter-Petrossyan was elected president with 83 percent of the vote in multicandidate elections held on 16 October 1991; these were described as "free and fair" in the 1993 U.S. Department of State Report on Human Rights Practices. Both these and the 1990 parliamentary elections took place before the disintegration of the USSR.

Update: New presidential elections are scheduled for the fall of 1996.

3. Is the electoral system multiparty-based? Are there at least two viable political parties functioning at all levels of government? The electoral system has been multiparty-based since 1990. Neither the president nor any other member of the executive branch may be formally affiliated with a political party; presidential elections, however, were held on a multicandidate basis. Election to local councils is multicandidate.

Update: While thirteen political groupings participated in the July 1995 legislative elections, nine other parties and groups were banned. Opposition representatives on the country's central electoral commission issued a statement on 7 July "to inform the public of violations and falsifications at the polls and referendum."

4. How many parties have been legalized? Over twenty-five political parties have been officially registered since 1990. Major

Political Process

parties include the Armenian National Movement, the Armenian Revolutionary Federation (Dashnak) and the National Democratic Union. In December 1994 President Ter-Petrossyan temporarily suspended the activities of the Dashnak Party, including affiliated publications, due to alleged ties with a clandestine terrorist organization engaged in drug trafficking and assassinations.

5. What proportion of the population belongs to political parties? Less than 10 percent of the voting population belongs to political parties.

6. What has been the trend of voter turnout at the municipal, provincial and national levels in recent years? May 1990 elections to Supreme Soviet: 50 percent; 21 September 1991, independence referendum: 95 percent; 16 October 1991, presidential election: 70 percent.

Update: Parliamentary elections and constitutional referendum, 5 July 1995: 56 percent. The new constitution was adopted as 68 percent of voters going to the polls voted in favor.

Civil Society

1. How many nongovernmental organizations have come into existence since 1988? How many charitable/nonprofit organizations? There has been a proliferation of nongovernmental organizations since independence, and the Interior Ministry listed some 661 such organizations by the end of 1994. These included several small human rights organizations, women's rights and environmental parties, as well as sports associations, clubs and other organizations. Most charitable work is carried out by foreign church-affiliated organizations, although a few small, *ad hoc* organizations have surfaced to deal with refugees and wounded from the conflict in Nagorno-Karabakh.

2. What forms of interest group participation in politics are legal? Interest group participation in politics has become institutionalized, albeit through a peculiarity of Armenian law. There is currently no prohibition on members of parliament occupying other, nongovernment positions; consequently, parliament members frequently act as lobbyists for interests that are related to their extra-parliamentary employment. Lobbying on budgetary and other matters by extra-parliamentary regional interest groups is illegal, although it reportedly occurs.

Update: The new constitution stipulates that "a deputy may not hold other state office or perform other paid work except such as is scientific, pedagogical or artistic."

3. Are there free trade unions? Roughly 80 percent of Armenian workers belong to trade unions, nearly all of which were established during the Soviet period. Under the 1992 law on employment, workers are guaranteed the right to form unions, while a January 1993 presidential decree entitles workers to strike without fear of government retaliation. A new teachers' union was established in mid-1993, and it shortly thereafter called a strike to demand better working conditions and increased remuneration; no interference by the government was reported to have taken place.

Update: The new constitution upholds workers' right to strike.

4. What is the numerical/proportional membership of farmers' groups, small business associations, etc.? There are at least a half-dozen active small business associations in Armenia, as well as farmers' groups. Specific membership figures are currently unavailable.

Independent Media

1. Are there legal protections for press freedom? In October 1991, just two months after declaring independence from Moscow, the Armenian Supreme Soviet enacted a law protecting freedom of the press and mass media. That law was substantially undermined in late November 1993, when the Armenian Foreign Ministry stripped three opposition newspapers and the independent Aylur news agency of their press accreditation for allegedly having discredited Armenian political figures, including the head of the Foreign Ministry. In December 1994 the government closed the operations of some major opposition publications because of the ban on the Dashnak Party.

2. Are there legal penalties for libeling officials? Are there legal penalties for "irresponsible" journalism? There are no formal

Independent Media

penalties for libeling officials, although the case cited immediately above indicates that they do exist. Similarly, although there are no specific laws against irresponsible journalism, penalties exist in practice.

3. What proportion of media is privatized? Only one functioning independent national radio station and one independent television station (which must lease the frequency of a state television channel) exist. A second radio station was due to begin broadcasting early in 1995. Several small cable television companies have been permitted to rebroadcast films. Only one of the country's five major daily newspapers, *Respublika Armenia*, is state owned, as is the national news agency. Of the four major privately held daily newspapers, two are owned by leading opposition parties. A Communist party organ is now increasingly independent, according to local journalists. *Laragir*, a recently launched daily, also claims to be independent. Between forty and sixty very small, private newspapers exist. In addition to the private dailies, a few independent news agencies have been started; however, their resources and distribution are rather limited. There is no private wire service.

4. Are the private media financially viable? The largest papers publish regularly, and in some cases benefit from party support. Almost all of the smaller newspapers only publish occasionally and have encountered great financial difficulties.

5. Are the media editorially independent? A broad range of nongovernment perspectives is present in the print media. Because of the strong partisanship of Armenian reporters—a trait they share with their counterparts in most other regions of the former Soviet Union—there is little objective reporting as this is understood in the West.

6. Is the distribution system for newspapers privately or governmentally controlled? Newspapers are generally distributed through the national postal service. As many as half of the news kiosks countrywide may be effectively in private hands.

7. What has been the trend in press freedom? Freedom House's annual Survey of Press Freedom rated Armenia Partly Free from 1991 through 1994.

Rule of Law

1. Is there a post-Communist constitution? Through 1994 Armenia used a combination of the International Covenant on Civil and Political Rights and parts of the Soviet-era constitution. Originally slated to be drafted and approved in 1992, a new constitution had been stalled by disagreements over a procedure for adoption and for setting the balance of power between president and parliament. Two draft constitutions circulated in parliament by the end of 1994—one drafted by a presidential commission, and the other by a coalition of six opposition parties.

Update: Armenia adopted the presidential draft of a new constitution by referendum on 5 July 1995, concurrent with legislative elections. The new constitution provides for a relatively weak legislature and what some western observers have called the strongest presidency among the Helsinki nations. Under this constitution, the president is empowered to dissolve the National Assembly, appoint and dismiss the prime minister, appoint members of the Constitutional Court and declare martial law.

2. Does the constitutional framework provide for human rights? Do the human rights include business and property rights? By a 1991 parliamentary resolution, the International Covenant on Civil and Political Rights served as the supreme law of the land pending adoption of a new constitution. The covenant coexisted, however, with substantial Soviet-era laws that failed to accord with its provisions.

Update: The new constitution provides for the "defense of human rights and liberties based on the constitution and the laws, in accordance with the principles and rules of international law." The constitution also declares that "the right of ownership is recognized and defended," adding that "a proprietor shall at his discretion possess, enjoy and dispose of the assets he owns." Finally, the constitution guarantees equal protection of all forms of ownership, freedom of economic activity and unrestricted economic competition.

3. Has there been basic reform of the criminal code/criminal law? The criminal code has been largely carried over from the Soviet period.

Rule of Law

Update: The new constitution enshrines the presumption of innocence and gives people the right not to incriminate themselves or testify against their spouses or close relatives.

4. Do most judges rule fairly and impartially? How many remain from the Communist era? Judges reportedly rule fairly and impartially in most cases, although no study has been done of rulings in cases involving political or other sensitive matters. Most judges were elected in 1986.

5. Are the courts free of political control and influence? Are the courts linked directly to the Ministry of Justice or any other executive body? The Armenian justice system remains susceptible to political influence. Supreme Court judges, in particular, are nominated by the Ministry of Justice. Nominees are then subject to hearings by a panel of their peers, after which their candidacies are forwarded to parliament. Parliament elects both the district level and supreme court judges. The former, who try the great majority of cases in the country, were elected to five-year terms in 1986; their terms were later extended until the adoption of a new constitution.

Update: In 1995 the Supreme Court upheld the December 1994 ban on the Dashnak party in a move that underscored a high degree of susceptibility to political influence. The constitution provides for a Constitutional Court whose rulings are "final and not subject to review." The new court will have nine members, five appointed by the National Assembly and four by the president. The constitution also states that judges cannot be removed until retirement (70 for Constitutional Court judges, 65 for all others). Finally, the new basic law establishes a Judicial Council with wide powers, to be headed by the president. The Council's members are to be presidential appointees, and the minister of justice and procurator general will be deputy chairmen of the Council.

6. What proportion of lawyers is in private practice? The majority of lawyers remain in state employ, although there is a gradual trend toward more lawyers in private practice. Independent legal associations exist.

7. Does the state provide public defenders? Defendants are entitled to court-appointed attorneys.

8. Has there been a comprehensive reform of anti-bias/discrimination laws, including protection of ethnic minority rights? While there has been no comprehensive reform of laws intended to protect Armenia's few remaining ethnic minorities, the 1992 law on language recognizes the right of minority groups to study and publish materials in their native languages, and to employ those languages in court proceedings. Few ethnic Azeris remain in the country, but there have been some reports of discrimination in this area. Rights of other minorities are generally respected, according to international observers.

Update: According to the new constitution, "citizens, regardless of nationality, race, sex, language, religious, political or other views, social origins, and property or other status shall have all the rights, liberties and obligations established by the constitution and the laws."

Governance and Public Administration

1. Is the legislature the effective rule-making institution? Strictly speaking, parliament is the only government body empowered to pass laws (orenk). However, regional and local government decisions (voroshoom) and presidential decrees (hramanageer) also have the operative effect of laws.

Update: The presidential draft constitution, which was eventually approved by referendum on 5 July 1995, provides for a National Assembly elected to a four-year term, to convene twice yearly. While the constitution states that "legislative power in the Republic of Armenia is exercised by the National Assembly," the document nevertheless sharply curtails legislative power in favor of a strong executive.

2. Is substantial power decentralized to subnational levels of government? Armenia is currently divided into thirty-seven administrative regions, each of which has an elected council of people's deputies and an executive committee. Yerevan and the larger towns—collectively known as "cities of republican importance"—also have a council of deputies and an executive committee, as well as a mayor; they are directly accountable to the national government, rather than to the regions in which they are situated. The autonomy of regional governments, and most city governments, is quite limited.

Governance and Public Administration

Update: The new constitution states that "state administration is exercised in the oblasts." Oblast officials implement the central government's regional policy and coordinate the activity of regional services of republic executive authorities.

3. Are subnational officials chosen in free and fair elections? Under Armenia's local election law of 13 February 1990, people's deputies to regional and city councils are elected by universal suffrage. Each council in turn elects by secret ballot the members of the regional or city executive committee, which is the body that actually issues decisions and administers local government. The council of deputies also elects a council and committee chairperson; in the case of city governments, the chairperson serves as mayor. The council of people's deputies is not a permanently constituted body, and usually convenes only on a quarterly basis.

4. Do legislative bodies actually function? Both parliament and the regional and municipal executive committees function as law-making bodies, although local decisions that contradict national laws may be declared void by parliament. At the local government level, decisions are typically drafted by the relevant government committee, reviewed by the legal department and, if approved by the latter, forwarded to the executive committee for a vote.

5. Do the executive and legislative bodies operate openly and with transparency? While parliamentary debates and the operation of national government are closely monitored by the press, there is a decided lack of transparency in the proceedings of local government. Council meetings are closed to the public, and executive committees reportedly never uphold their legal obligation to hold public discussions and meet with labor collectives.

6. Do municipal governments have sufficient revenues to carry out their duties? Do municipal governments have control of their own local budgets? Do they raise revenues autonomously or from the central state budget? All taxes are currently levied and collected by the national government, which in turn disburses revenue to local governments. Regional governments and "cities of republican importance" annually submit budget requests to the Ministry of Finance, which reviews the requests and forwards them, along with its recommendations, to the president. The share of the national budget allocated to each region and city is determined by Parliament, after it has been presented with the president's draft budget. Following the budget's approval, however, each local government is free to allocate its own share as it deems appropriate.

7. Do the elected local leaders and local civil servants know how to manage municipal governments effectively? According to a USAID draft report on local government in Armenia (*Proposed Municipal Management/Finance Reform Technical Assistance to the Republic of Armenia*, 30 August 1994) "a large percentage" of the deputies elected to local government councils refuse to be held accountable by the electorate, or to hold accountable the chairpersons and executive committee members whom they themselves elect. The study attributed this behavior to a lack of training, compounded by economic desperation.

8. Has there been constitutional/legislative reform regarding local power? Has there been a reform of the civil service code/system? Are local civil servants employees of the local or central government? There has been no legislation significantly altering the powers of regional and municipal governments since the introduction of a 1979 law on local government structure, with the exception of the February 1990 local election law. The Soviet-era civil service code has largely been carried over, as has the bulk of the civil service itself. Local civil servants are employees of the national government.

Update: Under the new constitution, local governments are elected to three-year terms. They are to be composed of a council of community elders (twelve to fifteen people) and a mayor or village leader. Community leaders are to form their own administrations. Local governments will handle administration of communal property, as well as issues including local budget, taxes and payments.

Privatization

1. What percentage of the GDP comes from private ownership? According to the World Bank, GDP breakdowns by private vs. state sector are impossible to obtain and dangerous to estimate, because such data is not compiled and in any case fails to take into account an informal economy that may represent up to three-quarters of total GDP. However, excluding this informal activity the private sector probably accounts for under 15 percent of GDP.

Privatization

2. What major privatization legislation has been passed? The major provisions for privatization are contained in the 1991 Privatization Law (amended November 1994) and the July 1992 Privatization and Denationalization Law. A housing privatization law introduced in 1989 was supplanted by a new law on 1 September 1993. Privatization has been accomplished primarily through joint stock, sale of shares, or purchase (in the case of land).

Update: On 1 March 1995 Armenia launched a mass privatization campaign under which it plans to sell off 47 percent of state assets by the end of 1995, for cash as well as through a voucher system.

3. What proportion of agriculture, housing and land, industry, and business and services is in private hands?
Agriculture: A privatization law was introduced in 1991. About 60 percent of the country's arable land is now in private hands. Armenia is self-sustaining in agriculture.

Update: By June 1995 over 80 percent of the country's arable land was in private hands.

Housing and Land: About one-third of Armenia's total housing stock was already in private hands prior to 1989. This included homes built with private resources on state land, as well as some privately owned homes from the pre-Soviet era, which were never nationalized. The percentage of privatized housing in the country has risen to about one-half of the total.

Update: Privatization of housing should be completed by the end of 1995.

Industry: Less than 10 percent of industry has been privatized. In January 1994, parliament approved a plan to privatize 4,700 state-owned enterprises (including 2,700 small units, 600 sites under construction and 1,300 medium and large enterprises).

Update: According to the November 1994 amendment to the Privatization Law, 20 percent of shares of more than 1,000 medium and large enterprises were distributed to employees. Fifty percent of all existing small units as well as sites under construction are slated for privatization by the end of 1995. However, of 2,750 enterprises slated for privatization by the end of 1994, only 1,185 were actually privatized.

Business and Services: About 350 small firms were privatized in late 1991 and early 1992; these employed between twenty-five and fifty people each. The immense majority of private business and services is carried out via a vast informal economy.

Update: Of the 1,185 enterprises privatized in 1994, the overwhelming majority were small firms employing fewer than twenty-five people.

AZERBAIJAN

Freedom House Ratings

	1988-89	1989-90	1990-91	1991-92	1992-93	1993-94	1994-95
Political Rights	-	-	-	5	5	6	6
Civil Liberties	-	-	-	5	5	6	6
Status	-	-	-	PF	PF	NF	NF

Polity: Presidential-military
Economy: Statist (transitional)
Population: 7,386,000
PPP: $3,670
Ethnic Groups: Azeris (82.7 percent), Russians, other Turkic groups
Capital: Baku

Political Process

1. When did national legislative elections occur? The September 1990, Soviet-era elections to the 360-member Supreme Soviet (dissolved 1992) were marred by fraud and were in effect conducted under a state of emergency in force since the introduction of the Soviet military in January. Over half the seats were won by the Communist Party of Azerbaijan, government functionaries and prominent enterprise managers. The democratic opposition was led by the Azerbaijan Popular Front (APF), led by Abulfaz Elchibey, which won forty seats. In 1992, the Supreme Soviet turned over authority to a fifty-member National Council, with half of the seats filled by former Communists and the remainder by the opposition.

Update: Legislative elections have been scheduled for 12 November, 1995. Both pro-government and opposition groups are reportedly campaigning.

2. When did presidential elections occur? Presidential elections took place on 3 October 1993, and were won by former Communist Party chief Gaidar Aliyev; the vote was declared undemocratic by international observers because of boycotting by the Popular Front and other opposition parties and because of media bias. Previous presidential elections, held on 7 June 1992, were considered free and fair, and were won by APF leader Elchibey. He was overthrown in June 1993 by a coup led by Communist hard-liners and pro-Russian military units.

3. Is the electoral system multiparty-based? Are there at least two viable political parties functioning at all levels of government? The electoral system is nominally multiparty based, and there exist parties based on ethnicity and religion. Unofficial opposition parties existed as early as 1989. Municipal elections have not been held since independence.

4. How many parties have been legalized? Forty-three parties are registered, but through attrition, the forming of coalitions and, in some cases, repression, this number has been reduced to seven major parties. In 1994, the AZP, the Islamic-Turkic National Independence Party (*Istikal*), and other opposition groups faced the arrest of leaders, harassment, raids and closing of party headquarters.

Update: The headquarters of the Popular Front in central Baku was taken over by the authorities late in 1994 and has not yet been returned.

5. What proportion of the population belongs to political parties? Party membership is well below 10 percent of the voting-age population. The largest group, the Popular Front, claims only 10,000 members.

Update: The Popular Front, which became a party rather than a political movement after an early-1995 congress, may now have as many as 50,000 members, according to local sources.

6. What has been the trend of voter turnout at the municipal, provincial and national levels in recent years? Turnout has generally been very high for elections and referenda. Referendum on Soviet Union, 17 March 1991: 75 percent; presidential, 8

Political Process

September 1991: over 80 percent; presidential, 7 June 1992: 74 percent; referendum on former president Elchibey, 29 August 1993: 92 percent; presidential, 3 October 1993: 97 percent. Municipal elections have not yet been held.

Civil Society

1. How many nongovernmental organizations have come into existence since 1988? How many charitable/nonprofit organizations? Only a handful of nongovernmental organizations exist in Azerbaijan, most of which are controlled by pro-government or opposition forces. Indigenous charitable organizations do not exist, with the exception of infrequent and underfunded work carried out by the Muslim and Russian Orthodox communities. A few volunteer organizations have been created to assist war wounded and refugees.

Update: There has reportedly been a significant increase in the effectiveness and representativity of the NGO community in Azerbaijan through mid-1995.

2. What forms of interest group participation in politics are legal? No legal provisions exist regarding interest group participation in politics. What debate exists is generally carried out by and through the political parties.

3. Are there free trade unions? The only significant labor organization remains the post-Communist Azerbaijan Labor Federation which, while it continues to be dependent on the government, is now free to interact with other national and international labor groups. The right to strike is respected, but wages are set by the various government ministries. The overwhelming majority of workers belong to the post-Communist Federation. The largest independent union, dominated by reform Communists, is the oil workers' union, which represents about 85,000 workers, approximately 80 percent of the workers in that industry.

4. What is the numerical/proportional membership of farmers' groups, small business associations, etc.? No significant groups of farmers or business people exist.

Independent Media

1. Are there legal protections for press freedom? A media law was passed in July 1992. Although the law and the constitution provide for press freedom and a 1992 attempt by then-President Elchibey to introduce a constitutional ban on "taunting public officials" was struck down, the press in Azerbaijan remains subject to censorship. Offices of opposition publications have been attacked and copies of the publications confiscated, although opposition publications continue to publish.

2. Are there legal penalties for libeling officials? Are there legal penalties for "irresponsible" journalism? Under the current Aliyev regime, the press enjoys the right to "constructive criticism" only. The press remains subject to censorship, including penalties for insulting officials.

Update: In early 1995 the opposition newspapers *Azadlyg* and *Cheshma* were raided by police and subjected to harassment, allegedly for libeling officials.

3. What proportion of media is privatized? There is only one apparently private radio and television station. The Azerbaijan News Service (ANS) maintains a news service and broadcasts on both television and radio. Although it must lease air time from the government-owned television broadcaster, ANS has been allowed to broadcast regularly, including rebroadcasting Voice of America reports. It is possible that the war-hero status of one of ANS's owners has made it easier for the station to broadcast. Many of Azerbaijan's hundreds of publications are financed at least in part by the government and are licensed by the Ministry of Press and Information. Over a dozen independent newspapers exist, mainly affiliated with opposition parties. There is an official Azerbaijan Information Agency, as well as a few independent news services such as Turan and Khabar Service.

Update: Local sources claim that the state has increasingly less money to control publications.

4. Are the private media financially viable? The government retains a stake even in some nominally private publications, while others are financed by political parties.

Independent Media

Update: Opposition-controlled publications continue to publish regularly, though they are experiencing financial difficulties.

5. Are the media editorially independent? The media are editorially subject to government and/or party review.

6. Is the distribution system for newspapers privately or governmentally controlled? The distribution system for newspapers is governmentally controlled.

7. What has been the trend in press freedom? Freedom House's annual Survey of Press Freedom rated Azerbaijan Not Free from 1992 through 1994.

Rule of Law

1. Is there a post-Communist constitution? On 30 August 1991 the Supreme Soviet of Azerbaijan adopted the 1918 constitution, which had been in effect during the country's brief independence between 1918 and 1920. The constitution provides for a secular, democratic government with separation of powers among the three branches. A new constitution is slowly being prepared under a government-appointed commission.

2. Does the constitutional framework provide for human rights? Do the human rights include business and property rights? The constitution guarantees full civil and political rights for all citizens, and provides for "equal opportunity with respect to possession and pursuit of happiness." However, these rights are not respected in reality, and dissidents are routinely persecuted. Most freedoms were sharply curtailed under states of emergency in 1991 and 1993.

3. Has there been basic reform of the criminal code/criminal law? Criminal law underwent reform in 1992, when the government commissioned a full investigation of types of crime, rating and categorizing them and adopting corresponding punitive measures. Defendants have the right to confront their accusers and to appeal, and trials are generally public. However, the criminal code does not mention the principle that defendants are innocent until proven guilty.

4. Do most judges rule fairly and impartially? How many remain from the Communist era? Judges are subject to political influence, and thus do not necessarily rule fairly in politically significant cases. Most Soviet-era judges remain.

5. Are the courts free of political control and influence? Are the courts linked directly to the Ministry of Justice or any other executive body? The Supreme Court of the Republic of Azerbaijan has the power of judicial review. However, judges often take political considerations into account in their decision making. This may involve either direct government influence or a form of judicial self-censorship.

6. What proportion of lawyers is in private practice? Most lawyers are employed by the state. There is an adequate number of lawyers, but they receive no special training beyond university education.

7. Does the state provide public defenders? The state provides public defenders free of charge.

8. Has there been a comprehensive reform of anti-bias/discrimination laws, including protection of ethnic minority rights? The constitution includes antidiscrimination provisions and provides for the protection of ethnic and minority rights. However, the few remaining Armenians in Azerbaijan have been the subject of frequent physical and rhetorical attacks, and Armenian churches have been desecrated. The small Kurdish minority has also reportedly been subjected to attacks.

Governance and Public Administration

1. Is the legislature the effective rule-making institution? Since the 1993 coup the legislature, which even under Elchibey, the ousted president, had not been fully independent, has been further reined in by President Aliyev. Aliyev has not been reluctant to rule by decree.

2. Is substantial power decentralized to subnational levels of government? Pre-independence structures remain almost

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unchanged at subnational levels. Formal provisions for local government are largely irrelevant in Azerbaijan, where a substantial portion of the population lives in relatively remote mountain areas. Because of this remoteness as well as state government neglect, local officials have historically been able to maintain at least a modicum of autonomy. However, this probably has resulted more often in profiteering than in good government.

3. Are subnational officials chosen in free and fair elections? Subnational officials have not been elected since independence.

4. Do legislative bodies actually function? Local legislative bodies were elected while Azerbaijan was still a constituent republic of the Soviet Union, and local power rests with administrators rather than assemblies. The national legislature is able to debate and pass laws, although the president may issue decrees effectively nullifying any legislation.

5. Do the executive and legislative bodies operate openly and with transparency? No. Legislation is reported in news publications, but access to parliamentary debates and decision making at the executive level is denied.

6. Do municipal governments have sufficient revenues to carry out their duties? Do municipal governments have control of their own local budgets? Do they raise revenues autonomously or from the central state budget? Municipal governments receive most of their funds from the central government, but occasionally raise revenues autonomously. Municipal governments generally suffer from a lack of means to carry out their programs. Although localities make their own budgets, these must be approved by the center.

7. Do the elected local leaders and local civil servants know how to manage municipal governments effectively? Local leaders do have some experience in management because of the aforementioned history of relative autonomy. However, as is the case with its neighbors, Azerbaijan's local officials have found it difficult to work in the face of war, political and economic upheaval, and traditional ways of life. In addition, local officials may use their experience more for personal advancement than for improving their communities.

8. Has there been constitutional/legislative reform regarding local power? Has there been a reform of the civil service code/system? Are local civil servants employees of the local or central government? Constitutional and legislative changes regarding the structure of local power were effected in 1991. However, these changes were not far-reaching and were in any case largely ineffective given the conditions cited above. Changes in the civil service code, which applies to all levels of government, have been introduced since 1991. Local officials are employed by the central government.

Privatization

1. What percentage of the GDP comes from private ownership? The World Bank states that it is impossible to supply such a figure given the large informal economy and lack of accurate statistical data. The World Bank judges that a figure of less than 20 percent is as accurate as any other approximation.

2. What major privatization legislation has been passed? The 1991 Law on Fundamentals of Economic Independence and 1993 privatization legislation lay out a loose framework for privatization, but no implementing legislation has yet been passed and the form of privatization is still being debated by the government and international lenders.

Update: A complex privatization program has been devised, and will be reviewed by the legislature in mid-1995. Several areas are covered under the plan. All wholesale and retail trade enterprises, as well as at least 30 percent of trucks involved in wholesale and retail trade, are to be privatized by the end of 1995. At least 50 percent of all medium and large enterprises will be turned into open joint-stock companies by the end of 1996. At least 51 percent of shares in 300 medium and large enterprises will be offered publicly through the end of 1996, with a goal of putting 70 percent of these companies' assets in private hands. Finally, criteria and procedures will be established regarding the sale of some particularly attractive large enterprises. The government plans to sell ten such enterprises individually, including participation by prospective international buyers, by the end of 1995. At least five such enterprises will be offered for sale by October 1995, and five more by December. The World Bank characterized the new plan as "both feasible and desirable."

Privatization

3. What proportion of agriculture, housing and land, industry, and business and services is in private hands? Almost no privatization has taken place. The immense majority of private enterprise operates in a gray area.

Update: As of June 1995, only a few small businesses had been privatized, although a substantial number of nominally government-owned businesses are reported to have *de facto* private owners.

BELARUS

Freedom House Ratings	1988-89	1989-90	1990-91	1991-92	1992-93	1993-94	1994-95
Political Rights	-	-	-	4	4	5	4
Civil Liberties	-	-	-	4	3	4	4
Status	-	-	-	PF	PF	PF	PF

Polity: Presidential-parliamentary
Economy: Statist (transitional)
Population: 10,330,000
PPP: $6,850
Ethnic Groups: Belarusians (79.4 percent), Russians (11.9 percent), Poles (4.2 percent) Ukrainians (2.4 percent), Jews (1.4 percent)
Capital: Minsk

Political Process

1. When did national legislative elections occur? Elections to the 360-seat Belarus Supreme Council occurred in March-April 1990, with an average of five candidates competing for each of the 272 directly elected seats. The elections were not regarded as free and fair because they were conducted under Soviet election rules before Belarus gained its independence in 1991. The Belarus Popular Front gained 37 seats, with the Communist Party of Belarus winning 80 percent of the seats. The Communist party includes pro-market and hardline, pro-Russian factions.

Update: Elections for a new, 260-member parliament (created under the March 1994 constitution) were held on 14 May, 1995, with a runoff on 28 May. Some twenty-nine parties fielded candidates, including the nationalist Belarus Popular Front, the Party of Popular Accord, the Communists and their Agrarian Party allies, the Green Party, the Peasant Party, and three centrist parties—the United Democratic Party, the Belarus Social Democratic Hramada (Assembly), and the Liberal Democratic Party. Of 2,348 candidates, 43 percent ran as independents. Only eighteen deputies were elected in the first round, and 101 in the second. The total of 119 was short of the 174-member, two-thirds quorum. According to the constitution, the previous parliament will continue its work until new rounds of voting scheduled for the fall attain a quorum. In the first round, the Communists captured three seats, the Agrarians five and independents ten. Of the 101 seats elected in round two, the Agrarians captured twenty-five and the Communists twenty-four. Forty-four new deputies were registered as independents. The Green Party, Social Democratic Hramada, Peasant Party, Socialist Party, Republican Party of Labor and Justice, and Patriotic Movement each won one seat, and the Party of Popular Accord won two. No Popular Front candidate was elected. International observers deemed neither round free and fair, citing family voting, infringements on the mass media and a lack of information about parties and candidates.

2. When did presidential elections occur? Parliament created the post of president in March 1994. The first round of presidential elections occurred on 23 June and the second round on 10 July 1994. Alyaksandr Lukashenka, a thirty-nine-year-old populist who campaigned on an anti-corruption platform, won the election with an overwhelming 80 percent of the vote in the second round of balloting. The elections were judged by international monitors to be free and fair.

3. Is the electoral system multiparty-based? Are there at least two viable political parties functioning at all levels of government? The electoral system may be called multiparty based because in 1990 the two major political forces were the Communist party and the Belarusian Popular Front. These two political parties remain the strongest and most influential in Belarus, although they do not function at all levels of government. Local elections, especially in rural areas, are mostly nonpartisan and are considerably less competitive than national elections.

4. How many parties have been legalized? About thirty political parties have been legalized since 1990. In addition to

Political Process

the Communists and Popular Front, other groupings include the Belarus Peasant Party (Agrarians), the United Democratic Party of Belarus, the Social Democratic Hramada, the Belarus Christian-Democratic Union, and the Union of Collective Farmers. In October 1994, parliament passed controversial legislation that may keep most parties off the next nationwide ballot by requiring that parties convene a founding meeting of at least 500 signed members in order to be registered.

5. What proportion of the population belongs to political parties? The proportion of the population belonging to political parties is only about 2-5 percent, although some political parties do not have fixed memberships.

6. What has been the trend of voter turnout at the municipal, provincial and national levels in recent years? Since 1990, voter turnout at the municipal, provincial and national levels has been decreasing. This resulted in vacant seats both in the parliament and in local legislatures because, according to the current electoral law, if voter turnout is less than 50 percent elections are considered invalid. Successive by-elections did not help to fill the approximately 25 percent of seats which remained vacant. More than 70 percent of Belarus's 7.4 million eligible voters cast ballots in the second and decisive round of the presidential elections in July 1994.

Update: Voter turnout for the first round of parliamentary elections and a four-question referendum was 64.7 percent of registered voters; 56.4 percent participated in the second round. Less than 50 percent of eligible voters turned out for the June 1995 elections for deputies to local soviets. Regarding the 14 May referendum, over 83 percent of voters supported making Russian a state language on a par with Belarusian; 75 percent agreed to reinstate the flag and coat of arms of the Belarussian SSR minus the hammer and sickle or the motto "Workers of the World, Unite;" some 85.5 percent approved President Lukashenka's policy of economic integration with Russia; and 77. 6 percent approved the proposition to disband parliament if it systematically violated the constitution.

Civil Society

1. How many nongovernmental organizations have come into existence since 1988? How many charitable/nonprofit organizations? As of 20 September 1994, 600 nongovernmental organizations had been registered. Their membership is estimated to be between 60,000 and 100,000. The growth in the number of charitable organizations since 1990 has been insignificant.

2. What forms of interest group participation in politics are legal? There are no regulations regarding interest group participation in politics.

3. Are there free trade unions? Independent trade unions were perhaps the only democratic organizations to show significant growth in 1994. The current number of workers belonging to independent trade unions is 25,000, up from 7,000 to 8,000 a year ago. The two major independent trade unions in Belarus are the Free Trade Union of Belarus (SPB) and the Belarusian Independent Trade Union (BNP), formerly the Independent Miners Union of Belarus. Nevertheless, the former Belarusian branch of the USSR's All-Union Central Council of Trade Unions, currently the Federation of Trade Unions of Belarus (FTUB), is by far the largest trade union organization. The FTUB claims 5 million members, but is not considered independent in practice because it often follows government orders. The FTUB asserts that it represents over 90 percent of the total workforce.

4. What is the numerical/proportional membership of farmers' groups, small business associations, etc.? Only about 1 percent of all rural workers belong to farmers' groups, a very small number compared to that belonging to collective farm organizations. The proportional membership of small business associations is approximately 1 to 2 percent.

Independent Media

1. Are there legal protections for press freedom? Freedom of the press is provided for by existing legislation, but is not yet fully observed in practice. The Belarusian legislature in 1994 passed a draft law on the press, which incorporates to a significant degree parts of the political opposition's original draft law. Although the law prohibits the existence of a press monopoly, the government maintains a virtual economic monopoly over the press since it owns nearly all printing and broadcasting facilities and manages the distribution of all print media

through official outlets. All mass media, including independent outlets, must register with the government, which can use registration requirements as an instrument of censorship since it can revoke registration at any time. Newspapers were prevented from publishing a report delivered to parliament 20 December 1994 accusing the government of corruption; the text was excised during typesetting, and papers were published with blank columns. Subsequently, the government canceled the printing contracts of eight major independent newspapers, causing them to cease publication for the remainder of 1994.

Update: In mid-January 1995, parliament passed a law on mass media which outlines the percentage of advertising allowable in newspapers, state television and radio, and stipulates that media outlets do not have to name sources. The law also states that a media organization "may be suspended or closed down only by a decision of its founder(s) or by court order."

2. Are there legal penalties for libeling officials? Are there legal penalties for "irresponsible" journalism? Although there are penalties in the law for libel, there are no specific penalties for libeling officials. Though there are no specific legal penalties for "irresponsible" journalism, Belarusian law bans publication of any material which "insults human dignity." Article 154 ("Disgrace") of the Criminal Code, which makes no distinction between private and public persons, provides that a large fine may be imposed for the dissemination of truthful information that may disgrace a person. In 1994, several public officials brought lawsuits against newspapers and won cash awards. During the first round of presidential elections the government tried to stop the printing and distribution of the opposition paper *Svabada*, which printed articles critical of the incumbent prime minister, and closed two radio stations that had criticized him.

Update: The 1995 press law stipulates that media outlets cannot be prosecuted for publishing libelous information if "such has been obtained from official reports, news agencies, or government press services." In March 1995, President Lukashenka issued an edict "On Cases of Legal Violations of Mass Media," which called for a supervisory council under the president to monitor the media. In the first few months of 1995, several editors were dismissed from influential state-run newspapers by the president, who also placed limitations on media coverage of the parliamentary elections.

3. What proportion of media is privatized? More than forty radio and 165 television entities have been licensed by the Ministry of Information, but only one-quarter of these are on the air, with the rest awaiting frequencies, equipment, programming and funding for operations. The state owns most radio and television stations, with the exception of a few cable stations that generally do not air news programs and are dependent on government-owned facilities. Radio and television generally avoid criticism of the government and its leadership. Minsk's most popular nonstate cable television station, Channel 8, was closed by the government over a registration dispute in January 1993 and did not reopen until December 1993. Other television stations were also closed. There are 700 periodicals with a total circulation of 10 million. Government and parliament are founders or co-founders of publications with 90 percent of the national circulation.

Approximately one-half of the press has been privatized. There are approximately thirty newspapers in Belarus completely independent of government control, although most are small and poorly funded. The government remains the owner and chief financial backer of nine major publications. Of the six major daily newspapers, all are at least partially governmentally controlled.

There is one state news agency, "Belinfarm," and there are at least two major private news agencies, "BELAPAN" and "RID." No wire services exist.

4. Are the private media financially viable? The slow pace of reform, which has led to high inflation rates and a sharp drop in output, poses financial problems for the independent press. Shortages of printing supplies, especially paper imported from Russia, can upset printing schedules since state publications receive priority. Official publications receive other privileges, including state subsidies, which give mainstream papers a financial edge over privately owned competitors.

5. Are the media editorially independent? Most of the media are not editorially independent. The government controls the editorial content and policy of the largest circulation daily newspapers and of radio and television.

Independent Media

6. Is the distribution system for newspapers privately or governmentally controlled? Distribution of national newspapers is controlled by the government. Privately owned newspapers are distributed both by the government through official outlets and privately through the post office, hand delivery, street vendors and kiosks.

7. What has been the trend in press freedom? Freedom House's annual Survey of Press Freedom rated Belarus Partly Free from 1992 through 1993, and Not Free for 1994.

Rule of Law

1. Is there a post-Communist constitution? The post-Communist constitution of Belarus was adopted by the 13th session of the Supreme Soviet of the Republic of Belarus on 15 March 1994.

2. Does the constitutional framework provide for human rights? Do the human rights include business and property rights? Yes, the constitution guarantees all of the basic rights and freedoms contained in the Universal Declaration of Human Rights. According to Article 13 of the constitution, which provides for business rights, "the state guarantees everyone equal rights to carry out economic activities." Article 13 also provides for property rights: "the state guarantees equal protection and equal conditions for the development of all forms of property."

3. Has there been basic reform of the criminal code/criminal law? Reform of the criminal code is currently underway. The first (advanced) reading of the criminal code by Parliament took place in 1993, but the law has yet to be adopted.

4. Do most judges rule fairly and impartially? How many remain from the Communist era? Most judges rule fairly and impartially, although in some cases they may be influenced by bribes offered by defendants. Many judges who were appointed before 1990 left the court system for jobs as attorneys or legal consultants, or at private companies. Though most of the current judges in Belarus were appointed after 1990, most are nevertheless either holdovers from the Soviet era or trained under the Soviet judicial system. In rural areas, judges are heavily influenced by local government and collective farm leaders, and organized crime has had an impact on court decisions.

5. Are the courts free of political control and influence? Are the courts linked directly to the Ministry of Justice or any other executive body? The judicial system is essentially the same three-tiered structure that existed during the Soviet era: district, city or province, and republic. Lacking a clear understanding of an independent judiciary, judges continue to be influenced by the political leadership, especially in the rural areas. The courts are not linked directly to the Ministry of Justice or to any other executive body, but the Ministry of Justice provides them with technical and financial assistance.

6. What proportion of lawyers is in private practice? Approximately one-third of all lawyers are in private practice, although there is a trend toward more lawyers working in the private sector. Statistics on the number of lawyers in private practice may not be very accurate, however, because many lawyers employed by the state also have second or third jobs in the private sector.

7. Does the state provide public defenders? The state provides public defenders when the defendant is unable to pay for a private lawyer.

8. Has there been a comprehensive reform of anti-bias/discrimination laws, including protection of ethnic minority rights? The Supreme Soviet adopted a law on national minorities in late 1992 which, in addition to forbidding discrimination, expressly prohibits officially asking, in written or oral form, about a person's nationality. A 1992 law on freedom of religious beliefs and organizations provides broad guarantees for freedom of religion. However, there is still some bureaucratic resistance to religion in general and toward the major churches and the Jewish community in particular.

Update: In February 1995, the Polish minority charged that the drawing up of electoral districts to divide areas with the greatest concentrations of Poles was a violation of the 1992 law on national minorities.

Governance and Public Administration

1. Is the legislature the effective rule-making institution? The former Council of Ministers manipulated the Assembly to some degree. Many deputies were hired to work for the Council and over 80 percent are former Communist party members. The constitution provides for substantial presidential powers (Article 100) as head of state and the executive. In October 1994, parliament granted the president the power to reshape the Council of Ministers, to redirect the sluggish economy, and to appoint provincial governors who, in turn, appoint subordinate officials. The president also has, and has used, the right to issue decrees. In October, the Belarusian Constitutional Court suspended hearings on the constitutionality of a presidential decree creating an executive office.

2. Is substantial power decentralized to subnational levels of government? No. Although a law on local self-government was adopted in 1991, it does not function in practical terms.

Update: In February and March 1995, parliament and the president remained at loggerheads over amendments to the law on local government and self-government. Parliament rejected the president's demands that local soviets be excluded from the list of state organs, and that a clause stating that the same person should hold the posts of chairman of the local soviet and local executive committee be struck down.

3. Are subnational officials chosen in free and fair elections? Local, regional and other subnational officials were appointed either by the corresponding legislative bodies or by the head of the local or regional executive branch of power. In October, parliament gave the president the right to appoint governors, who had been directly elected by the people, and who in turn appoint subordinate officials.

Update: Elections for local soviets (legislatures) were held on 11 and 25 June 1995. A total of 35,000 candidates competed in 28,244 constituencies. While turnout in major cities was low (a 50 percent turnout is required by law for elections to be valid, and the national average was about 48 percent), the government's Central Election Commission stated that elections were valid in 24,330 constituencies, or 86.1 percent of the total number.

4. Do legislative bodies actually function? Yes, such bodies do actually function and are able to debate and pass laws. However, the lower the level of a legislative body, the less functionally effective it is.

5. Do the executive and legislative bodies operate openly and with transparency? National executive and legislative bodies operate more openly and with a higher degree of transparency than do local and regional bodies. Local executive bodies often make decisions that are not known to the majority of the local population.

6. Do municipal governments have sufficient revenues to carry out their duties? Do municipal governments have control of their own local budgets? Do they raise revenues autonomously or from the central state budget? Municipal governments generally have sufficient revenues to carry out their duties and to a large extent they have control of their own local budgets. They raise revenues autonomously through local taxation or municipal ownership of industries or businesses, but this is generally not enough to meet local needs and they receive the bulk of their funds from the central state budget.

7. Do the elected local leaders and local civil servants know how to manage municipal governments effectively? Most elected and appointed local leaders and local civil servants do not know how to manage municipal governments effectively. Many continue to practice managerial methods commonly used during the Soviet period.

8. Has there been constitutional/legislative reform regarding local power? Has there been a reform of the civil service code/system? Are local civil servants employees of the local or central government? Legislative changes regarding local power were adopted in 1991, although the law on local self-government has proven to be ineffective. Major legislative changes regarding local power occurred at the Supreme Soviet in September-November 1994. The president was given the right to appoint local governors (who would appoint subordinates) and heads of executive committees in the provinces. The centralization of power led to the resignation of at least one mayor and drew protests from some local officials. The new Law on Civil Service was adopted by the Supreme Soviet on 23 November 1993. Local civil servants are employees of the local government.

Privatization

1. What percentage of the GDP comes from private ownership? In mid-1994, the World Bank estimated that private activity accounted for between 5 and 10 percent of GDP.

2. What major privatization legislation has been passed? The Law on Destatization and Privatization of State Property in the Republic of Belarus was adopted by the Supreme Soviet of the Republic of Belarus on 13 April 1993. The Law on Registered Privatization Checks of the Republic of Belarus was adopted on 7 July 1993. The Law on Housing Privatization in the Republic of Belarus was adopted on 16 April 1992. The Law on the Right of Land Ownership was adopted on 16 June 1993. There are also a number of decrees of the Council of Ministers of the Republic of Belarus on privatization which regulate property relations and have the force of law.

Most privatization has occurred through the formation of joint-stock companies. Small businesses may be purchased through auctions.

Update: In the first half of 1995, the president issued several decrees and edicts regarding privatization. On 3 March, President Lukashenka signed a decree "On Measures to Perfect and Reform State Assets," thereby renewing the program he had suspended after coming to power in the summer of 1994. He instructed the government to "take measures to give all citizens equal opportunities to participate in the privatization of state assets, fill the market of securities with shares of open-type joint stock companies and arrange for their sale for personal privatization vouchers or cash." Proposals by government departments for the privatization of state assets would be submitted to the Ministry for State Property Control and Privatization by October 1995. The ministry estimated that by the end of 1995, some 700 enterprises would be converted to joint stock companies.

3. What proportion of agriculture, housing and land, industry, and business and services is in private hands?
Agriculture: Almost no agricultural privatization has occurred, according to the World Bank, because of presidential decrees hindering privatization legislation. Although about 10 percent of arable land was reportedly leased or privately owned at the beginning of 1994, most of this consisted of individual plots dating from Soviet times.

Housing and Land: Land remains almost entirely in state hands. Although housing privatization has progressed somewhat since the presidential elections, the percentage privatized remains very small and concentrated in major urban centers.

Industry: According to the World Bank, almost no large, state-owned industrial enterprises were privatized through 1994. In mid-October 1994, the minister of state property and privatization said that only 4 percent of state property had been privatized since 1991. According to the World Bank, between 200 and 250 large-scale enterprises have been cooperatized as a prelude to privatization.

Update: Although mass privatization had been due to start in February 1995 with the auction of forty-one enterprises, only some twenty were privatized in the first months of 1995.

Business and Services: In 1993, of nearly five million workers, only 158,000 were private entrepreneurs, mostly vendors and other small tradespeople. An additional 22,000 worked as employees of private enterprises. Since September 1993, a small privatization project has been underway in the cities of Brest and Grodno. Within a year, there were seventy-two auctions in the country, with eighty-seven establishments worth over 4.5 billion Belarusian rubles sold. The revenues from these sales were used for the development and financing of social services in Brest and Grodno.

BULGARIA

Freedom House Ratings

	1988-89	1989-90	1990-91	1991-92	1992-93	1993-94	1994-95
Political Rights	7	7	3	2	2	2	2
Civil Liberties	7	7	4	3	3	2	2
Status	NF	NF	PF	F	F	F	F

Polity: Parliamentary democracy
Economy: Mixed statist (transitional)
Population: 8,487,000
PPP: $4,813
Ethnic Groups: Bulgarians (85.8 percent), Turks (9.4 percent), Romanies (3.7 percent), Macedonians
Capital: Sofia

Political Process

1. When did national legislative elections occur? National legislative elections took place on 10 and 17 June 1990, on 13 October 1991, and on 18 December 1994. These elections were widely judged to be free and fair, notwithstanding isolated instances of intimidation and irregularities. The 240-seat National Assembly elected in 1991 was originally made up of the anti-Communist Union of Democratic Forces (UDF) with 110 seats, the former Communist Bulgarian Socialist Party (BSP) with 106 seats, and the ethnic Turk-dominated Movement for Rights and Freedoms (MRF) with a crucial twenty-four-seat swing vote. Since then, the New Choice Party has split from the UDF, the Democratic Alternative for the Republic has split from the BSP, and various individual legislators have switched their allegiances on a regular basis.

Because no party in the National Assembly was able to form a new government in the wake of the Berov government's September 1994 resignation, President Zhelyu Zhelev scheduled early parliamentary elections, in the meantime appointing an interim government to be led by Reneta Indzhova, former head of the state privatization agency. The new parliament, elected via party lists in a proportional system, will be composed as follows: BSP, 125 seats; UDF, sixty-nine; Popular Union, eighteen; MRF, fifteen; Bulgarian Business Block, thirteen.

2. When did presidential elections occur? Presidential elections took place on 12 January 1992, and a runoff followed on 19 January. Former dissident Zhelyu Zhelev, originally elected on 1 August 1990 by the National Assembly, was re-elected to a five-year term. These votes were widely judged to have been free and fair.

3. Is the electoral system multiparty-based? Are there at least two viable political parties functioning at all levels of government? The Communist party's monopoly on power was rescinded on 3 April 1990, paving the way for the June 1990 free elections. The 1991 Constitution explicitly states that politics shall be "founded on the principle of political pluralism." Elections at all levels of government may be contested by two or more parties, and over forty parties participated in the December 1994 legislative elections.

4. How many parties have been legalized? There are over 160 political parties and groups currently operating in Bulgaria, several of which are part of the umbrella Union of Democratic Forces. Major parties include the UDF, BSP and MRF, as well as the agrarian Popular Union and the Bulgarian Business Block. Only two parties were allowed to exist prior to 1990: the Bulgarian Communist Party (now the Bulgarian Socialist Party) and its satellite, the Bulgarian National Agrarian Union. The vast majority of political parties are inactive, and the reason for the large number lies in the fact that only fifty-one signatures are required to register a party.

5. What proportion of the population belongs to political parties? As of April 1994 only about 9 percent of voting-age Bulgarians belonged to political parties (down from 29 percent in mid-1990).

6. What has been the trend of voter turnout at the municipal, provincial and national levels in recent years? Voter turnout

Political Process

figures prior to 1990 were manipulated routinely and consequently are unreliable. Turnout declined from over 87 percent in the June 1990 legislative elections to 75 percent in the two rounds of voting for President in 1992, rising slightly to 78 percent in the legislative election of 18 December 1994. Turnout for local municipal office is regularly under 40 percent.

Civil Society

1. How many nongovernmental organizations have come into existence since 1988? How many charitable/nonprofit organizations? By the end of 1994 some 2,893 nonprofit organizations were registered, according to the Union of Bulgarian Foundations, although the government registry for April 1994 listed only some 220 such organizations, all based in Sofia. The Union of Bulgarian Foundations states that some 640 registered foundations existed by the end of 1994. The vast majority of Bulgaria's NGOs are quite small, and have experienced organizational and financial problems. No charitable organizations existed prior to 1990. Currently there are about 200 to 300, most of which are concentrated in Sofia.

2. What forms of interest group participation in politics are legal? Some organizations, notably within the Gypsy and Macedonian communities, are active in lobbying and advocating specific policies. These groups largely raise their own funds, and also undertake public charitable work to raise their profile. Because no legislation has yet been passed addressing this issue, these and other organizations operate in a gray area.

3. Are there free trade unions? Bulgaria's two major unions are the independent, anti-Communist Podkrepa and the former-Communist Confederation of Independent Trade Unions of Bulgaria (CITUB). Additional unions include the Association of Democratic Trade Unions, GMH (Bread, Peace and Liberty), and the National Trade Union, which split off from Podkrepa in 1993. The CITUB, which claims over one million members but in reality is estimated to have about 750,000, now appears to act independently of the Bulgarian Socialist Party, but maintains a solid leftward political stance. Podkrepa claims between 350,000 and 400,000 members, while none of the other independent unions has more than 50,000 members. Estimates of the percentage of unionized workers range from 30 percent to 50 percent; the probable range is at or near the lower of these figures, as union membership has declined steadily in recent years.

Update: A British-Bulgarian Social Survey-Gallup International poll conducted in mid-1995 estimated that only 13-15 percent of the workforce was unionized.

4. What is the numerical/proportional membership of farmers' groups, small business associations, etc.? The membership of farmers' and business associations is growing. The Bulgarian Trade and Industrial Chamber (20,000 members), Bulgarian Economic Chamber (3,000) and Union for Private Economic Enterprise (4,000) represent businesses of all sizes before the tripartite Council of Social Partners, which brings together business, labor and government. Altogether about 100 active associations exist, including at least thirty trade guilds. Farmers' organizations, which mainly defend either private or cooperative farming, lobby mainly through political parties.

Independent Media

1. Are there legal protections for press freedom? The 1991 Constitution provides for a free, uncensored press. However, an exception to personal and media freedom of expression is made in cases of "the incitement to violence against anyone." Additionally, the media are proscribed from expressions of opinion constituting "an encroachment on public decency" or acting "to the detriment of the rights and reputations of others." The National Assembly has yet to pass a new press law.

Update: Despite continuous discussion at the committee level, the National Assembly has yet to provide a timeframe for introduction of a draft media law before the full legislature.

2. Are there legal penalties for libeling officials? Are there legal penalties for "irresponsible" journalism? Although libel proscriptions are specifically mentioned in the constitution they have yet to be enforced, whether the libel has been committed against public officials or others. Public officials are favorite targets of journalists. Although

there are no codified penalties for irresponsible journalism, newspapers have been denied access to leaders on this basis, though much less so than in 1990-91.

Update: In mid-1995 the National Assembly adopted a Local Elections Act, which contained several provisions aimed ostensibly at protecting candidates' public images. Under the new legislation, parties are entitled to respond to "irresponsible" articles in the same publication and within a short timeframe.

3. What proportion of media is privatized? Over thirty independent local radio stations currently operate nationwide, one-third of which are in Sofia. There are no privately owned national radio stations, for two main reasons: first, the country's topography makes it effectively impossible to transmit a signal across the country without massive investments in equipment. Second, licensing has been approved only for transmitters up to 1,000 watts, which is insufficient to cover even flat terrain such as is found in the Plovdiv area. A few private local television stations operate under the cable law passed at the end of 1993. One independent national television station began limited broadcasts in July 1994, and another was expected to be licensed early in 1995. Print media are all but entirely in private hands, and there are approximately 1,400 publications currently operating countrywide. There are no independent news agencies. The two state agencies have tended to present pro-government views. One business-based wire service, Leff News Service, operates but is struggling financially.

Update: By mid-1995 the situation had changed significantly. Over sixty private radio stations are now broadcasting. Three private radio stations have been licensed for nationwide broadcasting, though none is yet operational. Three private national television broadcasters have been licensed (two in Sofia, one in Plovdiv), although Nova Television remains the only operational station. Of some forty licensed cable broadcasters, only four are active, though over 100 unlicensed cable stations operate illegally. All print media (approximately 1,500 publications as of mid-1995, some publishing only sporadically) are now private. An independent news agency, Balkan, is now available.

4. Are the private media financially viable? While private print and electronic media are less likely to fail for economic reasons than in 1990 and 1991, prices for newspapers remain high given the relatively low national standard of living.

Update: Private electronic media are still struggling to accumulate sufficient funds to enter the market. This segment of the media appears poorly-regulated as many licensed broadcasters are unable to start operations, while others operate illegally. Major publications are now largely financially viable and have had success in keeping prices down.

5. Are the media editorially independent? Nominally, the media are editorially independent. However, several media organizations are owned by individuals, corporations, unions or political parties with their own interests. Owners often influence editorial content, and the press can generally be characterized as sacrificing objectivity for sensationalism.

6. Is the distribution system for newspapers privately or governmentally controlled? The government still controls import and distribution of newsprint. Printing and kiosk (distribution) facilities for publications remain largely in government hands, but the government has succeeded in divesting itself of some provincial kiosk facilities. Privatization of printers is more difficult because they have only antiquated equipment.

Update: The state-owned Press Distribution (RP) organization, which owns more than 2,000 kiosks nationwide and has its own transport mechanism, is due to be privatized through a joint-stock arrangement by November 1995. Most major publications have set up their own distribution networks. One of two major printing houses is now private.

7. What has been the trend in press freedom? Freedom House's annual Survey of Press Freedom rated Bulgaria Not Free from 1988 through 1989, and Partly Free from 1990 through 1994.

Rule of Law

1. Is there a post-Communist constitution? The new constitution was adopted on 12 July 1991, the first new constitution adopted by a former Warsaw Pact country.

2. Does the constitutional framework provide for human rights? Do the human rights include business and property rights? The constitution explicitly mandates protection of fundamental human rights, including the right to free economic activity and the right to own and dispose of property.

3. Has there been basic reform of the criminal code/criminal law? There has been substantial reform of the Penal Code, which was amended most recently in 1993.

Update: The Penal Code was amended in 1995 to introduce life imprisonment (persons sentenced to death prior to the 1990 moratorium on death penalties may now have their sentences changed to life imprisonment); tougher sanctions for a broad range of crimes; and a new definition of economic crime. This last characterizes economic crimes as transfers of assets for one's own personal benefit only, and may be phrased in this manner to prevent former Communist leaders from being prosecuted for economic crimes. It is probable that this amendment will be declared unconstitutional by the Constitutional Court.

4. Do most judges rule fairly and impartially? How many remain from the Communist era? The courts reportedly rule fairly and impartially in most cases. However, there have been reports of discriminatory behavior by judges and prosecutors in cases involving ethnic minorities. Many lower-court judges associated with the Communist era remain. In June 1994 parliament passed a regulation stipulating that candidates for judgeships must have fifteen years' experience, including five years in a senior position, further hindering the decommunization of judicial organs. However, these provisions were declared unconstitutional in August.

5. Are the courts free of political control and influence? Are the courts linked directly to the Ministry of Justice or any other executive body? The Supreme Court of Cassation, Supreme Administrative Court (neither of which has been established) and other judicial organs form an independent branch of government. The Constitutional Court has in recent years struck down a number of government measures. However, many judges who are holdovers from the former regime tend to seek government guidance.

6. What proportion of lawyers is in private practice? Most lawyers are in private practice, and independent legal associations exist.

7. Does the state provide public defenders? Yes.

8. Has there been a comprehensive reform of anti-bias/discrimination laws, including protection of ethnic minority rights? The 1991 Constitution provides for equality before the law and explicitly bans forced assimilation such as was practiced against the nearly 10 percent ethnic Turkish population in the 1980s. However, the Constitution prohibits political parties formed along "ethnic, racial or religious lines." While the study of Bulgarian is compulsory, non-Bulgarian-speaking minorities have the right to study their own languages in addition. Attacks by police and civilians on minorities, especially Gypsies (approximately 3.7 percent of the population), continue to occur, although the government appears to be taking steps to prosecute those responsible. Unfair hiring and firing practices have also been reported. Finally, there have been reports that some prosecutors have been loath to investigate attacks against minorities, although these incidents have been of a localized rather than a systematic nature.

Update: In 1995, violent civic organizations appeared to be more active than in previous years.

Governance and Public Administration

1. Is the legislature the effective rule-making institution? Yes. However, infighting both between and within political groupings, combined with the continued influence of vested interests, has resulted in a serious slowing of economic and other reforms.

2. Is substantial power decentralized to subnational levels of government? Power is decentralized to a moderate extent.

Governance and Public Administration

However, the national legislature maintains effective control over many aspects of subnational government through control over municipal budgets.

3. Are subnational officials chosen in free and fair elections? Municipal councils are elected to four-year terms by direct ballot. Each of the nearly 300 councils elects a mayor to serve as administrative officer for four years. Regional governors are appointed by the Council of Ministers. Manipulation of elections has been reported in a few localities.

Update: Legislation adopted in 1995 provides for direct election of mayors beginning with municipal elections scheduled for October 1995.

4. Do legislative bodies actually function? Local and regional governing bodies are functioning, but have encountered significant legal, financial and technical obstacles to effective administration.

5. Do the executive and legislative bodies operate openly and with transparency? Yes. National Assembly sessions are public, and new laws are also made public before they take effect. The major obstacle to smooth operation of the executive and legislative branches has been political infighting, often personal in tone, which sometimes results in less-than-open decision making.

6. Do municipal governments have sufficient revenues to carry out their duties? Do municipal governments have control of their own local budgets? Do they raise revenues autonomously or from the central state budget? Municipal governments make their own budgets, which must be approved by the Finance Ministry before passing to the legislature. However, the economic situation, combined with lack of adequate experience in municipal officials, has made it difficult for municipalities to raise sufficient funds for their operations. The state is empowered to appropriate funds for municipalities. Sources of revenue include local taxes and 10 percent of taxes on companies registered in a given municipality.

7. Do the elected local leaders and local civil servants know how to manage municipal governments effectively? Few local administrators are well-trained in effective management techniques. A lack of decentralization also plays a strong part in the general lack of effectiveness at the local level.

8. Has there been constitutional/legislative reform regarding local power? Has there been a reform of the civil service code/system? Are local civil servants employees of the local or central government? The 1991 Constitution sets out general provisions and safeguards for local and regional governance. In addition, a local self-governance law was passed in 1991. There are currently some legal disputes regarding application of these laws. The civil service code was reformed in 1990-1991. Local civil servants are employees of the central government. Since 1991, when state enterprises were re-registered as joint-stock companies with state agencies acting as principal, managers of state enterprises have concluded contracts with the principal agencies.

Update: A local election law passed in mid-1995 provided for direct election of mayors. A new law governing public servants has been repeatedly promised by several parties, but has failed to materialize.

Privatization

1. What percentage of the GDP comes from private ownership? The World Bank estimates that 36 percent of GDP is currently generated by private activity, largely in the service and agricultural sectors.

Update: In late June 1995 the National Statistics Institute declared its estimate that private share of GDP would top 40 percent by the end of 1995. IBRD estimates from March 1995—which take into account illegal and quasi-legal forms of economic activity—claim a 50 percent private contribution to GDP. The World Bank qualifies its revised 1994 estimate of 40 percent private share, stating that part of this percentage is derived from the shifting of incomes from state to private hands.

2. What major privatization legislation has been passed? The legal framework for privatization is the Law on Reorgani-

Privatization

zation and Privatization of State and Municipal Enterprises, passed in April 1992 and amended in June 1994. A series of by-laws passed later in 1992 served further to define this framework. Privatization of agricultural land will be accomplished largely through restitution under the Law on Ownership and Use of Agricultural Land (1991, amended 1992 and 1993). Industry may be privatized through joint-stock, sale to foreign investors, and worker/management buyout.

3. What proportion of agriculture, housing and land, industry, and business and services is in private hands?

Agriculture: The Ministry of Agriculture estimates that 45-50 percent of agricultural land has been privatized. However, President Zhelev's estimate of not more than 10 percent appears to be more accurate. Despite this, private enterprise now accounts for a majority of output in significant sectors such as livestock.

Housing and Land: Only a very small percentage of land has been privatized to date, through restitution or sale, although over 90 percent of housing is now private (much housing was private prior to the fall of the Soviet-era regime).

Industry: Only a handful of industries have been sold off because of differences among the parties and various governments in power, as well as a lack of interest from foreign investors.

Update: By the end of April 1995 1,107 enterprises, or approximately one-third of state-owned enterprises, were in process of privatization.

Business and Services: Approximately 40 percent of the small business and service sector is in private hands, but newly-formed companies make up most of this figure, rather than former state companies. The World Bank estimates that this sector may generate as much as two-thirds of the private-sector contribution to GDP.

CZECH REPUBLIC

Freedom House Ratings*	1988-89	1989-90	1990-91	1991-92	1992-93	1993-94	1994-95
Political Rights	7	6	2	2	2	1	1
Civil Liberties	6	6	2	2	2	2	2
Status	NF	NF	F	F	F	F	F

Polity: Presidential-parliamentary democracy
Economy: Mixed capitalist
Population: 10,342,000
PPP: $6,570*
Ethnic Groups: Czechs (94 percent), Slovaks (4 percent), Romanies (2 percent)
Capital: Prague

* PPP and Freedom House ratings through 1992-93 are for the Czechoslovak federal state.

Political Process

1. When did national legislative elections occur? The first post-1989 national legislative elections in Czechoslovakia were held in June of 1990. The following national legislative elections took place in June of 1992, and led to the breakup of the Czechoslovak federation, as two opposing parties each gained clear majorities in the different republics: the Civic Democratic Party (ODS) in the Czech republic, and the Movement for a Democratic Slovakia (HZDS) in the Slovak republic. Vaclav Klaus of the ODS became Czech premier, and Vladimir Meciar of the HZDS became Slovak premier. With the countries' divorce on 1 January 1993, Klaus and Meciar then became the prime ministers of their respective republics. Foreign observers deemed the 1990 and 1992 elections peaceful, democratic, and without major irregularities. The status of Senate elections is not yet known, due to controversy over the designation of electoral districts for the yet-to-be-established Senate. The partisan composition of the Chamber of Deputies is as follows: ODS/Christian Democratic Party Alliance, 76; Left Block, 35; Czech Social Democratic Party (CSSD), 16; Liberal Social Union, 16; Christian Democratic Union-Czech People's Party (KDU-CSL), 15; Association for the Republic-Czech Republican Party (SPR-RSC), 14; Civil Democratic Alliance, 14; Movement for Self-Governing Democracy-Society for Bohemia and Moravia, 14.

Update: The party composition of the legislature by mid-1995 was as follows: ODS, 65; Christian Democratic Party, 6; Christian Democratic Party (a new party formed in summer 1995 by deputies unhappy with the proposed fusion of ODS and the Christian Democrats), 5; Civil Democratic Alliance, 16; KDU-CSL, 18; SPR-RSC, 6; Left Block, 24; KSCM (Communist Party), 10; CSSD, 21; National Liberal Social Party (originally Liberal Social Union), 5; Czech-Moravian Center Union, 16; independents, 8. The changing party composition indicates that party development is not yet complete. The Constitution states that the Senate is to be elected by majority rather than proportionally, but there continues to be legislative debate on this issue. It is expected that the Senate will be elected in the June 1996 legislative elections.

2. When did presidential elections occur? Vaclav Havel was elected president of the Czechoslovak federation in December of 1989 by the Federal Assembly. He was then elected first president of the Czech Republic by the Czech Chamber of Deputies in January 1993.

3. Is the electoral system multiparty-based? Are there at least two viable political parties functioning at all levels of government? The electoral system is multiparty based. Parties began forming in late 1989 and early 1990 for the June 1990 legislative elections in the Czechoslovak republic. At least two political parties function at different levels of government. Candidates often run independently in local elections, where personal popularity can be more important than party membership. About 40 percent of the vote in the November 1994 local elections went to independents.

4. How many parties have been legalized? More than fifty parties have emerged since the revolution of 1989. Fewer

Political Process

than twenty-five parties registered for the local elections on 18 and 19 November 1994, and fewer than ten of these are of national importance.

5. What proportion of the population belongs to political parties? The number of registered party members is between 8-12 percent of the adult population, but is not a very telling measure of support given the relatively high level of voter turnout.

6. What has been the trend of voter turnout at the municipal, provincial and national levels in recent years? Voter turnout in the 1990 Czechoslovak elections was above 90 percent. In the 1992 federal (Czechoslovak) elections, 85 percent of the population voted, although turnout was higher in the Czech republic than in the Slovak republic. Turnout in the November 1990 Czechoslovak local elections was 73 percent in the Czech Lands and 63 percent in Slovakia, for an approximate national average of 70 percent. Turnout in the 19-20 November 1994 local elections averaged over 64 percent in large cities and about 54 percent in towns and villages.

Civil Society

1. How many nongovernmental organizations have come into existence since 1988? How many charitable/nonprofit organizations? There are now several thousand nongovernmental organizations operating in the Czech Republic, but their growth has been obstructed by delays in the passage of legislation on nonprofit organizations, as well as by economic constraints. Until such a law is passed, such entities do not have a special legal status. In addition, a tax law passed in 1994 rescinded past favorable treatment of nonprofit organizations, over the objections of President Havel. In a compromise, the legislature empowered the Finance Ministry to enact appropriate regulations for nonprofits.

The Czech government approved a draft law on nonprofit organizations in August 1994, but it may not be passed until the end of 1995. Because of this delay, the activities of nonprofit organizations have been limited due to financial concerns such as high taxes. However, some international charitable organizations such as the Salvation Army have extensive operations in the Czech Republic.

Update: As of mid-1995 there were about 2,500 foundations and over 25,000 civic associations (compared to about 2,000 in 1988) existing in the Czech Republic. A draft law on foundations is expected to be finalized and passed by the end of 1995, as is the law on nonprofits.

2. What forms of interest group participation in politics are legal? Such activities are not yet legally regulated, and some such activity exists. However, interest groups have relatively little power in the political process at this time.

3. Are there free trade unions? Trade unions now have limited political power in the Czech Republic, despite a workforce that is nearly 60 percent unionized. Most members belong to the Czech and Moravian Trade Union Confederation. The Communist-era trade union collapsed in 1990, and its assets fell to the new, independent unions. All union officials must now be screened for ties to the StB, the Communist-era secret police. Some workers have successfully protested working conditions without relying on unions.

4. What is the numerical/proportional membership of farmers' groups, small business associations, etc.? There are at least three farmers' groups. They are not very large, as farmers make up only 5 percent of the workforce. Two small business associations merged in 1994 to consolidate their interests. Their membership and influence continue to grow.

Independent Media

1. Are there legal protections for press freedom? Press laws were revised in the Czechoslovak federation after the revolution of 1989. A new press law is currently in inter-agency discussions.

2. Are there legal penalties for libeling officials? Are there legal penalties for "irresponsible" journalism? In April 1994, the Constitutional Court struck down a law that allowed for the prosecution of those accused of defaming government officials. However, a provision against defamation of the president and the republic was retained, as well as a provision allowing prosecution for the slander of government officials or departments. Neither provision was enforced in 1994. There are no legal penalties for irresponsible journalism.

Independent Media

3. What proportion of media is privatized? Between twenty and thirty local radio stations are private. In terms of national radio two licenses for private radio stations have been granted; one, Radio Alfa, is currently broadcasting. Two other national radio stations are state owned. Premiera, a local television station financed largely by Italian interests, broadcasts to Prague and Southern Bohemia. Some major cities can connect to cable stations. Local stations are allowed but are not common (probably due to financial concerns). Only one of three national television stations, NOVA, run by CET 21, is privatized. Scores of private publications exist. One private news agency, CTA, began operations on 1 October 1994, and will compete with CTK, the state agency.

Update: In 1995 Premiera, originally a local station, joined NOVA as the second private national television broadcaster. Two other national stations are "public corporations" rather than state-owned, and there is currently a debate regarding the privatization of one of them. A similar debate revolves around whether to privatize CTK, which is also a "public corporation."

4. Are the private media financially viable? Over 50 percent of the Czech press is owned by foreign companies, according to a survey by a Czech daily. The largest holders are Swiss, French, and German. Media without foreign investment, government support, or party support often have only limited solvency.

5. Are the media editorially independent? In January, 1994 the editor of *Lidove Noviny*, one of the largest and most influential dailies, resigned, stating that the Swiss company holding 51 percent of the paper was compromising the publication's independence. Apparently, the largest threat to independent journalism stems from financial concerns. There is an independent journalists' association.

6. Is the distribution system for newspapers privately or governmentally controlled? There are three main printing companies in the Czech Republic. Typografia, a large printing company in Prague, is responsible for the printing of many national dailies. It is slated for privatization.

7. What has been the trend in press freedom? Freedom House's annual Survey of Press Freedom rated Czechoslovakia Not Free for 1988, Partly Free for 1989, and Free from 1990 through 1992. The Survey rated the Czech Republic Free from 1993 through 1994.

Rule of Law

1. Is there a post-Communist constitution? On 16 December 1992, the Czech constitution was adopted by the Czech National Council. It took effect 1 January 1993, with the dissolution of the federal state.

2. Does the constitutional framework provide for human rights? Do the human rights include business and property rights? The Czechoslovak Federal Assembly adopted the Bill of Fundamental Rights and Liberties in January 1991, which established human rights laws. In the new Czech Constitution this bill is "part of the constitutional order." It is not a chief section of the constitution but is part of the Czech Republic's basic law. Everyone has the right to own property according to Article 11 of the Bill of Fundamental Rights and Liberties.

3. Has there been basic reform of the criminal code/criminal law? The criminal code has been reformed many times since 1989; such changes were adopted by both the Czech and Slovak Republics as successor states to the federal state. The code is still under recodification in the individual republics. The Czech parliament amended their code in January of 1994 and plan another amendment in January 1995.

4. Do most judges rule fairly and impartially? How many remain from the Communist era? Judges reportedly rule fairly and impartially. A great number of judges were dismissed between 1989 and 1992 for connections with the former Communist regime. Many resigned voluntarily and now have private legal practices. The 1991 law on the judiciary designated judges appointed after January 1990 to be life appointments. Those appointed before 1990 were to be dismissed as of August 1992, unless they were reappointed within twelve months. Once reappointed, they can hold their positions for life. There are now fifteen judges on the Constitutional Court with ten-year terms, appointed by the president (court established in July, 1993).

Rule of Law

5. Are the courts free of political control and influence? Are the courts linked directly to the Ministry of Justice or any other executive body? The constitution designates that courts should be independent. However, they retain administrative connections with the Ministry of Justice, through which judges are appointed. Life tenure and pay increases for judges have led to improved judiciary independence. Further judicial reform is planned before 1996.

6. What proportion of lawyers is in private practice? It is estimated that over half of all lawyers are employed by private groups (Czech and foreign groups, legal firms and other corporations). Salaries for lawyers in the private sector are substantially larger than for those in the public sector. Lawyers must belong to the Czech bar association in order to practice law.

7. Does the state provide public defenders? The 1991 Bill of Fundamental Rights and Liberties guarantees every person the right to legal assistance. Those who do not choose their own lawyer have one appointed by the court, free of charge.

8. Has there been a comprehensive reform of anti-bias/discrimination laws, including protection of ethnic minority rights? The Czech Republic has few problems regarding minorities, partly because the total percentage of minorities living in the country is between 2 and 6 percent. However, skinhead attacks, particularly against Romanies (Gypsies) are not unusual. In addition, the law on Czech citizenship, enacted in July 1994, has been criticized by Romanies as discriminatory because it requires a five-year clean police record for Czech citizenship, a stipulation some Romanies say is aimed against them. Persons without citizenship are not allowed voting rights or social and health security. The restitution of Jewish and Church property has been a slow process, partly due to administrative complications but reportedly also due to a general disinclination to restore these.

Governance and Public Administration

1. Is the legislature the effective rule-making institution? The Parliament is the effective rule-making institution. According to the new constitution, the Parliament should consist of a 200-member House elected by proportional representation and a directly-elected, eighty-one-member Senate. However, the Senate has not yet been created and continued debate over its existence has caused a stalemate in the House.

2. Is substantial power decentralized to subnational levels of government? In November of 1990, under the Czechoslovak administration, several regional reforms took place: the ten-region system (seven Czech regions, three Slovak) used under communism was eliminated; districts were placed under the administration of each republic, rather than under a central body; and municipal governments were made self-governing bodies. District bureaus represent the state and have precedence over local bodies.

The continued process of regional reform has been a subject of intense debate in both successor republics to the Czechoslovak state. In the Czech Republic, the establishment of self-administrative regions (separate from districts, which are entities of the state) has been complicated by fears of increased nationalist sentiment in the historical lands of Moravia and Silesia as well as conflicts among parties.

Update: A bill to establish self-administrative regions was rejected by the legislature in June 1995. The main reason was reportedly the desire of the ruling ODS to retain some centralization. A similar bill is expected to be discussed in the fall of 1995, but there is little hope that it will be passed.

3. Are subnational officials chosen in free and fair elections? According to the 1990 reforms, municipal or communal governments consist of assemblies chosen in local elections. These bodies then elect mayors and their deputies. District officials are appointed by the state, as districts are branches of the state.

4. Do legislative bodies actually function? Local assemblies have the power to pass ordinances, call local referenda, and approve budgets. They have executive and legislative powers. Districts function as branches of the state and appear to be functioning smoothly. The status of regions has not yet been decided.

5. Do the executive and legislative bodies operate openly and with transparency? Legislative sessions are generally open

Governance and Public Administration

to the public and new laws are published. The transparency of local actions depends largely upon the quality of local media, which varies among regions.

6. Do municipal governments have sufficient revenues to carry out their duties? Do municipal governments have control of their own local budgets? Do they raise revenues autonomously or from the central state budget? Municipal governments have the power to approve budgets. Revenues come from both the central government and local taxes, in similar proportions. Mayors of small communities often do not receive financial compensation. Municipal governments in poor, industrialized areas such as northern Bohemia have reported difficulty in raising funds to attend to their communities' needs.

Update: It is estimated that municipalities will receive 43.5 percent of revenues from the state budget in 1995, versus 40.6 percent in 1996, signaling a positive trend in municipal fiscal independence.

7. Do the elected local leaders and local civil servants know how to manage municipal governments effectively? There is some inefficiency at the local level due to inexperience as well as uncertainty about the procedural changes accompanying multiple reforms. These problems should diminish with time. The number of municipalities increased by 50 percent without regulatory consent between 1989 and 1990, as some municipalities splintered. This situation has led to increased inefficiency.

8. Has there been constitutional/legislative reform regarding local power? Has there been a reform of the civil service code/system? Are local civil servants employees of the local or central government? Local reforms were enacted in November of 1990. Further reforms were tabled until after the division of the Czechoslovak state, and concrete legislation has not yet been passed. Reforms of the civil code have not yet been passed. Local civil servants are paid out of municipal budgets. District officials are state appointees.

Update: Reform of the civil service code, a draft of which exists, remained stalled in 1995 due to a lack of political will among governing coalition parties.

Privatization

1. What percentage of the GDP comes from private ownership? The World Bank reports that the private share of GDP was 43 percent at the end of 1993, and estimates that it was over 50 percent by the end of 1994.

Update: Official estimates put the private share of GDP at 65 percent by the end of 1994, although the World Bank estimated a 56.3 percent share in mid-1995.

2. What major privatization legislation has been passed? Major privatization legislation includes the laws on small-scale privatization (Act 427/1990), large-scale privatization (Act 92/1991) and restitution (Acts 298 and 403/1990 and Acts 587 and 229/1991).

Czechoslovakia nationalized over 98 percent of its assets under the Communist regime, making privatization a huge undertaking in both republics. A great many properties, including houses, farms and businesses, have been restored to former owners provided they were nationalized after 25 February 1948, the date the Communists took power. Some small-scale privatization took the form of direct auctions (to Czechoslovak citizens only) in 1991 and 1992. Joint ventures with foreign companies are another method of privatization. The voucher system, which provides for the distribution of assets to the public, consists of two waves. The first wave of voucher privatization, held in the Czechoslovak federation, was completed in December 1992.

After the split, the Czech Republic continued using the process of voucher privatization. The second wave of privatization began in the fall of 1993, and the sale of voucher shares took place in the spring of 1994.

Update: The restitution process, which has seen some 30,000 industrial and administrative buildings, 70,000 other buildings and half of state-owned forests, agricultural property and land returned to former owners or heirs, is expected to be completed by the end of 1995. In 1995 it was announced that the second wave of voucher privatization had seen 96.3 percent sold of 861 companies offered, compared to 92.8 percent of 987 companies in the first wave.

Privatization

3. What proportion of agriculture, housing and land, industry, and business and services is in private hands?

Agriculture: Most agricultural land was privatized under restitution, a process that began in 1991 and is ongoing. Other farms were put up for auction. As of late 1994, it is estimated that 75 percent of these operations have been privatized.

Update: As of mid-1995 it was estimated that about 90 percent of agriculture had been privatized, including all former cooperatives and most state farms. This process is expected to be complete by the end of 1995. Agriculture accounted for about 3.5 percent of GDP by mid-1995.

Housing and Land: As part of property reform, the government passed a law soon after the revolution giving housing and land to the municipality in which it was located. Those living in these units could then apply to buy them from the municipal government at a discounted price. This process may vary by municipality. In 1994, legislation was passed allowing for the purchase of apartment houses by cooperative groups at a discounted price if members reside in the building. As of late 1994, it is estimated that approximately 40 to 60 percent of all housing units have been privatized.

Industry: Most industries were included in the large-scale privatization process, the first stage of which began in 1991. The privatization of industries is rather flexible. Individual companies present the Ministry of Privatization with proposals for their own privatization; for example, 50 percent voucher privatization, 30 percent employee buyout, and so on. The ministry then selects one of these proposals. Direct sale of a company must be approved by the government. Because under this system some companies may retain a certain percentage of government ownership, a nominal percentage of privatized firms is hard to estimate. However, it is estimated that 75 percent of industry was in private hands by the end of 1994. This process is moving rapidly and may be completed within the next few years.

Update: It is estimated that the private share of industry will top 80 percent by early 1996.

Business and Services: The Law on Small Scale Privatization was passed in late 1990 and established a system of public auction for the distribution of these properties. Those businesses that had belonged to individuals (as opposed to institutions) before the communist takeover were included in the restitution process. Nearly all such units have been privatized. Out of a workforce of five million, the Czech Republic now has nearly 900,000 entrepreneurs, mostly involved with newly founded businesses rather than former state companies.

ESTONIA

Freedom House Ratings	1988-89	1989-90	1990-91	1991-92	1992-93	1993-94	1994-95
Political Rights	-	-	-	2	3	3	3
Civil Liberties	-	-	-	3	3	2	2
Status	-	-	-	F	PF	F	F

Polity: Presidential-parliamentary democracy (ethnic limits)
Economy: Mixed capitalist
Population: 1,542,000
PPP: $8,090
Ethnic Groups: Estonians (61.5 percent), Russians (30.3 percent), Ukrainians (3.1 percent), others
Capital: Tallinn

Political Process

1. When did national legislative elections occur? National elections to the State Assembly (Riigikogu) occurred on 20 September 1992. They were deemed free and fair by a delegation of observers from the Council of Europe. The party composition of parliament in 1994 was as follows: Pro Patria, 31 seats; Safe Home, 17; Center Party, 15; Moderates, 12; National Independence Party, 11; Royalist Party, 8; Estonian Citizen, 5; Green Party, 1.

Prime Minister Mart Laar of the conservative Pro Patria Party was ousted in a no-confidence vote in September 1994 because of improprieties and secretiveness, and replaced in October by Andres Tarand, an independent long associated with environmental causes.

Update: The second post-independence national election to the State Assembly took place on 5 March 1995, in which 1,200 candidates competed for 101 seats. The election marked a shift, as the left-of-center Coalition Party/Rural Union election alliance won a major victory over conservatives in the Pro Patria/ENIP coalition. The Reform Party, now leading the right wing, came in second. Election results reflected popular dissatisfaction among the elderly and rural electorate, hardest hit by the previous Pro Patria-led government's market reforms. In contrast, however, to electoral shifts in Hungary and Poland, Estonia's election marks a less dramatic shift to the left. The first Russian candidate list in post-independence Estonia to join the parliament was the "Our Home is Estonia!" coalition, representing several Russian-speaking parties. The coalition won six seats in the parliament, a development welcomed as stabilizing by parties on the right and left, as it ensures some representation for the interests of the Russian minority at the national level. Tiit Vahi, caretaker Prime Minister in 1992, was again elected Prime Minister. After appeals to the right failed, he formed a center-left coalition with the (leftist) Center Party, at the same time promising to continue the basic line of reforms inherited from the previous government. The party composition of the parliament in 1995 is as follows: Coalition Party/Rural Union coalition, 41 seats; Reform Party-Liberals coalition, 19; Center Party, 16; Pro Patria/ENIP coalition, 8; Moderates, 6; Our Home is Estonia! 6; and Right-wingers, 5. It should be noted that uniform regulations for reporting election campaign expenditures and sources of income are still lacking. Partial reports by parties in the March 1995 elections have so far met with public criticism as inadequate or evasive.

2. When did presidential elections occur? Presidential elections also took place on 20 September 1992 and were also deemed free and fair by Council of Europe observers. The candidate with a plurality, Arnold Ruutel of the moderate Safe Home coalition, did not have a majority. The vote thus went to the parliament, where Lennart Meri was elected, due to the dominance of his Pro Patria (Isamaa) party.

Update: After the initial 1992 national elections to the Presidency, the procedure has reverted, as planned, to a vote by the parliament for future presidents, since the deadline for introducing a popularly elected presidency by constitutional amendment has now passed.

Political Process

3. Is the electoral system multiparty-based? Are there at least two viable political parties functioning at all levels of government? The electoral system is multiparty based. There is a governing multiparty coalition. But party identification is low among the electorate. Competitive elections to the ESSR Supreme Soviet took place in March 1990 with 1,300 candidates for 464 seats representing a range of positions. The cabinet, too, is elected on a multiparty basis. Larger parties have cells at the local level, but otherwise party activity at the grassroots level is minimal to moderate. Local elections are formally partisan, but in 1993 were rather personality oriented.

4. How many parties have been legalized? In March 1990 four coalitions were involved in elections to the Estonian Supreme Soviet. The coalitions or blocs have grown from seven or eight in 1991 to seventeen in 1992 and to twenty-two in 1994. The Law on Parties adopted in May 1994 requires a minimum of 1,000 members to register as a party, which should drastically reduce the number of formal parties. Major parties or groupings include the moderate nationalist Safe Home and the conservative Pro Patria, as well as monarchist, liberal democratic and other formations.

Update: The March 1995 parliamentary elections involved fewer, larger parties and several smaller parties and fringe groups failed to gain the requisite 5 percent vote threshold. The 1994 law requiring 1,000 members to register as an official party in an election goes into effect only now, after the March 1995 elections. The major party groupings in mid-1995 were the: Coalition/Rural Union alliance, with a center-left approach uniting moderate reformers and rural advocates; Reform Party-Liberals, a moderate right-wing party strongly in favor of market reforms; Center Party, a left-leaning party concerned about balancing reforms with social welfare provisions; Pro Patria/ENIP coalition, comprised of nationalists with a predilection for economic shock therapy; Moderates, a centrist coalition of social democrats, rural center party and trade unions; Our Home is Estonia!, a Russian-based left-leaning party; and the Right-wingers, a conservative splinter group which broke off from Pro Patria.

5. What proportion of the population belongs to political parties? Less than 3 percent of eligible adult citizens belongs to political parties, according to public opinion polls. However, about 20 percent of poll respondents identifies with one or another party. Non-citizens are not eligible to join political parties, according to the Constitution (Article 48), a major issue for the thousands of non-citizens who have lived in the country for many years.

6. What has been the trend of voter turnout at the municipal, provincial and national levels in recent years? ESSR Supreme Council elections, March 1990, 74.8 percent; State Assembly (parliament), September 1992, 67.4 percent; local elections (total eligible to vote included non-citizen permanent residents, resident at least five years), October 1993, 52.6 percent. Voter turnout has declined somewhat at the national level.

Update: Voter turnout in the March 1995 national legislative elections was approximately 70 percent of the total electorate of 800,000.

Civil Society

1. How many nongovernmental organizations have come into existence since 1988? How many charitable/nonprofit organizations? Current membership in nongovernmental organizations in Estonia is 140,000, spread among 3,500 organizations. Since 1988, 2,000 new associations have been founded in Estonia, at the rate of 400 associations annually. The most prevalent types of voluntary associations include: cultural associations, representing 43 percent of total membership in organizations in 1988, decreasing to 19 percent in 1993; professional associations, whose membership rose from 8 percent to 12 percent; and associations and foundations aimed at advancing the economic and social development of Estonia, which grew from 4 percent to 28 percent and now include 200 foundations. Other groups include 100 new religious associations and 55 ethnic minority associations. Charitable organizations started in 1990-91, reaching their apogee in 1993. With the decrease in Western aid, their number is no longer growing. Examples of charities/philanthropic groups include: 20 Lions Clubs, 4 Zonta, 4 Rotary and 2 Soroptimist Clubs. Average membership of each club is about 30-40 people. The Red Crescent (Red Cross) functioned under Soviet rule and is now trying to restore its credibility. Membership is 10,000 but this may reflect inertia from the Soviet period.

Civil Society

2. What forms of interest group participation in politics are legal? In principle all types are legal. Lobbying is not regulated and is often based on personal contacts, due to the small size of the country.

3. Are there free trade unions? Trade unions are free. All unions are formally new or reconstituted and operate independently of the state and political parties. The right to strike is legal and protected, but there were no strikes in 1993. Collective bargaining exists but is in its early stages. A new Labor Code has also been adopted. The Central Organization of Estonian Trade Unions (EAKL) was created as a voluntary and purely Estonian organization in 1990 to replace the official Soviet labor confederation. Membership dropped from 800,000 in 1990 to 540,000 in 1992, organized in thirty unions. By 1993 membership had dropped to 330,000 in twenty-seven unions, in part due to the breakup of state enterprises. A new Public Service Workers Union was organized in late 1993 with a membership of some 40,000, most of whom are also EAKL members. Approximately 40 percent of the workforce is unionized, compared to 68 percent in 1990.

4. What is the numerical/proportional membership of farmers' groups, small business associations, etc.? The Estonian Farmers' Union (ETKL) was founded in 1989, uniting roughly three-fourths of private farmers (6,253 out of 8,406) and including 300 farm societies and fifteen farmers' associations in counties, as well as sixty-four women's societies. The Estonian Chamber of Commerce was re-established as an independent organization (as opposed to a branch of the USSR umbrella organization) in 1989 and has approximately 1,000 member firms, most of which are small enterprises. Russians are permitted in principle and practice to join the Chamber of Commerce. The Estonian Small Business Association, established in 1988, has 212 members.

Independent Media

1. Are there legal protections for press freedom? Yes, the 1992 Constitution, Article 45, provides for press freedom.

2. Are there legal penalties for libeling officials? Are there legal penalties for "irresponsible" journalism? Cases regarding libel are covered in civil and criminal codes. In libel cases, the burden of proof rests on the media. There are no penalties for "irresponsible journalism."

3. What proportion of media is privatized? Local radio, 90 percent; national radio, 50 percent; local television, 100 percent; national television, 75 percent; press—national, 90 percent, local, 60-70 percent; the Estonian Information Agency is in the process of being privatized. There is also a private Baltic News Service, which publishes material in English about all three Baltic countries. Both of these organizations are wire services. By January 1993 the Ministry of Culture had granted a total of fifteen radio and nine television broadcasting licenses.

4. Are the private media financially viable? Yes, the private media are viable financially.

5. Are the media editorially independent? The media are generally considered to operate freely. The directors of Estonian Radio and Estonian Television are appointed and confirmed by the parliament. Several newspapers have been quasi-privatized through the formation of shareholding companies, increasing independence from the state to a certain degree. A special case is worth noting: the former ruling Pro Patria coalition was accused of influencing the outcome of the bidding process in privatizing the largest daily newspaper, *Rahva Haal*. A group perceived to be close to the Pro Patria party won the initial tender competition, triggering a court challenge by the losing bidder, resuming the bidding, and causing a spinoff paper to be established by disgruntled staff. It is unclear the extent to which political influence was brought to bear, but in any case the opportunity was unique to the privatization process and is not institutionalized. The Soviet press has left no legacy of journalism and investigative reporting. The press as a fourth check and balance on the power of the government needs further development in Estonia, but there have been hopeful signs.

Update: The European Institute for the Media sent a mission to Estonia to evaluate coverage of the March 1995 parliamentary elections. The mission concluded that media coverage was varied and provided sufficient information on the campaign and the candidates, although it was at times difficult to distinguish between paid messages and editorial material. The mission also noted the "impressive variety of the printed press" in such a small country, noting that the forty-five member-newspapers of the Estonian Newspaper Association, twenty-five radio

Independent Media

stations and eight television stations reflect progress toward a "pluralistic and independent media landscape." The mission also noted, however, that the Russian-language press did not contain the same diversity of views on election issues as Estonian-language publications, but this may reflect the lower proportion of readers eligible to vote in national elections.

6. Is the distribution system for newspapers privately or governmentally controlled? The government controls 75 percent of the distribution system; 25 percent is privatized. The two largest dailies, *Rahva Haal* and *Postimees*, have formed a joint delivery company, RaPos.

7. What has been the trend in press freedom? Freedom House's annual Survey of Press Freedom rated Estonia Partly Free for 1992, and Free from 1993 through 1994.

Rule of Law

1. Is there a post-Communist constitution? A post-Communist constitution was adopted by referendum on 28 June 1992 and came into force on 4 July 1992. In contrast to the 1938 constitution, the last prior to Soviet rule, it emphasizes a more balanced relationship among parliament, president, government and courts.

2. Does the constitutional framework provide for human rights? Do the human rights include business and property rights? Yes. Human rights are covered by Chapter II of the constitution (Articles 8 to 55) on "Fundamental Rights, Liberties and Duties." The inviolability of property rights is guaranteed by Article 32. The right to engage in commercial activities and form profit-making associations and leagues is provided for in Article 31. Rights are protected in reality, with minor exceptions. Fifteen human rights commissions visited Estonia in recent years without noting any systematic violation of human rights, although ethnic Russian organizations have complained of discrimination.

3. Has there been basic reform of the criminal code/criminal law? A new criminal code is being developed and adoption is anticipated in 1995. As an intermediate step, there have been six broad changes in the old (Soviet) criminal code taken in Parliament in the past year and another proposed amendment is in process.

4. Do most judges rule fairly and impartially? How many remain from the Communist era? According to officials familiar with the Estonian judicial system, judges rule fairly and impartially, although no independent study has been conducted as of this writing. All judges were newly appointed or re-appointed upon reform of the court system, and appointment of judges was completed in 1993. Approximately 40-50 percent of present judges have served previously in the Soviet courts.

5. Are the courts free of political control and influence? Are the courts linked directly to the Ministry of Justice or any other executive body? Yes, the courts are free of political control and influence. Judges are appointed for life, but may be recalled by a National Court decision. The lower levels of the court system are financially linked to the Ministry of Justice; salaries of judges at these levels are paid from the Ministry budget. At the highest level, the National Court, judges are paid, independently of the Ministry, from the state budget.

6. What proportion of lawyers is in private practice? It is estimated that a large proportion of lawyers is employed in private practice. The state employs lawyers/people trained in law in permanent positions, but also employs lawyers from private practice on retainer for certain cases where the state is a party (e.g., a lawsuit against a privatization agency). As in other countries, the Advokatuur (bar association) maintains lists of attorneys. There seem to be sufficient numbers of trained legal professionals, but access to their services is limited by high rates. Thus, there may be a shortage of affordable lawyers. Tartu University is the only institution in Estonia where legal training is available, but is considered adequate and improving.

7. Does the state provide public defenders? Yes; the judge determines if a party to the trial qualifies for free counsel.

8. Has there been a comprehensive reform of anti-bias/discrimination laws, including protection of ethnic minority rights? Minority rights, particularly as applied to ethnic Russians, has long been a sensitive issue in Estonia because of

Rule of Law

Soviet-era Russification of the country. After independence, Estonia was widely criticized internationally for failing to ensure equal treatment of non-Estonians, particularly regarding stringent, exclusive citizenship requirements. A Law on Cultural Autonomy for minority groups was adopted in November 1993. It applies to ethnic groups of citizens numbering 3,000 or more, ensuring the right to preserve language, identity and culture. There are at least two organizations that seek to protect minority rights, and the state's attitude toward the Russian minority has improved significantly. However, there continues to be widespread mutual suspicion between Estonians and Russians.

Update: While the issue of citizenship for Soviet-era immigrants remains controversial, several steps have been taken in 1995 to clarify their legal status and requirements for naturalization. Three pieces of legislation are worthy of note. First, the Law on Citizenship (31 January) introduced a longer residency requirement (five years), with the same waiting period (one year). This new requirement applies only to new immigrants, as Soviet-era immigrants will continue to fall under the two-plus-one requirement. The citizenship law also adds a civics exam (knowledge of the constitution, state structure) to the naturalization process for all applicants. The exam has yet to be worked out, thus currently delaying applications.

Second, amendments were made to the 1993 Law on Aliens (3 July). Of special concern was the need to resolve the issue of residency permits and citizenship for the country's 400,000 mostly-Russian non-citizen population. Under Estonia's citizenship legislation, all Soviet-era immigrants to the republic were required to undergo naturalization procedures to obtain citizenship. Until then they were granted temporary residence permits, valid until July 1996, and were required to apply for at least permanent residence permits by July 1995. After complaints about the slow and unfair procedures involved in applying for residence and work permits, the Estonian government took steps to accommodate a rush of applications before the 12 July 1995 deadline. Almost 320,000 applications had been received by then, an estimated 80 percent of the possible total (in predominantly Russian-speaking Narva, 98 percent applied). Resisting pressure to extend the deadline formally, parliament authorized the government to develop a plan within four months (November 1995) for receiving late permit applications. Those who did not apply by 12 July 1995 will have three additional years before their rights and obligations as legal residents will be withdrawn, effectively extending temporary residence permits beyond July 1996. The government has so far granted temporary residence (no more than five years) to sixty-eight ex-Soviet military officers and their families, as part of the troop pullout deal concluded in 1994. More than 10,000 ex-military and their families have applied for the permits. Permanent residents in Estonia have the right to vote in local elections.

The third piece of legislation is the new Law on Language (6 March), which marks a shift from the previous (1989) law in more clearly defining the role of Estonian as the state language, especially in state and local agencies. Included in the new law are provisions which allow another language such as Russian to be an additional language of administration where its speakers compose a majority of the population. However, requests must be made by municipalities individually to the government.

Governance and Public Administration

1. Is the legislature the effective rule-making institution? Yes, with various checks by the president, the National Court and the Legal Chancellor, the latter specially appointed to monitor the constitutionality of legislation.

2. Is substantial power decentralized to subnational levels of government? For administrative purposes, Estonia is divided into 250 primary units of local government (towns and townships) and on a secondary level into fifteen counties and six major cities. Local governments are guaranteed autonomy in the constitution (Chapter XIV, Articles 154-160) and through legislation. To a large degree autonomy has been realized, more so in towns and cities than in townships/communes. The Ministry of Internal Affairs has oversight over local government. While guaranteed in the constitution, local governments are still not allowed to impose taxes and fees directly on the population. The legislation outlining the mechanism for local taxation has not yet been adopted. Informally leaders at the local and subnational levels often look to central authorities for direction. They have a formal right, however, to challenge decisions at higher levels of government.

Update: In principle, the secondary level of government (counties, major municipalities) has been eliminated and absorbed into the national/state administration, although some lack of clarity persists in certain areas, such as

Governance and Public Administration

health care. In some cases, the counties also still exist as an administrative mechanism for distributing revenues to local governments, albeit without independent decision making authority.

3. Are subnational officials chosen in free and fair elections? Yes, elections to local councils are by direct vote. The first local elections after regaining independence were held on 17 October 1993. Eight-thousand-seven-hundred candidates competed for 3,400 three-year terms on twelve city councils and 241 district councils. Eighty percent of the 870,000 voters were citizens, 20 percent noncitizens. Permanent residents who had lived over five years in Estonia were eligible to vote.

4. Do legislative bodies actually function? Legislative bodies at various levels do function effectively, although a considerable degree of centralization remains. The State Assembly (parliament) functions effectively and its power has on occasion been checked by the President and the National Court, mainly concerning legislation perceived to be unconstitutional.

5. Do the executive and legislative bodies operate openly and with transparency? A significant degree of transparency exists in the national parliament, and new legislation is routinely published. However, some local councils do not operate openly, particularly when the area is wealthy, when there are many locally owned enterprises to generate and hide wealth, and when the local government staff is sophisticated.

6. Do municipal governments have sufficient revenues to carry out their duties? Do municipal governments have control of their own local budgets? Do they raise revenues autonomously or from the central state budget? Local government revenues are considered insufficient. The main source of local revenues is the personal income tax, collected and paid by the central state authority with a breakdown of 52-48 percent, local-state. Real estate taxes are distributed 50-50 percent state-local, but there are so far few receipts. Licenses and fees from businesses operating in the area are another source of income. A local budget law has been adopted (June 1993) as has an equalization/correlation law. Estonian local governments have the right to independent budgets, and they can also borrow independently, but only for capital purposes. Municipal governments can raise money from enterprises but not yet from citizens through individual taxation. There is no legislation for collecting personal income taxes locally. Municipalization of state-owned property has resulted in a major transfer of property into primary-level government ownership. Discretion is allowed at the local government level whether to privatize eventually or not. Restitution is also carried out mainly by local and municipal commissions.

Update: A change is anticipated in personal income tax revenue distribution, with more than the current 52 percent to go to local governments. In addition, in 1996 all real estate tax revenues will go to local governments and receipts will likely increase from present levels. Certain large municipalities have complained recently that their borrowing authority (20 percent of budget) is insufficient.

7. Do the elected leaders and local civil servants know how to manage municipal governments effectively? Local government leaders are fairly effective, but more training and experience are still needed.

Update: The training of local officials has continued to improve their effectiveness. One observer noted recently that local governments have had a rather constructive relationship to the state in various negotiations, where the interests of smaller municipalities appear to be well represented, rather than being subordinated to those of larger municipalities.

8. Has there been constitutional/legislative reform regarding local power? Has there been a reform of the civil service code/system? Are local civil servants employees of the local or central government? The Law on the Foundations of Local Self-Government in the ESSR was adopted by the ESSR Supreme Council on 10 November 1989, and principles of Administrative Reform were adopted in December 1990. Chapter XIV of the constitution guarantees local government autonomy. The Law on State Budgets and the Law on Municipal and Town Budgets, adopted 16 June 1993, have been in force since 1 January 1994 and the Law on Correlation between Municipal and Town Budgets and the State Budget since 8 October 1993. Draft legislative reform of the civil service code/system was introduced in Parliament early in 1994. Local civil servants are employees of the local government.

Privatization

1. What percentage of the GDP comes from private ownership? The World Bank estimates that a 40 percent private share of GDP would probably be conservative.

Update: Given the faster pace of privatization in 1994-95 and the increasing amount of new enterprise activity, this proportion is likely to be much higher: at least 50 percent overall and much higher in retail trade.

2. What major privatization legislation has been passed? Privatization in Estonia has proceeded with varying degrees of success, depending on the sector. "Fundamentals of Property Reform" was adopted in June 1991, making compensation for and restitution of almost all property confiscated after Estonia was incorporated into the Soviet Union in 1940 an important part of the reform policy. Subsequent legislation adopted in 1991-93 outlined implementation of this approach, including the use of compensation vouchers. A more flexible approach is now in force, allowing cash sales, compensation instead of return of property in cases affecting enterprises, and a choice for citizens to sell vouchers for cash.

Update: In 1994 the government attempted to speed up the privatization process under the guidance of an annual Privatization Program. The Estonian Privatization Agency now has considerable leeway in the methods to be used: public auctions, written bids, bids with preliminary negotiations and the public sale of shares for vouchers. In 1994 the necessary legislative and procedural system for the public sale of vouchers was put into place. Legislation was adopted in 1993-94 regulating the emerging securities market, also facilitating this process. In a number of enterprises 20-49 percent of the shares were reserved by the Privatization Agency to sell for vouchers. Several such sales have already taken place, most notable among them 49 percent of Tallinn Department Store (Kaubamaja) shares. A special loan fund was established in 1994 supplying long-term credits to new entrepreneurs, with a view to aiding post-privatization improvements in productivity. Inter-enterprise debt was reduced drastically in the course of the past year, from 160 million to 70 million kroons.

3. What proportion of agriculture, housing and land, industry, and business and services is in private hands?
Agriculture: At present 93 percent of the approximately 350 collective and state farms have been corporatized into over 7,000 units (5,000 of which are individual farms). Local reform committees, which have been given broad powers to implement agricultural privatization, have completely settled the legal status of only thirty-one of the original 365 entities. But in 82 percent of the cases, decisions have already been made about how to use the property; in 96 percent the value of the property has been determined; and in 94 percent the work shares of employees have been taken into account. The process is moving slowly. It has been estimated, however, that roughly 14 percent of the land in Estonia was being farmed privately as of late 1994.

Update: The privatization of agricultural properties continues to be hindered by legal clauses favoring certain subjects of land reform and the slow processing of restitution claims.

Housing and Land: While legislation governing housing privatization had been developed starting in 1990, adoption was delayed due to political debates. Thus only in April 1992 was key legislation adopted, spelling out principles for use of vouchers in privatization. These vouchers began to be distributed, however, in 1993. Privatization of housing is proceeding and 4,419 dwellings had been privatized as of April 1994.

Update: In April 1995 Estonia's constitutional court handed down a controversial ruling on property reform, allowing Soviet-era cooperative and collective organizations (including the Communist Party of Estonia) to reclaim housing expropriated by the government for privatization, if the organizations contributed to the housing's construction. The court decision declared the expropriation unconstitutional, as confiscation of property without sufficient public need. The semi-private entities affected were deemed to have legitimate rights to control the housing which they had built, in part, with their own resources. This development calls into question the dividing line between state and private property as outlined during the transition period and will likely complicate an already complex privatization process, although the actual number of housing units affected (154) is relatively small.

Industry: Large-scale enterprise privatization began in 1991 with the experimental privatization of seven large

Privatization

enterprises. In 1992 an Estonian version of the German Treuhand—the Estonian Privatization Enterprise (EPE)—was established to speed up the process. In 1993 a new Privatization Agency was founded, uniting the Department of State Property and EPE into one authority. Theoretically, 2,000 entities in state ownership could be privatized. But approximately 600 actual entities are now considered to be the most urgent priority. 200 have long-term leases/joint-venture arrangements, leaving 400 to be privatized immediately. Of those, 157 contracts have been signed, half involving entire assets, half involving partial assets. The tender process has been used, with some conditions (employment, investment plans), and negotiations have been carried out so far in four stages, with two more forthcoming in 1994. Large agricultural enterprises are also now included on EPE lists. According to the 1993 Law on Privatization, a certain percentage of shares should be reserved for purchase with vouchers, usually 25 percent. A rough estimate would be that one-third of the assets of large enterprises had been fully privatized by the end of 1994.

Update: From 1993 to mid-1995, 337 purchase agreements were concluded for sale of large enterprises, whether for total assets or shares. For twenty-nine enterprises, a certain percentage of shares were reserved for later sale under the voucher system. Following original estimates of the total number of large enterprises to be privatized immediately (400), roughly 80 percent have now been sold. This does not necessarily include enterprises under long-term leases or joint-venture agreements.

Business and Services: Legislation was developed already in late 1990 governing the privatization of "State-Owned Service, Trade, and Catering Enterprises." Implementation began in 1991, administered by the Department of State Property. 2,850 entities were to be privatized, mainly through auctions. In May 1992 a new small privatization law was passed, "On Privatization of State-Owned and Municipal Enterprises," which allowed enterprises valued at up to EEK 600,000 (about $51,000) to be privatized. Small scale privatization was phased out as a distinct program in 1993 with creation of the EPE. By that time 80 percent of the estimated 1,300 eligible small enterprises had been privatized. This has been considered a success story in Estonian privatization.

Update: Formally, small-scale privatization was brought to an end by 1994, with remaining enterprises included in the medium- and large-scale privatization lists. As of January 1995 the proportion of domestic private ownership was estimated to be 79.5 percent of wholesale trade, 65 percent of retail and catering. Other forms of ownership include cooperatives and part or entire foreign ownership. State and municipal ownership together account for less than 1 percent of wholesale trade and 7.3 percent of retail trade and catering.

GEORGIA

Freedom House Ratings	1988-89	1989-90	1990-91	1991-92	1992-93	1993-94	1994-95
Political Rights	-	-	-	6	4	5	5
Civil Liberties	-	-	-	5	5	5	5
Status	-	-	-	NF	PF	PF	PF

Polity: Parliamentary democracy (foreign-military-influenced)
Economy: Statist (transitional)
Population: 5,450,000
PPP: $3,670
Ethnic Groups: Georgians (68.8 percent), Armenian (9 percent), Russian (7.4 percent), Azeris, Ossetians, others
Capital: Tbilisi

Political Process

1. When did national legislative elections occur? National parliamentary elections were held on 11 October 1992, for a new parliament to succeed the one dissolved in January 1992 following the ouster of President Gamsakhurdia. On 29 August the electoral law was amended to permit simultaneous election of a parliamentary chairman. Under new regulations, of a total of 234 deputies, 150 were to be elected according to party lists in multicandidate constituencies and a further eighty-four in single-candidate constituencies according to the majority system. The Communist-dominated, seven-party-member Mshvidoba bloc captured 14 seats; the Etroba bloc (consisting of the Liberal Democratic National Party and the All-Georgian Party of Peace and Freedom) captured 14 seats; the radical National Democratic Party gained 12 seats; the Greens, 11; the Democratic party, 10; Charter-91 (a group of deputies who broke with Gamsakhurdia in 1991), 9; and the Union of Georgian Traditionalists and the Ilia Chavchavadze Society, 7. Sixteen other parties won between one and five seats each. Former Soviet Foreign Minister Eduard Shevardnadze was elected as Chairman of Parliament. The elections were judged free and fair by international observers, although widespread technical violations were reported and some regions not under Tbilisi's control chose not to participate in the polling. Voting was postponed in nine regions in Abkhazia, South Ossetia, and western Georgia because of inter-ethnic tensions.

Update: Parliamentary elections are scheduled for 5 November 1995, the day after the current parliament's term is scheduled to end.

2. When did presidential elections occur? A November 1992 Law on State Power established the union of the posts of Chairman of Parliament and of Head of State. Eduard Shevardnadze, who was Chairman of Parliament, was made President under this law.

Update: Presidential elections are also scheduled for 5 November 1995.

3. Is the electoral system multiparty-based? Are there at least two viable political parties functioning at all levels of government? The election system is multiparty based. Thirty-two separate political parties and four electoral blocs registered candidates for the October 1992 parliamentary elections. Local elections have not been held since independence.

4. How many parties have been legalized? Forty-seven parties fielded candidates in the 1992 parliamentary elections. Overall, some sixty parties have been registered, but some either have disbanded or are merely "paper" parties.

Update: Parties are required to respect the state sovereignty of Georgia. There are restrictions on the right of regional, local and anti-Georgian nationalist parties to nominate candidates. In South Ossetia, Abkhazia and Ajaria, some boycotted the elections because their independence- or autonomy-minded parties were not able to

Political Process

be listed on the ballot or to field candidates. Thus the rule effectively disenfranchises these minority nationalities. However, even if they had been able to field parties, their parties would likely not have been able to draw 4 percent of the national vote and they would still be unrepresented in parliament.

5. What proportion of the population belongs to political parties? Party memberships are often inflated. As of late 1993, membership for the five most active and reformist parliamentary factions was estimated to average between 3,000 and 6,000, out of a population of 5.5 million people.

6. What has been the trend of voter turnout at the municipal, provincial and national levels in recent years? National elections for the Supreme Soviet, 28 October 1990, 70 percent; for president, 26 May 1991, 83.4 percent; for Parliament/Chairman of Parliament, 11 October 1990, 86 percent. Separatist and ethnic violence in Abkhazia and South Ossetia and instability in western Georgia precluded the holding of coordinated local and municipal elections.

Civil Society

1. How many nongovernmental organizations have come into existence since 1988? How many charitable/nonprofit organizations? There are NGOs such as the All-Georgian Association of Human Rights (which claims 300 members), as well as political parties, business groups, youth and cultural organizations, but an independently verifiable number since 1990 is unavailable. There are no independently verifiable figures for the number of charitable and nonprofit groups.

2. What forms of interest group participation in politics are legal? Lobbying is not prohibited by law. Corruption of government officials by criminal elements, shady business and local interests is rampant. Citizens' rights to demonstrate have been curtailed by periodic restrictions on freedom of assembly.

3. Are there free trade unions? According to the Georgian Labor Code and other Soviet-era legislation, workers and employees are allowed freely to form unions and associations operating on their own charters. In order to acquire legal status, unions and associations must register with the Ministry of Justice. A single Georgian Confederation of Trade Unions (GCTU), the successor to the official Communist structure, claims 2 million members and includes about thirty different sectoral unions. This figure may be unrealistic given the country's total population of over 5 million, skyrocketing unemployment, and worker apathy. Although there are no legal requirements that a union join the GCTU, no significant unions operate outside of its framework. Membership in the GCTU is declining rapidly, due to lack of worker interest. The most recent estimate stated that over 80 percent of workers were unionized.

4. What is the numerical/proportional membership of farmers' groups, small business associations, etc.? Accurate figures on farmer group membership are unavailable. There are small business associations, but total membership figures are unavailable. The minister of economics is president of the Association of Private Enterprises, which claims over 100 member enterprises.

Independent Media

1. Are there legal protections for press freedom? In August 1991 a law on freedom of the press was adopted that limited government control over the media, but the often vague wording of the law betrayed a continuing interest in tight government regulation. More recently, the government has severely restricted freedom of the press by adopting various measures aimed at controlling media content. Such measures have included closing opposition papers, canceling television programs, and limiting radio and television access for some elements of the political opposition.

2. Are there legal penalties for libeling officials? Are there legal penalties for "irresponsible" journalism? Under the 1991 press law, journalists are obliged to "respect the honor and dignity" of Georgia's president, and not impugn the honor and dignity of citizens or undermine the regime. While the law is vague on punishment, journalists have been fined, harassed and detained by authorities, and newspapers have been raided and closed for political reasons.

Independent Media

In the August 1991 law on freedom of the press, newspapers could be taken to court for such acts as "malevolently using freedom of the press, [and] spreading facts not corresponding to reality..." or for printing "false and unchecked information, and conscious disinformation...."

3. What proportion of media is privatized? Radio in Abkhazia and South Ossetia are *de facto* in the hands of the regional governments. There are no truly independent, private local radio stations. Radio Tbilisi, the only countrywide broadcaster, is controlled by the government. Most local television remains in the hands of the government, which runs programming from Tbilisi. Ibervision, a national broadcaster, is the only officially independent TV station, although its independence from government control is questionable. In late 1993, most likely under pressure from government authorities, it denied opposition political factions access to its studios. Because of government closings, bankruptcies and often sporadic circulation, the exact number of independent and party publications is difficult to pin down. Few independent papers remain. The single government-run printing office has sporadically prevented all independent newspapers from publishing for "technical reasons." There are several party papers and several government-run dailies and weeklies. The Tbilisi-based Georgian Information Agency (Sakinform) is government run. Its former head, Irkali Kenchoshvili, was sacked for political reasons.

4. Are the private media financially viable? Lack of advertising, the absence of wholly private printing facilities, a severely depressed economy, publication costs and continued government attempts to control the media seriously jeopardize the few independent newspapers and publications.

5. Are the media editorially independent? The media are basically not editorially independent. Freedom of speech and press were curtailed in 1993, particularly for supporters of former president Zviad Gamsakhurdia and especially after the imposition of a state of emergency in September 1993. The emergency legislation called on various law enforcement organs to "control" media reporting on military activities and anti-government information. In addition to the government, several political parties have used intimidation and violence to influence editorial content. Self-censorship of the media has also been widespread, with most avoiding open opposition to the government, particularly direct criticism of Shevardnadze.

6. Is the distribution system for newspapers privately or governmentally controlled? The pre-independence distribution network continues to be controlled by the government.

7. What has been the trend in press freedom? Freedom House's annual Survey of Press Freedom rated Georgia Partly Free from 1992 through 1993, and Not Free for 1994.

Rule of Law

1. Is there a post-Communist constitution? A new constitution, which would address the status of Georgia's autonomous areas of Abkhazia, Ajaria and South Ossetia, is in the process of being prepared by the State Constitutional Committee. Currently, Georgia operates on a mixture of the Soviet-era constitution and the 1921 constitution dating from Georgia's brief interwar period of independence, 1918-1921.

Update: Parliament has promised by late summer 1995 to adopt a new constitution or a law dividing presidential and parliamentary powers, as well as an electoral law to govern elections to the presidency and a new bicameral parliament in November. If parliament fails to approve the legislation, a national referendum on the electoral law will be held on 30 August so that elections can be held on the scheduled November date. Thirteen drafts have been proposed, but the latest one, written under the guidance of President Shevardnadze, is considered the front-runner. This draft envisions a presidential republic with an asymmetrical federative state with a bicameral parliament. Legislative activities would be entrusted to the lower house, the Council of the Republic, which would be elected for a four-year term on the basis of both majority-based and proportional representation (with a five percent threshold for proportional mandates). The upper house, the Senate, would be elected for a six-year term. Representatives of organs of local self-government would be elected senators. Abkhazia and Ajaria would elect four senators each, and Tskhinvali Oblast three. In addition, Abkhazia, Ajaria and Tbilisi would be represented in the Senate by four more senators. The republic president, who would be head of state, would be directly elected to a five-year term with a two-term limit. The President would have the power to appoint and

Rule of Law

dismiss the prime minister, to dismiss the cabinet, to appoint governors, heads of district administration and city mayors and, by agreement with the Senate, to disband local representative organs. The president would command the armed forces. The constitution envisages a new judiciary structure—the Constitutional Court. Until now Georgia has not had such a structure. Abkhazia, Ajaria and the self-governed Tskhinvali Oblast and krays, which are not specifically identified in this draft, would comprise the components of the Georgian Federative Republic.

In the opinion of observers the process of adopting the constitution will be protracted, since a score of political forces want to make serious changes. For instance, the Republican Party of Georgia believes that all that is acceptable in this draft is the chapter on human rights. The Union of Young Jurists maintains that the constitution will legitimize "irresponsible presidential dictatorship" and therefore cannot be adopted in this form.

2. Does the constitutional framework provide for human rights? Do the human rights include property and business rights? The jerry-rigged constitution makes no specific provisions for human rights. There are de facto rights to property, and privatization and related economic decrees nominally allow private business activity. In separatist South Ossetia, however, the government has resisted enshrining property rights, maintaining that private land ownership and privatization would destroy the economy. Political instability, corruption, secessionist conflict, and the presence of paramilitary organizations have led to serious human rights abuses in the last two years. Political rights have been undermined by lack of a new constitution, underdeveloped government institutions and separatist conflict within the Abkhazian region.

3. Has there been basic reform of the criminal code/criminal law? No. Georgia's entire legal structure is a hybrid of laws from Georgia's brief period of pre-Soviet independence, the Soviet era, the Gamsakhurdia presidency and the State Council period. Many "political" crimes remain on the books as a means to deter and prosecute opponents, and the system is plagued by documented instances of illegal arrest, denial of due process, arbitrary dismissal of defense attorneys and other problems cited by human rights groups.

4. Do most judges rule fairly and impartially? How many remain from the Communist era? The society-wide fragmentation of authority and collapse of order throughout Georgia have resulted in some members of the judiciary engaging in corrupt practices, including taking bribes and being influenced by instructions received from individuals, often powerful and dangerous, both inside and outside of the government. Most judges served prior to independence.

5. Are the courts free of political control and influence? Are the courts linked directly to the Ministry of Justice or any other executive body? Although the independence of the judiciary was officially strengthened in 1991 by extending judges' terms to ten years and banning any party membership among judges, in practice the judiciary is vulnerable to political and other forms of influence, particularly at the local level.

6. What proportion of lawyers is in private practice? While precise figures are unavailable, most lawyers work for the state and belong to the quasi-official Collegium of Lawyers.

7. Does the state provide public defenders? Georgian citizens are guaranteed by law the right to an attorney immediately after arrest, at public expense if necessary.

8. Has there been a comprehensive reform of anti-bias/discrimination laws, including protection of ethnic minority rights? There are no legal or constitutional prohibitions against discrimination. Although government advocacy of the supremacy of the Georgian nationality and language ceased with the departure from power in early 1992 of ultranationalist president Zviad Gamsakhurdia, nationalist feelings appear to have lingered and to have been compounded by the poor economy. However, when notified of complaints of harassment or other forms of discrimination, the government has usually tried to rectify the situation.

Update: The cease-fire between Georgia and the breakaway region of Abkhazia is still in effect and Russian peacekeepers remain in the Georgia-Abkhazia conflict zone. However, the United Nations High Commissioner for Refugees has reported continuing sporadic waves of killings of Georgian civilians in Abkhazia's Ghali region by Abkhaz rebel militias. Russian peacekeepers will expand their area of operation to the Ghali region. The Abkhazians have also accused the Georgians of increasing attacks against Abkhazian civilians and officials with the

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tacit support of the Russian peacekeepers. The Georgians, for their part, have accused Russian nationalist factions of monetarily supporting Abkhazian separatists who want to become part of Russia. Repatriation of Georgian refugees back to Abkhazia under the supervision of the Russian peacekeepers is now under way. As of the beginning of June 1995 only 300 Georgians had returned under official auspices, and many complained that they were mistreated by Abkhazi separatists. Another 20,000 refugees have reportedly returned on their own. In March, despite continuing tension, the two sides reached a tentative agreement to create a federated state between Georgia and Abkhazia although crucial decision-making power would remain with Tbilisi, including foreign policy and economic matters and human and minority rights.

Governance and Public Administration

1. Is the legislature the effective rule-making institution? The legislature has not been a very effective rule-making institution. President Eduard Shevardnadze's attempt from the beginning of his presidency to forge a political consensus in the legislature among widely different political groups has contributed to its ineffectiveness. The government crisis led to the replacement of Prime Minister Tengiz Sigua by Otar Patsatsia on 20 August 1993. Parliament has been plagued by basic structural problems, including its inability to discipline absent deputies or coordinate the work of parliamentary commissions. Parliamentary procedures are frequently ignored. The division of the parliament into a multitude of uncooperative parties, brought about by a mixed electoral system of proportional and majority representation, has also impeded legislative productivity. Parliament also agreed to Shevardnadze's request for it to suspend its activities for three months beginning in September 1993 and to accede to the imposition of a two-month state of emergency during which Shevardnadze was to be empowered to rule by decree.

2. Is substantial power decentralized to subnational levels of government? With secessionists in control of Abkhazia and separatist pressures in South Ossetia, there is *de facto* decentralization in large segments of the country. On paper, the central government retains regional controls through the appointment of prefects, but political fragmentation, a weak central government and private militias have led to the rise of local power brokers.

3. Are subnational officials chosen in free and fair elections? Although representative bodies at the local and regional level are elected locally, the prefects, the supreme regional powerholders, are directly responsible to and appointed by the president and Parliament. Local elections have not been held since independence.

4. Do legislative bodies actually function? On the national level, parliament is inefficient and barely functional. In the first four months of 1994, parliament passed only three laws. The laws on the prefecture and the presidency, adopted in February and April 1991, respectively, severely restricted the representative bodies in the regions (sakrebulo) and the center. The prefects have enormous powers over the sakrebulo and can dismiss them, with the Supreme Soviet's consent, at any time. They control most of the regional budgets and all local appointments, allowing them to build up personal networks. They have rapidly acquired a reputation for corruption.

5 Do the executive and legislative bodies operate openly and with transparency? Secessionist crises and uneven availability of the media have made it difficult for people outside the capital to follow political developments. In general, government intentions regarding transparency are good, and the press generally covers parliamentary debates. However, the country's shattered infrastructure and disrupted economy have restricted the media's ability to publish and distribute information.

6. Do municipal governments have sufficient revenues to carry out their duties? Do municipal governments have control of their own local budgets? Do they raise revenues autonomously or from the central state budget? Several years of separatist violence, civil war and government neglect have vitiated a once vital economy, severely compromising the ability of municipalities and the central government to raise revenues and provide such essential services as electricity and heat. In areas controlled by the central government, a major part of municipal revenues comes from the state budget. Local governments make their own budgets.

7. Do the elected local leaders and local civil servants know how to manage municipal governments effectively? Regional parliaments and local civil services are plagued by corruption, mismanagement and scant resources exacerbated by a severely depressed economy.

Governance and Public Administration

8. Has there been constitutional/legislative reform regarding local power? Has there been a reform of the civil service code/system? Are local civil servants employees of the local or central government? In 1991, laws on the prefecture and the presidency redefined relations between the central government and regional/local authorities. Despite some amendments, the central government maintains a direct role in regional and local affairs in areas it controls. There has been no significant reform of the civil service code or system.

Local civil servants are mainly employed by local government, though the 1991 laws on the prefecture and the presidency give federal officials control of regional budgets and local appointments.

Privatization

1. What percentage of the GDP comes from private ownership? Given the absence of reliable economic data compounded by an informal economy of indeterminate size, Western estimates range from 25 to 40 percent.

Update: In mid-1995 the World Bank estimated private share of GDP at over 40 percent.

2. What major privatization legislation has been passed? In April 1993, the president issued a decree to create commissions to study individual cases of privatization of state property and so-called "spontaneous" (read: unauthorized) privatization in the country's towns and regions. Local administrations were to report privatization efforts to the Ministry for Management of State Property. In May 1994, President Shevardnadze signed several decrees speeding up the process of privatizing state-owned enterprises. However, parliamentary inertia, failure to abide by a plethora of presidential decrees, obstructionist state structures and criminal extortion have muddled the privatization process. On paper, Georgia's privatization plan is based primarily on a voucher system which would allow managers and citizens to obtain shares of enterprises.

Update: In March 1995, Georgia launched a voucher privatization drive to sell state-owned property to its five million citizens. Vouchers were not distributed to citizens of Georgia's breakaway regions—Abkhazia and South Ossetia. The program, which provides each Georgian with a certificate that can be exchanged for shares in newly denationalized enterprises, is an expansion of Georgia's year-old privatization process. In the past year, over 750 large and mid-sized enterprises have been privatized, and now smaller enterprises are being privatized. At least 35 percent of Georgia's small, medium and large businesses will be privatized through vouchers. Georgia's first voucher auction was held in June with technical and financial support from the World Bank.

3. What proportion of agriculture, housing and land, industry, and business and services is in private hands?
Agriculture: Privatization and joint-stock companies in agriculture have progressed slowly, according to the minister of agriculture. The statistical picture is incomplete. The World Bank estimates that 50 percent of agricultural labor worked on private farms as of the end of 1994, up from 30 percent in 1989. Over 600,000 hectares have been allocated to private farms, and 75 percent of fruit, vegetables and meat are produced by the private sector. But land distribution/reform has been plagued by embezzlement, misappropriation and criminal activity. In South Ossetia, all land is collectivized.

Update: A mid-1995 World Bank estimate put the private share of agriculture at 80 percent.

Housing and Land: Georgian officials estimate that 90 percent of urban and rural housing has been privatized. Privatization of land is ongoing, though its mechanisms have led to abuses and illegal activities by local land commissions. Approximately 50 percent was in private hands by the end of 1994, and the government hopes that the figure will reach 80 percent by the end of 1996.

Industry: Despite privatization decrees, almost no large-scale industrial enterprises have been fully privatized.

Business and Services: As of July 1994, some 28 percent of small-scale enterprises had been privatized, most in the service sector; i.e. restaurants, shops, etc.

Update: A mid-1995 World Bank estimate put the private share of small business at 60 percent.

HUNGARY

Freedom House Ratings	1988-89	1989-90	1990-91	1991-92	1992-93	1993-94	1994-95
Political Rights	5	4	2	2	2	1	1
Civil Liberties	4	3	2	2	2	2	2
Status	PF	PF	F	F	F	F	F

Polity: Parliamentary democracy
Economy: Mixed capitalist
Population: 10,262,000
PPP: $6,080
Ethnic Groups: Hungarians (96 percent), Romanies, Slovaks, Germans, Romanians, Croat and Bosnian Muslim refugees
Capital: Budapest

Political Process

1. When did national legislative elections occur? The first multiparty national legislative (parliamentary) elections since 1945 occurred in March 1990. According to a December 1993 report prepared by the staff of the Conference on Security and Cooperation in Europe, "The elections of March 1990 demonstrated the clear progress Hungary had made toward democracy." Hungarian Democratic Forum (MDF) leader Jozsef Antall was elected Prime Minister in May 1990, ushering in the first post-Communist democratic government in Hungary. The most recent national legislative elections occurred in May 1994, and were also declared free and fair by a range of organizations. Following the 1994 elections, which led to a governing coalition of the victorious (former Communist) Hungarian Socialist Party (MSzP) and the liberal Alliance of Free Democrats (SzDSz), party distribution in the 386-seat National Assembly was as follows: MSzP, 209 seats; SzDSz, 70; MDF, 37; Independent Smallholders' Party, 26; Christian Democratic People's Party, 22; Federation of Young Democrats, 20; Agrarian Federation, 1; Republican Party, 1. The two latter parties joined the SzDSz parliamentary group.

2. When did presidential elections occur? In May 1990, Arpad Goncz, a parliamentarian and member of the (SzDSz), won the office of president. He was elected to a five-year term by Parliament, rather than by a direct popular vote as was then stipulated by the constitution (later amended to allow for parliamentary election of future presidents), and has limited powers.

Update: President Goncz was reelected to a second five-year term in June 1995. The election was controversial, as most political parties had pushed for direct election of the president. The Independent Smallholders' Party presented a petition signed by over 200,000 citizens favoring a referendum to determine the method of presidential election, but the petition was ruled unconstitutional by the Constitutional Court. The Smallholders' Party subsequently boycotted the election.

3. Is the electoral system multiparty-based? Are there at least two viable political parties functioning at all levels of government? Yes, the system has been multiparty-based since 1989-1990. At present, there are six political parties represented in the National Assembly, and local elections are contested by a range of parties and individuals.

Update: Opposition parties are nearly bankrupt as the ruling coalition announced in 1994 that state support for political parties would be reduced. This decision may benefit the ruling parties, which have considerable business and real estate interests (the Socialist Party in particular controls former Communist Party assets).

4. How many parties have been legalized? The Budapest City Court has registered close to 200 political parties since 1989, in addition to many movements, societies, associations, etc.

5. What proportion of the population belongs to political parties? Because this is considered to be a matter of personal

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privacy, no official figures are available. Judging from the parties' own estimates, no more than 5 percent of the electorate are members or regular, active supporters of the parties.

6. What has been the trend of voter turnout at the municipal, provincial and national levels in recent years? 1990 legislative first round: 65.1 percent. 8 May 1994 legislative and local first round: 68.92 percent. 8 May 1994 legislative and local second round: 55.1 percent. The higher turnout for the first round of balloting in 1994 than in 1990 ran counter to pessimistic views often expressed in the media that people had lost interest in politics. Turnout during the 1990 municipal elections was dismal, at or below 20 percent in many areas.

Civil Society

1. How many nongovernmental organizations have come into existence since 1988? How many charitable/nonprofit organizations? There has been an explosion in the number of NGOs registered since 1988. Currently, about 10,000 NGOs are registered in the country, staffed mostly by volunteers. There are three basic types of NGOs in Hungary. First, there are organizations representing professional bodies. The government gives them considerable authority; for example, certain lawyers' associations can provide licenses to individuals allowing them to practice law. This type of NGO is close to the government and may be influenced by it. Second, there are political lobbying or pressure groups, which often are composed of failed political parties. Third, there are service agencies, which include organizations involved in welfare, culture, education, health, and various foundations. Many of these agencies are regarded as charitable organizations. Charitable/nonprofit organizations and foundations have been set up by the hundreds during the course of the last five years.

It is important to note that a significant percentage of registered NGOs are actually businesses, which have sought legal classification as foundations because of the enormous tax advantages involved. These include the ability to pay tax-free "scholarships" to employees rather than wages. Thus, a Budapest pizzeria has been designated a foundation.

2. What forms of interest group participation in politics are legal? Except for specific rules disqualifying judges, MPs, armed forces personnel, civil servants, etc., all forms of interest group participation in politics are legal as far as they are not prohibited by the Penal Code. Only true political parties are barred from conducting their activities at the workplace.

3. Are there free trade unions? Close to 30 percent of workers, or approximately 1.2 million employees, belong to trade unions. Of these, about 400,000, or one-third of all union members, are members of the unions established since 1988. The two largest independent trade unions are the Democratic Confederation of Free Trade Unions (LIGA) with 100,000 members and the Hungarian Workers Council with 150,000 members. Hungary's former Communist organization of trade unions, the National Federation of Hungarian Trade Unions (MSzOSz), survived the political changes of 1990 and now enjoys considerable political and social influence. The MSzOSz, which represents the majority of organized workers in Hungary, is controlled by the Socialist Party, and is thus not free and independent. It claims to have 1.2 million members, although the figure is probably closer to 800,000.

4. What is the numerical/proportional membership of farmers' groups, small business associations, etc.? Many smallholders' organizations exist and are active. Similarly, a plethora of independent entrepreneurial associations currently operates in Hungary, although the majority are localized and concentrated in Budapest.

Independent Media

1. Are there legal protections for press freedom? Yes. Although no media law has yet been passed, legal protections for press freedom are explicitly guaranteed by the constitution. Though freedom of the press was nominally guaranteed even before 1989, *de facto* it has been respected only since the sweeping political transformation of 1989-1990.

Update: A draft media law approved by all six parliamentary parties was superseded by a new version submitted by the governing coalition after the coalition's two parties withdrew their support from the earlier draft. The final version is expected to be passed in the fall of 1995 at the earliest.

Independent Media

2. Are there legal penalties for libeling officials? Are there legal penalties for "irresponsible" journalism? The law stipulates penalties for the unfounded libeling or defamation of any individual, including officials. The Criminal Code specifies a number of offenses which might be committed via the press, such as defamation or incitement to hatred against the community. In those cases, it is the individual writer who is primarily responsible for the criminal offense and who is sentenced, but under the general rules of criminal law the editor may also be held responsible. Apart from liability under criminal law, there is also liability under civil law: the defendant may be sued for damages in the case of a violation of personal rights. However, punishment for libel is extremely light and has little if any deterrent value, particularly among larger publications.

3. What proportion of the media is privatized? Some small local radio stations exist in limited markets. No national radio stations are privately owned; however, several regional stations such as Radio Juventus and Radio Bridge can be heard throughout the nation by using transmitting stations. Local cable companies are owned privately, and cable dominates the Hungarian media. Several local and regional television stations broadcast on A.M. micro-channels, and there are some small private channels serving single districts of larger cities. No national television station is owned privately. Today there is a wide variety of generally high-quality, uncensored national and local papers, 80 percent of which are in private hands. There is no government-owned daily newspaper. The largest daily paper is a former Communist party paper which is now privately owned by the Bertelsmann company (BMG), based in Germany. The Communists privatized the paper before the change in the political system. The Hungarian government owns no stock in the paper. Nevertheless, what is decided in the ruling Socialist Party is reflected in the paper, since the paper is close to the governing party. There is one government agency that is responsible for sending out news received from official sources. Only the state-owned MTI wire service exists.

Update: A private wire service, Ferenczy, is now operating in Hungary and is owned by MTM Communications.

4. Are the private media financially viable? Yes, in most cases. Given the transitional character of the Hungarian media market, there has been a relatively high turnover of new publications and many of them proved not to be viable. Generally speaking, however, private media, especially organizations with a large percentage of foreign ownership, perform successfully.

5. Are the media editorially independent? Legally, the media are editorially independent. However, some newspapers are owned by banks and trusts that are in government hands, and local newspapers are in the hands of local self-governing bodies (administrations). For example, the majority government-owned Posta Bank owns at least four papers and the largest private radio station, Radio Bridge. In addition, because many major publications were privatized during the Communist period, many editors reportedly remain loyal to the Communist successor MSzP. There is also a significant amount of foreign capital in the Hungarian media. Television is not editorially independent; the heads of TV and radio were fired by the government in the spring of 1994 and replaced in July 1994, in an ongoing "media war."

Update: The government announced plans to dismiss 1,000 state radio and television employees, citing financial constraints. However, come critics charge this may also be a continuation of the media war.

6. Is the distribution system for newspapers privately or governmentally controlled? There is no independent distribution system in Hungary. Instead, newspapers are distributed by a government entity, the Hungarian Distributor's Office. This is not necessarily because the government wishes to maintain tight control over or influence distribution, but rather because the distribution process is often prohibitively expensive for it to be done on a private level.

Update: A new distribution service was created in 1995 by foreign-owned publications in response to the reported inefficiency and high cost of the state system. The new organization operates as a limited partnership.

7. What has been the trend in press freedom? Freedom House's annual Survey of Press Freedom rated Hungary Not Free for 1988, Partly Free for 1989, Free from 1990 through 1992, Partly Free for 1993, and Free for 1994.

Update: The Survey of Press Freedom covering 1994 through March 1995 downgraded Hungary to Partly Free due to mass firings from state-controlled media and increased pressure to reflect pro-government views.

Rule of Law

1. Is there a post-Communist constitution? The present Hungarian Constitution is a patchwork of amendments introduced in 1989 and 1990, when the parliament changed practically the entire wording of the Communist constitution dating from 1949. While most legal experts agree that the amended constitution conforms with the requirements of a parliamentary democracy, they point out that its wording is often vague. This has led to jurisdictional conflicts among various government institutions and offices.

Update: The six parliamentary parties have agreed to draft a new constitution, which may be approved as early as 1996.

2. Does the constitutional framework provide for human rights? Do the human rights include business and property rights? The present constitution declares that the "Hungarian Republic recognizes the inalienable and inviolable basic rights of man and it is the foremost responsibility of the state to ensure the observance of those rights." Individual and human rights, freedom of speech and assembly, social and property rights are extensively covered in the constitution.

3. Has there been basic reform of the criminal code/criminal law? Since 1989, a number of amendments have been made to the Hungarian Criminal Code. The death penalty for political crimes (crimes against the State), aggravated detention as a punishment for crime, penal idleness as a crime, and the sanctions of reformative-educative labor have all been abolished. A new article supplementing the Criminal Code states that a person who violates the freedom of conscience and religion of another individual by force shall be punished with imprisonment for up to three years. The crime of "incitement against the community" was inserted to ensure that national, religious and linguistic minorities are protected under criminal law. Finally, drug traffickers are liable to receive much more severe punishments than before, while people using drugs in small quantities receive offers to undergo treatment. If they agree to be treated, no criminal proceedings are instituted or proceedings already underway are discontinued.

4. Do most judges rule fairly and impartially? How many remain from the Communist era? The decisive majority of judges is widely respected for being impartial and fair. The percentage of judges appointed before 1989 is already under 60 percent, a gradual diminution taking place in the Hungarian judicial system. As established by the constitution, the judiciary is distinct from the other branches of government, and is subordinate only to the law. To shield the judiciary from political influence, the constitution stipulates that judges cannot be members of any political party or engage in political activities.

5. Are courts free of political control and influence? Are the courts linked directly to the Ministry of Justice or any other executive body? The independence of judges in Hungary is guaranteed in several ways. First, the judiciary is financially independent from the executive branch of the government. Legislation in Hungary stipulates that the courts' budget is also separate from that of the Ministry of Justice. Second, the system for the promotion and remuneration of judges is determined exclusively by law, with no derogations allowed. Third, with the exception of the president of the Supreme Court, elected by Parliament, judges are appointed by the president of the Republic on the proposal of the Minister of Justice, but with the consent of the Judicial Council. Fourth, a judge ceases to perform his duties either at his own request, because he is declared incapable of doing so by his peers, or because of professional misconduct, when the Disciplinary Council recommends to the president of the Republic that the judge should be removed from his functions. Finally, judges enjoy immunity from prosecution and therefore cannot be arrested and detained or be the subject of criminal proceedings except by authorization of the president of the Republic.

Update: In 1995 the Constitutional Court overturned portions of a law passed by the legislature relating to economic austerity measures introduced by the Finance Minister. This represented the first Constitutional Court ruling against the current government, and signals that courts continue to function independently.

6. What proportion of lawyers is in private practice? Currently, about 6,000 lawyers are engaged exclusively in private practice. Companies, firms, etc., a significant number of which are still state-owned, though many are already privatized, as well as various other organizations, employ close to 25,000 counsels, solicitors and advisors.

Rule of Law

7. Does the state provide public defenders? The state provides public defenders if the accused is too poor to pay for a private defense lawyer. In many cases, it is young criminal defendants who receive this service.

8. Has there been a comprehensive reform of anti-bias/discrimination laws, including protection of ethnic minority rights? On 7 July 1993, Parliament passed the Bill on National and Ethnic Minority Rights, after approximately two years of preparatory work and several draft texts. The law bans discrimination against minorities and regards their rights to national and ethnic self-identity as part of universal human rights and basic freedoms. The law recognizes all ethnic groups that have lived in Hungary for at least a century and who are Hungarian citizens but have their own language, culture and traditions. These groups include Bulgarians, Gypsies, Greeks, Croats, Poles, Germans, Armenians, Romanians, Ruthenians, Serbs, Slovaks, Slovenes, and Ukrainians. Nevertheless, the country's estimated 500,000 Roma (Gypsies) continue to suffer *de facto* discrimination in employment and housing, and have been hit especially hard by the effects of economic restructuring. They have also been the victims of skinhead attacks and vigilante justice.

Governance and Public Administration

1. Is the legislature the effective rule-making institution? There is consensus among legal experts that the Hungarian parliament is fulfilling its function as the country's supreme legislative body. Between its first session in May 1990 and March 1992, the parliament passed over 180 laws, compared with an average of four or five per year under the Communist system. Beginning in the early 1990s the nature of the legislation passed indicated that a true democratic lawmaking body was emerging. Also in contrast to lawmaking during the Communist period, government decrees are now subordinate to legislative enactments.

2. Is substantial power decentralized to subnational levels of government? Legally, substantial power is decentralized to subnational levels of government. A legal framework is in place which provides for the right to autonomous policymaking at this level. However, local and regional governments are financially in a very weak position. Thus, the limits on their power are not necessarily politically motivated but are largely the result of economic and financial constraints.

3. Are subnational officials chosen in free and fair elections? Local, regional and other subnational officials are chosen in free and fair elections. An exception is at the subregional level, where "Commissioners of the Republic" are appointed by the government to supervise more than one county. These commissioners ensure that all local decrees correspond to national laws, and they can suspend the application of local decrees that run counter to national law.

4. Do legislative bodies actually function? Yes, national, regional and local legislative bodies do function. The National Assembly has been especially active in debating and passing laws. County-level and local legislative bodies have enacted a large number of rules and regulations within their respective jurisdictions.

5. Do the executive and legislative bodies operate openly and with transparency? Yes, they all operate openly and with transparency under the scrutiny of the public as well as that of the State Auditing Board.

Update: In May 1995 information was leaked relating to a secret transfer of state funds to the majority state-owned Budapest Bank, the president of which at the time was current Finance Minister Lajos Bokros. The Bank was found to have violated the law by keeping the $10 million transfer secret from shareholders.

6. Do municipal governments have sufficient revenues to carry out their duties? Do municipal governments have control of their own local budgets? Do they raise revenues autonomously or from the central state budget? Generally speaking, municipal governments do have sufficient revenues to carry out their duties, although the country's difficult economic situation places a significant burden on them. In addition, the amount of municipal revenues depends upon the region of the municipality. Municipal governments have full control of their own local budgets. They raise a portion of their revenues autonomously, and another portion is provided from the central state budget—often earmarked for specific projects.

7. Do the elected local leaders and local civil servants know how to manage municipal governments effectively? Yes, most

Governance and Public Administration

of the local leaders elected during or after 1990 have proved to be competent and able to manage municipal governments. Large-scale programs to deepen the professional knowledge of those managing local governments are currently under way.

8. Has there been constitutional/legislative reform regarding local power? Has there been a reform of the civil service code/system? Are local civil servants employees of the local or central government? In 1991 a reform Law on Local Administration of Self-Governing Bodies was passed. The current Socialist government modified and simplified the law in 1994, providing for single-round local elections and direct election of mayors. There was a reform of the civil service code/system in 1991. Unified requirements and standards were established for an exam in public administration for all those in or wishing to enter the civil service. This reform applies to those public officials working at both the local and the national levels. Local civil servants are the employees of the local government, although their official status as civil servants is identical with those employed by the central government.

Privatization

1. What percentage of the GDP comes from private ownership? As of late 1994 about 58 percent of GDP came from private ownership.

Update: The World Bank estimated in mid-1995 that the private share of GDP had reached 60 percent.

2. What major privatization legislation has been passed? Major privatization legislation includes Act No. 13 of 1989, governing the transformation of state companies into joint-stock and limited-liability firms; Act No. 7 of 1990, which outlined the practical steps to be taken during the process of privatization; Acts 53 and 54 of 1992; and further legislation pending in 1994.

Privatization in Hungary occurs through sale or open or closed tender. Auctions are also used, primarily for the privatization of small businesses. Restitution is less common, with former owners or heirs usually granted vouchers according to the size of their claims. These can be applied toward the purchase of other state-owned property, and are tradable.

Update: Privatization legislation which was supposed to be passed in 1994 was finally approved in May 1995. The government had projected privatization revenue of about $1.2 billion for 1995. However, the process appears to have stalled somewhat this year and by mid-1995 the budget deficit was already some $285 million greater than had been projected for the whole year.

3. What proportion of agriculture, housing and land, industry, and business and services is in private hands?
Agriculture: The Agriculture Ministry estimated in mid-1994 that over 90 percent of agricultural land is in private hands, but adds the caveat that up to half of this percentage is made up of limited cooperatives.

Housing and Land: The Agriculture Ministry states that approximately 97 percent of housing and land is either private or in the hands of municipalities. Foreigners could not purchase housing or land until the law was changed in 1994.

Industry: Up to 65 percent of industry was in private hands by the end of 1994.

Business and Services: From 1991 through June 1994, the number of small businesses which had been privatized was as follows: 4,066 in 1991; 3,571 in 1992; 1,428 in 1993; and 416 in 1994. Added to the relatively large number of companies privatized prior to 1989 and the plethora of newly-founded companies, over 70 percent of business and services was in private hands by the end of 1994. However, there is only one private bank, and no known health services or transportation services are provided by the private sector.

KAZAKHSTAN

Freedom House Ratings	1988-89	1989-90	1990-91	1991-92	1992-93	1993-94	1994-95
Political Rights	-	-	-	5	5	6	6
Civil Liberties	-	-	-	4	5	4	5
Status	-	-	-	PF	PF	PF	NF

Polity: Dominant party
Economy: Statist (transitional)
Population: 17,087,000
PPP: $4,490
Ethnic Groups: Kazakhs (43 percent), Russians (35 percent), Germans (6 percent), Ukrainians (6 percent), others
Capital: Almaty

Political Process

1. **When did national legislative elections occur?** National legislative elections were held on 7 March 1994. Although the electoral process was more open than in previous elections, many domestic participants and international observers viewed these elections as biased and unfair. The CSCE Observer Mission to Kazakhstan held that the elections were well below international standards. The current partisan composition of the 177-member Supreme Soviet is as follows: independent candidates (mostly supporters of the President), 59 seats; "state list" candidates (also mostly presidential supporters), 42; Union of People's Unity of Kazakhstan (SNEK, by its Russian acronym), 33; Confederation of Kazakh Trade Unions, 11; People's Congress Party, 9; Socialist Party of Kazakhstan, 8; Harmony, 4; Kazakhstan Peasants' Union, 4; other groups, 6; vacant, 1.

Update: Since the March 1994 parliamentary elections, dozens of potential and actual candidates have filed legal suits charging impropriety in the conduct of the elections. Their complaints ranged from ballot-box stuffing to being falsely accused of forging signatures in order to block their registration. Most cases were "settled" at the local level to the government's liking. The case of journalist and candidate to the Supreme Soviet Tatiana Kviatkovskaya, however, made its way to the Constitutional Court and has had serious consequences for the future of democracy in Kazakhstan. Briefly, Kviatkovskaya alleged in April 1994 that her electoral district (Abilaikhan in Almaty) was unfairly designed because the number of voters far exceeded that in other districts, and hence that the election in that district was invalid. After months of long and unsatisfactory hearings at the local level, in February 1995 Kviatkovskaya allegedly decided to extend her complaint of invalidity to the entire election due to the vast differences in the size of electoral districts nationwide (she claims the Constitutional Court posed the question this way, while the official version maintains that she herself pushed the issue). Early in March the Constitutional Court decided the case in her favor. A few days later, President Nazarbayev dissolved parliament in response but without any official prompting from the Court.

Meanwhile, several parliamentary seats had been vacated, and hence in February 1995 elections were held in the corresponding electoral districts of Kazakhstan to fill these positions. Although these elections were not officially observed by the usual international agencies, representatives from those organizations that did send observers—in particular, the Almaty-based National Democratic Institute (NDI) and International Foundation for Electoral Systems (IFES)—commented that there were more violations of the electoral code and international standards than in the parliamentary elections held the previous year.

2. When did presidential elections occur? Presidential elections took place in December 1991. Cumbersome candidate registration procedures and other requirements ensured no real competition to Nursultan Nazarbayev, who had been elected President by the Supreme Soviet in April 1990.

Update: According to the constitution, new presidential elections are supposed to held in 1996. Shortly after dissolving parliament, however, President Nazarbayev scheduled a referendum to extend his rule until 2001.

Political Process

Although he and the official press claimed that the referendum had been initiated by the Peoples' Assembly (a conglomeration of the republic's social and political organizations), other government officials and political activists claim that Nazarbayev's ultimate aim in dissolving parliament and holding the referendum was to extend his personal power. At least five political parties announced their support for the president while the Slavic and Kazakh nationalist groups banded together to boycott the referendum. Not surprisingly, the outcome of the 29 April referendum was 95 percent in favor of extending Nazarbayev's presidency with a 91 percent turnout. These results have been contested, most notably, by the Communist Party of Kazakhstan.

3. Is the electoral system multiparty-based? Are there at least two viable political parties functioning at all levels of government? Neither the parliamentary election law nor the Constitution prevents parties from competing in elections. Virtually all individuals currently in power at the national and local levels were members of the Communist party. Currently few will claim any party affiliation at all; those that do are members of either the SNEK or the Socialist Party. However, it would be misleading to claim that politics in Kazakhstan is party-based. Rather, it is overwhelmingly personality driven. The SNEK, which became a party in March 1993, is a vehicle for President Nazarbayev.

Update: While no existing political party is explicitly banned or restricted, leaders of those parties that did not endorse Nazarbayev's dissolution of parliament (especially the Social Democratic Party) and the referendum that followed (especially Azat and Lad) complained of harassment by the authorities shortly afterward.

4. How many parties have been legalized? In 1990, the first non-Communist political party to be formed was the Social Democratic Party. However, to protest what they feel are onerous registration requirements, the Social Democrats refuse to register. At the time of the March 1994 elections, there were four registered parties in Kazakhstan.

Update: Three new political parties have emerged in 1995. The Party of Democratic Order, led by Tolegen Zhukeyev (Secretary of Kazakhstan's Security Council), supports greater political and economic reform and claims no personal or political affiliation with President Nazarbayev. The Revival Party of Kazakhstan, formed by writer, playwright and former Supreme Soviet deputy Altynshash Dzhaganova, pledges to protect the interests of women and children as well as those who are poor, unemployed, and disabled. The People's Cooperative Party of Kazakhstan (NKPK) was initially founded to improve the condition of rural workers and cooperative members. None of these new configurations has been denied official registration, bringing the total number of registered parties in Kazakhstan to 11 (the Social Democrats remain unregistered by choice).

5. What proportion of the population belongs to political parties? The two largest parties, SNEK and the Socialists, claim 40,000 and 60,000 members, respectively. While difficult to verify independently, these figures are believable. Peoples' Congress maintains a membership of approximately 10,000. The support for Russian and Kazakh nationalist parties and movements is harder to measure, since latent support may be much higher than actual membership. In a poll taken in Almaty, Kyzyl-Orda and Ust-Kamenigorsk in 1993, less than 5 percent of the population identified with any political party. A poll on voter preferences at the end of 1994 showed 20 percent support for the Communist Party and between ten and six percent for the People's Congress of Kazakhstan, the Russian-nationalist Harmony movement, the Republican Party and the Socialist Party. Most parties and organizations are essentially Almaty-based, with the exception of SNEK and the Socialist Party, which have representative organs in fourteen and eighteen of Kazakhstan's nineteen oblasts, respectively.

Update: The new NKPK claims to have organizational strength in all nineteen oblasts and approximately 40,000 supporting members. Some parties have strong regional support, such as People's Congress in eastern Kazakhstan and the Socialist and Republican Parties in southern Kazakhstan. Others are largely supported by one sector of the population, such as the Russian and Jewish intelligentsia-based Social Democratic Party and the Kazakh-intelligentsia based Civil Democratic Movement "Azat" (recently re-registered as a party). Nonetheless, overall party identification among voters remains low and both public servants' support for policies and citizens' expectations remain very much based on personalities rather than parties.

6. What has been the trend of voter turnout at the municipal, provincial and national levels in recent years? The actual,

Political Process

voluntary voter turnout is extremely hard to measure due to the rampant falsification of ballots, coerced voting, multiple voting and the like. These are, of course, holdovers from the previous seventy years of Communist rule. Turnout for the March 1991 referendum on the future of the USSR was 88.2 percent. Turnout in the March 1994 parliamentary and local elections was reported as 74 percent.

Update: Voter turnout for the 29 April 1995 referendum was 91 percent. Voters continue to vote out of habit rather than conviction or a strong sense that their vote will bring change.

Civil Society

1. How many nongovernmental organizations have come into existence since 1988? How many charitable/nonprofit organizations? The number of NGOs in Kazakhstan is over 500. However, many are holdovers from pre-independence days struggling to exist without the financial support of the state. They are disproportionately concentrated in the capital city, Almaty. Membership tends to be very low, i.e., less than twenty per group. Prior to 1990 no charitable/nonprofit organizations existed. Approximately 150-200 are currently active, although very few operate in the way charitable organizations are expected to function. Given the high tax rates and the level of corruption, the overwhelming majority of these funds actually conceals different profit-making activities.

Update: The Supreme Soviet dealt NGOs a potentially major blow when it approved an amendment to Article 106 of the recently adopted Civil Code prohibiting foreign financing of public associations. President Nazarbayev took an active part in the debates preceding this decision, which some believe was aimed particularly at Slavic organizations. Given that many NGOs depend on such support, it is likely that the number of NGOs and nonprofits will decline in coming years if the situation remains unchanged.

2. What forms of interest group participation in politics are legal? According to the constitution, citizen's groups have the right of legislative initiative. In principle that allows for registered groups to propose legislation; in reality the concept of lobbying is poorly developed, except as it encompasses influence peddling. Nonetheless, human rights, environmental, labor, religious and other NGOs have begun to show an interest in influencing legislation.

Update: Following the 1995 dissolution of the legislature the atmosphere has become much less conducive to independent initiative by public groups. Many have experienced governmental intimidation to "soften" their approach or halt political activity altogether. In addition, all legislation is now drafted and approved inside the presidential apparat so that outsiders' access is effectively blocked.

3. Are there free trade unions? The largest union remains the successor to the Soviet-era General Council of Trade Unions, which is practically a government organ. The largest independent labor organization, the Independent Trade Union Center, claims 250,000 members and also states that a further 250,000 workers belong to other independent trade unions. Given that the workforce in Kazakhstan numbers about 5.6 million and that union membership is compulsory, the percentage of workers belonging to Communist-successor unions as opposed to independent unions is about ten to one. However, both state and independent union membership figures are notoriously unreliable.

4. What is the numerical/proportional membership of farmers' groups, small business associations, etc.? Although organizations of collective farmers exist, as well as business organizations in Almaty, these have very little influence in the making or shaping of policy.

Update: In February 1995, Kazakhstan's businesspeople organized the social movement New Generation, through which they have issued appeals to Nazarbayev for land privatization. How much influence this group will exert remains to be seen.

Independent Media

1. Are there legal protections for press freedom? Legal protections exist in the constitution and to a lesser extent in the Law on the Press. Chapter 3, Articles 10 and 11, of the constitution guarantees freedom of speech and expression as well as "the right to receive and disseminate information by any legal means." The 1991 Law on

Independent Media

Media also forbids censorship. However, there are provisions, for example, in both the criminal code and the constitution which proscribe insulting the honor of the president, and which restrict the rights allowed in the constitution "for purposes of ensuring the rights and freedoms of other individuals, public safety, and the protection of the constitution system." Constitutional guarantees of freedom of speech and expression have not yet been publicly contested, but this does not provide adequate assurance that they have not been violated. Likewise, it is difficult to affirm that the 1991 Law on Media forbidding censorship is enforced, since most media remain under state control. One rule that has recently been enforced bans the media from "inciting ethnic conflict," as determined by the government.

2. Are there legal penalties for libeling officials? Are there legal penalties for "irresponsible" journalism? Penalties for libel and for irresponsible journalism exist and have been invoked several times over the past three years.

3. What proportion of media is privatized? Over 1,200 "means of mass information" have been registered with the Ministry of Press and Information as of January 1994. Almost all of the increase since 1989, when 613 organs were registered, has been in the independent media. However, much of this growth has been concentrated in Almaty; independent information only trickles into other areas.

Local radio still remains, with the exception of Almaty, in the hands of the local administration. In Almaty several independent stations, some with a quasi-national reach, have emerged in the last few years.

Expanded national broadcasts of Radio Max and Radio Totem have developed. However, as with television, radio broadcast towers are all state-owned, forcing independent stations to petition the Ministry of Communications and local administrations for time. Radio Max includes a wide variety of topics and personalities in its programming schedule.

The main cities of most oblasts have at least one local independent or quasi-independent television station. These broadcast anywhere from a few hours a week to almost full-time. Almaty has six nongovernmental television stations, including the largest, KTK and Tan. The government has two channels, one dedicated almost entirely to Kazakh language programming. According to some estimates, independent stations capture over 80 percent of the Almaty audience.

Over the last several months Kazakhstan witnessed a fairly intense struggle to bring the independent television stations of Almaty under some form of government control. Thus, at present, the only television stations with a national reach are state-owned.

Nongovernmental press exists and to a certain extent thrives in Almaty. The premier example is *Karavan*, a weekly of up to 100 pages boasting the largest circulation of any paper in Central Asia (over 300,000). Party papers have a small (20,000) readership and little influence. They are often unable to publish due to financial difficulties. Outside of Almaty one finds scattered evidence of independent papers, among which *Chimkent*, published in Kazakhstan's third largest city, seems especially prominent. In addition, independent trade unions in Karaganda and other parts of the country produce two- to sixteen-page bulletins.

According to the Media in Central Asia report, five news agencies have surfaced and failed in the past several years. At present only one state-owned agency exists, KazTAG, whose stories appear almost solely in the government presses.

As far as can be seen no nongovernmental domestic wire services exist in Kazakhstan. KazTAG is the state wire agency.

4. Are the private media financially viable? Financial viability is the greatest challenge to all newspapers in Kazakhstan, independent or not. Radio and television face more technical and political problems than financial ones, although they too require capital for new equipment and training. At this time only the *Karavan* family of newspapers operates at a profit, due to its aggressive advertising policy.

Update: Both state-owned and independent media continued to face virtually equal financial difficulties in 1995. Some independent newspapers as well as radio and television stations have turned to advertising and direct sales in order to finance themselves, and the government has not interfered with this growing trend. The most popular and financially successful independent newspaper, *Karavan*, recently experienced a major setback when its warehouse burned down. Although this incident is still under investigation, most affiliated with the paper believe the government was involved.

Independent Media

5. Are the media editorially independent? Independent (and to a much lesser extent, state-owned) television and radio stations in Almaty have criticized policies and individuals rather freely at times, but often with the potential threat of libel hanging overhead. The independent media carry stories that would never appear in government organs.

Update: Almaty-based publications tend to be much more independent than those in other parts of the country, where regional governments often interfere. Russian national groups in northern Kazakhstan, for example, complained in 1995 that they were unable to print their own newsletter and had no real access to the media.

6. Is the distribution system for newspapers privately or governmentally controlled? The distribution system for most newspapers is controlled by the Soviet era Soyuzpechat (Union Press). *Karavan*, however, has completely circumvented this obstacle by selling directly to kiosks.

7. What has been the trend in press freedom? Freedom House's annual Survey of Press Freedom rated Kazakhstan Partly Free from 1992 through 1993, and Not Free for 1994.

Rule of Law

1. Is there a post-Communist constitution? Kazakhstan's post-Communist constitution was adopted on 28 January 1993.

Update: Although the constitution provides for three separate branches of government, the distribution of power among them is not adequately clarified. For example, there is no clear provision for either dissolving parliament or impeaching the president, issues which came to the fore in 1995. The constitution is currently undergoing revision in the president's office, and there is some indication a revised constitution will be put to a referendum. It is too early to tell whether the revisions will include clarifications on the separation of powers.

2. Does the constitutional framework provide for human rights? Do the human rights include business and property rights? The constitution, Section 1, Chapter 1, Article 1, explicitly forbids any forms of discrimination against citizens of the Republic of Kazakhstan. They are guaranteed equality of rights and freedoms, regardless of race, nationality, sex, language, social, property, or job position, social origin, place of residence, attitudes toward religion, convictions, membership in a public association, and previous criminal punishment.

However, Article 2 immediately restricts the exercise of these rights and freedoms "for purposes of ensuring the rights and freedoms of other individuals, public safety, and the protection of the constitutional system."

Other important rights protected in the constitution include language and citizenship rights.

Civil rights (Chapters 3 & 4) enumerated in the constitution encompass freedoms of speech, thought, movement and association.

Certain property rights are also mentioned in Section 1. According to Chapter 5, Article 18, the citizen has the right to own property and to use and dispose of it at his own discretion. Furthermore, the "state guarantees freedom of private entrepreneurial activity and provides for its protection and support." (Article 48). The same Article also prohibits monopolistic activity and protects the rights and legitimate interests of the consumer.

3. Has there been basic reform of the criminal code/criminal law? At present the Procurator's Office and the Ministry of Justice are vying for the right to draft the country's new criminal code, which, although it has undergone several iterations, has not yet been passed. The Ministry of Justice is being kept out of the drafting process, thereby virtually guaranteeing confusion and inefficiency in applying the new law.

4. Do most judges rule fairly and impartially? How many remain from the Communist era? Judges are subject to bribery and political bias. However, independent political activists such as Leonid Solomin, leader of the Independent Trade Union Center, have brought lawsuits and have won them. Approximately 5 to 7 percent of sitting judges have been appointed since 1991.

Update: The outcomes of lawsuits filed in dozens of localities following the March 1994 elections illustrate the courts' tendency to favor government positions. Many political activists also commented that the Supreme Court's decision in favor of Tatiana Kviatkovskaya "could never have happened without Nazarbayev's consent."

Rule of Law

5. Are the courts free of political control and influence? Are the courts linked directly to the Ministry of Justice or any other executive body? Judges are appointed by the Ministry of Justice with little or no oversight from the legislature. Their salaries, apartments, offices, staffs, and supplies are provided by the local executive branch. Although Minister of Justice Nagashbai Shaikenov is considered among the leading reformers of Kazakhstan, the president is virtually his sole ally. A great many mid- to high-level bureaucrats within his Ministry and others oppose him.

6. What proportion of lawyers is in private practice? A fairly small but growing number of lawyers is engaged in private practice, many representing new businesses. Figures here are difficult to find, but estimates range from 10 to 20 percent. The majority of these are in Almaty. The rest are employed by the state. However many of the nominally independent lawyers are reluctant to challenge the Procurator or the local administrator too boldly in court.

Update: Neither the Almaty-based Association of Lawyers of Kazakhstan nor the social group "Legal Development of Kazakhstan" compels members' pro-bono, criminal, or civil rights involvement. Both organizations play a limited role in politics and society, though some proposals for legislation have come from one of their key members—Vitaly Ivanovich Voronov.

7. Does the state provide public defenders? The state is required by law to provide public defenders. However, there have been cases in which the defender will exercise self-restraint in the face of state pressure. There have also been certain cases in which the government has reportedly denied defendants the right to seek legal advice during questioning.

8. Has there been a comprehensive reform of anti-bias/discrimination laws, including protection of ethnic minority rights? A comprehensive reform of anti-bias/discrimination laws has not yet taken place. In the absence of comprehensive reform, there are ongoing, if sporadic, attempts to address the problem.

Governance and Public Administration

1. Is the legislature the effective rule-making institution? The legislature is not the effective rule-making institution. It is institutionally weak as a consequence of seventy-five years of rubber-stamp parliaments. Rather, the Presidential Apparat, the Cabinet of Ministers, their respective bureaucracies, and the heads of oblast administrations make the rules. However, by mid-1994 the legislature had begun issuing a few significant challenges to the president.

Update: President Nazarbayev currently rules by decree, as no national legislature has existed since 11 March 1995. There is still no indication as to how soon new legislative elections will be held. Some argue that Nazarbayev dissolved parliament in order to "punish" it for straying from his agenda, as many individual deputies and factions in parliament had begun to assert themselves as lawmakers in the months before the dissolution.

2. Is substantial power decentralized to subnational levels of government? Formally and constitutionally, Kazakhstan is a unitary state. Under these terms substantial power does not devolve to lower levels of government. The Constitution (Article 90) does, however, state that "administrative-territorial units are independent in the administration of local affairs, with restrictions established by the laws of the republic." In practice oblast, city and district administrators have a great deal of authority over the political and economic life under their jurisdiction.

3. Are subnational officials chosen in free and fair elections? President Nazarbayev appoints the administrators of the nineteen oblasts and two "special" cities, Almaty and Leninsk. The Supreme Soviet authorized presidential appointments in January 1992 one month after Kazakhstan declared its independence. Oblast executives in turn appoint district executives. Members of oblast, city and regional councils, known as Maslikhats, were elected to five-year terms in the 7 March 1994 parliamentary elections. Most were nonparty candidates.

4. Do legislative bodies actually function? The legislative bodies around the country have just begun redefining their roles vis-a-vis the corresponding executive and vis-a-vis their constituencies.

5. Do the executive and legislative bodies operate openly and with transparency? Transparency in government, whether

Governance and Public Administration

local or national, executive or legislative, is not common in Kazakhstan. This is even more so in the executive, with its firm grip on power and the purse and a long tradition of secret decision-making.

6. Do municipal governments have sufficient revenues to carry out their duties? Do municipal governments have control of their own local budgets? Do they raise revenues autonomously or from the central state budget? Oblast and municipal budgets are a major concern for citizens of Kazakhstan; much of the debate has ethnic subtexts. Oblasts raise taxes that are sent to the central government, then redistributed according to the perceived needs of the oblasts. Accounting for over 70 percent of tax revenue raised, this practice amounts to a transfer of wealth from richer to poorer districts.

The local Maslikhats have virtually no control over local budgets and taxes. To the extent the locality has any such control at all, it belongs exclusively to the executive and certain powerful figures such as heads of factories and state farms. Budget figures and targets are determined by the central budget, yet local executives use their authority to redirect these funds.

7. Do the elected local leaders and local civil servants know how to manage municipal governments effectively? Local executives are still making the transition from receiving orders from Moscow to reckoning with the wishes of Almaty. Their backgrounds generally constrain their capacity to absorb new thinking. While no more prevalent than at the national level, local corruption remains a concern.

Update: During the March 1994 parliamentary elections and 1995 reelections to fill vacated seats, local officials reportedly ensured that certain candidates were elected and that some individuals could not run for office at all.

8. Has there been constitutional/legislative reform regarding local power? Has there been a reform of the civil service code/system? Are local civil servants employees of the local or central government? The only change in local power has been to grant the president the authority to appoint subnational officials, according to the 1993 constitution. While the *de facto* independence of the regions continues to grow, juridically they are subordinate to the central government in fiscal and political matters. There has been as yet no reform of the national or local civil service code, though such reform has been talked about for over eighteen months. Local civil servants are local government employees.

Privatization

1. What percentage of the GDP comes from private ownership? The World Bank states that it is impossible to determine an overall GDP figure because of lack of accurate statistics and the continuing use of Net Material Product rather than GDP as an economic indicator. Although Kazakhstan and the Kyrgyz Republic have been the most liberal Central Asian republics in terms of privatization, an estimate of 20 percent would be generous for Kazakhstan, partly because privatization of large industries has been extremely slow.

2. What major privatization legislation has been passed? Kazakhstan began its privatization program earlier than the other Central Asian republics, but privatization stalled in 1994. Major privatization legislation passed in 1991 included laws on enterprises, foreign investment, the land code and property, as well as the August 1991 Law on Privatization, which addressed both industry and agriculture. Privatization had effectively begun earlier, in 1990. In the spring of 1993 the government published its privatization program through 1995. Privatization is to be accomplished through leasing, joint-stock, sale of enterprises to workers and sale by auction. Foreign ownership is permitted. Privatization reforms contain no effective controls on corruption, and both officials and business interests have engaged in corrupt practices.

3. What proportion of agriculture, housing and land, industry, and business and services is in private hands?
Agriculture: Full agricultural privatization has proceeded insofar as the state has allowed individuals to purchase their dachas and lease small plots. The World Bank states that about 20,000 individual private farms existed by the end of 1994. Although about 1,500 of 2,000 state-owned farms have been privatized, 90 percent of these are under collective management and therefore differ little from the former arrangement.

Housing and Land: There is a great deal of resistance within sections of the government and society towards privatization of land, whether for agricultural use or otherwise. Housing privatization continues rather rapidly.

Privatization

Government estimates, certainly exaggerated, claim that over 50 percent of Kazakhstan's housing stock has been privatized.

Industry: Privatization of industry and other sectors is being carried out under a law promulgated in May 1993. The law discriminates among three types of enterprises and privatization schemes. First, the small-scale privatization effort applies to enterprises with 200 to 3,000 employees and is to be carried out through a voucher system. This system is unique in the NIS in that the vouchers may only be invested in holding companies, which in turn buy stakes in certain enterprises. Each holding company (also known as investment funds) is to publish the names of companies in which it has bought equity. However, not only are these investment funds themselves quasi-state companies, but of the over 6,000 firms to be privatized under this system, over half have received exclusions exempting them from undergoing privatization. Only about 15 percent of the firms had actually been privatized as of late 1994. Second, case-by-case privatization applies to the largest enterprises.

Business and Services: Third under mass privatization, the state quickly and directly auctioned off very small enterprises such as grocery stores, small clothing concerns, and the like. Over 75 percent of such enterprises are now in private hands.

KYRGYZ REPUBLIC

Freedom House Ratings

	1988-89	1989-90	1990-91	1991-92	1992-93	1993-94	1994-95
Political Rights	-	-	-	3	4	5	4
Civil Liberties	-	-	-	4	2	3	3
Status	-	-	-	PF	PF	PF	PF

Polity: Presidential-parliamentary (transitional)
Economy: Statist (transitional)
Population: 4,519,000
PPP: $3,280
Ethnic Groups: Kyrgyz (52.3 percent), Russians (21.5 percent), Uzbeks (12.9 percent), Germans, others
Capital: Bishkek

Political Process

1. When did national legislative elections occur? National and local elections on 25 February 1990, followed by a runoff on 4 March, saw virtually all 350 seats in the Supreme Soviet go to Communists. One-sixth of the races were uncontested. New elections were called for 5 February 1995, in the wake of heavy presidential pressure for the parliament to resign. The new elections were to be for a smaller, bicameral legislature as approved in a 22 October 1994 referendum. The new legislature would consist of a permanent, 35-member Legislative Assembly elected countrywide and a 70-member Assembly of People's Representatives, elected by region, which would meet in sessions to discuss policy matters.

Update: Elections to national and local legislatures took place on 5 February 1995. Since a single candidate received a majority in only two electoral districts for the Legislative Assembly and eleven for the Assembly of Peoples' Representatives, runoffs were held on 19 February in eighty-five electoral districts (elections were postponed in four others), thirty of which required a further runoff (five due to no candidate obtaining a majority and twenty-five due to voter turnout below 50 percent). The final round of elections took place two months later. Following both the first and second rounds of elections, the Central Election Commission was literally flooded with complaints from candidates, political activists, and ordinary citizens displeased with the conduct of the elections. Among the violations cited in these complaints, as well as in international observers' reports, were ballot-box stuffing; inflation of voter turnout (in order to reach a turnout level of over 50 percent); and general interference by local administrations (including threatening candidates, restricting the media, and intimidating local electoral commission personnel and local observers). As a result, various spokespersons demanded that the elections be invalidated and held again under closer international scrutiny. Their demand was rejected in large part due to the immense cost of holding yet another full round of national elections.

2. When did presidential elections occur? Askar Akayev, the liberal president of the Kyrgyz Academy of Sciences who had been elected president by the Supreme Soviet in October 1990, was popularly elected to that post on 12 October 1991, running unopposed. Akayev expressed concern that no one ran against him, though the opposition claimed that they did not have enough time to assemble sufficient signatures to register. Akayev's rule was subsequently reaffirmed by voters in a January 1994 referendum.

Update: New presidential elections are scheduled for 1996, as prescribed by the constitution. However, this may be changed pending the result of an ongoing debate (in parliament and the newspapers) on the possibility of extending President Akayev's rule through a national referendum.

3. Is the electoral system multiparty-based? Are there at least two viable political parties functioning at all levels of government? Parties exist and the right to form them is enshrined in the constitution. The government actively encourages the formation of social and political organizations in part because they are viewed as a potential counterbalance to clans. Political groups began to coalesce in 1990. However, there was no opposition candidate in the

Political Process

1991 presidential election. In the 22 October 1994 local elections, 4,118 seats were uncontested while 1,710 were contested by at least two candidates. Most candidates were representatives of working collectives or residential localities, with only 538 representing parties. Local elections were characterized more by issues of personality than politics in this largely clan-based society.

Update: Despite legitimate complaints regarding the February 1995 parliamentary elections, these were highly contested and political parties were not restricted in either their ability to nominate candidates or in their choice and discussion of campaign issues.

4. How many parties have been legalized? While about forty parties exist, most have only a very few active members. The largest political grouping is the Democratic Movement of Kyrgyzstan (DDK, founded 1990), which began as a nonparty umbrella organization comprising over 30 parties. The DDK registered as a party in 1993 to evade a constitutional proscription against any organization other than parties operating in the political sphere. About a dozen parties exist outside the DDK, including the Free Kyrgyzstan Party, the National Renaissance Party, the Motherland Movement, the Democratic Women's Party and the Agrarian Party. The Islamic Party is the only party or group that has not been allowed to register.

5. What proportion of the population belongs to political parties? Most parties have fewer than fifty members, and the percentage of the overall population that belongs to political parties is negligible.

Update: Party identification remains based on personality. In the February 1995 elections, many party-affiliated candidates nonetheless ran as individuals, and sometimes announced platforms that were not necessarily those of the party they represented. In addition, many candidates were nominated by more than one organization or party. After the second round of elections, with approximately 80 percent of the total seats in parliament filled, avowed members of political parties comprised only fourteen of eighty-six legislators.

6. What has been the trend of voter turnout at the municipal, provincial and national levels in recent years? October 1991 presidential elections: 90 percent. January 1994 referendum on President Akayev: 96.9 percent. 22 October 1994 local elections and constitutional referendum on new legislative structure: 87 percent.

Update: National turnout in the first round of the February 1995 elections was 74 percent, dipping in the second round to 61 percent. Though lower than in the past, these turnouts are likely over-inflated due to pressure from the electoral code to achieve over 50 percent turnout. People are generally cynical about elections bringing any real change, and therefore vote more out of habit than actual conviction.

Civil Society

1. How many nongovernmental organizations have come into existence since 1988? How many charitable/nonprofit organizations? Over 450 nongovernmental organizations are registered, and the number continues to grow. However, it should be noted that the government registry includes among nongovernmental organizations everything from unions to sports associations to political groups. Also, most of the organizations that do exist face major financial constraints. Human rights organizations include the Kyrgyz-American Human Rights Bureau and the Human Rights Organization. Charitable work is generally carried out by foreign organizations, which are not interfered with. However, some local religious organizations carry out charity work and the political party DDK has helped victims of ethnic fighting. The government encourages the creation and development of NGOs by making the registration process fairly easy and not interfering in the internal affairs of such groups. In addition, though it is unable to offer financial assistance itself, the government blocks neither private nor foreign funding of local NGOs.

2. What forms of interest group participation in politics are legal? The constitution forbids political activity by any entities other than parties. In any case, civil society is not sufficiently developed to allow for effective interest group participation in political life.

Update: Interest groups function without government intimidation. Although interest group participation in politics has

Civil Society

not yet fully developed, a measure of the growing influence of such groups in 1995 was their participation in drafting the recently approved changes to the Constitution, including the new bicameral parliamentary structure.

3. Are there free trade unions? Although a February 1992 law permits the formation of independent trade unions, the overwhelming majority of workers belongs to the Federation of Independent Trade Unions of Kyrgyzstan (FITUK), the successor to the Kyrgyz affiliate of the USSR All-Union Central Council of Trade Unions. FITUK claims to represent 1.5 million workers in 19 unions, and retains many of the state ties and all of the property it had under the Soviet regime, although it has often been critical of government policy and its effect on workers. By contrast, the independent Union of Entrepreneurs and Cooperative Members, while growing, claimed a membership of only 50,000 in October 1993. Over 85 percent of workers are unionized.

4. What is the numerical/proportional membership of farmers' groups, small business associations, etc.? Dyikan Ordo (Farmers' Union) is the largest organization of farmers, although others do exist. This organization, primarily for private farmers rather than cooperative workers, continues to grow in part because the government provides help to members in need of financial assistance. Entrepreneurial associations include the Union of Entrepreneurs and Cooperative Members, as well as the Union of Managers and Entrepreneurs, the Congress of Entrepreneurs and the Small Business Union. All of these organizations concentrate their activities in Bishkek, and have some overlapping memberships.

Independent Media

1. Are there legal protections for press freedom? The constitution provides for a free press, as does the press law passed in July 1992. However, the law prohibits material promoting violence or ethnic intolerance, as well as pornography.

Update: In the past two years, three newspapers—*Svobodnyi Gori* (Free Mountains), *Politika* and *Res Publica*—have been threatened with closure by the government for libel or inciting ethnic violence. The government won all three legal suits, though the respective editors maintain their innocence.

2. Are there legal penalties for libeling officials? Are there legal penalties for "irresponsible" journalism? A proposed law prohibiting insulting the dignity of the president was opposed by President Akayev and not passed by the parliament. The law does prohibit libel generally. The 1992 press law includes criminal sanctions for the dissemination of false information, a provision that could have a dampening effect on media freedom.

3. What proportion of media is privatized? No private local radio or television stations exist. Only one private radio station—Radio Almaz—and one private television station operate nationally. The majority of homes countrywide were wired for radio by the Soviet government, although only about 30 percent are able to receive more than one station. The private television station, Pyramid, mostly broadcasts Western films but also carries news programs, and is partly owned by the DDK. A few independent publications exist, but most newspapers and journals continue to have ties to the government. Circulation of independent publications tends to be less than one-tenth that of government-affiliated publications. *Res Publica*, a Russian-language weekly, has the largest circulation among independent publications (10,000-15,000). The state-owned, official Kyrgyz Telegraph Agency is the only news agency in the country.

4. Are the private media financially viable? All publications, including those connected to the state, have encountered severe economic difficulties. *Res Publica*, though supported by businessmen, operates at a loss and had to cut back frequency of publication in 1994.

5. Are the media editorially independent? Government-affiliated media are prone to some degree of self-censorship. In late 1994 at least two newspapers were closed. While the official explanation was that one paper was closed for publishing anti-semitic material and the other on technical grounds, many observers feel that their criticism of the president and government were the real reason. Following this, many publications modified their criticisms of the government in response to the increasingly harsh official attacks.

6. Is the distribution system for newspapers privately or governmentally controlled? While the distribution system for

Independent Media

newspapers through the postal service all but collapsed in 1993, no effective new private distribution network has developed. Kiosks are government-owned, although some publications are distributed in the streets by newsboys.

7. What has been the trend in press freedom? Freedom House's annual Survey of Press Freedom rated the Kyrgyz Republic Partly Free from 1992 through 1994.

Rule of Law

1. Is there a post-Communist constitution? After months of protracted debate, a new constitution was approved by the Supreme Soviet on 5 May 1993. The constitution provides for a presidential-parliamentary system with a strong executive. The president is empowered to appoint the prime minister and supreme court justices subject to parliamentary approval, to propose new laws and veto legislation, and to approve candidates for government ministries prior to legislative review. A popular referendum held on 22 October 1994 changed the constitution to call for a bicameral legislature.

Update: The new parliament recently approved revisions to the constitution. Aside from changing the legislative structure, these revisions include clearer divisions of power among the three branches of government as well as between the national and local governments. Changes include greater power for the constitutional court as a check on both the executive and legislative branches, as well as for the president, who can now appoint and dismiss local judges with the approval of the higher court rather than of the national parliament. The new constitution also requires that the president take an oath to uphold the constitution before taking office.

2. Does the constitutional framework provide for human rights? Do the human rights include business and property rights? The constitution enshrines basic human rights, equality of forms of ownership, and land ownership rights. However, Kyrgyz was declared the official state language, bringing charges of discrimination from the large Russian minority.

Update: New revisions to the Kyrgyz Constitution elevate Russian to an official state language.

3. Has there been basic reform of the criminal code/criminal law? Reform of the Soviet-era criminal code has been debated in the legislature, and is expected to be passed in 1995.

4. Do most judges rule fairly and impartially? How many remain from the Communist era? The main power in criminal cases falls to state prosecutors rather than judges, as under the Soviet system. No significant turnover in judges has occurred since independence. Judges' lack of experience with the rule of law, as well as their extremely low salaries, has created an ideal environment for bribery and other forms of corruption.

5. Are the courts free of political control and influence? Are the courts linked directly to the Ministry of Justice or any other executive body? The courts remain directly subordinated to the Ministry of Justice, despite repeated expressions of government intent to change this.

Update: Constitutional revisions call for greater oversight of the judicial branch by the executive. The government states that it hopes presidential nomination of judges at all levels will increase the degree to which laws are consistently enforced.

6. What proportion of lawyers is in private practice? Most lawyers remain in state employ, although an increasing number have sought work in the growing private sector.

Update: The Ukuk (Law) Legal Fund is an important legal watchdog group that does most of its work pro-bono or for minimal fees. However, this independent organization is in danger of failing due to lack of funds now that its international support is shrinking. At present it is able to survive by providing legal advice to the government and foreign business interests.

7. Does the state provide public defenders? The state provides legal counsel for those unable to hire attorneys.

Rule of Law

8. Has there been a comprehensive reform of anti-bias/discrimination laws, including protection of ethnic minority rights? The constitution calls for equality among ethnic groups. Ethnic conflict of the kind that left scores dead in the Osh region in 1990 has not recurred, in part because Uzbek President Islam Karimov agreed to secure the Uzbek-Kyrgyz border in exchange for good treatment of the Uzbek minority in the Kyrgyz Republic. Since that time, most problems have centered around the Russian minority, which has reported job discrimination and is unhappy with the designation of Kyrgyz as the official language. As a result, over 100,000 Russian speakers emigrated in 1993, and at least 40,000 emigrated in 1994.

Update: Most see the newly revised Constitution of the Kyrgyz Republic as providing stronger guarantees of minority rights. The Russian language has been redesignated an "official state language." In addition, the language of those ethnic groups forming a majority in their communities may also be used as an official language. Moreover, Article Five guarantees all minorities the right and opportunity to maintain their native languages as well as freedom from discrimination on the basis of command of either the state language or their native languages. Since this version of the constitution has only recently been adopted, however, it is too soon to tell how well these reforms will be enforced. At present, it appears to be very well received by the non-Kyrgyz population.

Governance and Public Administration

1. Is the legislature the effective rule-making institution? The legislature is empowered to create and enact legislation. However, legislators normally work in other basic professions and therefore meet only four times per year on average. In addition, the president has the right of legislative initiative, and is able also to issue decrees, thus weakening the separation of powers. In September 1994 a large block of legislators refused to attend an upcoming session, effectively leading to the self-dissolution of the body and to the holding of new elections in February 1995.

2. Is substantial power decentralized to subnational levels of government? In this small country, government remains highly centralized at all levels, with only a modest improvement since independence.

3. Are subnational officials chosen in free and fair elections? Administrators at the oblast level are appointed by the president, but his nomination may be rejected by popularly elected oblast councils. Administrators for regions are in turn appointed by oblast governors, subject to approval by the prime minister. Municipal executives are elected by local councils, which are popularly elected.

Update: Local legislatures were included in the February 1995 elections. Although vote-tampering occurred to some degree, there were far fewer reports of violations in these elections than in the national elections. In an "experiment," mayors of the two largest and most important cities in the country, Bishkek and Osh, were popularly elected for the first time. If this proves to be a positive experience, the trend may eventually include top officials of all cities and perhaps oblasts.

4. Do legislative bodies actually function? The national legislature was moribund in the fall and winter of 1994, stemming from the refusal of a majority of legislators to participate in the last session. Prior to this the legislature met rarely, although it did function to some degree. President Akayev has expressed an intent to decentralize government, devolving more substantive powers to local legislatures and administrations. However, this has yet to materialize.

5. Do the executive and legislative bodies operate openly and with transparency? Government practice is rarely transparent, and decisions are often announced publicly with insufficient time for debate and discussion, just as they are due to take effect.

6. Do municipal governments have sufficient revenues to carry out their duties? Do municipal governments have control of their own local budgets? Do they raise revenues autonomously or from the central state budget? Municipal governments do not normally have sufficient revenues. They make their own budgets and raise some funds from local taxes, but are mainly funded by the central government. Municipalities such as Bishkek, which run surpluses, must give

Governance and Public Administration

surplus funds to the central government, while municipalities running deficits are provided with extra government funding.

7. Do the elected local leaders and local civil servants know how to manage municipal governments effectively? Local and regional governments remain ineffective, with few exceptions. Local officials are not only unfamiliar with effective management techniques, but they must also contend with dismal financial circumstances and an over-centralized structure.

Update: During the February 1995 elections and runoffs, it was reported that local officials greatly inflated voter turnout by stuffing ballot boxes and encouraging family voting. It is unclear whether the new direct election of city mayors for Bishkek and Osh will reduce corruption by making the officials more independent, or increase it by giving local interests greater influence over these offices.

8. Has there been constitutional/legislative reform regarding local power? Has there been a reform of the civil service code/system? Are local civil servants employees of the local or central government? A 1992 Law on Local Self-Government introduced some changes in the subnational political structure, notably that local administrators be appointed as described above. A new civil service code is being drafted and is to be submitted to the legislature for passage in 1995. Civil servants such as tax inspectors and police officers are central government employees, while the staffs of local administrators are local government employees.

Privatization

1. What percentage of the GDP comes from private ownership? The World Bank states that it is impossible to measure even total output, let alone the private share of GDP, because of a lack of statistical data and the existence of a significant informal economy. The Kyrgyz Republic has progressed further in this area than any other Central Asian republic, and the private share of GDP is estimated at 20 percent or more.

Update: The World Bank stated in mid-1995 that the Kyrgyz economy is substantially de-monitized. With little money circulating roughly 60 percent of economic activity is being carried out on a barter basis.

2. What major privatization legislation has been passed? It is estimated that Soviet subsidies represented 40 percent of the then-Kirghiz SSR's national income. With this source of funds essentially terminated, and with a large percentage of mountainous land difficult to cultivate, the Kyrgyz Republic has had to introduce mass privatization in cooperation with international lenders in order to survive. Major privatization legislation includes the Law on General Rudiments of Denationalization, Privatization and Entrepreneurship (1991); the Regulation of Special Means of Payment (1992); the Regulation on Terms and Conditions of Denationalization and Privatization of State Property (1993); the Law on Foreign Investment (1991, amended 1993); and the Plan for Denationalization and Privatization of State Property for 1994-1995. About 35 percent of medium- and large-scale state enterprises, as well as private dwellings, are reserved for purchase by citizens via coupons ("special means of payment"). Coupons were distributed free-of-charge to citizens, depending on their work record. Popular participation in this sphere has not become widespread because restrictions concerning the sale of coupons and the creation of investment funds were only lifted under the 1994-1995 privatization plan. Under that plan, medium-sized enterprises will largely be reorganized into joint-stock companies, and some will be sold directly to national and foreign investors without auction or tender, or to management. Five percent of each enterprise is to be transferred to employees. Of the total number of small and medium-sized enterprises privatized through 1994, the World Bank states that in 26 percent of the cases ownership was transferred wholly to labor collectives; in 7 percent labor collectives own more than half; in 6 percent labor collectives own less than half; in 21 percent the enterprises were transferred non-competitively to insiders; and in 41 percent competitive bidding was allowed. As a whole, the World Bank estimates that 40 percent of fixed assets are now in private hands. Privatization legislation contains no effective controls on corruption, and both officials and businesspeople have engaged in corrupt practices.

3. What proportion of agriculture, housing and land, industry, and business and services is in private hands?
Agriculture: By late 1994, between 30 and 40 percent of agricultural production, including livestock, was

generated by private farmers or collectives. However, strategic areas, such as the bread agroindustry, have remained integrated state conglomerates and are not likely to be privatized in the near future. Sixteen percent of the workforce is employed in the agricultural sector.

Housing and Land: Between 50 and 60 percent of housing was already in private hands before privatization efforts began, and practically the only state-owned dwellings are city high-rises. Private housing has also been built by squatters moving from rural areas, who have been tolerated by the government. Land privatization, which was halted after making little progress in 1992-1993, has now been designated by President Akayev as a critical focus of the privatization process. Akayev has stated he would like to see the land privatization process completed within the next several months.

Industry: Industry, which employs 24 percent of the workforce and generates 28 percent of GDP, remains almost entirely in government hands, due to popular disdain for the coupon process, lack of interest from foreign investors, and bureaucratic obstructions. All strategic industries such as gold mining and refining remain entirely in state hands.

Business and Services: Some progress has been made in the business and service sector, because of both privatization and the creation of new enterprises in the formal and gray economies. However, the World Bank reports indications that state trading organizations still predominate over the fledgling private sector. Approximately 60 percent of the workforce is employed in the service sector.

LATVIA

Freedom House Ratings

	1988-89	1989-90	1990-91	1991-92	1992-93	1993-94	1994-95
Political Rights	-	-	-	2	3	3	3
Civil Liberties	-	-	-	2	3	3	2
Status	-	-	-	F	PF	PF	F

Polity: Presidential-parliamentary democracy (ethnic limits)
Economy: Mixed capitalist (transitional)
Population: 2,549,000
PPP: $7,540
Ethnic Groups: Latvians (52 percent), Russians (34 percent), Ukrainians, Poles, Belarusians, Lithuanians, Jews
Capital: Riga

Political Process

1. When did national legislative elections occur? On 5-6 June 1993, Latvia held its first parliamentary election since the demise of the USSR and the restoration of Latvian independence. According to international observers, including a Helsinki Commission staff delegation, the elections were conducted freely and fairly. The composition of the 100-seat Parliament, which has a three-year term, was as follows after the elections: Latvian Way Union, 36 seats; National Independence Movement, 15; Latvian Harmony, 13; Farmers' Union, 12; Equality, 7; Christian-Democratic Union, 6; Fatherland and Freedom, 6; Democratic Center Party, 5.

Update: Parliamentary elections are scheduled for 30 September-1 October 1995.

2. When did presidential elections occur? On 7 July 1993, the Latvian Saeima, or Parliament, elected Guntis Ulmanis president of Latvia according to a constitutional provision stipulating the election of the president by parliament.

3. Is the electoral system multiparty-based? Are there at least two viable political parties functioning at all levels of government? The electoral system is multiparty-based, a procedure which began in 1991 after Latvia regained its independence in August of that year. In 1993, twenty-three political parties representing a broad political spectrum participated in the national elections.

4. How many parties have been legalized? There were twenty-five parties before the elections in 1993, and currently six parties are represented in Parliament. Major parties include the center-right Latvian Way Union, which includes several former Communists; the conservative Farmers' Union; the far-right Fatherland and Freedom Party; the moderate Democratic (formerly Democratic Center) Party; and the ethnic Russian Equality Party.

5. What proportion of the population belongs to political parties? According to a USIA-commissioned survey in Latvia from June-July 1992, in which 1,000 adults were polled, approximately 40 percent of Latvians identified with political parties.

6. What has been the trend of voter turnout at the municipal, provincial and national levels in recent years? Voter turnout in the parliamentary elections of 5 and 6 June 1993 was close to 90 percent of the eligible electorate, a high turnout for a post-Communist country. However, only citizens of the Republic of Latvia as of June 1940 and their descendants—a total of 71 percent of the current voting-age population—were eligible to cast ballots. 58.5 percent of eligible voters turned out for the 29 May 1994 municipal elections.

Civil Society

1. How many nongovernmental organizations have come into existence since 1988? How many charitable/nonprofit organizations? In 1990, while Latvia was still under Soviet rule, there were no official nongovernmental organizations in the country. Currently, there are approximately 200 nongovernmental organizations registered in Latvia. Most charitable work continues to be carried out through foreign organizations, which are allowed to function.

2. What forms of interest group participation in politics are legal? Although numerous small political interest groupings have formed in Latvia, resident Russians have not coalesced into any large, distinct political movements. There has been no legislation on interest groups, and there is in practice no formal interest group participation in politics.

3 Are there free trade unions? As of late 1993, about 50 percent of the workforce belonged to unions, including approximately 500,000 workers as members of official government trade unions. The Free Trade Union Federation of Latvia, established since independence and the only significant labor union confederation, is nonpartisan. However, according to the Free Trade Union Institute, truly independent trade unions did not exist in Latvia as of 1993 because of their Russian-nationalist orientation and affiliation with the Russian army and KGB. Trade union membership dropped in 1994 as workers abandoned Communist-successor organizations and enterprises.

Update: According to the Free Trade Union Institute, by mid-1995 there had appeared a number of small, relatively weak independent unions with several thousand members. One of these groups, the Latvian Trade Union Alliance, claims a membership of 18,000; however, this number has not been substantiated. Many Latvians have union cards but are not active.

4. What is the numerical/proportional membership of farmers' groups, small business associations, etc.? Membership in farmers' groups and business associations remains small. Although private farmers and entrepreneurs have created a number of organizations, none has become nationally prominent.

Independent Media

1. Are there legal protections for press freedom? The Constitutional Law contains provisions on free speech and press and a 1991 press law prohibits censorship of the press or other mass media. The Law on Freedom of the Press was passed in 1992.

2. Are there legal penalties for libeling officials? Are there legal penalties for "irresponsible" journalism? As of late 1993, Latvia's libel laws remained modeled on Soviet libel laws and had the same standards of proof for libel against public as against private figures. No cases have been brought against journalists under this law. There are no formal penalties for irresponsible journalism.

3. What proportion of media is privatized? There are no state-owned local radio stations. The state-controlled Latvian radio broadcasts nationally on three channels in Latvian and Russian. There are ten to twenty private radio and television companies, with two cable television companies in Riga as of late 1993. Private local television stations serve only limited audiences. Latvian State Television was established in 1954 and broadcasts on two channels. An independent channel, NTV-5, was established in 1992 with nightly news broadcasts in Latvian and English. By 1993, virtually all newspapers had been privatized. There are no news agencies other than the state-owned LETA news agency. No private wire services exist.

4. Are the private media financially viable? The independent Latvian and Russian presses have both faced economic difficulties. Overall circulation figures continued to drop due to the weakening economy. Nevertheless, new publications continue to appear and much of the private media is now basically financially viable.

5. Are the media editorially independent? Yes, the media are editorially independent. Both Latvian- and Russian-language papers print a wide range of political views and criticisms. According to a recent U.S. State Department report, Latvia generally enjoyed freedom of the press throughout 1993.

6. Is the distribution system for newspapers privately or governmentally controlled? The Ministry of Transportation,

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through the postal service, is responsible for distribution of newspapers. However, many private newspapers are sold on the street.

7. What has been the trend in press freedom? Freedom House's annual Survey of Press Freedom rated Latvia Partly Free from 1992 through 1993, and Free for 1994.

Rule of Law

1. Is there a post-Communist constitution? In July 1993 Latvia reinstated its 1922 constitution. The process of approving a constitution was slowed by basic disagreements over the role of the presidency and the proper political mechanism for deciding the criteria for citizenship and naturalization.

2. Does the constitutional framework provide for human rights? Do the human rights include business and property rights? On 10 December 1991 Latvia's Supreme Council passed a Constitutional Law on "The Rights and Obligations of a Citizen and a Person," which supplements and expands the 1922 Constitution and provides for basic rights and freedoms. Those articles of the Law pertaining to "persons" guarantee civil rights such as the right to legal entrepreneurial activity and the right to own property, although only citizens have the right to own land. Under Latvia's citizenship provisions, a large percentage of the mainly Slavic residents who emigrated to Latvia after the 1940 Soviet takeover, and their descendants, are excluded from citizenship and voting.

3. Has there been basic reform of the criminal code/criminal law? A basic reform of criminal law was approved by the Parliament of Latvia in June 1993. Changes and amendments have been made to the Latvian Criminal Code and the Latvian Criminal Procedure Code.

4. Do most judges rule fairly and impartially? How many remain from the Communist era? Judges reportedly rule fairly and impartially. Constitutionally "judges shall be independent and bound only by law." To protect the judiciary from outside political influence and fear of reprisal, the Constitution further stipulates that "judges may be dismissed from their office against their will only upon the decision of the Court." Latvian government sources say that they have no information on judges elected or appointed before 1990, since Latvia was a part of the Soviet Union at that time.

5. Are the courts free of political control and influence? Are the courts linked directly to the Ministry of Justice or any other executive body? Although the court system remains organized along Soviet lines, there were no reports of government interference in court proceedings in 1994. Reform of the system continues as Latvia reorganizes its courts along democratic lines. According to the Law on Judicial Power, adopted in December 1992, Article 1 states that "in the Republic of Latvia an independent judicial power exists alongside the legislative and the executive powers." The Law also stipulates that five regional courts must be established in Latvia.

6. What proportion of lawyers is in private practice? The Latvian College of Sworn Advocates has a membership of 423 advocates (lawyers empowered to try cases) 44 legal assistants and fewer than 1,000 consultants, who are allowed only to provide legal advice. These are the only private lawyers and consultants in the country. All prosecutors are employed by the state.

7. Does the state provide public defenders? All defendants have the right to hire an attorney, and the state will lend funds to financially destitute defendants for this purpose.

8. Has there been a comprehensive reform of anti-bias/discrimination laws, including protection of ethnic minority rights? In March 1991, Latvia's parliament passed legislation on the free development of, and the right to, cultural autonomy of nationalities and ethnic groups. The law guarantees all permanent residents equality of rights with respect to employment, and bans activities that promote national hatreds or discrimination. Citizenship regulations enacted in 1994 were judged to be within international norms by independent observers, although some ethnic-Russian organizations felt the requirements (including knowledge of Latvia's language, history and government) were too stringent.

Rule of Law

Update: The Council of Europe, which admitted Latvia as a member in February 1995, found Latvia's citizenship regulations enacted in 1994 to be within international norms although the president of the Council condemned ongoing discrimination by Latvian officials against ethnic Russians. According to an investigation conducted by Helsinki Watch, there is sufficient evidence to substantiate serious, systemic abuses against Russians by Latvia's Department of Citizenship and Immigration, in violation of the citizenship laws. Helsinki Watch found many instances where citizenship registration was denied wrongfully. Noncitizens lacking registration stamps in their passports have at best a tenuous status in Latvia and are unable to apply for work or receive social services. These individuals must apply for six-month temporary residency permits. Recently, a Russian whose wife and child have Latvian citizenship immolated himself because he had been refused a residence permit. However, the Minister for State Reforms recently suspended legislation passed by the Riga City Council that would have allowed welfare payments to Latvian residents only. The minister claimed that the ordinance contradicted the law permitting all permanent residents in Latvia to receive welfare support, as well as international human rights instruments.

Governance and Public Administration

1. Is the legislature the effective rule-making institution? The legislature is the effective rule-making institution in Latvia, with actual power to discuss and approve laws. According to the Latvian Constitution, "the right of legislation shall belong to both the Saeima and to the people."

2. Is substantial power decentralized to subnational levels of government? Considerable decentralization of power is guaranteed in Latvia's constitution, and the country has enacted laws regarding local government which at least nominally give local governments substantial authority. Considerable power is decentralized to the level of the towns, which is largely a reflection of the slowness of the state in being able to impose specific limits on the towns' authority. The government is currently drafting legislation on the issue of local authority to impose taxes and fees.

3. Are subnational officials chosen in free and fair elections? Subnational officials are chosen in free and fair elections from among those political parties represented at the national level. Latvian citizens residing outside of the country have the right to vote in local elections where they are registered. Local assemblies elect mayors.

4. Do legislative bodies actually function? Local governments actually function and can pass laws that are not in contradiction to those laws passed by Parliament. The legislative bodies in larger cities and towns function quite effectively, although they are still relatively new (as of the March 1994 elections). In general, councils in smaller municipalities and townships tend to look to the state for guidance in making major decisions.

5. Do the executive and legislative bodies operate openly and with transparency? Many local executive and legislative bodies operate openly and with transparency. However, in some localities government is not transparent, particularly in wealthy areas where locally-owned enterprises may generate and hide wealth, and where local officials are relatively more sophisticated.

6. Do municipal governments have sufficient revenues to carry out their duties? Do municipal governments have control of their own local budgets? Do they raise revenues autonomously or from the central state budget? Latvia's municipal governments operate under severely constrained local budgets. The country's local governments do not have the ability to raise their own taxes or fees. The primary source of local revenues is the personal income tax, which is collected and redistributed by the state. The distribution of the personal income tax revenues to the local level versus the state (national government) is 40 percent to the local level and 60 percent to the state for seven cities in Latvia, and 85 percent to the local level and 15 percent to the state for other cities. A local budget law and an equalization law (which ensures a more equitable distribution of tax money received from wealthier locales to be given to poorer areas) are currently pending in parliament. All personal income tax receipts which are not returned to the place of their origin are placed in a fund for both general purpose grants and categorical grants. However, there are no contracts between levels of government guaranteeing the use of funds for the purposes stipulated.

7. Do the elected local leaders and local civil servants know how to manage municipal governments effectively? Many local

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leaders in the cities and larger towns are competent and generally manage municipal governments effectively. However, substantial training and experience are still needed, especially in many of the smaller towns.

8. Has there been constitutional/legislative reform regarding local power? Has there been a reform of the civil service code/system? Are local civil servants employees of the local or central government? The Local Government Law was adopted in mid-1994, and a local budget and equalization law is pending. Latvia passed a complicated German-style civil service reform in June 1994, which will require that all local governments have an executive director who is a state civil servant. Local civil servants are employees of the local government, but must adhere to the same code as all other civil servants.

Privatization

1. What percentage of the GDP comes from private ownership? Estimates of private share of GDP ranged from 40 to 50 percent by the end of 1994.

2. What major privatization legislation has been passed? The Law on Agricultural Reform was passed in June 1990. It was supplemented in November 1990 by the Law on Land Reform in Agricultural Regions. Privatization issues were explicitly raised in the July 1992 Law on the Privatization of Land in Rural Areas.

Reprivatization of land in urban areas, as opposed to land used for agricultural purposes, is covered by the Law on Land Reforms in Towns and Cities, passed in November 1991. Reprivatization of housing is covered by two laws passed in October 1991: the Law on Reprivatization of Buildings and the Law on Return of Buildings to Their Legal Owners.

The privatization of large enterprises was covered under the Law on the Order for Privatization of Objects of State and Municipal Property, passed in June 1992.

The legal basis for small privatization is the Law on Privatization of Municipally-Owned Small Objects of Trade and Commerce, Restaurants, Cafes and the Service Sector, passed in November 1991. The law originally pertained to units below certain size limits, but the size restriction was removed in an amendment in February 1992. The program now covers all units in these branches. Reprivatization is handled under a separate program.

The forms of privatization permitted by law are sale or auction to employees; sale or open auction to physical or legal persons (except state legal entities), including foreign investors; and auction to selected participants (tenders).

Update: In January 1995, the Latvian Privatization Agency began the public phase of the privatization of state property. Under the privatization program, enterprises will become state stock companies and controlling shares will be sold at auction. Successive crises at Latvian banks, most notably Baltija Bank, led the government in 1995 to begin guaranteeing deposits. The bailout of Baltija Bank, which had held 40 percent of all Latvian deposits, will be very costly and may cause significant inflation. The government also approved a law to protect the interests of investors by creating a mechanism for the enforced liquidation of banks. According to the law, a new institution will be created, the Banks Agency, which will assign an official to administer and properly liquidate bank assets. A new bankruptcy procedure was included in the law.

3. What proportion of agriculture, housing and land, industry, and business and services is in private hands?
Agriculture: In 1990, collective farms employed 152,100 workers and individual farms employed 25,900 workers. As of 1 September 1993 private farms and gardens covered 54 percent of Latvia's farmland, while privatized collective farms accounted for much of the rest.

Housing and Land: As of October 1, 1992, a total of 14,135 housing claims by previous owners or their heirs had been filed. Some 1,779 buildings had been returned to their former owners, 82 percent of whom were residents of Latvia.

Update: Until recently, land in Latvia could only be sold to Latvian citizens, resulting in the slower development of a land market as well as lower entrepreneurial activity and direct foreign investment. In February 1995, amendments were made to the Latvian land law that would allow companies registered in Latvia or in a country with an investment agreement with Latvia to become landowners. Although Russia is not among the latter,

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companies with Russian partners or employees may purchase land in Latvia as long as 50 percent of the capital used belongs to citizens of Latvia. In time, restrictions on the purchase of land by private persons who are not citizens of Latvia may be lifted as well.

Industry: Non-state industries produce approximately 20.2 percent of all products. By the end of 1993, private companies were recorded as producing only about 5.4 percent of Latvia's industrial output. Only about 13 percent of state enterprises have been privatized.

Business and Services: An estimated 70 percent of all small businesses had been privatized by the last quarter of 1993.

LITHUANIA

Freedom House Ratings	1988-89	1989-90	1990-91	1991-92	1992-93	1993-94	1994-95
Political Rights	-	-	-	2	2	1	1
Civil Liberties	-	-	-	3	3	3	3
Status	-	-	-	F	F	F	F

Polity: Presidential-parliamentary democracy
Economy: Statist (transitional)
Population: 3,726,000
PPP: $5,410
Ethnic Groups: Lithuanians (79.6 percent), Russians (9.4 percent), Poles (7 percent), Ukrainians, Belarusians, others
Capital: Vilnius

Political Process

1. When did national legislative elections occur? The first post-Soviet legislative elections to Parliament (Seimas) occurred on 25 October and 15 November 1992. The former Lithuanian Communist Party, renamed the Democratic Labor Party (LDDP), re-took control from the Lithuanian Reform Movement (Sajudis) in power since November 1989. The elections were judged free and fair by an array of international observers including delegations from the Council of Europe, the CSCE and the United States Congress. The composition of the legislature at the end of 1994 was as follows (party affiliations change almost constantly, and many members have become independents): LDDP, 70 seats; Homeland Union (formerly Sajudis), 24; Democratic Party, 3; Social-Democratic Party, 7; National Union, 4; Christian-Democratic Party, 12; Peasant Party, 1; Center Union, 2; Union of Political Prisoners and Deportees, 5; Polish Union, 2; Christian-Democrat Party (not affiliated with above), 1. At least two legislators have died in office, and one seat remains unfilled.

2. When did presidential elections occur? Presidential elections occurred on 15 February 1993. Algirdas Brazauskas, former first secretary of the Soviet Republic of Lithuania, won a landslide election in a process judged free and fair by a number of international observers, including representatives from the Council of Europe.

3. Is the electoral system multiparty-based? Are there at least two viable political parties functioning at all levels of government? Formally, the electoral system is a multiparty system. The first alternative parties were registered in 1990. Various parties and individuals contest seats at all levels of government.

4. How many parties have been legalized? At the end of 1994 there were sixteen registered political parties. During the last legislative election in October 1992, twenty-seven registered parties, including political coalitions, participated. Major parties include the ruling, former-Communist LDDP, the center-right Homeland Union (formerly Sajudis) and allied Christian-Democratic Party, and others representing a broad political spectrum. The ethnic-based Lithuanian Polish Union won four seats in the 1992 legislative elections.

Update: More than fifteen parties participated in the local elections of March 1995.

5. What proportion of the population belongs to political parties? About 40,000-50,000 voters belong to political parties, i.e., only 1 to 2 percent of the total population, or about 5 percent of the electorate. In public opinion research undertaken late in 1994, 20 percent of respondents aged sixteen and up identified as right-wing in orientation, 30 percent as centrist, 24 percent as left-wing and 26 percent as undecided.

6. What has been the trend of voter turnout at the municipal, provincial and national levels in recent years? Voter turnout since 1993 has been declining. The first two competitive national elections to the legislature (in 1989 and 1992),

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as well as the February 1993 presidential election, generated immense excitement and voter turnout was high (over 70 percent of the electorate). In elections since, however, such as the August 1994 referendum, voter turnout has been too low to legitimate the results, i.e., less than half the relevant electorate. Turnout in municipal elections is reported to be lower in the southeastern part of the country, where there is a large Polish population, and higher in the north. Because of the minimum turnout rule, this has resulted in many open municipal seats in the southeast.

Update: Turnout in the 25 March 1995 local elections was about 45 percent. The results for elections to forty-four regional councils and twelve city councils were significant in that the ruling LDDP was outpolled by about three-to-one by conservative parties, notably the Homeland Union and Christian-Democratic Party. The vote, in which centrist parties fared better than in the past, was widely seen as a referendum on the LDDP's unpopular economic policies.

Civil Society

1. How many nongovernmental organizations have come into existence since 1988? How many charitable/nonprofit organizations? The total number of NGOs registered by 8 June 1994 is 749, including 74 charitable funds, 65 professional associations and 31 political organizations. The most active are the organizations for the national minorities (in total there are 12 Jewish organizations, 11 Polish, 10 Russian) and women's organizations, which have strong international links and cover a wide range of activities. Of the over 700 nongovernmental organizations, about 300 have substantial memberships and are active on a continuous basis. Actual membership counts for nongovernmental and charitable organizations remain difficult to collect, as most groups refrain from building formal memberships in a reaction against the Soviet-era practice of forced membership.

2. What forms of interest group participation in politics are legal? Any form of group political participation is legal as long as it does not compromise the health and safety of others. A particularly popular form of political expression over the last five years has been the hunger strike by conservatives, which is currently directed to legislative debate over economic issues, such as pensions and possible layoffs. Opposition legislators (lacking a sufficient voting majority) encourage a politically involved electorate by promoting referendums. Two were voted on in August 1994.

3. Are there free trade unions? Since the return to power of the former Communist administration the Confederation of Free Trade Unions has regained most of the facilities it had owned under communism, and its membership has reportedly grown. In March 1993, this group and eight other unions formed the Lithuanian Trade Union Center, which now claims 270,000 members. The two largest independent unions, the Lithuanian Workers Union and the Unification of Trade Unions, claim 130,000 and 110,000 members, respectively. Thus, of the approximately 25 to 30 percent of the workforce that is unionized, roughly half belongs to the former Communist successor.

4. What is the numerical/proportional membership of farmers' groups, small business associations, etc.? Only a minority of interested farmers or potential farmers is actively involved in farming organizations. Those who first started private farming efforts in 1990 were strongly supported by the Landsbergis administration and created the Farmers' Union, which currently claims 41,000 members. Two groups organized in opposition: the relatively small Land Owners' Union demanded that land redistribution be completed before new owners were allowed to farm. The larger Peasants' Union is based on the Soviet-era organization of the same name and consists of collective farm chairmen and some workers. It represents mainly supporters of collective farming, as well as farmers who are currently landless. The Confederation of Industrialists, the former Industrialists' Association of the Soviet era, was largely supportive of the Gorbachev market reforms and greater discretion for management. The Confederation now represents the concerns of about 800 firms dealing with privatized state industry and supports greater cooperation with former partners in the East as well as increased trade with the West. The Businessmen's Association was formed in 1992 largely to represent new business people and entrepreneurs.

Independent Media

1. Are there legal protections for press freedom? Yes, there are legal protections for press freedom encoded in the constitution and further articulated in laws on the press, passed in summer 1990.

2. Are there legal penalties for libeling officials? Are there legal penalties for "irresponsible" journalism? Under the current law, charges of slander and libel are pursued through the court system and more than 50 percent of the cases are found in favor of the claimant. There are no legal penalties for "irresponsible" journalism, but the current law demands fact-checking. This right-to-err lets claimants pursue damages stemming from faulty reporting about people and a correction of erroneous reporting all adjudicated through the courts. Faulty reporting on events is not covered, but the media themselves usually print all corrections of any erroneous report.

3. What proportion of media is privatized? Over 100 local radio stations exist, most of which broadcast talk-radio/call-in shows. Both national radio stations are state-owned. Over 50 percent of local television stations are private; all medium and large cities have their own private stations and studios. There are four national television channels in all. The state controls one; two are privately owned but one of them broadcasts mainly to the Polish minority. The fourth broadcasts programming from the Ostankino station, in Moscow, and is privately owned. All print media are private, i.e. owned by shareholders. News agencies are in the process of being privatized, as are wire services.

4. Are the private media financially viable? Only the private daily newspapers are financially viable, as they receive money from advertisers. Otherwise, most independent publications subsist on subscriptions, which generally only cover overhead expenses.

5. Are the media editorially independent? Yes, the consensus in Lithuania is that the media are editorially independent.

6. Is the distribution system for newspapers privately or governmentally controlled? Most newspapers are distributed via a governmental distribution system, which relies heavily on the postal service. Since the cost of postage is high and does not promise to level off anytime in the near future, many of the larger dailies are piecing together their own private systems, which consist largely in delivery by private vehicles to privately owned kiosks.

7. What has been the trend in press freedom? Freedom House's annual Survey of Press Freedom rated Lithuania Partly Free for 1992, and Free from 1993 through 1994.

Rule of Law

1. Is there a post-Communist constitution? Yes, Lithuania adopted a post-Communist constitution through popular referendum in October 1992.

2. Does the constitutional framework provide for human rights? Do the human rights include business and property rights? Yes, the constitution provides for human rights in Articles 18 and 20-22. At the same time, Article 25 reserves the right of the state to limit individual expression when it inflames national, racial, religious or social prejudice. The right to own property is guaranteed by a number of articles (23-24) in the constitution, but the constitution also reserves the right to appropriate land and compensate for it fairly when the state determines a social need. Business rights are also addressed in Articles 46 and 48, where the residue of state control over commerce appears as the State's right to regulate economic affairs pursuant to the national interest. It also makes monopoly power in any industry illegal and underscores the legal right of citizens to receive a fair wage. In reality, individual and commercial rights are violated by the tenacity of organized crime and corruption in high places. In order to combat the strong power of the criminal element, the government extended the period of investigative detention (incarceration without trial or formal charges) from seventy-three hours to two months in July 1993, a policy that raised concerns in the West about potential abuse. Locally, however, the action is largely praised.

3. Has there been basic reform of the criminal code/criminal law? There has not been a wholesale reform of the criminal codes inherited from the Soviet era. Since December 1993, the outline for a new legal system and criminal codes has been debated and articulated. The complex package is due to be adopted by the end of 1994

Rule of Law

with the transition beginning sometime in 1995. However, isolated problems have been redressed since independence through changes in the criminal code including the general weeding out of laws barring anti-Soviet agitation and behavior.

4. Do most judges rule fairly and impartially? How many remain from the Communist era? All judges were newly appointed after 1990. However, a substantial majority of these served under the former system, according to the American Bar Association. The legal climate is overshadowed by unstable and contradictory laws, making assessments of impartiality difficult. Overall, the courts are considered relatively impartial but have generated some dissatisfaction over their battle against organized crime, prompting accusations of corruption and Mafia influence.

5. Are the courts free of political control and influence? Are the courts linked directly to the Ministry of Justice or any other executive body? The courts are relatively free of political influence and are linked to the Justice Ministry only in terms of administrative and staffing issues.

6. What proportion of lawyers is in private practice? Roughly only 10 percent of all licensed lawyers are employed solely by the state. There has been a lack of lawyers, most noticeably felt by the prosecution in their inability to fully investigate criminal charges. For that reason, a change in the process of licensing attorneys is proposed that would make the process quicker.

7. Does the state provide public defenders? Yes, the state provides public defenders and mandates professional legal representation for the defense.

8. Has there been a comprehensive reform of anti-bias/discrimination laws, including protection of ethnic minority rights? The new Lithuanian Republic has been especially attentive to the problems of ethnic minorities, in part to avoid the global controversy surrounding these issues in the other Baltic Republics. A comprehensive new Law on National Minorities, adopted prior to formal independence on 23 November 1989, articulates rights that have since been strengthened and clarified with amendments.

Update: A territorial treaty signed with Poland in winter 1994-95 includes pledges to respect the rights of the Polish minority in Lithuania.

Governance and Public Administration

1. Is the legislature the effective rule-making institution? The legislature is the effective rule-making body but is limited in its range of democratic representation and negotiation. It is highly partisan and is dominated by the former Lithuanian Communist Party, renamed the Democratic Labor Party (LDDP). Thus, controversial decisions are actually settled behind closed doors by the party leadership. Often laws are passed without a body of precise regulations that define the mechanism of how the law should be implemented.

2. Is substantial power decentralized to subnational levels of government? A new law on local government, passed on 7 July 1994, substantiates the considerable control and responsibility of government at the local levels. Local and regional governments are able to control their own administrations, set their own budgets, collect local (commercial) taxes from industry and service providers, and set their own prices for municipal services. Ownership of most state property is devolved to the local level and local governments can set and collect rents on these properties.

Update: The most significant legislative development in recent months concerns an attempted recentralization of government. On 15 December 1994 the legislature passed a law "On the Governance of Districts," which created a new system of district governors to be appointed by the legislature. The governors will be responsible for future administration of all privatization with the exception of a few facilities owned by localities. Absent from the legislation were effective safeguards to ensure accountability and discourage corruption. A second provision, passed in mid-1995, shifted control over police, schools and other municipal services from the local to the federal level. Although local councils may in theory create their own parallel structures, this is impracticable as federal funds account for most local services. More disturbingly, the legislation gives the national legislature the right to disband local councils whose actions are not deemed in accordance with federal legislation.

Governance and Public Administration

3. Are subnational officials chosen in free and fair elections? Subnational legislatures are elected locally in generally free elections and each appoints a mayor who in turn assembles the local executive council, or government.

4. Do legislative bodies actually function? Overall, the local legislative bodies are able to debate and pass laws, although the technical competency of legislators and local civil servants varies widely. Local government is handicapped both by a lack of technical/managerial skill and by the underdevelopment of political platforms/party ideologies.

5. Do the executive and legislative bodies operate openly and with transparency? Legislatures, both locally and nationally, operate with a good deal of transparency as a result of the independent and active press. The current national executive is much less transparent and traces of an authoritarian style have been evident in both post-reform presidents. The Executive Office often announces policy shifts only after the fact. For example, recent changes in customs regulations were made public after the decree was already operative, to the surprise of the general public and of customs workers who had to scramble to fulfill their functions.

6. Do municipal governments have sufficient revenues to carry out their duties? Do municipal governments have control of their own local budgets? Do they raise revenues autonomously or from the central state budget? Municipal governments often lack sufficient funds, largely due to their eroding tax base. They have control over their own budgets, but when local taxes, rents and other revenue sources fall short of budget needs, local governments can borrow from banks or request subsidies from the national government. This has resulted in a serious budget deficit for several regions.

7. Do the elected local leaders and local civil servants know how to manage municipal governments effectively? Overall, local leaders manage less than effectively, mostly due to inexperience with the new responsibilities inherent in a less centralized government.

Update: Perhaps in response to recent legislation hindering local governance, after the March 1995 local elections Homeland Union leader Landsbergis called a general meeting of all elected councils (most of which attended), at which it was decided to form a Union of Councils. This appeared to be an attempt to create a larger, more effective body for representing local interests.

8. Has there been constitutional/legislative reform regarding local power? Has there been a reform of the civil service code/system? Are local civil servants employees of the local or central government? The new law on local government was passed on 7 July 1994. There has as yet been no wholesale reform of civil service at either the local or national level. However, a draft law was circulated in July 1994 and is slated for discussion in early 1995. Local civil servants are employees of the local governments.

Update: Legislation passed in late 1994 and mid-1995 has seriously curtailed the power of local councils in favor of the central government.

Privatization

1. What percentage of the GDP comes from private ownership? Approximately 25-30 percent of GDP was generated by the private sector at the end of 1994, according to the World Bank.

2. What major privatization legislation has been passed? Major privatization legislation includes (all dating from 1991 unless otherwise indicated) the Law on Initial Privatization of State Property of the Republic of Lithuania; the Law on Privatization of the Property of Agricultural Enterprises of the Republic of Lithuania; the Law on Privatization of Housing Space; the Law on Conditions of Citizens' Rights to Real Estate Property Restitution; the Law on Land Reform; and the Law on the Stability of the Litas (17 March 1994). Privatization of state enterprises, including agricultural ones, has been accomplished primarily through joint-stock. State property may be privatized through auctions or through public subscription for shares. Land and housing may be privatized through restitution to former owners or heirs, or through purchase.

Privatization

3. What proportion of agriculture, housing and land, industry, and business and services is in private hands?
Agriculture: As of late 1994, over 99 percent of agricultural enterprises had been privatized.

Housing and Land: By the end of 1994, 93 percent of housing was in private hands. Land privatization has moved more slowly. Only 3.6 million of Lithuania's 6.5 million hectares have been made available for private ownership, and of this only 986,000 hectares have actually been privatized through purchase or restitution.

Update: Following Lithuania's acceptance as an associate member of the European Union there were calls for rescinding prohibitions on foreign private ownership of land. In order to be accepted as a full member, Lithuania must adjust its legal system to conform to E.U. standards.

Industry: Forty-eight percent of state industry is now in private hands.

Business and Services: Forty-five percent of the business and service sector is now private.

MOLDOVA

Freedom House Ratings	1988-89	1989-90	1990-91	1991-92	1992-93	1993-94	1994-95
Political Rights	-	-	-	5	5	5	4
Civil Liberties	-	-	-	4	5	5	4
Status	-	-	-	PF	PF	PF	PF

Polity: Presidential-parliamentary
Economy: Statist (transitional)
Population: 4,352,000
PPP: $3,500
Ethnic Groups: Romanians (64 percent), Ukrainians (14 percent), Russians (13 percent), Gagauz (3.5 percent)
Capital: Chisinau

Political Process

1. When did national legislative elections occur? National legislative elections were held on 27 February 1994. The only group that contested the election results was the pro-Romanian Popular Front. Both NATO and the CSCE judged the elections to be free and fair despite a boycott in the Transdniester region and attempts to block would-be voters from leaving that territory to vote. It should also be noted that the overwhelming majority of the officials in charge of the polling stations were members of the now-ruling Democratic Agrarian Party. The current parliament is made up of the Democratic Agrarian Party with 56 seats; the Socialist Party/Yedinstvo bloc with 28 seats; the Peasants and Intellectuals bloc with 11 seats; and the Christian Democrats/Popular Front with 9 seats. The February-March 1990 legislative elections, held under the Soviet system, saw 80 percent of the seats go to Communists. The constitution states that the current 104-seat parliament will be reduced to 101 seats at the next elections.

Update: On 26 June 1995 President Mircea Snegur resigned from the Democratic Agrarian Party, citing an attempt to "establish a one-party dictatorship," as well as an undue interest in strong ties with the Commonwealth of Independent States as opposed to the West. He later announced the founding of a Party of Rebirth and Reconciliation. At least eleven Democratic Agrarian Party deputies later joined the new structure, leaving the Democratic Agrarian Party with only 43 of 104 deputies (two others had resigned earlier). Also, an 8 June founding congress saw the creation of a social-democratic party, the Party of Social Progress.

2. When did presidential elections occur? Mircea Snegur, first elected Chairman of the Supreme Soviet in 1990, then President, ran unopposed and was elected President on 9 December 1991 by popular vote.

3. Is the electoral system multiparty-based? Are there at least two viable political parties functioning at all levels of government? Yes. The current government, however, is made up exclusively of members of the Democratic Agrarian Party, with the exception of minor departmental offices held by members of the Socialist Party. The Socialists are effectively the Agrarians' parliamentary allies. Local officials are appointed by the central government, except in the breakaway Transdniester region.

4. How many parties have been legalized? There are no data available on the actual number of registered parties. However, at the last elections twenty-six parties were entered, many of them combined into electoral blocs. The Democratic Agrarian Party and Socialist Party are by far the strongest in the country.

5. What proportion of the population belongs to political parties? It is estimated that less than 20 percent of the population belongs to political parties.

6. What has been the trend of voter turnout at the municipal, provincial and national levels in recent years? Turnout for

Political Process

the February 1994 legislative elections was about 79 percent. Turnout for the 9 December 1991 presidential election was 83 percent.

Update: Turnout in the 16 April 1995 local elections for thirty-seven area, two municipal and 852 village councils was over 71 percent. The Democratic Agrarian Party won 643 four-year mandates out of 1,290, while the Democratic Forces Alliance (made up of 9 opposition parties) won 275 and the Communist Party won 205. Six parties and two blocks nominated over 28,000 candidates for various councils and mayoralties. Repeat elections were held on 30 April for Chisinau and other areas that had seen under 50 percent turnout on 16 April. The second round saw votes in fully twenty-nine of thirty-seven towns invalidated due to turnout as low as 20 percent, in part because the vote coincided with the traditional day for remembrance of the dead. Areas unable to elect councils will be administered by presidential appointees.

The Gagauz autonomous area held balloting on 5 March 1995 to determine the territory's boundaries. Turnout was over 73 percent. According to the International Foundation for Electoral Systems, violations included posters advocating Gagauz independence visible at polling places; armed individuals near polling sites; some proxy voting; and transparent polling booths in some localities. On 28 May 1995 elections were held for the Gagauzi Bashkan (leader) and Popular Assembly, plus a referendum on the location of the capital. Turnout was over 70 percent. Twenty-eight of thirty-five deputies were elected, and Gheorghi Tabinshik, a former local Communist Party leader, became Gagauzi leader in a runoff held on 11 June.

On 26 March the Transdniester region held a referendum on the proposed withdrawal of the Russian Fourteenth Army from the area, as well as local elections. The vote was declared illegal by the Chisinau government. With a turnout of 68 percent, 91 percent opposed the Army's withdrawal.

Civil Society

1. How many nongovernmental organizations have come into existence since 1988? How many charitable/nonprofit organizations? The Moldovan Ministry of Justice states that over 300 nongovernmental organizations have been registered, but most of these are poorly funded and small. Most of the nongovernmental institutions registered since 1988 have a political character. Most functioning charitable organizations receive large-scale assistance from international organizations. No data on membership are available.

2. What forms of interest group participation in politics are legal? In accordance with current legislation such organizations cannot participate in politics, although many NGOs endorse party platforms, etc.

3. Are there free trade unions? Although existing legislation provides a legal basis for the formation of independent unions and the government has reportedly not interfered in this area, there have been no attempts to establish alternate trade union structures to challenge the Communist successor, the Federation of Independent Trade Unions. Approximately 97 percent of the workforce is unionized, primarily because insurance benefits are controlled by unions.

Update: Unions appear to be relatively effective. In 1995 Moldovan authorities agreed to fulfill five demands by the Federation of Independent Trade Unions, including settling salary arrears; revising price and fiscal policies in favor of domestic producers; raising the minimum wage and adjusting it in accordance with inflation; providing for timely payment of salaries in future; and indexing savings deposits of pensioners and invalids. A spring 1995 strike by teachers and students led President Snegur to advocate changing the constitution so that the official language would read as "Romanian," rather than "Moldovan."

4. What is the numerical/proportional membership of farmers' groups, small business associations, etc.? No organizations of private farmers are known to exist. While small business associations exist in Chisinau, these remain largely disorganized and uninfluential.

Independent Media

1. Are there legal protections for press freedom? The constitution provides for press freedom, as does a press law passed in 1994.

Independent Media

2. Are there legal penalties for libeling officials? Are there legal penalties for "irresponsible" journalism? Yes. Under both the current constitution and the new press law, there are criminal sanctions against "contesting or defaming the State and the people." While no formal penalties exist for irresponsible journalism, editorial interference by owners helps to ensure that sensitive material does not appear often.

3. What proportion of media is privatized? Several independent local radio stations exist, including Radio Nova. There is no private national radio broadcaster. There are one independent local television station (covering the town of Balti) and several small cable television networks, whose programs do not compete with national television. The only national television broadcaster is the state-owned Teleradio-Moldova. The press is largely controlled by the government. No more than 20 percent of the Moldovan press may be considered "private." Many other private publications have gone bankrupt. There are two independent news agencies, Basapress and the newly-created Infotag. A third news agency, Moldovapres, is under government control.

4. Are the private media financially viable? Moldovan publications not belonging to political parties are not financially sound.

5. Are the media editorially independent? The private media are somewhat subject to interference by owners, many of which are political parties, unions or businesspeople.

6. Is the distribution system for newspapers privately or governmentally controlled? All printing facilities are controlled exclusively by the state. However, informal distribution systems have emerged for private publications.

7. What has been the trend in press freedom? Freedom House's annual Survey of Press Freedom rated Moldova Partly Free from 1992 through 1994.

Rule of Law

1. Is there a post-Communist constitution? Yes, Moldova adopted a post-Communist constitution on 28 July 1994, which went into effect on the anniversary of independence, 27 August 1994. Between 1990 and 1994, Moldova used a modified version of the Moldavian Soviet Socialist Republic Constitution.

Update: On 27 June 1995 Moldova was approved for membership in the Council of Europe, the first Commonwealth of Independent States member to be accepted.

2. Does the constitutional framework provide for human rights? Do the human rights include business and property rights? The new Constitution declares human rights, political pluralism, civil peace and the rule of law as supreme values. There are also provisions regarding the autonomy of the Transdniester and Gagauz regions. The constitution calls for a market economy based on private and public property.

Update: On 7 June 1995 the legislature adopted a law banning rallies seen as slandering the state or subverting the constitutional system, as well as rallies to be held near public buildings, including schools, hospitals and businesses. This move was declared undemocratic by opposition figures.

3. Has there been basic reform of the criminal code/criminal law? There has been no reform of the criminal/penal code to date.

4. Do most judges rule fairly and impartially? How many remain from the Communist era? No details are available regarding the number of elected/appointed judges since 1991, although there have apparently been no major changes during that period. After the February 1994 parliamentary elections, the policy of electing officials was replaced in most cases by direct appointment. Judges are appointed by the president, based on recommendations of the Superior Council of Magistrates. Some judges are reportedly susceptible to bribery, although no independent study has been conducted.

5. Are the courts free of political control and influence? Are the courts linked directly to the Ministry of Justice or any other

Rule of Law

executive body? In 1994 the Moldovan legislature approved a plan to increase judicial independence, but it has not yet enacted implementing legislation. Judges are currently appointed for five years, after which they are eligible for a ten-year reinstatement and then service until retirement. They may not be removed in mid-term. However, with separation of powers being largely theoretical, the courts are still influenced by the executive branch.

6. What proportion of lawyers is in private practice? Less than 10 percent of lawyers is in private practice.

7. Does the state provide public defenders? Yes.

8. Has there been a comprehensive reform of anti-bias/discrimination laws, including protection of ethnic minority rights? Inter-ethnic relations improved in 1994. Implementation of a language law that would require all officials and company representatives to speak both Russian and Romanian was delayed by the legislature to give minorities more time to learn Romanian. Minorities are guaranteed cultural rights, including choice of language, in education. In the separatist Transdniester region, however, continued Russification policies (including a continuance of the Soviet-era requirement that the Cyrillic alphabet be used), along with other hardships, have caused widespread protests from ethnic Romanians.

Governance and Public Administration

1. Is the legislature the effective rule-making institution? The legislature is the effective rule-making institution. However, President Snegur is empowered to issue decrees.

2. Is substantial power decentralized to subnational levels of government? Political power is centralized at all levels of government.

3. Are subnational officials chosen in free and fair elections? No. Local officials are currently appointed by presidential decree.

4. Do legislative bodies actually function? Yes. However, legislative bodies are subject to powerful executives at all levels.

5. Do the executive and legislative bodies operate openly and with transparency? Information is released selectively by government and Parliament. Press conferences are scheduled by government officials as they see fit. For instance, at the first press conference scheduled after the last elections, the government selected the journalists who were to attend.

6. Do municipal governments have sufficient revenues to carry out their duties? Do municipal governments have control of their own local budgets? Do they raise revenues autonomously or from the central state budget? Local governments make their own budgets, but are supposed to be funded from the state budget. However, the scarcity of central state funds has forced them to rely mostly on "contributions" from area enterprises.

7. Do the elected local leaders and local civil servants know how to manage municipal governments effectively? Due to inexperience and the Soviet-style local government system currently in place, most local leaders display only a superficial knowledge of their rights and duties.

8. Has there been constitutional/legislative reform regarding local power? Has there been a reform of the civil service code/system? Are local civil servants employees of the local or central government? Three laws, concerning new territorial divisions, statutes on local administration and local election regulations, are to be passed in 1995. The Civil Code has yet to be reformed. Local officials are considered employees of the local government, although they are state appointees.

Privatization

1. What percentage of the GDP comes from private ownership? According to the World Bank there are no reliable figures on the private sector's share of GDP, because of incomplete statistical record keeping as well as a relatively large informal economy. The private share of official GDP is estimated at under 20 percent.

Privatization

2. What major privatization legislation has been passed? Major privatization legislation, including a land code, was passed in 1991. The 1991 legislation stipulates that certificates representing shares in state enterprises are to be distributed among all citizens in proportion to the length of each person's employment career. In addition, all citizens born prior to 1 September 1992 are to be granted certificates equivalent to five years of employment. Twenty percent of all enterprises will be retained by employees. As for the agro-industrial sector, 50 percent shares of processing plants will be given to suppliers of raw materials.

Update: In late spring the legislature endorsed the 1995-96 privatization program. Over 1,450 enterprises are to be auctioned over the next two years under the plan; of these, 800 will be privatized for vouchers and 150 for cash, with a combination of both to be used for the rest. Voucher privatization is to be completed by 15 September 1995. The size of the underground economy was estimated in mid-1995 to be between 25 and 30 percent of the total economy. The national currency was expected to become convertible by mid-summer.

3. What proportion of agriculture, housing and land, industry, and business and services is in private hands?
Agriculture: According to the World Bank, approximately 80 percent of farms had undergone at least some form of privatization by the end of 1994. The majority are joint-stock commercial farms, with shares distributed to workers for either land or assets. Most of the remainder are cooperatives. Finally, a few private, individual plots exist. Their proportion was increasing until authorization for such plots was rescinded during the winter of 1994.

Housing and Land: The World Bank states that 46 percent of housing (102,000 of 220,000 units) was in private hands as of the end of 1994. The 1991 Moldovan Land Code prohibits sales of land before the year 2001. The land on which newly privatized companies rest will be leased on a long-term basis from the state.

Update: By mid-1995, 46.5 percent of apartments was in private hands, according to the Moldovan Statistics Department.

Industry: According to the World Bank, 577 of 1,550 small, medium and large enterprises (about half were large enterprises) slated for privatization were placed in private hands by the end of 1994. These 577 represent 33 percent of "state patrimony," excluding assets in Transdniester and enterprises that have ceased operations. All told, the 1,550 enterprises represent approximately 50 percent of state patrimony.

Update: Private industrial output stood at 48 percent by mid-1995 according to the Moldovan Statistics Department, with the private share of the construction industry at 81 percent.

Business and Services: Almost all private business and services stem from newly founded, often informal organizations, rather than from preexisting companies that have been privatized.

Update: By mid-1995 the private share of trade and public transport stood at 41 and 55 percent, respectively, according to the Moldovan Statistics Department.

POLAND

Freedom House Ratings

	1988-89	1989-90	1990-91	1991-92	1992-93	1993-94	1994-95
Political Rights	5	4	2	2	2	2	2
Civil Liberties	5	3	2	2	2	2	2
Status	PF	PF	F	F	F	F	F

Polity: Presidential-parliamentary democracy
Economy: Mixed capitalist
Population: 38,564,000
PPP: $4,500
Ethnic Groups: Poles (98.7 percent), Ukrainians, Belarusians, Germans
Capital: Warsaw

Political Process

1. When did national legislative elections occur? Elections for the 100-seat Senate and the 460-member Sejm were held 19 September 1993. Under a new electoral law adopted April 1993, parties that failed to get 5 percent (8 percent for parties campaigning in coalition) of the national vote would not be represented. The Sejm is dominated by two "post-Communist" forces, the Democratic Left Alliance (SLD) and the Polish Peasant Party (PSL) which, as a result of the election law, were able to translate 36 percent of the popular vote into a constitutional majority of 66 percent of the seats in the Sejm and 73 percent in the Senate. In the Sejm, the SLD held 171 seats; the PSL, 132; the Democratic Union (UD), 74; the social democratic Union of Labor (UP), 41; the nationalist Confederation for an Independent Poland, (KPN) 22; President Walesa's Non-Party Bloc to Support Reform (BBWR), 16; and the German Minority, 4. In the Senate, the SLD captured 37 seats; the PSL, 36; and Solidarity, 9. The rest were split among ten parties. The elections were free and fair.

Update: In March 1995, PSL Prime Minister Waldemar Pawlak was replaced by Jozef Oleksy, a member of the SLD. Pawlak's ouster apparently resulted from an ongoing power struggle with President Walesa. On 6 February 1995, arguing that Parliament was corrupt, had stalled economic reforms and failed to pass the 1995 budget, Walesa threatened to dissolve Parliament if it did not vote in a new coalition. Although Walesa's methods were widely condemned, he achieved his goal of removing Pawlak in large part because the SLD was also frustrated with his and the Polish Peasant Party's reluctance to aggressively pursue economic reform. In addition to Mr. Oleksy's appointment, candidates suggested by Walesa were named to the defense and foreign ministries, posts which had remained open for extended periods because of jurisdictional disputes between Walesa and Pawlak.

2. When did presidential elections occur? In the first round of presidential balloting in November 1990, Lech Walesa won 40 percent of the vote, Stanislaw Tyminski, a Polish-born émigré businessman from Canada, 23 percent, and then-Prime Minister Tadeusz Mazowiecki, 19.9 percent. In the 9 December runoff, Walesa scored a landslide victory, getting 75 percent of the vote. The elections were generally considered free and fair, though Tyminski's forces claimed irregularities.

Update: Presidential elections are scheduled for November 1995. As of June 1995, Democratic Left Alliance leader Alexander Kwasniewski was leading with 26 percent approval in public opinion polls, with incumbent President Walesa in fourth place with 11 percent. The race is widely seen to be open.

3. Is the electoral system multiparty-based? Are there at least two viable political parties functioning at all levels of government? Poland has a multiparty system. The creation of non-Communist parties was spurred by the 1989 Roundtable negotiations between the Jaruzelski junta and the opposition, which led to the legalization of Solidarity and other political reforms.

Political Process

4. How many political parties have been legalized? Poland has a surfeit of political parties and associations. In the 1991 parliamentary elections, 67 of 120 political groups contested the elections. The exact number of current parties is difficult to determine, but it is estimated at some 250. Major parties include the former-Communist Democratic Left Alliance and the Peasant Party (descended from the Communist-era party); the Solidarity-affiliated Democratic Union; and the nationalist Confederation of Independent Labor.

5. What proportion of the population belongs to political parties? Despite the large number of political parties, only about 1 percent of the population claims membership in any of them.

6. What has been the trend of voter turnout at the municipal, provincial and national levels in recent years? Since 1989, overall voter turnout has decreased. Following is turnout for elections since 1989: 4 June 1989 parliamentary: 62 percent; 27 May 1990 local and regional: 42 percent; 25 November 1990 presidential: 60 percent; 9 December 1990 presidential runoff: 53.4 percent; 27 October 1991 parliamentary: 43.2 percent; 19 September 1993 parliamentary: 52 percent; 19 June 1994 local and regional: 34 percent.

Civil Society

1. How many nongovernmental organizations have come into existence since 1988? How many charitable/nonprofit organizations? The number of NGOs and public organizations has skyrocketed in Poland. Groups such as the American Committee of Aid to Poland and the Civicus organization estimate that there may be up to 20,000 nongovernmental organizations operating in the country, many informally and most without sufficient funding. These include political, professional, cultural, ecological and single-issue groups and associations, as well as independent polling groups, think tanks and women's and student organizations.

No accurate figures exist on the number of charitable organizations. Most forms of social assistance fall under the purview of local authorities at the level of the township or rural county (gmina). Local welfare offices (2,500) are assisted in their tasks by small, voluntary charities, in particular by the Catholic Church, which operates numerous shelters for the homeless, temporary homes for unwed mothers, soup kitchens and other facilities.

2. What forms of interest group participation in politics are legal? Most lobbying activities are legal and political endorsements are permitted. Citizens can use petitions and public demonstrations to publicly air their views.

3. Are there free trade unions? As of January 1994, four national interbranch industrial unions were registered, along with seventeen other major independent industrial branch unions and three agricultural unions. As of September 1994, 223 national unions were registered. The Independent Self-Governing Trade Union (NSZZ) Solidarity claims a membership of 2 million. Spinoffs from mainstream Solidarity include the Christian Trade Union Solidarity (16,200 members) and Solidarity '80 (156,000 members). The National Alliance of Trade Unions (OPZZ), the successor to its Communist-era namesake, claims 4.7 million members, a figure widely believed to be closer to 3 million active workers. Other unions include the Free Miners' Union, which claims more than 300,000 members, and the National Teachers' Union. Estimates of union participation range from 30 to 40 percent of Poland's roughly 21 million workers, and the rate of unionization is low within the rapidly growing private sector.

4. What is the numerical/proportional membership of farmers' groups, small business associations, etc.? There are some 2.1 million private farmers in Poland, 20 percent of whom have more than 10 hectares of land. In 1992, the government took over and put on the block 1,495 state farms with 261,000 employees. Farmers and agricultural workers are organized in local and regional associations, unions and cooperatives, although exact membership figures are unavailable. They are a potent political force, and their interests are represented politically by the Polish Peasant Party (PSL)—the party of ex-Prime Minister Waldemar Pawlak—Rural Solidarity, the Christian Peasant Alliance, the Peasant Alliance, the Piast Peasant Electoral Alliance, the "Rola" Peasant Agrarian Movement and other smaller parties. There are numerous business associations and groups in Poland, though membership and statistics vary widely or are incomplete.

Independent Media

1. Are there legal protections for press freedom? In June 1990, the Solidarity-backed government abrogated censor-

Independent Media

ship in publishing, broadcasting and entertainment, resulting in a plethora of independent, private and party-affiliated publications. There is as yet no press law.

Update: Work on preparing a new press law continues as government supporters in Parliament have voiced concern over the extent of foreign ownership in newspapers and magazines. According to the government, foreign owners hold an average of 56 percent of the equity in national and provincial newspapers, and 70 percent of the country's print run is published by companies with foreign shareholders. The Ministry of Culture has proposed a law to limit foreign ownership of newspapers and magazines to no more than 45 per cent.

2. Are there legal penalties for libeling officials? Are there legal penalties for "irresponsible" journalism? Article 270 of the Penal Code states that anyone who "publicly insults, ridicules and derides the Polish Nation, Polish People's Republic, its political system, or its principal organs may be punished by between six months' and eight years' imprisonment." Article 273 imposes a prison term of up to ten years for anyone who violates Article 270 in print or through the mass media. The law has been enforced on several occasions, bringing protests from international human rights groups.

3. What proportion of the media is privatized? About 65 percent of local radio stations in Poland are in private hands, compared to only 15 percent of national radio. A 1992 Radio and Television Law (effective March 1993) abolished the monopolistic, bureaucratic and hierarchical Radio and Television Committee, replacing it with the National Broadcast Council (NBC). The council is supposed to be independent of the government, but since its nine members are nominated by the Sejm, the Senate and the president's office, politics plays a role in the NBC's makeup. The law stipulates that programs "respect the religious feelings of the audiences and in particular respect the Christian system of values." Over one-quarter of Polish local television is privately owned, and private ownership accounts for 15 percent of national television broadcasters. Polsat, a Polish-owned station, was granted the country's only commercial television license. In July, Poland awarded the first twelve regional television licenses to NTP Plus, a Warsaw-based consortium led by Independent Polish Television (NTP) and Central European Media Entertainment (CME). In August, police closed down six unlicensed television stations controlled by a media owner from Sardinia. In early October 1994, differences over licensing policy inside the NBC delayed plans by Canal Plus, a French pay television station, to go on the air. Almost all of Poland's print publications are privately owned, a significant portion by foreign interests. The Polish Press Agency (PAP) and the Polish Agency Interpress are government-run agencies. No private agencies are known to exist.

4. Are the private media financially viable? There have been a significant number of bankruptcies in the media since 1990. Competition, market saturation, lack of ad revenues and printing and paper costs were key factors in the failures of many newspapers. Nevertheless, scores of private and party newspapers are doing well.

5. Are the media editorially independent? Newspapers reflect political diversity, and run the gamut from far-left to center-right to right. The two major dailies, the independent *Gazeta Wyborcza* and *Rzeczpospolita* (of which the government owns 51 percent), have a left-of-center slant. Party papers reflect the views of their publishers.

6. Is the distribution system for newspapers privately or governmentally controlled? Private distributors have been contracted, but the distribution system remains largely based on the old, government-run network.

7. What has been the trend in press freedom? Freedom House's annual Survey of Press Freedom rated Poland Not Free for 1988, Partly Free for 1989, and Free from 1990 through 1994.

Rule of Law

1. Is there a post-Communist constitution? Poland is technically governed by a 1952 Stalin-era document, frequently amended since the fall of communism. In November 1992, President Lech Walesa signed into law a "Little Constitution," which specifies the division of powers among the president, prime minister, and parliament and delineates ways in which the government may be formed or dissolved. The constitutional balance of power among the presidency, government and legislature remains amorphous, pending the adoption of a formal constitution.

Rule of Law

2. Does the constitutional framework provide for human rights? Do the human rights include business and property rights? After passage of the "Little Constitution," President Walesa's legal experts prepared a Human Rights Charter, which was also envisaged as a fundamental part of a new constitution, and an Economic Principles Charter, which was to cut through the confusing tangle of existing economic legislation and provide a set of clear standards to govern economic reform. These and other amendments continue to stagnate in the Sejm's Constitutional Commission. Two governmental organizations monitor human rights in Poland: the Office of the Commissioner for Civil Rights Protection (the Ombudsman), established in 1987, and an independent internal body with broad authority to investigate alleged violations of civil rights and liberties. Poland signed the European Convention on Human Rights and Fundamental Freedoms, which came into effect in January 1993 and provides recourse to the Council of Europe's legally binding machinery in the event of alleged violations of civil or political rights. Property and business rights are safeguarded in practice, but a legal framework for this has not been laid out.

3. Has there been reform of the criminal code/criminal law? Communist-era officials set up a penal reform commission in 1987, but it was not until the post-Communist Mazowiecki government took office in 1989-90 that the most offensive political provisions were removed from the Penal and Penal Procedure Codes. These included the use of summary procedures and temporary arrest without the sanction of a court of law, as well as articles on the dissemination of false information. Subsequent draft laws introduced new offenses in the field of economic crime, introduced procedural guarantees for defendants, and limited phone tapping and house searches. Revisions of the Penal Code continue, and some repressive laws remain; the most far-reaching reforms have been undertaken in the prison system, including the elimination of many draconian regulations.

4. Do most judges rule fairly and impartially? How many remain from the Communist era? Most judges reportedly rule fairly. According to the Senate Office of Intervention, most Polish judges are holdovers from the Communist era and do not have proper training to implement the law. Many judges have abandoned the profession for more lucrative pursuits, such as providing legal advice or setting up notary's offices. In September 1993, the government enacted a law that would permit the removal by the Ministry of Justice of judges for "betraying the principle of court independence."

5. Are the courts free of political control and influence? Are the courts linked directly to the Ministry of Justice or any other executive body? Poland's three-tiered court system consists of regional and provincial courts and a Supreme Court. A Constitutional tribunal may offer opinions on legislation, but its authority is limited. Judges are nominated by the National Judicial Council and appointed by the president. The September 1993 law concerning the removal of judges gives the executive branch the power of recall over the judiciary. On 1 July 1993, a law introduced appellate courts into the Polish judicial system for the first time since World War II; these deal with appeals based on procedural issues only. The Justice Ministry faces myriad problems, including differences of opinion about the role and position of prosecutors' offices—in particular, whether they should return to being autonomous and free from government supervision; the often hazy relationship between prosecutors' offices and the State Security Office (which is under the jurisdiction of the minister of internal affairs); the independence of the judiciary; and about qualified personnel with a post-Communist mindset. Political parties, parliamentary commissions, the State Security Office, the government and the president's office continue to exert political pressure on the justice minister and his prosecutors.

6. What proportion of lawyers are in private practice? Although thousands of lawyers now work full- or part-time in the private sector, a sizable majority of Poland's lawyers remain employed by the state and state enterprises.

7. Does the state provide public defenders? Yes.

8. Has there been a comprehensive reform of anti-bias/discrimination laws, including protection of ethnic minority rights? The constitution and laws provide for equal rights regardless of sex or ethnic origin. Poland's population is 97 percent ethnically homogenous, with small Ukrainian, Belarusian, Slovakian, Lithuanian and German minorities. The electoral law exempts ethnic minority parties from the requirement to win 5 percent of the vote nationwide for parliamentary representation. Minority groups enjoy cultural autonomy, and many have established institutions and native-language publications. There have been sporadic incidents of anti-Semitism and anti-Gypsy violence.

Governance and Public Administration

1. Is the legislature the effective rule-making institution? The legislature is the effective, if inefficient, rule-making institution. The last three years have been characterized by wrangling between parliament and President Walesa, who has considerable power under the "Little Constitution."

2. Is substantial power decentralized to subnational levels of government? Yes. In 1990 the first Solidarity-led government introduced a local-self-government law that laid the foundation for a completely new and decentralized system of local government. The gmina, or community of local residents, became the basic administrative unit, acquiring legal status, ownership of local assets, and responsibility for its own budget. The gmina elected a council, which appointed executive officials to run the gmina in accordance with the councilors' resolutions. There are 2,465 gminas.

3. Are subnational officials chosen in free and fair elections? Poland has had two elections (1990 and 1994) for over 52,000 councilors to 2,383 local councils. The elections were free and fair. The results confirmed the popularity of the two partners in the ruling "post-Communist" coalition: the Democratic Left Alliance (SLD) and the Polish Peasant Party (PSL).

4. Do legislative bodies actually function? On the national level, parliament drafts, debates and passes laws. There has been a considerable devolution of power, and local and regional authorities have comprehensive powers over local affairs and issues.

5. Do the executive and legislative bodies operate openly and with transparency? Yes. Texts of decrees and laws are published and available to the mass media, which have generally free access to government officials.

6. Do municipal governments have sufficient revenues to carry out their duties? Do municipal governments have control over their local budgets? Do they raise revenues autonomously or from the central state budget? Municipal and regional governments have sufficient means to carry out their duties and have control of local budgets. Municipal governments raise revenues autonomously, which are supplemented by state funds.

7. Do the elected local leaders and local civil servants know how to manage municipal governments effectively? In many instances local authorities have a better idea of funding priorities and spend a reported 20 to 40 percent less than the central administration on the same tasks. Poland now has an increasingly competent cadre of local officials and civil servants.

8. Has there been constitutional/legislative reform regarding local power? Has there been a reform of the civil service code/system? Are local civil servants employees of the local or central government? The first Solidarity-led government introduced and implemented self-government legislation in 1989-90. Reforms of the civil service code and system are ongoing, and an elite school of public administration has been established to train qualified candidates to serve in government. Most local civil servants are employed by local government.

Privatization

1. What percentage of the GDP comes from private ownership? By the end of 1994 more than 50 percent of GDP was produced by the private sector, which accounts for 60 percent of total employment.

2. What major privatization legislation has been passed? The first phase of privatization occurred during the final months of Communist rule with the introduction of legislation in 1987-88 that allowed state-owned firms to issue stock and transform themselves into joint-stock companies. In August 1990, the Ministry of Ownership Transformation was created by two separate laws: The Office of the Ministry of Ownership Act and the Act on the Privatization of State-Owned Enterprises. In 1990, the government announced a mass privatization program that envisaged the commercialization of 450 of the largest state-owned industrial firms. An amended version of the plan, the Law on National Investment Funds and Their Privatization, took effect in June 1993. Due to start in the summer of 1994, mass privatization was stalled by the incoming government and remained unimplemented as of September 1994.

In 1990, Polish privatization law defined two principle strategies: sales to foreign investors and initial

offerings (IPOs) on the newly organized Warsaw stock exchange. A provision was added for liquidation of medium-sized enterprises through employee ownership and leases. In 1994, under mass privatization, up to 450 state companies (out of 8,000) were due to be handed over to the National Investment Funds (NIFs) run by foreign and local management groups, with shares in the funds distributed to Poles at a nominal fee. The plan involves giving Polish adults vouchers that can be exchanged for one share each in one of twenty NIFs, minus 15 percent of shares reserved for managers. The previous Solidarity government approved 350 companies in 1993, but Prime Minister Pawlak was hesitating as to whether to approve the last group of 105 enterprises.

Update: In mid-1995 Parliament passed an important privatization law. However, the law was vetoed by President Walesa and it remained to be seen whether the governing coalition could amass sufficient votes in Parliament to override the veto. The draft law originally granted the privatization ministry the right to privatize a state-owned company without having to wait for action by the company's organs. However, amendments to the law mandated that the privatization ministry ask for approval from the Council of Ministers before moving to privatize a company. Opponents thus feel the law is an attempt by former Communists to dominate the privatization process. In addition, under the new law state-owned enterprises that are being turned into joint-stock companies as a prelude to privatization no longer must be sold off within two years, but rather may remain in state hands indefinitely. Also, the sale of companies in areas considered strategic, such as telecommunications and energy, would now require special approval from Parliament. Finally, the draft legislation grants the SLD and the Peasant Party control over senior appointments at commercialized companies, indicating that political loyalty rather than managerial skills will be the overriding criterion for those positions.

3. What proportion of agriculture, housing and land, industry, and business and services is in private hands?

Agriculture: In 1989, a fifth of the land was state-owned and the rest was in private hands. Today, 2.1 million private farmers work on 14.3 million hectares privately farmed. The Agricultural Ownership Agency was set up two years ago to take over and sell 1,495 state farms and 3.1 million hectares of land. By March 1993, new Polish owners had been found for a mere 24,000 hectares of former state land and another 204,000 had been leased to individual owners or employee-owned companies. In the first quarter of 1994, the government took over 177 state farms.

Housing and Land: Poles are allowed to own private housing and land. In July 1994 the Polish Senate rejected legislation meant to enact a market-oriented "rent revolution." The bill would have affected 3.5 million apartments owned by the state and municipalities, or one-third of all units. There is a severe shortage of affordable housing. To buy land or buildings, foreigners are still required to obtain clearance from the interior ministry. While few purchasers are turned down, the procedure can add months to a transaction. Land sales are further hampered—and development projects slowed—by confusion over plans to carry out "re-privatization," which would allow some owners whose property was confiscated by the Communist government to reclaim it.

Industry: Some 5,000 of 8,000 state-owned enterprises remain in state hands as "mass privatization" had stalled by the fall of 1994. Prior to 1994, privatization through liquidation led to the insider takeover of hundreds of medium-sized firms by employees or managers.

Business and Services: Small privatization—the sale or lease of state-owned stores, shops and small firms to individuals or groups of private investors—has been relatively successful. In 1990 alone, 35,000 state-owned and cooperative stores were transferred to the private sector. By September 1991, 75 percent of retail trade was back in private hands. In 1994, 90 percent of small business and service sector establishments was in private hands.

ROMANIA

Freedom House Ratings

	1988-89	1989-90	1990-91	1991-92	1992-93	1993-94	1994-95
Political Rights	7	7	6	5	4	4	4
Civil Liberties	7	7	5	5	4	4	3
Status	NF	NF	NF	PF	PF	PF	PF

Polity: Presidential-parliamentary democracy
Economy: Mixed statist (transitional)
Population: 22,728,000
PPP: $3,500 (est.)
Ethnic Groups: Romanians (89 percent), Hungarians (7.8 percent), Germans, Romanies, others
Capital: Bucharest

Political Process

1. When did national legislative elections occur? Two sets of national elections have taken place since the Communist dictatorship was overthrown in December 1989. The first took place on 20 May 1990 and the second on 27 September 1992. International monitors observing the 1990 elections judged them to be largely procedurally fair and free of tampering, although the winning National Salvation Front and President Ion Iliescu clearly benefited from organizational advantages, intimidation tactics against their competitors and media favoritism.

No international observers were present at the 1992 elections. Again, these were procedurally fair, but this time a suspiciously high number of ballots were deemed to be "invalid" (14.62 percent for the chamber of deputies, 13.85 percent for the senate and 4.65 percent for the presidency). The 143-member Senate includes representatives of the following parties: Democratic National Salvation Front, 49 seats; Democratic Convention of Romania, 34; National Salvation Front (rump organization left after Iliescu's camp split), 18; Romanian National Unity Party, 14; Hungarian Democratic Union of Romania, 12; Greater Romania, 6; Agrarian Democratic Party of Romania, 5; Socialist Labor Party, 5. The 341-member Chamber of Deputies is composed as follows: Democratic National Salvation Front, 114; Democratic Convention of Romania, 82; National Salvation Front, 43; Romanian National Unity Party, 30; Hungarian Democratic Union of Romania, 27; Greater Romania, 16; Socialist Labor Party, 13; non-Hungarian minority members, 13 (ten from parties that failed to reach the threshold for parliamentary representation, and three from the Democratic National Salvation Front).

2. When did presidential elections occur? Presidential elections were held 20 May 1990 and 27 September 1992. However the 1992 presidential elections had to go into a second round, held on 11 October, with the winner once again being Ion Iliescu.

3. Is the electoral system multiparty-based? Are there at least two viable political parties functioning at all levels of government? After forty-two years of totalitarian communism, a viable multiparty system was re-established in Romania with the elections of May 1990. Local elections are contested by a range of parties.

4. How many parties have been legalized? Over 200 parties had already been legalized by the first post-Communist elections in May 1990. Twelve parties are currently represented in parliament and the number of effective, politically significant parties does not exceed fifteen. Major parties include the Romanian Social Democratic Party (PDSR), made up of the former Democratic National Salvation Front and other parties); the Democratic Convention, a coalition of several large parties opposed to the PDSR, and the far-right Romanian National Unity Party.

Update: During 1995, the Civic Alliance Party, Social Democratic Party, Liberal Party 1993 and Hungarian Democratic Union split from the Democratic Convention due to several political disagreements. The Convention now consists of the National Christian Democrat Peasant Party, National Liberal Party and other small group-

Political Process

ings. Several attempts have been made to form a new opposition coalition, with no success to date. The ruling PDSR formed a coalition with the far-left Socialist Labor Party (SLP), Agrarian Party and ultranationalist Romanian National Unity Party and Greater Romania. Meanwhile, the SLP split in May 1995 when less radical, mostly younger members formed the Socialist Party.

5. What proportion of the population belongs to political parties? Membership in the ten largest parties is approximately 250,000 out of a voting population of 16 million, or less than 2 percent.

6. What has been the trend of voter turnout at the municipal, provincial and national levels in recent years? Voter turnout has been as follows: 86 percent for the May 1990 presidential elections, 72 percent for the February 1992 municipal elections, and 76 percent for the September 1992 presidential elections. Turnout for municipal by-elections since February 1992 has been much lower—about 20 percent—and has seen a higher proportion of pro-old-guard, retired voters.

Civil Society

1. How many nongovernmental organizations have come into existence since 1988? How many charitable/nonprofit organizations? Many NGOs have appeared since 1989, but in most cases their funds are meager and their impact on political life has been correspondingly limited. However, there are many active organizations in the areas of public policy, social services and human rights, particularly minority rights. Charitable organizations tend to be small and localized, and only a few are effective. Organizations have been formed to help orphaned children and to care for the sick and elderly.

Update: Over 8,000 NGOs were registered as of mid-1995. However, of these perhaps as few as 200 are functioning, and the vast majority must rely heavily on funding from the United States and Western Europe. There is a clear inclination toward work in the areas of social services, children's issues, and care for the sick and disabled, although a few effective organizations deal with civic education and human rights.

2. What forms of interest group participation in politics are legal? There was no legislation concerning interest groups through 1994. Interest group political participation is not practiced.

Update: By mid-1995, several Romanian NGOs had made efforts to form lobbies or other interest groups to work with legislators.

3. Are there free trade unions? Over half of Romania's labor force of 11 million is unionized, the vast majority in independent trade unions. Unions are organized in about 20 labor confederations, grouping 150 branch federations, which in turn encompass thousands of autonomous unions. The Fratia National Trade Union Confederation claims 3.7 million members, and resulted from the 1993 merger of the two-million-member National Confederation of Romanian Free Trade Unions (NCRFTU), the 960,000-member Fratia Confederation and others. The Alfa Workers' Confederation of Labor, founded in 1991, claims 1 million members. In 1993 the Alliance of Romanian Democratic Trade Union Confederations was created around the League of the Jiu Valley Miners, the union responsible for several violent descents on Bucharest. The Alliance is the closest thing Romania now has to a "post-Communist" union, as the Ceausescu-era General Union of Romanian Trade Unions has ceased to exist. Fratia's 1990 charge that the NCRFTU was post-Communist has apparently been withdrawn given the merger of the two organizations.

Update: Several trade union leaders resigned in 1995 in order to join political parties. In May 1995 three major trade unions—Fratia, Alfa and BNS—formed a "National Inter-Confederal Committee" to coordinate their activities. A Privatization Ministry will be created as a result of negotiations between the Romanian Government and Fratia. Finally, a major 1995 ordinance passed by the Government sparked rallies and protests from unions because it set limits on salaries for state employees, including those working in state enterprises, the public health system and education.

4. What is the numerical/proportional membership of farmers' groups, small business associations, etc.? Smallholders'

Civil Society

organizations have been largely ineffective and disorganized. Business associations and professional organizations have sprung up in the capital and other large cities, but have few avenues to advance their interests.

Update: Some NGOs exist to help small businesses and entrepreneurs. By mid-1995 Chambers of Commerce and other business associations existed in every county across the country.

Independent Media

1. Are there legal protections for press freedom? Although freedom of the press is guaranteed under both the constitution and the Audio-Visual Law of May 1992, and censorship has been outlawed, there have been several instances of government interference, self-censorship and other infringements on press freedom since 1989.

2. Are there legal penalties for libeling officials? Are there legal penalties for "irresponsible" journalism? Reporters attack state officials at their own risk. In February 1994 a reporter was arrested and then released on a charge of "offending state authority," reportedly for having likened President Iliescu to a pig in a well-known fairy tale.

An amendment to the penal code states that "damaging the reputation of a public official" and the spreading of false information capable of undermining Romanian national security or foreign relations are punishable by up to five years in prison. This broad wording is seen by most observers as undermining media freedom.

Update: Two journalists who wrote articles on the alleged relationship between Romanian President Iliescu and the KGB during the Soviet era were reportedly put under surveillance by Romanian intelligence agents. A parliamentary inquiry was in progress as of mid-1995.

3. What proportion of media is privatized? The national television and the national radio are government-controlled, although they are officially autonomous. Channel One is the only nationwide television station, while Channel Two covers less than 60 percent of the country. Romanian Radio broadcasts on three frequencies. Private television stations and radio stations exist at the local level only. As of early 1994, 41 television licenses had been issued, and 14 stations were in operation. Meanwhile, 82 radio licenses had been issued, and 29 stations were on the air. Finally, 196 cable television licenses had been issued. Approximately 2,000 independent publications, mostly small ones, exist. The national press agency is also state-owned, but private news agencies exist.

Update: By mid-1995 approximately 120 local television, 170 local radio and 650 cable television licenses had been issued. According to public opinion research carried out in 1995, 65 percent of the population listens to state-owned radio while only 19 percent listens to private programming. Similarly, 85 percent watch Channel One while only 25 percent watch local, private broadcasts.

4. Are the private media financially viable? The largest-circulation papers publish regularly. *Evenimentul Zilei*, the most widely-read newspaper, had a circulation of about 600,000 in 1994, while the circulation of the next largest three hovered around 100,000 each. However, the total readership of nearly 2,000 publications may be only 1.5 million. Smaller papers have encountered great economic problems, and new ones appear as quickly as others stop publication.

Update: Circulation of *Evenimentul Zilei* dropped to about 300,000 in 1995, with no concomitant increase in circulation of other publications. Total readership of all publications may now be lower than 1 million. According to a mid-1995 poll, 29 percent of respondents read *Evenimentul Zilei*, 12 percent *Adevarul* and 11 percent *Romania Libera*—the three major dailies.

5. Are the media editorially independent? Although the news media are nominally editorially independent, most publications, whether owned by political parties, trade unions or private organizations, display a great deal of editorial content in news reporting. Owners frequently influence content.

6. Is the distribution system for newspapers privately or governmentally controlled? There is only one factory which produces paper for newsprint, resulting in very high paper and printing costs. Newspaper distribution is carried

Independent Media

out by the state-owned national railway system. As a result, opposition newspapers are generally harder to come by in the countryside. However, *Evenimentul Zilei*, the largest-circulation publication, has in effect its own printing and distribution network.

Update: Several mainly opposition newspapers had to halt publication or reduce print runs in 1995 because the state paper mill refused to deliver newsprint. Parallel distribution networks have appeared and the major newspapers have their own distribution channels.

7. What has been the trend in press freedom? Freedom House's annual Survey of Press Freedom rated Romania Not Free from 1988 through 1990, Partly Free for 1991, Free for 1992, and Partly Free from 1993 through 1994.

Rule of Law

1. Is there a post-Communist constitution? Romania's post-Communist constitution was ratified by the legislature on 21 November 1991 and adopted by referendum on 9 December 1991.

2. Does the constitutional framework provide for human rights? Do the human rights include business and property rights? The constitution enumerates a full range of human rights and freedoms. The right to own private property is guaranteed and private property is protected, but foreign citizens, even of Romanian ethnicity, are prohibited from owning land.

3. Has there been basic reform of the criminal code/criminal law? There has been no systematic, comprehensive reform of the criminal code. Instead, a number of articles of the code dating to the Communist period, such as those outlawing abortion, have been abrogated.

Update: The most recent (mid-1995) amendment to the penal code provides for prison terms of up to three years for raising a foreign flag or singing a foreign anthem on Romanian territory. This regulation is clearly, though not explicitly, aimed at the Hungarian minority.

4. Do most judges rule fairly and impartially? How many remain from the Communist era? Most law school graduates become entry-level magistrates, but at the higher levels judges from the Communist period continue to predominate. Judges reportedly rule disproportionately against defendants who are members of ethnic minorities, and some rural judges are apparently susceptible to bribery, although no formal study has been undertaken concerning these phenomena.

5. Are the courts free of political control and influence? Are the courts linked directly to the Ministry of Justice or any other executive body? Judges are prohibited from holding any other public office. A 1992 reorganization of the judicial system has not, however, changed the Justice Ministry's control over selection and advancement of judges. In addition, Constitutional Court decisions may be overruled by a two-thirds vote in Parliament, a serious infringement of judicial independence.

6. What proportion of lawyers is in private practice? Most lawyers are state employees, but many take second jobs in private practice.

7. Does the state provide public defenders? Yes.

8. Has there been a comprehensive reform of anti-bias/discrimination laws, including protection of ethnic minority rights? Discrimination is illegal and a minorities law is currently being discussed in parliament. However, the large Hungarian minority is subject to often violent harassment by local authorities and private citizens, as is the Gypsy community.

Governance and Public Administration

1. Is the legislature the effective rule-making institution? Yes; however, the constitution provides for a strong executive, and President Iliescu has often used his prerogatives in this regard.

Governance and Public Administration

2. Is substantial power decentralized to subnational levels of government? Public administration is highly centralized, based on the former French administrative system.

3. Are subnational officials chosen in free and fair elections? Local officials were chosen in the multiparty regional elections of February 1992. The government also appoints a prefect for every county.

Update: By mid-1995, 10 percent of elected mayors, councilors and top local officials had been dismissed by the national government. Out of these, some 80 percent represented opposition parties.

4. Do legislative bodies actually function? The national legislature holds debate and passes laws. Local bodies have no legislative powers. Local bodies are responsible for such areas as public transport, garbage collection and delivery of other services.

5. Do the executive and legislative bodies operate openly and with transparency? Parliament sessions are ostensibly public. In practice, votes generally go unrecorded, supposedly because secret voting protects those who might cross party lines in matters of conscience. Committee meetings are in fact closed to the public unless a decision is made to the contrary. However, the free press generally guarantees a reasonable degree of transparency, and Romania's official news bulletin carries the texts of new laws.

Update: There were attempts in 1995 to curtail television coverage of parliamentary proceedings.

6. Do municipal governments have sufficient revenues to carry out their duties? Do municipal governments have control of their own local budgets? Do they raise revenues autonomously or from the central state budget? Local authorities do not have their own sources of revenues, as there are no local taxes, but rather derive their funds from the central government. Government subsidies are often insufficient to cover the needs of municipalities. Municipalities control their own budgets to the extent that they may request funds from the central government by category.

Update: A proposed Law on Local Budgets has not yet been passed by the legislature.

7. Do the elected local leaders and local civil servants know how to manage municipal governments effectively? Competence in management is particularly uneven in rural areas, where corruption and lack of experience combine to make municipal government only marginally effective.

8. Has there been constitutional/legislative reform regarding local power? Has there been a reform of the civil service code/system? Are local civil servants employees of the local or central government? The new law on public administration appeared shortly before the local elections of February 1992. There has been no comprehensive reform of the civil code, though individual articles have been changed or abrogated. Local civil servants are appointed by the central government.

Privatization

1. What percentage of the GDP comes from private ownership? At the end of 1993 the government officially stated that 30 percent of GDP originated in the private sector. This figure is suspect, however, because it relies on the dubious claim that 80-85 percent of agricultural land is private. The World Bank states that privatization progressed very little during 1994, and that most privatization activities stalled altogether.

Update: According to the World Bank no authoritative study has yet been conducted regarding private share of GDP. However, the Romanian government is currently conducting a comprehensive study of its privatization program.

2. What major privatization legislation has been passed? Major privatization legislation includes Law No. 15 of 7 August 1990; the privatization law (Law No. 58 of 14 August 1991); and the foreign investments law (Law No. 35 of 1991). In theory, the State Ownership Fund was to slate organizations for privatization, holding a 70 percent state share in some 6,300 enterprises, and five regional Private Ownership Funds were to serve as joint-

Privatization

stock holding companies for the 30 percent share until it could be distributed to the public as vouchers. In practice, competing government agencies have vied for influence over the privatization process, creating a tangle of bureaucratic regulations that have largely stifled any large-scale effort. In September 1994 the government began selling the controlling stakes in five large companies.

It is estimated that the private sector currently employs over 25 percent of workers (mostly in agriculture). However, only about 1 percent of the state's assets has been privatized.

Meanwhile, interim laws were passed to stimulate independent farming. Most notably, the Romanian Land Law (Law No. 6 of February 1991) allowed for restitution to former owners. Over 6 million smallholders were registered by the end of 1992, but privatization of state farms did not begin until 1993. Millions of preliminary ownership certificates have been issued, but only a few hundred thousand final titles had been granted by the end of 1994.

Update: In 1995 the Romanian Parliament approved a Mass Privatization Program to sell off approximately half of the state-owned companies. However, the new plan is ill-designed and unwieldy, and may be aimed largely at securing votes.

3. What proportion of agriculture, housing and land, industry, and business and services is in private hands?

Agriculture: A land reform law purporting to bring about decollectivization was adopted in February 1991. However, as of February 1994 only 20 percent of farmers had gained title to land, though millions of provisional licenses had been issued. In addition, many heirs currently reside in urban centers and thus have not farmed the land they were granted.

Update: About 40 percent of farmers had gained title to land by mid-1995.

Housing and Land: A law on the restitution of houses nationalized during the Communist period was passed in June 1994. The effects of this law have not yet been felt. The situation concerning non-agricultural land is the same as that applying to arable land.

Update: A new law on restitution of nationalized housing, promulgated by President Iliescu, was passed in June 1995 after fierce debate.

Industry: Large-scale privatization of industry has been much discussed, but has failed to materialize.

Update: The 1995 Mass Privatization Program, which covers about half of all state-owned enterprises, has not been in effect long enough to yield any results.

Business and Services: Countless new, all-purpose boutiques have sprung up to provide a range of services. There are currently about 500,000 private companies, family businesses or single entrepreneurs. By late 1994, some 450 small enterprises had been privatized through worker-management buyouts.

Update: As of mid-1995 approximately 600 small businesses had been privatized.

RUSSIA

Freedom House Ratings	1988-89	1989-90	1990-91	1991-92	1992-93	1993-94	1994-95
Political Rights	-	-	-	3	3	3	3
Civil Liberties	-	-	-	3	4	4	4
Status	-	-	-	PF	PF	PF	PF

Polity: Presidential-parliamentary democracy
Economy: Mixed statist (transitional)
Population: 147,820,000
PPP: $6,930
Ethnic Groups: Russians (82.6 percent), over 100 other ethnic groups
Capital: Moscow

Political Process

1. When did national legislative elections occur? In the 12 December 1993 legislative elections, the far-right Liberal Democrats came in first with 22.79 percent and 64 seats. The pro-reform Russia's Choice placed second with 15.38 percent and 94 seats; the Communists placed third with 12.35 percent and 48 seats; the Women of Russia captured 8.1 percent and 21 seats; the pro-Communist Agrarian Party took 7.9 percent and 33 seats. The reformist Yavlinsky-Boldyrev-Lukin Bloc captured 7.83 percent and 18 seats; the Democratic party took 5.5 percent and 14 seats. Independents and others took the rest. Seat totals combine proportional party-based (50 percent) and district (50 percent) returns, but percentages reflect only the proportional vote. The Russian media issued a spate of reports alleging gross mistakes in vote counting and large-scale falsification. Allegations could not be independently confirmed. International observers pronounced the elections to have been free and fair.

Update: In preparation for the December 1996 parliamentary elections, by mid-1995 there had been shifts in coalitions, some consolidations of political-parliamentary blocs and the formation of new blocs and parties.

2. When did presidential elections occur? Boris Yeltsin was elected president of Russia on 15 June 1991 when the Soviet Union still existed. He received 60 percent of the vote. The elections were deemed free and fair by observers.

Update: In May 1995, President Yeltsin signed a presidential elections law after its approval by both houses of parliament, the Federation Council and the State Duma. The law set presidential elections for the first Sunday after the president's term expires in June 1996. In order to register, presidential candidates must collect one million signatures, no more than 7 percent from any one region in the Russian Federation.

3. Is the electoral system multiparty-based? Are there at least two viable political parties functioning at all levels of government? The Russian constitution provides for a multiparty system and free elections. In the runup to the 1993 legislative elections, the government banned some extreme left and right parties and invalidated the petitions of others. These strictures forced parties into coalitions or blocs. The political configuration in parliament can best be understood in terms of factions. According to the *Novaya ezhaedevnaya gazeta,* the radical reformist faction has 88 seats; centrists control 103; Communists and pro-communists, 100; moderate reformers, 55; nationalists, 25, and the extreme right, 63. At regional and local levels, the old-line nomenklatura retains considerable influence.

4. How many parties have been legalized? As of June 1994, there were more than fifty groups officially registered as political parties; yet most of these are not full-fledged parties as they do not represent any definite social strata or tendency. There are several active "unregistered" groups, mostly extremists on the left and right of the political spectrum. Among the more well-known and influential groupings are Russia's Democratic Choice, the Communist Party of the Russian Federation, the Agrarian Party of Russia, and the Yavlinsky-Boldyrev-Lukin Bloc.

Political Process

Update: With parliamentary elections due in December 1995, the frequently shifting, amorphous political blocs in parliament continued jockeying for position. Prime Minister Victor Chernomyrdin announced a new centrist bloc in April 1995. Earlier, former finance minister Boris Fyodorov had announced a new liberal political movement, Forward Russia, which included representatives from 74 of Russia's regions and would be allied with democratic forces. Leaders of several democratically-oriented parties and movements formed the United Democratic Electoral Bloc (ODIB) in June 1995. Yegor Gaidar's Russia's Democratic Choice, Alexander Yakovlev's Russian Party of Social Democracy, Yuri Chernichenko's Peasants' Party, the movements Soldiers for Democracy and Women for Solidarity, and the National Association of Russia joined the alliance, which will back one candidate in each single-member Duma constituency. Grigory Yavlinsky's Yabloko Bloc did not join the coalition. State Duma Speaker Ivan Rybkin was elected leader of the Russia's Regions association and formed a center-left bloc with the Agrarian Party. An All-Russian People's Congress was founded in late May 1995. Leaders of the Federation of Independent Trade Unions of Russia, the Russian United Industrial Party and the Union of Realists held talks on forming a center-left electoral alliance. Another new association, Common Cause, united the Liberal Women's Fund, the Russian Women's Association for a New Social Policy, the Liberal Youth Union and other student groups. The Democratic Party of Russia said in May that it would not join any parliamentary electoral blocs, though it did not rule out later alliances.

5. What proportion of the population belongs to political parties? Factionalism, the proliferation of often fragmented political blocs and movements, and Russians' inherent distrust of parties have inhibited the growth of political parties. Polls in 1993-94 showed consistently that Russians do not have strong preferences for political parties. A poll concerning parliamentary elections showed that only 10 percent of respondents would pick a candidate on the basis of party affiliation. Other surveys found that only 2 percent of respondents could identify most parties. While membership figures are unreliable, the Communist Party of the Russian Federation claims 550,000 members; membership in other parties range from the thousands to several hundred. Membership figures are generally unreliable or unavailable, as many of the parliamentary parties are leadership driven. So while Russia's Democratic Choice, for example, has branch offices in key cities, the extent of nationwide grassroots membership cannot be determined accurately.

6. What has been the trend of voter turnout at the municipal, provincial and national levels in recent years? 17 March 1991 referendum on USSR: 75 percent; 15 June 1991 presidential: 70 percent; 25 April 1993 referendum on Yeltsin's policies: 64.5 percent; 12 December 1993 parliamentary/constitutional: 54 .8 percent. In March and April 1994, elections were held for new, streamlined local legislatures in Russia's six krais and forty-nine oblasts, one autonomous oblast, ten autonomous okrugs, and two cities of federal importance—Moscow and St. Petersburg. (The twenty-one republics were left free to decide how to reform their legislatures.) Turnouts varied widely (50 percent of eligible voters was needed for valid elections) from over 50 percent to as low as 24 percent in some areas.

Civil Society

1. How many nongovernmental organizations have come into existence since 1988? How many charitable/nonprofit organizations? Chapter VII, Article 62 of the constitution allows the creation of nongovernmental associations, which must be registered according to law. There has been a phenomenal growth in Russia of NGOs and public organizations since the disintegration of the USSR, including language, ecological, cultural, trade union and political movements, charitable organizations, business associations, independent bar associations, polling organizations, veterans' organizations, think tanks, women's and students' organizations, and advocacy groups. While all must register with the Ministry of Justice, they can do so in their regions, and no central tally is kept. There are over 3,500 groups registered in Moscow, but thousands more exist around the country. There have been no new laws regulating NGOs since the constitution, and NGOs are pushing for enabling laws that would regulate tax exemption for organizations and donors. Existing, Soviet-era legislation, though not prohibitive, is insufficient to meet the needs of modern NGOs. In July 1994 the *New York Times* reported that "nobody knows...how many charitable organizations there are and how much money they are receiving."

2. What forms of interest group participation in politics are legal? Citizen advocacy groups exist. Ecological groups have proven a potent force in influencing policy. Women's groups, veterans' organizations and other groups use

Civil Society

petitions and public demonstrations to publicly air their views. Interest groups such as managers of state farms and state enterprises, as well as some business groups, are powerful lobbies and agroindustrial interests have their own blocs in parliament.

3. Are there free trade unions? Yes. Nominally, almost all of the Russian work force is organized. The Federation of Independent Trade Unions of Russia (FNPR), the successor to the Soviet-era All-Union Central Council of Trade Unions, claims to represent about 65 million of Russia's 72 million workers, though observers believe that it has lost a significant portion of its membership. The FNPR has largely retained the privileges and control mechanisms of the old official union structure. Membership of smaller independent unions—including formerly official unions which have disaffiliated from the FNPR—and associations probably does not exceed 3 million. The two largest non-FNPR unions are the Metalworkers and the NPG miners.

4. What is the numerical/proportional membership of farmers' groups, small business associations, etc.? Given the relatively small number of private farmers, there are few grassroots farmers' groups. Farmers and agricultural workers are represented by the Association of Peasant Farms and Agricultural Cooperatives of Russia (AKKOR). The Agrarian Party purports to represent the interests of farm directors in the parliament.

There are numerous business associations and groups in most cities and towns. One of the largest, the All-Russia Association of Privatized and Private Enterprises, consists of nearly 2,000 enterprises and provides a number of economic and business services to its members.

Independent Media

1. Are there legal protections for press freedom? Protections were included in the 1992 Law on Mass Media. The law forbids the use of mass media to commit criminal offenses or to inflame social intolerance or strife. The 1993 constitution "guaranteed" the freedom of mass media, though "the compulsory suspension of the activity or closure of a medium of mass information are permitted on the basis of the law in accordance with a ruling of a court of law." On 14 July 1994, parliament adopted the controversial Law on the Coverage of the Activities of the Bodies of State Power by the State Media. According to the law, the state-owned media must inform the public of the activities of the president, government and parliament within twenty-four hours after any noteworthy event. Article 17 of the law calls for civil or criminal proceedings for violations.

2. Are there legal penalties for libeling officials? Are there legal penalties for "irresponsible" journalism? Libel cases are tried in court on the basis of the Law on the Mass Media and the Law on the Protection of the Honor, Dignity, and Business Reputation of Citizens (1991). Penalties are normally financial in nature. Despite legal protections, there have been numerous instances since 1992 where newspapers were closed by decrees of federal or local officials, and journalists prosecuted.

3. What proportion of the media is privatized? The vast majority of Russian newspapers have been privatized, but a precise figure is virtually impossible given the constantly changing number of newspapers throughout the country. As of mid-1994, media privatization was as follows: Local radio, 70 to 75 percent private; national radio, 10 percent private; local television, 45 to 55 percent private; national television, 20 percent private; newspapers, over 80 percent private. The two Russian television and radio companies, Ostankino and Russian State Television, transmit nationwide and to most of the Commonwealth of Independent States. Independent companies include NTV, TV-6, and 2X2. The government has attempted greater control, and shows have been suspended or canceled. Television studios at local levels operate more or less independently. They function as affiliates, opting to use programs from the national company and producing local news programming independently. Local authorities sometimes subject these affiliates to pressure. In 1992, the Russian information agency ITAR-TASS was formed, as one official put it, "more like an official source than an official voice." There is also the Russian Information Agency-Novosti, as well as several independent agencies, of which the two most influential are Interfax and Postfactum.

Update: In mid-1995, the State Press Committee announced that there were 10,500 newspapers in the country, most with print runs of less than 10,000 copies. There are more than 150 independent radio and television companies operating in Russia.

Independent Media

4. Are the private media financially viable? Virtually all media organizations are in serious financial straits due to lack of advertising revenues, large decreases in or elimination of state subsidies, increases in material costs, and many other factors. Classified ad newspapers, business publications and sex/crime tabloids are doing well.

Update: More than 85 percent of Russian publications were not financially independent as of mid-1995, according to Iosif Delashinskiy, head of the analysis department of the State Press Committee.

5. Are the media editorially independent? Most media receive some measure of government subsidy and/or have outside sponsors (banks, factories or other enterprises). Broadcast media are controlled strongly by national government officials in Moscow, and oblast or regional-level officials.

Update: Over the last several months the Russian independent press, particularly independent television, have reportedly been under immense pressure to portray the Russian conflict in Chechnya in a positive light. Many journalists have been attacked indiscriminately by Russian troops while attempting to report from Chechnya.

6. Is the distribution system for newspapers privately or governmentally controlled? Private distributors have sprung up throughout Russia and compete with the former state-owned monopoly. Subscriptions must still be expedited through the state-controlled postal system, but local delivery and distribution through kiosks is now largely in the hands of smaller, private distributors. In broadcasting, however, only about 15 percent of companies own their own transmitters, with the remainder having to lease time on state-owned transmitters.

7. What has been the trend in press freedom? Freedom House's annual Survey of Press Freedom rated Russia Partly Free from 1992 through 1994.

Rule of Law

1. Is there a post-Communist constitution? Russian voters approved a new constitution on 12 December 1993. The document defines Russia as a democratic, federal state with a republican form of government. It provides for a strong executive branch and a bicameral legislature, the 178-member Federation Council (upper house) and the 450-member State Duma (lower house).

Update: In mid-summer 1995, the Federation Council rejected three proposed constitutional amendments that would have expanded parliamentary control over cabinet appointments. The amendments were passed by the required two-thirds majority of the State Duma on 21 June. These required the support of three-fourths of the Council (134 senators) in order to be sent to regional legislatures for ratification, but fewer than 134 senators were present at the session. Constitutional changes granting more power to legislatures were denounced by many Council senators, who also serve as the heads of regional executive branches.

2. Does the constitutional framework provide for human rights? Do the human rights include business and property rights? Fundamental rights and liberties are enshrined in articles throughout the constitution. Several articles deal with property rights. Article 9 establishes a "social market economy" where the "diversity and equality of forms of ownership...are assured," and Article 35 states "everyone has the right to be an owner" and "the right of inheritance is guaranteed." Article 57 states "ownership in all its forms—private, state and other—is recognized and guaranteed, and property owners enjoy equal legal protection."

3. Has there been basic reform of the criminal code/criminal law? Since 1991, the process of reforming the legal and judicial systems has been progressing slowly. In July 1993, parliament passed a law authorizing the phased introduction of a jury system. The constitution provides for the presumption of innocence, but prosecutors enjoy numerous built-in procedural advantages. In 1991, the death penalty was abolished for foreign currency speculation and bribery, as well as the law banning private enterprise. A 1992 draft criminal code gave priority to the defense of the individual, the interests of property owners and private enterprise. The same year, the Supreme Soviet approved several amendments to the criminal-procedure code that granted the judiciary some checks on the Prosecutors Office. In July 1994, parliament adopted and President Yeltsin approved amendments to the

Rule of Law

Criminal Code dropping old provisions based on "socialist law" and guaranteeing instead protection for all forms of property. Other new provisions include articles dealing with political terrorism and assassination, the maximum punishment for which is death. Nevertheless, a major overhaul of the criminal laws and procedural codes has yet to be undertaken, and the system is still plagued by accusatory-style justice, bureaucratism, and incompetence.

4. Do judges rule fairly and impartially? How many remain from the Communist era? Impartiality of justice at the local level is difficult to determine. Most judges were appointed during the Soviet era. Judges in Russia earned their credentials through such institutions as the MVD's Higher Judicial Correspondence School. In 1993, judicial wages were increased several times to attract talented candidates. Under the constitution, judges for the Constitutional and Supreme Courts are nominated by the president and confirmed by the Legislature. Lower court judges are appointed by regional governments.

Update: A new law to improve the independence and qualifications of judges went into effect upon its publication in the official newspaper *Rossiskaya gazeta* on 27 June 1995. Grigory Ivliev of the Duma Committee on Legislation and Legal Reforms said judges will now be required to have at least five years' experience in the legal profession. In addition, the law raises judges' salaries and changes retirement rules in order to attract the best jurists. Under the new law, local officials will be able to express their opinions before judges are appointed by the president, as the constitution requires.

5. Are the courts free of political control and influence? Are the courts linked directly to the Ministry of Justice or any other executive body? The role of the Constitutional Court, which was suspended on 6 October 1993 during the crisis between President Yeltsin and parliament hardliners, is to help establish an independent judiciary and to be the chief arbiter of disputes between the executive and legislative branches. The nineteen-member body is "the highest organ of judicial power for protection of the constitutional structure of the Russian Federation." The constitution has a provision granting the presidency quasi-judicial authority and reduces the Constitutional Court's influence on relations between the central government and regional/republican authorities. The procurator general of the Russian Federation appoints procurators in the republics.

6. What proportion of lawyers is in private practice? Estimates of the number of trained lawyers in Russia range from 22,000 to 50,000 (the latter figure includes judges and prosecutors as well as defense and business lawyers). Though exact statistics are unavailable, most lawyers continue to be employed by the state; however many moonlight in private practice, working for individuals or private commercial interests.

7. Does the state provide public defenders? Yes.

8. Has there been a comprehensive reform of anti-bias/discrimination laws, including protection of ethnic minority rights? The constitution offers equal protection rights "regardless of race, skin color, nationality, sex, language, social origin, social, property and official position, beliefs, attitude toward religion, involvement in public associations, place of residence, and other circumstances." It also guarantees the "rights and liberties of persons belonging to ethnic minorities...." Nevertheless, there has been a marked increase in discrimination and acts against minorities from the Caucasus and Central Asia under the pretext of anti-crime measures. According to a 1994 report to President Yeltsin by an independent commission, "under the pretext of combating criminal activity, attempts are being made to 'purge' cities of what are considered undesirable ethnic elements and decisions are made to curtail human rights."

Governance and Public Administration

1. Is the legislature the effective rule-making institution? According to the constitution, Parliament "is the only representative and legislative organ of the Russian Federation." However, the executive branch has considerable power to "issue edicts and directives that are by nature executive acts and are mandatory for compliance on the entire territory of the Russian Federation."

Update: In June 1995, the chairman of the State Duma Security Committee won the Duma's approval to ask the Constitutional Court to examine the role of the Russian president. The request pointed out that the constitution

Governance and Public Administration

mandates a division between executive, legislative and judicial branches but does not describe the president as part of any branch. On 21 June, a draft constitutional law was passed by the Duma that would require a presidential decree calling a referendum to be approved by the Constitutional Court. Also in June, the Duma passed a non-binding motion of no confidence in the government over its handling of the Chechnya rebel hostage-taking in Russia. Another vote was scheduled for 1 July, but the government of Prime Minister Victor Chernomyrdin was expected to survive with some resignations, thus heading off a constitutional crisis.

2. Is substantial power decentralized to subnational levels of government? The constitution includes considerable provisions on the delineation of terms of reference and authority between federal organs of state power and the authorities of krais, oblasts, Moscow and St. Petersburg, autonomous oblasts, and autonomous okrugs. In practice, presidentially appointed governors and envoys are virtually omnipotent in their regions, while elected governments are weak. In the twenty-one ethnic-based republics, elected executive and legislative officials do have effective power. The relationship between elected bodies at the local, regional, and federal levels will be a key issue in 1995.

Update: The issue of relations between the central government and the twenty-one ethnic-based regions and autonomous republics remained in flux. In late 1994 through early 1995, Russian troops invaded Chechnya, an ethnic-based region, after it had declared independence. In 1994, Russia signed a treaty with the oil-rich ethnic-based region of Tatarstan, which retained its own constitution. A similar treaty "defining the areas of competence" was signed between Moscow and the Bashkortostan autonomous republic. Several of Russia's sixty-eight regions also sought status as ethno-territorial republics.

3. Are subnational officials chosen in free and fair elections? Local and regional elections in 1993 and in February-March-April 1994 faced many problems including low voter turnout that nullified results, irregularities and violations. Legally elected officials have been replaced with ones appointed from above and responsible only to the president, rather than the population, in Bryansk, Vladivostok, Nizhni Novgorod, and elsewhere. In many instances such appointments have been followed by other manifestations of arbitrary abuse of power, such as the closure of newspapers and the persecution of journalists.

4. Do legislative bodies actually function? On the national level, parliament drafts, debates, and passes laws. Under the constitution, krais, oblasts, Moscow and St. Petersburg "effect their own legal regulation...within the framework of their jurisdiction, by way of adopting legal acts." Many key areas fall "within the scope of joint jurisdiction..." with the federal government. Autonomous okrugs and autonomous oblasts are bound by the Federation Treaty. Regional and local bodies can pass laws that do not supersede Russian or constitutional laws.

5. Do the executive and legislative bodes operate openly and with transparency? Yes. The government publishes all laws passed by the Duma, and the president's office has published all decrees. The vibrant independent press and electronic media generally have access to political leaders and government information. However, in the aftermath of the Chechnya crisis, there were attempts to muzzle critical media and the secretive Russian Security Council increased its influence over presidential decision-making.

6. Do municipal governments have sufficient revenues to carry out their duties? Do municipal governments have control over their own local budgets? Do they raise revenues autonomously or from the central state budget? Municipal governments are generally granted insufficient funds given their needs. Governments in localities of any size make their own budgets, and do raise some revenues from municipally-owned businesses' taxes. But the bulk of municipal revenues still comes from the central state budget.

7. Do the elected local leaders and local civil servants know how to manage municipal governments effectively? An acute shortage of modern managers and competent full-time civil servants undermines the effectiveness of local and municipal governments. After local elections in 1994, several dumas did not consist of professional politicians who would work full-time for oblast legislatures. In some areas, those elected to local legislatures also held posts as heads of local administrations. This overlap between executive and legislative branches represented a clear conflict of interest and a breach of the principle of separation of powers.

Governance and Public Administration

8. Has there been constitutional/legislative reform regarding local power? Has there been a reform of the civil service code/system? Are local civil servants employees of the local or central government? The December 1993 constitution delineates regional and local powers. President Yeltsin began to set up a new civil service apparatus soon after the attempted coup of August 1991. Since then, there have been several draft laws on reform of the civil service and bureaucracy, which has actually grown in the post-Soviet era. In March 1992, Yeltsin's government founded a special organization for the selection and grooming of "fast-track" civil servants, the Main Administration for Training Civil Service Cadres (Roskadry). While only 10 percent of the old-style nomenklatura are still in state or government posts, the system suffers from corruption and an acute shortage of modern managers and civil servants. Several draft laws sought to emulate the civil service codes of Western democratic countries, but none has been implemented. In 1993-94, some 1,500 officials were investigated or arrested for corruption. About 50 percent were high-ranking employees of the executive branch, and 27 percent were officers in law enforcement agencies. Local civil servants may be employees of either the local or central government, depending on the post and on the degree of autonomy enjoyed by the locality.

Privatization

1. What percentage of the GDP comes from private ownership? As of the end of 1994, the private sector accounted for approximately 50 percent of GDP, according to international financial institutions.

Update: Official Russian estimates from 1994 state that 42 percent of GDP was generated by the state sector, 23 percent by the private sector, and 35 percent by an intermediate sector. The World Bank stated in mid-1995 that this intermediate sector could not entirely be characterized as private because of an indeterminate degree of continuing state ownership. A more accurate reading of this data might put the private share between 40 percent and 50 percent.

2 What major privatization legislation has been passed? The legal basis for Russian privatization was articulated in the Law on the Privatization of State and Municipal Enterprises (3 July 1991). Subsequent presidential decrees and edicts have fine-tuned and expanded the process despite parliamentary opposition. In agriculture, the Law on Peasant Farming (1990) required that each farm divide its land and capital assets into shares and that each member of the farm, including children and pensioners, be assigned a given quantity of shares. In October 1993, president Yeltsin signed a Decree on the Regulation of Farm Relations and the Development of Land Reform in Russia. It stipulated that members of state and collective farms would receive a certificate documenting their ownership of a share of the farm's land. The certificate would serve as a legal basis for the purchasing, selling, leasing, or mortgaging of land.

In the first stage of privatization, vouchers were given free of charge to Russian citizens. This process covered about 70 percent of the manufacturing industry. Employees were offered 25 percent of shares. Under the second stage of "post-voucher privatization," set out by decree, all companies will be sold for cash, with 51 percent of the proceeds to be plowed back into the companies themselves. The rest will be shared by federal and local authorities.

3. What proportion of agriculture, housing and land, industry, and business and services is in private hands?
Agriculture: By January 1994, 95 percent of the 24,000 state and collective farms had been reorganized. The overwhelming majority retained some form of collective labor organization, and 34 percent retained their previous status as state and collective farms. Another 47 percent became joint-stock farms of the closed type (in which shares could not be obtained by people outside the farm), and 11 percent formed cooperative agricultural enterprises. Through the reorganization process, some 81,628 private peasant farms were created by January 1994. In 1993, 101,200 new farms were created (down from 1992); by the fourth quarter of that year, for every 100 farms created, 52 stopped operating.

Housing and Land: Privatization of housing and land remains largely undefined and difficult to quantify. Under the constitution, property is inviolable. Millions of Russians, particularly the new class of businesspeople, have built or bought homes and apartments. However, a law on the right to own the land on which they are situated is still being debated in parliament. In July 1994, Russian companies were given the right to own the land on which they stand in a decree on privatization. This would allow the sale of surplus land.

Privatization

Industry: In the first stage of privatization, 103,000 out of 140,000 state-owned companies were sold for vouchers. Over 70 percent of state-controlled industry had been turned over to private ownership since market reforms began in 1992. In August 1994, the government announced that 86 percent of Russia's industrial labor force was working in the private sector.

Business and Services: In August 1994, the government's statistics committee reported that Russia had nearly 1 million small businesses employing 9 million people, many in the service sector. Many private entrepreneurs have gone underground, forming a gray economic sector to avoid federal restrictions, gangsters and high taxes. Estimates of the size of the gray economy are by definition inexact, but conservative guesses range from 25 to 40 percent of the officially recorded economy.

Update: By mid-1995 over 95 percent of Russia's shops were privately owned.

SLOVAKIA

Freedom House Ratings*	1988-89	1989-90	1990-91	1991-92	1992-93	1993-94	1994-95
Political Rights	7	6	2	2	2	3	2
Civil Liberties	6	6	2	2	2	4	3
Status	NF	NF	F	F	F	PF	F

Polity: Parliamentary democracy
Economy: Mixed capitalist (transitional)
Population: 5,342,000
PPP: $6,570*
Ethnic Groups: Slovaks (82 percent), Hungarians (11 percent), Romanies (4.8 percent), Czechs (1.2 percent)
Capital: Bratislava

* PPP and Freedom House ratings through 1992-93 are for the Czechoslovak federal state.

Political Process

1. When did national legislative elections occur? The first post-1989 national legislative elections in Czechoslovakia were held in June of 1990. The following national legislative elections took place in June of 1992, and led to the breakup of the Czechoslovak federation, as two opposing parties each gained clear majorities in the different republics. The Slovak parliamentary deputies chosen in these elections, which were deemed peaceful, democratic, and without major irregularities, served in the 150-member Slovak National Council until early elections were held on 30 September-1 October 1994. Those elections, also deemed free and fair, gave Vladimir Meciar's Movement for a Democratic Slovakia (HZDS) and the Allied Slovak Agrarian Party nearly 35 percent of the vote. Seats in the current National Council are apportioned as follows: HZDS, 61 seats; Slovak National Party, 9; Slovak Workers' Association, 13; Democratic Union, 15; Christian-Democratic Movement, 17; Hungarian Coalition (made up of three ethnic Hungarian parties), 17; Common Choice, 18. After several unsuccessful attempts, Meciar subsequently formed a government with the right-wing Slovak National Party and the Slovak Workers' Association, a populist configuration that split from the Communist successor Party of the Democratic Left and garnered a substantial protest vote.

2. When did presidential elections occur? Vaclav Havel was elected president of the Czechoslovak federation in December of 1989 by the Federal Assembly. His bid for re-election in 1992 failed largely due to Slovak opposition. Then-Prime Minister Meciar's first presidential candidate was defeated by the Slovak parliament in January 1993, and in February Michal Kovac was chosen by the parliament.

3. Is the electoral system multiparty-based? Are there at least two viable political parties functioning at all levels of government? The electoral system is multiparty-based. Parties began forming in late 1989 and early 1990 for the June 1990 legislative elections in the Czechoslovak republic. At least two political parties function at different levels of government. Local elections are direct, not proportional. Local politicians often run on party tickets, but they also run independently, as in local elections personal popularity may be a more important factor than party membership.

4. How many parties have been legalized? Approximately fifty parties have emerged since the revolution of 1989. There were twenty-seven parties registered in the 1992 elections. About twenty parties were registered for the 30 September-1 October 1994 elections. The major parties include the ruling, nationalist HZDS; Common Choice, a coalition of the Party of the Democratic Left and other left-oriented groups; the centrist Democratic Union; the Christian-Democratic Movement; and the far-right Slovak National Party. A Hungarian Coalition joins three ethnic Hungarian parties: Coexistence, the Hungarian Christian-Democratic Movement and the Hungarian Civic Party.

Political Process

Update: Several new parties were formed in 1995. On 25 March the National Democratic Party and former Prime Minister Jozef Moravcik's Democratic Union merged, retaining the name of the latter group. On 8 April the Movement of Czechoslovak Democrats was founded through the merger of the Movement for a Prosperous Czecho-Slovakia and the Party of Free Democrats. Expanding relations with the Czech Republic was seen as the new party's main goal. The Slovak Labor Party was also formed in April, to "deliver what the Slovak Workers' Association promised," according to one member.

5. What proportion of the population belongs to political parties? People may be members of various parties but membership is not required in order to vote. The number of party members registered is probably below 10 percent.

6. What has been the trend of voter turnout at the municipal, provincial and national levels in recent years? Voter turnout in the 1990 Czechoslovak legislative elections was above 85 percent. In the November 1990 municipal elections, turnout in Slovakia was 63 percent, compared to 73 percent in the Czech Republic, for an approximate 70 percent national average. In the 1992 federal (Czechoslovak) elections, 85 percent of the population voted, although turnout in the Slovak republic was lower than in the Czech republic, and in the 30 September-1 October 1994 legislative elections turnout was 75.65 percent. Turnout for successive municipal by-elections since January 1991 has tended to decline from about 65 percent to less than 40 percent.

Civil Society

1. How many nongovernmental organizations have come into existence since 1988? How many charitable/nonprofit organizations? Approximately 6,000 nongovernmental organizations emerged in Slovakia between November 1989 and April 1994. Only nine such organizations were registered prior to that time, and their claim to independence was dubious at best. The status of nongovernmental organizations is covered by some stipulations in the civil code. Only a few are sufficiently large, organized and financially sound to function effectively. Churches are some of the most active sources of nonprofit activity. Approximately 70 percent of the Slovak population currently affiliates itself with the Catholic Church.

Update: By April 1995 the Slovak Statistical Institute stated that there were 9,800 nongovernmental organizations in Slovakia. Of these, the Third Sector Service Center has information on about 15 percent, among them 480 foundations and 1,090 civic associations. Main areas of interest include humanities, social services, health care and environmental protection. About 35 percent of the organizations are centered in Bratislava, with the remainder fairly evenly dispersed among the Western, Central and Eastern regions. Over 380,000 volunteers are involved in these groups.

2. What forms of interest group participation in politics are legal? Such activities are not yet regulated, but many organizations do make public statements on political/legislative matters, operating in a legal gray area. Interest groups have relatively little power in the political process at this time.

3. Are there free trade unions? The workforce in Slovakia is 70-75 percent unionized, and unions are more influential than in the Czech Republic. All unions are associated with the Confederation of Labor Unions-Slovak Republic (KOZ-SR), the Slovak remnant of the Communist-era union that existed in Czechoslovakia. KOZ, which has 43 branches divided into 9,823 basic units, inherited all assets from the former confederation, but has turned over the vast majority of its staff since then. Unions within KOZ, such as steelworkers, have occasionally acted unilaterally.

4. What is the numerical/proportional membership of farmers' groups, small business associations, etc.? Farmers' groups exist, but are not a large political force. Small business associations are growing in size and influence. There is also an active entrepreneurs' party, which is very vocal about government policies.

Independent Media

1. Are there legal protections for press freedom? Press laws were revised in the Czechoslovak federation after the revolution of 1989. The Slovak Constitution also guarantees press freedoms. However, HZDS governments have

attempted to intimidate the independent press through the formation of a loyal journalists' organization and accusations of "inaccurate" reporting.

Update: Many questions have been raised in 1995 over the ruling coalition's infringements on freedom of expression. State television and radio are reportedly much less willing to air opposition viewpoints since the coalition came into office, implementing major personnel changes in state media organs that the Slovak Helsinki Committee regarded as "politically motivated." By the end of June, both opposition publications and international observers were expressing concern over censorship on Slovak Television as well as over planned discrimination against opposition newspapers—particularly those receiving support from outside the country.

2. Are there legal penalties for libeling officials? Are there legal penalties for "irresponsible" journalism? Article 103 of the Slovak criminal code prohibits defamation of the president. The most recent applications of this statute were in December 1993 against a disgruntled unsuccessful nominee for privatization minister and in January 1994 by a city prosecutor against a local newspaper editor. Although there are no official penalties for irresponsible journalism, under Vladimir Meciar's government journalists were often criticized and sanctioned for not presenting an "accurate" picture of Slovakia or the government. This situation changed with the removal of Meciar's government in March 1994, and the media had freer rein under the Moravcik administration. However, the HZDS campaign leading up to the 1994 legislative elections advocated increased government regulation of journalists.

Update: Amendments to the Penal Code adopted in 1995 call for prison terms of up to five years for dissemination of "false" information.

3. What proportion of media is privatized? All local radio is private. At least twelve local stations exist, with new licenses being granted. The state radio station broadcasts nationwide on three frequencies. At least two private stations cover most of the country. Several private cable stations exist, one (TATRA-TEMEX-TELEVISION) being a private news and documentary station broadcasting to Kosice, Presov, and Humenne (Eastern Slovakia) daily. One of the three national television stations is slated to be privatized once the parliament approves a candidate for the license. RTL, an international commercial station, also broadcasts in Slovakia. Hundreds of publications are private. TASR, the Slovak news agency, is state-owned. However, many bureaus subscribe to the Czech News Agency, CTK, which continues to cover Slovakia.

4. Are the private media financially viable? Media without foreign investment, government support, or party support often have only limited solvency. Private broadcasters are allotted 20 percent of air time for advertising (state broadcasters are allotted 5 percent), thus the amount of revenue they may receive from commercial sponsors is limited. The government has cut subsidies to many papers.

5. Are the media editorially independent? During the first Meciar administration, journalists the prime minister did not approve of were often dismissed from media entities that had ties with the government. In addition, Meciar preferred to hold interviews with a group of journalists whom he knew would treat him "fairly" because they favored his policies. This group, called "Journalists for a Truthful Picture of Slovakia," rivaled the non-affiliated journalists' syndicate. Private media are characterized by excessive editorializing in news stories, a function of the politicized atmosphere in the country. Opposition newspapers are generally free of state interference, but there have been exceptions. Some non-state owners influence content.

6. Is the distribution system for newspapers privately or governmentally controlled? The privatization of DanubiaPrint, a state-owned company responsible for printing most Slovak dailies, was stalled by the Meciar administration in 1992. However, it is currently on the list of companies to be included in the second wave of privatization. Smaller, private plants have begun printing some papers.

The distribution of most newspapers remains in the hands of Postal News Service, a state agency. However, since 1990 about one-third of Postal News' clientele has turned to Mediaprint Kapa, a distribution company owned largely by Austrian interests.

7. What has been the trend in press freedom? Freedom House's annual Survey of Press Freedom rated Czechoslova-

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kia Not Free for 1988, Partly Free for 1989, and Free from 1990 through 1992. The Survey rated Slovakia Partly Free from 1993 through 1994.

Rule of Law

1. Is there a post-Communist constitution? On 1 September 1992, the Slovak Constitution was adopted by the Slovak National Council. It went into effect 1 October, before the dissolution of the federal state on 1 January 1993. Its legality was in question for the period October-December 1992.

Update: The ruling coalition has made a concerted effort to erode presidential power, at times using methods widely regarded as unconstitutional. In March 1995 the legislature acted to slash appropriations for the president's office by about 50 percent; granted the prime minister broader latitude in making political appointments at the expense of presidential power; and amended the law to allow the prime minister—rather than the president—to name the chief of the Slovak Intelligence Service. On 5 May, eighty deputies voted no confidence in the president despite the fact that the constitution does not grant any such power to the legislature. President Kovac has repeatedly resisted government demands for him to resign. The ruling coalition is now examining the possibility of holding a referendum on dismissing the president or shortening his term.

2. Does the constitutional framework provide for human rights? Do the human rights include business and property rights? Although the constitution makes many provisions for individual rights they sometimes have undefined limits that may be set by parliament. It also contains some inconsistencies. The Czechoslovak Federal Assembly adopted the Bill of Fundamental Rights and Liberties, which established human rights laws, in January 1991. The constitutional definition of basic rights is based upon the federal Bill of Fundamental Rights and Liberties. Standards are similar to those of Western Europe, although certain laws may be required to enable the fulfillment of these rights. Article 20 of the Slovak Constitution states that all people have the right to own property.

3. Has there been basic reform of the criminal code/criminal law? The code has been amended many times since 1989; such changes were adopted by both the Czech and Slovak Republics as successor states to the federal state. The code is still under recodification in the individual republics.

Update: The Slovak National Party drafted amendments to two articles of the Penal Code concerning national security. One broadly-worded provision sets one-to-five-year terms for those seen to be disseminating "false information... that can result in a threat to [Slovakia's] security or damage its interests at home or abroad."

4. Do most judges rule fairly and impartially? How many remain from the Communist era? There are ten judges on the Constitutional Court holding seven-year terms, who are appointed by the president. Other judges are appointed by the Slovak National Council, based on Justice Ministry recommendations, for a period of four years. After serving this term, they may then be appointed for life by the council. The positions of judges holding unlimited appointments before the adoption of the Constitution are still unspecified. Courts are currently overloaded. Slovakia had 1,103 judges as of November 1994, up from 746 in 1989. About two-thirds of current judges served before November 1989. Judges reportedly rule fairly and impartially.

5. Are the courts free of political control and influence? Are the courts linked directly to the Ministry of Justice or any other executive body? The constitution designates that courts should be independent. The courts are currently part of the Ministry of Justice, although the Moravcik administration had expressed an interest in making them more independent. Constitutional Court judges are appointed by the president from a list prepared by the parliament. Judges in the four district courts are elected by the national council. Judges may not participate in politics, may not be party members, and may not be members of any government or legislative body. They are to observe only Slovak laws in making their decisions (international treaties do not have a direct effect in Slovakia).

6. What proportion of lawyers is in private practice? It is estimated that more lawyers remain in state employ than are in private practice.

7. Does the state provide public defenders? The right to public defenders is outlined in the federal Bill of Fundamen-

Rule of Law

tal Rights and Liberties and Article 50 of the Slovak Constitution. The court appoints an attorney for those who would not otherwise have one; such attorneys are then paid by the state.

8. Has there been a comprehensive reform of anti-bias/discrimination laws, including protection of ethnic minority rights? The situation of the 11 percent Hungarian minority is the most controversial area of Slovak minority policy. In the summer of 1993, the removal of bilingual location signs in southern Slovakia (along with other incidents) incited Hungary to attempt to block Slovakia's admission to the Council of Europe. In January 1994, some Hungarian political parties began advocating an independently administrated Hungarian province with its own legal status in Slovakia. Such motions were criticized as an unworkable attempt to divide provinces along ethnic lines, and were later dropped.

Relations between the Hungarians and the Slovak government improved markedly after the nationalist-leaning prime minister Vladimir Meciar was removed in a March 1994 no-confidence vote and replaced by the more moderate Jozef Moravcik. In the summer of 1994, the parliament passed several measures ameliorating Hungarian minority conditions, including a law permitting Hungarian women to avoid the Slovak feminine "ova" suffix on their names, a law legalizing bilingual signs in areas with at least 20-percent-minority populations, and measures providing for the financial support of Hungarian-language education and cultural activities. Slovakia contains more Romanies than the Czech Republic, and a small number of skinhead attacks on Romanies and Jews has been recorded in the last few years.

Update: Minority rights have suffered since the change in governments. The Slovak government outraged the Hungarian minority by mandating bilingual education in Hungarian schools. Since appropriating power to appoint and dismiss school principals in April 1995, the Ministry of Education has dismissed at least five Hungarian principals from their posts, prompting student strikes and other demonstrations. In May, Slovakia saw the first incident of outright violence against Hungarians in recent memory as Slovaks returning by train from a soccer match forced several Hungarians to jump off the train or be pushed, resulting in serious injuries.

Governance and Public Administration

1. Is the legislature the effective rule-making institution? The Slovak National Council is the effective rule-making institution, and its 150 members are elected by proportional representation. Public referenda may also be called in certain cases.

2. Is substantial power decentralized to subnational levels of government? In November 1990, under the Czechoslovak administration, several regional reforms took place: the ten-region system (seven Czech regions, three Slovak) used under communism was eliminated; districts, which represent the state and have precedence over local bodies, were placed under the administration of each republic, rather than under a central body; and municipal governments were made self-governing bodies. The continued process of regional reform has been a subject of intense debate in both successor republics to the Czechoslovak state. In Slovakia, the establishment of regions, self-governing bodies separate from the state-run districts, is the focal point of debate. Hungarian parties objected to reforms proposed in 1993 because they feared a reduction of their regional powers. Legislation on regional government was still being debated at the end of 1994.

Update: In mid-April 1995 the power to propose the appointment and dismissal of school principals passed from regional and local school boards to the Ministry of Education, further centralizing the administrative system. Legislation on new local and regional configurations is expected to be passed by late 1995.

3. Are subnational officials chosen in free and fair elections? According to the 1990 reforms, municipal or communal governments consist of assemblies chosen in local elections. Mayors are chosen by direct elections. District officials are appointed by the national government.

4. Do legislative bodies actually function? Local assemblies have the power to pass ordinances, call local referenda, and approve budgets. They have executive and legislative powers. Districts function as branches of the state and appear to be functioning smoothly. The status of regions has not yet been decided by legislation.

Governance and Public Administration

5. Do the executive and legislative bodies operate openly and with transparency? The transparency of local executive and legislative actions depends largely upon the quality of local media, which varies among regions. National Council proceedings are reportedly open to the public.

6. Do municipal governments have sufficient revenues to carry out their duties? Do municipal governments have control of their own local budgets? Do they raise revenues autonomously or from the central state budget? Municipal governments have the power to make and approve budgets. They receive some of their funds from central administrations, but also garner funding from local taxes. Mayors of small communities sometimes do not receive financial compensation. Revenues are reportedly insufficient for effective administration in some localities.

7. Do the elected local leaders and local civil servants know how to manage municipal governments effectively? There is some inefficiency at the local level due to inexperience as well as uncertainty about the procedural changes accompanying multiple reforms.

8. Has there been constitutional/legislative reform regarding local power? Has there been a reform of the civil service code/system? Are local civil servants employees of the local or central government? Reforms on local government were enacted in November 1990. Further reforms were postponed until after the division of the Czechoslovak state, and concrete legislation was still being debated at the end of 1994. Civil service code reforms have not yet taken place. Local civil servants other than district officials are local government employees.

Privatization

1. What percentage of the GDP comes from private ownership? It is estimated that the private sector generated 39 percent of GDP by the end of 1993. The World Bank states that the private share of GDP was 42 percent at the end of 1994.

Update: The World Bank estimated private share of GDP at 58.2 percent by mid-1995.

2. What major privatization legislation has been passed? Czechoslovakia nationalized over 98 percent of its assets under the Communist regime, making privatization a huge undertaking in both republics. A great many properties, including houses, farms and businesses, have been restored to former owners. Some small-scale privatization took the form of direct auctions in 1991 and 1992. Joint ventures with foreign companies are another method of privatization. The voucher system, which provides for the distribution of assets to the public, should take place in two waves in Slovakia. The first wave of voucher privatization, held under the Czechoslovak federation, was completed in December 1992. The second wave of voucher privatization began in September 1994, but was postponed by the new pro-statist government. A list of over 300 companies has been approved by the parliament.

Most privatization during 1993 was limited to direct sales of companies or shares, with the intent of attracting foreign investment. However, the legislature passed a law on the restitution of church property in the fall of 1993. Approximately 33 percent of the state's assets were privatized as of April 1994.

Update: In June 1995 the government announced that the second wave of voucher privatization, which had been postponed since December 1994, would not be undertaken as originally envisioned. Rather than with vouchers, the new "privatization" would be accomplished through issuing bonds not representing shares in any particular industry. The bonds would not mature until 2001. Critics pointed out that the new scheme did not represent any true form of privatization.

3. What proportion of agriculture, housing and land, industry, and business and services is in private hands?
Agriculture: Most agricultural land was privatized under restitution, a process that began in 1991 and is ongoing. Other farms were put up for auction. There are two categories of farms: cooperatives, of which over half are private cooperatives with joint ownership, and state farms, which were privatized through joint-stock arrangements in 1994. Well over half of agricultural land had been privatized as of late 1994.

Housing and Land: As part of property reform, the government passed a law soon after the revolution giving

Privatization

housing and land to the municipality in which it was located. People living in these units could then apply to buy them from the municipal government at a discounted price. This process may vary by municipality. Legislation was recently passed allowing for the purchase of apartment houses by cooperative groups. The government has no restrictions regarding housing privatization; the process is simply moving slowly due to citizens' lack of capital. As of late 1994, well over half of all housing units had been privatized.

Industry: Some industries were included in the large-scale privatization process under the federation, the first stage of which began in 1991. The second wave began in September 1994, and was to involve over 300 enterprises. These enterprises were to be privatized by the voucher system, public tender, and direct sale. The Fund of National Property will decide how each company is to be privatized, (for example, 50 percent voucher privatization, 30 percent employee buyout, and so on). Because, under this system, some companies may retain a certain percentage of government ownership, a nominal percentage of privatized firms is not the best indicator of privatization. However, it is estimated that 29 percent of industry has been privatized, and it was hoped that 50 to 60 percent would be privatized by the end of 1994. However, the incoming Meciar government once again stalled the process, making it impossible to reach this goal.

Business and Services: The Law on Small Scale Privatization was passed in late 1990 and established a system of public auction for the distribution of these properties. Those businesses that had belonged to individuals (as opposed to institutions) before the Communist takeover were included in the restitution process. As of late 1994, it was estimated that nearly all such units had been privatized.

Update: Prime Minister Meciar noted on 15 March 1995 that there were 327,775 valid licenses for self-employed people. During the first three months of the year, 25,318 licenses had been returned but 16,795 new ones had been issued.

TAJIKISTAN

Freedom House Ratings	1988-89	1989-90	1990-91	1991-92	1992-93	1993-94	1994-95
Political Rights	-	-	-	5	6	7	7
Civil Liberties	-	-	-	5	7	7	7
Status	-	-	-	PF	NF	NF	NF

Polity: Communist-dominated
Economy: Statist
Population: 5,882,000
PPP: $2,180
Ethnic Groups: Tajiks (62 percent), Uzbeks (24 percent), Russians and Ukrainians (10 percent), Armenians, Romanies, others
Capital: Dushanbe

Political Process

1. When did national legislative elections occur? The 230-seat parliament, elected on 25 February 1990 under unfair Soviet electoral rules, included 227 Communists. After the breakdown of the Soviet Union and the collapse of the Communist party in August 1991, Tajikistan's Acting President Kadriddin Aslonov banned the Communist party and passed an order to seize its property. Several days later former Communist party leaders forced Aslonov to resign and the former first secretary of the Communist Party of Tajikistan, Rakhmon Nabiyev, was installed. Nabiyev resigned under pressure and declared presidential elections. On 24 November 1991 Nabiyev was elected president of Tajikistan with 60 percent of the vote. These elections were held under a state of emergency and could not be considered free and fair. Nabiyev's so-called Islamic-Democratic government resigned in early November 1992, virtually at gunpoint. In December 1992 the Tajik Supreme Soviet appointed a so-called government of "national reconciliation," which mostly consisted of the People's Front field commanders during the civil war and political leaders from Leninabadsky Oblast (region). The legislative elections scheduled for 6 December 1992 were thus canceled. Emomali Rakhmonov was elected Supreme Soviet Chairman and Acting President.

Update: Despite strong recommendations from the Organization on Security and Cooperation in Europe (OSCE), the United Nations and the European Union to postpone elections until the opposition was prepared to participate fully, the government of Tajikistan held parliamentary elections on 26 February 1995 as planned. To justify holding elections in which opponents of the regime were effectively excluded, Tajik authorities argued that the opposition had displayed no intention ever to participate in these elections. The OSCE, United Nations and European Union therefore refused to send official election observers. Existing reports indicate the elections were neither free nor fair. Most new deputies are unaffiliated with any party.

2. When did presidential elections occur? On 6 November 1994 Rakhmonov was elected president with 58 percent of the vote, compared to 35 percent for the Tajik ambassador to Moscow, Abdulmalik Abdullajjanov. Most opposition groups boycotted the election, and neither the CSCE nor the United Nations sent observers, citing a grossly unfair election law. Massive fraud and blatant threats against people voting for Abdullajjanov were reported in many areas.

3. Is the electoral system multiparty-based? Are there at least two viable political parties functioning at all levels of government? No party other than the ruling Communist party existed between mid-1993 and late 1994, as the Democratic Party, Popular Movement Rastokhez, Islamic Renaissance Party (IRP) and La'le Badakhstan were outlawed. Three new registered parties now exist: the People's Unity Party, formed in October 1994 by presidential contender Abdullajjanov; the Party of Political and Economic Revival, led by Mukhjtor Boboyev; and the Popular Party, led by Abdumajid Dastiyev, deputy chairman of the outgoing parliament. These new parties offer token opposition, at best.

Update: Theoretically, all four officially recognized parties were allowed to participate in the recent parliamentary

Political Process

elections. However, many candidates were denied registration with insufficient evidence or explanation. For example, the Central Electoral Commission prohibited the People's Unity Party leader from running on the grounds that he did not follow unspecified registration procedures. As a result, this party withdrew all candidates from the election. In addition, the still-outlawed IRP boycotted the election and has consistently refused to recognize the results.

4. How many parties have been legalized? All opposition parties were outlawed until late 1994. Four registered parties existed by the end of 1994. The IRP, although not officially recognized, exerts significant influence, particularly with regard to ongoing civil strife.

5. What proportion of the population belongs to political parties? The Communist party still has the largest membership. In 1994 three new pro-government parties were registered. Less than 10 percent of the population of the republic belongs to the People's Party.

Update: Tajikistan's official parties have a very weak following, as illustrated in the February 1995 elections. Of 354 registered candidates, the Communist Party nominated forty-six, the Party of Political and Economic Revival one, the Popular Party ten, and the People's Unity Party two. Among the 181 deputies elected, members of these political parties number approximately ten, none, five and none, respectively. Party identification remains very much based on the personality of party leaders, as well as regional affiliations. Those living in the northern region of Leninabad, for example, are primarily Communist Party supporters, while most residents of the southern part of the country (Gharm, South Hissar Valley, Turgan Teppe, etc.) support the outlawed IRP. Moreover, 40 percent of registered candidates and the majority of newly-elected deputies are former regional, city and district leaders.

6. What has been the trend of voter turnout at the municipal, provincial and national levels in recent years? March 1991 referendum on the future of the USSR: 94 percent; November 1991 presidential election: 84.6 percent; November 1994 presidential election and constitutional referendum: 90 percent. All of these figures are highly suspect. No municipal elections have been held since independence.

Update: Turnout for the 26 February first round of legislative elections was 85 percent. Approximately 70 percent of registered voters took part in the second round, held 12 March, 1995. These figures are highly suspect, especially given the IRP claim that ballots were cast for some who did not go to the polls.

Civil Society

1. How many nongovernmental organizations have come into existence since 1988? How many charitable/nonprofit organizations? Several nongovernmental organizations have been registered since 1990 but they do not have substantial membership, and consequently no influence. There has been no growth of charitable/nonprofit organizations in Tajikistan.

Update: The current environment is unfriendly toward nongovernmental organizations. A notable example is that of Islamic groups, which are prevented from active participation in political life. The February 1995 elections are a case in point.

2. What forms of interest group participation in political are legal? The Tajik political and legislative system is not developed, and in any case real opposition is not permitted. There is thus little question of interest groups.

3. Are there free trade unions? There are no free trade unions in the country. The government controls all labor unions. There is a very large membership in the Communist-successor Confederation of Trade Unions, which claims 1.5 million members in 20 professional unions, because it controls pension funds and health care benefits. The separate, but also state-controlled, Trade Union of Private Enterprise Workers functions at 3,241 smaller enterprises and claims a membership of some 60,000. Almost every non-agricultural worker in the country is a member of a trade union.

5. What is the numerical/proportional membership of farmers' groups, small business associations, etc.? There are no

Civil Society

farmers' groups in Tajikistan, but all farmers belong to the Union of Agricultural Workers. Small business associations do not exist and businesspeople do not usually belong to any trade union. There are very few businesspeople in Tajikistan because the government has not yet initiated privatization.

Independent Media

1. Are there legal protections for press freedom? A press law was put into effect in 1991. In theory, this law and the 1994 Constitution protect freedoms of speech and the press, including the right to establish independent newspapers, magazines and radio and television companies. In practice these rights are not upheld. The government has total control of Tajik media. All opposition media are closed. The number of daily and weekly publications has been dramatically reduced and those published are mostly state-owned. Since the formation of Rakhmonov's government, hundreds of journalists have fled Tajikistan fearing political persecution, and hundreds more are unemployed. Those who remain practice strict self-censorship and there are no articles or television programs critical of the government.

2. Are there legal penalties for libeling officials? Are there legal penalties for "irresponsible" journalism? Under the current press law there are legal penalties for libeling officials. Soviet-era restrictions on criticism of government bureaucrats apply. There are also legal penalties for irresponsible journalism.

3. What proportion of media is privatized? There is only one privately owned Russian-language newspaper, *Business and Politics* (*Biznes i Politika*). Of ten to fifteen independent local television stations, all but two ceased operations for most of 1994 after the Supreme Soviet shut down all non-government broadcasting facilities until the government passes a special law on the broadcast media. There is no private radio.

4. Are the private media financially viable? The only private newspaper, *Business and Politics*, is financially viable. Generally all Tajik media have financial problems, but due to its high popularity this independent newspaper is fairly successful.

5. Are the media editorially independent? All Tajik newspapers except *Business and Politics* belong to the government and must express only government opinions.

6. Is the distribution system for newspapers privately or governmentally controlled? The government controls all aspects of publishing and distribution of newspapers through subsidies and the control of printing presses and the supply of newsprint.

7. What has been the trend in press freedom? Freedom House's annual Survey of Press Freedom rated Tajikistan Not Free from 1992 through 1994.

Rule of Law

1. Is there a post-Communist constitution? A new constitution was adopted by referendum on 6 November 1994. The constitution provides for a strong executive, who serves as head of parliament and has broad powers to appoint and dismiss officials.

Update: The opposition's repeated requests to amend the constitution have been denied by the current government. In response to an IRP and Democratic Party proposal to establish a provisional coalition government of existing socio-political forces, the government has responded that Article 100 of the constitution forbids such an arrangement. Briefly, this article states that "the governing structure of the republic, territorial integrity, democratic, legal, secular, and social essence of the state are unchangeable."

2. Does the constitutional framework provide for human rights? Do the human rights include business and property rights? In the new constitution there is a chapter devoted to human rights, which states that people have the right to own private property. The constitution in use through most of 1994 was basically the former constitution of the Tajik Socialist Republic, and did not differ much from Brezhnev's constitution. Though all possible human rights were listed there, the constitution was brutally violated in the years of communism.

Rule of Law

Update: Currently there is widespread popular and opposition doubt that the rights and freedoms enumerated in the November 1994 constitution will be protected. Many suspect that the constitutional referendum itself was illegitimate.

3. Has there been basic reform of the criminal code/criminal law? No. Tajikistan still uses the old Soviet criminal code.

4. Do most judges rule fairly and impartially? How many remain from the Communist era? A new law about the court system was adopted in the spring of 1993, though the system remains largely unchanged from Soviet times. The new members of the Supreme Court were elected in the autumn of 1993 as were local judges. At its last session the Supreme Court of Tajikistan created military courts to hear the cases of Tajik Army officers and soldiers. Judges do not rule fairly in politically charged cases, and are highly susceptible to bribery and intimidation. Murder investigations thought to involve perpetrators from the dominant Kulyabi region were dropped in 1994.

Update: Current conditions prevent courts from dispensing justice fairly and consistently at both the local and national levels. In addition, many cases that would normally be tried in a court of law are decided locally by clan leaders or armed groups on the battlefield.

5. Are the courts free of political control and influence? Are the courts linked directly to the Ministry of Justice or any other executive body? Officially the courts are free of political control. But practically there are many ways to influence court decisions. There is the still the "telephone rule," which was very common in the era of Communism, dictating that judges should clear decisions with government or party officials. Many judges receive death threats, as do many journalists and legislators.

6. What proportion of lawyers is in private practice? There are very few private lawyers (about 5-10 percent) in Tajikistan. The rest are employed by the state. Though there are enough lawyers, there is no adequate legal education in the country and most of the lawyers are incompetent. Lawyers are neither very powerful nor respected in Tajik society, which is highly corrupt and subordinated.

7. Does the state provide public defenders? The state provides public defenders only sporadically, and they are neither influential nor adequately trained. Generally, advokati (lawyers) are totally dependent on the authorities as well as judges, because they are paid by the state. Their housing is state-owned and their perks depend on their loyalty.

8. Has there been a comprehensive reform of anti-bias/discrimination laws, including protection of ethnic minority rights? There has been no reform of anti-bias/discrimination laws. The Uzbek minority and non-Kulyabi Tajiks continue to suffer violence at the hands of state security forces and pro-government militias. Tajiks belonging to the dominant Kulyabi clan have reportedly displaced others in government positions. Although education is conducted in Tajik, Uzbek and Russian, only Tajik is official. Ethnic Russians continue to leave the country.

Governance and Public Administration

1. Is the legislature the effective rule-making institution? No. The legislature is under strong executive influence and is effectively a rubber-stamp parliament.

2. Is substantial power decentralized to subnational levels of government? Power in Tajikistan is highly centralized. Everything is decided by the central government and regions only put these orders into practice.

3. Are subnational officials chosen in free and fair elections? Current subnational officials were generally elected via a one-person slate, and may henceforth be appointed by the president.

4. Do legislative bodies actually function? Local bodies may only pass ordinances. Laws are passed by the Supreme Soviet of Tajikistan, which is a rubber-stamp parliament.

5. Do the executive and legislative bodies operate openly and with transparency? The meetings of the Supreme Soviet are broadcast on national television. However, all decisions are made behind closed doors and the Supreme Soviet only approves them.

Governance and Public Administration

6. Do municipal governments have sufficient revenues to carry out their duties? Do municipal governments have control of their own local budgets? Do they raise revenues autonomously or from the central state budget? The municipal governments receive their budgets and funding from the central government. They may then operate relatively freely under an approved plan. All local revenue goes to the state budget. Revenues granted to localities are generally insufficient to cover needs.

7. Do the elected local leaders and local civil servants know how to manage municipal governments effectively? The local leaders and civil servants do not have enough experience to manage municipal governments effectively. They are not specially trained and were chosen for political or ethnic reasons rather than for their management skills. Although there is no hard evidence of corruption at the local level, no mechanisms exist to deal with this problem.

8. Has there been constitutional/legislative reform regarding local power? Has there been a reform of the civil service code/system? Are local civil servants employees of the local or central government? There have been no legislative changes regarding local power. The new constitution mandates that all local officials be appointed by the president. There has been no reform of the civil service code either locally or nationally. Local civil servants are nominally employees of local governments.

Privatization

1. What percentage of the GDP comes from private ownership? The World Bank has no reliable estimate of percent of GDP generated by private activity, but states that the privatization process has been seriously undermined by war and political instability, making it highly unlikely that more than 15 percent of GDP is private. An informal economy of indeterminate size also makes accurate measurement problematic. The economy had practically ground to a halt by the end of 1994.

Update: The World Bank stated in mid-1995 that it had no reliable figures for overall GDP, but that the informal sector of the economy appeared to be growing at a significant rate.

2. What major privatization legislation has been passed? A state property fund was created soon after independence and regulations were drawn up in 1991, but ethnic conflict and political instability all but halted the process. The number of privatized enterprises in the Tajik economy is less than 1 percent, mainly in the service and food industry. A countrywide privatization program was created in 1993 but was never implemented due to political instability.

Update: As of May 1995 Prime Minister Jamshed Karimov appeared to be pushing for immediate privatization of state property and encouraging local entrepreneurship as well as foreign investment. It was not clear whether or to what extent these changes will be carried out. No privatization legislation was being considered by the legislature as of mid-1995.

3. What proportion of agriculture, housing and land, industry, and business and services is in private hands? The World Bank states that only a negligible percentage of any economic sector has been privatized, although a significant number of informal businesses may exist.

TURKMENISTAN

Freedom House Ratings	1988-89	1989-90	1990-91	1991-92	1992-93	1993-94	1994-95
Political Rights	-	-	-	6	7	7	7
Civil Liberties	-	-	-	5	6	7	7
Status	-	-	-	PF	NF	NF	NF

Polity: Presidential-parliamentary (presidential-dominated)
Economy: Statist
Population: 4,055,000
PPP: $3,540
Ethnic Groups: Turkmens (72 percent), Russians (9.5 percent), Uzbeks (8.5 percent), Kazakhs (2.9 percent)
Capital: Ashkhabad

Political Process

1. When did national legislative elections occur? Legislative elections were most recently held on 11 December 1994 for the 50-member Assembly. One-candidate slates were used, and all 50 candidates were elected, reportedly by wide margins. Almost all seats went to members of the ruling Democratic Party (former Turkmen Communist Party), and the remainder to other supporters of the regime. International observers deemed the elections neither free nor fair due to the use of one-candidate slates, the barring of opposition participation and strict government control of political expression. Previously, elections for the 175-member Supreme Soviet of the Turkmen SSR were held on 7 January 1990 under the old Soviet electoral system. After a series of runoffs, nearly 90 percent of seats was won by Communists.

2. When did presidential elections occur? Saparmurad Niyazov, then First Secretary of the Turkmen Communist Party, was named Chairman of the Supreme Soviet in 1990. Running unopposed, he was elected to the new post of president on 27 October 1990. Niyazov again ran unopposed and was reelected on 21 June 1992. A 15 January 1994 referendum calling for Niyazov to remain president until 2002 was passed.

3. Is the electoral system multiparty-based? Are there at least two viable political parties functioning at all levels of government? The Democratic Party (former Turkmen Communist Party) is the only political party allowed to function, although the constitution allows the formation of political parties. Local elections are not truly competitive.

4. How many parties have been legalized? No political opposition is tolerated. Aside from the ruling Democratic Party, only the Peasants' Party for Justice (founded 1992), which has never made any public pronouncement for or against the government, is registered. Informal political organizations such as Agzybirlik (1989) and the Democratic Party of Turkmenistan (1990) exist, but are repressed.

5. What proportion of the population belongs to political parties? Estimates of membership in the Democratic Party range from 100,000 to 150,000. Informal parties are very small, with fewer than 1,500 members. There are approximately two million voters in Turkmenistan. Voter identification with the Democratic Party is entirely based on the personality of President Niyazov, who is viewed by many as leader of the Turkmen people and guarantor of a prosperous future, and also widely feared.

6. What has been the trend of voter turnout at the municipal, provincial and national levels in recent years? Official voter turnout figures have typically been over 95 percent (99.8 percent for the 11 December 1994 legislative elections), and are highly suspect. In any case, voters tend to vote out of coercion or habit rather than any conviction or hope for change.

Civil Society

1. How many nongovernmental organizations have come into existence since 1988? How many charitable/nonprofit organizations? No nongovernmental organizations expressing opinions different from those of the president are allowed to exist. Only a tiny number of social and cultural organizations—none of which may deal with political or other sensitive subjects—have been allowed to register. No known national charitable/nonprofit organizations exist.

Update: The government continued to discourage the formation of nongovernmental organizations in 1995. Attempts to register political or unsanctioned cultural organizations are met with severe repression, and most opposition figures have left the country as a consequence.

2. What forms of interest group participation in politics are legal? No independent interest groups are allowed to function. Organizations of teachers, journalists and other professionals routinely and publicly express only pro-government views.

Update: Government intimidation of groups representing alternative viewpoints extends even beyond the country's borders. In early 1995 Turkmenistan authorities attempted to have opposition leaders deported from Moscow to Turkmenistan by accusing them of attempting to assassinate President Niyazov. Although the Moscow Procurator's office dropped the charges in April following an investigation, the accused have been subjected to brutal beatings by Niyazov supporters.

3. Are there free trade unions? The state-run Trade Union Federation claims 1.6 million members, and is the only such organization allowed to exist in Turkmenistan. It includes regional and sectoral unions. Almost all workers belong to the Federation, as it remains part of the institutional social safety net.

4. What is the numerical/proportional membership of farmers' groups, small business associations, etc.? No known independent farmers' groups, trade unions or business associations exist.

Independent Media

1. Are there legal protections for press freedom? While constitutional guarantees of freedom of expression exist, there is no freedom of the press in practice.

2. Are there legal penalties for libeling officials? Are there legal penalties for "irresponsible" journalism? There are legal penalties for libeling officials, as well as for "irresponsible" journalism.

3. What proportion of media is privatized? No information media are in private hands. The government controls and funds all electronic and print media. The government has been known to jam Russian radio and television broadcasts deemed offensive to it or to the president. Independent publications printed abroad have been confiscated upon arrival in the country.

4. Are the private media financially viable? All media are government sponsored.

5. Are the media editorially independent? Editors and directors of publications, Turkmenian Radio and Turkmenian Television, and the Turkmen Press Agency are accountable to the government.

6. Is the distribution system for newspapers privately or governmentally controlled? The distribution system for newspapers is government controlled.

7. What has been the trend in press freedom? Freedom House's annual Survey of Press Freedom rated Turkmenistan Not Free from 1992 through 1994.

Rule of Law

1. Is there a post-Communist constitution? A new constitution was adopted by the Supreme Soviet (now the Assembly) on 18 May 1992. The new constitution describes Turkmenistan as a "democratic, law-based and secular state." The constitution provides for a strong president to serve as head of both state and government. The

Rule of Law

president may dissolve the legislature, issue laws, and appoint and dismiss judges without legislative review, and is the sole political figure empowered to interpret the constitution.

2. Does the constitutional framework provide for human rights? Do the human rights include business and property rights? While the Constitutional framework provides for basic human rights including property rights and equal economic opportunity, these are not respected in practice. For example, 1992 legislation denies job and property rights to non-Turkmens, giving priority to "pure" Turkmens.

3. Has there been basic reform of the criminal code/criminal law? There has as yet been no fundamental reform of the criminal code.

4. Do most judges rule fairly and impartially? How many remain from the Communist era? Judges rule neither fairly nor impartially in matters involving politics or ethnic considerations. Judicial decisions are essentially based on presidential desires. The most recent information is that all current judges were elected prior to 1990. The constitution does not guarantee due process, although some of its elements, such as access to counsel, are provided for.

5. Are the courts free of political control and influence? Are the courts linked directly to the Ministry of Justice or any other executive body? Judges are appointed by the president and are extremely politicized. Courts are directly linked to the Ministry of Justice.

6. What proportion of lawyers is in private practice? There is no private practice. Legal watchdog groups are not allowed to exist.

7. Does the state provide public defenders? Due process rights including the right to defense counsel are provided for in law. However, these rights are applied unevenly, particularly in rural areas. Public defenders are generally provided in cases of murder or treason. However, these lawyers are state employees, and thus loyal to the president. Defendants have no alternatives, as private legal practice does not exist.

8. Has there been a comprehensive reform of anti-bias/discrimination laws, including protection of ethnic minority rights? Private religious instruction is forbidden. Property rights, job rights and educational opportunities are denied to non-Turkmens in reality, and in some cases in law. Women continue to have second-class status, primarily for traditional reasons.

Governance and Public Administration

1. Is the legislature the effective rule-making institution? President Saparmurad Niyazov is empowered to issue laws. The Supreme Soviet, which became the Assembly on 19 May 1992, has no jurisdiction regarding either general policy or constitutional matters, and in any case normally acts purely as a rubber stamp for presidential decisions. The People's Council, a new body created under the 1992 constitution and headed by President Niyazov, deals with constitutional and policy matters.

2. Is substantial power decentralized to subnational levels of government? Local officials now have less authority than they had under the Soviet system.

3. Are subnational officials chosen in free and fair elections? Governors of the country's five provinces are appointed by the president, and in turn appoint lower-level officials, most likely subject to central government approval.

4. Do legislative bodies actually function? Legislative bodies are absolutely subject to executive influence.

5. Do the executive and legislative bodies operate openly and with transparency? No. Many decisions are announced in the official media, but legislative and executive debate are held behind closed doors.

6. Do municipal governments have sufficient revenues to carry out their duties? Do municipal governments have control of

Governance and Public Administration

their own local budgets? Do they raise revenues autonomously or from the central state budget? Municipal governments are funded by the central government and do not control their own budgets. Because of President Niyazov's policy of promoting rapid development and industrialization, a substantial amount of money is granted to local authorities for development. However, these amounts are generally considered insufficient given the country's poverty.

7. Do the elected local leaders and local civil servants know how to manage municipal governments effectively? Local leaders are prone to corruption and clan-based biases, and in any case the major decisions are made at the higher levels of government.

8. Has there been constitutional/legislative reform regarding local power? Has there been a reform of the civil service code/system? Are local civil servants employees of the local or central government? In addition to constitutional provisions and presidential decrees on local power, legislative changes (promoted by the president) were introduced in 1992. These have tended to diminish, rather than increase, the independence of local governments. There has been no reform of the civil service code. Local civil servants are nominally employees of their respective local governments, but are appointed and paid by the central government.

Privatization

1. What percentage of the GDP comes from private ownership? Only a very small percentage of GDP (under 10 percent) is generated by the private sector. The magnitude of any informal economic activity is unclear.

Update: The World Bank estimated in mid-1995 that no more than 15 percent of GDP was generated by the private sector.

2. What major privatization legislation has been passed? Shortly after independence, in October 1992, the government proclaimed the goal of an effectively operating market economy. In 1993, the government introduced its own currency, the manat. The government is loath to loosen its grip on important sectors, and areas specifically excluded from privatization include natural resources, forests, water supplies, airspace and objects of historical/cultural importance. The process of privatization is thus proceeding very slowly.

Update: Although plans were announced to carry out some small-scale privatization by the end of 1995, no legislative action has yet been taken. It remains unclear when or whether full-scale privatization will be launched.

3. What proportion of agriculture, housing and land, industry, and business and services is in private hands?
Agriculture: The process of transferring land and equipment to farmers' cooperatives is beginning and the government claims it will eventually confer private ownership on the cultivators. So far, less than 10 percent of this sector has been privatized.

Housing and Land: The state continues to invest heavily in housing production. The process of privatization has hardly begun. So far, less than 10 percent of land has been privatized, most of which is desert. The government announced a housing privatization program soon after independence, but reversed itself a few months later, renationalizing housing.

Industry: The goal for large industrial establishments is to rapidly expand the processing of the country's natural and agricultural raw materials. Privatization is planned for a later stage, but will include no industries connected with energy or other major sources of revenue.

Business and Services: Small enterprises employing fewer than 100 workers are set for rapid privatization. So far, less than 25 percent has been privatized. The aim is to eventually privatize 50 percent of all building-materials producers, 100 percent of canneries, and most automobile transport companies. The government makes a dubious claim that there are today over 12,500 small business enterprises (including manufacturing) employing some 50,000 workers.

UKRAINE

Freedom House Ratings

	1988-89	1989-90	1990-91	1991-92	1992-93	1993-94	1994-95
Political Rights	-	-	-	3	3	4	3
Civil Liberties	-	-	-	3	3	4	4
Status	-	-	-	PF	PF	PF	PF

Polity: Presidential-parliamentary democracy
Economy: Statist (transitional)
Population: 51,482,000
PPP: $5,180
Ethnic Groups: Ukrainians (72.7 percent), Russians (22.1 percent), others
Capital: Kiev

Political Process

1. When did national legislative elections occur? Elections for the unicameral 450-seat parliament were held in 1994 under a flawed and complex electoral law that led to votes and run-offs in March, April, July, August and November, when further voting was suspended with 47 seats yet to be filled. The November 1993 election law was entirely majoritarian and clearly biased against parties (only 11 percent of the candidates had party affiliations), making it difficult for them to register candidates, while any "group of electors" (minimum membership of ten) or "workers' collective" (no minimum membership) could easily nominate whomever it chose. Over twenty candidates ran in some districts. The law set a minimum rate of participation of 50 percent in a district for the vote to be considered valid. The vote was generally free and fair, but there were reports of irregularities.

While candidates from at least eighteen political parties are represented in parliament, the political configuration in parliament can best be understood in terms of movements and factions : Neo-Communist Left: 157 seats (39 percent)—this broad leftist coalition comprises the Communists of Ukraine for Social Justice and People's Power (91 seats), the Agrarians (41 seats) and the Socialists (25 seats). Centrists: 116 seats (28.7 percent)—the centrists are not a cohesive bloc, but rather a range of political forces with roots in the state-administrative and industrial nomenklatura. Backers of President Leonid Kuchma include the Unity bloc (28 deputies) and the Interregional Deputies group (30 deputies). The largest centrist faction, with 58 seats, is the so-called Center, many closely associated with the so-called "party of power" of former President Leonid Kravchuk. National democrats and national liberals: 99 seats (24.6 percent)—this bloc includes a range of forces, from moderate patriots who support radical economic reform to hard-line nationalists who emphasize Ukrainian statehood. It includes the Rukh faction (29 seats), and the Reform group (40 seats), which supports radical market reforms. Independents: 31 deputies (7.7 percent)—the independents range from far-right nationalists to ex-Communist apparatchiks and do not represent a cohesive force.

Update: In June 1995, the Legal Policy and Judicial Reform Commission of parliament drew up a new electoral law which provides that half of the 450 deputies be elected directly by constituencies and the other half by party lists. It also abolishes the requirement of a minimum voter turnout of 50 percent plus one vote for elections to be considered valid and the requirement that candidates gain at least 25 percent of the vote in their consistencies to be declared winners. The law is aimed at eliminating the need for numerous costly runoffs such as plagued the 1994 vote.

2. When did presidential elections occur? Presidential elections were held in June 1994. Incumbent President Leonid Kravchuk and former Prime Minister Leonid Kuchma made it through to the second round, garnering 37.7 percent and 31.3 percent, respectively. In the July 10 runoff, Kuchma was elected with 52 percent of the vote, while Kravchuk captured 47 percent. The elections were judged free and fair by international observers, although there were reports of irregularities and fraud in some districts.

Political Process

3. Is the election system multiparty-based? Are there at least two viable political parties functioning at all levels of government? Ukraine declared a multiparty system shortly after independence although the 1993 electoral law undermined the open participation of parties in the political process.

4. How many parties have been legalized? There are currently twenty-four registered political parties and broad political associations, among them a number of regional parties that include secessionists in Crimea and Subcarpathia.

5. What proportion of the population belongs to political parties? Polls conducted in Ukraine in December 1994 by the International Foundation for Electoral Systems indicated that only 5.1 percent of respondents said they were members of political parties, while 21.5 percent indicated that parties represented their interests. An earlier independent poll found that only 8 percent of respondents said that "parties are necessary elements for democratic development of society," and 6 percent believed that parties provide support for the people.

6. What has been the trend of voter turnout at the municipal, provincial and national levels in recent years? In the 1990 parliamentary elections to the Ukrainian Supreme Soviet, 84 percent of voters elected 450 deputies. Voter turnout in the 1991 presidential elections was 85 percent.

There were five rounds to the 1994 parliamentary (Supreme Council) elections in which 403 deputies were elected. Seventy-six percent of voters elected 338 deputies in the first round held on 27 March; 67 percent of voters came out for the second round held on 2, 3, 9 and 10 April; 51 percent of voters elected thirty-one deputies in the third round held on 24 and 31 July. National turnout figures are unavailable for the fourth round, held 7 August, in which twenty-seven deputies were elected. There were four deaths or disqualifications during the four rounds.

There were two rounds to the 1994 presidential elections. Voter turnout for the first round (26 June) was 68 percent and for the second round (10 July) 71 percent.

Local elections were held on 26 June 1994 for local council chairmen and deputies. A total of 161,274 out of 164,315, or 98 percent, of deputies at all council levels were elected. Also, 10,892 out of 11,443, or 95 percent, of council chairmen were elected. These include seventeen oblast council chairmen. Chairmen were elected in 60.2 percent of city, 91.1 percent of region, 77.8 percent of town, 91.2 percent of township, and 96 percent of village councils. Turnout was the same as for the presidential elections.

Civil Society

1. How many nongovernmental organizations have come into existence since 1988? How many charitable/nonprofit organizations? There are 3,630 registered NGOs and public social, cultural and religious organizations. These include private foundations (372), sports groups (432), historical-cultural groups (62), student organizations (23), women's groups (201), veterans organizations (289), ecological associations (108), educational groups (350), art-culture groups (104), invalid organizations (146), and technical-business associations (180). Sixty-six are listed as international, with the rest national and local. Charitable organizations, many supported from abroad, exist to help victims of Chernobyl, veterans of Afghanistan and pensioners.

2. What forms of interest group participation in politics are legal? Citizen advocacy groups have sprouted in Ukraine, and their tactics range from public protest to petition. NGOs, such as the environmental groups, have galvanized public opinion and changed state policy on issues of major concern. Others focus on meeting local needs. Groups do endorse candidates. Business associations have often been structured to influence policy. Managers of large state farms and state enterprises comprise a powerful and effective lobby that has often hamstrung broad economic reforms.

3. Are there free trade unions? The largest labor federation in Ukraine is the Federation of Trade Unions, a successor to the former official Soviet body, which claims to represent 21 million workers. In 1992, five independent unions united under the umbrella of the Consultative (Advisory) Council of Free Trade Unions, which interacts freely with international labor bodies and the American Federation of Labor-Congress of Industrial Organizations (AFL-CIO). Independent unions were established in the Black Sea fleet, among military officers, scientific workers, miners, pilots, civil air dispatchers, locomotive engineers, and aviation ground crews. Estimates of membership in independent trade unions range from 100,000 to 200,000 members. Over 80 percent of the workforce is unionized.

Civil Society

4. What is the numerical/proportional membership of farmers groups, small business associations, etc.? Given the small number of private farmers due to limited land reforms, there are only three significant private farmers groups. Agricultural and collective farm workers are putatively represented by the leftist Agrarian Party, which won 41 seats in the 1994 parliamentary vote. There are about 150 business associations, ranging from small local-regional groups to the large national Association of Businessmen and Entrepreneurs. Many such associations were formed as political pressure groups during elections and a reliable figure for overall membership in these groups does not exist.

Independent Media

1. Are there legal protections for press freedom? A 1991 press law purports to protect freedom of speech and the press, but only covers the print media. While no overt and direct censorship occurs, official newspapers in the past have been reluctant to publish anti-government editorials or items. A statute on "Television and Radio Broadcasting" (the Broadcasting Law) became effective on 22 February 1994, and operates in conjunction with the Law on Information enacted in October 1992. The Broadcasting Law does not contain express recognition of a broadcaster's right to free expression (although such a "principle" is stated in Article 2). In cases where broadcast information is false, degrades a person's honor and dignity, or violates a right to privacy, the broadcaster may be liable for money damages. Article 2 prohibits the dissemination of "state secrets." Other enumerated violations include such things as "ungrounded refusal to provide relevant information" and "intentional concealment of information." After his election, President Kuchma disbanded the Council on Broadcast Media, a regulatory agency, on the grounds that it was partisan toward his predecessor when, among other things, it shut down a private television station for broadcasting information about the opposition to then-President Leonid Kravchuk.

2. Are there penalties in the law for libeling officials? Are there legal penalties for "irresponsible" journalism? The press law forbids slandering the leadership of the republic. The Law on Information and the Law on Broadcasting impose disciplinary, civil, administrative and criminal liability for information that "damages the honor and dignity of a person."

3. What proportion of the media is privatized? There are hundreds of independent Ukrainian- and Russian-language newspapers, periodicals and journals. But many newspapers continue to receive some state subsidies, a form of indirect control leading to self-censorship. In 1994, President Kuchma signed a law exempting government-owned media from paying high value-added taxes, thereby making the private press comparatively more expensive. The Ukrainian State Committee for Television and Radio broadcasts in Ukrainian and Russian. There are several private local television and radio stations throughout the country, which broadcast views and stories critical of the government. However, the state grants air time to commercial channels and access to the state cable system, thereby creating the possibility of arbitrarily restricting certain types of programs. The official domestic facility of the Ukrainian National Information Agency (Ukrinform) is based in Kiev; independent agencies include the Ukrainian Press Agency, UNIAR and UNIAN, and Rukh Inform.

Update: In June 1995, the information minister on the state of the press reported that there were more than 3,000 publications in Ukraine despite financial difficulties and declining circulation. Rising subscription rates and other economic factors caused the total circulation to fall from 63.7 million in 1992 to 14.7 million in 1994. Of the 400 nationwide newspapers, 103 are published in Ukrainian.

4. Are the private media financially viable? Most private media face the high cost of paper and government-controlled printing and distribution services. Private media also face high value-added taxes from which official media are exempt.

5. Are the media editorially independent? Officially supported and subsidized media generally reflect the government line. Independent, party and labor publications reflect diverse views often at odds with the government.

6. Is the distribution system for newspapers privately or governmentally controlled? There is both government-controlled and private distribution. Some independent newspapers are mailed through the post office and distributed by privately-owned kiosks. Others are placed directly into mailboxes or sold by vendors.

Independent Media

7. What has been the trend in press freedom? Freedom House's annual Survey of Press Freedom rated Ukraine Partly Free from 1992 through 1994.

Rule of Law

1. Is there a post-Communist constitution? Ukraine is governed by the 1978 Constitution of the Ukrainian Soviet Socialist Republic, modified since independence by the introduction of a presidency and a multiparty system. A parliamentary commission, formed in 1992 to prepare a new constitution, has yet to complete its work.

Update: By mid-June 1995 there were at least three competing draft constitutions. Under an agreement with parliament, President Kuchma agreed to a one-year deadline to adopt a new, post-Soviet constitution. In the meantime, a year-long Constitutional Agreement—a small constitution—is in effect and has relieved a deadlock between the legislative and executive branches.

2. Does the constitutional framework provide for human rights? Do the human rights include business and property rights? With no post-Soviet constitution, statutes and laws exist dealing with religious rights, minority rights, as well as general human rights. Parliament has a special committee for human rights, though its role and enforcement mechanisms remain ill-defined. The government allows national and international human rights groups to operate freely. *De facto* property rights exist (i.e. citizens own dachas, homes and businesses), but vague privatization laws and limited land reform continue to cloud the issue of private ownership.

Update: In June 1995, to secure the emerging private sector's property rights, President Kuchma decreed that an enterprise's land and buildings be included in any sale, except in the often-invoked case of historic sites. A draft condominium law, expected to be passed by the cabinet or presidential decree, will regulate the rights of co-owners in a building.

3. Has there been reform of the criminal code/criminal law? There have been some modifications of Soviet-era laws enhancing defendants' rights in such areas as pre-trial detention and appeal of arrests. A prosecutor must issue an arrest warrant if detention exceeds three days. Citizens are allowed to appeal the legality of arrests either to the court or to the prosecutor. By law, a judge must initiate a trial within three weeks from the time charges are filed, but an overloaded court system has led to violations. In November 1991, a new law on the procuracy overhauled this institution and redefined its powers, stripping it of many of its court oversight functions. Reforms of the court system and civil codes continue at a slow pace. A June 1992 law authorized the creation of a Constitutional Court, but it has yet to be established. President Leonid Kuchma's tough anti-crime decree, signed in July 1994, permits police to hold suspected criminals for up to 30 days, and suspected criminal locations may be raided without search warrants.

Update: In June 1995, President Kuchma issued a decree dealing with legal reform that created a presidential committee on legislative initiatives and a committee to review Ukraine's legal and criminal codes. The president also resolved to form a committee dealing with legal terminology.

4. Do most judges rule fairly and impartially? How many remain from the Communist era? Local court officials are often sensitive to local administrators' interests. Most judges, especially on the regional level, were appointed during the Soviet era. Oblast and Supreme Court judges may not be members of political parties and must have at least five years' experience, which in practice means they served in the Soviet system.

5. Are the courts free of political control and influence? Are the courts linked directly to the Ministry of Justice or any other executive body? A truly independent judiciary and the rule of law remain in the formative stages in Ukraine. Parliament selects judges on the basis of recommendations from the Ministry of Justice, based in part on examination results. The chief procurator and deputy chief prosecutor are nominated by the president and confirmed by parliament. State and local procurators are appointed by the chief prosecutor. The ability of the judicial branch to function independently from the executive branch remains limited. At the oblast level especially, judges, prosecutors and other court officials appear to be closely attuned to local government interests. Although an independent bar exists, the legal profession still faces challenges in defining its role and relationship to other legal structures, as well as finding trained and experienced personnel.

Rule of Law

6. What proportion of lawyers is in private practice? There are only about 50,000 legal professionals in Ukraine. Advocates (lawyers in the private practice of law) number 6,000 or about 12 percent of the total.

7. Does the state provide public defenders? Yes, citizens have the right of access to a defense attorney from the moment of detention, and the indigent are provided a lawyer at state expense.

8. Has there been a comprehensive reform of anti-bias/discrimination laws, including protection of ethnic minority rights? In the fall of 1991, following parliament's declaration of independence, an amendment to Article 66 of the Ukrainian Criminal Code called for penalties for acts of discrimination against citizens based on their race, national origin, or religious beliefs. On 1 November 1991, parliament issued a declaration guaranteeing equal political, economic, social and cultural rights to all individuals and nationalities in Ukraine.

Governance and Public Administration

1. Is the legislature the effective rule-making institution? A key unresolved situation in Ukraine is the division of power between the legislative and executive branches of government. While parliament passes laws, President Kuchma, like his predecessor, also has powers of decree, which he has used. There are factions in parliament that want to reduce the president's power and authority, an issue that will not ultimately be resolved until a final post-Soviet constitution is written and adopted.

Update: President Kuchma wrested new political power from parliament in mid-May 1995 as legislators yet again altered the much-amended Soviet-era constitution in order to give up their power to help name Ukraine's cabinet and their claim to authority over provincial and local governments. On 7 June 1995, parliament voted 240-81 to accept a "constitutional treaty" under which it relinquished its power to veto key presidential appointments, allowed the president direct supervision of provincial governors and expanded his authority to issue decrees. As part of the accord, President Kuchma canceled a nonbinding national referendum on the presidency and parliament that had been slated for 28 June. President Kuchma had pressed for a so-called "law of power" for months, arguing it was vital to enact economic reforms without interference from conservatives in parliament. In return, the president agreed to a one-year deadline for a new constitution. On 8 June, President Kuchma appointed former Chairman of the National Security Service Yevhen Marchuk as prime minister. In April, parliament had passed a no-confidence motion against the cabinet, escalating the conflict between the executive and legislative branches.

2. Is substantial power decentralized to subnational levels of government? No. In August 1994, President Kuchma decreed that local councils and other bodies were ultimately subservient to the president. Earlier, in June 1994, parliament adopted a law on forming local authorities and self-government bodies. Heads of Local Councils of People's Deputies, including town's region councils and their executive committees, would be subordinated only to the Cabinet of Ministers. After the 26 June local elections the powers of the regional administrations were to be transferred to the chairmen and executive committees of the Local Councils.

Update: In spring of 1995, Ukraine's central government responded to separatist groups in Crimea by canceling the region's constitution and abolishing its presidency. On 31 May, Crimea's parliament backed down from holding a referendum on autonomy. Elections for local councils, originally slated for 29 April, were held on 25 June; just over 50 percent of eligible voters cast ballots, filling some 75 percent of seats on local councils. Over half the candidates represented the Crimean Communist Party, which seeks autonomy within Ukraine.

3. Are subnational officials chosen in free and fair elections? Yes, local elections were held simultaneously with the presidential vote on 26 June 1994. Mayors for the first time were directly elected by citizens rather than appointed by local councils.

4. Do legislative bodies actually function? On the national level, parliament drafts, debates and passes laws, though polarization between the executive and the legislative bodies and the lack of a constitution that clearly defines the parameters of power of each branch have led to gridlock and conflict. The draft law on Local Councils of People's Deputies is in the process of amendment, meaning that the rights and responsibilities of the councils have yet to be fixed. Moreover, the effect of the August 1994 presidential decree exercising power over the local councils remains to be seen.

Governance and Public Administration

5. Do the executive and legislative bodies operate openly and with transparency? Most votes are not recorded, committees meet in private sessions, and independent auditing agencies do not exist. However, the media do report on government activities and generally have access to government officials.

6. Do municipal governments have sufficient revenues to carry out their duties? Do municipal governments have control of their own local budgets? Do they raise revenues autonomously or from the central state budget? In Ukraine, only the cities of Kiev and Sevastopol (Crimea) have the power to raise their own revenues. All other municipalities depend almost exclusively on allocations from the central government. These are often insufficient to cover local needs.

7. Do the elected local leaders and local civil servants know how to manage municipal governments effectively? A major problem facing local bodies is the lack of qualified personnel. Many regional and local posts throughout the country, particularly in the east and south, remain in the hands of the Communist-era nomenklatura. Local and municipal officials are underqualified to meet the contingencies of changing political and economic structures. Western organizations did help establish a school to help professionalize the civil service.

8. Has there been constitutional/legislative reform regarding local power? Has there been a reform of the civil service code/system? Are local civil servants employees of the local or central government? Parliament adopted and amended a draft Law on Local Councils of People's Deputies on forming local authorities and self-government bodies in 1994. No civil service code exists; however, a statute on state service was passed in late 1992 or early 1993. Local civil servants are nominally employees of the local governments.

Privatization

1. What percentage of the GDP comes from private ownership? It is estimated that some 16 percent of the Ukrainian economy is in private hands, accounting for up to 30-40 percent of GDP according to conservative official statistics.

2. What major privatization legislation has been passed? Major privatization legislation includes concepts (approved by the Supreme Soviet) on the destatification and privatization of enterprises, land, and housing, December 1991; Draft Law on the Privatization of State Enterprises, March 1992; Draft Law on the Privatization of Securities, March 1992; Draft Law on the Privatization of Small State Enterprises, March 1992; Law on Entrepreneurship, December 1991; The Ukrainian Privatization Program, July 1992. Aspects of privatization have periodically been suspended, most recently in September 1994 in a dispute between parliament and the government.

Privatization vouchers are to be given to all Ukrainian citizens. Privatization occurs basically through leaseholding arrangements followed by employee or management buyout. In November 1994, a Kiev-based investment fund estimated that about 6 million privatization certificates had already been invested in Ukraine either in worker buyouts or by investment funds.

Update: On 28 June 1995, President Kuchma issued a decree, in accordance with Article 25 of the Law on State Power and Local Self-Government and Article 3 of the Law on the Privatization of State Enterprises, "On Measures to Ensure Privatization in 1995," that will allow foreigners to participate in the privatization of enterprises on equal terms with Ukrainian citizens. The decree placed state enterprises in six categories according to fixed capital value. It charged the State Property Fund to oversee implementation and embraced 31,600 enterprises.

3. What proportion of agriculture, housing and land, industry, and business and services is in private hands?
Agriculture: Reforms in this sector have lagged. There are 8,000 collective farms (50 percent of which have become closed stock companies). Private farms remain negligible.

Housing and Land: Almost 13 percent of apartments belonging to the state housing stock were privatized as of mid-1994. Farmers' private parcels of land were subject to privatization, but wholesale privatization of land has not occurred.

Industry: There has been virtually no privatization of large, state-owned enterprises. The slow pace of

Privatization

privatization—only 150 large and medium-sized enterprises in the first wave of the sell-off program as of summer 1994—has meant the lack of a class of independent owners with an interest in reform. In November 1994, President Kuchma decreed that 8,000 medium and large enterprises should be moved off the state books in 1995.

Business and Services: Small businesses and the service sector have seen a modest increase in private ownership. Many small-scale enterprises operate as leaseholding entities. Nationally, only 10 percent of small-scale enterprises (in retail, trade and services) have been sold. A project overseen by the International Finance Corporation (World Bank) in thirteen cities raised privatization levels to between 30 and 70 percent. In one city, Luhansk, 70 percent of retail, trade and services have been privatized; 55 percent in Zaporizhe, and 40 percent in Cherkassy. Many private entrepreneurs have gone underground to form a black economy because it is the only way to survive in Kiev's thicket of restrictions and high taxes.

UZBEKISTAN

Freedom House Ratings	1988-89	1989-90	1990-91	1991-92	1992-93	1993-94	1994-95
Political Rights	-	-	-	6	6	7	7
Civil Liberties	-	-	-	5	6	7	7
Status	-	-	-	PF	NF	NF	NF

Polity: Dominant party
Economy: Statist (transitional)
Population: 22,118,000
PPP: $2,790
Ethnic Groups: Uzbeks (70 percent), Russians (8 percent), Tajiks, Ukrainians, Meshketian Turks, others
Capital: Tashkent

Political Process

1. When did national legislative elections occur? The most recent parliamentary election in Uzbekistan took place on 25 December 1994. Of 250 seats in the Assembly, 179 were won by members of the ruling (former-Communist) People's Democratic Party. The remainder were also won by government supporters, though these were nominal independents or members of other parties. Because international agencies (United Nations, OSCE, etc.) and embassies observing the December 1994 parliamentary elections chose to concentrate on the procedural fulfillment of Uzbekistan's electoral code on the day of the elections, rather than on the entire political process leading up to election day, their overall assessment was generally positive. The only major violations cited were widespread family voting (one member, usually the eldest male, voting for the entire family) and the occasional presence of government officials and/or police officers at polling stations. Major violations preceded the elections, however, as nongovernment parties were banned from participation, candidates were censored, and hokims (heads of local government) were essentially guaranteed victory to ensure both a "regime-friendly" legislature and the execution of President Karimov's will at the local level (since only seventy-five deputies are engaged in parliamentary business full-time, the remainder may keep their current positions). Candidates who were members of the former CPSU won over 90 percent of the contested seats. Previous elections took place in February 1990 under Soviet-era electoral rules.

2. When did presidential elections occur? Uzbekistan's presidential elections occurred on 29 December 1991. Islam Karimov, former First Secretary of the Communist Party of Uzbekistan, won while his opposition received only 12 percent of the vote. The elections were neither free nor fair.

Update: New presidential elections will not be held in 1996, as prescribed in the constitution. Instead, President Karimov held a referendum (allegedly sponsored by the newly-elected Supreme Council) on 26 March, 1995 to extend his rule until the year 2000. Not surprisingly, both voter turnout and support for Karimov were extremely high—approximately 98 percent and 99 percent respectively. International observers did not participate, but citizens of Uzbekistan have claimed privately either that ballots were filled out for them or that they were coerced into voting.

3. Is the electoral system multiparty-based? Are there at least two viable political parties functioning at all levels of government? The electoral system in Uzbekistan became multiparty-based when Erk (Freedom) was officially registered as a political party in September 1991. (The other party was and still is the People's Democratic Party (PDP), which replaced the Communist Party after independence.) However, this half-hearted attempt at institutionalizing a two-party system ended abruptly late in 1993 when Erk lost its registration. Since then, two pro-regime parties have been created and registered through the Ministry of Justice: the Motherland Progress Party and the Party of Social Progress of Uzbekistan. More recently, the political party Istiqlal Yoli (Independence Path) has emerged in response to President Islam Karimov's request for a "constructive opposition," that is, a

Political Process

party that would work with and support the existing government. In effect, Uzbekistan operates under single-party rule.

Update: Only two parties were able to take part in the December 1994 parliamentary elections—the People's Democratic Party and the Motherland Progress Party. Of 643 candidates registered, 247 were nominated by the former and 146 by the latter. Representative bodies (i.e. local soviets) nominated the remaining 250. Neither the Party of Social Progress nor the party Independent Path successfully met new registration requirements mandating organizational strength in at least two-thirds of Uzbekistan's oblasts. Indeed, these parties appear to have disappeared.

4. How many parties have been legalized? Four parties have been legalized since 1990: the heir to the Communist party, People's Democratic Party (PDP), the Motherland Progress Party, the Party of Social Progress of Uzbekistan, and Erk, a party formed by some members of the democratic opposition. The latter, however, had its registration revoked at the end of 1993, making the only legalized parties those which actively support the existing government. In addition, the Party Birlik and the Islamic Renaissance Party (IRP), among others, have sought official registration but have been denied.

Update: In February 1995, members of the new parliament formed a new political party—Adolat (Justice). Its full program has not yet been published, but it appears to support a very slow transition to a market economy and may therefore be intended as a counterbalance to the Motherland Progress Party, which proposes quicker and more complete marketization. This brings the total of legal parties to four, all of which are pro-regime. While there is some open disagreement among them on economics, any real political debate remains unacceptable and no real opposition is tolerated.

5. What proportion of the population belongs to political parties? Only a very small proportion of Uzbekistan's population currently belongs to political parties. Certainly, most of those holding governmental offices or administrative positions are members of the PDP, or in some cases of one of the other pro-regime parties identified above. Since opposition parties are illegal, however, an exact count of their membership is very difficult to ascertain.

6. What has been the trend of voter turnout at the municipal, provincial and national levels in recent years? Voter turnout figures in the December 1994 and February 1990 parliamentary elections, as well as the December 1991 independence referendum and presidential elections, were reported to approach 100 percent. These figures are highly suspect.

Update: Turnout for the 26 March 1995 referendum was reportedly 98 percent.

Civil Society

1. How many nongovernmental organizations have come into existence since 1988? How many charitable/nonprofit organizations? Two nongovernmental organizations (NGOs), the popular movement Birlik and the party Erk, were officially registered in the Republic of Uzbekistan in September 1991 and November 1991 respectively. At that time, Birlik claimed a membership of somewhere between 100,000 and 600,000; Erk reportedly had approximately 5,000 members. Since then, however, they have both lost their status as officially registered independent organizations. Thus, there are currently no NGOs registered in Uzbekistan. Draconian government regulations for nongovernmental organizations include stipulations that they must have memberships of at least 3,000 and must have been granted an official address.

Since 1990, some charitable organizations have become visible in Uzbekistan, largely through the work of foreigners. Such organizations offer primarily English-language training and medical assistance. The increased availability of nongovernmental charity in this country is also a function of the regeneration of Islam as a viable source of social as well as spiritual support. International aid organizations and missionaries find the environment generally unfriendly.

2. What forms of interest group participation in politics are legal? Since independence, the Uzbek government has considered public demonstrations, the most effective and perhaps only available means of protest for fledgling

Civil Society

opposition groups, as illegal activity. Use of the media (print and broadcast) by nongovernmental organizations to promote or criticize certain policies or ideas has also been severely curtailed. Lobbying is not strictly forbidden, but must be done at great personal risk to the lobbyist. Two Muslim leaders were arrested in February 1994 for allegedly "interfering in politics," and members of human rights organizations or opposition groups are constantly harassed and imprisoned. Similarly, political endorsements are only tolerated if they are pro-government. In sum, open interest group participation in politics is not permitted.

3. Are there free trade unions? There are no free (or independent) trade unions in Uzbekistan. With few exceptions, all workers who are employed in state-owned enterprises belong to trade unions. At present, no trade union reform has taken place. All existing trade unions are simply successor unions to those which existed in the USSR. Less than 25 percent of Uzbekistan's population belongs to trade unions.

4. What is the numerical/proportional membership of farmers' groups, small business associations, etc.? Independent farmers' groups do not exist in Uzbekistan at this time. There are "farmers' cooperatives"—the heirs to the collective farm system (kolkhozy)—which operate in essentially the same manner as collective farms did under Soviet rule, with the exception of a guaranteed private plot to every kolkhoznik. Small business associations in Uzbekistan exist only in the form of cooperatives. These account for less than 5 percent of the employed population.

Update: A few more small business associations have emerged in 1995, including the Business Fund, Union of Entrepreneurs, and Association of Businesswomen of Uzbekistan. In addition, the German government is building a German Economic Center so that German businesspeople can meet with representatives of Uzbek enterprises using German capital. None of these groups has attempted to lobby the government. Rather, they coordinate trade activity and efforts to acquire foreign capital.

Independent Media

1. Are there legal protections for press freedom? At present, viable legal protections for press freedom still do not exist. Uzbekistan's Constitution states that "the mass media shall be free and act in accordance with the law. It shall bear responsibility for trustworthiness of information in a prescribed manner. Censorship is impermissible." Independent publications, however, have either been banned or subjected to state censorship since independence. Nor were any independent newspapers registered through 1994. Furthermore, individuals attempting to import and distribute the recently banned opposition newspaper *Erk* have been repeatedly detained. In 1994, Russian publications (printed either domestically or abroad) and broadcast of Russian television were also unilaterally prohibited by the Uzbek Government.

2. Are there legal penalties for libeling officials? Are there legal penalties for "irresponsible" journalism? Illegal publishers may be jailed and/or put out of business for any number of reasons, including libel, defamation of the president and the spreading of "false" information.

3. What proportion of media is privatized? There is no evidence to suggest that any portion of Uzbekistan's media has been privatized. Quite the contrary, the government continues to maintain tight control over both print and broadcast media. Newspapers that are operating independently of the state are not considered legal, and some are often smuggled into the country. In addition, many broadcasts from outside the republic are screened by the Uzbek government.

4. Are the private media financially viable? The *Erk* newspaper, with offices in both Moscow and Almaty, receives assistance from a number of foreign governments. No other "private" media exist.

5. Are the media editorially independent? No. State censorship of the media is still widely practiced. In addition, editors continue to exercise self-censorship.

6. Is the distribution system for newspapers privately or governmentally controlled? The distribution of all legal newspapers is governmentally controlled, and the state controls all printing presses.

Independent Media

7. What has been the trend in press freedom? Freedom House's annual Survey of Press Freedom rated Uzbekistan Not Free from 1992 through 1994.

Rule of Law

1. Is there a post-Communist constitution? A post-Communist constitution was adopted on 8 December 1992 at the eleventh session of the Supreme Council (formerly Supreme Soviet) of the Republic of Uzbekistan. Separation of powers is not adequately addressed. For example, the president, Cabinet of Ministers and the Supreme Court all have the right to introduce legislation in the Supreme Council. Deputies also have this right, but have not exercised it thus far. The president may also veto legislation without fear of being overridden. Moreover, the president may dissolve the Supreme Council at any time, but there are no guidelines under which either of the other two branches may impeach the president.

2. Does the constitutional framework provide for human rights? Do the human rights include business and property rights? Chapters 7 through 10 of Uzbekistan's constitution outline the existence and protection of certain rights and freedoms of every citizen of the Republic. Regarding property rights in particular, Chapter 9, Article 36 states: "Everyone shall have the right to own property." Although business rights are not explicitly stated, some might be inferred from the following provision in Chapter 12, Article 53: "The state shall guarantee freedom of economic activity, entrepreneurship and labor with due regard for the priority of consumers' rights...."

Update: Without the existence of private lawyers or an effectively independent legal system, the rights and freedoms outlined in Uzbekistan's constitution are without real significance. Even those citizens who are aware of that these rights and freedoms exist realize that there is no recourse if they are violated. Strong examples include the recent trials of Erk activists—in which members of the banned opposition were sentenced to ten years' imprisonment for expressing their views outside of Uzbekistan—and the roundup of youths in Kashka-darya Oblast accused of plotting to overthrow the government.

3. Has there been basic reform of the criminal code/criminal law? A draft criminal code, produced late in 1994, has not yet been approved.

4. Do most judges rule fairly and impartially? How many remain from the Communist era? It is unlikely that judges rule fairly and impartially since the judicial branch is clearly not independent from the executive and legislative branches. According to Chapter 18 of Uzbekistan's constitution, judges holding positions in the Constitutional Court, Supreme Court, and Higher Arbitration Court are elected by the legislature. The president appoints judges to serve on the lower courts. Information on the exact number of judges who were either appointed or elected before 1990 is not available. However, the vast majority of judges who held offices prior to the demise of the USSR have retained their positions. An exception is that four Supreme Court judges have recently been replaced, due to death, job transfer, or emigration. Judicial independence does not exist in practice. All legal professionals are not only trained in state-owned and -run institutions but are also employed in them. Also, the president appoints all judges to lower courts. Finally, the executive branch chooses what cases will be heard by the higher courts.

5. Are the courts free of political control and influence? Are the courts linked directly to the Ministry of Justice or any other executive body? The judiciary is not an independent branch of government since the power to elect and appoint judges is reserved for the legislature and president respectively. Justices at all levels are indeed under undue political influence that inhibits their ability to dispense justice. Local enforcement of laws, while not necessarily just, does not appear to vary.

6. What proportion of lawyers is in private practice? All lawyers are currently trained and employed by the state.

7. Does the state provide public defenders? Article 117 of Uzbekistan's Constitution provides for "legal assistance... at any stage of the investigation and juridical proceedings." Nonetheless, testimony from members of various social, political and religious organizations indicates that this provision is not always honored in practice.

8. Has there been a comprehensive reform of anti-bias/discrimination laws, including protection of ethnic minority rights? There are no laws that explicitly protect minority rights. Rather, the Government of Uzbekistan explicitly discriminates against

Rule of Law

religious and ethnic associations; Article 57 of the Constitution bars them from politics and all have been denied registration by the Ministry of Justice. At the same time, however, it has been reluctant to completely alienate non-Uzbek ethnic groups, particularly Russians. For example, although President Karimov has refused to accept Moscow's request of dual citizenship for Russians in Uzbekistan, he has assured Russian President Boris Yeltsin that he will not allow individuals to be discriminated against on the basis of ethnicity. Citizenship is currently granted to any person permanently residing in the country, regardless of ethnicity, if he or she so desires. The transition to the domination of Uzbek as the state language is purposefully proceeding gradually in the administrative as well as educational spheres.

Governance and Public Administration

1. Is the legislature the effective rule-making institution? Although Chapter 18 of Uzbekistan's Constitution attributes "legislative power" to the Oliy Majlis, or Supreme Council, this body has functioned merely as a rubber-stamp for laws and decrees initiated by President Karimov since independence. In fact, only the president has the authority to introduce legislation to the Oliy Majlis.

2. Is substantial power decentralized to subnational levels of government? All available indicators suggest that there has been no substantial devolution of power to local, regional, or other subnational levels of government in Uzbekistan. Directives still originate from above and are expected to be filled below. Even the autonomous republic of Karakalpakstan is culturally, legally, and administratively subordinate to the Republic of Uzbekistan. One strong indication of the power that the national government holds over the subnational levels of government is that the president appoints the khokims (governors) who act as the highest local authority in the various oblasts, rayons and cities throughout the country.

3. Are subnational officials chosen in free and fair elections? Local, regional and other subnational officials are not elected. The president appoints governors who act as the highest local authority. These officials then appoint the officials subordinate to them, subject to the approval of the appropriate council of people's deputies. By law, the oblast, rayon, and city councils of people's deputies are elected bodies (through territorial single-mandate election districts for a term of five years). Local elections, however, have not been held since 1989.

Update: Local legislatures were included in the December 1994 elections. Most seats were uncontested and a large percentage of incumbents (elected under the Soviet regime in 1989) were reelected. Party activity at the local level was considerably less visible than at the national level. Instead, local government leaders essentially ran the elections following central government directives.

4. Do legislative bodies actually function? Legislatures at all levels of the Uzbek government function merely as rubber-stamps for laws, decrees, or personnel appointments proposed by President Karimov. Only the president has the authority to initiate legislation; he also possesses the power of veto.

5. Do the executive and legislative bodies operate openly and with transparency? While all laws and decrees are published, official deliberation over policies or decisions is not made accessible to the public. Nor is popular input in decision-making routinely sought.

6. Do municipal governments have sufficient revenues to carry out their duties? Do municipal governments have control of their own local budgets? Do they raise revenues autonomously or from the central state budget? Uzbekistan has a strictly unitary system of government. As under Soviet rule, municipal governments throughout Uzbekistan receive all of their funding as well as administrative directives from the central government—though now solely from Tashkent, not Moscow. Tax collection is also a function of national, not local, authorities. Reportedly, funds granted to local administrators are generally too little to cover the needs of localities.

7. Do the elected local leaders and local civil servants know how to manage municipal governments effectively? Since few local leaders have been removed, there is no reason to expect that these individuals know how to manage their respective local governments any more effectively than they did under the former USSR. Nonetheless, the khokims (governors) in each municipality are held accountable by the central government for unsatisfactory implementation of decrees from Tashkent. President Karimov, for example, has repeatedly expressed his dissatisfaction with the slow pace of economic reform and continued corruption in regions outside Tashkent.

Governance and Public Administration

Update: Perhaps due to a combination of the pro-Karimov local officials and judges as well as an arrangement the Karimov regime was rumored to have made with organized crime, the national government seemed able to keep corruption at the local level in check through mid-1995.

8. Has there been constitutional/legislative reform regarding local power? Has there been a reform of the civil service code/system? Are local civil servants employees of the local or central government? The primary constitutional change regarding local power—the institution of khokims—was inaugurated with the adoption of the constitution on 8 December 1992. In June 1994 the Uzbek Government passed a law "On Elections to Oblast, Region, and City Councils of People's Deputies." There has not been any reform of the local or national civil service code/system. All government personnel are employees of the central government.

Privatization

1. What percentage of the GDP comes from private ownership? It is difficult to determine a precise private share of GDP. According to the World Bank, state-owned enterprises (SOEs) account for approximately 85 percent of Uzbekistan's total GDP; by July 1993, about 12 percent of all SOEs had been privatized. Yet, those that have become private are not necessarily profitable and many are still receiving government subsidies.

Update: The World Bank stated in mid-1995 that practically all privatization had taken place in the areas of housing and small shops, and estimated the private share of GDP to be no more than 20 percent.

2. What major privatization legislation has been passed? The only major privatization legislation thus far has been the 19 November 1991 Law on Denationalization and Privatization, supplemented by several government decrees. Privatization methods include joint-stock, outright sale and auctions.

Update: While privatization reforms do not contain explicit controls on incidental corruption, this has been less of a problem for the government of Uzbekistan than in other republics due to the prevalence of police activity. As in other former Soviet republics, businesspeople are approached by crime gangs and "asked" for a certain percentage of their profits.

3. What proportion of agriculture, housing and land, industry, and business and services is in private hands?
Agriculture: Uzbekistan's farming system is still in the earliest stages of privatization. Collective farms (kolkhozy) are being reorganized into cooperatives through leasing land to former kolkhozniki, either on an individual or group basis. Each kolkhoznik family unit receives a private plot, the produce from which it may sell at local markets (bozorlar). State farms (sovkhozy) are being converted into collective farms.

Housing and Land: President Karimov's 7 March 1994 decree opens the way for limited private housing construction. According to the decree, the state will no longer provide the funds to build homes, except in the case of the poor, elderly, and war veterans. Enterprises and private individuals are expected to provide this service instead. The Uzbek government issued a decree legalizing the private ownership of land on 22 January 1994. However, it refers specifically to the land under small businesses in the trade and service sectors. In other words, if an individual purchases a small business, he may also buy the plot of land on which it stands.

Industry: Most privatization has occurred in the industrial sector of the economy. By July 1993, approximately 12 percent of state-owned enterprises (SOEs) were privatized; 13 percent through joint-stock companies or collectives, 86 percent through direct sale to private individuals or families, and the remainder through leasing. The majority of privatized SOEs were small (net worth less than 5 million rubles). More recently (16 March 1994), President Karimov expressed his intention to privatize more SOEs, primarily through joint-stock companies consisting of the state, the labor collective, and a foreign partner—in that order.

Business and Services: On 22 January 1994, Karimov made public his decree that state-owned shops and services could be sold though auctions. A later edict on this subject (13 July 1994), however, included the stipulation that the new owner has no right to change the production profile of the business he has purchased.