FREEDOM HOUSE

NATIONS IN TRANSIT 2007

DEMOCRATIZATION

FROM

CENTRAL EUROPE

TO

EURASIA

NATIONS IN TRANSIT 2007

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Democratization from Central Europe to Eurasia

Edited by Jeannette Goehring

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Methodology

Nations in Transit 2007 measures progress and setbacks in democratization in 29 countries and administrative areas from Central Europe to the Eurasian region of the Former Soviet Union. This volume, which covers events from January 1 through December 31, 2006, is an updated edition of surveys published in 2006, 2005, 2004, 2003, 2002, 2001, 2000, 1998, 1997, and 1995.

Country Reports

The country reports in *Nations in Transit 2007* follow an essay format that allowed the report authors to provide a broad analysis of the progress of democratic change in their country of expertise. Freedom House provided them with guidelines for ratings and a checklist of questions covering seven categories: electoral process; civil society; independent media; national democratic governance; local democratic governance; judicial framework and independence; and corruption. Starting with the 2005 edition Freedom House introduced separate analysis and ratings for national democratic governance and local democratic governance to provide readers with more detailed and nuanced analysis of these two important subjects. Previous editions included only one governance category. The ratings for all categories reflect the consensus of Freedom House, the *Nations in Transit* advisers, and the report authors.

Each country report is organized according to the following outline:

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

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

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

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

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

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

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

Ratings and Scores

For all 29 countries and administrative areas in *Nations in Transit 2007*, Freedom House, in consultation with the report authors and a panel of academic advisers, has provided numerical ratings in the seven categories listed above. The ratings are based on a scale of 1 to 7, with 1 representing the highest and 7 the lowest level of democratic progress.

The ratings follow a quarter-point scale. Minor to moderate developments typically warrant a positive or negative change of a quarter (0.25) to a half (0.50) point. Significant developments typically warrant a positive or negative change of three-quarters (0.75) to a full (1.00) point. It is rare that the rating in any category will fluctuate by more than a full point (1.00) in a single year.

As with *Freedom in the World*, Freedom House's global annual survey of political rights and civil liberties, *Nations in Transit* does not rate governments per se. Nor does it rate countries based on governmental intentions or legislation alone. Rather, a country's ratings are determined by considering the practical effect of the state and nongovernmental actors on an individual's rights and freedoms.

The *Nations in Transit* ratings, which should not be taken as absolute indicators of the situation in a given country, are valuable for making general assessments of how democratic or authoritarian a country is. They also allow for comparative

analysis of reforms among the countries surveyed and for analysis of long-term developments in a particular country.

The ratings process for *Nations in Transit 2007* involved four steps:

1. Authors of individual country reports suggested preliminary ratings in all seven categories covered by the study.
2. The U.S. and Central Europe & Eurasia academic advisers evaluated the ratings and made revisions.
3. Report authors were given the opportunity to dispute any revised rating that differed from the original by more than 0.50 point.
4. Freedom House refereed any disputed ratings and, if the evidence warranted, considered further adjustments. Final editorial authority for the ratings rested with Freedom House.

Nations in Transit 2007 Checklist of Questions

National Democratic Governance

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

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

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

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

5. Are the military and security services subject to democratic oversight?
   - Does the Constitution or other legislation provide for democratic oversight and civilian authority over the military and security services?
   - Is there sufficient judicial oversight of the military and security services to prevent impunity?
   - Does the legislature have transparent oversight of military and security budgets and spending?
   - Do legislators, the media, and civil society groups have sufficient information on military and security matters to provide oversight of the military and security services?
   - Does the government provide the public with accurate and timely information about the military, the security services, and their roles?

Electoral Process

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

Civil Society

1. Does the state protect the rights of the independent civic sector?
2. Is the civil society vibrant? (Consider growth in the number of charitable, nonprofit, and nongovernmental organizations; improvements in the quality of performance of civil society groups; locally led efforts to increase philanthropy and volunteerism; the public's active participation in private voluntary activity; the presence of effective civic and cultural organizations for women and ethnic groups; the participation of religious groups in charitable activity; or other factors.)
3. Is society free of excessive influence from extremist and intolerant nongovernmental institutions and organizations? (Consider racists, groups advocating violence or terrorism, xenophobes, private militias and vigilante groups, or other groups whose actions threaten political and social stability and the transition to democracy.)

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

Independent Media

1. Are there legal protections for press freedom?
2. Are journalists, especially investigative reporters, protected from victimization by powerful state or nonstate actors?
3. Does the state oppose onerous libel laws and other excessive legal penalties for "irresponsible" journalism?
4. Are the media's editorial independence and news-gathering functions free of interference from the government or private owners?
5. Does the public enjoy a diverse selection of print and electronic sources of information, at both the national and local level, that represent a range of political viewpoints?
6. Are the majority of print and electronic media privately owned and free of excessive ownership concentration?
7. Is the private media's financial viability subject only to market forces (that is, is it free of political or other influences)?

8. Is the distribution of newspapers privately controlled?
9. Are journalists and media outlets able to form their own viable professional associations?
10. Does society enjoy free access to and use of-; is there diversity of opinions available on-; and does government attempt to control the Internet?

Local Democratic Governance

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

2. Are citizens able to choose their local leaders in free and fair elections?
   - Does the Constitution or other national legislation provide for local elections held on the basis of universal, equal, and direct suffrage by secret ballot?
   - Do local governments derive their power on the basis of regular, free, and fair local elections (either through direct election or through election by local assemblies or councils)?
   - Are free and fair local elections held at regular intervals and subject to independent monitoring and oversight?
   - Do multiple candidates representing a range of views participate in local elections and in local government bodies?
   - Are voters' choices in local elections free from domination by power groups such as national political parties, central authorities, economic oligarchies, and the like?
   - Are citizens engaged in local electoral processes, as evidenced by party membership, voter turnout, or other factors?

3. Are citizens ensured meaningful participation in local government decision making?
   - Do local governments invite input from civil society, business, trade unions, and other groups on important policy issues before decisions are made and implemented?

- Do local governments initiate committees, focus groups, or other partnerships with civil society to address common concerns and needs?
- Are individuals and civil society groups free to submit petitions, organize demonstrations, or initiate other activities that influence local decision making?
- Do women, ethnic groups, and other minorities participate in local government?
- Do the media regularly report the views of local civic groups, the private business sector, and other nongovernmental entities about local government policy and performance?

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

5. Do democratically elected local authorities have the resources and capacity needed to fulfill their responsibilities?
   - Are local governments free to collect taxes, fees, and other revenues commensurate with their responsibilities?
   - Do local governments automatically and regularly receive resources that are due from central authorities?
   - Do local governments set budgets and allocate resources free of excessive political influences and central controls?
   - Are local authorities empowered to set staff salaries, staff size, and staffing patterns, and is recruitment based on merit and experience?
   - Do local governments have the resources (material, financial, and human) to provide quality services, ensure a safe local environment, and implement sound policies in practice?

6. Do democratically elected local authorities operate with transparency and accountability to citizens?
   - Are local authorities subject to clear and consistent standards of disclosure, oversight, and accountability?

- Are local authorities free from domination by power groups (economic oligarchies, organized crime, and so forth) that prevent them from representing the views and needs of the citizens who elected them?
- Are public meetings mandated by law and held at regular intervals?
- Do citizens and the media have regular access to public records and information?
- Are media free to investigate and report on local politics and government without fear of victimization?

Judicial Framework and Independence

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

Corruption

1. Has the government implemented effective anticorruption initiatives?
2. Is the country's economy free of excessive state involvement?
3. Is the government free from excessive bureaucratic regulations, registration requirements, and other controls that increase opportunities for corruption?

4. Are there significant limitations on the participation of government officials in economic life?
5. Are there adequate laws requiring financial disclosure and disallowing conflict of interest?
6. Does the government advertise jobs and contracts?
7. Does the state enforce an effective legislative or administrative process—particularly one that is free of prejudice against one's political opponents—to prevent, investigate, and prosecute the corruption of government officials and civil servants?
8. Do whistle-blowers, anticorruption activists, investigators, and journalists enjoy legal protections that make them feel secure about reporting cases of bribery and corruption?
9. Are allegations of corruption given wide and extensive airing in the media?
10. Does the public display a high intolerance for official corruption?

Democracy Score

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

> ***Background Note:*** In years before the 2004 edition, Freedom House used two aggregate scores to assist in the analysis of reform in the 27 countries covered by the *Nations in Transit* study. These were *Democratization* (average of electoral process, civil society, independent media, and governance) and *Rule of Law* (average of corruption and constitutional, legislative, and judicial framework). Analysis showed a high level of correlation between the previous scoring categories and the Democracy Score.

For *Nations in Transit 2007*, Freedom House once again uses the Democracy Score. Based on the Democracy Score and its scale of 1 to 7, Freedom House defined the following regime types:

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

Ratings and Democracy Score Guidelines

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

1.00–2.99 Consolidated Democracies

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

- The authority of government is based on universal and equal suffrage as expressed in regular, free, and fair elections conducted by secret ballot. Elections are competitive, and power rotates among a range of different political parties.
- Civil society is independent, vibrant, and sustainable. Rights of assembly and association are protected and free of excessive state pressures and bureaucracy.
- Media are independent, diverse, and sustainable. Freedom of expression is protected, and journalists are free from excessive interference by powerful political and economic interests.
- National and local governmental systems are stable, democratic, and accountable to the public. Central branches of government are independent, and an effective system of checks and balances exists. Local authorities exercise their powers freely and autonomously of the central government.
- The judiciary is independent, impartial, timely, and able to defend fundamental political, civil, and human rights. There is equality before the law, and judicial decisions are enforced.
- Government, the economy, and society are free of excessive corruption. Legislative framework, including strong conflict-of-interest protection, is in place so that journalists and other citizens feel secure to investigate, provide media coverage of, and prosecute allegations of corruption.

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

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

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

3.00–3.99 Semi-Consolidated Democracies

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

- The authority of government is based on universal and equal suffrage as expressed in regular elections conducted by secret ballot. While elections are typically free, fair, and competitive, irregularities may occur. Power rotates among a range of different political parties.
- Civil society is independent and active. Rights of assembly and association are protected. However, the organizational capacity of groups remains limited and dependence on foreign funding is a barrier to long-term sustainability. Groups may be susceptible to some political or economic pressure.
- Media are generally independent and diverse, and freedom of expression is largely protected in legislative framework and in practice. However, special interests—both political and economic—do exert influence on reporting and editorial independence and may lead to self-censorship. While print media are largely free of government influence and control, electronic media are not.
- National and local systems of government are stable and democratic. While laws and structures are in place to promote government transpar-

ency and accountability, implementation is lacking. The system of checks and balances may be weak, and decentralization of powers and resources to local self-governments incomplete.

- The framework for an independent judiciary is in place. However, judicial independence and the protection of basic rights, especially those of ethnic and religious minorities, are weak. Judicial processes are slow, inconsistent, and open to abuse.
- Corruption is widespread and state capacities to investigate and prosecute corruption are weak. Efforts to combat the problem produce limited results.

4.00–4.99 Transitional or Hybrid Regimes

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

- National elections are regular and competitive, but substantial irregularities may prevent them from being free and fair. Government pressure on opposition parties and candidates may be common.
- Civil society is independent and growing, and rights of assembly and association are generally protected. However, philanthropy and volunteerism are weak, and dependence on foreign funding is a barrier to long-term sustainability. Democratically oriented NGOs are the most visible and active groups, especially during election seasons, and may be subject to government pressure.
- Media are generally independent and diverse. Legislative framework to protect media may be in place but is not matched by practice. Special interests—both political and economic—exert influence on reporting and editorial independence, and may lead to self-censorship. Harassment of and pressure on journalists may occur.
- National and local systems of government are weak and lacking in transparency. While the balance of power is fragile, a vocal yet fractionalized opposition may be present in parliament. Governance may remain highly centralized. Local self-government is not fully in place, with some local or regional authorities owing allegiance to the central authorities who appointed them.
- The judiciary struggles to maintain its independence from the government. Respect for basic political, civil, and human rights is selective, and equality

before the law is not guaranteed. In addition to the judiciary being slow, abuses occur. Use of torture in prisons may be a problem.

- Corruption is widespread and presents a major impediment to political and economic development. Anticorruption efforts are inconsistent.

5.00–5.99 Semi-Consolidated Authoritarian Regimes

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

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

6.00–7.00 Consolidated Authoritarian Regimes

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

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

Research Team and Data Sources

Freedom House developed the initial survey and subsequent editions after consultations with the U.S. Agency for International Development. Freedom House staff members and consultants researched and wrote the country reports. Consultants are regional or country specialists recommended by recognized authorities. The research team used a wide variety of sources in writing the reports, including information from nongovernmental organizations, multilateral lending institutions and other international organizations, local newspapers and magazines, and select government data.

The economic and social data contained in the country header pages of the 2007 edition were taken from the following sources:

- **GDP/capita, Population:** *Transition Report 2006: Finance in Transition* (London, UK: European Bank for Reconstruction and Development, 2006)

- **Ethnic Groups:** *CIA World Factbook 2007* (Washington, D.C.: Central Intelligence Agency, 2007).

Exceptions

- **Population, GDP/capita, Ethnic Groups for Kosovo:** *UNMIK Factsheet 2007* (UNMIK, 2007)
- **Population, Ethnic Groups for Serbia:** *Population. 2002 Census of Population, Households and Dwellings* (Belgrade: Statistical Office of the Republic of Serbia, February 2003).

Nations in Transit 2007: Pause and Pushback for Democratization

Kristie D. Evenson and Jeannette Goehring

Nations in Transit 2007 marks the 11th edition of Freedom House's comprehensive, comparative study of post-Communist transitions from Central Europe to Eurasia. Focused on 28 countries plus the internationally-administered province of Kosovo, *Nations in Transit 2007* covers a 12-month period, from January 1 to December 31, 2006, and provides comparative ratings and in-depth analysis of electoral process, civil society, independent media, national and local governance, judicial framework and independence, and corruption. The report evaluates democratic performance in a wide range of states, encompassing democracies of European Union (EU) member states to dictatorships in Central Asia.

In 2006, reform fatigue, increasing polarization of politics and societies, and pressure to reduce political pluralism were the main trends across the countries examined in the study.

On the whole, democratic performance slipped in the *Nations in Transit (NIT)* region, with only modest gains evident. Thirteen countries worsened and only six improved their democracy scores. Even the strongest-performing country subgroup of Central Europe continued a three-year trend of stagnation or decline since gaining EU membership in 2004. And while some improvements were noted in the Balkan region (particularly new EU members Romania and Bulgaria), overall the countries of the region improved very little in 2006. In the former Soviet Union, countries such as Ukraine and Moldova spent more time on political infighting than institutionalizing reform while the Russian authorities continued to systematically dismantle independent institutions. Georgia continued to pursue slow but notable reforms and was the only country of the three in the Caucasus to

register gains. Central Asian countries further succumbed to authoritarian tendencies, maintaining their status at the bottom end of the *NIT* index.

Reform Fatigue in Central Europe

Central Europe's new EU member states, which have been reform leaders since the collapse of communism, experienced reform fatigue and political polarization that contributed to a slowdown in the democratic reform process. The region is showing signs of a crisis of confidence in democratic institutions. For example, national governments in the Visegrad countries (Czech Republic, Hungary, Poland, Slovakia) allowed political triumphalism and oneupmanship to overwhelm practical strategies for addressing critical governmental challenges. Political leaders placed short-term political gains ahead of meaningful reform and a deepening of the democratic consensus.

A growing sense that the political playing field is titled toward political elites, who in very crude monetary terms have benefited handsomely in the new market economies, and away from ordinary citizens is contributing to creeping alienation between the state and society.

A key common complaint in these countries is the lack of real progress in fighting corruption. According to *NIT* analysis, only Latvia and Poland have improved their anti-corruption performance in the past three years, and this only modestly. All the other new members of the EU have remained the same or worsened, and overall corruption subcategory scores for the countries are significantly worse than other subcategories. Most countries now have in place the basic legislation to fight corruption: conflict-of-interest laws, witness protection programs, freedom of information acts (FOIA), and some level of campaign financing regulation, as well as some type of authoritative body to investigate and prosecute corruption cases, are more or less present in the CEE countries. Yet implementation of these tools in many cases remains weak.

Moreover, in certain instances governments have sought to roll back anti-corruption efforts either to the benefit of those in the executive or the party in power. In Slovakia during 2006, the newly-elected government's campaign to abolish the Special Court and Special Attorney's Office (two offices that have become effective tools in the campaign against corruption and organized crime) was a blow to what had been a rather successful record in investigating organized crime. In Slovenia, efforts to dismantle the Commission for the Prevention of Corruption were undertaken by the parliament, and only strong public opinion kept the commission open. According to *NIT* analysts, the establishment of the Romanian anti-corruption framework was allowed by parliament with the understanding that its independent powers could be quietly stripped away upon becoming a new EU member. The unprecedented monitoring regime set up for Bulgaria and Romania as new members suggests that this is less likely to happen, but it points to a larger dilemma of self monitoring within the EU.

Independent media also confronted challenges in Central Europe in 2006. Nowhere else in the EU were governmental attempts to curb press freedom as

blatant as in Poland. At the beginning of the year, Prime Minister Jarosław Kaczyński set the tone when he stated that there was "no free media" in Poland as all were party to a supposed secret understanding among politicians, businesspeople, former secret police, and Mafia. His government then proposed formation of a National Media Monitoring Institute to uncover journalists who had cooperated with Communist secret services before 1989 in what Poland analyst Andrzej Krajewski described as "'wild lustration' of media professionals." The Polish government purged public television's top leadership for what some viewed as based on political criteria. In another indication of the changed media environment in Poland, 90,000 copies of the monthly *Sukces* had a page containing satire about the president removed after publication at the request of the owner, who was apparently worried enough to retract the page after receiving a letter from the Office of the President.

Another key component of the fight against corruption is a vibrant and independent judicial system. A multi-year trend shows that some progress has been made throughout the new EU region, but overall judicial reform has been slow, with low salaries, large backloads, and low public confidence in the professionalism of judicial officials representing obstacles to the further consolidation of reforms. Only in Hungary have public opinion polls found the judiciary listed as one of the most trusted public institution, whereas in Lithuania it is publicly perceived as one of the least trusted institutions. Re-emerging tensions between judicial and executive branches for independence have also taken energies away from reform. The victory of the Polish courts in maintaining judicial independence from any increasingly overbearing executive suggested that at least Poland's institutions, if not the political environment, had reached some level of maturity. The high-profile spat between the chairwoman of the Supreme Court and the president in the Czech Republic confirmed judicial independence, but came at the price of little progress on implementing the judicial reform package passed back in October 2005.

These findings suggest that governments and advocates in Central Europe cannot rest on reform laurels earned in the 1990s, and that the effort to deepen reforms still further will be an increasingly difficult task.

Southeastern Europe: A Mixed Picture

In the Balkans, *NIT 2007* reflects a region of opportunities—some missed—and challenges. Slight improvements in Serbia and Bosnia-Herzegovina (BiH) were welcomed even as state-building challenges continued to dominate political life in Montenegro and Kosovo. Despite EU track of accession for Croatia and Stabilization and Association (SAA) for Macedonia and Albania, the reform process in these countries did not make significant advances.

In Serbia, after years of delay a constitution was finally enacted in November 2006. The referendum process was somewhat flawed and portions of the content caused both domestic NGOs and the Council of Europe some concern, but the passing of a new constitution still represented a step forward in building a modern and democratic state. Conversely, little progress was made in Bosnia-Herzegovina

to get beyond the political impasse over reform of the post-Dayton governing structures. Most strikingly, the goal of a joint ministry of interior seemed farther away at the end of 2006 then at its beginning.

Montenegro, which became an independent state in 2006, managed to do little else to further develop democratic state institutions; rather *NIT* recorded a worsening of its overall democracy score. The referendum and subsequent declaration of statehood in June took place without incident and with most focused on a shared objective. The remainder of the year demonstrated little progress in tackling institutional reforms such as transformation of state television into a public broadcaster or changes to a conflict-of-interest law that would demonstrate seriousness in prosecuting corruption.

Political dialogue in Kosovo was dominated by the status issue. Some progress was made in building up basic institutions including the creation of ministries of interior and justice. At the same time, the administration missed the opportunity to demonstrate progress on a number of key pieces of legislation on decentralization and elections that might have assisted it ultimately in building confidence in its ability to govern a post-status Kosovo. Few in civil society or media challenged this focus, effectively leaving Kosovo focused solely on the status question.

The Europe-bound track that Croatia, Macedonia, and Albania selected several years ago also showed signs of slowing during 2006. All three exhibited stagnation or slight worsening of their democracy scores. In Albania, the weakness of institutions was demonstrated as the center-right government elected in December 2005 made numerous attempts to consolidate power around the prime minister at the expense of other branches. This included the delay of an election law and displays of political polarization to the point that many questioned the ability of Albania to hold meaningful local government elections at the beginning of 2007. Macedonia meanwhile passed numerous pieces of legislation as part of its Ohrid and EU process agreements; yet it did little during 2006 to test the implementation of the complex legislation. Even in front runner Croatia, the realities of increasingly sensationalized media and government meddling in the appointment of the new head of HINA, the state news agency, suggested that institutions remained more politicized than professional.

The Commonwealth of Independent States: Little Good News

Most countries in the Commonwealth of Independent States (CIS) continued their path towards authoritarianism at the bottom of the *NIT* index. In the Western CIS states, the strain of being sandwiched between the EU and Russia at a time of renewed tensions revealed itself in two clear ways: either slow-moving reforms were further sidetracked by contentious political environments, as was the case in Ukraine and to some extent in Moldova; or more extreme, the push to curtail or reduce nascent political pluralism was on the march, most notably in Belarus and Russia.

Russia launched the year with a new law placing onerous reporting requirements on nongovernmental organizations (NGOs). This was followed by tightened

constraints on the media and electoral law reform that further disadvantaged the opposition. Corruption remained rampant. During 2006, the Russian political system continued to evolve, as Russia analyst Robert Orttung's report observed, "according to Kremlin preferences." Orttung added: "Although benefiting from extensive economic growth and outwardly stable, Russia's political system faces many questions as President Putin's term comes to an end and political actors focus on the succession of power."

Domestic deterioration of democracy was felt by all those who lived in the 'near abroad' of Russia. Armed with booming energy profits and a renewed ability and interest to influence international issues, Russia's recipe for 'managed democracy' was emulated by its neighbors.

Most of the countries in the Caucasus and Central Asia further consolidated power around the president or political elite to the detriment of democratic development. Alternately focused on oil revenues, political infighting, international image, and cult of personality, little tolerance was exhibited for political pluralism and little effort ascribed to reform policies. The one exception is Georgia; although presidential dominance remains a concern, it is notably the one non-Baltic country of the former Soviet area year on year to consistently improve year to year since its proclaimed 'Rose Revolution' in 2003. Georgia's success, however, is fragile and achievements could quickly unwind if antagonism with its big northern neighbor Russia were to escalate into a full-scale diversion and turn the country away from the momentum already established toward the consolidation of democratic governance.

Country Summaries

Country summaries are arranged by region, as follows: European Union (EU) 8, New EU, Balkans, Caucasus, Western Commonwealth of Independent States (CIS), and Central Asia.

Each country summary includes an overall direction denoted by: ↑ (improves), ↓ (worsens), — (stays the same), summary, and any rating changes.

The Democracy Score represents an average of subcategory ratings for electoral process, civil society, independent media, national democratic governance, local democratic governance, judicial framework and independence, and corruption. Nations in Transit ratings and scores are based on a 1 to 7 scale, with 1 representing the highest level of democratic development and 7 the lowest.

EU 8

Czech Republic —

Despite a deadlocked political environment and an absent government for much of 2006, the country continued apace in some areas of reform priorities. **The democracy score remained at 2.25.**

The country's inability to form a government in the five months following June elections led to essentially no government, impacted basic reform decisions, and demonstrated the depth of political partisanship present in the country. Parliamentary elections were competitive and well-run, with the Green Party entering parliament for the first time, while the system continued to provide little opportunity for new parties or the Roma minority. The press reverted to biased political coverage and political polarization during and after the elections. The licensing of digital TV was again delayed after complaints led the Prague municipal court to overturn the issuance decision. October elections brought vibrant competition on the local level, and the overall system of local government registered continued improvement, most notably in education. A high-profile dispute between the chairwoman of the Supreme Court and the President reaffirmed judicial independence, and a number of judicial appointments and hiring of needed judicial administration workers suggested that the government was becoming more serious about its proposed reforms.

Estonia —

Estonia continued to slowly bring legislation and practice into line with EU regulations. The most notable happening was the beginning of a new generation of leadership with the election of President Ilves, who brings both a younger perspective as well as a change in the dynamics between the presidency and parliament with his close ties to the Social Democratic Party, which he helped to re-develop. **The democracy score remained at 1.96.**

Hungary ↓

Hungary experienced a crisis of confidence in its leadership and its government institutions leaving it with a **democracy score that worsened from 2.00 to 2.14.**

Political parties used affiliated civil society groups in their campaigns, and the autumn brought the sudden appearance of a number of groups that are opposed to the fundamental principles of liberal democracy. In April 2006, elections contained elements of electoral fraud as well as deliberate misinformation about the state of the economy as put forward by the ruling Social-liberal coalition. The prime minister's mishandling of the governmental crisis in September as well as the creation of a Development Cabinet outside the government structure weakened the institutions and overall government consensus.

Latvia —

Overall Latvia has secured most of the requisites for a functioning consolidated democracy even as 2006 saw more public Euro-skepticism and apathy for Latvia's future. Setbacks and improvements offset each other in 2006, leaving the democracy score at 2.07.

Despite the OSCE declaring the October Parliamentary elections "administered transparently and professionally in a competitive and pluralistic environment", major distortions in electoral spending gave certain parties an advantage, indicating unfair pre-election rules. Voter turnout further declined from 71 percent to 62 percent. The Anti-corruption organization (KNAB) improved its methods and more actively investigated 'big fish', including potential mayoral-level vote rigging in the 'Jurmalagate' scandal, the activities of the oligarch and former mayor of Ventspils, and dismissal of high level judges, making the organization one of the most trusted institutions in Latvia.

Lithuania ↓

Several months of political turbulence and the emergence of a minority led government did little to put into place active mechanisms for judicial reform or to inspire public participation in civil society. The democracy score worsened in 2006 from 2.21 to 2.29.

A lack of interest and confidence in NGOs, low public outreach of civil society groups and their unstable financial basis led to continued nonparticipation in Lithuania's civil society. In 2006, a new tax took affect, charging Lithuania's non-profits a 15-percent on commercial proceeds exceeding an established level. Recurrent institutional problems exposed weaknesses in the country's legal system. Despite reform efforts in 2006, lack of material improvements from the recent civil and criminal law were evident and fed the persistent critical public mistrust of courts.

Poland ↓

The change in government dominated by the "twins" brought a reversal of some previously agreed checks and balances within the institutions and society causing the democracy score to worsen from 2.14 to 2.36.

Concentration of power under the executive without sufficient checks and balance dominated the new government with such actions as dissolving the civil service corps, controversial lustration policies, and consolidation of the division of EU Regional Funds under the PM rather than regional councils. Last minute changes to the election law allowing for the transfer of minority seats to stronger parties were made without proper consultation. Increased government pressure on civil society through official statements and actions was particularly felt by gay rights organizations. The government demonstrated its intent to pressure public service media by replacing the heads of all state owned media, criticizing anti-president

satire, putting forward 'wild lustration' of media people, and giving preference to Catholic and conservative media groups. Perception of the prevalence of corruption has fallen among citizens primarily due to the work of the newly organized Central Anticorruption Agency, closure of the last unreformed secret service agency, and continued prosecution of a number of high profile cases.

Slovakia ↓

Slovakia continued its reform process through the first half of the year, however the instillation of a new government composed of coalition partners from the pre-1998 era suggested that the democratic reform gains made in the past eight years might be challenged in 2007. **The democracy score worsened from 1.96 to 2.14.**

The newly-elected government coalition of parties exhibited overly-partisan interest in concentrating power through a number of key political appointments and through adopting measures to curb independent regulatory institutions. Voter participation in parliamentary elections held in early June declined. Cooperation between civil society and the new government decreased with less willingness to engage NGOs in policy formation. The new government announced its intention to change NGO's favorable taxation status. In its statements and actions the executive displayed its interest to curb the independence of the courts; the new minister of justice removed a number of court chairmen without clear reason, and vacant constitutional court seats were filled with political rather than professional considerations in the fall. The new minister of justice attempted to abolish the Special Court and Special Attorney's Office which had been successfully investigating corruption and organized crime. The new government's efforts to increase government regulation in certain sectors threatened to increase corruption. The minister of agriculture in the new government was charged with corruption, but was supported by the government, and resigned only after the media covered the scandal.

Slovenia ↓

Slovenia became the first of the new EU countries to adopt the euro as its currency in 2007. At the same time, both the courts and the government interfered in the freedom of the press. Protection and advocacy for minorities failed to improve, rather the attack on a Roma family in the village of Ambrus demonstrated insufficient government and civil society response. The trend of court decisions against journalists goes against the logic of free speech and press. At the same time, the ruling government parties demonstrated their influence over major media. Due to declining trends in civil society and independent media, **the 2006 democracy score worsened from 1.75 to 1.82.**

New EU

Bulgaria ↑

The year saw power change hands on local as well as national levels as the country concentrated on improving its outstanding EU requirements in the areas of judicial reform and the fight against corruption. A number of attempts to interfere in media independence occurred in 2006 with attacks on journalists, combined with media self-censorship. Despite losing a number of funding sources, civil society continued to play a vibrant role in Bulgaria. The constitution was amended to introduce more transparency and accountability in the judiciary; a new prosecutor general was appointed who took on a comprehensive review of all prosecutors, the Ombudsman gained the right to petition the constitutional court, and the licensing of private enforcement firms improved implementation of court decisions. **The democracy score improved from 2.93 to 2.89.**

Romania ↑

Romania continued to strengthen institutions in its bid to enter the EU in 2007. This was enhanced by a vibrant civil society and a set of media activities aimed at holding the government to its commitments. While media ownership concentration increased in 2006, investigative journalists actively focused on the government. Libel was de-criminalized and re-criminalized during the year. A Law on mediation was passed in May 2006. Judges displayed independence in a number of critical cases as well as some procedural improvements in the functioning of the judiciary. The Anti-corruption office managed to investigate and prosecute a number of high level officials on corruption charges. **The democracy score improved from 3.39 to 3.29**

Balkans

NOTE: *In* Nations in Transit 2007, *Freedom House provides separate ratings for Serbia and Kosovo in order to provide a clearer picture of processes and conditions in the different administrative areas. Doing so does not indicate a position on the part of Freedom House regarding Kosovo's future status.*

Albania ↓

Albania experienced a few setbacks in its consolidation of democratic institutions in 2006, especially in the areas of national democratic governance and electoral process, with some improvements in both judicial framework and independence

and corruption. The new center-right government elected in December 2005 made numerous attempts to consolidate its power around the prime minister, offsetting the balance of other branches and due process, related to charges against the general prosecutor, cleansing the civil service without due process, and other anticorruption initiatives. Partisan politics of the new government and opposition failed to produce necessary election law and commission revisions, despite January 2007 local elections. The constitutional court displayed its independence in ruling that judges could keep posts in the High Council of Justice. The PM's political will has made some advances despite lacking a satisfactory institutional framework. **Overall, the democracy score worsened from 3.79 to 3.82.**

Bosnia-Herzegovina ↑

Bosnia-Herzegovina focused on the key administrative reforms necessary to begin the EU SAA process, with some success on the national level including defense reform. Implementing police reform and agreeing on constitutional reform of Dayton remained elusive. On a positive note, greater engagement and cooperation of NGOs like the Center for Civic Initiatives, GROZD, and DOSTA! with policy makers improved citizens' understanding and access to state institutions. **The democracy score improved slightly from 4.07 to 4.04.**

Croatia ↓

Croatia continued its reform process towards EU standards and accession across its institutions, but most efforts have produced slow results as the country continues to struggle with its war time legacies. The continued concentration and commercialization of print media in particular weakened the overall level of media professionalism and investigative journalism. The scandal over the appointment of the new head of the state news agency, HINA, demonstrated the continuing governmental and political influence over media outlets. **The democracy score worsened slightly from 3.71 to 3.75**

Kosovo/UNMIK-Administered —

The final decision on the status of Kosovo dominated all aspects of Kosovar society in 2006. At the same time, the government demonstrated stability in maintaining at least basic standards despite a dramatic set of events in the central government including the death of the Rugova, the forced resignation of the speaker of the parliament, and the creation of ministry of interior and justice. **The democracy score remained at 5.36.**

Macedonia —

Macedonia continued to focus on passing legislation for government-wide reforms as outlined in both the Ohrid Agreement and EU Accession process, with most implementation still to be tested. Despite some improvements to the electoral system, voter turnout drastically declined in 2006. Estimates suggested that the civil sector lacks capacities and consistent funding. Reform also focused on the judiciary long plagued by lengthy proceedings. In 2006, the European Court of Human Rights noted four such violations for lengthy proceedings. **The democracy score remained at 3.82.**

Montenegro ↓

Montenegro became independent in 2006, satisfactorily completing referendum, parliamentary and local elections, but with most energy focused on the process of establishing the legal state rather than extensive reforms of its institutions. Transformation of state television into public television stalled with clear signs that the public service broadcaster remains under political control. Manipulated elections of representatives to the Council and Managing Board of the state television were notable in 2006. Local elections allowed direct election of mayors in the remaining 14 of 21 municipalities, and polarization between political blocs that previously hampered local and local-national political cooperation lessened with a series of agreements.

The parliament approved a Law on Communal Taxes to go into effect January 2007. While amendments to the Public Procurement law should improve transparency, the parliament failed to amend the flawed Conflict of Interest Law or to follow through meaningfully on any of its charges against high profile officials. **The democracy score worsened from 3.89 to 3.93**

Serbia ↑

2006 was an extremely eventful year for Serbia including the dissolution of Serbia and Montenegro, enactment of the new Serbian constitution, Kosovo final status efforts, ICTY cooperation and ongoing SAA talks. Despite all of these challenges, Serbia did make some progress in the reform process, primarily on finalizing the Serbian constitution. Serbia acted responsibly during the referendum process of independence of Montenegro, and put in place a new constitution, despite less than effective ICTY cooperation and a stalemate on the status of Kosovo. The Republic Broadcasting Agency (RBA) ruling on the distribution of national frequencies caused an outcry from the Association of Journalists, Minister of Information and the OSCE, especially after the nighttime closure of BK TV by special police forces The OSCE also criticized amendments to the Law on Broadcasting. Journalists continued to face threats and attacks. The government stepped up its efforts to investigate institutional corruption, including investigating the operations of

MOBTEL and business tycoon Bogoljub Karic, as well as suspending immunity of other high level officials charged with corruption. Despite some flaws, a new Law on Party Financing will oblige reporting of all campaign expenses exceeding €75 (US$103). As a result of developments in national democratic governance and corruption, **the democracy score improved from 3.71 to 3.68.**

The Caucasus

Armenia ↓

Little progress was made on redistributing power amongst government branches. Rather, consolidation of political power in the ruling party and elites paved the way for a continued grip on political and economic power during 2007 parliamentary elections. The government's failure to investigate allegations of fraud during the 2005 referendum, and its inability to produce legislation putting into effect approved amendments, demonstrated the lack of political will to improve governance in Armenia. While media organizations were partially successful in influencing a change in Armenia's licensing regime and a new regulatory body, accelerated attacks on journalists suggested an increasingly difficult media environment in the run up to 2007 elections. **The democracy score worsened from 5.14 to 5.21.**

Azerbaijan ↓

In 2006, Azerbaijan began enjoying the profits of the BTC pipeline project, and accordingly the president was able to maintain his political and economic control over most aspects of the country's institutions. International pressure for reform brought some level of technical compliance, even as further crackdowns on opposition forces in the media and civil society continued. Civil society faced harassment in the form of student expulsions, police detainment, registration, taxes, and funding. Independent media also faced threats and pressure, especially with the closure of ANS TV and ANS CM radio. **The democracy score worsened from 5.93 to 6.00.**

Georgia ↑

Progress continued in reforms on almost all levels, despite persisting concern over the amount of power resting with the president and his advisors. Legislation on public financing of political parties and free TV time for campaigning before the October local elections created a more level playing field for political parties even as opposition parties remained weak. The Media Council began issuing judgments on specific cases to enforce professional standards among journalists, and the government stopped local authorities in their attacks on journalists in a number

of cases. New independent local government institutions as outlined in December 2005 legislation were formed after conducting relatively free and fair local elections in October. Public perception of anticorruption efforts continues to improve, and the government is becoming more systemized in its efforts. The Customs and Tax Offices were united into a single agency by the end of 2006. Georgia ratified the Council of Europe Criminal Law Convention on Corruption, and several parliamentarians were stripped of their positions after corruption investigations. **The democracy score improved from 4.86 to 4.68.**

Western Commonwealth of Independent States (CIS)

Belarus ↑

In 2006, Belarus continued its path towards consolidated authoritarian rule with presidential elections less than free or fair, increased pressure on civil society and media, and strengthening President Lukashenko's grasp on political and economic power. At the same time, despite continued, organized government efforts to limit the functions and establishment of civil society organizations such as denying visas, liquidating organizations, jailing religious leaders and oppositionists, and expelling students, participation in civil society persisted. The slight improvement in civil society brings the first improvement to the democracy score for Belarus in the last decade. **The democracy score improved from 6.71 to 6.68.**

Moldova —

Reforms were generally stagnant during 2006 with President Voronin further consolidating his power over most aspects of Moldovan society. Opposition forces remained weak and divided, and the media fell heavily under political influence. Improvements in media legislation have yet to see any practical implementation thus far. Furthermore, external relations were limited to pressures from Russia and little to no engagement with the European Union. **The democracy score remained at 4.93.**

Russia ↓

The year 2006 saw Russia continue on its path towards authoritarian governance as demonstrated with the deterioration of ratings for electoral process, independent media and civil society, and **an overall democracy score downgrade from 5.75 to 5.86.**

New legislation limited the opposition's ability to participate in elections and gain significant representation while authorities worked to establish a two-party system between United Russia and Just Russia to gain support for the regime. Efforts to constrain if not completely silence independent media in Russia reached levels of international concern with the murder of investigative journalist Anna Politkovskaya. The judicial system, notably the courts, also took part in harassing journalists and censoring the internet. At the same time, a Kremlin-friendly company bought leading newspaper *Kommersant* and replaced the editor, leading to the resignation of key journalists, and closure of its opinion section. A new law on NGOs particularly restrictive of human-rights related organizations was put in place within an atmosphere of growing xenophobia, leading to laborious reporting requirements.

Ukraine ↓

The election of a new parliament in March and the subsequent political stalemate between political camps under the 'dual executive system' dominated much of 2006, leaving little time and energy for further democratic transition and consolidation. Improvements came only in the area of electoral process as the final preparations of election amendments prior to March 26 elections led to the most free and fair elections in Ukraine's history, although holding national, regional, and local elections on the same day created some level of confusion. The constitutional model of governance with dual executive power introduced in 2006 lacked an efficient system of checks and balances and did not bridge the ongoing political divides and power struggle destabilizing national governance structures. The May action plan adoption and subsequent legislation to modernize the judicial framework to European standards met strong resistance from judges for its lack of systematization, and for lack of a corresponding constitutional amendment that would allow proper implementation. **The democracy score worsened from 4.21 to 4.25.**

Central Asia

Kazakhstan —

Despite a few symbolic gestures and minor improvements including an active international public relations campaign launched by the government to obtain the Organization for Security and Cooperation in Europe (OSCE) rotating chair for 2009, further consolidation of power around President Nazarbaev and his elites weakened institutions and the ability of society to provide a counterweight. The benefits of Kazakhstan's rapidly growing economy remain within the hands of a small group of kin and clients. Opposition party members continued to face harassment from not only the leading party, but also from the judiciary which backs the state. **The democracy score remained at 6.39.**

Kyrgyzstan —

Political turmoil kept the government primarily focused on its own survival with little reform attempted beyond the crafting of a new constitution. The new constitution signed in November is expected to provide for a more equal distribution of power among the three branches of government, however many suspect this will only take place after the presidential election of 2010. A number of by-elections in 2006 also raised concern regarding the ability to hold free and fair national elections in the future. Efforts to fight corruption in the beginning of the year showed little progress by year's end. **The democracy score remained at 5.68.**

Tajikistan ↓

The OSCE determined that the 2006 elections, although peaceful, took place with a number of violations, further questioning Tajikistan's commitment to democracy. A lack of political will was also visible in the areas of judicial reform and in the inefficiency of the centralized corruption agency established in 2006 to tackle the issue of widespread corruption. Media continued to cater to the state by practicing self-censorship. **The democracy score worsened from 5.93 to 5.96.**

Turkmenistan —

In 2006 Turkmenistan continued its entrenchment into authoritarian isolation. The state continued to promote *Ruhnama*, a two-volume national code of spiritual conduct written by Niyazov, and to regularly replace middle and upper level government officials. Media restrictions remained highly restrictive, and reportedly, a journalist from Radio Liberty was beaten to death while in custody. The very end of the year brought the unexpected death of President Niyazov and signaled the potential for some softening of the regime under its new leader. **The democracy score remained at 6.96.**

Uzbekistan —

Further crackdowns on civil society, media and consolidation of political and economic powers around President Karimov have deepened the restrictive environment of Uzbekistan. The national government made no efforts in this year to loosen restrictions adopted after the events in Andijan. Relations with the West continued to decline, calling into question the ability for outside observers to monitor elections scheduled for 2007. Independent media and civil society activists also faced continued harassment, arrest, and imprisonment. **The democracy score remainsed at 6.82.**

Tables

Table 1. Nations in Transit 2007
Rating and Democracy Score Summary

Country, Territory	EP	CS	IM	NGOV	LGOV	JFI	CO	DS
Albania	4.00	3.00	3.75	4.25	2.75	4.00	5.00	3.82
Armenia	5.75	3.50	5 75	5.25	5.50	5.00	5.75	5.21
Azerbaijan	6.50	5.25	6.25	6.00	6.00	5.75	6.25	6.00
Belarus	7 00	6.50	6.75	7.00	6.50	6.75	6.25	6.68
Bosnia	3.00	3.50	4.00	4.75	4.75	4.00	4.25	4.04
Bulgaria	1.75	2.50	3.50	3.00	3.00	2.75	3.75	2.89
Croatia	3.25	2.75	4.00	3.50	3.75	4 25	4.75	3.75
Czech Republic	1.75	1.50	2 25	3.00	1.75	2.00	3 50	2.25
Estonia	1.50	2.00	1.50	2.25	2.50	1.50	2.50	1.96
Georgia	4.50	3.50	4.00	5.50	5.50	4.75	5.00	4.68
Hungary	1.75	1.50	2.50	2.25	2.25	1.75	3.00	2.14
Kazakhstan	6.50	5.75	6.75	6.75	6.25	6.25	6 50	6.39
Kosovo	4.75	4.25	5.50	5.75	5.50	5.75	6.00	5.36
Kyrgyzstan	5.75	4.50	5.75	6.00	6.25	5.50	6.00	5.68
Latvia	2.00	1.75	1.50	2.00	2.50	1.75	3.00	2.07
Lithuania	1.75	1.75	1.75	2.50	2.50	1.75	4.00	2.29
Macedonia	3.25	3.25	4.25	3.75	3.75	3.75	4.75	3.82
Moldova	3.75	3.75	5.25	5.75	5.75	4.50	6.00	4.96
Montenegro	3.50	3.00	3.50	4.50	3.25	4.25	5.50	3.93
Poland	2.00	1.50	2.25	3.25	2.25	2.25	3.00	2.36
Romania	2.75	2.25	3.75	3.50	3.00	3.75	4.00	3.29
Russia	6.50	5.25	6.25	6.00	5.75	5.25	6.00	5.86
Serbia	3.25	2.75	3.50	3.75	3.75	4.25	4.50	3.68
Slovakia	1.50	1.50	2.25	2.25	2.00	2.25	3.25	2.14
Slovenia	1.50	2.00	2.00	2.00	1.50	1.50	2.25	1.82
Tajikistan	6 50	5.00	6.25	6.25	5.75	5 75	6.25	5.96
Turkmenistan	7.00	7.00	7 00	7.00	7.00	7.00	6.75	6.96
Ukraine	3.00	2.75	3.75	4.75	5.25	4.50	5.75	4.25
Uzbekistan	6.75	7.00	7.00	7.00	6.75	6.75	6.50	6.82
Average	**3.89**	**3.47**	**4.22**	**4.47**	**4.24**	**4.11**	**4.79**	**4.12**
Median	**3.25**	**3.00**	**4.00**	**4.50**	**3.75**	**4.25**	**5.00**	**3.93**

NOTES: The ratings are based on a scale of 1 to 7, with 1 representing the highest level of democratic progress and 7 the lowest. The 2007 ratings reflect the period January 1 through December 31, 2006.

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

Table 2. Electoral process

Ratings History and Regional Breakdown

	1999–2000	2001	2002	2003	2004	2005	2006	2007
New EU Members								
Bulgaria	2.25	2.00	2.00	2.00	1.75	1.75	1.75	1.75
Czech Republic	1.75	1.75	2.00	2.00	2.00	2.00	2.00	1.75
Estonia	1.75	1.75	1.75	1.75	1.50	1.50	1.50	1.50
Hungary	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.75
Latvia	1.75	1.75	1.75	1.75	1.75	1.75	1.75	2.00
Lithuania	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75
Poland	1.25	1.25	1.25	1.50	1.50	1.75	1.75	2.00
Romania	2.75	3.00	3.00	2.75	2.75	2.75	2.75	2.75
Slovakia	2.50	2.25	1.75	1.50	1.50	1.25	1.25	1.50
Slovenia	2.00	1.75	1.75	1.50	1.50	1.50	1.50	1.50
Average	**1.90**	**1.85**	**1.83**	**1.78**	**1.73**	**1.73**	**1.73**	**1.83**
Median	**1.75**	**1.75**	**1.75**	**1.75**	**1.63**	**1.75**	**1.75**	**1.75**
The Balkans								
Albania	4.25	4.00	3.75	3.75	3.75	3.75	3.50	4.00
Bosnia	5.00	4.75	4.25	3.75	3.50	3.25	3.00	3.00
Croatia	4.25	3.25	3.25	3.25	3.25	3.00	3.25	3.25
Macedonia	3.50	3.75	4.50	3.50	3.50	3.00	3.25	3.25
Yugoslavia	5.50	4.75	3.75	3.75	n/a	n/a	n/a	n/a
Serbia	n/a	n/a	n/a	n/a	3.50	3.25	3.25	3.25
Montenegro	n/a	n/a	n/a	n/a	3.50	3.25	3.50	3.50
Kosovo	n/a	n/a	n/a	n/a	5.25	4.75	4.75	4.75
Average	**4.50**	**4.10**	**3.90**	**3.60**	**3.75**	**3.46**	**3.50**	**3.57**
Median	**4.25**	**4.00**	**3.75**	**3.75**	**3.50**	**3.25**	**3.25**	**3.25**
Non-Baltic Former Soviet States								
Armenia	5.25	5.50	5.50	5.50	5.75	5.75	5.75	5.75
Azerbaijan	5.50	5.75	5.75	5.75	6.00	6.25	6.50	6.50
Belarus	6.75	6.75	6.75	6.75	6.75	7.00	7.00	7.00
Georgia	4.00	4.50	5.00	5.25	5.25	4.75	4.75	4.50
Kazakhstan	6.00	6.25	6.25	6.50	6.50	6.50	6.50	6.50
Kyrgyzstan	5.00	5.75	5.75	6.00	6.00	6.00	5.75	5.75
Moldova	3.25	3.25	3.50	3.75	4.00	4.00	3.75	3.75
Russia	4.00	4.25	4.50	4.75	5.50	6.00	6.25	6.50
Tajikistan	5.50	5.25	5.25	5.25	5.75	6.00	6.25	6.50
Turkmenistan	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00
Ukraine	3.50	4.00	4.50	4.00	4.25	3.50	3.25	3.00
Uzbekistan	6.50	6.75	6.75	6.75	6.75	6.75	6.75	6.75
Average	**5.19**	**5.42**	**5.54**	**5.60**	**5.79**	**5.79**	**5.79**	**5.79**
Median	**5.38**	**5.63**	**5.63**	**5.63**	**5.88**	**6.00**	**6.25**	**6.50**

NOTES: The ratings are based on a scale of 1 to 7, with 1 representing the highest level of democratic progress and 7 the lowest. The 2007 ratings reflect the period January 1 through December 31, 2006.

In *Nations in Transit 2007*, Freedom House provides separate ratings for Serbia and Kosovo in order to provide a clearer picture of processes and conditions in the different administrative areas. Doing so does not indicate a position on the part of Freedom House regarding Kosovo's future status.

Table 3. Civil Society

Ratings History and Regional Breakdown

	1999–2000	2001	2002	2003	2004	2005	2006	2007
New EU Members								
Bulgaria	3.75	3.50	3.25	3.25	3.00	2.75	2.75	
Czech Republic	1.50	1.50	1.75	1.50	1.50	1.50	1.50	1.50
Estonia	2.50	2.25	2.00	2.00	2.00	2.00	2.00	2.00
Hungary	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.50
Latvia	2.25	2.00	2.00	2.00	2.00	1.75	1.75	1.75
Lithuania	2.00	1.75	1.50	1.50	1.50	1.50	1.50	1.75
Poland	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.50
Romania	3.00	3.00	3.00	2.75	2.50	2.25	2.25	2.25
Slovakia	2.25	2.00	1.75	1.50	1.25	1.25	1.25	1.50
Slovenia	1.75	1.75	1.50	1.50	1.50	1.75	1.75	2.00
Average	**2.15**	**2.03**	**1.93**	**1.85**	**1.78**	**1.73**	**1.73**	**1.83**
Median	**2.13**	**1.88**	**1.75**	**1.50**	**1.50**	**1.63**	**1.63**	**1.75**
The Balkans								
Albania	4.00	4.00	3.75	3.75	3.50	3.25	3.00	3.00
Bosnia	4.50	4.50	4.25	4.00	3.75	3.75	3.75	3.50
Croatia	3.50	2.75	2.75	3.00	3.00	3.00	2.75	2.75
Macedonia	3.50	3.75	4.00	3.75	3.25	3.25	3.25	3.25
Yugoslavia	5.25	4.00	3.00	2.75	n/a	n/a	n/a	n/a
Serbia	n/a	n/a	n/a	n/a	2.75	2.75	2.75	2.75
Montenegro	n/a	n/a	n/a	n/a	2.75	2.50	3.00	3.00
Kosovo	n/a	n/a	n/a	n/a	4.25	4.00	4.25	4.25
Average	**4.15**	**3.80**	**3.55**	**3.45**	**3.32**	**3.21**	**3.25**	**3.21**
Median	**4.00**	**4.00**	**3.75**	**3.75**	**3.25**	**3.25**	**3.00**	**3.00**
Non-Baltic Former Soviet States								
Armenia	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50
Azerbaijan	4.75	4.50	4.50	4.25	4.50	4.75	5.00	5.25
Belarus	6.00	6.50	6.25	6.50	6.75	6.75	6.75	6.50
Georgia	3.75	4.00	4.00	4.00	3.50	3.50	3.50	3.50
Kazakhstan	5.00	5.00	5.50	5.50	5.50	5.50	5.75	5.75
Kyrgyzstan	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50
Moldova	3.75	3.75	4.00	3.75	4.00	4.00	4.00	3.75
Russia	3.75	4.00	4.00	4.25	4.50	4.75	5.00	5.25
Tajikistan	5.25	5.00	5.00	5.00	5.00	4.75	5.00	5.00
Turkmenistan	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00
Ukraine	4.00	3.75	3.75	3.50	3.75	3.00	2.75	2.75
Uzbekistan	6.50	6.50	6.75	6.50	6.50	6.50	7.00	7.00
Average	**4.81**	**4.83**	**4.90**	**4.85**	**4.92**	**4.88**	**4.98**	**4.98**
Median	**4.63**	**4.50**	**4.50**	**4.38**	**4.50**	**4.75**	**5.00**	**5.13**

NOTES: The ratings are based on a scale of 1 to 7, with 1 representing the highest level of democratic progress and 7 the lowest. The 2007 ratings reflect the period January 1 through December 31, 2006.

In *Nations in Transit 2007*, Freedom House provides separate ratings for Serbia and Kosovo in order to provide a clearer picture of processes and conditions in the different administrative areas. Doing so does not indicate a position on the part of Freedom House regarding Kosovo's future status.

Table 4. Independent Media

Ratings History and Regional Breakdown

	1999–2000	2001	2002	2003	2004	2005	2006	2007
New EU Members								
Bulgaria	3.50	3.25	3.25	3.50	3.50	3.50	3.25	
Czech Republic	1.75	2.00	2.50	2.25	2.25	2.00	2.00	2.25
Estonia	1.75	1.75	1.75	1.75	1.50	1.50	1.50	1.50
Hungary	2.00	2.25	2.25	2.25	2.25	2.50	2.50	2.50
Latvia	1.75	1.75	1.75	1.75	1.50	1.50	1.50	1.50
Lithuania	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75
Poland	1.50	1.50	1.50	1.75	1.75	1.50	1.75	2.25
Romania	3.50	3.50	3.50	3.75	3.75	4.00	4.00	3.75
Slovakia	2.25	2.00	2.00	2.00	2.25	2.25	2.25	2.25
Slovenia	1.75	1.75	1.75	1.75	1.75	1.50	1.75	2.00
Average	**2.15**	**2.15**	**2.20**	**2.25**	**2.23**	**2.20**	**2.23**	**2.33**
Median	**1.75**	**1.88**	**1.88**	**1.88**	**2.00**	**1.88**	**1.88**	**2.25**
The Balkans								
Albania	4.50	4.25	4.00	4.00	3.75	4.00	3.75	
Bosnia	5.00	4.50	4.25	4.25	4.25	4.00	4.00	4.00
Croatia	5.00	3.50	3.50	3.75	3.75	3.75	3.75	4.00
Macedonia	3.75	3.75	3.75	4.00	4.25	4.25	4.25	4.25
Yugoslavia	5.75	4.50	3.50	3.25	n/a	n/a	n/a	n/a
Serbia	n/a	n/a	n/a	n/a	3.50	3.25	3.25	3.50
Montenegro	n/a	n/a	n/a	n/a	3.25	3.25	3.25	3.50
Kosovo	n/a	n/a	n/a	n/a	5.50	5.50	5.50	5.50
Average	**4.80**	**4.10**	**3.80**	**3.85**	**4.04**	**4.00**	**3.96**	**4.07**
Median	**5.00**	**4.25**	**3.75**	**4.00**	**3.75**	**4.00**	**3.75**	**4.00**
Non-Baltic Former Soviet States								
Armenia	4.75	4.75	4.75	5.00	5.25	5.50	5.50	5.75
Azerbaijan	5.50	5.75	5.50	5.50	5.75	6.00	6.00	6.25
Belarus	6.75	6.75	6.75	6.75	6.75	6.75	6.75	6.75
Georgia	3.75	3.50	3.75	4.00	4.00	4.25	4.25	4.00
Kazakhstan	5.50	6.00	6.00	6.25	6.50	6.50	6.75	6.75
Kyrgyzstan	5.00	5.00	5.75	6.00	6.00	5.75	5.75	5.75
Moldova	4.00	4.25	4.50	4.75	5.00	5.00	5.00	5.25
Russia	4.75	5.25	5.50	5.50	5.75	6.00	6.00	6.25
Tajikistan	5.75	5.50	5.75	5.75	5.75	6.00	6.25	6.25
Turkmenistan	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00
Ukraine	5.00	5.25	5.50	5.50	5.50	4.75	3.75	3.75
Uzbekistan	6.50	6.75	6.75	6.75	6.75	6.75	7.00	7.00
Average	**5.35**	**5.48**	**5.63**	**5.73**	**5.83**	**5.85**	**5.83**	**5.90**
Median	**5.25**	**5.38**	**5.63**	**5.63**	**5.75**	**6.00**	**6.00**	**6.25**

NOTES: The ratings are based on a scale of 1 to 7, with 1 representing the highest level of democratic progress and 7 the lowest. The 2007 ratings reflect the period January 1 through December 31, 2006.

In *Nations in Transit 2007*, Freedom House provides separate ratings for Serbia and Kosovo in order to provide a clearer picture of processes and conditions in the different administrative areas. Doing so does not indicate a position on the part of Freedom House regarding Kosovo's future status.

Table 5. Governance

Ratings History and Regional Breakdown

	1999–2000	2001	2002	2003	2004	2005		2006		2007	
	GOV	GOV	GOV	GOV	GOV	NGOV	LGOV	NGOV	LGOV	NGOV	LGOV
New EU Members											
Bulgaria	3.75	3.50	3.50	3.75	3.75	3.50	3.50	3.00	3.00		
Czech Rep.	2.00	2.00	2.25	2.25	2.25	2.50	2.00	2.50	2.00		
Estonia	2.25	2.25	2.25	2.25	2.25	2.25	2.50	2.25	2.50	2.25	2.50
Hungary	2.50	3.00	3.00	2.50	2.50	2.00	2.25	2.00	2.25	2.25	2.25
Latvia	2.50	2.25	2.25	2.25	2.25	2.25	2.50	2.00	2.50	2.00	2.50
Lithuania	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50
Poland	1.75	1.75	2.00	2.00	2.00	2.50	2.00	2.75	2.00	3.25	2.25
Romania	3.50	3.75	3.75	3.75	3.75	3.50	3.00	3.50	3.00	3.50	3.00
Slovakia	3.00	2.75	2.25	2.25	2.25	2.00	2.25	2.00	2.00	2.25	2.00
Slovenia	2.25	2.50	2.25	2.25	2.00	2.00	1.50	2.00	1.50	2.00	1.50
Average	**2.60**	**2.63**	**2.60**	**2.58**	**2.55**	**2.50**	**2.40**	**2.45**	**2.33**	**2.60**	**2.33**
Median	**2.50**	**2.50**	**2.25**	**2.25**	**2.25**	**2.38**	**2.38**	**2.38**	**2.38**	**2.38**	**2.38**
The Balkans											
Albania	4.75	4.25	4.25	4.25	4.25	4.25	3.25	4.00	2.75	4.25	2.75
Bosnia	6.00	6.00	5.50	5.25	5.00	4.75	4.75	4.75	4.75	4.75	4.75
Croatia	4.00	3.50	3.50	3.75	3.75	3.50	3.75	3.50	3.75	3.50	3.75
Macedonia	3.00	3.75	4.25	4.50	4.00	4.00	4.00	3.75	3.75	3.75	3.75
Yugoslavia	5.50	5.25	4.25	4.25	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Serbia	n/a	n/a	n/a	n/a	4.00	4.00	3.75	4.00	3.75	3.75	3.75
Montenegro	n/a	n/a	n/a	n/a	4.00	4.50	3.50	4.50	3.50	4.50	3.25
Kosovo	n/a	n/a	n/a	n/a	6.00	5.75	5.50	5.75	5.50	5.75	5.50
Average	**4.65**	**4.55**	**4.35**	**4.40**	**4.43**	**4.39**	**4.07**	**4.32**	**3.96**	**4.32**	**3.93**
Median	**4.75**	**4.25**	**4.25**	**4.25**	**4.00**	**4.25**	**3.75**	**4.00**	**3.75**	**4.25**	**3.75**
Non-Baltic Former Soviet States											
Armenia	4.50	4.50	4.50	4.75	4.75	5.00	5.50	5.00	5.50		
Azerbaijan	6.25	6.25	6.00	5.75	5.75	6.00	6.00	6.00	6.00	6.00	6.00
Belarus	6.25	6.25	6.50	6.50	6.50	6.75	6.50	7.00	6.50	7.00	6.50
Georgia	4.50	4.75	5.00	5.50	5.75	5.50	6.00	5.50	5.75	5.50	5.50
Kazakhstan	5.00	5.00	5.75	6.25	6.25	6.50	6.25	6.75	6.25	6.75	6.25
Kyrgyzstan	5.00	5.25	5.50	6.00	6.00	6.00	5.75	6.00	6.25	6.00	6.25
Moldova	4.50	4.50	4.75	5.25	5.50	5.75	5.75	5.75	5.75	5.75	5.75
Russia	4.50	5.00	5.25	5.00	5.25	5.75	5.75	6.00	5.75	6.00	5.75
Tajikistan	6.25	6.00	6.00	6.00	5.75	6.00	5.75	6.25	5.75	6.25	5.75
Turkmenistan	6.75	6.75	6.75	6.75	7.00	7.00	7.00	7.00	7.00	7.00	7.00
Ukraine	4.75	4.75	5.00	5.00	5.25	5.00	5.25	4.50	5.25	4.75	5.25
Uzbekistan	6.25	6.00	6.00	6.25	6.25	6.50	6.25	7.00	6.75	7.00	6.75
Average	**5.38**	**5.42**	**5.58**	**5.75**	**5.83**	**5.98**	**5.98**	**6.06**	**6.04**	**6.08**	**6.02**
Median	**5.00**	**5.13**	**5.63**	**5.88**	**5.75**	**6.00**	**5.88**	**6.00**	**5.88**	**6.00**	**5.88**

NOTES: The ratings are based on a scale of 1 to 7, with 1 representing the highest level of democratic progress and 7 the lowest. The 2007 ratings reflect the period January 1 through December 31, 2006.

In *Nations in Transit 2007*, Freedom House provides separate ratings for Serbia and Kosovo in order to provide a clearer picture of processes and conditions in the different administrative areas. Doing so does not indicate a position on the part of Freedom House regarding Kosovo's future status.

Table 6. Judicial Framework and Independence

Ratings History and Regional Breakdown

	1999–2000	2001	2002	2003	2004	2005	2006	2007
New EU Members								
Bulgaria	3.50	3.50	3.50	3.50	3.25	3.25	3.00	2.75
Czech Republic	2.25	2.50	2.50	2.50	2.50	2.50	2.25	2.00
Estonia	2.00	2.00	1.75	1.75	1.75	1.50	1.50	1.50
Hungary	1.75	2.00	2.00	1.75	1.75	1.75	1.75	1.75
Latvia	2.00	2.00	2.00	2.25	2.00	1.75	1.75	1.75
Lithuania	2.00	1.75	2.00	1.75	1.75	1.75	1.50	1.75
Poland	1.50	1.50	1.50	1.50	1.50	2.00	2.25	2.25
Romania	4.25	4.25	4.25	4.25	4.25	4.00	4.00	3.75
Slovakia	2.50	2.25	2.00	2.00	2.00	2.00	2.00	2.25
Slovenia	1.50	1.50	1.75	1.75	1.75	1.50	1.50	1.50
Average	**2.33**	**2.33**	**2.33**	**2.30**	**2.25**	**2.20**	**2.15**	**2.13**
Median	**2.00**	**2.00**	**2.00**	**1.88**	**1.88**	**1.88**	**1.88**	**1.88**
The Balkans								
Albania	5.00	4.50	4.50	4.25	4.25	4.50	4.25	
Bosnia	6.00	5.50	5.25	5.00	4.50	4.25	4.00	4.00
Croatia	4.75	3.75	3.75	4.25	4.50	4.50	4.25	4.25
Macedonia	4.25	4.25	4.75	4.50	4.00	3.75	3.75	3.75
Yugoslavia	5.75	5.50	4.25	4.25	n/a	n/a	n/a	n/a
Serbia	n/a	n/a	n/a	n/a	4.25	4.25	4.25	4.25
Montenegro	n/a	n/a	n/a	n/a	4.25	4.25	4.25	4.25
Kosovo	n/a	n/a	n/a	n/a	6.00	5.75	5.75	5.75
Average	**5.15**	**4.70**	**4.50**	**4.45**	**4.54**	**4.46**	**4.36**	**4.32**
Median	**5.00**	**4.50**	**4.50**	**4.25**	**4.25**	**4.25**	**4.25**	**4.25**
Non-Baltic Former Soviet States								
Armenia	5.00	5.00	5.00	5.00	5.00	5.25	5.00	5.00
Azerbaijan	5.50	5.25	5.25	5.25	5.50	5.75	5.75	5.75
Belarus	6.50	6.75	6.75	6.75	6.75	6.75	6.75	6.75
Georgia	4.00	4.00	4.25	4.50	4.50	5.00	4.75	4.75
Kazakhstan	5.50	5.75	6.00	6.25	6.25	6.25	6.25	6.25
Kyrgyzstan	5.00	5.25	5.25	5.50	5.50	5.50	5.50	5.50
Moldova	4.00	4.00	4.00	4.50	4.50	4.75	4.50	4.50
Russia	4.25	4.50	4.75	4.50	4.75	5.25	5.25	5.25
Tajikistan	5.75	5.75	5.75	5.75	5.75	5.75	5.75	5.75
Turkmenistan	6.75	7.00	7.00	7.00	7.00	7.00	7.00	7.00
Ukraine	4.50	4.50	4.75	4.50	4.75	4.25	4.25	4.50
Uzbekistan	6.50	6.50	6.50	6.50	6.50	6.25	6.75	6.75
Average	**5.27**	**5.35**	**5.44**	**5.50**	**5.56**	**5.65**	**5.63**	**5.65**
Median	**5.25**	**5.25**	**5.25**	**5.38**	**5.50**	**5.63**	**5.63**	**5.63**

NOTES: The ratings are based on a scale of 1 to 7, with 1 representing the highest level of democratic progress and 7 the lowest. The 2007 ratings reflect the period January 1 through December 31, 2006.

In *Nations in Transit 2007*, Freedom House provides separate ratings for Serbia and Kosovo in order to provide a clearer picture of processes and conditions in the different administrative areas. Doing so does not indicate a position on the part of Freedom House regarding Kosovo's future status.

Table 7. Corruption

Ratings History and Regional Breakdown

	1999–2000	2001	2002	2003	2004	2005	2006	2007
New EU Members								
Bulgaria	4.75	4.75	4.50	4.25	4.25	4.00	3.75	3.75
Czech Republic	3.25	3.75	3.75	3.50	3.50	3.50	3.50	3.50
Estonia	3.25	2.75	2.50	2.50	2.50	2.50	2.50	2.50
Hungary	2.50	3.00	3.00	2.75	2.75	2.75	3.00	3.00
Latvia	3.50	3.50	3.75	3.50	3.50	3.50	3.25	3.00
Lithuania	3.75	3.75	3.75	3.50	3.50	3.75	4.00	4.00
Poland	2.25	2.25	2.25	2.50	2.50	3.00	3.25	3.00
Romania	4.25	4.50	4.75	4.50	4.50	4.25	4.25	4.00
Slovakia	3.75	3.75	3.25	3.25	3.25	3.00	3.00	3.25
Slovenia	2.00	2.00	2.00	2.00	2.00	2.00	2.25	2.25
Average	**3.33**	**3.40**	**3.35**	**3.23**	**3.23**	**3.23**	**3.28**	**3.23**
Median	**3.38**	**3.63**	**3.50**	**3.38**	**3.38**	**3.25**	**3.25**	**3.13**
The Balkans								
Albania	6.00	5.50	5.25	5.00	5.25	5.25	5.25	5.00
Bosnia	6.00	5.75	5.50	5.00	4.75	4.50	4.25	4.25
Croatia	5.25	4.50	4.50	4.75	4.75	4.75	4.75	4.75
Macedonia	5.00	5.00	5.50	5.50	5.00	5.00	4.75	4.75
Yugoslavia	6.25	6.25	5.25	5.00	n/a	n/a	n/a	n/a
Serbia	n/a	n/a	n/a	n/a	5.00	5.00	4.75	4.50
Montenegro	n/a	n/a	n/a	n/a	5.25	5.25	5.25	5.50
Kosovo	n/a	n/a	n/a	n/a	6.00	6.00	6.00	6.00
Average	**5.70**	**5.40**	**5.20**	**5.05**	**5.14**	**5.11**	**5.00**	**4.96**
Median	**6.00**	**5.50**	**5.25**	**5.00**	**5.00**	**5.00**	**4.75**	**4.75**
Non-Baltic Former Soviet States								
Armenia	5.75	5.75	5.75	5.75	5.75	5.75	5.75	5.75
Azerbaijan	6.00	6.25	6.25	6.25	6.25	6.25	6.25	6.25
Belarus	5.25	5.25	5.25	5.50	5.75	6.00	6.25	6.25
Georgia	5.00	5.25	5.50	5.75	6.00	5.75	5.50	5.00
Kazakhstan	6.00	6.25	6.25	6.25	6.50	6.50	6.50	6.50
Kyrgyzstan	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
Moldova	6.00	6.00	6.25	6.25	6.25	6.25	6.00	6.00
Russia	6.25	6.25	6.00	5.75	5.75	5.75	6.00	6.00
Tajikistan	6.00	6.00	6.00	6.00	6.25	6.25	6.25	6.25
Turkmenistan	6.00	6.25	6.25	6.25	6.25	6.50	6.75	6.75
Ukraine	6.00	6.00	6.00	5.75	5.75	5.75	5.75	5.75
Uzbekistan	6.00	6.00	6.00	6.00	6.00	6.00	6.50	6.50
Average	**5.85**	**5.94**	**5.96**	**5.96**	**6.04**	**6.06**	**6.13**	**6.08**
Median	**6.00**	**6.00**	**6.00**	**6.00**	**6.00**	**6.00**	**6.13**	**6.13**

NOTES: The ratings are based on a scale of 1 to 7, with 1 representing the highest level of democratic progress and 7 the lowest. The 2007 ratings reflect the period January 1 through December 31, 2006.

In *Nations in Transit 2007*, Freedom House provides separate ratings for Serbia and Kosovo in order to provide a clearer picture of processes and conditions in the different administrative areas. Doing so does not indicate a position on the part of Freedom House regarding Kosovo's future status.

Table 8. Democracy Score

Year-To-Year Summaries by Region

	1999–2000	2001	2002	2003	2004	2005	2006	2007
New EU Members								
Bulgaria	3.58	3.42	3.33	3.38	3.25	3.18	2.93	
Czech Republic	2.08	2.25	2.46	2.33	2.33	2.29	2.25	2.25
Estonia	2.25	2.13	2.00	2.00	1.92	1.96	1.96	1.96
Hungary	1.88	2.13	2.13	1.96	1.96	1.96	2.00	2.14
Latvia	2.29	2.21	2.25	2.25	2.17	2.14	2.07	2.07
Lithuania	2.29	2.21	2.21	2.13	2.13	2.21	2.21	2.29
Poland	1.58	1.58	1.63	1.75	1.75	2.00	2.14	2.36
Romania	3.54	3.67	3.71	3.63	3.58	3.39	3.39	3.29
Slovakia	2.71	2.50	2.17	2.08	2.08	2.00	1.96	2.14
Slovenia	1.88	1.88	1.83	1.79	1.75	1.68	1.75	1.82
Average	**2.41**	**2.40**	**2.37**	**2.33**	**2.29**	**2.28**	**2.27**	**2.32**
Median	**2.27**	**2.21**	**2.19**	**2.10**	**2.10**	**2.07**	**2.11**	**2.20**
The Balkans								
Albania	4.75	4.42	4.25	4.17	4.13	4.04	3.79	3.82
Bosnia	5.42	5.17	4.83	4.54	4.29	4.18	4.07	4.04
Croatia	4.46	3.54	3.54	3.79	3.83	3.75	3.71	3.75
Macedonia	3.83	4.04	4.46	4.29	4.00	3.89	3.82	3.82
Yugoslavia	5.67	5.04	4.00	3.88	n/a	n/a	n/a	n/a
Serbia	n/a	n/a	n/a	n/a	3.83	3.75	3.71	3.68
Montenegro	n/a	n/a	n/a	n/a	3.83	3.79	3.89	3.93
Kosovo	n/a	n/a	n/a	n/a	5.50	5.32	5.36	5.36
Average	**4.83**	**4.44**	**4.22**	**4.13**	**4.20**	**4.10**	**4.05**	**4.06**
Median	**4.75**	**4.42**	**4.25**	**4.17**	**4.00**	**3.89**	**3.82**	**3.82**
Non-Baltic Former Soviet States								
Armenia	4.79	4.83	4.83	4.92	5.00	5.18	5.14	5.21
Azerbaijan	5.58	5.63	5.54	5.46	5.63	5.86	5.93	6.00
Belarus	6.25	6.38	6.38	6.46	6.54	6.64	6.71	6.68
Georgia	4.17	4.33	4.58	4.83	4.83	4.96	4.86	4.68
Kazakhstan	5.50	5.71	5.96	6.17	6.25	6.29	6.39	6.39
Kyrgyzstan	5.08	5.29	5.46	5.67	5.67	5.64	5.68	5.68
Moldova	4.25	4.29	4.50	4.71	4.88	5.07	4.96	4.96
Russia	4.58	4.88	5.00	4.96	5.25	5.61	5.75	5.86
Tajikistan	5.75	5.58	5.63	5.63	5.71	5.79	5.93	5.96
Turkmenistan	6.75	6.83	6.83	6.83	6.88	6.93	6.96	6.96
Ukraine	4.63	4.71	4.92	4.71	4.88	4.50	4.21	4.25
Uzbekistan	6.38	6.42	6.46	6.46	6.46	6.43	6.82	6.82
Average	**5.31**	**5.41**	**5.51**	**5.57**	**5.66**	**5.74**	**5.78**	**5.79**
Median	**5.29**	**5.44**	**5.50**	**5.54**	**5.65**	**5.72**	**5.84**	**5.91**

NOTES: The ratings are based on a scale of 1 to 7, with 1 representing the highest level of democratic progress and 7 the lowest. The 2007 ratings reflect the period January 1 through December 31, 2006.

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

In *Nations in Transit 2007*, Freedom House provides separate ratings for Serbia and Kosovo in order to provide a clearer picture of processes and conditions in the different administrative areas. Doing so does not indicate a position on the part of Freedom House regarding Kosovo's future status.

Table 9. Democracy Score
2007 Rankings by Regime Type

Consolidated Democracies (1.00–2.99)	
Slovenia	1.82
Estonia	1.96
Latvia	2.07
Hungary	2.14
Slovakia	2.14
Czech Republic	2.25
Lithuania	2.29
Poland	2.36
Bulgaria	2.89
Semi-Consolidated Democracies (3.00–3.99)	
Romania	3.29
Serbia	3.68
Croatia	3.75
Albania	3.82
Macedonia	3.82
Montenegro	3.93
Transitional Governments or Hybrid Regimes (4.00–4.99)	
Bosnia	4.04
Ukraine	4.25
Georgia	4.68
Moldova	4.96
Semi-Consolidated Authoritarian Regimes (5.00–5.99)	
Armenia	5.21
Kosovo	5.36
Kyrgyzstan	5.68
Russia	5.86
Tajikistan	5.96
Consolidated Authoritarian Regimes (6.00–7.00)	
Azerbaijan	6.00
Kazakhstan	6.39
Belarus	6.68
Uzbekistan	6.82
Turkmenistan	6.96

NOTES: The ratings are based on a scale of 1 to 7, with 1 representing the highest level of democratic progress and 7 the lowest. The 2007 ratings reflect the period January 1 through December 31, 2006.

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

In *Nations in Transit 2007*, Freedom House provides separate ratings for Serbia and Kosovo in order to provide a clearer picture of processes and conditions in the different administrative areas. Doing so does not indicate a position on the part of Freedom House regarding Kosovo's future status.

Albania

by Eno Trimçev

Capital: Tirana
Population: 3.2 million
GDP/capita: US$5,201
Ethnic Groups: Albanian (95.0%), Greek (3.0%), other (2.0%)

The economic and social data on this page were taken from the following sources:

GDP/capita, Population: *Transition Report 2006: Finance in Transition* (London, UK: European Bank for Reconstruction and Development, 2006).

Ethnic Groups: *CIA World Fact Book 2007* (Washington, D.C.: Central Intelligence Agency, 2007).

Nations in Transit Ratings and Averaged Scores

	1999	2001	2002	2003	2004	2005	2006	2007
Electoral Process	4.25	4.00	3.75	3.75	3.75	3.75	3.50	4.00
Civil Society	4.00	4.00	3.75	3.75	3.50	3.25	3.00	3.00
Independent Media	4.50	4.25	4.00	4.00	3.75	4.00	3.75	3.75
Governance*	4.75	4.25	4.25	4.25	4.25	n/a	n/a	n/a
National Democratic Governance	n/a	n/a	n/a	n/a	n/a	4.25	4.00	4.25
Local Democratic Governance	n/a	n/a	n/a	n/a	n/a	3.25	2.75	2.75
Judicial Framework and Independence	5.00	4.50	4.50	4.25	4.25	4.50	4.25	4.00
Corruption	6.00	5.50	5.25	5.00	5.25	5.25	5.25	5.00
Democracy Score	4.75	4.42	4.25	4.17	4.13	4.04	3.79	3.82

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

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

Executive Summary

Beginning its transition to democracy and a market economy a decade and a half ago, Albania is richer, more democratic, and safer than ever before. The political class and the Albanian people in general have shown outstanding unity on the basic issues of democracy, market economy, and Euro-Atlantic integration. This consensus has perhaps been all the more remarkable given the country's totalitarian past that runs deeper than in most of Albania's post-Communist neighbors. It is then somewhat paradoxical that the country's progress has been quite slow, and periods of democratization have sometimes been followed by painful reversals. The zero-sum nature of politics and the intense partisanship of the Albanian political scene have brought about periods of deconsolidation, often following quickly on the heels of important achievements on the road to a consolidated democracy.

The history of free and fair elections in Albania is particularly indicative. The 1992 elections brought the first peaceful rotation of power when the ex-Communists lost to the opposition Democratic Party (DP). The next elections in 1996 were the most fraudulent of Albania's post-Communist history, with the DP sweeping the overwhelming majority of seats in the Parliament. Early elections in 1997 also brought about a rotation of power. They were deemed acceptable but were far from "free and fair," with the DP unable to campaign in much of the south, which was controlled by antigovernment rebels. Local and parliamentary elections remained problematic and exhibited varying degrees of manipulation by the ruling Socialists until the parliamentary elections of 2005, which were the first ones to be accepted by both sides since March 1992. However, efforts to reform the electoral code for the upcoming local elections have stalled because of the intransigence of the majority and the opposition. Ahead of the local polls in January 2007, all constitutional deadlines were broken in 2006, which does not bode well for the political climate in the future.

Albania's Euro-Atlantic integration efforts made headway in 2006. On June 12, the country signed the Stabilization and Association Agreement with the European Union (EU). Together with Croatia and Macedonia, Albania received an indication from the NATO summit in Riga, Latvia, that it will be invited to join NATO in the 2008 summit if reforms continue. However, these successes rested largely on the credit gained by the 2005 parliamentary elections. The coming to power of a new center-right majority that placed the fight against corruption and organized crime at the top of its agenda (and of chief concern among Albania's Western partners) created a positive image and injected much needed vigor into the country's reform agenda.

But a year and a half after the parliamentary elections, lack of progress on electoral reform has seriously jeopardized Albania's ability to hold free and fair elections in 2007. Moreover, the strained relationship between the executive and a number of the country's independent institutions has raised serious concerns about its ability to operate according to the constitutional framework. In this sense, 2007 may turn into a milestone year that will either mark the consolidation of the country's democratic achievements or roll them back, as has often happened in the past 15 years.

National Democratic Governance. In 2006, Albania's democratization lost the momentum gained by the free parliamentary elections and peaceful rotation of power in 2005. The highly partisan atmosphere in the Parliament blocked electoral reform for the upcoming local elections, and public antagonism between the executive and several independent institutions and a tendency to amass power in the hands of the executive made national governance less effective and less democratic. The center-right administration carried out its fight against corruption and organized crime energetically but without due regard for constitutional rights and freedoms. The opposition demonstrated intransigence and did not provide a clear vision for governing properly. The rotation of power also brought about a cleansing of the civil service without due process, which undermined the efficiency of public administration. Yet, paradoxically, 2006 demonstrated the remarkable strength of Albanian democracy. Overall, independent institutions did not fold under pressure. A number of legislative and political initiatives that ran counter to the spirit and letter of the law failed, showing that the parliamentary majority could not wield unlimited powers. *Owing to efforts by the executive to bypass or control independent institutions, failed electoral reform, and a lack of clear commitment to protect citizens' constitutional rights and freedoms, the national democratic governance rating worsens from 4.00 to 4.25.*

Electoral Process. The year 2006 was supposed to be the year of electoral reform that would prepare Albania for local elections in January 2007. Despite a good beginning, with all parliamentary parties agreeing in a presidential roundtable in late 2005 to work together for changes to the electoral code, the effort ground to a halt in 2006. Negotiations were blocked successively over such issues as membership in the ad hoc Parliamentary Committee on Electoral Reform, veto rights, appointments to the Central Electoral Commission, voters lists, the role of prefects, special certificates, and the date of elections. The opposition parties signaled their intention to boycott the elections if consensual reform to the electoral code failed. During the year, all constitutional deadlines on voters lists and the establishment of voting center commissions were broken. *Owing to the inability of political forces to agree on electoral reform, which has seriously jeopardized the country's chances to hold free and fair elections within the constitutional time limits, the rating for electoral process worsens from 3.50 to 4.00.*

Civil Society. In 2006, civil society activity declined somewhat compared with the situation the previous year, when nongovernmental organizations (NGOs) mobilized to monitor the parliamentary elections. The third sector's technocratic capacities also declined as a considerable number of civil society representatives joined the new center-right majority in either executive or top bureaucratic positions. Yet this blurring of boundaries between civil society and politics did not bring about the expected "emancipation" of politics, as the technocrats lacked the political clout and experience to make a powerful impact on policy. Nevertheless, civil society did lead several successful campaigns against draft laws it deemed contrary to the spirit or letter of the Constitution, such as those regarding the state police, higher education, and others. Despite its structural weaknesses and oscillations, Albanian civil society has become a force to be reckoned with by any government. *Owing to lack of improvement in local capacities to sustain civil sector activity, the rating for civil society remains unchanged at 3.00.*

Independent Media. The lack of transparency in financial matters, audience/circulation, and ownership continues to characterize Albania's oversaturated media market. Political pressure on media that do not toe the government line continued in 2006, although it was mostly of an indirect nature and the government was generally unable to gain the upper hand. While libel and defamation have not yet been decriminalized, a draft law exists and there is an understanding in place that government officials will not sue journalists on such charges. Unilateral changes in the composition of the media regulatory bodies from a balanced political representation to civil society representation elected by the Parliament have opened the way to the election of pro-government representatives on these bodies. Nevertheless, the government has cut the links between media ownership and access to public tenders by media owners, which was one of the main factors affecting media freedom during the previous Socialist administration. The conditions have been set for an autonomous media market that responds better to customers' needs rather than to the nonmedia business interests of the owners. *Although steps have been taken to make media more responsive to customer needs, political pressures and unclear ownership structures continued to characterize the media market in 2006. Thus the rating for independent media remains unchanged at 3.75.*

Local Democratic Governance. Albania's decentralization strategy continued to progress during 2006, albeit at a slower pace. Fiscal decentralization continued with increases in transfers from the central government, formula-based unconditional transfers that circumvented political manipulation, and a package of local taxes and discretionary powers to set fees for local services. On the other hand, progress in the decentralization of water and sewage systems and in urban planning was very slow. Conflict between the central government and the municipality of the capital city, Tirana, showed how vulnerable local government is to the political agenda of the central government. The government still has some way to go to comply fully with the European Charter of Local Self-Government, which it has already signed.

Although Albania has progressed in the devolution of power to local government units, the difficult relationship between the central government and local structures controlled by the opposition has hampered local governance. Therefore the rating for local democratic governance remains at 2.75.

Judicial Framework and Independence. While incremental progress in the quality and transparency of the judiciary continued in 2006, the country's judicial system remains weak and corrupt. The right of full access by all citizens to the courts is not fully respected. A new draft Law on the Judiciary fails to deal with the system's main weaknesses: poor education, problematic pretrial detention systems, erratic implementation of court decisions, and behavioral incentives for each actor in the judiciary that undermine the rights of the defendant. But the judicial system asserted its independence from political interference during the year, especially when the Constitutional Court declared unconstitutional a law that required judges in the High Council of Justice to give up their judgeships in order to eliminate conflicts of interest. *Owing to the judiciary's successful attempts to resist interference by the ruling majority, the rating for judicial framework and independence improves from 4.25 to 4.00.*

Corruption. The fight against corruption and organized crime was the leitmotif of the center-right administration in 2006. Overall, important successes have been achieved with high-profile arrests of organized crime gang leaders, decreases in corruption in tax and customs services and, perhaps more important, a sense that the era of immunity and protection for corrupt officials is over. Few corruption scandals were reported in the media during 2006. Nevertheless, the anticorruption struggle has suffered from excessive volunteerism at the expense of institutions and long-term strategies. Low-level corruption and bribe taking continue unabated, and no high-level officials have been charged yet. Anticorruption reform has suffered from a dearth of legislative initiatives, relying instead on the considerable will of the prime minister to clean up governance. *Although actual corruption levels remain very high, the decline in high-profile corruption cases among officials leads to an improvement in Albania's corruption score from 5.25 to 5.00.*

Outlook for 2007. In this section last year, it was forecast that the most important event in 2006 would be the local government elections. The assumption was that Albanian political parties would implement consensual electoral reform in time for elections to be held in 2006. That did not occur, so the country rescheduled local elections for 2007. However, the parties have not agreed on electoral reform, and the united opposition has refused to register with the Central Electoral Commission. Voters lists are not ready, and the polling station committees have yet to be constituted. The government and president are faced with two choices: either postpone the date of local elections beyond the constitutional deadline in order to amend the electoral code consensually or hold the elections without the opposition. Although it is too early to predict the choices the relevant actors will make, it is

certain that the 2007 local elections will be a formidable test for the country. And if events in 2006 serve as a guide, the outlook for 2007 is bleak indeed. Other than the local elections, the ruling majority will be tested by the implementation of the interim agreement, which may strain the state budget owing to decreased customs revenue from EU imports. Last but not least, the relationship between the ruling majority and independent public institutions needs to improve to enable the country to move forward on the Euro-Atlantic integration agenda.

Main Report

National Democratic Governance

1999	2001	2002	2003	2004	2005	2006
n/a	n/a	n/a	n/a	n/a	4.25	4.00

Albania is a parliamentary republic. The president is elected by the Parliament through a qualified three-fifths majority, but his powers are limited and largely symbolic. The mandate of the current president, Alfred Moisiu, will expire in June 2007, at which time the current center-right majority will need to put forth a candidate who can rally the support of at least some opposition members of Parliament (MPs). The National Assembly of Albania is a unicameral Parliament with 140 seats: 100 are elected directly by a simple majority system, and 40 are allotted through a proportional system designed to correct the distortions in representation resulting from the simple majority system.

In the last two parliamentary elections, political parties have gained overrepresentation in the Parliament through a literal interpretation of the electoral code, thus infringing on the constitutional principle of proportional representation. The strategy—called "Dushk," after the first electoral zone where it was practiced by the Socialist Party (SP) in the 2001 elections—consists of a major party calling on its supporters to vote for a small allied party on the proportional ballot, thus artificially increasing the number of seats allotted to the beneficiary party in the proportional system. The ruling Democratic Party (DP) coalition used the strategy more successfully in the last elections, thus gaining 11 seats for its close ally, the Republican Party (RP),[1] which in fact has only marginal support from the electorate.

The new government came to power mainly on campaign promises to fight corruption and organized crime, which is also a key requirement for Albania's EU integration.[2] While the government has taken energetic action in this regard, often it has done so by trying to undermine independent institutions, which it deems either deeply corrupt, such as the High Council of Justice (HCJ) and the General Prosecutor, or an obstacle in its war against corruption and organized crime, such as the president of the republic.[3] Also, the government's legislative efforts to combat corruption and organized crime—such as the "nepotism law,"[4] the draft law to limit the immunity of MPs, the Law on Information Classified as State Secret,[5] and the moratorium on speedboats—either were declared unconstitutional by the Constitutional Court, vetoed by the president, or passed amid vigorous opposition by civil society actors.

Last but not least, while police have been successful in arresting a number of important organized crime figures, and the era of impunity for corrupt officials is now over, it is uncertain whether efforts to combat corruption have had any effect

at the citizen level.[6] On the other hand, the SP-led opposition has chosen a highly obstructionist course of routine boycotts of the Parliament, minimal legislative input, and the adoption of an ethos of disobedience to the legally expressed will of the majority.

As 2006 drew to a close, Albania's democratization efforts had lost the momentum gained in the peaceful rotation of power in 2005. The highly partisan atmosphere in the Parliament, deadlocked electoral reform prior to the local elections, public antagonism between the executive and several independent institutions, and a general tendency to amass powers in the hands of the executive made Albania's national governance less effective in 2006.

Nowhere is the highly polarized political situation at the national level better reflected than in the Parliament. On October 24, the opposition submitted its second request within a year for the dismissal of the Speaker of the Parliament.[7] All MPs from the five opposition parties that had managed to unite in a coalition at the beginning of the year signed the request, which accused the Speaker of attempting to create institutional conflict with the president, the HCJ, and the General Prosecutor. According to the chairman of the SP caucus, Pandeli Majko, more MPs were penalized for breaking parliamentary rules of procedure in this legislature than during the last 15 years of democratic transition.[8]

The Parliament's technical and administrative capabilities suffered from resignations and dismissals among the parliamentary administrative staff. The position of secretary general, the highest bureaucrat in the Parliament, remained vacant from September until February. In the second half of 2006, the situation normalized with the hiring of new staff. On a positive note, vigorous debates—especially on the state budget in committee as well as plenary sessions—and the regular participation of the prime minister in plenary sessions demonstrated that the Parliament continues to provide the main institutional framework for Albanian political life.

On the other hand, efforts at the beginning of the new legislature to enhance transparency and increase public awareness of the duties and responsibilities of parliamentarians have largely come to a halt.[9] Although a number of investigative committees were established in 2006 to look into the telecommunications monopoly, public administration dismissals, and certain actions of the General Prosecutor, they did not result in any legislative changes owing to conflicts among the political groups. The first two committees, set up at the request of the opposition, were not allowed to read their final report in plenary sessions. Instead, the report was distributed to all MPs. Because of the political nature of setting up investigative committees, the two governing parties failed to come together to make these committees effective. Finally, two opposition blockades of the Parliament in the spring and summer, the presence of Republican Guard officers during some plenary sessions, and physical fights between MPs did nothing to enhance the reputation of this institution.

In the beginning of 2006, the opposition initiated a form of boycott by attempting to get a secret ballot vote on its first request to dismiss the Speaker. This was refused twice by the majority.[10] Despite an eventual consensus, parliamentary

sessions lacked the civility and efficiency to move the country forward on electoral reform, as had been agreed in a roundtable between political parties and the president in December 2005. Opposition MPs, united in a single coalition, decided to be present only during discussions on draft bills but boycotted the actual voting.[11] That meant that most of the bills passed by the Parliament during the year had few "nay" votes.

Prime Minister Sali Berisha's government tried to undermine independent institutions by influencing the composition of the HCJ and by attempting to replace the General Prosecutor, Theodhori Sollaku, on charges of incompetence and criminal activity. In April 2006, the Parliament set up an investigative committee to look into the General Prosecutor's work. Typically, the opposition boycotted the committee with the argument that it had taken over legal attributes, thus infringing upon the independence of the judiciary. The majority and the opposition presented two separate reports to the Parliament, which approved the majority report. Subsequently, the president refused to follow up on its recommendations and allowed Sollaku to retain his post. In his October 13 letter to the Parliament, President Moisiu argued that the Parliament cannot judge the legality of decisions made by the General Prosecutor.[12] Overall, civil society, the opposition, and smaller parties in the DP-led coalition, with the exception of the RP, supported either the outcome or the president's constitutional right to decide on the matter.

The government has on occasion attempted to create parallel institutions when it has failed to control existing institutions. Illustrating the government's determination, it set out immediately to reverse the president's decision, which Moisiu called "irreversible." The Ministry of Justice started drafting a law to set up a body of independent prosecutors to investigate Sollaku and file a court case against him should it find the necessary evidence.[13] Most of the country's prominent constitutionalists immediately pointed out that it is the president, not the Parliament, who appoints prosecutors at the recommendation of the General Prosecutor.[14] The government appears to have quietly shelved the draft law.

But it is not only when existing institutions pose a direct and public challenge to government control that it has tried to subvert them or take over their mandate. Draft legislation on higher education presented in late 2005 undermined the authority of public universities by specifying that rectors would be appointed by the Ministry of Education. Sensing fierce opposition from professors, who were experienced in public disputes with previous Socialist governments on the issue of university autonomy, the ministry shelved the draft law and presented a revised version in early autumn, to the approval of faculty.[15] Thus the draft legislation on higher education serves not only as an example of government attempts to exert control over civil society, but also as a case of successful resistance to such overtures by nongovernment stakeholders.

In implementing its anticorruption program, the government has on several occasions either violated or attempted to violate constitutional rights and freedoms. For example, it proposed to limit the immunity of MPs without amending constitutional provisions guaranteeing immunity[16] and to bar employment in public

administration, customs, and tax authority positions to virtually any family member of government officials. Moreover, it appears that a number of state employees have been dismissed following nontransparent procedures. And high government officials have publicly accused the president, General Prosecutor, and opposition SP leader Edi Rama of corruption without filing any court cases, which possibly violates the right to a presumption of innocence.[17]

The fight against corruption and organized crime as well as efforts to trim the government's operational costs resulted in a large-scale cleansing of civil servants in 2006. Although exact numbers are hard to come by,[18] there is little doubt that political or nepotistic criteria were followed in firing civil servants with a legally protected status and stacking the public administration with party militants.[19] Police reform alone cost the government a reported 30 million lek (approximately US$300,000) in wages to police officers who won court cases for unjust dismissals. Though the courts ordered their reinstatement, these decisions were generally ignored by the executive.[20] This has caused frustration among international partners, delays in project implementation, and diminished budget funds allotted for public investment projects.

In 2006, national democratic governance suffered from an intransigent majority and an opposition that lacked the capacity to do anything but react to government initiatives. While the government has focused its attention almost exclusively on the fight against corruption, the opposition has lost a golden opportunity to provide proactive alternatives for governing properly. It has been so preoccupied with the struggle against the majority's agenda and its own internal squabbles that it has failed to articulate policies that demonstrate it knows how to handle power responsibly once the inevitable wheel of democracy turns around again in its favor. That requires hard legislative work, presenting draft laws in the Parliament, bringing the public focus onto "bread and butter" issues where the government may be underperforming, and building a public policy persona that allows voters to identify the Left with what it stands for instead of what it stands against.

Finally, 2006 also demonstrated that Albania has come far in its efforts to institutionalize democracy. A majority in the Parliament is no longer enough to run roughshod over institutions. For example, President Moisiu and the Constitutional Court have returned a number of laws to the Parliament that they deemed unconstitutional. General Prosecutor Sollaku continued to exercise his duties despite the acrimonious public campaign against him, while the HCJ did not change its composition according to the wishes of the government. Overall, a number of legislative and political initiatives that ran counter to the spirit or letter of the Constitution failed, demonstrating that Albania is serious about its democratic future.

Electoral Process

1999	2001	2002	2003	2004	2005	2006	2007
4.25	4.00	3.75	3.75	3.75	3.75	3.50	[illegible]

The lack of progress on electoral reform despite the importance of the issue to both governing political groups did not bode well for the upcoming local elections. Despite strenuous efforts by both camps and the direct involvement of President Moisiu[21] and international agencies such as the Organization for Security and Cooperation in Europe (OSCE),[22] the electoral reform was not accomplished. The mandate of the ad hoc Parliamentary Committee on Electoral Reform (AHC) was extended three times without bearing any fruit. This deadlock means that Albania risks being administratively incapable of improving on previous elections.[23] The failed attempts at electoral reform during 2006 served to illustrate the larger failure of the Albanian political class to move firmly toward democratic consolidation.

The last general elections on July 3, 2005, were considered the best in Albania's post-Communist history and directly influenced the signing of the Stabilization and Association Agreement with the EU in June 2006. Elections were based on a new electoral code adopted in June 2003 and drafted with the assistance of the OSCE and the Council of Europe. The legislation was drafted by a bipartisan parliamentary commission with cross-party consensus. The elections themselves were characterized by moderate rhetoric, balanced media coverage, and fair and effective processing of electoral appeals. Although the report issued by the Office for Democratic Institutions and Human Rights did find that the elections "complied, only in part, with OSCE commitments and other international standards for democratic elections,"[24] owing to inaccurate voter registration lists and other technical difficulties, the peaceful rotation of power validated the elections politically.

To address these shortcomings, President Moisiu called a roundtable with political party representatives on December 7, 2005, to discuss electoral reform. The roundtable concluded with a consensual declaration by all parties to create the AHC in January 2006. However, foreshadowing things to come, the committee did not function because of disagreements over the right of veto by the two main parties, the DP and the SP, and the committee's composition.

Initially, both the DP and the SP agreed to sideline smaller parties by forming a 22-member AHC, with six members from each of the two big parties and one from each of the remaining 10 parties. AHC decisions were to be taken by absolute majority and supported by each DP and SP member. Furthermore, both parties agreed that the voters lists used in the 2005 parliamentary elections would serve as the basis for further work. However, owing to strenuous objections by the smaller parties, the ruling DP offered to reduce the number of members for the two major parties from six to three each, with the right of veto for the DP and SP and a joint veto for seven coalition parties. Ultimately, opposition protests on the assembly rules of procedure, following a faulty electronic vote on the first opposition request

to dismiss the Speaker of the National Assembly, blocked the AHC (whose mandate expired on April 19 without accomplishing anything).

In early May, another controversy flared up over one of three vacancies in the Central Electoral Commission (CEC). According to the electoral code, one CEC member would be chosen (respectively) by the president, the HCJ, and the National Assembly. The government and the HCJ claimed that the SP and the DP should jointly propose candidates to the HCJ, while the SP claimed to have exclusive right of proposal.[25] By July, both parties finally sent each of their four nominations, from which the opposite side selected two. On July 26, the HCJ elected an SP official, but the ruling majority declared the decision illegitimate since two of the HCJ members had been dismissed previously by the National Assembly on allegations of corruption—a somewhat implausible claim, as the minister of justice participated and voted in the HCJ meeting. According to the electoral code, the National Assembly was required to elect the next CEC member from the ranks of the smaller opposition parties, which would have given the opposition a majority in the CEC.

Instead, on July 28, 2006, in the last plenary session before the summer recess, the majority voted for Arben Ristani from the RP to ensure majority control of the CEC. The session collapsed, fueled by the anger of the Socialist Movement for Integration, which claimed that it had been cheated of a place in the CEC. Upon suspending the session, the majority convened the plenary in the administrative building of the National Assembly, while the opposition occupied the legal chambers of the Parliament. In procedures that resembled an emergency situation, the majority voted for its candidate to the CEC, passed amendments to the budget, and elected the National Council of Radio and Television (NCRT) and the Steering Council of Albanian Radio and Television (SCART) from civil society members.[26]

Thus the ruling majority controlled the CEC according to a 4–3 ratio, which is of no great importance since all significant decisions require a qualified majority vote of 5–2, giving the opposition a de facto veto. But in the following days, the opposition promised civil disobedience and an election boycott if the government did not rescind its decisions. Perhaps it was fortunate that the confrontation occurred in late summer, when public and political life in Albania shuts down until September, thus giving time for cooler heads to prevail in both camps.

Parallel to the CEC issue, another controversy on voter registration lists flared up. The day before list preparation was scheduled to begin on May 20, the SP put forward the non-negotiable condition of removing the temporary register from the voters lists. The temporary register contains over 130,000 names of citizens, many of whom live in informal areas. Located mostly in the northern highlands, these citizens tend to support the DP, which has effectively changed the map of electoral support in the central urban areas. Their existence in temporary registers allegedly opens the way to "double voting" and potential fraud, since they could theoretically vote in their place of current residence as well as in the place where they were first registered. The SP had used this argument to boycott the work of the AHC since early June.

It is important to note that the SP demand was made public at a time when the voters list issue was thought to be resolved, since cross-party consensus existed on using the 2005 lists as the basis for the new voter registration lists. Despite extensive consultations, the opposition had not voiced this concern previously. The SP had accepted the DP-proposed temporary register when it was in power without any discernible loss to itself in the 2005 parliamentary elections. Nevertheless, an unlikely argument could be made that the DP-controlled Ministry of the Interior, through its control of voters lists and certificate distribution, could open the way for substantial manipulation, though there is no evidence of this to date.

With mediation from the European Commission and the OSCE, the two governing parties came to an agreement on August 30. The DP relented by getting rid of the temporary register, forcing citizens to choose where they want to vote. The party also agreed to amend the Constitution to increase CEC membership from seven to nine[27] and the mandate of elected local government officials from three to four years, and to increase membership of the two media regulatory and supervisory bodies according to opposition demands. The agreement also extended the mandate of the AHC until October 15.

But all of this was to no avail, as disagreements on timelines and the role of the prefect in compiling voter registration lists deadlocked the AHC.[28] The mandate of the AHC was extended again fruitlessly until November 14, but despite last minute attempts, no agreement was reached. An effort by the majority to ram the constitutional amendments through the Parliament failed to drum up the necessary two-thirds support. With the administrative infrastructure in chaos a few weeks before the elections, the CEC ordered local governments to prepare voters lists 45 days prior to the election date, citing an article in the electoral code that refers to partial or early elections, thus giving an aura of emergency to the procedures.[29]

In preparation for the 2007 local elections, electoral reform was blocked successively by the issues of AHC membership and veto rights, CEC appointments, voter registration lists, the role of prefects, and the date of elections. Each of these issues was solved, only to have the next problem spring up and again block the process. At the end of 2006, Albania was as far from being prepared as it was at the beginning of the year. To explain why the parties failed to reach an agreement when both started the year more or less in accord would perhaps also explain why Albania has yet to definitively adopt procedural democracy as the "only game in town."

Civil Society

1999	2001	2002	2003	2004	2005	2006	2007
4.00	4.00	3.75	3.75	3.50	3.25	3.00	3.00

Civil society, as a public sphere free of state intervention, did not exist in Albania prior to 1991. The Communist regime outlawed all free collective action, going so far as to forbid religion altogether in 1967—the only Communist state to do so

constitutionally. But even prior to the Communist victory in 1944, Albania suffered from low levels of civic participation. Such a history partially explains the structural weaknesses of civil society in the country. These include donor-dependent NGOs dominated by donor (rather than homegrown) agendas in an environment of social and political apathy. Additionally, Albania's economic development and diversity of interests are not yet at a level that can sufficiently stimulate civic participation and the free pursuit of collective interests.

In Albania, civil liberties are protected by the Constitution and legislation.[30] The creation of business associations, Chambers of Commerce, NGOs, and trade unions is freely allowed. NGOs may set up and operate without government restrictions, which has led to a proliferation of groups over the years. But donor dependency and weak government–civil society partnerships continue to plague Albanian civil society. In 2006, civil society activity declined compared with what had existed the previous year, when NGOs were mobilized to monitor the parliamentary elections. Although concerns over the tendency of the executive to amass power beyond its constitutional limits galvanized several important organizations into action, a slight decline in financial resources as foreign donors started limiting their support and a general outflow of civil society technocrats in government weakened third sector actors.

There were two major institutional developments in the Albanian civil society scene. The first was the creation of Civil Action, an alliance of the successful MJAFT! movement with leading political commentators and press. The raison d'être of the new movement is the desire to protect and encourage independent public institutions such as the presidency. Civil Action initiated a visible public campaign to fulfill its mission, which culminated in a mass protest of several thousand in front of the Office of the Prime Minister. While it remains to be seen whether Civil Action will become autonomous from the MJAFT! movement, which to date provides the staff and logistical support for Civil Action activities, its creation is a visible indicator of rising concerns among civil society actors about authoritarian tendencies in the government.

The second initiative was the creation of the Network for Open Society in Albania (NOSA). A part of the transformed Open Society Foundation–Albania, NOSA is a network of top civil society organizations working in three complementary directions: European integration, good governance, and civil society. Paradoxically, while the network of organizations in NOSA is composed of a veritable *Who's Who* of Albanian civil society, this has had a negative impact on the creation of a clear identity for the network.[31] Second, the network is heterogeneous, as it comprises think tanks as well as grassroots and citizen movement organizations. NOSA also includes organizations perceived to be closer to the government as well as others clearly opposed to it. In the coming years, NOSA may well turn into a prestigious brain trust for Albanian civil society, but it is highly doubtful whether it will acquire a public profile by coming out with clear stances on political issues.

Other public advocacy campaigns by well-established organizations continued in 2006. For example, the ever imaginative MJAFT! movement organized a protest

on April 9 against arbitrary utility bills by the state-owned Albanian Energy Corporation. The Coalition for Defense of the Consumer organized a protest against hikes in energy prices.[32] Actions against the Law on Information Classified as State Secret, the "nepotism law,"[33] the moratorium on speedboats, the "spy law," the Law on State Police, and others resulted in notable successes by civil society organizations. Nevertheless, social apathy and a degree of distrust toward civil society translated into low levels of participation in these public events.

But 2006 marked a particularly significant victory for authentic homegrown civil society. Public university professors acted together without outside support to repeal draft legislation on higher education that would have hijacked the autonomy of universities. Prepared with no consultation with interest groups, the draft law stipulated that the majority of university board members were to be selected by the Ministry of Education. This group would then approve candidates for the remaining board positions, which were to be elected by faculty.

Professors from the University of Tirana and the Academy of Arts immediately created the Albanian University Forum and started a media campaign against the draft law. The Ministry of Education withdrew the draft, only to present a second one that was even more centralizing than the first. In June, the forum organized a national conference with representatives from all public universities except the one in Korça, where the professors signed a petition threatening strikes if the draft was not repealed. The ministry withdrew a second time and then, after extensive consultations with all interest groups, presented a third draft acceptable to all.[34] The success of the forum despite public and especially private pressure on its members was remarkable given their lack of outside support. On the other hand, the story of the draft legislation on higher education serves as an illustration of the government's attitude toward autonomous power centers.

Despite these success stories, Albanian civil society continued to suffer from excessive donor dependency. As foreign funding is decreasing,[35] there are concerns among the NGO community about local sustainability. While some NGOs have been able to diversify funding sources by getting the local business community involved, these efforts are at the beginning stages and suffer from a lack of philanthropic culture among Albania's nouveau riche. More important, the Albanian government has not undertaken any partnerships with NGOs to tap their relatively high technocratic capacities in the drafting of better policies.

No changes were observed in the area of labor rights and trade unions. The decline of the manufacturing sector, high unemployment, organizational weaknesses, and distrust of collectivist forms of political action have left trade unions on the margins of Albanian economic life. Journalists associations also remain extremely weak. A new trade union may soon come up with a collective contract to be negotiated with media owners.[36] However, Albania's labor market remains poorly regulated, and workers are subject, by and large, to the whims of their employers.

If civil society is defined as collective action independent of the political sphere, then 2006 was not a good year for Albanian civil society. First, a number of civil society representatives with right-wing or free market leanings joined the DP's

Committee for Orientation of Politics (COP), which helped draft the DP's policy programs before the elections in 2005. This may have created a negative perception among the general public, which considers NGOs as donor-funded entities existing for political ends.[37] Second, although a few COP members remained in government or high-level administrative positions after the DP victory, they were able to neither forge government–civil society partnerships nor leave their own mark on the government. This blurring of boundaries between politics and the third sector has weakened civil society capacities without any of the predicted moderation of politics that was expected to follow.

Independent Media

1999	2001	2002	2003	2004	2005	2006	2007
4.50	4.25	4.00	4.00	3.75	4.00	3.75	3.75

During 2006, important changes were made in the media regulatory framework that raised concerns about the vulnerability of the media to politics. Although business links between media owners and the public purse (characteristic of the previous Socialist government) have been severed, direct and indirect pressures on the media continued during the year. The unilateral changes in the composition of the Steering Council of Albanian Radio (SCART) and Television and the National Council of Radio and Television (NCRT) from balanced political representation to civil society representation elected by the Parliament opened the way to the election of pro-government representatives in these two media regulatory bodies. Moreover, the hasty manner in which changes in the Law on Electronic Media were carried out—in a majority-only parliamentary session in the National Assembly's administrative building (while opposition MPs occupied its legal chambers) and without any preceding public debate—raised questions about the ruling majority's motives.

The role of the Parliamentary Committee on Education and Public Information Media in overseeing media affairs decreased in 2006. Committee members changed completely after the 2005 elections, and a great deal of time was needed for new members to become familiarized with media issues. Since the committee covers culture, education, and tourism as well, the range and intensity of its work are quite high. This could explain why the press draft legislation that decriminalizes defamation and libel and regulates the digital broadcasting market has yet to pass in committee.

On the other hand, the Parliament passed two draft laws that changed the media's legal framework: the Law on Radio and Television and the Law on Information Classified as State Secret. The amendments to the first law, which had to be voted on twice owing to the president's refusal to decree it,[38] changed the composition of the two electronic media regulatory bodies from politically balanced representation

to civil society representation.[39] Although the August 30 agreement between the two parties opened the way to consensual amendments to the law, these have yet to pass in the Parliament because of the failure to implement the agreement. The Law on Information Classified as State Secret was amended in May 2006 by adding a new, vague level of classification for "state secrets," which many deemed to be in violation of the constitutional right to free information.[40]

While print media have operated with an almost total lack of regulation since a laissez-faire Law on the Press was passed in 1997, the broadcasting market is regulated by the Law on Radio and Television, which established the SCART and the NCRT to oversee the market. Responsible for implementing the law, the NCRT has demonstrated a lack of will to face the market's main problem—unregulated digital broadcasting. Nevertheless, the NCRT expects to submit a new draft law on the issue to the current legislature.[41]

The media market continues to be oversaturated. There are 26 dailies and at least 5 other newspapers in a country of three million people.[42] During the Socialist governments, such an explosion of newspapers could be explained by the link between media ownership and access to public tenders. However, the new center-right majority severed this link through amendments to the Law on Radio and Television, although there is unsubstantiated anecdotal evidence that the editorial policies of media outlets can help or harm their business operations. Nevertheless, new newspapers such as the *Standard*, *Shqip*, *Telegraf*, and *Ndryshe* were launched in 2006. According to official data, the country also has 85 television and 49 radio stations—there are 2 national public televisions and 2 national public radio stations.[43] Three digital cable television stations operate without any legal supervision, as there is no legislation to regulate digital broadcasting.

One of the greatest problems facing the Albanian media market is its unclear ownership structure. Currently, it is impossible to state definitively who owns which media outlets. This jeopardizes the transparency of media financial declarations to the extent that even the NCRT is uncertain which outlets are profitable,[44] opening the way for political as well as economic violations. For example, the NCRT was accused of issuing a new license to a local television outlet owned by an 18-year-old cousin of one of the owners of the pro-government KLAN national television station. While national media owners are prohibited by law from owning local outlets, the unclear ownership structure makes it hard to prove such accusations.

This has also made it difficult to implement the labor code to protect the rights of journalists, making quality journalism in Albania a distant goal. The situation motivated the Albanian Media Institute to work together with journalists associations and media owners to revise the 1996 voluntary code of ethics, which until then had been left up to journalists to individually self-enforce. A new Council of Ethics was created to oversee implementation of the code and review complaints by media or the general public. While it remains to be seen how effective the new code of ethics will be, the inclusive process that led to its adoption shows the degree of concern in media circles about existing practices and a strong desire to achieve some progress in this area.

Although the amendments to the Law on Radio and Television severed economic interests from politics by forbidding media owners from participating in public tenders and the privatization of public property, political pressure on media that fail to toe the government line continued in 2006. One example was the sudden regulation of the broadcasting of live assembly sessions by private television stations; this occurred after stations interrupted live coverage of the parliamentary session on the resolution condemning crimes of Communism just as Prime Minister Berisha took the floor.[45] The ban was quickly revoked after vociferous protests by the media. In another significant example, the government declared its intention to revoke a 20-year lease to Top Media in a publicly owned building. The fact that Top Media is constantly critical of the government aroused public suspicion of government motives. Although the contract was valid, Prime Minister Berisha stated that it was more appropriate for the National Library to use the Top Media premises.[46] The government gave Top Media a December 17 deadline to vacate. However, the deadline passed without any government action on this regard.

Developments in 2006 created the basis for a more free and transparent media in Albania. With the links between political power and media magnates mostly severed, the financial bankruptcy of the press is being exposed. Previously, a "chain of illegality" created an oversaturated market that was corrupt, unresponsive to reader demand, and financially unviable: Media owners were not paying the printing houses, which in turn were not paying taxes, as they were "protected" by owners whose real business interests lie in public tenders, not the media market. If the government can apply the law equally to all media and ignore the temptation to interfere, Albanian media could soon pass into a period of upheaval as unprofitable media outlets close down while the winners consolidate. But since history shows that making predictions in Albania is a very unprofitable enterprise, few are betting on this optimistic scenario.

Local Democratic Governance

1999	2001	2002	2003	2004	2005	2006	2007
n/a	n/a	n/a	n/a	n/a	3.25	2.75	2.75

Albania's decentralization strategy continued to progress in 2006 despite some hesitation with the change in government and the country's usual uncertainty about this process.[47] The legal framework for accountable and decentralized local government bodies has been in place since the Law on Organization and Functioning of Local Governments was adopted in 2000, which itself marked the completion of a legislative process that began with the signing of the European Charter of Local Self-Government in May 1998. The Constitution adopted in the same year enshrined the principle of decentralization for local government in Albania.

The new center-right government revised the 2000 National Strategy for Decentralization and Local Autonomy as part of a general overhaul of the policies of

the previous administration. The new strategy awaits approval by the Council of Ministers. If adopted, it will bring about three major amendments: Regional councils will be elected rather than appointed, fiscal decentralization will be deepened, and administrative borders will be reformed to decrease the number of local government bodies.[48] While some of these amendments, such as fiscal decentralization, will contribute positively to the decentralization of power, overall they do not come as a result of consultations with stakeholders, but reflect a top-down approach.

According to the Constitution, Albania has two levels of local government. The first consists of 65 municipalities and 308 communes whose councils are elected directly.[49] The second level consists of 12 regions whose councils are elected by the municipal and communal councils in numbers proportional to the population of each commune and municipality. The central government appoints a prefect for each region. Regions are mandated to coordinate the work of central government with communes and municipalities to avoid overlaps, coordinate strategic planning, and ensure cooperation. To date, regions have failed to carry out their tasks properly because they have been appointed rather than elected.

By the end of 2005, municipalities and communes already exercised full control over local public infrastructure, parks and recreational areas, local economic development, and cultural and sporting activities.[50] Fiscal decentralization continued with increases in transfers from the central government, formula-based unconditional transfers that circumvented political manipulation, and a package of local taxes and discretionary powers to set fees for local services. A new draft law may allow local governments to borrow in 2007 while transforming the small-business tax into a local tax with a 30 percent fluctuating margin to be decided by the local government councils.[51]

In terms of functional decentralization, shared functions such as pre-university education, primary health care, and social services have not yet been decentralized, and there is little indication how the reform will proceed. On the other hand, water and sewage systems and urban planning are being decentralized, but progress during 2006 was slow. Nevertheless, the aim of the government is to complete the process by mid-2007. The problem has become particularly acute in urban planning since noncompliance with the law has created friction between central and local authorities. Although these frictions are understandable owing to the strong interests involved, the problem became more acute in 2006, especially in the municipality of Tirana, which is headed by Edi Rama, leader of the opposition SP.

The Zogu i Zi conflict, so-called after the Tirana public square by the same name, illustrates the vulnerability of local government autonomy in the face of a determined central government. The conflict started in November 2005 and ended in July 2006 with a victory for the central government. According to the construction police—a regulatory body mandated by the central government—the flyover that the Tirana municipality had started building at Zogu i Zi was illegal because the licenses of the supervisor and head engineer had expired.[52] A long political and legal battle ensued, motivated by the government's efforts to combat corruption in Tirana. From the municipality's perspective, the conflict was politically motivated:

The government sought to discredit Rama as mayor and leader of the opposition SP to pave the way for winning back the prestigious Tirana mayoral seat in the coming local elections.

The high-profile conflict dominated local governance until the construction police finally started demolishing the flyover in July 2006. While the Zogu i Zi dispute should have fallen under judicial jurisdiction, the continuous involvement of the prime minister and the minister of transport, demonstrations by the opposition on the Zogu i Zi site, and acrimonious public debate turned the conflict into a hot political issue. For more than half a year, the citizens of Tirana experienced this high-profile partisan battle that also cost them daily wear and tear on the atrocious Zogu i Zi bottleneck, the main artery into the capital city.

The dispute also raised the issue of the construction police as a potential tool of central government interference in local competences. Giovanni di Stassi, chief of the Congress of Local and Regional Authorities of the Council of Europe, who was called in to mediate between the two levels of government on the Zogu i Zi issue, declared that the powers of the construction police and the Council for Regulation of Territory of the Republic of Albania (CRTRA) contravene the European Charter of Local Self-Government.[53] The municipality of Tirana was vindicated by a Constitutional Court ruling on the Zogu i Zi case, which declared that the CRTRA could not overrule a local Council for the Regulation of Territory (CRT).

Moreover, the decisions of the Tirana CRT were declared unconstitutional because of the control of the central government over this CRT. Finally, the mandate of the construction police was also found to be in contravention of Albanian law. After the Zogu i Zi flyover was demolished, Prime Minister Berisha declared his intent to decentralize the construction police and turn it into an inspectorate. Currently, the draft law is being considered by the relevant ministries.[54]

The greatest challenge facing local governments in 2006 were the preparations for local elections scheduled in January 2007. There were no changes to local election rules or the old electoral code by year end 2006. Nevertheless, while such changes are expected to impact the administrative side of the elections, such as eliminating temporary registers or constitutional amendments to extend the mandates of local authorities from three to four years, they are unlikely to alter the way municipalities and communes are governed. First-level units are governed on the principle of division of powers between the executive body, mayor, legislative body, and municipal/communal council to ensure checks and balances.

According to current legislation, the municipal council approves the decisions of the executive branch, performs oversight on the executive and administration, determines the administrative structure of the municipality, decides local taxes and tariffs, and approves the budget of the municipality. These powers are justified by the rationale of the municipal council that it represents the interests of the community that elects it.[55] As the legislative organ of the local government, it is by law guaranteed the necessary political space to be the center of power and decision making.

But in fact, citizens are barely aware of the municipal council's existence, cannot recognize its Speaker, and are unaware of its prerogatives or how it is elected.[56] The weakness of municipal councils translates into ineffective oversight, insufficient citizen representation, and an uncertain platform for locking in local interests in the decision-making process. This opens the way to corrupt practices by an omnipotent executive, which makes decisions for an unaccountable administration that then implements them. How to empower local councils to play their intended roles and balance the powers of mayors may be one of the long-term questions facing local governance in Albania.

Nevertheless, despite these problems, it is important to note that local governments enjoy greater credibility with citizens in comparison with central government institutions.[57] Decentralization is bringing government closer to citizens and increasing the capacity of the political system to involve interest groups in decision making. Although a great deal of care is still needed to balance functional and fiscal decentralization and strengthen the capacities of local governments, overall the decentralization strategy may be considered one of the success stories of the Albanian transition.

Judicial Framework and Independence

1999	2001	2002	2003	2004	2005	2006	2007
5.00	4.50	4.50	4.25	4.25	4.50	4.25	4.00

Albania has a three-layered court system: 29 district courts, 6 civilian appeals courts, and the Constitutional and Supreme Court. The number of district courts is supposed to decrease under a new draft Law on the Judiciary, which is expected to go to the Parliament soon in an effort to consolidate the resources of each court. The president proposes the names of the Constitutional and Supreme Court judges to the Parliament for its approval. Judges then serve nine-year court terms.

The Constitutional Court interprets the Constitution following requests from state institutions. On the other hand, the Supreme Court is the last instance of appeal after the appeals courts. The High Council of Justice (HCJ) is the regulatory body of the judiciary. It is composed of the president, head of the Supreme Court, minister of justice, three members elected by the Parliament, and nine judges who serve for five-year terms. Its main role is to appoint, transfer, discipline, and dismiss judges.[58] Despite efforts by the majority to require HCJ members to give up their judgeships in order to avoid conflicts of interest, the Constitutional Court declared such efforts unconstitutional. Not surprisingly, there were concerns about political interference in the judiciary given that the Parliament's efforts occurred as the HCJ was about to appoint its member of the CEC.

While incremental improvements in the judiciary continued in 2006, including increased transparency in court decisions, improved quality of judges, and

positive results from the governmental majority's pressure to clean up corruption, the judicial system remains the Achilles' heel of the Albanian state. The draft Law on the Judiciary is not expected to radically improve the situation, although it was one of the few laws that were drafted in extensive consultations with interest groups. The draft law has an administrative nature and does not address the core problems of the judiciary: poor education of judges and lawyers, poorly argued court decisions, problematic pretrial detention systems, erratic implementation of court decisions, and behavioral incentives for each actor of the judiciary that go against the rights of the defendant.

All too often, defense lawyers act as intermediaries between their client and the judge instead of properly articulating a defense for their client. Judges hand out decisions based on probability of guilt, even in cases judged under the criminal code, and often do not explain why they have refused the arguments of the losing side in their decision. Expecting judges to hand out decisions on probability of guilt only, the prosecutors have no incentive to build solid cases against the defendant. The victim, of course, is the defendant, who is denied a proper defense and is often found guilty on flimsy charges. Cases are rarely appealed by defense lawyers, who are more interested in maintaining good relations with judges and prosecutors at the expense of their client's rights. A 2006 study found that "legal rules are frequently not respected or are abused in order to achieve 'desired'—but not necessarily lawful—results."[59]

The problem of political interference in the judiciary was a hot topic in 2006. In its fight against corruption, the ruling majority recommended to the president the dismissal of the General Prosecutor, Theodhori Sollaku, in the face of fierce opposition by the minority and from some segments of civil society. Although constitutionally the General Prosecutor is not part of the judicial system, but an independent institution, its weaknesses and strengths closely reflect those of the judiciary. The president rejected the recommendation based on the argument that the Parliament cannot judge the legality of decisions made by the General Prosecutor.[60] A Constitutional Court ruling subsequently pronounced the parliamentary investigation "unconstitutional" with the reasoning that the Parliament cannot behave like a prosecutor's office. Though the executive staked a great deal of political prestige on investigating Sollaku, the initiative appears to have petered out owing to fierce opposition by constitutionalist lawyers, the opposition, and civil society.

Furthermore, a law designed to eliminate conflicts of interest for HCJ members by requiring them to give up their positions as judges was declared unconstitutional by the Constitutional Court. It was ruled that while HCJ reform is necessary, the Parliament cannot interfere directly in the internal affairs of the judiciary by dismissing members of the HCJ prior to the expiration of their mandate. This ruling confirmed the independence of the judiciary and demonstrated that at least some public institutions had not fallen prey to the will of a single leader or parliamentary majority.

Although the quality of judges is improving steadily with expanded training at the Magistrates School and the new draft law requiring all prospective judges to be

graduates of this school, the judicial system still has a long way to go. As a matter of fact, new graduates tend to underperform when compared with more experienced judges.[61] Although academic possibilities for law students have increased through the creation of new private universities, quality control remains a concern, and the new schools are not expected to improve the quality of graduates.

The current draft law fails to improve the independence and constitutional protection of judges or raise the pay and status of the administrative staff. It also fails to put in place a system to evaluate prosecutors or institute competitive examinations for appointing judges and prosecutors.[62] Although the quality of legislation has improved somewhat, it is still very poor. The transformation of the Legal Reform Commission after the dismissal of its independent-minded chairman, Spartak Ngjela, has diminished the commission's role and increased the risk that new laws might fail to comply with international legal frameworks. The ruling majority tends to favor passing new laws quickly with no public debate so that the opposition, media, and civil society have little opportunity to analyze technical deficiencies.

In the Sollaku case, the majority may have been defeated by hubris—it tried to take over the prosecutor's prerogatives instead of accusing Sollaku of inaction that discredited the institution. Given Sollaku's relative inaction in fighting corruption, this softer approach might well have enabled the ruling majority to achieve its goal of dismissing the General Prosecutor. But on the whole, 2006 demonstrated the strength of the system's checks and balances. The Constitutional Court, the president, and considerable parts of civil society resisted the ruling majority's active attempts to influence them. While the ruling majority's intransigence demonstrated its problematic relationship with independent power centers, the resilience of the system showed that over the years, Albania has come a great distance toward achieving a consolidated democracy.

Corruption

1999	2001	2002	2003	2004	2005	2006	2007
6.00	5.50	5.25	5.00	5.25	5.25	5.25	5.00

The center-right coalition came to power in 2006 on an anticorruption platform and has initiated a number of legislative and administrative measures to fulfill its electoral promises. Yet given the pervasive nature of corrupt practices, ranging from simple bribe taking to fraudulent public tenders and privatization deals, more time is needed to evaluate the outcome of the government's efforts. To date, that record is checkered at best, as the initiatives have suffered from a tendency to substitute political will for legitimate institutions and momentary political battles for long-term strategies. Although there is clear evidence that the impunity for large-scale corruption that existed under the Socialist administration has ended, it is not certain whether the institutional achievements of the anticorruption battle will survive the current government.

In measurable terms, Albania is now less corrupt than it was in 2005. According to Transparency International's Corruption Perceptions Index, the rating for Albania increased to 2.6 in 2006 from 2.4 in 2005, where 10 indicates the lowest perceived level of corruption. The government signed a US$13.85 million aid agreement with the United States to tackle corruption and improve the country's business environment.[63] The registration time for businesses also reportedly shrank from over 40 days to 8, which considerably decreased possibilities for corruption.[64]

The long-held view that the country's top executive leadership perceives power as a license to make quick, illicit profits no longer holds true. The new governing coalition has shown strong political will to fight corruption and organized crime even when its own party militants are implicated in corrupt deals, such as was demonstrated by the arrest of the head of the Golem commune, a DP candidate, on corruption charges.[65] Corruption in tax and customs services has clearly diminished. Although there have been no high-level prosecutions of politicians and top bureaucrats, sentencing rates have gone up.[66] Amendments to the Law on Conflicts of Interest, the public disclosure of assets by the ministers of government, and greater activity on the part of the High Inspectorate for Disclosure and Verification of Assets (currently investigating properties of the prime minister's daughter)[67] have created a sense that the era of immunity is over.

While top officials of the previous Socialist administration fixed public tenders in their own favor or that of their associates, the new administration does not engage in such flagrant abuse of office. However, a different kind of corrupt practice at the top level materialized in 2006: trafficking in influence for political gain. The most prominent case was Albatros Airways, owned by close family members of the president. A television station broadcast a recorded conversation between an Albatros executive and the civil aviation director where the latter suggested that if the president dismissed the General Prosecutor, as the Parliament recommended, the company would be allowed to continue flying despite a large debt to the Civil Aviation Directorate.

Albatros's operations were suspended after the president refused to bow to pressure from the company executive. In an unexpected escalation of the scandal, the civil aviation director also publicized a letter from a close aide to the president demanding action against an Albatros competitor.[68] The affair emphasized the difficulty of clean governance in a country where rule of law is weak and political agendas often override all other concerns.

The anticorruption discourse of the new center-right government carries ominous overtones of the anti-Communism discourse—"the last refuge of scoundrels"[69]—of the early 1990s. Often, anticorruption measures are adopted in disregard of constitutional rights, and the war against corruption is used for political ends, such as discrediting the opposition, attempting to cow independent institutions such as the General Prosecutor or the president,[70] or creating a sense of urgency to justify emergency measures.

Some legislative measures such as the "nepotism law," which forbids relatives of high officials to apply for positions in the customs and tax administration, have been rejected by the Constitutional Court. Another initiative, the "spy law" adopted on April 3, 2006, opened the way for anonymous tips by citizens against any civil servant or member of the administration.[71] This Pavlikian device created widespread fear and may have been partially responsible for the highly inefficient use of state budget funds by the public administration in 2006. Together with the prime minister's long public tirades against the all-pervasive but never identified corruption, these initiatives have created an atmosphere of uncertainty.

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Armenia

by Anna Walker

Capital: Yerevan
Population: 3.1 million
GDP/capita: US$4,658
Ethnic Groups: Armenian (97.9%), Yezidi (Kurd) (1.3%), Russian (0.5%), other (0.3%)

The economic and social data on this page were taken from the following sources:

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Nations in Transit Ratings and Averaged Scores

	1999	2001	2002	2003	2004	2005	2006	2007
Electoral Process	5.25	5.50	5.50	5.50	5.75	5.75	5.75	5.75
Civil Society	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50
Independent Media	4.75	4.75	4.75	5.00	5.25	5.50	5.50	5.75
Governance*	4.50	4.50	4.50	4.75	4.75	n/a	n/a	n/a
National Democratic Governance	n/a	n/a	n/a	n/a	n/a	5.00	5.00	5.25
Local Democratic Governance	n/a	n/a	n/a	n/a	n/a	5.50	5.50	5.50
Judicial Framework and Independence	5.00	5.00	5.00	5.00	5.00	5.25	5.00	5.00
Corruption	5.75	5.75	5.75	5.75	5.75	5.75	5.75	5.75
Democracy Score	4.79	4.83	4.83	4.92	5.00	5.18	5.14	5.21

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

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

Executive Summary

Although Armenia was one of the first Soviet republics to end Communist rule, the absence of an effective system of checks and balances, concentration of power in the presidency, and centralized system of government have fostered weak governance and widespread corruption. Close links between the country's political and business elites have impeded the development of transparent, democratic state institutions. Flawed elections have contributed to public cynicism toward the authorities and skepticism about the value of participating in political and civic activities. In addition, the public has lost faith in the government's political will to implement anticorruption measures. The unresolved conflict with Azerbaijan over the disputed territory of Nagorno-Karabakh remains a potential source of instability in the region and has deterred foreign investors and hampered trade diversification.

However, Armenia's progress in macroeconomic stabilization has been relatively successful. Successive governments have generally adhered to the economic reform measures prescribed by international financial institutions, ensuring continuity in macroeconomic policies and a steady improvement in economic and financial indicators; annual average real growth in gross domestic product (GDP) was almost 13 percent in 2002–2006. Nevertheless, though poverty rates are declining, the popular perception is that most Armenians have yet to benefit from these macroeconomic successes. This has contributed to disillusionment in Armenia's political and economic transition.

The flawed conduct of a referendum on constitutional change in November 2005 overshadowed the positive aspects of the amendments. These were aimed at redistributing the balance of power between Armenia's executive, legislative, and judicial branches. However, in 2006 little progress was made in shifting the balance of power, with much of the necessary legislation still only at the draft stage. Amendments to the electoral code were made with a view to reducing fraud in the 2007 parliamentary elections, but concerns remained that there would be insufficient safeguards for the filing of appeals. Moreover, the consolidation of power among the business and political elite in 2006 heightened concerns about the erosion of political pluralism in advance of the elections. The number of violent attacks against journalists increased in 2006. Activists continued to identify corruption as a serious impediment to Armenia's democratic development.

National Democratic Governance. A referendum in November 2005 approved changes to the Constitution that are aimed at ensuring a more even distribution of the balance of power between the president, Parliament, and judiciary. In 2006, work was under way to draft the enabling legislation for the amendments to come

into effect, but with few concrete steps taken to reduce presidential authority, the amendments had yet to notably alter the balance of power. Moreover, the fact that authorities failed to investigate allegations of fraud during the referendum raised serious doubts as to their commitment to improving governance. *Although the changes to the Constitution should eventually ensure a more even distribution of power, owing to the slow progress in approving the necessary legislation and the authorities' failure to investigate allegations of fraud, Armenia's rating for national democratic governance worsens slightly from 5.00 to 5.25.*

Electoral Process. The failure of authorities to ensure democratic elections has contributed to a lack of public confidence in the electoral process and slowed Armenia's progress toward a functioning democracy. In 2006, the electoral code was revised to address some of the flaws that have characterized elections. Changes included improved procedures for the tabulation and release of results and voter registration. However, government critics remained skeptical that the revised code would improve the electoral process, arguing that shortcomings in previous elections stemmed from the implementation of the electoral framework rather than the framework itself. The consolidation of power among Armenia's business and political elite was a concern in 2006 and has reduced the already low opportunity for rotation of power in the 2007 elections. *Although revisions to the electoral code have improved the legal framework for elections, their success will depend on their implementation. Moreover, the close connections between business and politics remained a defining feature of Armenia's political scene. Thus Armenia's rating for electoral process remains unchanged at 5.75.*

Civil Society. Nongovernmental organizations (NGOs) are becoming more active in public life but remain hampered by financial constraints and a reliance on external funding, mainly from diasporic groups. Several pieces of draft legislation were under discussion in 2006, with the participation of the NGO Professionals for Civil Society, that aim to improve the financial sustainability of civic groups. These included laws that would recognize volunteer labor and allow civil society groups to engage in entrepreneurial activity. NGOs also succeeded in freezing the passage of a new Law on Lobbying, which they argued would introduce excess regulations into the lobbying process. *Although there have been positive steps toward introducing legislation to improve the financial sustainability of civic groups, as well as the mobilization of civil society against the Law on Lobbying, the impact of these measures has yet to improve the climate for civic groups. So Armenia's rating for civil society remains at 3.50.*

Independent Media. The composition of a new regulatory body for the broadcast media was under discussion in 2006. Media organizations lobbied, partly successfully, for changes to Armenia's licensing legislation for distribution companies and against government proposals relating to the structure of a new regulatory body for the broadcast media. An increase in attacks on journalists in 2006, including

physical assaults, heightened concerns about a rise in violence and, more generally, government harassment against the independent media in the run-up to the 2007 parliamentary elections. *Although the media community had some success in influencing government policy in media-related areas, this was offset by the increase in violence against journalists. Therefore Armenia's rating for independent media deteriorates to 5.75.*

Local Democratic Governance. Although the Constitution and national legislation provide a framework for local self-government, there has been little real decentralization of authority. Constitutional amendments approved in a nationwide referendum in November 2005 provide for greater decentralization, with legislative changes to be implemented over a two-year period. Notably, these envisage the election of the mayor of Yerevan (who is currently appointed by the president) by a new municipal council. As of the end of 2006, however, this body had not yet been formed, and the necessary legislation regarding the status of the capital city had not yet been approved. Local governments remained reliant on transfers from the state budget for 60 percent of their revenues in 2006 and continued to have no authority to set local tax rates. *As the constitutional changes envisaging the decentralization of government authority had not yet come into effect in 2006, Armenia's rating for local democratic governance remains unchanged at 5.50.*

Judicial Framework and Independence. Although revisions to the Constitution approved in November 2005 envisage greater independence for the judiciary, little progress was made in 2006 in approving the necessary enabling legislation. According to an October assessment published by NGOs and the Apostolic Church, Armenia's largest prisons continued to fall short of international standards. In a rare setback for the government, the Constitutional Court ruled in April that the eviction of residents from properties in central Yerevan was illegal. However, it did not force the authorities to return the property or to increase the level of compensation. Moreover, the Parliament subsequently approved government-sponsored legislation enabling the authorities to confiscate private real estate where this was deemed in the interests of the public or the state. In a positive step, as of July 2006 access to the Constitutional Court was broadened to allow citizens to appeal cases directly to the court. *Despite the approval of constitutional amendments in 2005 that in theory increase the impartiality of the judiciary, little progress was made in 2006 in implementing the legislation necessary to ensure greater judicial independence. As a result, Armenia's rating for judicial framework and independence remains unchanged at 5.00.*

Corruption. Corruption remains a substantial obstacle to Armenia's political and economic development. The close links between the political and economic elite and the lack of effective law enforcement procedures have fostered official corruption. Government efforts to address the issue were focused on an anticorruption strategy adopted in late 2003. However, in 2006 assessments of the authorities' progress in eradicating corruption continued to report little progress. No senior

officials were prosecuted for corruption in 2006. Almost 95 percent of respondents in an April–May survey commissioned by the International Republican Institute judged corruption to be a serious problem in Armenia. *Owing to continuing doubts about the authorities' political will to make genuine inroads into reducing corruption, Armenia's rating for corruption remains unchanged at 5.75.*

Outlook for 2007. The parliamentary elections due in May will test the government's commitment to democratic principles in 2007. A failure to improve the electoral process would seriously undermine the government's stated commitment to the country's democratic transition and would aggravate the risks to Armenia's stability. It could also jeopardize Armenia's access to funding under international programs, such as the five-year, US$235.65 million compact with the U.S. Millennium Challenge Corporation concluded in March 2006. The authorities will come under both domestic and international pressure to guarantee transparent elections and to allow opposition groups and journalists to operate unhindered. In addition, they will be expected to investigate fully, and prosecute where necessary, instances of election fraud. However, the difficulties faced by opposition parties in holding meetings or gaining access to broadcast media, and the consolidation of links between Armenia's business elite and the pro-president parties in 2006, suggest that prospects for a more transparent and democratic electoral process in 2007 are limited.

Main Report

National Democratic Governance

1999	2001	2002	2003	2004	2005	2006	2007
n/a	n/a	n/a	n/a	n/a	5.00	5.00	5.25

The Constitution enshrines the principle that Armenia "is a sovereign, democratic state, based on social justice and the rule of law" and provides for the separation of powers. However, it has so far failed to ensure an effective system of checks and balances among the branches of government, owing to the extensive powers vested in the presidency.

A nationwide referendum on constitutional amendments to rectify the imbalance of power was held in November 2005. Most notably, the amendments included: the removal of the president's right to dismiss the prime minister virtually at will; the election of the mayor of the capital, Yerevan, by an elected council rather than the president; and the election of the Council of Justice by members of the judiciary (rather than its appointment by the president).

However, the conduct of the referendum—including what local and international observers judged to be inflated official turnout figures and evidence of ballot box stuffing—largely overshadowed the positive aspects of the constitutional reforms. Moreover, the fact that no steps were taken in 2006 to investigate these issues or to punish those responsible raised serious doubts as to the authorities' commitment to improving governance. This occurred despite the admission in April by one local election commission official that he had perpetrated fraud both during the referendum and in the 2003 elections.

Legislative authority is vested in the Parliament, which is empowered by the Constitution to dismiss the government by majority vote and to remove the president from office with a two-thirds majority if the Constitutional Court judges the person to be guilty of serious offenses. In actuality, however, the Parliament has little power to hold the executive to account and enjoys substantially less authority than the presidency, even after the constitutional referendum.

The government has substantial influence over the Parliament's legislative agenda, which is a major constraint on its lawmaking capacity, and most government initiatives tend to be approved. Nevertheless, in October 2006 the Parliament rejected government-sponsored proposals relating to the composition of a new media regulatory body, on the grounds that the body would not be sufficiently independent. Although the process of drafting and amending laws is comparatively straightforward, implementation and enforcement are weak. This is likely to be one factor behind the low level of public confidence in the Parliament. According to a survey of 1,200 households, the Armenia National Voter Study, conducted for the

International Republican Institute (IRI) between April 30 and May 7, 2006, found 67 percent of respondents had "unfavorable" confidence in the Parliament.[1]

The effectiveness of both the government and the Parliament is impeded by their weak financial resources. Armenia has a poor tax collection record, owing in part to the scale of the shadow economy (estimates range from 33 percent to 53 percent of the official GDP in 2004, depending on the methodology used),[2] with many of the country's largest businesses making tax payments that appear inconsistent with their commercial success. Although tax revenue has risen strongly in value terms in recent years (by 18.2 percent in 2006), it remains low as a share of GDP, indicating that measures to reduce tax evasion have not yet proved effective. Central government tax revenue was equivalent to just 13.5 percent of GDP in 2006, according to data from the National Statistical Service.[3]

A parliamentary Control Chamber is empowered by the Constitution to audit government budget performance, assess its compliance with budget targets, and evaluate its borrowing and privatization policies. The chamber submits annual reports to the Parliament and has frequently criticized the executive's handling of public finances. However, its role as a watchdog over the government is limited owing to the legislature's weakness relative to the executive branch. Moreover, the existence of other audit and investigative bodies within ministries creates a duplication of functions and the absence of clearly separated roles, reducing the effectiveness of the chamber as an oversight body.

The Parliament has a Web site, debates are usually open to the public and are widely reported in the media, draft legislation is generally made available to the public, and all legislation approved by the Parliament is published in an official bulletin. The Ministry of Justice's Web site contains a database of legislation, government decisions, and Constitutional Court rulings.

The September 2003 Law on Freedom of Information obliges government bodies and public service providers to release within 30 days official information relating to their activities.[4] They are permitted to refuse the release of information in only a few cases, and failure to comply with the law is a criminal offense. Imperfect enforcement of the legislation and a lack of awareness among officials of the requirements of the law have hampered its effectiveness. Nevertheless, between September 2005 and October 2006, the Freedom of Information Center, an NGO, successfully challenged in court six cases of official refusals to release information. According to the center, the most often cited reason by officials for refusing to release documents is that the implementing legislation for the Law on Freedom of Information does not yet exist.

The civil service is a professional body, in theory independent of the executive and legislative branches of power, and is not subject to change after general elections. A seven-member Civil Service Council is charged with selecting staff for government agencies on a competitive basis and monitoring the performance of government officials. Critics of the council argue that because it is appointed by the president, it lacks independence and is vulnerable to political influence. Moreover, although adoption of the Law on Civil Service in 2001 was a first step toward

improving the quality of state institutions, enforcement of the legislation has been problematic.[5] Issues such as low wages have prevented the civil service from attracting and retaining skilled staff, although periodic wage increases are addressing this concern.

The National Police and National Security Service are responsible for Armenia's domestic security, intelligence activities, border control, and police force. Several parliamentary committees are responsible for defense and security policy, but the legislature's weakness relative to the presidency and government results in its having little control over the country's military and security services. The president is the supreme commander of the armed forces and is entitled to deploy the army without seeking parliamentary approval. The defense minister, the head of the police, and the head of the National Security Service are all presidential appointees.

Issues such as corruption in the police force and poor conditions in the armed forces, including mistreatment and hazing of conscripts, are frequently covered in the media. In the first half of 2006, the Office of the Military Prosecutor reported 19 noncombat deaths in the armed forces. In a rare setback for the Office of the Military Prosecutor, the court of cassation ruled in December 2006 that three soldiers had been wrongly convicted of murdering two of their colleagues and ordered that the case be reopened. A new national security doctrine was presented for academic discussion in 2006. Critics argued that it failed to consider issues such as migration and environment, both of which have security implications. In conjunction with this, a nine-year reform of the armed services is due to start in 2007, with the assistance of NATO.

In 2006, concerns grew at what some domestic observers and opposition parties termed the "criminalization" of Armenian society, following a number of murders and physical attacks on public figures. These included the head of the fraud investigation department of the State Tax Committee, Shahen Hovasapaian, who was killed in a car bomb in September. In October, an opposition politician, Suren Abrahamian, was attacked and beaten, an assault that he attributed to his political activities. Also in October, a parliamentary deputy from the ruling Republican Party of Armenia (RPA), Hakob Hakobian, was charged with a number of offenses, including illegal weapons possession and tax evasion—a rare example of parliamentary immunity being lifted.

The ongoing territorial dispute with Azerbaijan over Nagorno-Karabakh remained a potential source of instability in 2006, when three rounds of presidential-level peace negotiations, as well as talks between the respective foreign ministers, failed to resolve the conflict. The conflict has had wide-ranging economic repercussions, preventing intra-regional economic and other development projects. In addition, the dispute has led to substantial expenditures for defense (the military received the largest share of state budget spending in January–September 2006, at 17 percent)[6] to the detriment of other sectors such as health care and education.

One legacy of the 1988–1994 war with Azerbaijan over the area of Nagorno-Karabakh has been that the armed forces and security services have played a large role in the country's political development. Military leaders, through the Yerkrapah

parliamentary faction of Nagorno-Karabakh veterans, were instrumental in forcing the resignation of President Levon Ter-Petrossian in 1998, having rejected his apparent willingness to negotiate a stage-by-stage resolution of the conflict with Azerbaijan. In 2005, Yerkrapah lost members to a new organization, Test of Spirit, whose founders were dissatisfied by Yerkrapah's support of Robert Kocharian's administration.

Electoral Process

1999	2001	2002	2003	2004	2005	2006	2007
5.25	5.50	5.50	5.50	5.75	5.75	5.75	5.75

Armenia's constitutional and electoral framework enshrines the principle of universal and equal suffrage by secret ballot and provides for regular, free, and fair elections. Since independence, however, the authorities have failed to ensure free and fair elections, as vested interests within the political and business elites have sought to preserve their privileges. This has contributed to a lack of public confidence in the electoral process.

Political parties are regulated by the Law on Political Parties and must be registered with the Ministry of Justice. The electorate has a large number of parties to choose from, but political parties are generally driven more by personality than policy. This is reflected in the results of a poll, the Armenia National Voter Study, commissioned by the IRI.[7] Of the 1,200 households surveyed in April–May 2006, 59 percent said that the leader rather than the party was the deciding factor in their voting decision.

Political parties must have at least 200 members and maintain branches in at least one-third of Armenia's regions. Of the more than 110 parties registered at the time of the May 2003 parliamentary elections, only 6 exceeded the 5 percent vote threshold required to win parliamentary representation. According to the IRI Armenia National Voter Study, 9 percent of those questioned were members of a political party, while 64 percent expressed either high or medium interest in politics.

The RPA is the dominant party at both national and local levels. Headed by Prime Minister Andranik Markarian, the RPA is the leader in the three-party coalition government, controlling several ministries and the majority of subministerial posts. The other two parties are the nationalist Armenian Revolutionary Federation and the social-democratic United Labor Party, each of which has two cabinet-level positions and several subministerial posts. The Ministries of Defense, the Interior, and National Security are headed by presidential loyalists.

The United Labor Party replaced the center-right Country of Law Party in May 2006, when the party leader, Artur Baghdasarian, pulled out of the cabinet following disagreements, among other issues, over the direction of foreign policy and dissatisfaction at the government's record in addressing corruption. After withdrawing

from the government, the Country of Law Party lost the support of several of its parliamentary deputies, who rejected the party's oppositional stance and opted to continue supporting the government. Nevertheless, the party claimed some popular backing for its decision, and its emphasis on anticorruption and social justice issues could resonate with parts of the electorate in 2007.

As in other former Soviet republics, political and economic circles are closely linked in Armenia. This stems partly from inadequate party funding legislation, which leaves parties heavily reliant on private financial sources and therefore susceptible to donor influence. The immunity from prosecution enjoyed by parliamentary deputies has also encouraged business monopolists to seek election.

The founding in early 2006 of the party Prosperous Armenia by a wealthy businessman, Gagik Tsarukian, highlighted the close connections between business and politics. Tsarukian has claimed that his party offers an alternative to Armenia's longer-standing political groupings, but critics have noted his close connections to the existing political elite. As well as the political party, Tsarukian has established a charity that has distributed financial and other assistance to rural inhabitants. Armenia's legislation prohibits political parties from offering financial aid to the public. Opposition figures criticized the fact that the charity is able to operate in this way and accused Tsarukian of vote buying in advance of the 2007 elections.

The consolidation of power among groups such as these is of particular concern in the run-up to the May 2007 parliamentary elections, as it significantly reduces the already low opportunity for rotation of power and does little to increase political pluralism. Moreover, it has coincided with increased pressure on opposition parties, several of which complained of government harassment in 2006. For example, the Heritage Party, led by Raffi Hovannisian, attributed its expulsion from its offices in March to its opposition status, while the Country of Law Party experienced difficulties in renting premises in which to hold public meetings.

Direct presidential elections are held every five years; elections to the 131-member Parliament are currently held every four years, but the legislature will move to a five-year term after its current mandate expires in 2007. The most recent presidential election was won by the incumbent, Robert Kocharian, who beat Stepan Demirchian in a second-round runoff on March 5, 2003, winning 67.5 percent of the vote, according to the Central Election Commission. The RPA and other pro-presidential parties won a majority of seats in the parliamentary elections on May 25, 2003, with opposition parties (namely, the nine-party Justice Alliance led by Demirchian and the National Unity Party led by Artashes Geghamian) winning just 24 seats. In 2006, the opposition parties continued the boycott of the Parliament initiated in February 2004, in protest of the conduct of the elections. The boycott has severely weakened the opposition parties' already limited ability to hold the government accountable and potentially damaged their standing among the electorate.

The 2003 elections were monitored by the Organization for Security and Cooperation in Europe (OSCE) Office for Democratic Institutions and Human Rights and were found to be below international standards for democratic elections,

although international monitors judged the flaws insufficient to negate the results. The referendum on constitutional change in 2005 attracted similar criticism from both domestic and international observers, who judged the official turnout figure of 65 percent to be inflated.

Turnout for the 2003 parliamentary elections was 52.2 percent, according to the Central Election Commission, down from 68.4 percent in the second round of the presidential election, indicating declining public confidence in the electoral process. Despite low public expectations for the conduct of the 2007 elections—in the Armenia National Voter Study survey, 70 percent believed that it would be neither free nor fair—72 percent said that they would definitely or probably vote in the May 2007 parliamentary elections, citing their duty to vote.

According to the OSCE, women accounted for just 15 percent of candidates on the proportional lists in the 2003 elections and only 4 percent of the majoritarian candidates. Seven women held seats in the Parliament in 2006, and the Ministry of Culture was headed by a woman. Ethnic minorities make up roughly 3 percent of Armenia's population, and their participation in the political process is correspondingly low. No ethnic minorities were represented in the Parliament in 2006.

Revisions to Armenia's electoral code were approved in December 2006. The code had already been altered in May 2005 to include, among other changes, an increase in the number of parliamentary deputies elected by proportional representation on the basis of party lists from 75 to 90—a measure that could result in fewer instances of vote buying.

Following the flawed referendum of November 2005, Artur Baghdasarian, then parliamentary Speaker, proposed that additional revisions be made to the electoral code to help reduce electoral fraud. The changes to the composition of the government in mid-2006 put the process temporarily on hold but were finally approved by the Parliament in December. These changes included improved procedures for the tabulation and release of results, identification of voters, and greater rights for representatives of ballot candidates. In addition, the opposition won an appeal to the Constitutional Court to remove the provision in the electoral code allowing judges to sit on election commissions, arguing successfully that this went against the principle of separation of powers. However, the Parliament rejected a number of other opposition-sponsored measures, such as the use of indelible ink to mark the fingers of those who have voted.

Areas of concern remain, including insufficient safeguards for the filing of election complaints and appeals. Moreover, government critics remain skeptical that the new code will improve the electoral process, arguing that in the past the shortcomings in Armenia's electoral process stemmed from the implementation of the electoral framework rather than the framework itself.

A failure to investigate electoral fraud and bring perpetrators to justice is one of the main factors behind public disillusionment with the electoral process. Moreover, in April 2006 a senior election official admitted to fraudulent practices—including forging signatures and ballot-box stuffing—in the November 2005 referendum and the 2003 presidential and parliamentary elections. However, no action had been

taken against him by the end of 2006, casting serious doubts over the authorities' commitment to ensuring free and fair elections in the future. The Parliament had earlier rejected opposition moves to establish a commission to investigate the flawed referendum.

Civil Society

1999	2001	2002	2003	2004	2005	2006	2007
3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50

The number of civil society groups in Armenia grew rapidly following the breakup of the Soviet Union. However, deteriorating socioeconomic conditions due to the war with Azerbaijan over Nagorno-Karabakh and the collapse of the country's economic base hampered their effectiveness. The result is that public participation in civil society activities has not been as high as the number of groups would suggest.

As of September 2005, there were 4,350 NGOs registered with the Ministry of Justice, of which over 1,000 were registered during the previous year. Over the past 15 years, the focus of NGO activities has moved from humanitarian assistance to democracy building and broader development programs in sectors such as education, public policy, and health care, as well as ethnic minorities and the disabled. Issues such as domestic violence and the trafficking of women, as well as campaigns to promote more active participation of women in politics, are gaining greater recognition, and domestic groups such as Choice Is Yours actively monitor the country's elections. The Apostolic Church also engages in charitable work, financed largely through diasporic donations, as do other domestic and foreign religious charities.

Most NGOs are in the capital, Yerevan, and in the northern regions that were affected by the 1988 earthquake, which began to develop civil society networks earlier than other parts of the country. NGOs in Yerevan tend to have better-developed organizational and management capacity than those in other regions, particularly in the south of the country, where civil society remains underdeveloped. Some NGOs also participate in regionwide networks.

Civil society groups are generally able to carry out their work without interference either from the government or from extremist organizations. The Ministry of Justice's registration process for organizations is relatively straightforward, although because it is centralized, it is more difficult for regional organizations to complete the process. The Law on Charity (October 2002) and the Law on Foundations (December 2002)[8] regulate the establishment and activities of charities and NGOs and have been judged by the International Center for Not-for-Profit Law to be in compliance with international good practices of NGO regulation, although implementation of the legislation is at times patchy.

Nonprofit organizations are subject to taxation on property, vehicles, and employee wages, and NGOs must disclose their revenue sources in order to establish their tax liability. The Law on Public Organizations (2001), under which most organizations are registered, prohibits direct income generation. Public organizations are not permitted to participate in government tenders. This has serious implications for the financial sustainability of nonprofit organizations. The establishment of limited liability companies is one way in which NGOs are able to generate income, but these are subject to taxation in the same way as businesses.

Armenia's legislative framework has not kept pace with the complexity of civil society. For example, there are no legal provisions for charitable donations, which has inhibited private sector philanthropy. In 2006, the group Professionals for Civil Society was involved in drafting legislation that would allow NGOs to engage in entrepreneurial activity. The same group has also assisted in the drafting of a Law on Volunteers, which was approved by the government in September 2006. If passed by the Parliament in 2007, as seems likely, this should benefit organizations by easing the tax burden (the tax authorities have previously judged volunteer work to be hidden employment) and by improving access to donor funding that requires in-kind contributions (which can include volunteer labor).

The financial viability of NGOs is nevertheless strengthening, owing to legislative improvements, more effective preparation of requests for funding, and improved advocacy skills. However, most civil society groups remain dependent on foreign funding. Domestic charities, such as the Hayastan All-Armenian Fund, and the U.S.-based Lincy Foundation successfully raise funds from the Armenian diaspora. The dependence of most NGOs on foreign donations has led to concerns that this practice weakens the civic sector's incentive to establish strong links with Armenian society. It has also led to public perceptions of civil society groups as businesses sponsored by foreign donors rather than civic organizations. Media coverage of civil society activity tends to be restricted to isolated initiatives and is often dependent on personal contacts. Public membership in NGOs is still low: According to the Armenian National Voter Study conducted by the IRI in April–May 2006, just 2 percent of the population were members of an NGO.[9]

Officials rarely canvass public opinion in meetings or through surveys. Government engagement with civil society and policy research groups has nevertheless increased in recent years, and these groups are generally able to secure access to bodies such as the Parliament. This is partly attributable to an improvement in the organizational capacity and advocacy skills of civil society groups, which have benefited from expanded training programs. For example, in 2006 civil society groups campaigned together to freeze the passage of a draft law that would have imposed onerous restrictions on their lobbying of state institutions.

Moreover, some state bodies work actively with civil society. For example, the Public Services Regulatory Commission and the Ministry of Agriculture cooperate with the Consumer Union, and the Ministry of Social Security uses program budgeting rather than line budgeting to enable NGOs to monitor it more easily. However, NGOs have complained that even though they are able to participate in

the drafting of government initiatives, this is merely to satisfy international pressure for NGO inclusion in policy making and that their opinions are not taken into consideration in final documents.

Several private policy think tanks are active in Armenia, but their influence on government policy is limited. They include the International Center for Human Development, which focuses on projects such as poverty reduction, regional integration, and good governance; and the Armenian Center for National and International Studies and the Armenia International Policy Research Group, which concentrate on foreign and domestic public policy issues.

Armenia's Constitution guarantees the right to establish and join trade unions, although this right can be restricted for those serving in the armed forces and law enforcement agencies. The Confederation of Labor Unions unites about 25 individual unions, but most of these are inactive and have limited power to guarantee workers' rights. Private sector employees enjoy little protection against dismissal. This, combined with the high rate of unemployment, has meant that strikes in private enterprises are rare. Strikes in the public sector are more common, over issues such as wage increases or payment of back wages. The Union of Industrialists and Entrepreneurs represents the interests of Armenia's largest businesses.

A shortage of budget funding has led to the deterioration of education standards. Students report that bribery is frequently needed to secure a university place and to obtain good marks. State control over universities has strengthened since November 2005, as half of the members of their governing boards are now appointed by the government. For example, in May 2006 the government's preferred candidate was appointed rector of Yerevan State University, the country's most prestigious higher education institution. In 2006, moreover, the RPA stepped up the recruitment of teachers as party members, which raises concerns about the politicization of the education system.

Independent Media

1999	2001	2002	2003	2004	2005	2006	2007
4.75	4.75	4.75	5.00	5.25	5.50	5.50	5.75

Press freedoms are guaranteed in Article 27 of the Constitution. However, in practice these freedoms have come under threat in recent years. Although the government has adopted some progressive legislation, implementation has been inconsistent. Moreover, pluralism remains confined largely to the independent print media, which enjoy much less influence than the predominantly pro-government broadcast media.

Several assaults against journalists in 2006 highlighted the difficult conditions faced by the independent media. These included, in September, an assault on the chief editor of the newspaper *Iravunk*, Hovhannes Galajian, who attributed the

attack to his investigative reporting of criminal activity in Yerevan. In another case, a freelance journalist was threatened and abused. In addition, the sentencing to a four-year prison term of Arman Babajanian, editor of the opposition *Zhamanak Yerevan* daily, following his conviction on charges of document fraud to avoid military service, was attributed by colleagues to his journalist activities. According to the human rights ombudsman, a two-to-three-year sentence would normally be given. The media community was concerned that violence against journalists would increase in the run-up to the 2007 parliamentary elections.

Armenia's libel laws have created a difficult environment for investigative journalists, particularly as public officials enjoy a higher standard of protection than other citizens. Libel is classified as a criminal offense punishable by a fine (except for repeated cases, where a one-year prison sentence may be imposed). Moreover, Armenia's criminal code sets a higher level of protection for public officials. Although no libel cases were brought against journalists in 2006, this could be explained by the fact that self-censorship is widespread, particularly where issues of corruption are concerned.

According to the Yerevan Press Club, as of November 2006 there were 45 television companies in Armenia broadcasting on 50 channels. Four of these were broadcast nationally. There were also 16 cable television channels—again, 4 have national coverage—and 16 radio companies broadcasting on 23 channels. The majority of broadcast media are privately owned.

Despite the large number of outlets, Armenia's broadcast media do not offer a plurality of views. In a monitoring survey released in December 2005, the Yerevan Press Club found that the five largest television channels focus on the daily activities of the president and government, other political figures, state structures, and prominent businessmen. The state-run Armenian Public Television is the country's most influential media outlet, but despite its status as a public service broadcaster, its output remains biased in favor of the authorities.

The private company Yerkir Media established in 2004, although connected to the Armenian Revolutionary Federation (a government party), often provides critical coverage of the government in its news reports. Another private company, Armenia TV, broadcasts a range of entertainment programs and political interviews as well as news coverage from CNN. Shant provides reliable business and news coverage, while among regional media, Tsaik TV is notable for its news reporting.

Although broadcast media remained dependent on private financing in 2006, advertising revenue is rising—encouraged by the introduction of a television rating system, first in Yerevan in January 2006 and then nationwide in June. This could ease media dependence on private sponsorship and thereby improve objectivity.

In November 2006, Armenia had 8 daily national newspapers and around 47 non-dailies, of which 17 had national coverage, according to the Yerevan Press Club. The newspapers offer a plurality of views, but their low circulation presents them with serious financial constraints. *Iravunk* (the paper of the Union of Constitutional Rights party), which appears twice a week, has the highest circulation at between 9,000 and 14,000 copies, while the state-owned national daily *Hayastani Hanrapetutyun*

has around 6,000. Most newspapers are dependent on private sponsors, often with vested political or economic interests, and this affects their objectivity.

The composition of the broadcast media regulatory bodies remains a cause for concern. Currently, the Council of Public TV and Radio Company and the National Commission on Television and Radio oversee the broadcast media. The president appoints the members of both bodies, raising significant concerns about their objectivity. The revised Constitution, adopted in a referendum in November 2005, appears to provide for one regulatory body responsible for both private and public broadcast media, with half of its members to be appointed by the president and half by the Parliament.

The OSCE has argued that this change (which had not yet come into effect in 2006) is insufficient to ensure the impartiality or diversity of the regulatory body, particularly when, as in 2006, the parliamentary majority was supportive of the president. Pressure from the opposition and media organizations prevented the Parliament from approving the government's proposals for the composition of the new body in October 2006. Journalists had argued that the proposed structure would not guarantee the body's independence and that it would have been several years before its composition changed, thereby ensuring continuing presidential influence.

Amendments to the 2004 Law on Postal Communication, adopted in late 2005, threaten the dissemination of information by requiring all distributors of print periodicals to pay for a license. Media organizations lobbied in 2006 to amend the law, fearing that it could force many distributors into bankruptcy, thereby reinforcing the position of the Haymamul agency. (Although privatized, this agency is run by a government-appointed director and enjoys a near monopoly over the distribution of newspapers.) In 2006, the government agreed to reduce the licensing fee from 5 million dram (US$12,000) to 500,000 dram (US$1,490), but media organizations continued to lobby for the complete removal of the requirement.

The transition from analog to digital broadcasting has raised concerns about government influence over broadcast media. A Law on Digitalization was under discussion in 2006. As part of the process, it was envisaged that as of the end of 2006, no new broadcasting licenses under the analog system will be issued, in effect preserving the status quo. Moreover, the government intends to provide budgetary support to assist two digital broadcast outlets, which could compromise their objectivity.

Compared with print and broadcast media, the Internet offers a greater diversity of opinions. There were no known instances of government attempts to control access to the Internet or to influence the content of Web sites in 2006. Development of and access to Internet services continued to be hampered by a lack of competition in the sector, in part because all Internet service providers in Armenia (about 10 were functioning in 2006) were dependent on a monopoly provider, Armentel, for connection to outside services. As of November, Armentel had a new majority owner, the Russian company Vimpelcom, which bought out the 90 percent stake previously owned by Hellenic Telecommunications Organization (Greece). About

5 percent of the population used the Internet in September 2005, according to the International Telecommunication Union.

Local Democratic Governance

1999	2001	2002	2003	2004	2005	2006
n/a	n/a	n/a	n/a	n/a	5.50	5.50

Armenia's Constitution and national legislation—including the 2002 Law on Local Self-Government—provide a framework for local self-government, but in practice the authority and activities of the local administrations are circumscribed by a lack of financial resources and extensive central government control over local issues.

Chapter 7 of the Constitution covers issues relating to territorial local self-government. Armenia has a two-tiered administrative structure. The country is divided into 10 regions, which are subdivided into 930 communities. Governors appointed by the central government administer the 10 regions and in turn appoint their own staff. Regional governors are responsible for administering policy in a wide range of fields (including finances, public utilities, and urban development), coordinating the activities of regional agencies of state administration, mediating between the central and local governments, and regulating intercommunity issues. The Ministry of Territorial Administration exercises control over the regional governors.

Constitutional amendments approved in November 2005 provide for greater decentralization of authority, with the legislative changes to be implemented over a two-year period. Notably, these provide for the election of the mayor of Yerevan (who is currently appointed by the president) by a new municipal council. As of late 2006, however, this body had not yet been formed, the mayor remained accountable to the president, and the necessary legislation regarding the status of Yerevan had not yet been approved. Furthermore, the procedure by which the mayor would be elected remained unclear.

The Council of Elders (the representative body for communities) is responsible for approving community budgets and supervising their implementation. However, the central government has authority over budgetary loans, credits, and guarantees and establishes procedures for the collection and distribution of local taxes. Moreover, local governments are given little opportunity to participate in the drafting of legislation, and once laws have been approved, implementation programs are often lacking.

Land and property taxes, and revenue from state duties, are the main sources of local tax revenue, but even these must be collected by regional branches of the state treasury. Local authorities have no powers to set tax rates, which are decided by the central government. They are therefore heavily dependent on financial transfers from the state budget, which provided 60 percent of total local budget revenue in 2006.[10] Disbursement delays are common, limiting the capacity of local

governments to meet their spending requirements, draft long-term development programs, or ensure the timely payment of staff salaries. The distribution of financial resources from central to local government is uneven and poorly targeted, with little account taken of variations in regional development needs.

Community heads (equivalent to a mayor) are accountable to Councils of Elders made up of 5 to 15 members. These are chosen for three-year terms on the basis of universal, equal, and direct suffrage by secret ballot. As of 2006, the community head can be dismissed only by the regional governor following a court decision; previously, the governor was able to dismiss the community head following an application to the central government. Some community heads would have preferred to remove the regional governor entirely from the process.

The autonomy of local governments is further circumscribed by the powers of regional governors, who often use administrative resources as a means to influence local authorities. In theory, local authorities have the courts to protect their powers and defend the rights of the local community, but because of the judiciary's dependence on the executive, its impartiality in such cases is questionable.

Local governments have the right to form associations to protect and promote their interests. As of 2006, there were three main local government associations: the Community Union of Armenia, the Union of Yerevan Elders, and the Community Finance Officers Association. International organizations are working with local government associations to strengthen the capacity of local government (for example, through more effective budget mechanisms and increased decentralization). One such project is the Armenia Local Government Program, funded by the U.S. Agency for International Development.

Although citizens are allowed to participate in local decision making, interaction between local governments and their constituents is generally limited. Citizens are entitled to submit draft resolutions to local governments, and most meetings of the Council of Elders are open to the media and the public. The public is entitled to full access to information concerning the activities and decisions of regional and local governments. However, many local officials are unaware of their obligation to inform the public; in addition, a lack of funds restricts their capacity to publicize the information.

NGOs are becoming increasingly active in monitoring local government activity. In March 2006, the Armenia branch of the U.S. organization Counterpart International signed its first contract with local NGOs under a Local Initiative Grant program, providing funds for projects such as monitoring municipal budgets and local advocacy.

Political parties do not play a major role in local elections, although they are entitled to nominate candidates. More commonly, citizens are nominated as independent candidates through civil initiatives, but they can state their party affiliation on the ballot. The most recent local elections were held in September–October 2005. As in previous years, the opposition largely boycotted the elections, regarding the process as deeply flawed. Although the elections were to a certain extent competitive, in that multiple candidates took part, these tended to be rival pro-

government figures vying for influence over local resources. Reports of vote buying and indirect bribery of voters by candidates with promises to repair local infrastructure remained a defining feature of the 2005 local elections.

Assessments of the elections varied. A local election-monitoring group, Choice Is Yours, reported that candidates had been hindered during the campaign and that voters lists remained inaccurate. A small observation mission sent by the Council of Europe judged that the electoral process and voters lists had improved compared with previous elections and stated, "The local elections were generally in keeping with the Council of Europe's electoral standards. The electoral process was generally satisfactory."

Judicial Framework and Independence

1999	2001	2002	2003	2004	2005	2006	2007
5.00	5.00	5.00	5.00	5.00	5.25	5.00	5.00

Chapter 2 of Armenia's Constitution provides for fundamental political, civil, and human rights, but there are substantial barriers to protecting them effectively. These stem largely from the weak judiciary, which lacks independence and adequate funding. This has led to low public confidence in the capacity of the judicial system to protect the population from unjust treatment by the state.

Revisions to the Constitution, approved in a referendum in November 2005, envisage greater independence for the judiciary. However, little progress was made in 2006 in enacting the legislative and other measures necessary to guarantee increased judicial independence. Under the revised document, responsibility for appointing the Council of Justice (which has a supervisory and disciplinary role) passes to the General Assembly of Judges. The president and the Parliament will each appoint two legal scholars to the Council of Justice; previously, the president appointed the entire council. Critics of the changes have argued that even though the president loses the right to appoint the Council of Justice, he retains some control over judicial appointments.

One positive aspect of the reforms is that access to the Constitutional Court has been broadened to enable ordinary citizens to appeal. Previously only the president, one-third of Parliament, ballot candidates, and, in limited cases, the government, were permitted to appeal. As of July 1, 2006, citizens have been entitled to appeal to the court, provided they have exhausted all other legal channels. By late August, the court had accepted for consideration 109 appeals out of 288 lodged by citizens.

Armenia's judicial system provides for the presumption of innocence, the right of persons not to incriminate themselves, and access to a public hearing by a fair and impartial court. Police officials are permitted to keep suspects in custody for up to 72 hours before filing criminal charges, and a court decision is required to turn detention into an arrest. However, prosecutors' requests for arrests are seldom

refused, bail is infrequently granted, and acquittals are rare. Of more than 1,500 criminal suspects brought before Armenia's courts in the first half of 2006, only 4 were acquitted. Judges tend to show greater independence when journalists or NGOs are present.

Since September 2006, the Chamber of Advocates (the sole professional legal association in Armenia) has maintained a Web site offering advice for those seeking legal aid. In 2006, however, witnesses continued to have no right to legal counsel while being questioned in police custody. The legal requirement stating that only the courts are permitted to authorize searches is often violated. Although Armenia's procedural justice code sets a one-year maximum for criminal inquiries, delays in the criminal justice system are common, owing in part to a shortage of qualified judges.

The Civil Society Monitoring Board ensures civil supervision of the prison service, which is under the control of the Ministry of Justice. The treatment of detainees continued to provoke concern in 2006. According to a report released in October 2006 by representatives from NGOs and the Apostolic Church, Armenia's main prisons continued to fall short of international standards in 2005, with prisoners being poorly fed and lacking access to health care—assertions denied by the Ministry of Justice. The authors of the report nevertheless concluded that the Ministry of Justice had implemented some of the recommendations from their 2004 assessment.

Mistreatment of prisoners was also a problem, and in 2006 citizens continued to report the use of torture and psychological pressure to extract testimonies that were later used in court. Victims of abuse are often reluctant to press charges for fear of the consequences. Of more than 2,000 cases referred to the ombudsman between February and October 2006, most related to the prison system and the abuse of property rights. The World Bank is funding judicial reform projects, including the renovation of court infrastructure, with a view to increasing the efficiency of judicial services.

The Armenian Constitution and laws guarantee freedom of religion but also provide for the legal authority of the Armenian Apostolic Church, which enjoys a privileged status. As such, the church uses its influence over the government to press for restrictions on other religious groups. Under the terms of its membership in the Council of Europe, Armenia is committed to ensuring freedom from discrimination for nontraditional religious groups, of which 56 were officially registered as of September 2006. There were no reports of any religious groups being refused registration in 2006.

The July 2004 Law on Alternative Military Service provides for civilian service (since January 2006, evasion has been deemed a criminal offense), but those choosing the civilian option must serve for 42 months—almost twice as long as those performing out military service. The legislation permits every male to opt for alternative service, not just those objecting on religious grounds. As of September 2006, 25 Jehovah's Witnesses were in prison for refusing to perform the alternative service on the grounds that it was overseen by the military.

Chapter 2 of the Constitution guarantees intellectual property rights and the right to own and inherit property. Noncitizens are prohibited from owning land, except under special circumstances. The Constitution states that no one can arbitrarily deprive a citizen of his or her property. However, in 2006 the eviction of some residents from central Yerevan to make way for the development of new commercial and residential property and streets prompted criticism from local lawyers, NGOs, and opposition politicians that citizens' property rights were not being respected. The ombudsman took the case to the Constitutional Court, which in a rare setback for the government ruled in April that the evictions were illegal. However, it did not obligate the municipal authorities to return the property or to increase compensation for those evicted.

Moreover, in November 2006 the Parliament approved legislation that enables the government to confiscate private real estate for use by property developers where this is deemed to be in the public or state interest. Although the eminent domain legislation provides for financial compensation (equivalent to market value) to those forced to leave their property, critics have argued that it violates citizens' property rights. With respect to business rights, a lack of training for judges in commercial issues has left many investors disillusioned with the court system as a viable legal recourse.

The Constitution enshrines the freedom of assembly, but this has not been fully observed. Amendments to the April 2004 Law on Demonstrations enacted in 2005 limit the right of law enforcement bodies to disperse demonstrations only if they pose a threat to public and state security, rather than simply for violations of the law, as in the original document. The authorities retain discretionary powers to restrict demonstrations, however. Moreover, in 2006 several opposition parties reported they had faced difficulties in holding public meetings because of governmental pressure from authorities who refused to allow them to rent out meeting rooms.

Under the revised Constitution, the Parliament assumed the right to appoint the ombudsman. Although this in theory was a positive step, the way in which the election was organized—with the incumbent, Larisa Alaverdian, having to step down from office in January 2006, one month before the election of her successor, and a presidential ad hoc commission overseeing the office in the interim—raised questions as to the authorities' commitment to the independence of the Office of the Human Rights Ombudsman. Nevertheless, in 2006 the new ombudsman, Artun Harutiunian, successfully challenged government decisions in several areas, including breaches of the Law on Freedom of Information.

Armenia's criminal code, adopted by the Parliament in April 2003, abolished capital punishment and made life imprisonment the maximum sentence. Prisoners receiving the life sentence are entitled to apply for parole after 20 years, compared with the maximum prison sentence under the previous criminal code of 15 years. In 2006, the maximum prison sentence (other than life) was 15 years.

Corruption

1999	2001	2002	2003	2004	2005	2006	[illegible]
5.75	5.75	5.75	5.75	5.75	5.75	5.75	5.75

Corruption at all levels of government continues to impede Armenia's political and economic development. Not only has this fostered public cynicism toward the authorities, it has inhibited the development of a competitive business environment.

The focus of the government's anticorruption policy in 2006 was a three-year strategy adopted in late 2003 that sets out measures to combat corruption in the political sphere, the state bureaucracy, law enforcement agencies, and the judiciary. The Council for Combating Corruption was inaugurated in June 2004, headed by the prime minister and other high-ranking officials; a coordinating committee oversees the implementation of the strategy. The government was due to approve a new anticorruption program in 2006, but this had not materialized by the end of the year.

Assessments of the authorities' progress in addressing corruption have generally been negative. In October 2006, the Center for Regional Development/Transparency International Armenia published an evaluation of the government's anticorruption policy over the previous three years.[11] Negative conclusions included the absence of political will, lack of institutional autonomy among the country's anti-corruption institutions, poor law enforcement, and the low level of public participation in policy making. In a 2005 survey of 1,500 households (published in 2006), the areas considered most corrupt were the police, courts, and the prosecution system.[12] Concerns raised in a report on Armenia's anticorruption initiatives by the Council of Europe's Group of States Against Corruption, released in March 2006, included the wide scope of people enjoying immunity from prosecution and the lack of protection for witnesses, victims of corruption, and whistle-blowers.[13] Armenia was due to respond to the report's 24 recommendations by May 2007.

Armenia's score in the Transparency International 2006 Corruption Perceptions Index was unchanged from 2005, at 2.9 (with 10 being the least corrupt). Although Armenia received the second-best score (behind Moldova) of all members of the Commonwealth of Independent States (CIS), its failure to improve the score adds justification to the skepticism among local and international observers that the government's anticorruption strategy has not been effective.

The state's formal involvement in the economy is low in comparison with that in other transition countries, with privatization of most enterprises largely complete. The European Bank for Reconstruction and Development estimates that the public sector contributed 25 percent to GDP in 2006.[14] However, despite constitutional provisions explicitly banning parliamentary deputies and government members from engaging in business interests, public officials in practice encounter few limitations to economic participation and have extensive business interests.

Armenia's financial disclosure laws are insufficient to combat corruption. Although the 2001 Law on Declaration of Income and Assets was broadened in

2006 and now requires all government officials and civil servants to annually declare revenue and property belonging to them and their families, the law does not require tax authorities to verify financial statements. The authorities have limited powers of investigation and can impose only relatively lenient fines for reporting false information. Moreover, gaps in the legislation enable government officials to register property in the names of relatives. Few officials have been punished for corrupt practices. In addition, official attitudes toward anticorruption activists are often dismissive.

The Civil Service Council advertises employment vacancies on its Web site. Despite progressive salary raises since mid-2003, average monthly civil service wages, at 84,000 dram (US$220) in September 2006,[15] are still insufficient to attract and retain high-caliber staff or deter them from seeking bribes. A focus on inspections and audits as the main tools of legislation enforcement has increased the opportunity for bribe taking in the civil service. Bribery is also commonplace when dealing with traffic police, universities, health care, and other areas where official salaries are low.

Law enforcement bodies identified 371 corruption-related crimes in 2005, prosecuting 97 state officials as a result, with the most senior being an official from the Ministry of Finance who was sentenced to seven years in prison. However, in 2006 no top-level officials were prosecuted for corruption-related crimes.

Armenia's business-related legislation is relatively sound. The country performed well in the Heritage Foundation/*Wall Street Journal* 2006 Index of Economic Freedom, scoring 2.26 and ranking Armenia 27th out of 157 countries surveyed. (Armenia and the Kyrgyz Republic were the only members of the CIS to be rated "Mostly Free.") However, weak implementation of the legislation has increased the opportunities for official corruption. There is a perception that it is difficult to run a successful business legally or without personal connections to public officials. The situation is exacerbated by the absence of an independent judiciary, and judges are reported to be susceptible to bribery in exchange for a favorable ruling in disputes.

Armenia also ranked favorably in the World Bank's annual survey report *Doing Business,* which measures aspects of the regulatory framework to assess the relative ease of conducting business operations. In the 2007 report, released in September 2006, Armenia ranked 34th out of 175 countries, the highest of the CIS members. The low quality of the tax and customs administration was the main weakness identified in the survey. Tax collection methods are outdated and time-consuming, and businesses spend up to 1,000 hours a year on completing tax payment formalities. The complexity of the tax and customs system provides ample opportunity for corruption. According to another survey carried out by the World Bank, companies noted that there had been no reduction in the amount and frequency of bribes paid to these institutions between 2002 and 2005. A study conducted by the Foundation for Small and Medium Business, released in May 2006, found that businesses encountered most corruption when registering property rights, requesting construction permits, and clearing customs.[16]

The lack of independent media has precluded unbiased press coverage of official corruption. As long as most print media are sponsored by wealthy business individuals, they have little incentive to draw attention to the scale of corruption in a system where they play a part. Moreover, attempts to expose official corruption carry risks for the media. Journalists attributed some of the attacks on reporters in 2006 to their attempts to expose corruption.

According to the Armenia National Voter Study conducted for the IRI in April–May 2006, 70 percent of those questioned said that wrongdoing or corruption by the authorities was a very serious problem in Armenia, with a further 25 percent judging it a rather serious problem.[17] Despite this overwhelmingly negative assessment, only 13 percent of those surveyed considered corruption to be one of the top issues facing them. This suggests that the majority of people perceive corruption to be too deeply entrenched to be eradicated.

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Azerbaijan

by H. Kaan Nazli

Capital: Baku
Population: 8.3 million
GDP/capita: US$4,185
Ethnic Groups: Azeri (90.6%), Dagestani (2.2%), Russian (1.8%), Armenian (1.5%) other (3.9%)

The economic and social data on this page were taken from the following sources:

GDP/capita, Population: *Transition Report 2006: Finance in Transition* (London, UK: European Bank for Reconstruction and Development, 2006).

Ethnic Groups: *CIA World Fact Book 2007* (Washington, D.C.: Central Intelligence Agency, 2007).

Nations in Transit Ratings and Averaged Scores

	1999	2001	2002	2003	2004	2005	2006	2007
Electoral Process	5.50	5.75	5.75	5.75	6.00	6.25	6.50	6.50
Civil Society	4.75	4.50	4.50	4.25	4.50	4.75	5.00	5.25
Independent Media	5.50	5.75	5.50	5.50	5.75	6.00	6.00	6.25
Governance*	6.25	6.25	6.00	5.75	5.75	n/a	n/a	n/a
National Democratic Governance	n/a	n/a	n/a	n/a	n/a	6.00	6.00	6.00
Local Democratic Governance	n/a	n/a	n/a	n/a	n/a	6.00	6.00	6.00
Judicial Framework and Independence	5.50	5.25	5.25	5.25	5.50	5.75	5.75	5.75
Corruption	6.00	6.25	6.25	6.25	6.25	6.25	6.25	6.25
Democracy Score	5.58	5.63	5.54	5.46	5.63	5.86	5.93	6.00

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

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

Executive Summary

Azerbaijan had a brief period of independence between 1918 and 1920, and eventually regained independence when the Soviet Union collapsed in 1991. The transition was particularly complicated by the massacre of several hundred civilians by Russian forces on January 20, 1990, as well as a war with Armenia and separatist Armenians over the Nagorno-Karabakh enclave, which began as a low-level conflict between 1988 and 1990 and resulted in massive social problems and more than one million internally displaced persons. The sides signed a cease-fire agreement in May 1994 under President Heydar Aliyev (Heydər Əliyev), a former member of the Politburo and First Vice-chairman of the Soviet Cabinet of Ministers in Moscow.

The rule of Əliyev, who had spent three isolated years in the Nakhichevani (Naxçıvan) exclave prior to his regaining power, was preceded by the presidencies of Ayaz Mutallibov in 1991–1992 and Abulfaz Elcibay (Əbülfəz Elçibəy) in 1992–1993. Elçibəy was the country's first democratically elected president and was ousted by a national referendum in August 1993 following a military intervention.

The country achieved a period of relative political and economic stability under Əliyev, who continued to strengthen his hold on the country through an enormous concentration of power in the presidency. During his 10-year term in office, Əliyev pursued a balanced foreign policy aimed at maintaining close ties with the United States, Russia, Iran, and Turkey and struck oil and gas deals with Western energy companies. A secular state with a population composed primarily of Shiite Muslims, Azerbaijan has been a member of the Council of Europe since 2001.

The presidency changed hands in October 2003. Former Prime Minister Ilham Aliyev (İlham Əliyev), son of Heydər Əliyev, assumed the presidency following controversial elections that his ailing father could not participate in and that were deemed not free and fair by the Organization for Security and Cooperation in Europe (OSCE). The president has so far maintained political and economic stability in the country and has pursued a successful foreign policy, enhancing ties with the United States and the European Union (EU); its neighbors, Russia, Iran, and Turkey; and other former Soviet republics. Nonetheless, the Əliyev administration has yet to push forward a genuine democratization program, hopes for which were weakened by the irregularities observed in the November 2005 parliamentary elections. The country's economic growth prospects remain favorable, although income disparity and the diversification away from the oil and gas sectors of the economy continue to be challenges for the authorities. Meanwhile, chances remain low for a Nagorno-Karabakh agreement with Armenia.

National Democratic Governance. President Əliyev continued to enjoy significant authority in Azerbaijan's governmental system in 2006 and was able to sustain political and economic stability thanks to a high level of economic growth. There was little change in the Council of Ministers in 2006, while the National Assembly, Azerbaijan's legislative branch, maintained a low profile. Opposition participation in parliamentary proceedings has been low, owing to a limited number of active opposition deputies and a continued boycott of the Parliament by others. *Owing to no significant changes in the balance of power between the president and the legislature in 2006, Azerbaijan's rating for national democratic governance remains at 6.00.*

Electoral Process. The reruns of the November 2005 legislative and December 2004 municipal elections, held in May and October 2006, respectively, registered a number of technical improvements that were noted by international observers. The dual elections also witnessed irregularities, although their impact was difficult to assess owing to a boycott by a number of opposition parties. Continued intimidation of the political opposition and irregularities in vote tabulation favored ruling party candidates. *Technical improvements in the campaigning period were offset by continued pressure on the national opposition, leaving Azerbaijan's rating for electoral process unchanged at 6.50.*

Civil Society. Little progress was made in 2006 in Azerbaijan's civil society sector, with nongovernmental organizations (NGOs) still facing registration, tax, and funding problems. While the Justice Ministry registered an increased number of NGOs, cases of state pressure on NGOs also increased, particularly among youth groups affiliated with the opposition. *Owing to the expulsion of student activists, police detainment, and warnings issued to civil society leaders and youth organizers, Azerbaijan's rating for civil society worsens slightly from 5.00 to 5.25.*

Independent Media. The media continued to operate under governmental and legal pressure, despite a number of positive steps such as the annulment of newspaper debts to the state-owned printing house and the president's pardon of two editors who received one-year sentences for libel. The investigation regarding the tragic March 2005 murder of opposition journalist Elmar Hüseynov proceeded, but its apparent link to a parallel trial against former Interior Ministry officials raised questions. *Owing to the government's closure of ANS TV and ANS CM radio, continued mistreatment of opposition journalists, and legal and other pressure on independent media, and despite the presidential pardon of newspaper debts and the sentences of two opposition journalists, Azerbaijan's rating for independent media worsens from 6.00 to 6.25.*

Local Democratic Governance. Local governance in Azerbaijan is not democratic, as the government continues its practice of directly appointing local administrators. The government continued to dominate local governance in 2006 as President Əliyev made a significant number of replacements to the heads of

local executive committees, and the ruling party won an overwhelming majority of municipal council seats in the local election reruns on October 6, which showed technical improvements according to international observers. *Reflecting the ruling party's continued authority in local governance despite some improvements to the local election processes, Azerbaijan's rating for local democratic governance remains at 6.00.*

Judicial Framework and Independence. The government maintained substantial authority over the judiciary in 2006, particularly as the trials of Farhad Aliyev (Farhəd Əliyev) and former health minister Ali Insanov (Əli İnsanov) for an alleged plot to overthrow the constitutional order remained unconcluded more than a year after the arrest of the former government ministers. The investigation of the 2005 murder of Elmar Hüseynov continued to make headlines during 2006, although it was not completed by the end of the year, and its links to the Farhəd Əliyev trial raised some questions. *Owing to the judiciary's continued enforcement of trial processes that violate political rights and civil liberties, Azerbaijan's rating for judicial framework and independence remains 5.75.*

Corruption. Corruption continued to be a problematic issue for Azerbaijan in 2006, as the auditing capacity of the legislative branch remained weak and government investigations of former officials and civil servants appeared to be politically driven. The country registered some improvement in combating corruption at the local level with a number of policemen expelled on the grounds of corruption and the conclusion of the trial of a former high-level presidential administration official. The country demonstrated some improvement in Transparency International's Corruption Perceptions Index as the government continued to enforce the Extractive Industries Transparency Initiative. *Though more time is needed to assess whether the aforementioned improvements represent a long-term trend that is sustainable independent of political infighting and international pressure, the government continues to enjoy strong influence in anticorruption commissions. Therefore Azerbaijan's rating for corruption remains 6.25.*

Outlook for 2007. President İlham Əliyev is expected to maintain his position thanks to Azerbaijan's impressive level of economic growth from substantial oil revenues, which will increase even further as the Baku-Tbilisi-Ceyhan pipeline steps up oil exports and a sister pipeline begins operations carrying natural gas from the Shah Deniz field in the Caspian Sea through Georgia to the Turkish town of Erzurum. Rising inflation and the overwhelming share of oil exports in the national economy will continue to pose challenges to the authorities. The government seems unlikely to push forward a genuine democratization program in 2007, while infighting between and within opposition parties should continue to weaken them. There appears to be little chance of progressing toward a resolution of the Nagorno-Karabakh conflict in 2007, as Armenia faces parliamentary elections in which the Karabakh issue is expected to feature prominently, although the possibility of a military standoff between Azerbaijan and Armenia is also remote.

Main Report

National Democratic Governance

1999	2001	2002	2003	2004	2005	2006	2007
n/a	n/a	n/a	n/a	n/a	6.00	6.00	6.00

Azerbaijan has a centralized presidential system, with an executive branch made up of the president, the Office of the President, the prime minister, and the Cabinet of Ministers. The president enjoys significant authority over the executive, legislative, and judicial branches and is elected directly by the people for a five-year term. The president appoints all cabinet-level government administrators.

President Ilham Aliyev (İlham Əliyev) maintained his strong position throughout 2006. His high-level ministerial and local executive appointments went uncontested, and an impressive level of economic growth continued to fuel the administration's popular support. In February, the president appointed Kemaleddin Heydarov (Kəmaləddin Heydərov), former chairman of the State Customs Committee, as minister of emergency situations and Fuzuli Alakbarov (Füzuli Ələkbərov), formerly in the private sector, as labor and social welfare minister.

Economic growth in the first nine months of the year came at an impressive 34 percent in comparison with the same period in 2006, partly because of the opening of the Baku-Tbilisi-Ceyhan oil export pipeline in late 2005. President Əliyev announced in October that 120,000 new jobs were created in 2006, while the total number of new jobs created since his election in 2003 reached 470,000.[1]

The president serves as commander in chief of the Azerbaijani armed forces. In this capacity, he oversees defense and security efforts undertaken by the prime minister and the ministers of defense, internal affairs, and security. The Defense Council, created prior to Azerbaijan's independence in 1991, reports to and advises the president on defense matters. President Əliyev announced in September 2005 that defense spending had increased from US$175 million in 2004 to US$300 million in 2005 and would double in 2006 to reach US$600 million.[2] There were several announcements in 2006 of progress made toward drafting a new National Security Concept. This was requested by the president in 2005 to precede the formulation and implementation of a new military doctrine[3] as part of the country's Individual Partnership Action Plan with NATO, but the document had not been completed by the end of 2006.

The legislative branch consists of the 125-member National Assembly (Milli Məjlis). Members are elected for five-year terms from single-mandate constituencies—a rule that was established by constitutional referendum in August 2002. The third National Assembly since independence was chosen in the November 2005 parliamentary elections, which gave the ruling New Azerbaijan Party (YAP) the largest number of seats—58 out of 125. The opposition parties won 10 seats, with the Free-

dom (Azadlıq) bloc getting 6 of these, and the mostly pro-government independents won 42 seats. The Nakhichevani (Naxçıvan) Autonomous Republic, an exclave of Azerbaijan bordering Armenia, Iran, and Turkey, has a 45-seat regional legislature, which was also renewed in November 2005. The YAP won 37 seats, while non-partisan candidates won 6 seats and Azadlıq 2 seats. The YAP gained 5 additional seats in the rerun elections in May 2006, bringing its total to 61; these polls were held in 10 districts where election results were annulled by the Constitutional Court.[4] The opposition won 2 seats (Ilyas Ismayilov [İlyas İsmayılov], leader of the Justice Party, and Fazail Ibrahimli [Fəzail İbrahimli], deputy chairman of the Civic Solidarity Party), with the remainder won by independents.

While the president cannot dissolve the Parliament, he enjoys a high level of authority over the legislature through the YAP, which remained firmly under his leadership in 2006. High-level YAP officials have already announced that Əliyev will be the party's nominee for the 2008 presidential elections, and preparations for the poll will begin as early as 2007.[5] During the year, the Parliament was boycotted by the mainstream opposition parties except for former parliamentary Speaker Isa Qambar (İsa Qəmbər)'s Equality (Müsavat) party, which won four of the six seats awarded to the Azadlıq bloc that joined Müsavat with the Popular Front of Azerbaijan (AXCP) and the Democratic Party of Azerbaijan (ADP) in the run-up to the November 2005 elections.[6] Lala Shovket Hajiyeva (Lalə Şövkət Hacıyeva), leader of the opposition Liberal Party, also rejected her mandate despite winning a parliamentary seat in November; a rerun vote for this vacant seat has yet to be announced.[7]

Parliamentary sessions are generally open to the media, but the public and media have little direct access to the financial operations of the government. It is difficult for the public or NGOs to obtain copies of draft laws and deputies' voting records, since these are not published in a consistent or timely fashion. The prime minister and the Cabinet of Ministers are required to present an annual report to the National Assembly at the beginning of the year, according to amendments approved by the 2002 constitutional referendum.

The National Assembly's Chamber of Commerce has not been effective in auditing governmental functions, and the Ministry of Finance has initiated only a few investigations into oil enterprises and Azerbaijani embassies abroad, which revealed irregularities. The Ministry of Economic Development's investigation into customs practices disclosed serious discrepancies in tariffs imposed on imported food products, yet no sanctions have been imposed on the State Customs Committee.

Electoral Process

1999	2001	2002	2003	2004	2005	2006
5.50	5.75	5.75	5.75	6.00	6.25	6.50

Elections in Azerbaijan have been characterized by significant irregularities and government interference in the voting process since independence, except for the

June 1992 election in which Abulfaz Elchibey (Əbülfəz Elçibəy), leader of the nationalist opposition AXCP, was elected president. Other elections were marred by serious fraud, including the 1993 presidential elections (in which Heydar Aliyev [Heydər Əliyev] won 99 percent of the vote after forcing out Elçibəy in an armed rebellion), the 1995 parliamentary elections, the 1998 presidential elections (in which Əliyev received more than 70 percent of the vote), and the 2000 parliamentary elections. The October 2003 elections that brought former prime minister İlham Əliyev to power with 77 percent of the vote and the November 2005 parliamentary elections were also deemed fraudulent by monitors, although the latter showed some improvements in election legislation and campaigning.

Azerbaijan held two rerun elections in 2006—reruns of parliamentary elections on May 20 and municipal elections on October 6—both of which showed some technical improvements. The election code was revised to divide the 18-member Central Election Commission equally among candidates put forward by the ruling party, opposition parties represented in the Parliament, and independent deputies. But the code continues to favor the ruling party in elections since there are only a few opposition deputies in the Parliament (six from five different parties), which hindered efforts to increase opposition representation in the commission prior to the reruns.

The parliamentary reruns in May were held in 10 constituencies (out of 125 in Azerbaijan) with an average turnout of 30 percent[8] and 154 candidates in the running.[9] The YAP gained five seats, the opposition gained two, and the independents gained three. The results of a U.S.-funded exit poll organized by the International Republican Institute did not significantly deviate from the results announced by the Central Election Commission. The election observation mission of the Parliamentary Assembly of the Council of Europe noted "improvements in voting process," indicating that there were no problems with the registration of candidates and that balloting on election day was conducted "at a proper and professional level." A May 15 statement by the OSCE's Office for Democratic Institutions and Human Rights called the vote "a welcome step toward increased transparency," praising authorities for "inclusive candidate registration" and "a largely unimpeded campaign." It also stressed a need for further electoral reforms and cited several "issues of concern, including the composition of election commissions, instances of interference by local authorities in the election process, and the handling of complaints and appeals by election commissions and courts."[10]

The government announced in June that repeat local elections would be held on October 6 in municipalities, where the results of the December 2004 polls were annulled. The government's decision came shortly after the Council of Europe threatened to exclude Azerbaijan from the Congress of Local and Regional Authorities if the reruns were not held by the end of 2006. The election was boycotted not only by the Azadlıq bloc, but also by Müsavat (which had attended the parliamentary reruns). Council of Europe observers noted technical improvement but also irregularities in the reruns, where the YAP won 1,115 of 1,931 contested seats.

The national opposition failed to maintain the unified stance it had briefly kept prior to the legislative elections in November 2005, and infighting between and within individual opposition parties dominated much of the year. The opposition Müsavat withdrew from the Azadlıq election alliance in February amid disagreements with its coalition partners over whether or not to participate in the reruns.[11] The second most influential opposition election alliance, New Politics (Yeni Siyasət), participated in the May revote but failed to win any seats.[12]

The central committee of the Azerbaijani National Independence Party (AMIP) decided to suspend the mandate of its leader, Ali Aliyev (Əli Əliyev), on January 9 owing to intra-party disagreements.[13] In late May, a congress of the opposition Müsavat reelected Isa Qəmbər unopposed for a third term, ignoring its own rule that party chairmen may serve no more than two consecutive terms. The party congress was held after a failed attempt to elect a new chairman of the party's governing council, which revealed a confrontation within Müsavat's senior leadership.

While tensions between and within opposition parties remained high, the government's attitude toward them also remained hostile throughout 2006. A Baku district court turned down an appeal by Ali Kerimli (Əli Kərimli), leader of the AXCP, to drop a criminal case brought against him in 1994. (Kərimli, who cannot get a passport until the district prosecutor's office closes the case, is forced to travel using special documents.) In July, a Baku court sentenced AXCP activist Sakhavat Babayev (Səxavət Babayev) to three years in prison for "commercial crimes." The authorities evicted the AXCP from its headquarters, citing commercial issues in November,[14] and a group of AXCP activists who protested the eviction in front of the Office of the President were jailed for almost two weeks.[15] Another local court sentenced ADP deputy chairman Natiq Afandiyev (Natiq Əfəndiyev) to five years in prison on charges of illegal possession of weapons.[16]

Civil Society

1999	2001	2002	2003	2004	2005	2006
4.75	4.50	4.50	4.25	4.50	4.75	5.00

In Azerbaijan, the freedom of association is recognized and protected by Article 58 of the Constitution and the European Convention on Human Rights, which came into force in the country in 2002. While grassroots activity continues to flourish, the Əliyev administration exerts a dominating influence on civil society organizations, particularly those critical of the government's democratic shortcomings, and the National Assembly has shown little willingness to engage NGOs in the legislative process or invite their input on draft legislation.

There are approximately 2,100 NGOs in Azerbaijan. The strongest and most active are concerned with internally displaced persons (IDPs) of the Nagorno-Karabakh region, health and children's issues, human rights and women's rights, and environmental and ecology issues. There are also 74 international aid organizations

active in the country, mainly assisting IDPs who have been expelled as a result of the Nagorno-Karabakh conflict. NGO representatives continue to complain about government restrictions, in particular how the government keeps many groups in legal limbo by not registering them officially.

Local financial support to NGOs is limited, as the tax code does not allow tax-deductible contributions. The code does provide tax exemption to charitable organizations unless they engage in entrepreneurial activities. Therefore, most NGOs rely primarily on foreign grants to continue their activities. The Law on NGOs prohibits civil society organizations from providing political parties with financial and other kinds of assistance, although they can conduct advocacy activities to improve laws and regulations.

Azerbaijan's educational system includes approximately 4,600 primary and secondary schools, 180 technical high schools, 90 colleges, and 27 institutions of higher education (including 8 universities and 5 academies). Education is compulsory for at least eight years according to the Constitution and is guaranteed by the state. The Ministry of Education develops state education policy and manages the educational system, which since independence has undergone no major structural changes. Those changes that have occurred include the reestablishment of religious education, banned during the Soviet Union's hegemony. Changes to the curriculum emphasize the use of the Azerbaijani language and have eliminated Marxist-Leninist content.

While universities are increasingly venues for political activity, the cases of Turan Aliyev (Turan Əliyev) and Namik Feyziyev (Namiq Feyziyev), students at Baku State University and Azerbaijan State Pedagogical University, respectively, represented a trend in rising governmental pressure on youth activists. Əliyev (no relation to the president) was involved in the AXCP, while Feyziyev was a member of the New Thinking (Yeni Fikir) youth organization. Expelled at the end of 2005, the students joined other opposition activists in a 21-day hunger strike, claiming the expulsions were politically motivated. This event received significant international attention,[17] especially after four strike participants, including Əliyev and Feyziyev, were hospitalized. After a January 19 meeting attended by U.S., U.K., and Norwegian diplomats and representatives of the Council of Europe and Azerbaijani NGOs, Education Minister Misir Mardanov (Misir Mərdanov) pledged that the students would be allowed to resume their education, although they would have to repeat a year to make up for missed classes. But Mərdanov's decision was ignored by the heads of the two universities, and neither of the students was reinstated by the end of the year. As a result of his expulsion, Turan Əliyev was called to do his military service, and by last account, both students had left the country to seek political asylum in Western Europe.[18]

Former students of the Independent Azerbaijan University (IAU), whose license was revoked by the Ministry of Education in May, staged several protests during 2006, demanding the return of tuition fees and transfers to other universities. Police dispersed the most recent rally on November 8, at which there were 200 demonstrators, with 1 detained and 3 injured. A group of former IAU students who

were hunger striking were expelled by force from the university by an independent security firm on November 2, with 1 of the students beaten.[19] A group of 57 students who were not transferred to other universities started another hunger strike on November 21[20] and had not stopped by the end of the year. The State Commission for Student Admission, which is responsible for approving admissions to all higher education institutions, announced on November 21 that it had never approved the admission of nearly 1,700 students to the IAU.[21]

The prominent role played by young people in Georgia's Rose Revolution in 2003 and Ukraine's Orange Revolution in 2004 has led in part to the Azerbaijani government's suspicion of youth involvement in civil society-related projects. Underscoring that suspicion was the 2005 arrest of Ruslan Bashirli (Ruslan Bəşirli), head of the Yeni Fikir youth group, on charges of conspiring to carry out a coup attempt. Yeni Fikir—one of the largest youth organizations in the country, with a reported membership of 2,000—often cooperates with Azadlıq. In a closed proceeding in July, the Court on Serious Crimes sentenced Bəşirli and his two deputies, Ramin Tagiyev (Ramin Tağıyev) and Said Nuri (Səid Nuri), to four to seven years' imprisonment each for the alleged coup attempt. The opposition condemned the verdict as politically motivated, while the United States and OSCE also criticized the ruling. The court of appeals upheld the rulings while reducing Tağıyev's imprisonment term by one year.[22] Ali Ismayilov (Əli İsmayılov), chairman of the No (Yox) movement, was detained briefly by the Baku Police Department on October 17[23] and warned not to organize a rally in the city for the country's Independence Day on October 18. He later claimed to have been detained overnight by unidentified people who questioned him on the planned rally.[24]

Youth initiatives that focus less on the government's democratic shortcomings and more on day-to-day issues and education have managed to overcome official skepticism. The Baku-based Alumni Network is pressing ahead with a campaign named the Future Does Not Come on Its Own, which calls on the administration to use oil and gas export profits to improve the educational system. The group wants the government to fund 500 scholarships for deserving students to study at top international universities. The American Alumni Association, another youth initiative, has gained prominence by promoting public debate on several issues, including Baku's traffic problems, education reform, and the socially conscious use of oil and gas revenues.[25]

Meanwhile, NGOs criticized a trip made by the Azerbaijani National Committee of the Helsinki Citizens' Assembly to Armenia to meet representatives from Armenia and the Karabakh region. The Civic Solidarity youth organization announced on September 11 that the meeting attendees, including rights activists and journalists, should be stripped of their citizenship,[26] while the Karabakh Liberation Organization criticized the trip as being against Azerbaijan's national interests, reminding the public that the Gughark camp meeting site was where over 30 Azerbaijanis were killed during the Karabakh war in the early 1990s.[27]

Nearly 96 percent of Azerbaijanis are Muslim. There are 1,300 officially certified mosques in the country, although no more than 500 offer regular religious

services. The government founded the State Committee for Work with Religious Associations (SCWRA) in 2001 to reregister religious groups, giving its chairman sweeping powers that included control over religious literature. The SCWRA has registered 321 Muslim and 31 non-Muslim communities so far. Of the registered non-Muslim communities, 20 represent Christianity, 7 Judaism, 3 Baha'ism, and 1 Krishnaism.[28] A group of female students sued Sumqayıt State University in November for not being allowed to attend classes wearing the Muslim head scarf.[29] The Ministry of Education later announced that Azerbaijani law does not ban students from wearing head scarves in school,[30] and the students were reinstated following an intervention by Ombudsman Elmira Süleymanova.[31] An opinion poll conducted by Ray (Opinion) monitoring center among 600 people in Baku and Sumqayıt found that 76.1 percent of respondents think there is no danger of an Islamic revolution in Azerbaijan. Only 6.3 percent believe there is danger of an Islamic revolution, and 17.6 percent could not answer.[32]

Muslim religious groups must receive a letter of approval prior to registration from the state-dominated Caucasus Muslim Board (DUMK), a body that appoints Muslim clerics to mosques and monitors sermons. The DUMK, headed by "Sheikh" Allahsukur Pasazada (Allahşükür Paşazadə), also has a monopoly over the selection of pilgrims and the organization of the Hajj, the annual Muslim pilgrimage to Mecca. The first chairman of the SCWRA, Rafiq Aliyev (Rafiq Əliyev), was replaced with Hidayat Orujov (Hidayət Orucov), who in August 2006 held the committee's first meeting with the DUMK since its establishment five years ago. Orucov pledged increased cooperation with the DUMK during his term, while blaming the committee's previous management for thwarting the registration of religious communities and failing to adequately monitor religious groups, particularly religious texts imported to Azerbaijan.[33]

Independent Media

1999	2001	2002	2003	2004	2005	2006	2007
5.50	5.75	5.50	5.50	5.75	6.00	6.00	[illegible]

The National Assembly adopted Azerbaijan's Law on Mass Media in 2000. It guarantees freedom of speech, support for media, access to information, and protection of journalist rights. In practice, though, Azerbaijan's media sector encounters numerous obstacles to conducting its work and maintaining independence; this is especially true of media that are critical of official corruption and the government's democratic shortcomings. Azerbaijani authorities resist demands by the OSCE and the Council of Europe to abolish Articles 147 and 148 of the criminal code, which make a journalist criminally responsible for defamation.

Television dominates radio and newspapers as the chief media source in Azerbaijan. There are 6 channels that broadcast to a national audience (AzTV, ITV, ANS, ATV, Lider TV, and Space TV) and 12 regional TV channels. Russian

state-owned and Turkish channels also broadcast in Azerbaijan. A November 2006 opinion poll conducted by the Democratic League of Journalists among 1,000 people in Baku and Sumqayıt found Azad Azərbaycan TV (ATV) to be the most popular television station with 44 percent of the viewers surveyed, followed by independent TV channel ANS and the state-owned Public TV. The latter, also known as ITV, was opened in 2005 by the authorities to meet a Council of Europe demand to establish an independent public broadcaster. Both channels were watched regularly by 32 percent of the viewers. Meanwhile, 72 percent said they prefer ANS for news, while 73 percent said they preferred ATV for entertainment programs. AzTV was considered the most partial broadcaster,[34] leading 69 percent to report they preferred to keep up with current news developments by watching ANS.[35]

A monitoring study by the independent Najaf Najafov (Nəcəf Nəcəfov) Foundation into the activities of ITV between June and November 2006 found an increase over the previous period in broadcasting in foreign languages, particularly Russian and English, with the share of Azerbaijani-language programs reduced to 76 percent from 90.8 percent. Entertainment programs made 56 percent of the broadcasts, while 79 percent of ITV's programming was deemed impartial, although this did not include news programs that, according to the study, maintained a one-sided coverage of events.[36] Results for August found that there had been an improved level of impartiality since the 2005 parliamentary election and that ITV allotted most of its airtime to local developments (62.8 percent), while foreign news was broadcast 37.2 percent of the time. In total, 37 percent of the news was about politics, 5.2 percent about economics, 37.8 percent about social issues, 2 percent about culture, 10 percent about sports, and 8 percent about the weather.[37]

In a controversial November decision, the National Television and Radio Broadcasting Council (NTRBC) demanded that local channels, particularly ANS TV and ANS CM radio, acquire a special license to rebroadcast programs from international media, such as the British Broadcasting Corporation (BBC), Radio Free Europe/Radio Liberty (RFE/RL), and Voice of America, and stated that rebroadcasting foreign news material without a license would be punishable by severe sanctions.[38] (The NTRBC was set up in 2003 but began active work in March 2005 after the National Assembly amended the Law on TV and Radio Broadcasting.)[39] Ali Hasanov (Əli Həsənov), head of the public and political department of the presidential administration, stated in October that the dispute stemmed from differences in pricing for local and foreign companies (US$600 and US$100,000, respectively) and that local media outlets that had received frequencies at such discounted prices should not sell or rent them to foreign companies.[40] The radio and television stations affected by the NTRBC decision retransmit foreign broadcasts for 30 to 45 minutes a day, according to media estimates.[41]

On November 24, without prior written notification or court order, the authorities closed down ANS TV and ANS CM radio[42] for continued violations of the Law on TV and Radio Broadcasting, according to the NTRBC.[43] Their frequencies were put to a public tender on December 2, and participants were given just over a month to make bids.[44] The channels were allowed to resume operations a week

later owing to national[45] and international protest,[46] although under the condition that ANS participate in the tender by January 5 to reclaim its frequencies.[47] The NTRBC also issued separate broadcasting frequencies to the BBC and RFE/RL on December 8.[48] The council decided on December 28, however, that only those Russian or Turkish channels that are covered by intergovernmental agreements with the respective countries would be allowed to continue broadcasting in Azerbaijan.[49]

ANS faced other troubles in 2006, as the Ministry of Taxes began an inspection of all enterprises in the ANS Group in March. The ministry claims that the company owes 31,000 manats (nearly US$35,000) for various tax violations. ANS itself maintains that an audit by Ernst & Young and local companies found no evidence of wrongdoing,[50] yet it lost an appeal against the fine at Economic Court I, leading to a temporary freeze of the company's accounts by the Ministry of Taxes.[51] Additionally, the company's top two officials were questioned by the prosecutor's office in connection with a criminal case initiated by employees of the Azerbaijani National Academy of Sciences, who accused ANS of breaching intellectual copyrights in a book titled *Azeris,* published by ANS.[52]

Since the formal banning of censorship in 1998, the print media in Azerbaijan have remained freer than television and radio outlets, although they too are generally biased in their coverage. The overall quality of journalism and reporting remains substandard and unprofessional. Most newspapers cover scandal-oriented political news rather than social or economic developments. Of the 2,470 newspapers and journals published in Azerbaijan, the most popular are *Yeni Müsavat* (7 percent of readers surveyed), *Zerkalo* (7 percent), *Azərbaycan* (5 percent), *Xalq Gəzeti* (5 percent), *Azadlıq* (4 percent), *Ekho* (4 percent), and *Azərbaycan Müəllimi* (4 percent). The Russian dailies *Ekho* and *Zerkalo* are generally considered to be neutral and bipartisan. Other popular newspapers such as *Yeni Müsavat* and *Azadlıq* serve as the political mouthpieces of certain opposition parties and are generally blamed for unprofessional reporting. The pro-government, state-funded newspapers *Xalq Gəzeti* and *Azərbaycan* cover only the ruling party's position on issues.

The State Committee for the Management of State Property sent a letter on July 4 to the editorial office of *Azadlıq* demanding rent payments for the years 1997 to 2006, a total of 30,904 manats (nearly US$35,375)—the newspaper refused to pay unless it is allowed to sign a rental agreement.[53] In response, the committee filed a suit demanding that the paper and other entities in the building (that is, the Turan news agency, *Bizim Yol* newspaper, and the AXCP) be evicted and the debt to the state recovered. The committee announced on November 16 that it offered the institutions new premises in separate districts, yet the new premises were located in suburbs and are much smaller than the current offices.[54] Despite national and international protest, the entities were evicted from their headquarters on November 24.[55] An official order issued in 1992 (when the AXCP was in power) by the Baku Office of the Mayor ruled that the entities could use their current building rent-free indefinitely, but the management of the building was transferred to the state committee upon its establishment in 1997.[56] With 6,000 copies in circulation, *Azadlıq* is one of the most popular opposition newspapers in Azerbaijan.

In November, Qanimat Zahidov (Qənimət Zahidov), the newspaper's editor in chief, held a 15-day hunger strike in protest of the government's eviction efforts and was subsequently hospitalized.[57]

Opposition journalists continued to face legal and other troubles throughout 2006. Bahaddin Haziyev (Bahəddin Həziyev), editor of *Bizim Yol* and a deputy chairman of the AXCP, was severely beaten by unidentified assailants on May 19.[58] *Azadlıq* reporter Fikret Huseynli (Fikrət Hüseynli) was kidnapped and beaten by unidentified assailants on March 5 in Baku.[59] Sakit Zahidov (also known as Mirza Sakit [Mirzə Sakit]) from *Azadlıq* was sentenced to three years in prison on charges of possession and use of illegal drugs, a decision that was criticized by Reporters Without Borders and the Committee to Protect Journalists as "trumped up" and "politically motivated."[60] The sentence was upheld by the court of appeals on December 15.[61] Nicat Hüseynov, another *Azadlıq* journalist who has written on official corruption, was assaulted at knifepoint and wounded on December 25.[62]

Tensions between Interior Minister Ramil Usubov and media outlets over their decade-long reporting on the criminal gang led by ministry official Haji Mammadov (Hacı Məmmədov) resulted in a series of lawsuits during the year. A Baku district court gave Einulla Fatullayev (Eynulla Fətullayev), editor in chief of the weekly *Realnıy Azerbaydjan* and the daily *Gündəlik Azerbaijan*, a suspended two-year jail sentence (later turned into a one-year suspended sentence) and a fine of 5,000 manats (nearly US$5,650) on September 26, while *Realny Azərbaycan* was fined 10,000 manats (nearly US$11,300) for having "insulted the honor and dignity" of the minister.[63] An article in the weekly had alleged that Usubov must have known about the gang. Founded in 2005, *Realnıy Azerbaydjan* has become one of the best-read political publications in Azerbaijan, with a circulation of 30,000 copies. Its daily partner has a circulation of 11,000.[64]

Fikrat Faramazoglu (Fikrət Fərəməzoğlu), editor in chief of *24 Saat*, was also given a one-year suspended sentence on August 25 after Usubov sued him for libel and insult.[65] The Press Council appealed to Usubov after *Yeni Müsavat* editor Mustafa Hajibayli (Mustafa Hacıbəyli) and correspondent Sabuhi Mammadli (Səbuhi Məmmədli) received threats in connection with articles covering the Məmmədov trial.[66] The personnel of Baku's Nizami District Police Department and police veterans issued a public statement on September 6 praising Usubov for his professionalism and loyalty to the state and demanding the closure of newspapers that published reports that, in their view, damaged the reputation of the police.[67]

Samir Sadaqatoglu (Samir Sədaqətoğlu), editor of *Sənət*, and Rafiq Tagi (Rafiq Tağı), a *Sənət* writer, were sentenced to a two-month imprisonment for publishing an article that insulted the prophet Muhammad. It is noteworthy that some high-profile opposition supporters such as Ilgar Ibramimoglu (İlqar İbrahimoğlu), the former imam of the Juma (Cümə) mosque in Baku, made supportive comments of the decision, while residents of the conservative town of Nardaran near Baku stated that the writers should be given death sentences.[68] It was rumored that the detainees were sent to the National Security Ministry's remand center, as the authorities were

concerned that the Muslim inmates in a high-security prison could harm them.[69] The issue triggered public protests against *Sənət* and the detainees.[70]

There were some positive developments regarding independent media in 2006. On February 9, President Əliyev issued an order that annulled some US$420,000 in debts owed by more than 150 media outlets to the main state-held printing press, a course of action that Əliyev stated would further the development of a free and independent press.[71] The bulk of the debt was held by *Səs*, published by the YAP, but many independent newspapers owed significant amounts to the printing house as well. President Əliyev also pardoned Sahin Agabeyli (Şahin Ağabəyli) of *Milli Yol* and Sami Adigozelli (Samir Adıgözəlli) of the newspaper *Böyük Millət*, who were convicted of slandering Minister Usubov and a university official, respectively.[72] Both men had already served 10 and 4 months of their 1-year prison sentences, respectively,[73] which were earlier protested by the OSCE.[74]

Internet access remains free of governmental control and influence, but a mere 5 percent of the country is actually connected to the Internet, according to the International Telecommunications Union. There are currently 15 to 18 computers per 1,000 people in Azerbaijan. The number of Internet cafés around the country has increased rapidly, but there were a few instances where owners were harassed by the authorities.

Local Democratic Governance

1999	2001	2002	2003	2004	2005	2006	2007
n/a	n/a	n/a	n/a	n/a	6.00	6.00	6.00

Azerbaijan is divided into 59 districts, 11 cities, and 1 autonomous region, the Naxçıvan Autonomous Republic (NMR), which itself is subdivided into 7 districts and 1 city. Local executive committees (excoms) and municipal councils share power at the local governmental level. Although the Constitution defines municipalities as bodies for local self-government, the municipal councils lack a complete legal framework and proper funding and are subordinate to the excoms. The president appoints the members and heads of the excoms, as required by the Constitution, whereas seats on municipal councils are filled through municipal elections held every five years. The government set up municipal councils for the first time in 1999, but the municipal elections held that same year and in December 2004 were characterized by the OSCE as falling short of international standards.

President Əliyev replaced seven district heads in 2006. In October, he appointed Vidadi Maharramov (Vidadi Məhərrəmov) to replace Sahib Alakbarov (Sahib Ələkbərov) as head of the Kelbajar (Kəlbəcər) district—currently under occupation—and Aziz Azizov (Əziz Əzizov) was appointed to replace Taleh Qaraşov as head of the Jalilabad (Cəlilabad) district. Qaraşov was ubsequently reappointed to replace Fazail Alisov (Fəzail Alışov) as head of the Nefrjala (Neftçala) district. In September, Xazar Aslanov (Xəzər Aslanov) was appointed head of the Yardimli (Yardımlı)

district, replacing Qazanfar Agayev (Qəzənfər Ağayev), who became head of the Masalli (Masallı) district excom. Mahir Quliyev replaced Oqtay Abbasov as regional excom head for the Astara district,[75] while Nimzami Alakbarov (Nizami Ələkbərov)—brother of the labor and social security minister—was appointed to replace Rovsan Sadixov (Rövşən Sadıqov) as head of the Ismayilli (İsmayıllı) district. He also dismissed Aftandil Aliyev (Aftandil Əliyev)—no relation to the president—as head of the executive authorities of Sadarak (Sədərək) district in the NMR.

The government held repeat local elections in 603 municipalities on October 6, where results from the December 2004 polls were annulled. The decision came shortly after the Council of Europe threatened to exclude Azerbaijan from the Congress of Local and Regional Authorities if the reruns were not held by the end of the year. The voter turnout was nearly 34 percent.[76] The opposition Azadlıq bloc and Müsavat boycotted the election, citing vote rigging in previous polls. Council of Europe observers noted technical improvements alongside some irregularities in the reruns, where the YAP won 1,115 of 1,931 contested seats. On October 25, the Central Election Commission deemed the results invalid in three municipalities owing to serious violations of the law. The election in Nardaran village outside Baku was postponed, as only 11 candidates ran for the 11 seats there; under the law, the number of candidates must exceed the number of seats.[77]

The transfer of a special Baku police unit to the Ministry of the Interior raised questions over whether the government was seeking to strengthen the ministry's influence in the regions. The Rapid Reaction Regiment was used to disperse unsanctioned opposition rallies in Baku during the 2005 parliamentary election campaign. In August 2006, Interior Minister Ramil Usubov issued instructions to place the unit, which to date had operated only in Baku, under his ministry's authority.[78] Based on the order, the regiment will also include a new special-purpose police detachment to ensure public order. Interior Ministry spokesperson Ehsan Zahidov explained the transfer as an effort to centralize special-purpose police operations.

The freedom to demonstrate was curtailed in the Absheron (Abşeron) district with the arrest of around 60 residents, reportedly to preempt protests on socioeconomic problems during the president's visit to the region.[79] The police dispersed a demonstration outside the Iranian embassy in Baku on June 16, briefly detaining 10 activists from the AXCP who protested the violence against the ethnic Azeri minority in Iran.[80] On January 25, gunfire broke out between police officers and residents of Nardaran. Three people were killed and a number of civilians injured.[81]

The Baku Office of the Mayor refused several requests by the AXCP and independent media representatives to hold protests against their headquarters evictions, and unauthorized pickets by the groups were dispersed forcefully by the police.[82] Müsavat party representatives were also refused permission by the Office of the Mayor to hold an antigovernment rally in Baku,[83] while an unauthorized rally attempt by the radical Karabakh Liberation Organization ahead of an OSCE visit to Baku was thwarted by the police.[84]

Meanwhile, the right to strike was generally respected by authorities. Most recently, about 30 local staff from the Great Wall Drilling Company of China operating in Salyan went on strike on September 30 to demand pay raises, proper overtime pay, and the reinstatement of employees who were reportedly fired by the company when they raised these issues. The Confederation of the Trade Unions of Oil and Gas Industry Workers said that it would try to resolve the issue, although the Chinese company was not a union member.[85] Demands by workers of the Saki Silk (Şəki Silk) joint stock company to reduce work hours and increase wages were partially met following September talks between the company's management and the excom of the Şəki district.

According to a decree issued by Vasif Talıbov, chairman of the local legislature in the NMR, all staff members of publicly funded agencies are required to do weekly volunteer work, such as cleaning streets and collecting rubbish. Reportedly, two schoolteachers, Tavakkul (Təvəkkül) and Yaqub Seyidov, were sacked on November 1 for refusing to do community work.[86]

Official statistics on regional living conditions are scarce. The World Bank estimates that 49 percent of Azerbaijan's 8.4 million population lived below the poverty line in 2005.[87] Some 80 percent of rural households receive remittances from friends and relatives abroad to help make ends meet, according to the government's 2005 Household Survey Data. The United Nations World Food Programme has estimated that food supplies are uncertain for between 400,000 and 600,000 residents of the country's rural regions, which contain just over 48 percent of the population.

The Azerbaijani government continued to have no administrative control over the self-proclaimed Nagorno-Karabakh Republic and the seven surrounding regions (Kelbajar [Kəlbəcər], Gubatli [Qubadlı], Djabrail [Cəbrayıl], Fizuli, Zengilan [Zəngilan], Lachin [Laçın], and Agdam [Ağdam]) that are de facto controlled by Armenia. This area constitutes about 17 percent of the territory of Azerbaijan. On December 10, the Nagorno-Karabakh Republic held a constitutional referendum (unrecognized by the Azerbaijani authorities and the international community)[88] in which a draft Constitution was approved by a majority of voters.[89]

Judicial Framework and Independence

1999	2001	2002	2003	2004	2005	2006	2007
5.50	5.25	5.25	5.25	5.50	5.75	5.75	5.75

The Azerbaijani Constitution, adopted in 1995, provides a wide range of human rights protections, yet these rights are often violated in practice. Judicial power is implemented through the Constitutional Court, Supreme Court, Economic Court, and the ordinary and specialized courts. Judges of the high courts are

appointed by the National Assembly on the recommendation of the president and remain heavily dependent on the executive branch. The president appoints and dismisses the prosecutor general of the Azerbaijan Republic. The judiciary's independence and efficiency continued to be questioned in 2006 as the trials of former government ministers, including former economic development minister Farhad Aliyev (Farhəd Əliyev) (no relation to the president) remained unconcluded —or not yet opened—after more than a year and an investigation into the tragic murder of journalist Elmar Hüseynov had not yet been completed.

The Law on the Judicial Legal Council, as well as the law amending and completing the 1997 Law on Courts and Judges, entered into force in January 2005. In a positive move, the National Assembly made changes to the Law on Advocacy that went into effect in August 2005, simplifying the requirements for over 200 formerly licensed lawyers to join the Collegiums of Advocates (the bar) and practice law whether or not they have passed a separate bar exam. Other legislation established a new selection process for judges, which has set a more professional standard according to international observers.

Meanwhile, more than a year after their arrest, the case of former economic development minister Farhəd Əliyev and former health minister Ali Insanov (Əli İnsanov), both charged with plotting a coup on the eve of Azerbaijan's 2005 parliamentary elections, had yet to come to court. The allegations raised by the Office of the Prosecutor General suggested that the former ministers—as well as Əliyev's brother Rafiq Aliyev (Rafiq Əliyev), former chairman of the energy firm Azpetrol (not to be confused with former SCWRA chairman Rafiq Əliyev)—and other former government officials were involved in a far-reaching plot to take over the government, a charge that was denied by all defendants.[90] Amnesty International and Human Rights Watch voiced concerns over the delay in granting Farhəd Əliyev a public hearing, while a case for the violation of his right to a fair trial was registered with the European Court of Human Rights. Əliyev's lawyers claimed that Əliyev and his brother were being kept in solitary confinement and were forbidden to meet with their families and legal counsel.[91] On October 13, the Office of the Prosecutor General barred lawyer Adil Ismayilov (Adil İsmayılov) from defending Farhəd Əliyev owing to "a grave violation of criminal and procedural law and the norms of attorney ethics," which was nevertheless unspecified by the authorities.[92]

On October 4, a district court judge prolonged the detention of Əliyev, İnsanov, and others for an additional six months while the investigation into their case continued.[93] Under the criminal code, pretrial detention can last for up to 18 months. Alihuseyn Saliyev (Əlihüseyn Şaliyev), a former department head in the Ministry of Economic Development who was among those accused of plotting the coup, committed suicide in custody on August 24. This occurred while Şaliyev was in the prison's hospital, recuperating from an earlier hernia operation.[94] Farhəd Əliyev complained on several occasions of the authorities' failure to respond to his health problems, especially the inadequacy of the Justice Ministry hospital, where he claimed he was unable to receive a proper heart exam.[95] A Baku court decided on December 12 that Farhəd Əliyev's property should be impounded.[96]

Akif Muradverdiyev, a former presidential administration official also arrested for involvement in the alleged coup attempt, was sentenced in a separate trial involving detailed charges of corruption and embezzlement.[97] Meanwhile, Fikret (Fikrət) Yusifov, a former finance minister who had made the allegation that the Əliyev brothers were cooperating with opposition leader Rasul Guliyev (Rəsul Quliyev) to overthrow the regime, was reportedly released on November 9 on the basis that he had served two-thirds of his 18-month sentence for illegal possession of weapons.[98] A local court sentenced ADP deputy chairman Natiq Afandiyev (Natiq Əfəndiyev)—a former Ganja city police chief who was among those arrested in October 2005—on charges of a coup attempt and organizing mass disturbances; he received five years in prison on charges of illegal possession of weapons. Əfəndiyev's lawyer, Vuqar (Vüqar) Xasayev, stated on September 7 that the court had not satisfied any of the solicitations of the defense and refused to question witnesses for the defense.[99] The court of appeals upheld the sentence on November 20.[100]

The trial became further complicated on August 18 when Haji Mannadov (Hacı Məmmədov) announced that he had ordered the March 2005 murder of opposition journalist Elmar Hüseynov on behalf of Farhəd Əliyev.[101] Məmmədov was already facing charges for running a large criminal gang over the past decade that conducted contract killings and abductions for ransom.[102] The alleged crimes included the murders of Rovshan Aliyev (Rövşən Əliyev), who was then deputy chief of the Serious Crimes Department within the Office of the Prosecutor General, and the abduction of the wife of the chairman of the International Bank of Azerbaijan. Farhəd Əliyev rejected the accusations in a public statement on July 26.[103] Usubov also expressed reservations about the reliability of Məmmədov's statements.[104]

Despite the confusion created by Məmmədov, there were indications that the authorities had made progress in finalizing the investigation into the Hüseynov murder. Visiting Brussels in early November, President Əliyev pledged that the government was carrying out a serious investigation and Hüseynov's murderers would be found swiftly. He said Azerbaijan was cooperating with international law enforcement agencies on the issue and waiting for Interpol to make progress in finding the suspected killers (Teymuraz Aliyev [Teymuraz Əliyev] and Tahir Xubanov, both citizens of neighboring Georgia), who were outside the country.[105]

Azerbaijan's prison conditions remained harsh in 2006. Even after a number of renovations and the construction of five new prisons in 2004, the majority of prisoners still depended on their families for basic needs, such as food and medicine, with tuberculosis the primary cause of death in prisons. Some pretrial detainees were kept in solitary confinement, where interrogators reportedly deprived them of food and sleep to secure confessions without physical evidence of abuse.

Yuri Safaraliyev (Yuri Səfərəliyev), an inmate with a life sentence, was reported to have committed suicide at the Qobustan high-security prison on September 25.[106] Another inmate in the same prison, Kamandar Aslanov, died mysteriously on August 14, and Baku's Qaradag (Qaradağ) District Office of the Prosecutor started an investigation into his death.[107] Səfərəliyev was the ninth death in the high-security prison in the past 18 months, according to rights advocates.[108] The tenth

came on December 4, when Mahir Mustafayev, who was serving a life sentence, was reported to have died from burn wounds sustained during a fire that started in his cell.[109]

Corruption

1999	2001	2002	2003	2004	2005	2006	2007
6.00	6.25	6.25	6.25	6.25	6.25	6.25	6.25

Corruption remains one of the most problematic issues in Azerbaijan, yet there was improvement in a number of areas in 2006. Fewer complaints were registered with Transparency Azerbaijan, the local partner of the NGO Transparency International. Also, ongoing investigations within the Ministry of the Interior made headway in undercutting day-to-day corruption, and the government appeared to be taking steps toward increasing transparency in the accounting procedures of the country's national oil fund, which has continued to expand with the boom in oil revenues.

Azerbaijan's rating in Transparency International's 2006 Corruption Perceptions Index increased to 2.4 (a slight improvement from 2.2 in 2005), and the country was ranked 130 among the 163 surveyed (near the bottom of the scale, which signifies the highest level of corruption perception). In September, Rana Safaraliyeva (Rəna Səfərəliyeva), executive director of the Baku-based Transparency Azerbaijan, stated that 25 percent of complaints received by the NGO dealt with the judicial system and 15–20 percent with local government bodies and executive authorities. She added that there were "noticeable" positive changes in the traffic police and the pension system from measures taken against corruption.[110]

During the year, the Ministry of the Interior carried out criminal investigations of 40 policemen who were allegedly involved in corruption, while the same number of policemen were laid off earlier as a result of previous investigations.[111] Two of those sacked by the minister were Vüqar Abbasov, chief of criminal investigation of the Mingechavur (Mingəçevir) Police Department, and Elchin Musayev (Elçin Musayev), an inspector in the same department, both of whom were involved in the torture and killing of a man named Rasim Alisov (Rasim Alışov) while in custody.

The criminal code does not define penalties for most corrupt activities other than bribery, although it forbids a government official from receiving gifts valued at more than US$55, holding other jobs (other than teaching or in the arts), and "being engaged in business activity directly, indirectly, or through proxies." In September 2005, a soft measure against low-level corruption was initiated with the increase of monthly salaries for regular traffic police to US$350 and for officers to between US$500 and US$700. The average monthly salary in Azerbaijan was 138.5 manats (approximately US$116) for the period between January and August 2006.[112]

A new Law on Combating Corruption, which defines corruption and outlines official responsibilities, and a State Program on Fighting Corruption came into

force in January 2005. In addition, the statute for an Anticorruption Commission set up in April 2004 was approved in May 2005. The commission is led by Ramiz Mehdiyev, head of the Office of the President, and is composed equally of presidential, parliamentary, and Constitutional Court appointees, but it lacks the participation of civil society and media representatives. The commission created an ad hoc Anticorruption Legislative Working Group, which has met four times in 18 months but has yet to have a direct effect on any cases. The group is staffed with 13 government officials, 3 NGO representatives, and 2 foreign experts from the American Bar Association's Central European and Eurasian Law Initiative and the OSCE. The NGO and international organization representatives do not have voting rights.

In a significant step toward increased transparency, the National Assembly approved a new Law on Access to Information in December 2005, although a number of important provisions have yet to be enforced. The administration has not appointed a media ombudsman, which according to the law should have occurred within six months. A group of lawyers and rights organizations appealed to President Əliyev on November 4[113] that a number of government agencies, municipalities, and legal entities that possess information of public importance had not yet established information services or Web sites despite such provisions in the law.

In 2006, the transparency of operations of the State Oil Fund of the Azerbaijani Republic (SOFAZ) was the most significant indicator of public accountability in the use of the country's massive oil revenues. Set up in 1999, the SOFAZ had assets totaling almost US$1.6 billion as of June 2006[114] and is accountable only to the president, who has the right to appoint its chairman and advisory council. In 2002, the Azerbaijani government joined an international anticorruption effort called the Extractive Industries Transparency Initiative. The International Monetary Fund and the World Bank welcomed the move, since the initiative requires oil companies to publicly report payments to the SOFAZ.

The SOFAZ spent about US$288.4 million of the US$412.3 million it received in the first half of 2006. Approximately US$29.8 million was allocated to development projects, including housing construction, while over US$207 million was transferred to the state budget, with no further information provided. The remainder was used to finance Azerbaijan's debt in the Baku-Tbilisi-Ceyhan oil pipeline project.[115]

A corruption trial against Akif Muradverdiyev, former presidential administration official, was concluded on October 31. Facing charges of serious embezzlement of public funds, abuse of public office, and bribe taking, Muradverdiyev was given a six-year prison sentence.[116] The authorities also launched a criminal case on March 3 against Barmek Azerbaijan, a private power distribution company operated by the multinational Turkish firm Barmek Holding. The Office of the Prosecutor General alleged that Farhəd Əliyev struck a deal with Barmek Holding board chairman Hüseyin Arabul to take a 50 percent stake in Barmek Azerbaijan. Since 2002, this company has managed the power distribution system for Azerbaijan's

Abşeron peninsula, including the country's two largest cities, Baku and Sumqayıt. Prosecutors state that under the terms of Barmek's 25-year agreement with the government, the Turkish company was supposed to be the sole owner of Barmek Azerbaijan. On December 8, six employees of the firm were sentenced by the Court on Serious Crimes to 1.5 to 3.5 years in prison on charges of abuse of power and misappropriation.[117]

Thirty-three percent of Azerbaijanis report they have paid bribes; 20 percent say they have been asked for bribes but have not paid; and 33 percent say they have not been asked for bribes. Among Azerbaijanis who have paid bribes, the most common occasions are for medical care (12 percent) and higher grades for their school-age children (6 percent), states the IFES 2004 survey Public Opinion in Azerbaijan.

The National Assembly's Audit Chamber remains weak and inefficient, and NGOs and media lack access to information about its activities or statistics regarding government revenues and expenditures. So far, the state has failed to enforce an effective legislative or administrative process—and one free of prejudice against political opponents—to investigate the corruption of government officials and civil servants. The law bans anonymous tip-offs on corrupt activities, but as yet there are no effective legal protections for witnesses.

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Belarus

by Vitali Silitski

Capital:	Minsk
Population:	9.8 million
GDP/capita:	US$7,903
Ethnic Groups:	Belarusian (81.2%), Russian (11.4%), Polish (3.9%), Ukrainian (2.4%), other (1.1%)

The economic and social data on this page were taken from the following sources.

GDP/capita, Population: *Transition Report 2006: Finance in Transition* (London, UK: European Bank for Reconstruction and Development, 2006).

Ethnic Groups: *CIA World Fact Book 2007* (Washington, D.C.: Central Intelligence Agency, 2007).

Nations in Transit Ratings and Averaged Scores

	1999	2001	2002	2003	2004	2005	2006	2007
Electoral Process	6.75	6.75	6.75	6.75	6.75	7.00	7.00	7.00
Civil Society	6.00	6.50	6.25	6.50	6.75	6.75	6.75	6.50
Independent Media	6.75	6.75	6.75	6.75	6.75	6.75	6.75	6.75
Governance*	6.25	6.25	6.50	6.50	6.50	n/a	n/a	n/a
National Democratic Governance	n/a	n/a	n/a	n/a	n/a	6.75	7.00	7.00
Local Democratic Governance	n/a	n/a	n/a	n/a	n/a	6.50	6.50	6.50
Judicial Framework and Independence	6.50	6.757	6.75	6.75	6.75	6.75	6.75	6.75
Corruption	5.25	5.25	5.25	5.50	5.75	6.00	6.25	6.25
Democracy Score	6.25	6.38	6.38	6.46	6.54	6.64	6.71	6.68

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

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

Executive Summary

Following the constitutional referendum of November 1996, which concentrated all mechanisms of power in the hands of the presidency, Belarus slid toward a rigid authoritarian rule. The political regime of President Alexander Lukashenka exercises near complete political, social, and economic control over the population. The presidency represses political alternatives, persecutes independent press, and punishes unauthorized social activism. Lukashenka, who was first elected in 1994 in a public backlash against economic decline and corruption, remains popular owing to the ability of his government to provide acceptable living standards and full employment to the population. The Belarusian economy, although unreformed and extensively bureaucratized, records sound growth owing to the subsidies on energy purchases provided by Russia and the economic upturn in countries that are principal importers of Belarusian products. In 2004, Lukashenka organized a constitutional referendum that removed presidential term limits, paving the way for his lifelong rule. The president's regime ignores international criticism and continues to harden its grip on power.

The presidential election on March 19, 2006, guaranteed a victory for Lukashenka, who claimed 83 percent of the votes cast. Independent estimates confirmed his victory while questioning the win's margin. The presidential campaign and its aftermath were marked by the intense repression of opposing candidates, civic activists, and independent press, owing largely to Lukashenka's personal sense of insecurity, a reaction to the wave of democratic regime change that swept through the former Soviet Union in 2003–2005. This widespread repression was also prompted by the surprising commitment and determination of democratic activists who defied personal threats. The week-long post-election protests confirmed that although the opposition was severely damaged by the attacks, it remained committed to the fight for democratic change.

However, the political activism subsided by the end of the year as it became clear that the spring protests failed to incur any substantial damage on the regime. In the absence of competitive and transparent political processes or the rule of law, both political and social protests against the government began to take desperate forms, such as hunger strikes, which attracted up to 200 participants during 2006.

National Democratic Governance. The government in Belarus is based on unlimited presidential authority. The president is in full control of the cabinet, legislature, judiciary, and all defense and security structures. The centralized Belarusian economy remains unreformed and is considered among the most repressive in the world. Although the government remains popular and stable, it

relies increasingly on political repression to ensure infinite survival of the status quo. *Belarus' rating for national democratic governance remains unchanged at 7.00.*

Electoral Process. The March 19 presidential elections largely reflected the choice of the electorate but were conducted in an atmosphere of repression and fear. Moreover, the organization and conduct of the ballot confirmed the government's commitment to defending the status quo by all means necessary regardless of the decision of the voters. President Lukashenka de facto acknowledged that the election was rigged. The opposition made modest gains in achieving unity and spreading its message among the population but failed to sustain these gains within a few months of the campaign. *Owing to the escalation of political repression during and after the electoral campaign, and to the executive branch's total control over the electoral process, Belarus' rating for electoral process remains at 7.00.*

Civil Society. Independent civil society in Belarus has been effectively pushed underground by the government. Articles to the criminal code adopted in 2005 that criminalize unauthorized social activism began to be applied in 2006 to nongovernmental organizations (NGOs) that most vocally opposed the Lukashenka government. Breaches of academic and religious freedom continued in 2006. The government harassed legally existing NGOs by demanding retroactive tax payments and evicting them from state-owned premises. Nevertheless, the Belarusian civil society attempted to continue its activities amid the crackdown. *Despite the state's paralyzing escalation of attacks for unauthorized social activities, the commitment of civic activists to promoting democracy in Belarus continues. Owing to civil society's staunch efforts amid the presidential campaign crackdown, and with no assistance from the government, Belarus' rating for civil society improves from 6.75 to 6.50.*

Independent Media. Only several dozen officially registered independent newspapers publishing political issues remain in Belarus. The expulsion of independent press from state subscription and distribution networks severely curtailed the already minuscule number in operation. State propaganda completely dominates the information landscape of electronic media. Attempts to organize independent broadcasts on Belarus from countries of the European Union (EU) have been largely ineffective so far. At the same time, the Internet showed some promise as a potentially powerful source of alternative information and opinion during the presidential campaign. *Belarus' rating for independent media remains unchanged at 6.75.*

Local Democratic Governance. Local self-government is nonexistent in Belarus, as municipal authorities continue to be fully subordinated to the central government. Heads of regional administration are appointed by the president, and local councils have limited responsibilities. Several opposition-minded deputies on local councils were harassed by the police and fired from state jobs in 2006. *Owing to the country's overly centralized administrative structure, which provides little room for pluralism and*

accountability at the grassroots level, Belarus' rating for local democratic governance remains at 6.50.

Judicial Framework and Independence. In 2006, arbitrary arrests of political opponents, allegations of inhumane treatment of detainees in jail, and the return of psychiatry as a tool of political harassment highlighted the legal system's lack of independence. Facing the inability to defend their political and economic rights against the consolidated autocratic state, an increasing number of citizens engaged in extreme forms of protest, such as hunger strikes. *Belarus' rating for judicial framework and independence remains unchanged at 6.75.*

Corruption. Belarus's downward slide in corruption ratings by independent surveys continued in 2006. The country's highly centralized economy creates ubiquitous opportunities for bribery and abuse by authorities, whereas the government's anticorruption measures have been largely ineffective in tackling the root problems—a lack of transparency and accountability. The prosecution of top government officials on corruption charges is subject to approval by the presidency, which creates possibilities for bargaining in criminal cases or bypassing the legal system altogether. *Belarus' rating for corruption remains unchanged at 6.25.*

Outlook for 2007. The local elections set for January 14, 2007, are likely to further reduce the already minuscule representation of opposition voices on local councils. Given the reality of consolidated authority and little to no prospect of political change, Lukashenka's opponents face a hard task in redefining their identity and strategy. Meanwhile, the regime will confront a rather tough challenge to sustain the established social contract with the Belarusian population when hikes in energy prices promised by Russia in 2006 indeed materialize.

Main Report

National Democratic Governance

1999	2001	2002	2003	2004	2005	2006	2007
n/a	n/a	n/a	n/a	n/a	6.75	7.00	7.00

The government in Belarus is based on unlimited presidential authority. This direct control over all branches of power ensures the powerlessness of representative bodies, servility of the courts, and largely ceremonial character of elections. Presidential absolutism also severely limits the legitimate space in Belarus for social autonomy, private enterprise, and freedom of expression.

Article 1 of the Constitution proclaims the country to be "a unitary, democratic, social state based on the rule of law,"[1] and Article 6 establishes the separation of legislative, executive, and judicial powers and the checks and balances among them. The Constitution, however, fails to live up to these declared principles. Article 137 curtails the legislative powers of the National Assembly by giving priority to presidential decrees over laws adopted by the Parliament. The National Assembly cannot adopt any law that would increase or decrease government spending without the consent of the president or the government. Only the candidacy for prime minister is subject to the approval of the House of Representatives, the lower chamber of the legislature, but two votes against the president's nominee automatically incurs the dissolution of the National Assembly.

The assembly's bicameral composition enforces its subordination to the president. While 110 members of the House of Representatives are elected on a single-member constituency basis, the upper Council of the Republic is appointed by regional assemblies of local councils, with the president appointing 8 of its 64 members. The preparation of bills is carried out primarily by the National Center for Legislative Activities, an agency subordinate to the president. The president also appoints all regional and local governors and all judges (except half of the Constitutional Court) and uses his decree power to interfere in the legal process. For example, a presidential decree can designate which top government officials can be prosecuted.

Texts of major legislation are available to the public in printed and free Internet versions. However, no rules exist for disclosing central and local government budgets. Moreover, an extensive range of data on government activities, including international treaties, military and defense spending, and state-sponsored research and development programs, is classified. The Parliament is not obliged by law to make public either its records or the voting records of deputies.

The presidential elections on March 19, 2006, ended with a resounding victory for incumbent president Alexander Lukashenka and were marred by voting

irregularities, harassment of the opposition, a press blockade, and pre- and post-election violence. The participation of Lukashenka was ensured by the highly controversial constitutional referendum in October 2004 that removed presidential term limits. The opposition had extremely limited opportunities to campaign or monitor the vote. Democratic activists campaigning for opposition candidates were harassed and subjected to arbitrary arrests and searches throughout the campaign, whereas the official propaganda systematically framed the administration's opponents as terrorists.

The government system in Belarus is stable to the extent that President Lukashenka possesses absolute authority. The stability of the regime rests on the government's ability to provide acceptable living standards and, at the same time, on pervasive political and social control. Average wages in Belarus grew to US$270 per month in late 2006, up from US$100 four years earlier.[2] This helped to reduce aspirations for political change in the society. The government makes masterful use of this tendency in public opinion to frighten society with the prospect of regime change, which the official line claims will bring instability, chaos, and unemployment to Belarus.

Much of the recent economic upturn can be explained by favorable external factors, such as access to cheap Russian oil and gas and a strong demand for Belarusian industrial goods in Russia. Russian leadership, however, has declared its intention to abolish subsidies for Belarus beginning in 2007. This move could be a sign that the Russian leadership is revising its long-standing policy of support for Lukashenka. But given that the Kremlin de facto endorsed the incumbent's reelection bid in 2006 by maintaining deep price discounts during the election year, the shift in Kremlin policy is more likely a result of Russia's decision to lower the price it pays to support Lukashenka in the aftermath of his safe reelection.

Belarus' negotiations with Russia over gas and oil issues continued throughout 2006, ending the year in a dramatic showdown when Russia threatened to cut off gas supplies unless Belarus agreed to a dramatic price hike for 2007. As an alternative, Russia proposed to buy into Belarus' gas transportation and distribution facilities. The showdown between the countries was enhanced by Russia's decision in December to introduce export duties for the oil shipped to Belarus, a measure that could have resulted in the loss of up to 10 percent of the Belarusian gross domestic product.

Just minutes before the new year, the two governments signed a compromise deal establishing a gas price that, while being twice as high as in 2006, was nevertheless much lower than the one Russia threatened to impose. Under the same deal, Belarus agreed to sell a 50 percent stake in Beltransgaz to Russia over a five-year period. The compromise, however, envisaged that the gas price for Belarus would be raised to the global standard over a five-year period. Moreover, the deal failed to address the oil price issue, which can pose a long-term threat to the stability of the Belarusian economy and the generous social contract offered by the Lukashenka regime to the population.

The Lukashenka government achieves political control by tightening its grip on society. Nearly all public sector employees must sign one-year contracts with

factories and institutions that can be renewed or terminated at the will of the authorities. Scores of youth activists were fired from jobs or expelled from universities following the recent presidential election. New articles to the criminal code adopted in December 2005 established criminal punishments simply for running an NGO that is not officially registered.[3] Political leaders capable of posing a credible challenge to the regime face persecution and imprisonment. For instance, Alexander Kazulin, an opposition candidate in the recent elections, was sentenced in July to five and a half years in jail, which ensures his exclusion from the next presidential election. Mikhail Marynich, an opposition leader and former government minister who was dubbed an early potential contender for the 2006 presidential election, was arrested and sentenced to five years in jail on dubious charges in 2004. He was released in April 2006, just weeks after the election.

Lukashenka is careful to maintain absolute control over the security agencies. Law enforcement bodies (such as the KGB, Ministry of the Interior, Office of the Prosecutor, State Control Committee, and Security Council) have grown in size and influence over the last decade and have enhanced their role in virtually all spheres of public life. Amendments to the Law on Interior Forces signed in February 2005 gave the president the right to authorize the use of firepower in peacetime at his own discretion.[4] These regulations increased the dependence of security officers on the president but have also given them cover for punitive actions against political opponents.

The stability of Lukashenka's regime is also ensured by the limited possibilities to leverage it from outside. The EU and the United States adopted sanctions against the Belarus government in spring 2005, ordering visa bans for 31 officials and, in the case of the United States, freezing the country's assets. However, these measures are largely ceremonial. Tougher measures, such as economic sanctions, are difficult to implement, as the economies of EU countries depend on oil supplied by Russia and transported through (or processed in) Belarus. The proposal of the European Commission to exclude Belarus from the EU generalized system of preferences was first voted down in September 2006 by new members of the EU (such as Poland, Lithuania, and the Czech Republic) who feared that these measures would adversely affect their own national economies and domestic businesses. The exclusion was eventually approved on December 19 and will be enacted in June 2007 if Belarus fails to improve its human rights record and abolish policies restricting trade union rights. This measure could cost the Belarusian economy up to €300 million (US$403.8 million) per year. Although that is a significant loss, it remains to be seen whether Minsk officials will authorize political liberalization in order to avoid it.

In November, the European commissioner for external relations and European neighborhood policy, Benita Ferrero-Waldner, launched a "nonpaper" called "What the European Union Could Bring to Belarus."[5] The document sets out possible cooperation and engagement benefits (including easier travel for Belarusians to the EU, increased cross-border cooperation, economic assistance, and investment) that could materialize provided Belarus engages in democratization and demonstrates

respect for human rights and the rule of law. Although the "nonpaper" represented a certain change in EU policy toward Belarus, as it was the first attempt to speak directly to the Belarusian people rather than the government, the document suffers from the fundamental flaw of the entire EU approach to Belarus. Once again, it conditions the possible benefits of closer EU engagement on the good behavior of Minsk officials, rather than offering benefits directly to ordinary Belarusians and thus using them as instruments for spreading pro-European, pro-democratic attitudes in Belarusian society. At the same time, there remains a limited but distinct possibility that in the event of worsening economic and political relations with Russia, the Lukashenka government could be inclined to seek closer ties with the EU and would allow some minimal alleviation of political repression in exchange. The Heritage Foundation rates the Belarusian economy among the most repressive in the world, and the Lukashenka government consistently stifles private enterprise by introducing new taxes and regulations.

Electoral Process

1999	2001	2002	2003	2004	2005	2006	2007
6.75	6.75	6.75	6.75	6.75	7.00	7.00	7.00

Since the institutionalization of unlimited presidential rule in the Constitution in 1996, meaningful electoral contestation has all but disappeared in Belarus, as elections serve primarily to validate Lukashenka's political dominance. The president is sufficiently popular to win a hypothetically free and fair contest; however, he takes no chances by allowing transparent and competitive electoral processes. Representative institutions in Belarus are largely ceremonial bodies that rubber-stamp policies made at the top of the vertical power structure.

The current electoral code, adopted in 2000, "fails to provide for democratic elections," according to the Organization for Security and Cooperation in Europe (OSCE). The code does not provide election commissions with multiparty representation and independence. Moreover, it fails to provide sufficient transparency, guarantees against vote rigging during early voting, or uniform appeals for the decisions of election commissions. The code also stifles campaigning and freedom of speech. Amendments to the electoral code adopted by the House of Representatives on the eve of the 2006 elections introduced new restrictions on the work of independent observers and forbade printing campaign literature abroad.[6]

Political parties are legally allowed to organize, but they play a minimal role in the country's civic life given the stifling of competition and excessive regulations on party activities. The Union of Left Parties, a new umbrella body that united several Communist and Social Democratic opposition parties in December 2006, was forced to hold its inaugural congress outside of Belarus, as it could not get a permit to rent a meeting space inside the country.

The most recent parliamentary elections took place in October 2004. According to the Central Election Commission (CEC), all of the declared winners, which included eight from the Communist Party of Byelorussia, three from the Agrarian Party, and one from the Liberal Democratic Party (LDP)—an analogue of Vladimir Zhirinovsky's party in Russia—were pro-government and supported the president. Election results were questioned by the opposition and condemned by international organizations. Elections to the upper house of Parliament, the Council of the Republic, took place in November 2004, with the assemblies of local councils voting to fill 56 seats, or 8 per region. Several local councilpersons representing the opposition were not included on the list of electors.

Presidential elections were held on March 19, 2006, with four candidates on the ballot: incumbent Alexander Lukashenka; Siarhej Hajdukevich, leader of the pro-presidential Liberal Democratic Party; and two opposition contenders—Alexander Milinkevich, leader of the United Democratic Forces (UDF), and Alexander Kazulin, leader of the Belarusian Social Democratic Party (Assembly), Lukashenka approached the election year enjoying a high level of public support and would easily have won reelection had he chosen to conduct the ballot in a free and fair manner. However, the president did not exhibit this confidence, fearing the opposition and its external sponsors would try to replicate the scenario of the color revolutions that took place in Ukraine and Georgia in 2003–2004. Furthermore, the opposition unexpectedly proved capable of uniting in a vigorous public relations campaign following the nomination of Alexander Milinkevich in October 2005 as a candidate for democratic forces. In moving up the election date by four months in December 2005, the government obviously hoped to undercut this effort.

The signature collection campaign began in December 2005 and continued through January 2006. The two major opposition candidates, Alexander Milinkevich and Alexander Kazulin, easily collected in excess of the 100,000 signatures required to put their candidacies on the ballot. A total of 1.9 million signatures (out of 7 million voters) were collected for Lukashenka. Such a high number was achieved partly by forcing signatures, particularly at public institutions and universities, although many of those who supported Lukashenka's nomination signed voluntarily. The intimidation campaign against the opposition began by subjecting some signature collectors to arbitrary searches and detainments. Early measures were also taken against youth opposition movements, like Young Front and Zubr, likely to organize street protests in the aftermath of the ballot. Repression of these groups continued after the election, and Zubr was eventually forced to cease its activities. Members of Young Front in Salihorsk staged a hunger strike in June 2006, demanding an end to the repression of youth opposition activists.

Territorial election commissions were formed with virtually no representation of the opposition. Out of 74,107 commission members countrywide, only 122 represented political parties, and only 2 of those represented opposition parties. The government also took measures to limit the number of international observers—forbidding, for example, the entry of observers from Georgia, whom it suspected of

trying to "export" the revolution to Belarus. In February 2006, the CEC decided to grant candidate registration to all four contenders who collected the required number of signatures.

While both opposition candidates were allowed to run, they had to endure an atmosphere of growing repression and public hysteria fomented by official media, as well as drastically restricted campaign opportunities, including a virtual information blockade. As most independent newspapers were excluded from the state-run distribution network in 2005, the opposition press barely reaches the public. Moreover, the CEC barred independent newspapers from offering their space to independent candidates, as it considered this to constitute private financial assistance to candidates, forbidden by the law. Meanwhile, state media offered 90 percent of its space and airtime to Lukashenka, reported the Belarusian Association of Journalists. The official propaganda unleashed a massive information attack on the public on the eve of elections, including a series of free and televised concerts across the country featuring Belarusian and Russian pop stars under the slogans "For Belarus!" and "For Bat'ka" ("Father," a common nickname for Lukashenka among his admirers). The CEC ignored complaints that these concerts represented a form of unauthorized campaigning in favor of Lukashenka, claiming instead that the slogans had a "general" character.

The campaign of opposition intimidation reached its peak on February 22, when the Belarusian KGB shut down the headquarters of the unregistered NGO Partnership, the largest election-monitoring network in Belarus, and arrested its leaders. On February 27, KGB head Sciapan Sukharenka declared on state television that Partnership was plotting to fake exit polls and detonate explosives on election day in a crowd of its supporters protesting against alleged fraud. Sukharenka also claimed that the security forces were aware of 72 opposition groups trying to oust him and threatened severe punishment. In the last week of the campaign, the authorities declared that the opposition was plotting to organize mass disorders in Minsk by poisoning the drinking water with rotten rats. No charges of terrorism against the opposition were confirmed afterward.

In spite of the intimidation and crackdown, both opposition candidates took great personal risks and campaigned energetically. Importantly, Kazulin belied earlier suspicions that he had been "planted" to undermine Milinkevich and instead added an aggressive attitude to the race. He used the prerecorded TV slot provided him by law on February 22 to accuse Lukashenka of having been involved in the disappearance of opposition politicians, corruption, and nepotism. Kazulin's TV appearance made a huge impact and greatly boosted public interest in the election and the opposition candidates. The candidates' next appearances were heavily censored, with most statements critical of Lukashenka omitted. On March 2, Kazulin tried to participate in the Belarusian People's Assembly, a ceremonial meeting called by Lukashenka every five years to declare his plans for the new presidential term, but riot police manhandled him outside the meeting.

Early voting began five days before the election. This procedure, which formally allows citizens who travel on voting day to vote, has been transformed into

an instrument of the government, as independent observers cannot monitor the ballot boxes during evening hours. In March 2006, a record 30 percent of voters cast ballots in early voting (in 2004, it was 20 percent). The opposition received numerous anonymous reports that some employees and students were forcibly mobilized to vote ahead of time. The authorities dismissed these reports. Citing a CEC bylaw claiming that all preelection meetings must have official permits, the police arrested organizers of public meetings in the last two weeks of the campaign. These arrests effectively turned into a roundup of the opposition leadership, pursued to avoid large-scale public protests following election day.

The official election results predictably gave an overwhelming victory to Lukashenka, who received 83 percent of votes cast, compared with 6 percent for Milinkevich, 4 percent for Hajdukevich, and only 2 percent for Kazulin.[7] A post-election poll conducted by the Independent Institute of Socioeconomic and Political Studies (outlawed in Belarus in 2005 and relocated to Lithuania) put the numbers at 63 percent for Lukashenka, 20 percent for Milinkevich, and 4 percent for Kazulin, still showing overwhelming support for the incumbent.[8] In November 2006, Lukashenka declared that the election was indeed falsified in order to, as he claimed, lessen his margin of victory and thus please democratic countries.[9] Regardless of its intent, this admission of fraud should have been a matter of criminal investigation; however, the authorities refused to launch one, as demanded by the opposition parties. The incident once again highlighted the ceremonial nature of the election process and the detachment of official results from the actual voting process.

A wave of mass protests started on election night in Minsk, where up to 20,000 assembled on the main square to protest alleged vote rigging. These demonstrations occurred in defiance of threats from the KGB to prosecute protesters on charges of terrorism and even press for the death sentence. The protests continued for several days with a tent camp set up on October Square in Minsk, emulating the Orange Revolution in Ukraine in 2004. However, the Belarusian opposition did not try to declare victory for its candidate; it merely argued for a fairer margin separating Lukashenka and his challengers. With no political breakthrough in sight, the opposition could not count on sustained public support. Moreover, the security forces remained loyal to Lukashenka and blocked off the square, arresting those trying to enter or leave. As a result, the protests quickly dwindled to just a few hundred activists and ended on March 24 when riot police destroyed the camp and arrested the campers.

The last large opposition rally on March 25 ended with thousands of riot policemen attacking demonstrators who were trying to reach the prison holding those previously arrested. The police used tear gas and severely beat protesters. There were also reports on up to three missing persons. Kazulin, who led the demonstration, was captured and prosecuted for organizing mass disorder. He was sentenced to 5 and a half years in jail in July 2006. Milinkevich, alongside leaders of the largest opposition parties, was arrested and sentenced to 10 days in jail for organizing an unauthorized demonstration on April 26. According to human rights activists, as

many as 860 protesters were arrested in March, including more than 200 before the elections and over 680 in post-election developments.[10]

The electoral performance of the opposition leaders and post-election protests reinvigorated the opposition. Smaller-scale protests continued through April, and the opposition declared plans to continue its alliance and form a broader movement to unite all supporters of democratic change. These plans, however, proved to be short-lived, and by the summer of 2006, the opposition was back to its usual behavior characterized by infighting, leadership battles, and criticism of Milinkevich's leadership.

The campaign for local council elections, set for January 14, 2007, began in October 2006 with the registration of initiative groups and formation of election commissions. Traditionally, the opposition parties were granted only one seat in local election commissions countrywide.[11] On December 22, the CEC declared that out of more than 20,000 candidates to the local councils, only 239 represented opposition parties. Hence, regardless of the conduct of the elections, the impact of the opposition on local councils was set to be minimal even at this early stage.[12]

Civil Society

1999	2001	2002	2003	2004	2005	2006	2007
6.00	6.50	6.25	6.50	6.75	6.75	6.75	6.50

In recent years, the Belarusian government has undertaken a systematic effort to destroy the authentic civic sector, fearing its potential as a catalyst for political change. As a result, civil society in Belarus has turned into an underground network of individuals and banned groups opposed to the government. A modest space for legitimate existence is allowed for nonpoliticized NGOs loyal to the regime.

According to the Ministry of Justice, there were 2,247 NGOs, 16 unions of NGOs, and 41 trade unions in Belarus as of March 2006.[13] Most of these organizations, however, represent either nonpoliticized groups or organizations supported by the government. Many democratically oriented NGOs with an opposition agenda were closed down by court order in 2003–2005. Reasons for liquidating these groups included using an abbreviated group title in official documents and the press, allowing the incorrect presentation of group logos, and providing services to citizens who were not members of an organization. Other organizations were first expelled from their rented premises and thus denied a legal address, which is interpreted by the authorities as a gross violation of the law resulting in liquidation. In 2006, the Assembly of Pro-Democratic NGOs counted 240 member organizations, out of which only about 100 had registered officially.[14]

The wave of liquidations began in the run-up to the referendum of 2004 (which scrapped presidential term limits), in an apparent attempt to quell dissent and disorganize resistance to the government's plans. There were fewer cases of NGO liquidation in 2006 than in previous years, mostly because important groups

challenging the government had already been closed down. In February 2006, the authorities liquidated the Union of Youth and Children's Association "Rada," which was accused of "instigation to interference into the internal affairs of the government bodies" (*sic*).[15]

For most NGOs, foreign grants remain the only source of financial support. Donations are not tax-exempt, and NGOs must pay heavy taxes if they choose to operate legally. This puts NGOs under intense scrutiny from tax authorities and, recently, the KGB. Government-controlled organizations attract financial aid from domestic and foreign-owned businesses that wish to confirm their positive stance toward the authorities. In June 2006, the government initiated court proceedings to suspend the activities of the Belarusian Helsinki Committee (BHC), the only remaining registered independent human rights group in Belarus. The attacks on the BHC were justified by its failure to locate offices at its official legal address and by the demands of tax authorities that it pay retroactive taxes of about US$70,000 on previously tax-exempt projects. The BHC had successfully challenged the tax authorities' claims on previous occasions but lost the case in December 2005 when the Supreme Economic Court overruled earlier verdicts and ordered payment. The same demands for retroactive tax payments were made on the Center for Intellectual Initiatives in 2006.

The repression of civil society escalated in the run-up to the presidential elections. In December 2005, the National Assembly adopted amendments to the criminal code that effectively criminalized civil dissent. For example, the new Article 193-1 established punishment of up to two years in jail for acting on behalf of deregistered NGOs. The criminal code also mandated jail time for training persons to participate in "mass disorders," for appeals to foreign governments to undertake actions that would harm the "external security" of the country, and for defamation of the Republic of Belarus in the international arena. As a result, the criminalization of independent NGOs has suppressed the already minuscule public participation in civil society activities.

The education system in Belarus is subject to tight political and ideological control. Many students who took part in the protests following the presidential elections were forced to withdraw from universities and other educational establishments. Students are generally free to move abroad to pursue studies, but unapproved travel may result in expulsion from an official university in Belarus. The opposition-organized Committee to Help the Repressed People reported that it had received appeals for help from at least 370 students since March 2006.

The authorities continued to persecute activists of the Belarusian Union of Poles in 2006. This ethnic association was taken over by the government in 2005, when authorities refused to recognize the election of independent activist Anzelika Borys as the union's head and pressed for a new congress that handed authority to pro-regime loyalists. Members of the Union of Poles who still recognized Borys as their leader faced criminal investigations and arrests.

The government repeatedly acted to sabotage the NGO sector's international contacts through visa denial. In November 2006, authorities denied visas to several

German politicians, diplomats, and journalists who were invited to participate in the Minsk Forum, a unique platform for dialogue between Western policy makers, Belarusian officials, and representatives of the opposition and civil society held annually in Minsk. The Ministry of Foreign Affairs of Belarus explained this as a symmetrical act against visa bans imposed by the EU on top Belarusian officials following the 2006 presidential elections. Commenting on the bans, Hans-Georg Wieck, former head of the OSCE Advisory and Monitoring Group in Minsk, declared that the Belarusian government "is afraid of free debate."[16] Earlier in the year, the government denied entry to several Western journalists as well as parliamentarians from the Czech Republic and Lithuania.

The government also continued in 2006 its attacks on the Belarusian Union of Writers, the oldest creative association in Belarus, most of whose members are protagonists of the revival of the Belarusian language and hence regarded by the authorities as on a par with the opposition. Court proceedings to close down the Belarusian Union of Writers were initiated in June 2006, and it was evicted from its headquarters in Minsk. Radio Free Europe/Radio Liberty described the eviction as a "premeditated measure by Belarusian authorities to limit and marginalize the public significance of an organization still perceived as a rare model of intellectual independence in a country controlled by an authoritarian regime."[17]

Religious freedom is restricted in Belarus, as the government regards "nontraditional" denominations as disseminators of unwelcome cultural influences. The Law on Religions adopted in 2002 allows the government to close down any congregation having fewer than 20 members and restrict the activities of religious groups that have settled in Belarus in the past 20 years. Pastor Heorhi Viazouski of the Minsk-based Christ's Covenant Reformed Baptist Church was sentenced in March to 10 days in prison for conducting religious worship in his own home; this was the first case in over 20 years where religious worship has incurred a prison sentence in Belarus.[18] Siarhej Shaucou, organizer of a Protestant book study group in Minsk, was sentenced to 10 days in jail in March on charges of organizing an "unauthorized meeting," even though it took place inside a café and did not require official registration. The government also expelled several Polish Catholic priests in 2006, objecting to the placement of foreign clergy in the country.

The New Life Protestant Church in Minsk, deregistered in 2005, led a massive hunger strike among parishioners who protested the decision of the authorities to confiscate the church's building, formerly a cattle farm renovated by church members. The hunger strike erupted in October, after the congregation lost its appeal in the Supreme Economic Court, and continued for three weeks, attracting over 200 participants. This was the largest protest of its kind in the history of Belarus. The New Life parishioners scored a small victory three weeks after starting the protest when authorities finally decided to reconsider the case. On a positive note, the procedures for registering certain public associations in Belarus, such as trade unions, were simplified in October 2006.

Independent Media

1999	2001	2002	2003	2004	2005	2006	2007
6.75	6.75	6.75	6.75	6.75	6.75	6.75	

In 2006, the New York City-based Committee to Protect Journalists ranked Belarus among the 10 most censored countries in the world.[19] Although Article 33 of the Constitution guarantees freedom of speech, this civil right hardly exists in practice, as the independent press is close to extinction. According to the Ministry of Information, there were 1,232 periodicals in the country as of March 2006, including 746 newspapers.[20] Two-thirds of periodicals are privately owned. However, according to the Belarusian Association of Journalists, only about 30 independent newspapers at all levels (national, regional, and local) that publish on political issues still existed in Belarus at the beginning of 2006. That number includes some 20 district and regional papers, or fewer than 1 paper per six administrative districts.[21] This minuscule number is the result of an all-around campaign of liquidation and suspension of independent media systematically pursued by the government in 2003–2005. The regional independent press, once the primary source of independent information on local issues, was particularly hard hit.

Independent journalists have been victims of arbitrary lawsuits under the criminal code, Article 367 (slander against the president), Article 368 (insulting the president), and Article 369 (insulting government officials). These stipulate large fines and prison sentences for journalists who are found guilty. The largest libel suit in 2006 was pressed by the head of the State Customs Committee, Alexander Shpileuski, against *Komsomolskaya Pravda v Belorussii*. The newspaper had to pay about US$25,000 for placing Shpileuski's photo alongside an article on his namesake (a sports agent), who commented on a soccer game.

At the same time, the courts routinely dismissed libel suits pressed by independent journalists and opposition politicians against official newspapers and television channels. The Pershamajski district court in Minsk dismissed a libel suit pressed against the First National TV channel (BT-1, renamed First Channel in 2006) by the leader of the United Civic Party, Anatol Liabedzka, who was accused in one of the channel's documentaries of preparing a bloodbath in the aftermath of the presidential elections. The court considered statements by the First Channel as "political polemic."[22]

Independent publications and journalists (both Belarusian and foreign) are routinely discriminated against by the authorities regarding access to information and official events. On November 28, 2006, correspondents from several Russian publications, including *Kommersant* and *Moskovskyi Komsomolets*, were expelled from the summit of the Commonwealth of Independent States in Minsk in retaliation for publishing materials criticizing Lukashenka. The expulsion provoked a walkout of nearly the entire Russian press corps.[23]

The legal environment for independent press was further hardened in December 2005 with the adoption of new amendments to the criminal code that, among

others, established criminal punishment for "defamation of the Republic of Belarus on the international arena," as well as for activities on behalf of unregistered civic associations or appeals to foreign governments and institutions that can "endanger national security." There were no prosecutions of journalists on the basis of these articles in 2006. At the same time, at least four persons were warned about "inadmissibility" of illegal activities, such as commenting in the media on behalf of an "unregistered organization" or spreading "deliberately false" data on conditions in Belarus.[24]

The Ministry of Information controls the licensing of media and effectively acts as a tool of repression against criticism of the government in the press. Licenses can be withheld or revoked at the whim of the committee or on direct orders from the president. The Ministry of Information has the right to punish media for deviating from the declared concept of their periodicals. The independent journal *ARCHE* was suspended in September 2006 for publishing materials on sociopolitical issues (*ARCHE* was registered as a literary magazine). Independent newspapers that were sold in stores and supermarkets faced arbitrary confiscation by plainclothes agents.

The independent press depends heavily on foreign assistance because of discriminatory pricing at state printing houses, difficulties in attracting advertisements from state-owned companies, and prohibitively high fines from libel suits or other punishments. The independent press was further undermined by the expulsion of most independent newspapers from the state-run subscription and distribution systems, Belposhta and Belsajuzdruk, in 2005 and 2006. Only a few affected newspapers, such as *Narodnaja Volja* and *Nasha Niva*, managed to keep their audience by organizing donation collections from readers who effectively paid for publications one year in advance.

Most independent newspapers are forced to print outside of Belarus. In March 2006, a publishing house in the western Russian city of Smolensk canceled contracts with leading independent newspapers, such as *Narodnaja Volja*, *Tovarishch*, and *BDG–Delovaja Gazeta*. Unable to find a new publisher and pressured by financial problems originating from previous attacks and suspensions, *BDG–Delovaja Gazeta*, once the country's leading and most authoritative independent publication, and the weekly *Salidarnasc* were forced to suspend publication and currently exist only as Internet sites.

The most controversial press closing in 2006 was the liquidation of the newspaper *Zhoda* in March for reprinting infamous caricatures of the prophet Muhammad from Danish newspapers. The newspaper *Nasha Niva* found itself in a dubious legal position in April when the ideology department of the Minsk executive committee denied its request to register a new legal address, deeming its location in Minsk to be "not worthwhile." The newspaper, a successor to the first Belarusian-language periodical printed in 1906, received an official warning on its 100th anniversary in November 2006 for "improper statement of its legal address."[25]

Inquiries into the murder of several independent journalists—including cameraman Dzmitry Zavadski (kidnapped and presumably killed in 2000), reporter Veranika Charkasava (brutally killed by unknowns at the entrance to her house in

2004), and veteran journalist Vasil Hrodnikau (found dead under unknown circumstances in 2005)—were stalled in 2006. The authorities tried to charge Charkasava's son, Anton Filimonau, with murdering his mother. Filimonau was arrested in December 2005 and in April 2006 was given a suspended sentence of two and a half years in jail, having been convicted of counterfeiting money. Filimonau's family feared that the prosecution blackmailed him into accepting responsibility for the murder of his mother.[26]

State-owned media are extensively subsidized. The government appropriated an equivalent of US$60 million to support official media in 2006, out of which three-quarters was for the state television. The sum has doubled since 2004.[27] To ensure the circulation of state press, mandatory subscriptions to leading official outlets are commonplace at many institutions and state-run companies. By these measures, the number of subscribers to the leading government daily *Sovetskaya Belorussiya* reached 410,000 in 2006 (with an additional 100,000 distributed daily through retail outlets).[28] By comparison, the total weekly circulation of the entire independent press in Belarus is estimated by the Belarusian Association of Journalists at 250,000 copies.[29]

The electronic media in Belarus are completely dominated by the state. The country currently has four national television channels. All-National Television (ONT), Capital TV, and Lad fill the bulk of their airtime with rebroadcasts from Russian networks. None of the state channels offers alternative views on political issues, and all channels report on domestic and international affairs in a manner acceptable to the government.

Media attacks on the opposition, NGOs, foreign diplomats, and Western leaders are common on all channels. As a part of anti-Western propaganda, First Channel (formerly BT-1) ran in July footage of a homosexual act allegedly involving a Latvian diplomat stationed in Belarus, which was followed by the recall of the Latvian ambassador from Belarus. The station refused to comment on how the tape was obtained. In November 2006, correspondents of the First Channel broke into a private residence in the city of Mahileu where a meeting of democratic activists was taking place and began shooting the meeting. Although it was a clear violation of constitutional protections on private life and housing, the offense was not followed by any investigation or punishment.[30]

There are 121 cable TV providers and 30 FM radio stations in Belarus whose activities are heavily restricted by the state. For example, in the run-up to the presidential election, the government forced cable networks to drop the Russian cable channel RTVi, which began broadcasting news and analyses from Belarus (the program *Window to Europe* was part of a media project financed by the EU with the aim of providing independent information to Belarusian citizens). The Ministry of Information has the authority to monitor the content of electronic media and apply penalties for deviating from the declared "creative concept" of programs. Journalists from Novoye Radio, run by the pro-government Federation of Trade Unions, went on strike in October to protest the arbitrary intervention by federation leadership into the station's editorial policies and the removal of its director.

Sources of independent information in electronic media are limited to foreign-based broadcasts of Radio Free Europe/Radio Liberty Belarusian Service, Radio Racyja, and the Vilnius-based Baltic Waves. The German broadcaster Deutsche Welle has two 15-minute bilingual slots on Belarus on its Russian service. Most of these stations, however, broadcast in the outmoded shortwave band, which is absent on most modern radio receivers. In 2005, the EU considered an ambitious media project for independent broadcasting in Belarus. Thus far, it has resulted in the launch of the Poland-based European Radio for Belarus as well as a short analytical program on the RTVi channel, which is routinely blocked on cable networks.

The electoral campaign in the run-up to the March presidential ballot was accompanied by harassment of independent press, unbridled official propaganda, and the near complete shutdown of alternative opinion in the state media. The authorities repeatedly confiscated entire prints of the newspapers *Narodnaja Volja* and *Tovarishch* throughout the campaign. The government issued strict regulations forbidding candidates to publish their opinions and platforms in independent newspapers, as it was interpreted as offering illegal private financial assistance.[31] Commenting on these restrictions, the head of the Belarusian Association of Journalists, Zhana Licvina, declared that "attacks on media put the election results in question."[32]

Televised propaganda was tailored to discredit and demonize the revolutionary aspirations of the opposition during the campaign. Each of four official channels ran daily state-authorized documentaries that often bordered on xenophobia and anti-Semitism. (*Spiritual War* and *Conspirology*, for example, depicted the battle between Lukashenka and the opposition—and, by extension, the West—as one between the adherents of Christ and the Pharisees—that is, Jews, Americans, and Europeans.) Other productions included reports featuring prominent politicians, singers, artists, and sportsmen from abroad praising Lukashenka, as well as a series of documentaries that emphasized day-to-day problems, social hardships, economic decay, civil wars, and the like in every former Soviet republic except Belarus. Some propaganda drew diplomatic protests from the United States and EU countries.

Independent journalists covering the campaign for Belarusian and foreign media were routinely subjected to arrests, searches, seizures, violent attacks, and (in the case of foreign journalists) visa denial and deportations. As the election date approached, attacks on journalists escalated, and 27 Belarusian and foreign journalists were arrested and prosecuted in the second half of March.[33] Most of them were charged with participating in illegal rallies or "petty hooliganism," which became a standard charge against activists and journalists captured at protests.[34] On March 13, the Ministry of Justice issued open threats to the independent press, promising punishment for the "distribution of slander [and] insulting the head of state."[35] Access to opposition Internet sites and portals of independent newspapers was blocked on election day. Several journalists were rounded up while trying to observe elections or searched at the border and had their video materials confiscated.

With the continuous harassment of the country's printed press, the Internet is growing rapidly as a primary source of uncensored information for many Belaru-

sians, especially younger, educated urban residents. According to some estimates, the number of Internet users reached 3 million in 2006, up from 1.3 million users in 2003 and just 180,000 in 2001.[36] This leaves a slim chance for the survival of independent media, even though the government can block access to independent sites at any moment. Leading online editions carry the most uncompromising and stinging analyses and revelations, which cannot be published in printed media owing to the danger of closure.

The Internet proved to be a valuable resource during the presidential election, especially during the peak period of post-election protests when visits to major opposition Web sites rose significantly. At the same time, political Web sites clearly lag in popularity to entertainment content and have a fairly limited audience outside of the peak periods of political campaigns. Even so, the government is clearly concerned with the Internet's potential as a powerful source of alternative information.

In the run-up to the presidential election, new regulations were issued to suspend the development of wi-fi spots and curtail local networks that provide collective access to the Internet. Pavel Marozau, producer of the popular anti-Lukashenka Internet cartoon site Multclub, had to emigrate to Estonia and apply for political asylum once the Belarusian authorities pressed criminal charges against him for defaming the president.[37] In 2006, the Belarusian Parliament considered amendments to the Law on the Media that would require all online editions to obtain registration.

Local Democratic Governance

1999	2001	2002	2003	2004	2005	2006	2007
n/a	n/a	n/a	n/a	n/a	6.50	6.50	6.50

Belarus has approximately 1,700 local governments, which are subdivided into three levels: regional (*voblasc*), district (*raion*), and village or (in urban areas) township. Upper-level administrations direct and coordinate the work of lower levels. All levels of local government are considered by the Constitution to be part of the unified system of the state authority. Heads of regional administrations are appointed by the president and are directly subordinated to him by law. Local councils are popularly elected but have no control over the executive bodies and are generally window dressing.

Subnational governments have responsibilities in the areas of housing, social services, public security, and education. The Constitution establishes that local councils have the exclusive right to adopt regional programs in social and economic development, establish local taxes and adopt budgets, manage communal property within limits proclaimed by law, and call local referendums. Notwithstanding these prerogatives, local governments have little control over their finances. Village and

township governments are particularly impotent since the territory they cover is generally small, usually a collective farm whose head serves as the territory's de facto administrator.

Local authorities usually avoid cooperation with most local civil society groups. In the run-up to the 2006 presidential elections, several local governments actively harassed opposition activists and independent journalists. Local ideology departments acted to sabotage meetings held by opposition candidates. Yet local authorities may be responsive to independent groups in emergency situations such as strikes and organized protests. During the hunger strike of the New Life Protestant Church in Minsk in October 2006, the city government negotiated with the parishioners only after weeks into the protest, when the health of many hunger strikers was clearly in danger. One of the protesters, Sviatlana Matskievich, was nevertheless fined for obstructing the public order after she showed up at the mayor's office to demand a meeting.

The last local elections, held in 2003, were largely alternative-free. For 24,000 seats on local councils, only 26,500 candidates were nominated. Out of 23,275 deputies elected to councils at all levels, only 107 were representatives of opposition parties.[38] The opposition-dominated Assembly of the Deputies of Local Councils created in October 2003 unites just 50 deputies, and local opposition deputies are routinely harassed by local governments. A Babruisk city councilman, Ales Chyhir, was fired from his job at a local school in August 2006. After he staged a public protest on the central square of the city, Chyhir was arrested and subsequently sentenced to 10 days in jail. Ten journalists covering his protest were detained by the police.[39] The court refused to reinstate Chyhir at his workplace. A local councilman from Belaazersk, Juras Hubarevich, was sentenced to 10 days in jail in August for using banned national symbols at a public meeting and was repeatedly detained by police throughout the year.

The local press covers the activities of local authorities extensively. The state press enjoys privileged access to information, officials, and internal regulations in some districts; regional committees and councils allow only the official press to have access to meetings and sessions. The rules of disclosure, oversight, and accountability at the local level do not differ from those at the central government level. In theory, state bodies are obliged to present nonclassified information, but local authorities may deny access to information to independent journalists, NGOs, or opposition-minded local deputies.

Judicial Framework and Independence

1999	2001	2002	2003	2004	2005	2006	2007
6.50	6.75	6.75	6.75	6.75	6.75	6.75	

Article 109 of the Constitution confers judicial power to the courts, and Article 110 stipulates that all judges shall be independent and any interference in the adminis-

tration of justice is unlawful. However, the procedures for appointing judges give the president the upper hand.

The president appoints 6 out of 12 members of the Constitutional Court; the remaining 6 are appointed by the Council of the Republic on his recommendation. The president also appoints the entire Supreme Court and Supreme Economic Court, as well as all military and district judges. The Constitution does not protect judges from summary removal during their tenure. No parliamentary approval is needed to remove judges from the Supreme Court and Constitutional Court; the president must simply notify the Council of the Republic. The institutional dependence of judges on the president is matched by their reliance on the executive branch for bonuses, promotion, and housing, which makes them vulnerable to coercion.

Although the Constitution provides for basic human rights, including freedom of expression, association, religion, and business and property rights, they are not adequately protected in practice. Moreover, many existing laws—including the Law on Public Associations, Law on Freedom of Religion, and Law on Meetings, Rallies, Street Processions, and Pickets, as well as recent amendments to the criminal code that criminalized most unauthorized civil society activities—significantly restrict the constitutional rights of citizens. Independent law practice is restricted in Belarus, as all attorneys must register with state-controlled bar chambers. Ideology commissioners are appointed by the government to every bar chamber, whereas attorneys are forbidden from speaking at international human rights conferences without the approval of authorities.

Arrests and prosecution of opposition activists were conducted with gross violations of the law throughout 2006. In most cases, the testimony of one or two policemen accusing defendants of insubordination, drunkenness, or swearing in public was sufficient for sentencing or imposing heavy fines on detainees. There were repeated accounts of severe beatings and maltreatment of protesters at the moment of arrest and while in custody. After several trials and arrests in 2005, Zubr activist Mikita Sasim was arrested in March 2006 and charged with draft evasion. He was taken to prison directly from the hospital right after surgery. He was eventually sentenced to three months in jail, even though he was granted exemption from military service in 2005.

There were almost no investigations into police attacks on the March 25 protesters. When the Office of the Prosecutor did open an inquiry into the attacks on journalists witnessing the arrest and beating of presidential candidate Alexander Kazulin, it decided not to press charges against the policemen. On a positive note, the authorities released two political prisoners in 2006, former government minister and opposition leader Mikhail Marynich, arrested in 2004 and sentenced to five years in jail, and former parliamentarian Siarhiej Skrabiec, arrested in 2005 and sentenced to two and a half years in jail on corruption charges.

Secret trials took place in 2006 involving opposition leaders and activists, including leaders of the NGO Partnership and Young Front leader Zmicier Dashkevich. Having been found guilty of violating the law, Dashkevich was

transferred from pretrial detention to regular prison while his appeal was being considered by the higher court, a move that highlighted the formality of the appeal process for political prisoners.[40] In the case of the Partnership activists, the trial's secrecy made it impossible for the public to debate the charges of terrorism pronounced by the KGB in February as a rationale for detaining the four activists. In the case of Dashkevich, the judge refused to hear the more than 1,000 witnesses who signed up to testify in Dashkevich's defense.

None of these cases involved charges that would merit secret court proceedings, which according to the law can be used only to protect minors or when sensitive issues, such as rape, are considered. The trial of Alexander Kazulin in July was eventually closed to the public after the defendant protested poor conditions in jail and was denied access to a doctor as well as food and water.[41] In response to his protests, the judge even denied Kazulin his right of last appeal to the court. While in prison in 2006, Kazulin held a hunger strike for 53 days and ended his strike only when the issue of human rights violations was raised by the United States in the UN Security Council.[42] Kazulin was joined in his strike by fellow political prisoner Siarhiej Skrabiec, who ended his protest when he was released in November.

The Constitution prohibits torture and cruel, inhumane, or degrading treatment. In practice, however, the rights of the convicted may be violated; suspects and convicts have reported being beaten by police and prison guards. Activists detained and sentenced during the March post-election protests reported unsanitary prison conditions and near freezing temperatures in cells.[43] Allegations of widespread use of torture in the Belarusian prison system were pronounced in an open letter to UDF leader Alexander Milinkevich signed by Pavel Mielko, the police investigator from the Voranava district in the Hrodna region, which appeared in the press in July.[44]

Allegations of the use of psychiatry in political persecution reappeared in Belarus in 2006, the first time since the collapse of Communist rule. Human rights defender Kaciaryna Sadouskaja was arrested at home and then put into a psychiatric hospital in August. She was charged with insulting the president, whom she named "the monster" in one of her letters of complaint on various human rights violations sent to different state agencies, and was sentenced to two years in jail. Mikalaj Razumau, an activist from Vorsha, was sentenced to three years in jail also on charges of insult for alleging Lukashenka's involvement in the abduction of opposition leaders in 1999. These allegations were supported by a Council of Europe investigation, whose results were published in 2004. Razumau was also taken to a psychiatric hospital before his imprisonment.

The year was marked by the spread of hunger strikes as a form of protest, which epitomized the defenselessness of citizens before the repressive government apparatus in Belarus. Collective hunger strikes were pursued by political dissidents (such as members of Young Front) and citizens who protested the violation of their economic and religious rights. The latter included hunger strikes in 2006 by members of the New Life Protestant Church in Minsk; taxi drivers in Brest who protested the imposition of retroactive customs duties on their vehicles imported

several years earlier; and members of the independent trade union at the Belshina factory in Babruisk who protested the harassment of their organization by the factory administration. There were individual hunger strikes by political prisoners who protested their verdicts or prison conditions (including Alexander Kazulin, Valery Levaneuski—a businessman who spent two years in a Belarusian prison on charges of "publicly causing offense to the president"—and Siarhiej Skrabiec) and by entrepreneurs, such as Mikalaj Autukhovich from Vaukavysk, who protested charges of tax evasion. One of the hunger strikers at the Belshina factory, trade union activist Alena Zachozhaja, was forced to end her protest after 43 days when her son was beaten by unknowns.

Corruption

1999	2001	2002	2003	2004	2005	2006	2007
5.25	5.25	5.25	5.50	5.75	6.00	6.25	6.25

In 2006, Belarus's ranking in Transparency International's Corruption Perceptions Index dropped to 151, down from 107 in 2005 and 36 in 2002.[45] The decline can be explained by a continuous spread of low- and high-level corruption, deepening bureaucratization, état-ization of the economy (creating a nourishing environment for bribery), and the government's overall abuse of power.

The excessive and erratic regulation of business in Belarus has created pervasive opportunities for corruption at all levels. In 2006, the World Bank's Doing Business survey ranked Belarus for the second straight year as the worst country in the world in which to pay taxes in terms of regulations and complications.[46] An average business in Belarus must make 115 tax payments per year, expend more than 1,000 hours on preparing tax returns, which account for, on average, 186 percent of gross profits on tax payments. Belarus also falls far below Organization for Economic Cooperation and Development members and neighboring countries in the relative simplicity and transparency of such procedures as opening a business, registering property, protecting investments, and securing credit. Nearly unenforceable regulations create vast incentives and opportunities for tax evasion and bribery. The government tried to streamline the business and property registration process in 2006 by introducing the "one-stop shop" system.

Owing to the state's comprehensive control over the Belarusian economy, some of the most lucrative companies have been placed under direct patronage of the presidency and are administered by the Presidential Business Office (PBO), with revenues bypassing the official budget and directed into special presidential funds. In the past few years, several high-profile arrests and prosecutions of top government officials and managers of the PBO, including its former head, Halina Zhuraukova, revealed the degree of corruption in these bodies.

Allegations of wrongdoing at the highest echelons of power are abundant, even though they are often politically motivated. Siarhiej Skrabiec, leader of the opposi-

tion faction in the previous convocation of the House of Representatives who was charged with illegal solicitation of a bank loan, was sentenced to two and a half years in prison in February, after having spent almost a year in confinement (he was released on amnesty in November 2006). At the same time, several high-profile arrests in 2006, including those of former managers of the State Aviation Committee, a head of the Minsk Podshipnik plant, and managers of the Tsentrolit plant in Homel, were not politically motivated. Overall, the Office of the Prosecutor reported investigations into 2,452 cases of corruption in the first eight months of 2006 and the arrest and prosecution of nearly 350 officials in various cases during the same period.[47]

Low-level corruption is widespread in Belarus, particularly in education, road police, the prison system, and customs. Commenting on bribery in the education system, the minister of education admitted publicly that "not only do our professors take what they are offered, they also extort."[48] An unprecedented 19 professors at the Belarus State University of Transport in Homel were tried in 2006 for extorting bribes in exchange for guaranteed admission and higher grades. In another high-profile mass trial, 20 officers of the customs service in Ashmiany were tried on charges of organizing a criminal group that illegally confiscated goods and cargo for profiteering. In addition, several criminal cases were launched in 2006 against prison officials who extorted bribes from relatives of convicts in exchange for securing early release or passing through extra foodstuffs and clothing.

The 2003 Law on Public Service established conflict-of-interest rules. Civil servants (including members of Parliament) are barred from entrepreneurial activities, either direct or indirect, and from taking part in the management of a commercial organization. On July 27, 2006, President Lukashenka signed the new Law on Fighting Corruption, which extended the list of officials and range of offenses that can be interpreted as corrupt and strengthened conflict-of-interest rules. Whereas top officials, including the president, regularly declare fighting corruption as the number one priority of the state, the opposite occurs in practice. For example, the fate of former PBO head Halina Zhuraukova, who was sentenced to four years in jail, was clarified in February 2006 when authorities admitted, after months of silence, that she had been pardoned by the president in April 2005 in exchange for compensating damages to the state.

In 2005, this procedure became a model according to Presidential Decree No. 426, which waives criminal punishment for state officials who agree voluntarily to return illegally appropriated wealth.[49] Critics noted that such bargaining between the president and top officials effectively nullifies the power of courts and the law and, instead of serving as an anticorruption tool, presents the president with a mechanism for controlling the loyalty of bureaucrats. The presidential decree also established a list of top officials who cannot be prosecuted without the consent of the president.

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1 Here and henceforth, articles of the Constitution of the Republic of Belarus are quoted from the publication on the National Legal Portal of the Republic of Belarus, http://www.law.by/work/EnglPortal.nsf/6e1a652fbefce34ac2256d910056d559/d93bc51590cf7f49c2256dc0004601db?OpenDocument.

2 Information of the Ministry of Statistics and Analysis of the Republic of Belarus, http://belstat.gov.by/homep/ru/indicators/uroven.php.

3 National Legal Portal of the Republic of Belarus, http://www.pravo.by/webnpa/text.asp?start=1&RN=H10500071.

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Bosnia-Herzegovina

by Jasna Jelisić

Capital:	Sarajevo
Population:	3.8 million
GDP/capita:	US$7,844
Ethnic Groups:	Bosniak (48%), Serb (37.1%), Croat (14.3%), other (0.6%)

The economic and social data on this page were taken from the following sources:

GDP/capita, Population: *Transition Report 2006: Finance in Transition* (London, UK: European Bank for Reconstruction and Development, 2006).

Ethnic Groups: *CIA World Fact Book 2007* (Washington, D.C.: Central Intelligence Agency, 2007).

Nations in Transit Ratings and Averaged Scores

	1999	2001	2002	2003	2004	2005	2006	2007
Electoral Process	5.00	4.75	4.25	3.75	3.50	3.25	3.00	3.00
Civil Society	4.50	4.50	4.25	4.00	3.75	3.75	3.75	3.50
Independent Media	5.00	4.50	4.25	4.25	4.25	4.00	4.00	4.00
Governance*	6.00	6.00	5.50	5.25	5.00	n/a	n/a	n/a
National Democratic Governance	n/a	n/a	n/a	n/a	n/a	4.75	4.75	4.75
Local Democratic Governance	n/a	n/a	n/a	n/a	n/a	4.75	4.75	4.75
Judicial Framework and Independence	6.00	5.50	5.25	5.00	4.50	4.25	4.00	4.00
Corruption	6.00	5.75	5.50	5.00	4.75	4.50	4.25	4.25
Democracy Score	5.42	5.17	4.83	4.54	4.29	4.18	4.07	4.04

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

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

Executive Summary

Eleven years after the war's end following the dissolution of Yugoslavia, most members of the international community (IC) could concur in 2006 that it was high time for Bosnia-Herzegovina (BiH) to step up reforms toward European Union (EU) integration and demonstrate stronger local ownership of the process. The two entities—the Croat and Bosniak-dominated Federation of Bosnia-Herzegovina (FBiH) and the almost exclusively Serb Republika Srpska (RS)—have been progressively weakened as central state structures have been put in place. The Office of the High Representative (OHR), the primary civilian authority established at Dayton, has reduced the use of the so-called Bonn Powers as competences are transferred to local institutions in order to encourage local ownership. The IC representatives hoped that the October 2006 elections would put in place authorities who would take full responsibility for the future of BiH and its progress toward the EU. Yet the elections did not provide great hopes in this regard, and Bosnia-Herzegovina made only a limited democratic transition.

In general, the local authorities did what the IC asked them to do even before the elections; they indeed took ownership of the process, but summarily slowed the pace of reforms to near stagnation. Consequently, the planned closure of the OHR in mid-2007 will be seriously reconsidered. After failing to adopt a package of much needed constitutional changes—which would have brought some improvement to the functionality of the state, enhanced its capacity to negotiate with the EU, and redistributed some competences—the October elections consumed political energy in an unproductive way, leaving no room for making necessary reforms in the country. The elections were held in an orderly manner and in accordance with international rules and standards, but the ethnonational election matrix continued to be the dominant one.

There were encouraging signs related to the timely and successful finish to BiH negotiations on a Stabilization and Association Agreement (SAA) with the EU. However, its signing was delayed owing to RS revocation of its previous consent to the Police Reform Agreement. As a result, renegotiation of the SAA continued through the end of the year. Another positive signal was the successful defense reform which resulted in BiH membership in the Partnership for Peace (PfP) program, thus providing additional security assurances to BiH. However, in relation to this progress, there might have been some damage to the credibility of the IC conditionality policy. The invitation for BiH and Serbia to join the PfP came despite the fact that there were no major improvements in fulfilling the condition of cooperation with the International Criminal Tribunal for the former Yugoslavia (ICTY), nor were Radovan Karadzic and Ratko Mladic arrested and extradited to The Hague.

The implementation of the State Law on Indirect Taxation led to positive results in revenue collection, reduction of the gray economy, and anticorruption efforts. However, the authorities failed to establish a formula for distribution of value-added tax (VAT) revenues collected at the state level. Considerable strengthening of the judiciary was noticed, but rule-of-law institutions and agencies did not cooperate and coordinate work in an efficient manner to fight organized crime and corruption. The ICTY transferred five war crimes cases to the Court of BiH, and the Department for War Crimes of the Court of BiH made considerable improvement in bringing the perpetrators to justice. Regional dynamics continued to have their effect in Bosnia. The delaying of the decision on the final status of Kosovo opened a maneuvering space for politicians in Serbia and the RS to link the status of Kosovo with the status of the RS, which heated the political scene throughout the year and redirected political energy from major reform tasks.

National Democratic Governance. The year 2006 saw several advancements in the gradual transfer of authority from international to local authorities, including technical negotiations on the SAA, successful defense reform, positive results from the fiscal reform implementation and VAT introduction, decline of international drafting of laws, and increased level of ownership in the organization of the elections and the vetting process. However, the failure to achieve the necessary constitutional change and the political blockade of police reform in relation to the SAA signing offset the progress. *Bosnia's national democratic governance rating remains at 4.75.*

Electoral Process. The organization of the elections, media coverage, the functioning of the Central Election Commission, and the vetting process for the first time performed by local institutions, all increased local ownership of the election process and are commendable. Other aspects of ownership require more time to see how the pieces fit into a functioning system. At the same time, the election legislation, which follows from the Constitution, continues to draw politicians into ethnonationalist campaigns and preserves discriminatory rules that consistently violate Protocol 12 of the European Convention on Human Rights (ECHR). Some say this is a problem not of the election process itself, but of the BiH Constitution. *Bosnia's electoral process rating remains at 3.00.*

Civil Society. While there was absolute stagnation in the development of certain aspects of the civil sector owing mainly to resistance to the reform of primary, secondary, and higher education, significant improvements were recorded in the development and implementation of nongovernmental organizations' (NGOs) programs in terms of agenda setting, advocacy, and responsiveness to real issues. Several NGOs had significant influence in focusing the attention of local and international officials on important issues, such as visa regime relaxation and protection of the environment. *For these reasons, Bosnia's civil society rating improves from 3.75 to 3.50.*

Independent Media. While BiH certainly deserved its 2006 high ranking by Reporters Without Borders in terms of freedom of journalists and media organizations, the media situation is more complicated than the Worldwide Press Freedom Index can clearly show. The question is less about media freedom than about the media biases that come with ownership and even more about the aim of ethnonationalist politicians and financially powerful individuals who secure influence over the media. There is a clear tendency of financially influential groups to succeed in taking over more media outlets and using them for further extension of their political influence and protection of their financial interests, which could have a long-term negative impact on the BiH democratization process. The improvement in media freedom was partially diminished by other negative phenomena, such as the failure to adopt a federal public broadcasting law and increased media ownership of powerful financial lobbies with political interests. *Owing to these factors, Bosnia's rating for independent media remains at 4.00.*

Local Democratic Governance. The Law on Local Self-Governance (LLSG) was finally adopted in FBiH in 2006, in a form that satisfies the level of its harmonization with the European Charter on Local Self-Governance. The RS already had a law on local self-governance. However, none of the entity laws on local self-governance (of the RS or FBiH) was implemented properly in 2006. Great reluctance to decentralize, transferring the competences and revenues according to the LLSG and honoring the principle of subsidiarity, was noticed in both entities, but especially in the FBiH, where additional transfer of competences from the cantonal to the municipal level might be required. *Although there were some improvements in delivering services at the local level, governance in the Mostar and Brcko districts did not show signs of improvement in 2006, which contributes to overall stagnation in this area. Therefore, the rating for local democratic governance remains at 4.75.*

Judicial Framework and Independence. The judicial system showed it could be efficient in the investigation of citizenship illegally granted to foreigners from 1992 to 2006, and confidence in the Court of BiH increased as a consequence of handling cases transferred from the ICTY. *However, the complex structure of the judiciary, the lack of harmonization throughout the country, the lack of domestic responsibility for judiciary financing and management, and evaluations that the judicial system is still not free from political interference contribute to the 2006 rating for judicial framework and independence, which remains at 4.00.*

Corruption. The adoption of the Strategy for the Fight Against Organized Crime and Corruption, membership in anticorruption regional initiatives, adoption of the Law on Conflicts of Interest, Law on Public Procurement, VAT law implementation, and money laundering monitoring all signal improvements in the area of corruption. *However, the failed attempt to reform the police, lack of harmonization of the legislation, lack of a legal definition of corruption, and no tangible progress in the implementation*

of anticorruption legislation significantly limited progress in 2006, thus Bosnia's rating for corruption remains at 4.25.

Outlook for 2007. Although constitutional modifications were necessary, they were not accomplished in 2006. The country must make substantial changes to its current political structure (based on the 1995 Dayton peace accords) if it truly wants to become self-sustaining and free of international tutelage. Brussels officials frequently stress that Bosnia cannot negotiate efficiently with the EU on its membership as long as it has such complex and uncoordinated government structures. Despite U.S. Ambassador Douglas McElhaney's urging of the speedy adoption of the April constitutional changes, there were no strong indications that this was likely to happen by the end of the year. The same goes for police reform, the implementation of which would also signal to the EU and the IC in general that BiH is ready to start working seriously on its full partnership in Euro-Atlantic structures. On the basis of the composition of the state governing coalition, the opposing political views, and personal animosities demonstrated in 2006, substantial progress in reform does not seem likely.

By the end of the year, the developments in Bosnia indicated that there is a greater chance for BiH to return to a quasi-protectorate status than for it to make significant progress on the EU path. The first of these developments is related to the future functioning of the newly established governments in BiH and their capability to deliver required reforms, which may prolong the life of the OHR and Bonn Powers. The second development is the delay of the decision on the final status on Kosovo. This could also affect the prolongation of the OHR mandate in BiH, despite often repeated claims that the status of Kosovo and RS are not directly linked. Despite strong statements by IC officials that an RS referendum on independence is impossible, Prime Minister Milorad Dodik's calls for referendums on the police and the independence of the RS were still very useful to Belgrade as it pushed to wait for the proposal on Kosovo status and later negotiations on the final provisions. The delay of the Kosovo decision provided even more space for continuing this maneuvering, slowing down the reform process in BiH.

It seems that only the desire to join Europe (the "pull of Brussels") has kept the reform process alive. It has a chance to continue if the EU offers a stronger show of commitment and maintains the linkage of conditions conducive to necessary reforms. The current messages coming from the EU about "enlargement fatigue" provide a perfect excuse for reluctant local political elites to merely pay lip service to EU-related reformsin order to avoide high short-term costs. The benefits of reforms and likelihood of EU membership seem vague, distant, and potentially nonexistent if that enlargement fatigue grows.

Main Report

National Democratic Governance

1999	2001	2002	2003	2004	2005	2006
n/a	n/a	n/a	n/a	n/a	4.75	4.75

The year 2006 in Bosnia and Herzegovina (BiH) was marked by three major events: the start of negotiations with the EU on the SAA, the first serious attempt at constitutional reform (which failed in April), and the October 1 general elections. SAA negotiations started on January 25, 2006, and were seen as the most significant achievement of the tenure of Paddy Ashdown as the high representative (HR) in Bosnia. The technical part of the SAA negotiations was finished successfully and on time, but issues related to politically blocked police reform prevented the signing of the agreement by the end of 2006 as was planned. In fact, SAA negotiations were initially opened after the adoption of a political agreement to reform the police in accordance with EU-defined criteria. The overall deal on police reform was brokered at the end of 2005, with heavy international pressure, when parliamentarians in the Republika Srpska (RS) finally adopted the Agreement on Police Restructuring in October 2005.

The politically sensitive details of the police reform and formulation of police districts were left to the Directorate for Police Restructuring, a special commission established by the Council of Ministers of BiH (CoM) which met throughout 2006 and whose work became one of BiH's major conditions for signing the SAA. Likewise, progress on implementing police reform became one of the major indicators of democratic governance in BiH since the EU principles on which it was supposed to be based (that is, state-level competences, elimination of political interference, and police regions defined on the basis of professional criteria) aimed to cut the ties between politics, police, and corruption in BiH.

However, the RS government, headed by Prime Minister Milorad Dodik, fiercely refused to guarantee state-level competences over the police, especially abolishment of the RS Ministry of Interior. The European Commission (EC) progress report published in November 2006[1] stated that the work of the Directorate for Police Restructuring was "undermined by the obstructive attitude of RS representatives," which led to delays in the implementation of the Agreement on Police Restructuring. The report stressed the lack of progress in this reform as the major obstacle to signing the SAA in 2006. Prime Minister Dodik stated publicly in November that if faced with the choice between preserving the RS Ministry of the Interior and the SAA signing, he would choose the Ministry of the Interior. In short, the implementation of police reform was presented as a choice between "Belarus and Brussels" models. By the end of the year, the RS government had

pressed the IC for a wider interpretation of EU criteria that would allow the SAA to be signed with only minimal changes to the current police setup.

In regard to security matters, there was a general assessment that BiH was technically ready to join NATO's PfP program, and catching suspected war criminals had been the only condition preventing BiH from joining. The same condition had prevented Serbia's participation in the PfP. However, the IC decided to drop the ICTY condition for BiH and Serbia in 2006. At the NATO Heads of State Summit held in Riga on November 28 and 29, a decision was reached that BiH and Serbia could join the PfP,[2] a first step toward eventual membership in the alliance. Up to that point, there had been a firm condition that Serbia must deliver General Ratko Mladic to The Hague, but ultimately this was dropped. Several EU capitals suggested that SAA negotiations with Serbia might be reopened in 2007 with Mladic still at large, which would certainly resonate in BiH.

Defense reform continued to progress in 2006, following the country's adoption of the Defense Law in December 2005. As of January 2006, all defense-related tasks and personnel were transferred to the State Ministry of Defense. In June 2006, the presidency made a decision on the definitive size, structure, and stationing of the armed forces. A parliamentary oversight committee was established at the state level, as was the Defense Reform Coordination Group.

The EUFOR (European Union Force) and NATO command in BiH praised the progress made in transferring more responsibilities from international peacekeeping troops to BiH authorities. The two commands released a joint statement in 2006 announcing the handover of more responsibilities in arms storage and control from EUFOR and NATO to the BiH authorities. BiH forces symbolically participated in the UN peacekeeping missions in Ethiopia and Eritrea, as well as in Congo, and one small unit for destruction of unexploded military devices was sent to Iraq.

The transfer of more responsibilities to Bosnia from the OHR was additionally confirmed when the CoM adopted the decision in September 2006 that vetting of candidates for ministerial posts would be done by parliamentary commissions rather than by the OHR, as was the previous practice. The candidates for ministerial and other public offices in 2006 became obliged to submit data about their background to the BiH Central Election Commission (CEC) and the State Investigation and Protection Agency.

The use of the HR's Bonn Powers dropped significantly in 2006. HR Christian Schwarz-Schilling, who took the post in February 2006 and holds the mandate of the EU special representative in BiH, does not substitute the decision making of local authorities, which was the previous HR practice. His decisions in 2006 were related mainly to the temporary prohibition on disposal of state property, since the State Property Commission had yet to complete the necessary legislation governing rights and obligations to state property at each level of government. Additionally, HR decisions in 2006 were related to appointments of international prosecutors for war crimes, organized crime, and corruption in the BiH Office of the Prosecutor and the Court of BiH, the transfer of cases from the ICTY to the BiH Office of

the Prosecutor, and the lifting of bans on political appointments of BiH officials imposed by previous HRs.[3]

Changes to the BiH Constitution were the hottest national topic in 2006. The aim of this reform was to make Bosnia a stronger state that would be able to function once the OHR closes and the HR departs the country as planned for June 2007. Under the influence of pre- and post-election inflammatory rhetoric and threats of RS secession if Kosovo were to become independent, it was decided that the OHR closure plan would be reconsidered at the Peace Implementation Council session scheduled for the end of February 2007. The constitutional reform aimed at better defining the competences of each branch and level of government, making state institutions more effective and functional, preparing the country to negotiate on its EU membership, and meeting the needs of BiH citizens.

It was widely understood among the IC and domestic political forces that the Constitution written in Dayton could not provide BiH with the right tools for European integration and had created a dysfunctional, inefficient, and expensive state apparatus. Donald Hays, an American diplomat and former deputy HR in BiH, facilitated talks on constitutional change among the country's major political parties. The talks focused on governance issues and targeted the presidency, the CoM of BiH, and the parliamentary assembly, redesigning all of them to secure their functionality and effectiveness. The objective was to expand a number of ministries and competences at the state level to strengthen the CoM. There was also a need to strengthen individual and minority rights in line with the ECHR and its protocols.

Another target of constitutional change was the three-member Bosnian presidency, which currently rotates between the two entities with a Bosnian Serb elected from the RS territory, and a Bosnian Croat and a Bosniak elected from the Federation of Bosnia-Herzegovina (FBiH). The changes would institute a single president and two vice presidents, who would maintain a reduced portfolio of powers and be appointed from the Parliament instead of through direct elections as established in Dayton. The proposed constitutional changes also addressed problems in the functioning of the BiH Parliament. The BiH Parliament currently comprises a 42-member directly elected House of Representatives (HoR) and a 15-delegate upper House of Peoples (HoP), whose members are appointed by the FBiH and the RS National Assembly. The BiH HoP has the power to block legislation passed in the BiH HoR by evoking a "vital national interest" clause. The proposed change aimed to more clearly circumscribe the use of the clause and thus prevent unnecessary blockage of the legislative process.

At the 10-year anniversary of the Dayton conference in Washington, D.C., held in November 2005, Bosnian political leaders committed to making the constitutional changes by March 2006 in order to incorporate them into the October 2006 elections. This tight deadline put additional pressure on BiH political leaders. The process agreed in Washington featured a first phase that would address constitutional changes in state-level institutions and a second phase that would address institutions at the entity, cantonal, and municipal levels.

The talks proceeded reasonably well, with local leaders chairing sessions and international officials facilitating. The U.S. government and EU strongly encouraged the talks but provided only a general frame for the changes. The talks ended on March 18 in Sarajevo with the signing of a political agreement by six political parties, three from each of the two entities: from the FBiH, the Party for Democratic Action (SDA), Social Democrat Party (SDP), and Croatian Democratic Community (HDZ); and from the RS, the Serbian Democratic Party (SDS), Alliance of Independent Social Democrats (SNSD), and Party for Democratic Progress (PDP).

From the beginning, the Party for BiH (SBiH), the newly established HDZ 1990 (a fraction of the HDZ BiH), and the Bosnian Party were clearly against the constitutional changes agreed upon by major parties in the RS and FBiH. SBiH leader Haris Silajdžić insisted that the changes should include diminishing the so-called entity voting established in Dayton and that failing to do so would make any other changes merely cosmetic. According to the Constitution designed in Dayton, every law in the state parliamentary assembly must carry a majority of votes from each entity in order to pass. Many recognized this provision as a mechanism used by the RS to block reforms and the strengthening of the state since the signing of the Dayton agreement. However, the provision had made the peace agreement possible and was understood as a necessary reality that BiH must cope with, the hope being that the EU accession process would change the aim and purpose of "entity voting."

At the parliamentary vote on the constitutional changes, SBiH representatives conditioned their support for the package on the inclusion of an amendment addressing entity voting. In fact, diminishing entity voting and generally obstructing the constitutional package was the platform on which SBiH leader Haris Silajdžić returned to an active role in politics and the major thrust of his 2006 election campaign. Not surprisingly, Silajdžić's call for the cancellation of entity voting was completely unacceptable to the RS political elite. It was also considered unrealistic by most other political parties and analysts in the FBiH.

The passage of the constitutional changes failed, lacking 2 votes of the required 28. Silajdžić's SBiH succeeded in rallying to its side one independent member of Parliament (MP) and one member of the SDA. Out of 11 parliamentarians from the RS, 10 voted for the package. This was the first time that the initiative, which had originally come from the FBiH and the IC, was supported in the RS (more so, in fact, than in the FBiH). In this turnabout, MPs of the RS tried to persuade their colleagues from the FBiH to pass measures supported by the IC, reminding their federal colleagues that the "open arms of Brussels and Washington" would be waiting for Bosnia if the constitutional package was adopted.

It was a precedent of historical proportions that the major political parties from the RS were on the same side as other parties in the FBiH. It was also rare that the Bosniak SDA and SDP BiH, supported mostly by Bosniaks, had the same opinion on this crucial political issue. A similar phenomenon occurred in the RS, where former archenemies—the SDS and SNSD—pushed for the same objective. This agreement on the April constitutional package occurred under strong U.S. pressure for constitutional improvements.

The failure to pass the constitutional changes caused deep disappointment among international officials in Bosnia and also within domestic liberal circles. It was widely agreed that BiH had missed a hard-won opportunity to initiate the modification of the Constitution in time for the October elections and that this failure would send a negative signal to Europe, the United States, and the IC in general. If passed, the amendments would have made some improvements in redistributing competences among different levels of government and improved functionality and efficiency. However, the chances for a fully functional state would be slim even with the amendments, as the entity/ethnic-blocking tool for decision making would remain in the BiH HoR, despite the fact that entity/ethnic representation is already secured in the BiH HoP.

In a year where political debate was concentrated on constitutional change and the general elections, little attention was given to increasing the quality of democratic governance in BiH. However, the EC progress report, published in November 2006, stated that the parliamentary assembly had generally remained favorable to European integration, increased its capacity to prepare legislation, and improved the work of its technical committees.

The RS government, appointed in February 2006 following a motion of no confidence, was effective in preparing laws related to organized crime, privatization, and public administration. However, it made several controversial decisions while removing a considerable number of high officials from the administration. However, special concern was raised at the government's downgrading of already approved principles of police reform, the lack of consensus on the formula for redistributing taxes collected by the Indirect Taxation Agency between the entities, and inflammatory rhetoric over a possible referendum for the self-determination of the RS.

In January 2006, the work of the FBiH government was obstructed by internal disputes over ministerial appointments. The federal government failed to pass legislation on public broadcasting, which is a requirement from the EU partnership. In addition, the ruling elites acted recklessly before the elections by passing two new legislative initiatives that threatened the country's fiscal stability. The BiH Parliament's lower house adopted changes in the law on foreign currency savings debt, while the FBiH-lower house amended the law on the rights of war veterans as both laws were financially infeasible. The OHR, International Monetary Fund, World Bank, and EC delegation to BiH heavily criticized the governments for "behaving as though they inhabit a fantasy world."

Several reports indicated that the dependence of BiH institutions on the IC for legislation drafting is declining. It is worth noting that the HR cannot impose any reform which is a requirement for the signing and implementation of the SAA. The parliamentary assembly passed the law on the establishment of the Directorate for Economic Planning at the state level. It became an additional state institution that will provide economic advice to the BiH CoM, as well as recommend economic policies and provide support to the Bosnian SAA negotiating team.

Electoral Process

1999	2001	2002	2003	2004	2005	2006
5.00	4.75	4.25	3.75	3.50	3.25	3.00

In November 2005, Bosnian political leaders gathered in Washington, D.C. for the 10-year anniversary of the Dayton conference. They committed themselves to making constitutional changes by March 2006 in order to incorporate them into the October 2006 election rules. Haris Silajdžić, the wartime prime minister and minister of foreign affairs who had receded into the political shadows after losing the presidential election in 2002, strongly opposed the constitutional changes and used this position—some say out of conviction and others say for electoral gain in order to stage a strong political comeback.

The ensuing tense political campaign started with a debate on the April package of constitutional changes, which was marked by nationalistic rhetoric and demagoguery unrelated to political programs and social economic issues. The constitutional issue clearly positioned the two most popular leaders in BiH, Silajdžić and Dodik, on opposite sides. Silajdžić's campaign was based on claims that the changes were cosmetic and would cement the status of the RS, an illegal entity built on genocide and ethnic cleansing.[4] It was not difficult to rally support for this position in BiH since there was a widespread assumption in the federal part of the country that the Dayton arrangement recognized a portion of the territory that had been obtained illegally. Silajdžić presented himself as the sole defender of the survival of BiH, claiming that he would diminish the RS, which perfectly served the political ambitions of incumbent prime minister Milorad Dodik, the strongest political figure in the RS. To every Silajdžić statement on dismantling the RS, Dodik responded with a promise to organize an RS referendum to secede from BiH.

Those who were hoping that the election campaign—in a country with 40 percent unemployment—would concentrate on "bread-and-butter issues" and that candidates would stress EU integration for BiH were deeply disappointed. The entire campaign was reduced to the timeworn themes of ethnonational divisions, preservation of the RS, and survival of BiH; only the players had changed. Instead of the main leaders from the ethnonationalist, wartime-ruling parties of the SDS and SDA, it was the leaders of the SNSD and SBiH who fought the same old battles, detached from the country's current social and economic issues. The election campaign was devoted mostly to inflammatory rhetoric, as when Dodik threatened to organize an entity referendum on RS secession from BiH, based on the example of newly independent Montenegro. There were also claims that if Serbia loses Kosovo, Serbia must be compensated by gaining the RS. These nationalistic statements, made during the election, were at odds with the country's declared focus on reforms and Euro-Atlantic integration, but they proved to be decisive factors in the election outcome.

The growing strength of Dodik and his SNSD based on an ethnonationalistic matrix was probably the most significant election trend. Five days before the elections, RS prime minister Dodik signed the third accord in a row on special relations between the RS and Serbia, aimed at boosting political and economic ties between Belgrade and Banja Luka.

Three factors significantly determined the political atmosphere in the aftermath of the elections. First, the failure to adopt the constitutional changes was widely understood as successful, but extremely unhealthy, manipulation by Silajdžić, whose campaign was based on strong appeals for diminishing the RS. Second, Dodik's skyrocketing popularity was helped by Silajdžić's anti-RS rhetoric. Dodik used this position as an excuse for stopping the state-strengthening and reform processes, warning that the RS would have a referendum on separation from BiH if Silajdžić continued with his policy of RS dissolution. Dodik's insistence on RS economic development could have a positive impact on BiH as a whole. However, his almost absolute power in the RS and claims that he would bar additional transfers of authority from the entity to the state level could block Bosnia's road to the EU, since some additional competences at the state level would be needed for proper BiH-EU negotiations. Third, IC officials announced the closing of the OHR in 2007. This strengthened the antireform attitude and the nationalists' resolve to continue resisting the adoption of crucial reforms until the "internationals with teeth," meaning the OHR, leave the country.

The general elections in October 2006 were a landmark event for BiH. The widespread assessment was that the elections took place in a dignified and orderly manner. For the first time since the signing of the Dayton peace accords, the Domestic Election Commission took full responsibility for the poll. In its conclusions, the International Election Observation Mission determined that "the manner in which the elections were conducted was generally in line with international standards for democratic elections."

The turnout of 55 percent in the 2006 elections was higher than in the general elections in 2002 (46.8 percent). The number of eligible voters in BiH currently stands at 2.7 million, up from 2.3 million in 2002. This was mainly the result of the passive voter registration system, which was introduced as an amendment to the Law on Elections of BiH in April 2006. The new Citizens Identification Protection System guaranteed that a BiH identity card was issued together with voter registration. The higher turnout could also be seen as a result of the greater number of domestic NGOs working actively on youth election turnout in the country. In total, 7,245 candidates from 36 parties, 8 coalitions, and 12 independent candidates ran in the elections for state, entity, and cantonal levels of government.

The biggest winners of the 2006 elections were the SBiH and SNSD. Haris Silajdžić, founder of the SBiH, won as the front-runner for the Bosniak seat in the country's tripartite presidency with 62.8 percent of the votes. The incumbent, Sulejman Tihić, came in second with 27.35 percent. Nebojša Radmanović, a member of the RS SNSD, won the Serb seat in the presidency with 53.26 percent of the votes, replacing incumbent Borislav Paravac of the SDS. The Croat member

of the presidency became Željko Komšić, a member of the multiethnic SDP BiH party, with 39.56 percent, defeating the incumbent Ivo Miro Jović from the nationalist HDZ BiH (with 26.14 percent). This result infuriated hard-core Croatian nationalists, who claimed that a member of the multiethnic SDP could not be a real Croat and a true representative of the Croat people in BiH.

For the first time, all three members of the presidency came from parties that did not rule during the war or who were seen as typical ethnonationalist parties, which have consistently had the strongest influence since the beginning of the 1990s. The electoral legislation has shaped the political life of Bosnia, further strengthening the country's divisions and reinforcing the same ethnonational matrix. In order to win elections, former moderates have started imitating hard-liners from the SDS and SDA, completely covering their political space.

Bosnians also elected members of the country's various parliaments. Elections were held for members of the RS National Assembly as well as for the entity's president and two vice presidents. Voters in the FBiH elected 98 representatives in the FBiH HoR and representatives in 10 cantonal assemblies. The SDA, SBiH, SDP, and HDZ-led coalition prevailed in the FBiH HoR. The SNSD made a sweeping victory in the RS National Assembly (44.95 percent, 41 out of 83 seats), leaving behind the SDS, which won only 18.99 percent (17 seats). The SNSD became the major political player in and outside the RS, while the SBiH finished close behind in the elections for the FBiH Parliament, where the SDA won 25.45 percent (28 seats) and the SBiH won 22.16 percent (24 seats). The SDP finished third in the Federal Parliament with 15.17 percent, wining 17 seats in the FBiH HoR.

The BiH HoR is dominated by the Bosniak SDA, SBiH, SNSD, SDP, HDZ-led coalition, and SDS. In the October elections, the SDA won 8 seats, SBiH 7, SDP 5, HDZ 3, Croatian Unity coalition (HDZ 1990, HZ-HSS-HKDU, HDU–Democratic Christians) 2, Bosnian Patriot Party Sefer Halilovic 1, Peoples Party Radom za Boljitak 1, and DNZ BiH 1 seat. The SNSD won 46.93 percent, gaining 7 seats, while the SDS gained 3, PDP RS 1, SBiH 1, SDA 1, and DNS 1 seat.

Members of the presidency were sworn in soon after the elections, but the state, entity, and cantonal governments were not formed by the end of the year, with the exception of the RS government. Incumbent Milorad Dodik was nominated and accepted as the new RS prime minister immediately after the election results had been confirmed. He stated there would be no coalition with the second strongest Bosniak party in the FBiH, Silajdžić's SBiH, since the parties do not share any goals. Later, the SNSD entered the coalition with the SBiH at the state level, after the failure to put Lagumdzija's SDP BiH in the coalition instead of the SBiH. However, tensions between the two most prominent leaders, Silajdžić and Dodik, continued until the end of the year, giving little hope to those who were expecting cooperative leaders ready to make difficult compromises and necessary reforms.

The situation in the FBiH was no less complex. The division of the major Croat party, the HDZ BiH, and the creation of the splinter HDZ 1990 resulted in a long conflict over the distribution of ministerial positions at the Federal and

cantonal levels, which prevented the formation of the governments in the Federal- and Croat-dominated cantons by the end of the year.

The elections demonstrated that the political scene continues to be divided along ethnic lines. The SNSD, SDS, and PDP, as well as other Serb parties, competed for Serbian votes, while the SDA and SBiH competed for Bosniak votes. Major Croatian parties, now even more divided after the formation of the HDZ 1990 fraction, also competed exclusively for the Croat votes. The only significant party attempting to promote a multiethnic profile was the SDP BiH, but it did not achieve significant results other than getting its member into the presidency.

Because of constitutional limitations and ethnicity-based nominations, the October 2006 elections again violated Protocol 12 of the ECHR and obligations toward membership in the Council of Europe, as well as measures in Article 7.3 of the Copenhagen Document OESS-a, from 1990. However, the blockade of more significant improvements in the electoral process in BiH was not a result of activities by election officials, but of systemic constitutional obstacles, which political leaders failed to remove in 2006.

Civil Society

1999	2001	2002	2003	2004	2005	2006	
4.50	4.50	4.25	4.00	3.75	3.75	3.75	3.50

There is a general assessment that politicians in Bosnia are indifferent to the interests of citizens, and as a result, citizens are increasingly apathetic about politics. However, the dissatisfaction with social and economic conditions in BiH still does not affect election results or translate into political power with the potential to make substantial change. Completing the circle, this general public apathy seems to make politicians indifferent to voters' interests and aspirations. Thus, society's potential role as a driving force of reform, prompting politicians to act in the interests of the people and their aspirations, is still very limited in Bosnia.

Few Bosnian NGOs have established a countrywide field of action. Many prefer to register at the entity level (either FBiH or RS) because of complicated procedures for obtaining a statewide registration. NGO financing is still problematic, as current legislation does not give sufficient incentives to private donors. However, some improvements in the NGO sector were recorded in 2006. The Center for Civic Initiatives (CCI), one of the most articulate domestic NGOs, pursued an agenda directly connected to citizen issues. This is entirely new and different from the agenda setting of the majority of NGOs, whose programs and goals are driven mostly by foreign grants and have often been detached from citizens' daily lives and concerns. The CCI, among other things, advocated strongly for the depoliticization of education, equal opportunity for handicapped persons, and revision of social protection laws. For example, the CCI initiated research on where lottery proceeds

are channeled and advocated areas where they should go and also succeeded in influencing the decision for the direct election of mayors in BiH.

In 2006, an increased number of indigenous NGOs worked on missions to initiate and promote citizen participation in democratic processes and to strengthen the capacities of individuals and organizations to successfully solve problems in their communities. NGOs often crossed FBiH and RS entity lines, expanding their work to cover the whole of BiH. There was noted improvement in public advocacy, enhanced public awareness of citizens' needs, and participation in decision making at all government levels. This was particularly noticeable in the increased activity of NGOs formed in 2006. Some developed "parliamentary programs" as an organized way to monitor parliaments at all levels of government.

Among these groups were GROZD, a civil initiative of Citizens Organizing for Democracy launched by the Center for the Promotion of Civil Society, and DOSTA! (ENOUGH!), which advocates for greater government accountability. Both were established in 2006 as activist movements of BiH citizens to involve the public in solving social issues and increase citizen participation in political life and elections. These groups tried to address the feeling of helplessness among citizens to affect decisions and the general lack of communication between citizens and politicians. During the election campaign, GROZD and DOSTA! showed signs of being elitist, but they reached educated youth to a considerable extent and made them aware of their rights as citizens. There were also new NGOs that demonstrated a kind of activism unprecedented in BiH. Youth from Tutto Completo attracted a great deal of attention a week before the elections by throwing paint on the presidency building in Sarajevo and starting the "colorful revolution," as it was soon called.

There were also examples of cooperation and two-way communication between citizens and parliamentary representatives at all levels of government (municipal, cantonal, entity, and state). These efforts informed citizens better about the work of these institutions and decision-making procedures as a whole, and contributed somewhat to increased transparency in the work of all branches of government in BiH.

The power of civil society initiatives was proven during the election campaign and also in regard to the strict EU visa regime for BiH citizens. This long-standing issue had gained little attention from local and international authorities. The CCI started a visa-free campaign and succeeded in bringing to the table all relevant domestic and international officials, pressing them to start negotiations on solving the problem and advocating effectively on behalf of citizens. The HR Christian Schwarz-Schilling stated at the roundtable that working toward a visa-free future is his top priority, and his Bosnian counterparts made similar statements.

The actions of the CCI to a certain extent helped finally to clarify what steps were required from BiH to relax the EU visa regime. Under the well-timed pressure of the CCI and other NGOs, the BiH presidency soon approved a proposal under which BiH negotiators would approach the EU about signing an agreement to ease the visa regime for certain categories of BiH citizens, and the EU recently

gave assurances that the visa regime will be relaxed for certain categories of citizens if conditions are fulfilled. The agreement should be signed in 2007.

The post-election actions of NGOs in Bosnia continued the positive trend of addressing real citizen concerns. Among them was the campaign Bitka za Neretvu (Battle for Neretva) for the environmental protection of the Neretva River. A petition was signed against the building of hydroelectric plants that would degrade the river's ecology. Besides the development of progressive youth NGOs, it is important to note the increased interest of religious organizations and communities in public affairs. In 2006, this advance extended to areas typically reserved to public authorities, such as the education sector.

The development of a stable and progressive civil society in BiH is still hampered by the country's education system. Reform of the postwar school system, which the IC strongly recommends, remains a dead issue owing to a lack of political will and the wish of ethnic parties to educate future voters in a segregated system divided along ethnic lines. Hence, the education system has continued to deepen ethnic divisions, with three different curriculums existing for Bosniak, Croat, and Serb children. In total, 14 ministers have authority over education, including 10 cantonal education ministers, 2 entity ministers, and the State Ministry of Civil Affairs. There is also a Ministry of Education for the district of Brcko, which has a special status.

This system segregates and isolates the country's children, and to a seemingly greater extent than in 1992. The IC has not yet succeeded in abolishing the apartheid of the "two schools under one roof" practice, where Bosniak and Croat children in Croat-majority areas go to school using separate entrances, sit in separate classrooms, learn from different sets of books written in often artificially differentiated languages, and are taught by different teachers. The IC's financial penalties for resisting implementation of the reform of primary and secondary education have not been successful.

There are also various problems in BiH higher education, corruption being the most serious. In 2006, polls showed as much as 95 percent of pupils, students, teachers, and parents in Tuzla canton believe that corruption is present at all levels of education. In a similar poll, almost 42 percent of respondents claim that they would offer bribes in exchange for passing grades on examinations. An important element in solving the problems of BiH higher education would be the adoption of the State Law on Higher Education in accordance with the Bologna process, which BiH pledged to follow. However, the law failed in 2006 owing to a lack of support from Croat representatives. Higher education reform is crucial to Bosnia's democratic development and path toward EU membership.

Independent Media

1999	2001	2002	2003	2004	2005	2006	2007
5.00	4.50	4.25	4.25	4.25	4.00	4.00	4.00

According to its fifth annual Worldwide Press Freedom Index, BiH continued a gradual rise, taking 19th place in 2006. Nineteenth place is shared with the likes of Denmark and New Zealand, and ahead of EU member states Greece (32nd) and Italy (40th).[5] It is the only country in southeast Europe ranked among the top 20 by Reporters Without Borders.

The country's various constitutions provide for the media's freedom of expression. The EC progress report in 2006 stated that freedom of the press had been considerably enhanced, as had freedom of expression, which was generally respected by authorities. The penal code does not contain libel and insult provisions. Defamation and libel cases are addressed under the civil code, while the instruments set out in the press code have not produced positive results in self-regulation.

Bosnia has a pluralistic media environment, with both private and public media outlets. Most of the media respected the laws and their obligations while covering the 2006 election campaign. The law requires that public media provide free airtime for television debates, which was used mostly for rhetorical nationalistic exchanges instead of focusing on substantial issues. Election reporting beyond free airtime was very limited owing to a rigorous reading of the law.

However, public broadcasting in FBiH remains a problem. In July 2006, the FBiH Constitutional Court blocked the Law on Public Broadcasting Service because the Croat representatives in the Federal Parliament claimed the proposed law affected the vital national interest of Croats in BiH. A complete legal framework for the restructuring of public broadcasting continues to be one of the major priorities from the European partnership. State-level and RS-entity media legislation have already been adopted.

For the most part, mass media and especially newspapers remain ethnically divided and influenced by political parties. Clear differences were noted in the media coverage provided by the entities' public broadcasters, whose programs were based on ethnic divisions. The Communication Regulatory Agency (CRA) noted that RS public broadcaster RSTV dedicated 44 percent of political primetime coverage to the RS government, 10 percent to the RS president, and 8 percent to the SNSD—all presented in a positive or neutral tone.[6] FTV, the public broadcaster in the FBiH, favored the SDA with 15 percent of its media space, and all material was presented in a positive or neutral tone.

A closer look at the media situation in BiH indicates a phenomenon common to all states of the former Yugoslavia. Increasingly, the media are falling under the influence of criminal and special interest groups, which hold the states' economic power and strongly influence the political scene as well as other spheres of society. Some roundtable discussions in BiH in 2006 addressed this issue. Representatives from the CRA stated publicly that some of the biggest problems facing a number

of media outlets were their subservient position, lack of critique, and dearth of research-oriented journalism.

Representatives of Transparency International BiH also claimed that powerful financial groups, which often gain power on the basis of money from criminal activities, were buying MPs, politicians, and even political parties to secure their financial interests through the adoption of favorable laws.[7] There is a widespread assessment that powerful financial circles impose their positions on the society through the media and that media outlets contribute to public apathy.

Local Democratic Governance

1999	2001	2002	2003	2004	2005	2006	2007
n/a	n/a	n/a	n/a	n/a	4.75	4.75	4.75

BiH ratified the European Charter on Local Self-Governance in 2002, unconditionally recognizing the obligations specified in that act. However, local self-governance was not among the top priorities of domestic and international reformers in BiH in 2006. The RS already has a Law on Local Self-Governance, and in 2006 the FBiH finally adopted its own law. Yet there were no serious attempts to truly implement these laws in terms of decentralization, responsibility sharing, and revenue redistribution. Both entity structures refused to decentralize or surrender some of the competences that should belong to municipalities (as well as the revenues that go with them). The reluctance was even greater in the FBiH since decentralization means, to a great extent, the transfer of responsibilities not only from the entity, but also from the cantonal level of government, which is a matter of great sensitivity for the Croat political parties.

Many experts believe that reform of local democratic governance can be realized within the program of public administration reform agreement signed in March 2003 in Brussels by the prime ministers of BiH and the two entities. This document elaborates the provision of quality public services and, if implemented, should increase the quality of local governance.

There is a valid assessment by various think tanks that top-down implementation of public administration reform, with a focus on centralization instead of decentralization and only a minor role for local representatives, cannot lead to the development of efficient local governance. There is little in the current reform of the BiH public sector (related chiefly to European integration) that would lead to a citizen-oriented public administration on the basis of fiscal decentralization, serious consideration of subsidiarity, and principles of the European Charter on Local Self-Governance.

The Organization for Security and Cooperation in Europe and the Council of Europe are implementing the BiH Beacon Scheme in partnership with the RS and FBiH municipal associations, with the aim of raising the standards of municipal governance by rewarding municipalities that demonstrate excellence

and innovation in citizen accessibility, effective strategic planning, and promotion of local economic development. This has raised the awareness of local governance and hence the quality of service in some municipalities. There were civil initiatives and roundtables in 2006 suggesting that the country's constitutional changes should start at the local community level. The argument for this was that municipalities must be heard in the process since the current BiH Constitution contains elements of racism and discrimination and there is a general lack of democratic local self-governance.

The establishment of a single administration in Mostar continued to be dominated and undermined by poor cooperation among local political forces, which led the HR to appoint a special envoy to Mostar in September 2006 to solve the issues of unifying the city. The EU progress report in 2006 recognized how harmonization of the statutes of the various institutions, unification of public utility companies, and completion of procedures for the recruitment of civil servants are particularly urgent. Mostar has the largest personnel expenses among municipalities in BiH. There is practically no rationalization of the city administration, which devours the bulk of municipal income. Public companies in Mostar are heavily in debt, and at best, the progress of the city in terms of local governance can be assessed as stagnation. Conflicts between the mayor and city council continued in 2006, and Mostar's stage of integration is still qualified as very poor.

The situation in Brcko district, which is a single, multiethnic administrative unit under international supervision, worsened in 2006. Since its establishment, the district has had its own political culture, different from the rest of the country and the classic ethnic politics. However, the election campaign radicalized the political scene in this regard. Furthermore, the end of the supervisory regime added fear, and the political parties started to play on ethnic issues, taking signals from Sarajevo, Banja Luka, and Mostar. The dysfunctional relationship between the government and the assembly in Brcko was identified as the major problem in the district, and in 2006 Brcko supervisor Raffi Gregorian claimed that there is one major structural reason behind this predicament: When the district moved from an appointed government and assembly to elected bodies, the statute did not adequately reflect this change. As a consequence, when the mayor sends the budget and laws to the assembly, his own coalition may vote against his proposals.

Judicial Framework and Independence

1999	2001	2002	2003	2004	2005	2006	2007
6.00	5.50	5.25	5.00	4.50	4.25	4.00	4.00

Despite adopted laws and all attempts to strengthen the institutional capacity of the BiH justice system (as well as to better coordinate police and prosecutors), the judiciary remains slow, inefficient, and (in many cases) corrupt. The complex and unharmonized internal structure of the country is reflected in the structure of

the judicial system. There are 208 courts and prosecutors' offices employing 1,281 judges and prosecutors.

The EC progress report in 2006 states that, overall, the judiciary continues to be independent and assesses that the High Judicial and Prosecutorial Council (HJPC), which appoints judges and prosecutors, has performed well. However, further efforts are necessary to improve the functioning of the judiciary, since the country does not take full responsibility for financing and managing the system. There are still four separate, parallel jurisdictions—state, RS, FBiH, and Brcko district—which create systemic obstacles to the efficient work of the judiciary. During 2006, directives continued to come from 14 ministers of justice, and many laws remained incoherent. A good indicator of the state of the judiciary is that there are still four different bar exams for lawyers and the rate of reversal of judgments in major criminal cases at the Court of BiH continues to be very high.

Many national and international observers recognize that the judicial system is not free from political interference. There was an RS government attempt to appoint the RS special prosecutor in May 2006, which was a prerogative of the HJPC. A persistent lack of well-trained judges, prosecutors, and support staff, especially at the lower levels of the judiciary, was also recognized as a considerable problem. Additionally, funds for judicial operations were lacking since financial resources allocated to the judiciary are largely consumed by salaries. People with experience in dealing with the BiH judicial system state that salary increases have only raised the size of bribes to judges.

It has been necessary to provide judicial protection in matters that constitutionally fall under the jurisdiction of the Court of BiH, such as the fight against terrorism, war crimes, human trafficking, organized crime, and economic crimes. Further, with the aim of establishing the rule of law, the Court of BiH will also work on harmonizing standards in court proceedings. The system showed it could be efficient in the investigation of citizenship illegally granted to foreigners from 1992 to 2006. In total, 120 such decisions were reversed on the grounds of false personal information, and around 1,500 cases were scrutinized in 2006.[8] These were mostly cases of people of African or Asian origin who came to BiH to fight during the war.

In 2006, the ICTY started to transfer cases to the BiH judiciary in addition to cases initiated in the Court of BiH. By the end of the year, the ICTY transferred five cases to the Court of BiH (those pertaining to defendants Stanković, Janković, Mejakić et al., Ljubičić, and Rašević et al.).[9] The Court of BiH department for war crimes has five court councils of first instance, comprising two international and one local judge, who is the president of the court council. There were no complaints regarding the fairness of the proceedings, and the court received high marks for its work in 2006, especially for its contribution to bringing indicted war criminals to justice.

Corruption

1999	2001	2002	2003	2004	2005	2006	2007
6.00	5.75	5 50	5.00	4.75	4.50	4.25	4.25

In 2006, BiH adopted the 2006–2009 Strategy for the Fight Against Organized Crime and Corruption, but it awaits proper implementation with the state remaining challenged by corruption. The newly adopted anticorruption laws are weakly implemented, which produces minimal results and a low level of trust in public institutions.

According to Transparency International's 2006 Corruption Perceptions Index, BiH is ranked 93 among the 163 nations surveyed (where 1 denotes least corrupt) and is thus one of the moderate-to-more corrupt regimes in the world. *The Study of the System of National Integrity,* published by Transparency International BiH, indicates that corruption is dominant at the local level, but the misuse of public funds is traced to the highest levels of government. This leads Transparency International to conclude that the majority of criminal activities would not be possible without the direct participation and patronage of highly positioned officials. It is important to note that immunity rules for MPs also apply to criminal offenses related to corruption. A strong claim can also be made that officials wish to protect their power over feudal, nontransparent, and self-governing territories.

Transparency International revealed that in 2006, BiH still did not have parliamentary commissions in place, or other bodies responsible for anticorruption efforts, or any law that obliges MPs to report their contacts with lobbyists and special interest groups. This becomes an increasingly important problem as the country's economic opportunities grow. In addition, there are no rules regulating lobbyists and special interest groups or obliging them to report their contacts with parliamentarians. BiH is a member of the Council of Europe Group of States Against Corruption, and it is involved in the Stability Pact's Anticorruption Initiative. However, there was no development toward necessary structures or increases in enforcement capacity in this regard during 2006. In addition, BiH still has not ratified the UN Convention on Fighting Corruption and the Additional Protocol to the Criminal Law Convention on Corruption, nor is it a party to the 1997 Organization for Economic Cooperation and Development Convention on Combating Bribery of Foreign Public Officials in International Business Transactions.

On a qualified positive note, improvements in increasing the capacity of the BiH judiciary, police, and special agencies were noticeable. However, their cooperation and communication with one another was still lacking, as was the political will to fight corruption. There were positive anticorruption activities related to the adoption of the Law on Conflicts of Interest. However, the law served more as a tool of prevention than as a penalty for perpetrators. The Laws on Public Procurement and VAT also led to some improvements.

The EC progress report in 2006 indicated that the country's problems in efficient prosecution of cases were due to the lack of a clear legal definition of the term *corruption* in BiH criminal legislation. Also, anticorruption legislation is not fully harmonized across the country and there is a clear need to harmonize various criminal codes. As a consequence, only limited progress in dealing with the serious problem of corruption was achieved.

The fight against money laundering is a prerogative of the State Investigation and Protection Agency (SIPA), whose Financial Intelligence Unit remained inadequately staffed with less than half of the planned positions filled in 2006. There were regional meetings of police chiefs to discuss progress achieved in implementing the regional strategy for fighting organized crime and corruption. BiH has drafted its own strategy. However, no laws were adopted in 2006 in this regard. There were also a lack of monitoring institutions in place with specific tasks and measurable deadlines.

A small number of successful corruption prosecutions took place in 2006. One prominent case concerned the former Croat member of the BiH presidency, Dragan Čović, who was charged by the state prosecutor with customs evasion, corruption, and abuse of office. The alleged offenses were committed between 2000 and 2003, when Čović was FBiH finance minister and when, allegedly, he gave illegal tax breaks to business associates. Čović was found guilty and sentenced to five years' imprisonment by the Department for Organized Crime, Economic Crime, and Corruption of the Court of BiH in November 2006. Čović appealed and was freed on bail amounting to 1,584,182 euros and immediately joined the talks on government formation in BiH. Other defendants in the Čović case were acquitted and all other charges were dropped, including those for organized crime and tax evasion, owing mainly to the prosecutors' poor preparation of the case, at least as was reported in the media.

The SIPA and police followed the defendants closely in order to prevent their possible escape from BiH, as happened in the case of another former Croat member of the BiH presidency, Ante Jelavić. Jelavić escaped to Croatia in 2005 after the Court of BiH sentenced him to 10 years in prison, finding him guilty of embezzling funds sent by the Croatian government to aid the Croatian Defense Council in BiH. Jelavić was in Croatia when his sentence was annulled in 2006 by the Appellate Council of the Court of BiH, but opening a possibility for his prosecution in Croatia.

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1 *Bosnia and Herzegovina 2006 Progress Report,* Commission of the European Communities (SEC 2006) 1384, Brussels, 8. November 2006, available at http://ec.europa.eu/enlargement/pdf/key_documents/2006/nov/bih_sec_1384_en.pdf.

2 Riga Summit Declaration, Issued by the Heads of State and Government, Meeting of the North Atlantic Council in Riga, November 29, 2006, NATO online library, http://www.nato.int/docu/pr/2006/p06-150e.hrm.

3 For more details, go to official Web page of the HR/EUSR in BiH, available at http://www.ohr.int/decisions/archive.asp?m=&yr=2006.

4 This is a widespread opinion among people and politicians in FBiH, especially after the ICJ verdict, which stated that "genocide was committed in Srebrenica" and that "RS military and police forces were participating in it." While FBiH holds this characterization as consensus, RS politicians and people do not accept it. Dodik recognized the ICJ Srebrenica genocide finding but stated, "I did not participate in it, and it will not have any legal consequences."

5 Reporters Without Borders' fifth annual Worldwide Press Freedom Index, available at http://www.rsf.org/rubrique.php3?id_rubrique=639.

6 Communications Regulatory Agency (CRA) CRA Report: *Izvještaj o medijskom praćenju Opštih izbora u Bosni i Hercegovini [Report on Media Coverage of General Elections in Bosnia-Herzegovina],* October 2006, available at http://www.cra.ba/bs/broadcast/reports/default.aspx?cid=4323.

7 Transparency International: National Integrity System Study, Bosnia and Herzegovina 2007, http://www.ti-bih.org/documents/20-02-2007/National-Integrity-System-Study-2007.pdf.

8 "BiH Panel Revokes Citizenship of 120 Foreigners," *South East European Times,* September 6, 2006.

9 More details at www.sudbih.gov.ba.

Bulgaria

by Rashko Dorosiev and Georgy Ganev

Capital: Sofia
Population: 7.8 million
GDP/capita: US$8,820
Ethnic Groups: Bulgarian (83.9%), Turkish (9.4%), Roma (4.7%), other (2%)

The economic and social data on this page were taken from the following sources:

GDP/capita, Population: *Transition Report 2006: Finance in Transition* (London, UK: European Bank for Reconstruction and Development, 2006).

Ethnic Groups: *CIA World Fact Book 2007* (Washington, D.C.: Central Intelligence Agency, 2007).

Nations in Transit Ratings and Averaged Scores

	1999	2001	2002	2003	2004	2005	2006	2007
Electoral Process	2.25	2.00	2.00	2.00	1.75	1.75	1.75	1.75
Civil Society	3.75	3.50	3.25	3.25	3.00	2.75	2.75	2.50
Independent Media	3.50	3.25	3.25	3.50	3.50	3.50	3.25	3.50
Governance*	3.75	3.50	3.50	3.75	3.75	n/a	n/a	n/a
National Democratic Governance	n/a	n/a	n/a	n/a	n/a	3.50	3.00	3.00
Local Democratic Governance	n/a	n/a	n/a	n/a	n/a	3.50	3.00	3.00
Judicial Framework and Independence	3.50	3.50	3.50	3.50	3.25	3.25	3.00	2.75
Corruption	4.75	4.75	4.50	4.25	4.25	4.00	3.75	3.75
Democracy Score	3.58	3.42	3.33	3.38	3.25	3.18	2.93	2.89

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

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

Executive Summary

In the 17 years since the collapse of Communism, Bulgaria has managed to consolidate its democratic governance system with a stable Parliament, sound government structures, an active civil society, and a free media. Over this period, a number of general, presidential, and local elections have been held freely, fairly, and without disturbance. Power has changed hands peacefully. Bulgaria has made significant progress in establishing the rule of law, yet further efforts are needed. After a period of poor performance, the economy has recorded nine years of robust growth. Economic reforms have advanced considerably, with more work needed to improve the business environment. In 2004, the country officially became a NATO member. On January 1, 2007, Bulgaria will become a full member of the European Union (EU), completing its integrationist agenda that dominated political discourse within the country during the period of transition. Despite these positive achievements, more attention must be paid to reforming the judiciary and to fighting corruption and organized crime. Better efforts are also needed to bring the public back to politics, to reestablish its trust in democratic institutions, and to relegitimize politics as a tool for engendering social change.

National Democratic Governance. The Bulgarian system of democratic governance is well established and progressing steadily despite various problems. At the end of 2005, some political experts expressed doubts about the ability of the government, created by three partners with differing political conceptions, to overcome the considerable political fragmentation after the elections. However, the government and Parliament managed to stabilize their positions and concentrated all their efforts during 2006 on intensifying progress in the reforms needed for Bulgaria's integration into the EU. The European Commission recognized the progress made and recommended that Bulgaria join the EU without safeguards in the areas of the judiciary and home affairs, preserving the right to invoke such safeguards until the end of 2009. At the same time, the Commission noticed that more efforts are needed to improve the functioning of the Bulgarian judicial system. *Owing to the stability of Bulgaria's reforms, which provided the ability to overcome fragmentation and earn integration into the EU, Bulgaria's national democratic governance rating remains at 3.00.*

Electoral Process. Regular presidential elections were held in Bulgaria in October 2006. Voter turnout was 42 percent in the first round and 41 percent in the second. For the first time in Bulgaria's recent history, the incumbent president was reelected. Georgi Parvanov, a former Bulgarian Socialist Party leader, won the elections with an impressive 75 percent of votes in the runoff. His major rival was the leader of

the nationalistic Attack coalition, Volen Siderov. Siderov managed to double the electoral support that his party achieved at the last general elections in 2005, but not enough to threaten the positions of the incumbent president. Parvanov managed to win easily, not because of his performance as president over the last five years, but rather because parties from the right-center political spectrum did not succeed in nominating a strong, competitive presidential candidate. *There are no considerable changes that indicate an improvement or decline in the electoral process rating for Bulgaria, which remains unchanged at 1.75.*

Civil Society. Over the last 17 years, Bulgaria has managed to develop a vibrant civil society. However, the nongovernmental organization (NGO) sector has still not developed sustainable fund-raising mechanisms. The Bulgarian civil society sector was formed with a top-down approach, led by donor demands and visions and not by Bulgarian citizens. This is the major reason most NGOs are still heavily dependent on foreign donors and do not enjoy public support. A significant number of large foreign NGOs and their donors began to withdraw from Bulgaria in 2006, which will likely cause funding problems for some organizations but did not diminish activities during 2006. On the other hand, the accession of Bulgaria to the EU will open new funding possibilities to Bulgarian NGOs. New challenges are arising in developing special skills and capacity for writing project proposals and managing projects under the strict and bureaucratic rules of the European Commission. The government, National Assembly, and media have all gradually learned to call upon NGO expertise. However, partnerships between civil society and the government are primarily project-based to take advantage of international or state funds. *The sector's continuing pace and vibrancy in the face of diminished and shifting funding demonstrates maturity. Bulgaria's civil society rating improves slightly from 2.75 to 2.50.*

Independent Media. The structures for media freedom in Bulgaria remained largely unchanged in 2006. Print media are generally independent from state interference but still not fully independent from economic and political special interests. There were several cases in 2006 of attempts to prevent media criticism on certain issues. In May, Minister of the Interior Roumen Petkov released documents from the archives of the former Communist secret services disclosing that Georgi Koritarov, journalist with Nova Television (one of the country's three biggest channels), was a former counterintelligence agent. The files were released in retaliation for Koritarov's criticism of police forces and the Ministry of the Interior in general. Another case involved Ivo Indjev, journalist with bTV (a private nationwide television station), who was fired for releasing unconfirmed information about the property of incumbent president Georgi Parvanov shortly before the presidential elections. In April, a bomb exploded in the home of Vasil Ivanov, a journalist with Nova Television who had become well known for corruption investigations. Libel is still a criminal offense in the penal code, but in most cases the courts interpreted the law in favor of journalistic expression. The policy of the new prosecutor general

(appointed in March 2006) was also changed in a similar direction. Shortly after taking office, he canceled the preliminary investigation of BBC journalists who created the film *Buying the Games*, which accused former Bulgarian International Olympic Committee member Ivan Slavkov of corruption. *Owing to attempts to interfere in media independence and attacks on journalists, combined with the media self-censorship that still exists in all media sectors, Bulgaria's independent media rating worsens slightly from 3.25 to 3.50.*

Local Democratic Governance. Local self-government in Bulgaria is exercised at the municipal level, with councils and mayors elected directly by secret ballot in universal and equal elections that have been consistently free and fair. Local governments are empowered to resolve problems and make policies. They are responsible to the local public, and mechanisms for public control exist. In 2006 for the first time, the ruling coalition (which has a constitutional majority) approved a proposal for fiscal decentralization allowing municipal councils to set local tax rates; this was subsequently advanced as a formal proposal in a working group for changes to the Constitution. As per new legislation, all municipalities will be able to collect their local taxes as of 2007. *Although more reforms are needed, the process of actual decentralization is slowly advancing, and Bulgaria's local democratic government rating remains unchanged at 3.00.*

Judicial Framework and Independence. The basic framework for an independent judiciary and political, human, and civil rights is in place in Bulgaria, but many problems persist that were in some ways addressed in 2006. The Constitution was amended to introduce a higher level of transparency and accountability in the judiciary. A new prosecutor general was appointed after the end of the previous mandate, with the new appointee adopting a number of measures to improve the working of the prosecution and to make prosecutors more transparent and accountable, including a comprehensive review of all prosecutors and a number of dismissals on various grounds. The enforcement of court decisions has improved with the licensing of private enforcement firms. The ombudsman received the right to petition the Constitutional Court, which increases channels available to citizens to protect their constitutional rights. In March 2006, a constitutional amendment was adopted that will bring major changes to the Bulgarian judicial framework. The most important of these is a new requirement that the prosecutor general, chairperson of the Supreme Administrative Court, and chairperson of the Supreme Court of Cassation must annually inform the Parliament about the activities of the courts in prosecuting, investigating, and applying the law. *Owing to advancements in many aspects of the transparency, accountability, and practical functioning of the judiciary, Bulgaria's rating for judicial framework and independence improves from 3.00 to 2.75.*

Corruption. During 2006, many practical measures for fighting corruption were implemented. These mostly affected prosecutors, customs officers, traffic police,

and several midlevel officials in Sofia, but the process has not yet reached the higher levels of the administration. The state's involvement in the economy remains limited, but there have been no major improvements in economic freedom indicators. The institutional framework and practice of financial disclosure by public officials have improved. *Even though current anticorruption measures in Bulgaria have created an expectation for more sizable improvements in the near future, the situation in 2006 was basically unchanged, so the rating remains at 3.75.*

Outlook for 2007. There will be two developmental highlights in Bulgaria in 2007. First, the country will be a first-year member of the EU. This will have an impact in several dimensions: participation in EU decision-making procedures, including national election of members of the European Parliament; administering the process of absorption of EU structural and cohesion funds; and the continuation of judicial reform and development of measures to fight corruption and organized crime. Bulgaria will be subject to very strict monitoring by the European Commission under the threat of triggering safeguard clauses envisaged in the accession treaty in the areas of justice and home affairs. The second highlight will be the local elections to be held in the fall. Coupled with the expected constitutional amendment giving power to municipal councils to set local tax rates, these elections will be pivotal for future developments in local governance.

Main Report

National Democratic Governance

1999	2001	2002	2003	2004	2005	2006	
n/a	n/a	n/a	n/a	n/a	3.50	3.00	[illegible]

After 16 years of difficult transition, Bulgaria has succeeded in establishing a stable democratic system of governance. Adopted in 1991, the Constitution introduced a parliamentary regime with a system of checks and balances guaranteed by the legislative, executive, and judicial branches. According to the Constitution and the Law on Access to Public Information, in force since 2000, Bulgarian citizens have the right to obtain information about government activities. The law includes a mechanism to initiate proceedings when these rights are violated. On the other hand, the Law on the Protection of Classified Information, in force since 2002 as a condition of Bulgaria's membership in NATO, is still often used by the government to refuse access to information. There have been many cases where the court adjudicated access but the government used legal or administrative instruments to block it. According to the nonprofit Access to Information Program Association, numerous institutions, NGOs, and citizens initiated cases charging violations of the law in 2005 and 2006, which indicates that Bulgarian civil society has recognized the right of access to public information as an important instrument to control the government.

During the Communist era, Bulgaria's economy was fully dominated by the state. In 1990, the country began a slow and difficult process of economic liberalization and privatization. Most of the largest companies remained state owned until 1997 and maintained their monopoly market positions. After 1998, privatization efforts were intensified; and by 2006, state influence over the economy was much less significant compared with the free market forces of the private sector. As a whole, there are no significant government barriers to economic activity. Since 1998, Bulgaria's score in the annual Index of Economic Freedom produced by the Heritage Foundation has improved markedly. Despite a slight worsening (owing entirely to data collection parameters) in Bulgaria's 2006 index, the country remains classified as "Mostly Free."

Throughout Bulgaria's largely peaceful transition, no important political players have questioned democracy as the desired basis for the country's political system. Bulgarian citizens recognize the legitimacy of state institutions, and government authority extends over the full territory of the country. A considerable Turkish minority (about 9 percent of the population) lives mostly separated from the majority but at the same time is well represented politically. These positive trends aside, in recent years public opinion polls have registered a growing public distrust of democracy as the best form of government. The public's assessment of

the political elite, mainstream political parties, key democratic institutions, and the transition process itself has been mostly negative. These negative public perceptions have found their political representation in the emergence of an extremist political formation called Attack. The coalition is a typical social anti-establishment voice relying on an anti-Turk and anti-Roma campaign. It was created shortly before the June 2005 general elections but managed to pass the 4 percent parliamentary threshold. Initial interpretations of this surprising development were focused largely on the traditional protest vote in Bulgaria. However, after the 2006 presidential elections, in which the Attack coalition leader, Volen Siderov, finished second behind the incumbent president, Georgi Parvanov, many country experts had to revise their conclusions.

Bulgaria has a one-chamber National Assembly, the 240-member legislature, which is directly elected for a four-year term. Until 2001, the Bulgarian political system was dominated by two parties: on the left, the Bulgarian Socialist Party (BSP), successor to the former Communist Party; and on the right, the Union of Democratic Forces (UDF). Between 1995 and 2001, one of these parties had a majority in the Parliament, and the center of actual decision making shifted from the National Assembly to the government and political party leadership. This bipolar episode ended with the victory of the National Movement Simeon II (NMSS) in the 2001 general elections, increasing the political importance of the National Assembly. This trend was reinforced after the June 2005 general elections when none of the major political parties won a majority.

The Bulgarian National Assembly receives sufficient resources to meet its constitutional responsibilities and has established strong committees and subcommittees. It also consults with a considerable number of experts and NGOs in the legislative process. Over the last 17 years, the National Assembly has developed a tradition of transparency and accountability. Committee hearings and legislative sessions are open to the public and the media, and most bills are posted on the Parliament's Web site. All sessions are broadcast live on the parliamentary radio channel, and some are broadcast on television. Information about the government's decisions and activities can be found on its Web site and through the ministries' public relations offices. The work of the Council of Ministers is observable only through regular press conferences and through a daily bulletin published on the government's Web site.

These positive aspects aside, there are still some problems in the functioning of the National Assembly. It is a common practice among parliamentarians of the ruling and opposition parties to vote with their colleagues' electronic voting cards. Despite efforts by the former and present Parliament Speaker to cope with this questionable practice, it continues. Another problematic area is the quality of legislation passed by the Parliament. Because of Bulgarian integration into the EU, the National Assembly had only a short period in which to pass or amend an increased number of laws and amendments, which negatively affected the quality of the process. There have been cases in recent years where laws passed or amended had to be returned to the Parliament for revision.

During 2006, Bulgaria has been governed by the coalition cabinet of the BSP, NMSS, and Movement for Rights and Freedoms (MRF). None of the major political parties succeeded in winning enough votes in the June 2005 elections to form an independent government, resulting in the longest and most complicated negotiations since 1989. In August 2005, the Parliament approved a government after more than 50 days of intensive discussions and after the BSP and the MRF failed to elect a minority government in July. Many political observers noted that the new government is marked by a high level of distrust among coalition members. The BSP and the NMSS were fervent political opponents in the preelection campaign, exchanging allegations of corruption, lack of governance experience, and so forth. Moreover, there were serious differences in the governance programs of the two parties. Many BSP members and followers did not trust the MRF because of the party's expedient political shifts and flexible commitments over the last 16 years.

Despite these negative factors, the coalition government has managed to stabilize its structures and keep the general positive trend in the country's development. While criticizing Bulgaria for shortcomings in several policy areas (specifically judicial reform and the fight against organized crime and corruption), the European Commission acknowledged Bulgaria's progress toward meeting the membership criteria and recommended that the country become a full-fledged EU member on January 1, 2007. In economic terms, Bulgaria has also continued to grow over the last six to eight years. Projected gross domestic product growth for 2006 is estimated at 6 percent, while foreign investments reached US$5 billion by the end of 2006.

Apart from the indisputable achievements of the government, there are several worrisome trends. The first is related to continuing public disaffection with the long and difficult period of transition and the way in which the political system has functioned so far. There are many people in the society who perceive themselves as losers in Bulgaria's transition and tend to support more radical options in order to punish the country's current political elite. This trend is apparent in the public opinion surveys measuring perceptions about the performance of the government and Parliament. When asked to evaluate the performance of these two institutions, only 21 percent respond positively to the Parliament and 36 percent to the government.[1]

Support for the Attack coalition leader in the last presidential elections was also indicative in this respect. It is true, on the one hand, that some of the negative public perceptions stem from the country's long and exhausting transition, and the government and political elite have not been able to bring significant change to the current situation in the short term. On the other hand, various policy issues, such as integrating minorities into Bulgarian society and political life, have been consistently ignored. If no policy actions are undertaken in these areas, public trust in democratic institutions and mechanisms will most likely remain low, while support for populist and anti-system political options will continue to grow.

Bulgaria's civil service is regulated by the Law on Administration of 1998 and the Law on the Civil Service of 2000. These introduce competition for civil servant

appointments, with selection based on the professional qualifications of candidates. The Law on the Civil Service has been amended several times since its adoption (most recently in August 2004) to improve recruitment and performance. Yet there is room for improvement in the selection of candidates and the efficiency and quality of administrative services available to citizens. One of the official motives for the adoption of the Law on the Civil Service was its potential to curb corruption. Public opinion surveys in 2006 have indicated that civil servants are still perceived as one of the most corrupt professional groups in Bulgarian society.

The executive is subject to supervision by the legislature. Every Friday, ministers are obligated to answer questions raised by members of Parliament (MPs). In addition, governmental structures are obligated to provide information upon request on behalf of parliamentary committees or MPs. The executive is also supervised by the National Audit Office (NAO) through regular financial or performance audits of all government agencies. The NAO has 11 members, elected and dismissed by the Parliament, to which it reports annually. For example, an NAO report in April 2004 resulted in the creation of an ad hoc parliamentary committee to investigate spending in various EU-funded programs in the Ministry of Regional Development and Public Works.

Since military and security services are under the jurisdiction of the executive branch, they are also subject to the control of the Parliament, which discusses and approves security budgets as part of the total state budget. MPs also monitor the performance of different military and security structures operating under the Ministries of Defense and the Interior. At the same time, to avoid centralizing power in this key area, the government proposes, and the president approves, candidates for directors of the security services and the chief of staff of the Bulgarian armed forces. There is also judicial oversight of the military and security sector—a special prosecutorial body investigates military and security officials in Bulgaria.

The Bulgarian military and security services have gone through reforms during Bulgaria's NATO candidacy. The government established a modern system of democratic control based on clear organizational and functional structures, responsibility, and accountability. As a result, more information is currently available to the public and NGOs, especially about the activities of the Ministry of Defense. Several NGOs are working on problems in the security sector and civil control over the armed forces. Still, some problems exist regarding access to information. Often, military or security officials take advantage of the new Law on the Protection of Classified Information. With similar justification, some lawsuits against members of the military and security sector have been classified and closed to the public.

Electoral Process

1999	2001	2002	2003	2004	2005	2006	2007
2.25	2.00	2.00	2.00	1.75	1.75	1.75	1.75

The Bulgarian Constitution provides all citizens over 18 with the right to vote by secret ballot in municipal, legislative, and presidential elections. Small glitches aside, elections since 1991 have been free, fair, and in compliance with electoral law. The last parliamentary elections in 2005 and presidential elections in October 2006 were also generally assessed as free by all political parties and observers.

There is a strong history of different parties coming to power consecutively and peacefully in Bulgaria. No Bulgarian government since 1990 has been reelected, suggesting that democratic procedures in Bulgaria are effective and no party has attempted or been successful in using its position in power to win elections. The last presidential election held in 2006 registered the second victory of a left-wing candidate, representing the BSP. The last local elections in October 2003 were the first in recent Bulgarian history to take place without international observers, an acknowledgment that the country has managed to establish a tradition of free and fair elections.

Bulgaria has a proportional electoral system, except in presidential and mayoral elections, which ensures fair polling and honest tabulation of ballots. Up to 2005, legislation for parliamentary elections provided all political parties, coalitions, and candidates with equal campaigning opportunities. However, amendments to the electoral law in 2005 now require a deposit in order to register MP candidates: 40,000 lev (US$25,500) for coalition candidates, 20,000 BGN (US$12,750) for individual party candidates, and 5,000 BGN (US$3,200) for individual candidates nominated by citizen committees. The rationale for the amendments was to reduce the number of parties participating in elections, since many do not represent actual social interests and only contribute to voter confusion. As a result, the number of registered parties and coalitions decreased from 65 in 2001 to 22 in 2005. Additionally, an integrated white ballot replaced the system of separate colored ballots. This is also considered a positive step, as the colored ballots were confusing to some voters and prompted endless quarrels among the parties over color choices.

The last general elections, held in June 2005, were won by the left-wing BSP, successor to the Bulgarian Communist Party, with 33.98 percent of votes and 82 seats. After failing to elect a minority government in coalition with the ethnic Turkish party MRF in July, the BSP agreed to a government coalition with the previously ruling NMSS in August 2005. Since 1990, the party has tried to move away from its Communist legacy and build a modern leftist organization. Following the 1997 crisis, when protesters took to the streets to force the resignation of the BSP government, the BSP adopted Atlanticist ideas in its platforms. In 2003, it was accepted for full membership in the Socialist International, indicating international recognition of the party's reformation. Sergey Stanishev, a former BSP international

affairs secretary, is the current party leader and was appointed prime minister after the June 2005 elections.

The previously ruling centrist NMSS won 21.83 percent of votes and 53 parliamentary seats. Although declaring prior to the 2005 parliamentary elections that it would not enter into a coalition with the BSP, the NMSS had to finally agree on such an arrangement. This inconsistency was motivated largely by the need to maintain political stability for the sake of Bulgaria's forthcoming accession to the EU.The NMSS was created only three months before the 2001 general elections by Simeon Saxe-Coburg-Gotha, Bulgaria's former king, but succeeded in winning most of the votes and forming a government. Though lacking a clear political and ideological identity, the NMSS managed to complete its full four-year term in office. In 2003, the NMSS was admitted to the Liberal International, the world federation of liberal political parties, as an associate member. After entering the ruling coalition, the party of the former Bulgarian king concentrated its efforts on maximum participation within the government. As a result, the party's electoral activity has been neglected. The movement neither participated in the 2006 presidential elections with its own candidate nor supported candidates in the running. All this negatively affected its electoral positions, and by August 2006 the movement was only the third largest political formation in the country in terms of electoral support.[2]

The MRF achieved the best election results in its 15-year history, winning 14.07 percent of votes and 34 seats in the June 2005 general elections. The party was established in 1990 to represent the Turkish minority in Bulgaria and has held seats in the Parliament ever since. The MRF gained representation in the government for the first time in the 2001 elections and has continued to broaden its base of power. The party supports centrist political positions and is a member of the Liberal International. Ahmed Dogan has led the party since its establishment.

Though the June 2005 elections reflected the ongoing disintegration of the center-right political space, the major electoral surprise was the appearance of the extremist Attack coalition. It achieved unexpectedly good results and succeeded in entering the Parliament, leaving behind all major center-right political formations. The coalition won 8.93 percent of votes and 21 parliamentary seats. The Attack coalition is a typical anti-establishment political formation benefiting from the traditional protest vote in Bulgaria. It was formed by Volen Siderov, a journalist who was editor in chief of *Democracia*, the official newspaper of the UDF in the 1990s. Siderov has produced the TV program *Ataka* for the last few years, and this launched his current political career as the Attack coalition's leader.

The Attack coalition's message is predominantly anti-Turk and anti-Roma, suggesting that the Bulgarian majority is threatened by the growing influence of Turkish and Roma minorities. The coalition accuses the entire political elite of corruption and betraying Bulgarian national interests. It also opposes Bulgarian membership in NATO and insists that European integration should strictly observe Bulgarian national interests. Initial interpretations of Attack's surprising electoral victory were related largely to the existence of a traditional protest vote in Bulgaria.

However, after the 2006 presidential elections, in which Siderov finished second behind incumbent president Georgi Parvanov, many country experts had to revise their initial analysis. It is clearer now that electoral support for the Attack coalition and Siderov is not only an effect of transitory social disaffections, but also rooted in deeper public perceptions about the unfairness of the country's transition process. Although Attack does not question the current democratic system, the ease with which its message won popularity and a position in the Parliament is disturbing.

In December 2006, a new party formation appeared on the Bulgarian political landscape. Citizens for European Development of Bulgaria (GERB) was established by the incumbent mayor of Sofia, Boyko Borissov, who served as a firefighter in the Communist regime. After the collapse of the system, Borissov left the service to start a private business. During the 1990s, he was a bodyguard of Bulgaria's former Communist dictator Todor Zhivkov and after that of Simeon Saxe-Coburg-Gotha, the former monarch who returned from exile to create a political movement and later become prime minister. In 2001, Borissov was appointed by Saxe-Coburg-Gotha as general secretary of the Ministry of the Interior. Though this position is not a political post, Borissov became the most popular figure in the government shortly after his appointment. He built his successful political career on personal charisma and anti-crime rhetoric in combination with a clever media strategy. In October 2005, Borissov won the elections for mayor in Sofia and later created a nonprofit organization that became the basis for his political party. Public opinion polls from the end of 2006 indicated that the GERB has attracted considerable public support (14 percent), ranking second after the ruling BSP.

The presidential elections on October 22 and 29, 2006, marked for the first time in Bulgaria's recent history the reelection of the incumbent president. Georgi Parvanov, a former BSP leader, won the elections with an impressive 75 percent of votes in the runoff. The unprecedented victory of Parvanov came as a logical result of Bulgaria's internal political developments. After heated and prolonged negotiations, the center-right political formations managed to reach an agreement on a single presidential candidate. However, the nomination of the former president of the Constitutional Court, Nedelcho Beronov, came as a result of a compromise between the leaders of the two largest center-right political formations, UDF and Democrats for Strong Bulgaria rather than out of a real intention to win the elections. The former constitutional judge failed to rally the support of right-wing voters and remained third in the first round of the presidential elections. Many people expected that Borissov, the current mayor of Sofia, would run for president. According to public opinion polls, Borissov enjoys wide public support and had a good chance of wining the elections. His decision not to participate in the elections secured the easy victory of Georgi Parvanov. In this contest, the major rival of the current president was Attack's Volen Siderov. He managed to double the electoral support received in the 2005 elections, but not to an extent that would threaten the position of the incumbent president.

The Bulgarian president is elected directly but has limited powers and plays a mostly ceremonial role. Owing to this characteristic, the presidential elections

are not that important for political actors in terms of controlling the actual power mechanisms. But Bulgarian politicos take presidential elections very seriously since they provide an opportunity for parties to test their electoral positions and to consolidate their public support. From this perspective, the 2006 presidential elections were indicative of the political and electoral situation in Bulgaria on the threshold of accession to the EU. There are many in the country who perceive the transition period as a time when the former Communist nomenklatura transformed its political power into economic power, a decade of criminal privatization where "the people" lost out while "the elites" profited. The center-right parties that succeeded the UDF, an organization established in 1990 as a coalition of anti-Communist political parties and civic organizations, have tried unsuccessfully to take advantage of this public disaffection with the country's transition.

There are several reasons explaining this failure. First, all of the center-right parties have pro-European, pro-Western, and pro-market agendas, and it is not possible for them to abandon the major consensus of the post-1989 transition. Second, these parties have been part of the country's ruling elite and are perceived by the public as winners (rather than losers) as a result of Bulgaria's economic and political transformation. All of this creates an opening for the emergence of a new Right that draws on antitransition sentiments and would most likely be very similar to the current right-wing political parties in Poland and Hungary. The gains for Attack's leader, Volen Siderov, at the presidential elections and the broad public support that Sofia mayor Boyko Borissov enjoys indicate that they would be the most likely major political figures to attempt to harness public disaffection and occupy the open space on the right of the political spectrum.

The Bulgarian Constitution guarantees all citizens the right to organize political parties, movements, or other political entities. It bans the establishment of political organizations that act against national integrity and state sovereignty; that call for ethnic, national, or religious hostility; or that create secret military structures. Additionally, the Constitution prohibits the establishment of organizations that achieve their goals through violence. Until 2005, no substantial organizations "played the ethnic card" in their political rhetoric or practice. The Attack coalition was the first to use antiminority statements in a campaign, which led a broad alliance of NGOs to initiate a court case against the coalition and its leader in December 2005. The case remained under consideration throughout 2006.

The political party registration process is liberal and uncomplicated, and parties can appeal rejected applications. In October 2004, the Parliament passed on first reading a bill raising the threshold for new party registration from 500 to 5,000 members. Although somewhat positive, the new law fell short of expected party funding reforms, including more transparent fund-raising and a reduction in the range of funding sources allowed by law. The Bulgarian electoral system is multiparty-based, with mechanisms for the opposition to influence decision making. Twenty-two political parties and coalitions were registered to participate in the 2005 parliamentary elections, and 146 were registered for the 2003 local elections. The large number of parties participating in local elections indicates that local

interests usually work through independent participation, a strategy that is less likely to succeed at the national level. According to data from the Alpha Research polling agency, 30 percent of participants in the 1999 local elections and 41 percent in the 2003 local elections voted for small or locally represented political entities.

Voter turnout in the June 2005 legislative elections was 55 percent. During the October 2006 presidential elections, voter turnout was 42 percent in the first round and 41 percent in the second. Voter turnout in the 2003 local elections was around 50 percent in both rounds. In all cases, the numbers are lower than in previous elections. According to the Alpha Research agency,[3] approximately 6 percent of the population is currently affiliated with political parties. These data reflect a growing distance between voters and politicians, based on public disappointment with government reforms from both the Left and the Right. As a result, people are less confident that they can solve problems through political and collective instruments and turn instead to individual strategies. This also resulted in growing public support for extremist or nondemocratic political ideas represented by formations like the Attack coalition.

The general legislative framework in Bulgaria provides all minority groups with essential political rights and participation in the political process. Although MRF bylaws state that members are welcome regardless of their ethnicity or religion, the party essentially represents the interests of Bulgarian Turks. As part of the current governing coalition, this Turkish minority party is well represented at all levels of government. However, there are problems that have become clearly visible over the last several years. The MRF has created a monopole, strict, and hierarchical clientelistic structure that controls the lives of Bulgarian Turks not only politically, but also to a greater extent economically. In practice, few political options exist for Bulgarian Turks since the MRF is the only party that guarantees economic protection and development in return for votes. By contrast, the Roma minority is still poorly represented in government structures, with some exceptions at the municipal level. The general hypothesis is that the political system discriminates against the Roma minority and impedes its political expression. Equally important, however, is the fact that a political party consolidating and representing Roma interests at the national level still does not exist, even though there have been attempts to create one.

No particular business or other interest interferes directly in electoral procedures. However, there are suspicions that powerful economic interests influence the decisionmaking process by lobbying political parties or providing illicit party financing. A scandal exploded at the start of 2004 when it became clear that some Bulgarian companies close to the BSP had received oil gifts from the former Iraqi regime of Saddam Hussein. There are suspicions that the oil gifts were destined for the BSP in return for political support of the Iraqi regime. In October 2005, the BSP was mentioned in the UN Independent Inquiry Committee's final report[4] on the oil-for-food investigation. BSP leadership denied the allegations and claimed the party never profited from oil deals with the former Iraqi regime.

Civil Society

1999	2001	2002	2003	2004	2005	2006	2007
3.75	3.50	3.25	3.25	3.00	2.75	2.75	2.50

The Bulgarian Constitution guarantees citizens the right to organize freely in associations, movements, societies, or other nonprofit organizations. There have been no administrative or other barriers to NGOs over the last 16 years, nor do they experience significant state or other influence on their activities, which are regulated by the Law on Noneconomic Purpose Legal Entities.

The 2005 Bulgarian Statistic Register indicates that there are 22,366 registered nonprofit organizations in the country. Of these, 4,010 are foundations, 18,305 are societies, and 51 are local branches of international nonprofits. The number of groups actually active is not known, but according to the transparent public document known as the Central Register for Nonprofit Legal Entities, in 2006 there were 4,592 registered nonprofit organizations acting for public benefit. Both private and public benefit NGOs are focused on crucial areas of Bulgarian society, including human rights, minority issues, health care, education, women's issues, charity work, public policy, the environment, culture, science, social services, information technology, religion, sports, and business development. There are no clear statistics on volunteerism in Bulgaria.

The growth of civil society in Bulgaria after 1989 goes hand in hand with the emergence of programs and grants for NGO development. The sector was formed with a top-down approach led by donors, not Bulgarian citizens. According to a 2005 *Civil Society Without the Citizens* report by Balkan Assist, a Bulgarian nonprofit association, this is the main reason Bulgarian NGOs have low levels of citizen involvement and are financially dependent on foreign donors. A positive result of the donor-driven emergence of Bulgarian NGOs is their well-developed instructional framework, human capital, and networking capacity. One of the major shortcomings of Bulgarian NGOs is their inability to involve the community in their decisionmaking. NGOs expect resources from the central and local governments, but they are doing little to empower their own target groups within the community. Thus, citizen participation in civil society primarily takes the role of passive beneficiary.

Most ethnic and religious groups, including Turks, Roma, Muslims, Armenians, and Jews, have their own NGOs engaged in a variety of civic activities. Although the Roma ethnic minority is not represented in government, some Roma NGOs function as political discussion clubs and proto-parties. There are around 150 functioning Roma NGOs throughout the country, and the number of registered Roma groups is at least three times greater. Churches engage in charitable activities by distributing aid and creating local networks that assist the elderly and children. Organizations of Muslim, Catholic, and Protestant communities are among the most dynamic in the country. Although the Orthodox Church remains the most

influential in Bulgaria, only a small percentage of the population attends services regularly. Anti-liberal nonprofit institutions are constitutionally banned, and none are officially registered. Several informal organizations could be considered anti-liberal, but they have a weak public influence.

NGO registration is inexpensive and takes approximately one month to complete. By law, all NGOs that work for public benefit are listed in the Central Register for Nonprofit Legal Entities. Groups are allowed to engage in for-profit activities under certain conditions, and all groups are required to conduct annual audits. The law distinguishes between NGOs acting for public benefit and those that act for private benefit. Public NGOs are not obliged to pay taxes on their funding resources, but they must be listed and report their activities annually in the register. According to existing legislation, NGOs are allowed to carry out for-profit activities, provided the work does not clash with their stated organizational aims and is registered separately. Groups must pay normal taxes on all such for-profit work, and they must invest all net profits in their main activities.

Even though the Law on Corporate Taxation of 1997 instituted various tax incentives, these have not induced businesses to give money to NGOs. The state usually funds some specific NGOs in the area of social services, but most NGOs rely on funding from foreign sources. Regrettably, a significant number of large foreign NGOs and their donors began to withdraw from Bulgaria in 2006, which is likely to cause funding problems for some organizations. On the other hand, the accession of Bulgaria into the EU will open new funding possibilities. However, the development of special skills, such as proposal writing and project management, must occur under the strict and bureaucratic rules of the European Commission. According to Balkan Assist, more than 80 percent of funding for local NGOs comes from abroad.

In 2001, a permanent parliamentary Committee on the Problems of Civil Society was created to serve as a bridge between civil society and the Parliament. This reflects the government's changing attitudes toward the NGO sector. The committee's public council includes 21 members representing 28 NGOs. Other parliamentary committees recruit NGO experts as advisers for public hearings on issues of national importance. Despite this positive practice, no formal mechanism exists for civil society to consult in the development of legislation. The partnership between the media and NGOs has become reliable and stable. Additionally, NGOs have been involved in preparing projects and monitoring the spending of financial assistance received through EU preaccession and accession programs. However, partnerships between civil society and the government continue to work primarily on a project-based approach. As noted by Balkan Assist, interaction between the government and civil society is most often built on the "opportunistic" goal of securing financial resources from international or domestic government funders.

The activities of interest groups are largely unregulated. Bulgarian think tanks have advocated for increased transparency and decreased clientelism and have repeatedly urged the Parliament to legalize and regulate lobbying. As a result, the Committee on the Problems of Civil Society launched a bill in 2002 calling for the

registration of lobbyists and the publicizing of lobbying activities. There was no development on this bill during 2006.

Bulgaria has three major independent trade unions, and the rights of workers to engage in collective bargaining and to strike are protected by law. Participation is free, and the state respects the right of workers to form their own organizations. Trade unions take part along with the government and employers in the Tripartite Commission for Negotiations on various issues. There is also a growing number of farmers groups and small-business associations. Balkan Assist's *Civil Society Without the Citizens* report concluded that Bulgarian civil society has a limited impact on the behavior of large businesses, and people are often afraid to hold companies responsible for violations of their rights or failures to meet obligations. The activity of trade unions is focused mostly on bargaining with the government for common social policies rather than protecting the labor rights of employees in private companies.

Bulgaria's education system is largely free of political influence and propaganda. The most serious problems facing Bulgarian students are the continually revised educational requirements imposed by the Ministry of Education, such as changes in the required number of years of schooling and mandatory comprehensive examinations. Education reform has proved to be fairly difficult and unpopular. According to data from the National Statistical Institute for 2005–2006, there are 5,838 educational institutions in Bulgaria, including: 2,470 child care centers, 2,654 primary and secondary schools, 661 professional schools, and 53 colleges and universities. Of these, 303 are privately owned, including: 32 child care centers; 255 primary, secondary, and professional schools; and 16 colleges and universities.

Independent Media

1999	2001	2002	2003	2004	2005	2006
3.50	3.25	3.25	3.50	3.50	3.50	3.25

The Bulgarian Constitution proclaims that media are free and shall not be subject to censorship, and legal provisions concerning media freedom are further developed in legislation. An injunction on or confiscation of printed matter or other media is allowed only after a court decision. The right of citizens to seek, obtain, and disseminate information is also guaranteed by the Constitution and the Law on Access to Public Information.

There is still no specific legislation protecting journalists from victimization by state or nonstate actors. Libel, which can include criticizing government officials, is a criminal offense in the penal code. Both prosecutors and individual citizens can bring libel charges, with penalties running as high as US$6,400. Since the penal code was amended in 2000, a number of cases have been brought, but in most the courts interpreted the law in a manner that favored journalistic expression, with

only a few convictions. The previous prosecutor general filed several charges of illegal use of surveillance devices against reporters investigating corruption. However, the policy of the new prosecutor general (appointed in March 2006) is leaning more in favor of journalistic expression. Shortly after taking office, he canceled the prosecutor's preliminary investigation of the BBC journalists who created the film *Buying the Games*. The film accused former Bulgarian International Olympic Committee member Ivan Slavkov of corruption.

In general, Bulgarian media are independent from the state, and there is free competition among different outlets and viewpoints. Print and electronic media have successfully emancipated themselves from governmental control, while the state-owned National Radio and National Television are still not sufficiently independent from the state. They are governed directly by the Council for Electronic Media (CEM), whose nine members are appointed by the National Assembly and the president. Although the CEM is not under government orders, the parliamentary majority approves its budget. Throughout its existence, the council has had a reputation of political dependence. The licensing of private electronic media was a CEM task until 2001, when it was placed under parliamentary control. In 2005, the Parliament adopted a strategy for generally developing broadcast media, but licensing has not yet started in practice, which has led to insecurity in the country's electronic media sector.

While media in Bulgaria are generally free from direct government interference, it is not certain whether they are independent of special interests, either political or economic, or whether they are protected from indirect government interference. According to the Media Sustainability Index,[5] published in the beginning of 2006, the practice of self-censorship in Bulgaria is omnipresent because some media outlets are either owned by certain business groups or owners have certain political or business affiliations. As a result, critical coverage or investigations into media business partners are often restrained, while improprieties of the competition are widely published.

Self-censorship is more visible at smaller media outlets, especially in cities with a more developed business sector. For example, in May 2006 Minister of the Interior Roumen Petkov released documents from the archives of the former Communist secret services disclosing that Georgi Koritarov, a journalist with Nova Television (one of the three biggest channels in Bulgaria), was a former counterintelligence agent working for the Communist state security services. These files were released in retaliation for Koritarov's criticism of police forces and the Home Ministry in general. In another case, the journalist Ivo Indjev was fired from bTV shortly before the presidential elections for releasing unconfirmed information about the property of incumbent president Georgi Parvanov; bTV claimed there had been a violation of journalistic ethics, but the firing was seen by many commentators either as political interference or as a case of media self-censorship. Another case indicative of the media environment in Bulgaria involved Vasil Ivanov, a journalist with Nova Television, who had become well-known for corruption investigations over the last year. In April 2006, a bomb exploded in his home, fortunately unoccupied at the

time. Cases like these reinforce the practice of self-censorship among journalists in all media.

With the exception of a few local newspapers and the official *State Gazette*, all print media in Bulgaria are privately owned. Overall, there are more than 500 newspapers and magazines. At the end of 2006, the nation's largest newspapers with the highest levels of circulation were *Troud*, *24 Hours*, *Standard*, *Monitor*, *Sega*, *Novinar*, *Douma*, *Dnevnik*, and the weeklies *Democracia Dnes* and *Capital*. The Bureau for Independent Audit of Circulation provides information on newspaper circulation, but many believe the figures are not reliable.[6] *Troud* and *24 Hours*, which enjoy the highest circulation,[7] are owned by the German publishing group Westdeutsche Allgemeine Zeitung. The newspaper market includes many other dailies, guaranteeing that readers have a broad selection of information sources and points of view.

As of 2003, there were 89 radio stations in Bulgaria. Of these, 11 provide national coverage, and 1 is state owned. There are also 77 local radio stations. As for television, there are 98 stations in the country: 3 reach national audiences through wireless broadcasting, 1 is state owned, and the rest are cable networks.

The public's interest in politics has declined over the last few years, which has resulted in a decrease in circulation at the top newspapers, especially those with ties to political parties. Only the BSP-affiliated *Douma* maintains any public significance. Low public interest in newspapers has led to their increased commercialization. It is often suspected that newspapers are used by different economic players to pursue financial or political interests. The largest private newspapers are printed by IPK Rodina, the state-owned print house. In some cases, this permits a degree of government interference. However, during the last few years this has not resulted in any direct political pressure. There are a number of private distribution networks as well.

Among Bulgaria's most important journalistic associations are the Media Coalition and the Free Speech Civil Forum Association. The Journalists Union, a holdover from the Communist era, is trying to reform its image. Currently, more than half of the journalists in Bulgaria are women. The publishers of the biggest newspapers are united in their own organizations, such as the Union of Newspaper Publishers. Of the few NGOs that work on media problems, the most important is the Media Development Center, which provides journalists with training and legal advice.

In November 2004, journalists from 160 national and regional press and electronic/online media outlets signed the Bulgarian media code of ethics. The code includes standards regarding the use of information by unidentified sources, the preliminary nondisclosure of a source's identity, respect of personal information, and nonpublication of children's personal pictures (unless of public interest). Adopting the code of ethics demonstrated that Bulgarian media have matured enough to assume self-regulation. As a next step, two commissions on ethics in all media started working in June 2006 to collect and deal with complaints and infringements of the code. The major functions of the commissions include promoting adherence to the code, resolving arguments between media outlets and audiences, and encouraging public debate on journalistic ethics.

The Internet in Bulgaria is free of any regulation and restrictions, and access is easy and inexpensive. Over the last few years, the number of Bulgarian Web sites has grown significantly, and the quality and availability of a broader range of opinions has increased. According to data reported by the Alpha Research polling agency in February 2006, the percentage of adult Bulgarians who have access to the Internet has expanded to 23 percent over the last year.

Local Democratic Governance

1999	2001	2002	2003	2004	2005	2006	2007
n/a	n/a	n/a	n/a	n/a	3.50	3.00	3.00

Under Chapter 7 of the Bulgarian Constitution, the basic unit of local self-government is the municipality. Direct elections are held for municipal councils and mayors (Law on Local Elections of 1995), and municipalities have the right to enact certain regulations, own property, maintain budgets, and make financial transactions (Law on Local Administration of 2002, Law on Local Taxes and Fees of 1997, and Law on Municipal Debt of 2005). The Constitution also envisages direct local democracy through public referenda and general assemblies.

In principle, local authorities in Bulgaria do have competences to design, institutionalize, and implement solutions in the public interest, but the process of decentralization is still far from completed. While the interaction between central authorities and local governments is well structured at the legislative, executive, and civil society levels, and consultations take place regularly between the Parliament, the government, and the National Association of Municipalities in the Republic of Bulgaria, the major impediment to decentralization is the inability of local governments to independently set any taxes or tax rates. In late 2006, Bulgaria's ruling coalition introduced a formal proposal to a parliamentary working group aimed at making changes to the Constitution, including allowing municipal councils to set certain local tax rates. This is the first time a proposal for a formal constitutional change has reached such a high level, but the working group's final document and a parliamentary vote are still pending.

In Bulgaria, municipal councils and mayors are elected under universal, equal, and direct suffrage in regular and free elections. These elections are usually hotly contested, with numerous parties and candidates involved. While national parties and local economic interest groups are active in these elections, the occasions when they dominate are rare, and more often than not municipal councils consist of more than two equally strong groups of councillors, which as a rule enter into coalitions much differently from the process at the national level. Local government bodies in Bulgaria are open to citizens regardless of their status, and there are many examples of women mayors (at the 2003 local elections, 19 women mayors were elected out of 263 municipalities) and different ethnic groups holding or being part of majorities in municipal councils. Independent candidates are regularly elected as

municipal councillors and mayors, showing that parties or other groups cannot unilaterally determine access to local government positions.

Citizens and civic organizations are entitled to address the local authorities, and such practices have developed to some extent throughout the country. Also, there is a lively set of local and regional press and electronic media (mostly radio) focusing on local governance and the local public. These are promising mechanisms for transparency, as well as public and media control over local authorities, but they are not effective enough at this stage of Bulgarian local government reform. This is due to the fact that major sources of local revenue come as central budget subsidies or from centrally-set local taxes and tax rates, which decreases the ability of local governments to promptly and adequately address the needs and demands of their citizens.

The capacities of local authorities to derive revenues from municipal property management and the taking on of debt have increased recently, owing to rising property values in the country and to the Law on Municipal Debt of 2005, but these cannot fully overcome the overall revenue deficiencies as municipalities remain significantly dependent on central government decision making. However, once the centrally defined revenues are obtained by the local governments, they have complete discretion over spending. Also, in another recent move toward greater taxing capacity, all municipalities starting in 2007 will be empowered to collect local taxes rather than relying on collection and then transfer from the national tax collection office. This change improves tax collection incentives for local taxpayers and tax collectors and is a preparatory step for greater constitutional change in local tax policy.

Judicial Framework and Independence

1999	2001	2002	2003	2004	2005	2006	2007
3.50	3.50	3.50	3.50	3.25	3.25	3.00	2.75

The Bulgarian Constitution has provisions protecting freedom of expression, association, and religion as well as the rights to privacy, property and inheritance, and economic initiative and enterprise. In practice, the protection of these rights by the state and by nongovernmental actors is generally effective. However, there are still problems, including discrimination against the Roma minority and certain religious beliefs, as well as cases of rights abuse and significant delays in the criminal justice system.

Historically, problems with the Bulgarian judicial system over the past decade have stemmed from the 1991 Constitution, which granted the judicial branch significant independence without sufficient accountability to the other branches and society as a whole. Judicial reform was begun in the last five years as a key condition of Bulgaria's integration into the EU. Since then, the ruling majorities in the Parliament have attempted to reform the judicial system, but with mixed success.

In 2003, the Constitutional Court struck down a new law to reorganize the judiciary, declaring that only a Grand National Assembly[8] has the right to change the structure of state power. In September 2003, the Constitution was changed to reduce the immunity of magistrates. In April 2006, the Parliament amended the Constitution once again, allowing the country to remove from office the heads of the Supreme Courts and the prosecutor general at the Parliament's proposal and the president's approval. However, in September 2006 the Constitutional Court abolished this amendment, arguing that it would negatively affect the independence of the judicial branch and could be adopted only by a Grand National Assembly.

These difficulties aside, the European Commission recognized the progress made in reforming the judiciary and recommended that Bulgaria join the EU without a safeguard in the areas of the judiciary and home affairs. At the same time, the Commission noted that more efforts are needed to improve the functioning of the Bulgarian judicial system. An option for triggering safeguard clauses is envisaged in the accession treaty that could be used in justice and home affairs in case there is no progress in the judicial reform. In particular, the European Commission will closely observe efforts against corruption and organized crime.

In March 2006, a constitutional amendment was adopted that will bring major changes to the Bulgarian judicial framework. The most important of these is a new requirement that the prosecutor general, chairperson of the Supreme Administrative Court, and chairperson of the Supreme Court of Cassation must annually inform the Parliament about the activities of the courts in prosecuting, investigating, and applying the law. Also, a constitutional provision was introduced explicitly allowing the newly established national ombudsman to petition the Constitutional Court. These changes are aimed, on the one side, at increasing the level of transparency and accountability in the judicial system and, on the other side, at enhancing the ability of citizens to more actively protect their constitutional rights.

The Bulgarian judiciary, whose main body of power is the Supreme Judicial Council (SJC), provides a check on both the legislature and the executive. The SJC has 25 members appointed for five-year mandates. The Bulgarian Constitution is applied directly by the Constitutional Court, which consists of 12 justices appointed in equal quotas by the Parliament, the president, and the SJC for rotating, nine-year mandates and has established itself as a legitimate, independent, and impartial body. However, some decisions of the Constitutional Court create doubts about the impartiality of the Court in interpreting the power of the judiciary in relation to the executive and legislative branches. The most recent example of such a decision came on September 13, 2006, when the Court overthrew the impeachment procedure of the prosecutor general and the chairpersons of the two Supreme Courts, which had been earlier adopted by the Parliament as part of the March 2006 constitutional amendment.

In general, Bulgarian citizens are equal before the law, but various problems foster a public perception of distrust. These problems include slow and inconsistent adjudication, attempts to influence courts and corruption, and the lack of transparency and public access to information about court decisions. An April 2006

report[9] demonstrates that in many respects the efficiency of Bulgarian courts is comparatively in line with that of courts in other EU member countries, but there are areas where significant delays occur, particularly in the pretrial and in-between-court phases of criminal trials. It is precisely these occurrences that create the public impression that there is a class of people in Bulgaria that enjoys impunity and is capable of avoiding justice.

Another major development in the criminal justice system in 2006 was the appointment in February of a new prosecutor general after the end of the mandate of his much criticized predecessor. Over the course of the year, the new prosecutor general introduced a number of reforms to the system, including the completion of a thorough review of all activities over the last decade, the introduction of a new anticorruption unit, and many changes in personnel. He has also been active in asking the SJC to terminate a number of prosecutors for several transgressions discovered during this review process and ongoing investigations of organized crime. Various observers note that the new head has introduced major improvements in the transparency, accountability, and effectiveness of prosecutors.

Judges in Bulgaria are appointed and dismissed by the SJC, and amendments to the Law on the Judicial System, in force since April 2004, regulate the appointment of judges. Previously, junior judges were appointed without the legally required concourses and based on family and personal relations, but there were no reports that these practices continued in 2006, and all new appointments appear to have followed the legally envisaged competitive procedures. Also, the SJC has been more active than in previous years in dismissing judges whose performance is clearly inferior—specifically judges who have consistently failed to issue timely decisions and created severe case backlogs. New legislation adopted in 2005 allows private firms, along with court clerks, to enforce court decisions, and the licensing of these private enforcement entities was completed in 2006. Initial reports indicate that as a result, the speed in enforcing court decisions has picked up considerably.

Corruption

1999	2001	2002	2003	2004	2005	2006	2007
4.75	4.75	4.50	4.25	4.25	4.00	3.75	3.75

In Bulgaria, the regulatory and administrative framework for fighting corruption has reached a point where further institutional change seems less expedient than actual implementation and enforcement. In this respect, 2006 saw two main developments. The first involves concrete cases where two relatively prominent mid-level government officials—the head of the Sofia Central Heating Company and the administrator of one of the city's regions—were dismissed amid allegations of corruption. In the first case, the dismissal was followed by an official investigation, arrest, and pending indictment. Several of the above-mentioned prosecutor

dismissals were based on evidence of conflicts of interest and improper contacts with organized crime suspects. Additionally, the consolidation of state revenue collection into a single agency with a single information system, the introduction of cameras to control traffic violations (a traditional source of small-scale corruption), and the installation of equipment at border checkpoints to standardize customs duties have all eliminated opportunities for corruption.

The second main development in fighting corruption was the last comprehensive report of the European Commission,[10] which found that Bulgaria had made sufficient progress, among other things, in fighting organized crime and corruption. Consequently, there are no grounds at present either for postponing its membership by one year or for activating precautionary clauses envisaged in the accession treaty.

The Bulgarian economy is generally free from excessive state involvement. The private sector produces more than 80 percent of the gross value added and provides about 75 percent of the country's employment. Over 90 percent of all state assets subject to privatization have been privatized. The budget has had surpluses since 2004, and another surplus is envisaged for 2007. The ratio of state budget expenditures to gross domestic product has decreased visibly over the last year of available data to below 38 percent. After a sizable drop in 2006 in the rate of the most burdensome tax in Bulgaria—the social security contribution—a new, albeit smaller drop is envisaged for next year in the government's budget proposal. In 2006, the Bulgarian economy was ranked as "Mostly Free" in the Heritage Foundation's Index of Economic Freedom,[11] with scores on fiscal burden and government intervention ranking better than its overall score. In the Fraser Institute's Economic Freedom of the World Index,[12] Bulgaria has maintained its score at 6.3 on a scale where 10 represents maximum freedom.

The Bulgarian branch of Transparency International indicates[13] that the situation with corruption perceptions in the country remains virtually unchanged for a fifth consecutive year. Administrative pressure on economic activity in Bulgaria has continued to decrease slowly over 2006, owing mainly to the lower share of government expenditures in total economic activity and the start-up of private firms to enforce court decisions. However, many other opportunities for corruption remain, especially in licensing regimens, registration of firms, safety and other regulations, and public procurement tenders. The reform of the public register of legal entities, which envisaged taking this activity out of the courts and making it an entirely electronic procedure, has been considerably delayed and postponed to the end of 2007.

The Law on the Civil Service of 2000 limits the ability of civil servants to engage in private economic activities. At higher levels of government, there is no such legal requirement, but limitations are imposed by the public through elections and the media and are also expected to be a part of the forthcoming ethics code for high-level government figures. The actual involvement of government officials in private economic activities is difficult to assess. There have been no major public or media exposures of illicit activities, suggesting that these violations are limited.

All state bodies are obliged under the Law on Administration, the Law on Public Servants, and the Law on Public Procurement to publicize job openings and procurement contracts and to use concourses for hiring. All employer and business associations, however, claim that public procurement procedures continue to create doubts about clientelism and preferential treatment and that proposals for changes in the legislation are blocked in the legislative process.

Financial disclosure by state officials in Bulgaria is conducted via the Public Register within the National Audit Office (NAO) under the Law on Publicity of Personal Property of High Government Officials in the Republic of Bulgaria. The Public Register is accessible to the public through guaranteed media access. Changes in the law have increased the ability of the NAO to investigate cases of conflicts between the Public Register and other registers and information sources. Also, the punishments for breaching the requirements of the law have been increased for all levels of the administration, but not for MPs.

Bulgarian media feel free to report corruption, and numerous stories alleging corruption appear every month. However, problems remain with the media's heavy spin and the lack of consistent, investigative follow-up on allegations. As a result, while media are indeed instrumental in exposing cases of corruption, they may also be nurturing public perception of a widespread problem. In general, the Bulgarian public remains highly sensitive to the issue of corruption, and there's a significant level of intolerance for it. Corruption is regularly among the top concerns in national polls and was an important aspect of campaigns for the Parliament, several mayorships in 2005, and during the presidential elections in 2006.

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1 Monthly public opinion surveys: 2006, Alpha Research Polling Agency (www.arsearch.org).

2 According to data from Alpha Research polling agency, August 2006, http://www.aresearch.org.

3 Average data from the regular surveys of Alpha Research agency during 2006, http://www.aresearch.org.

4 Independent Inquiry Committee into the United Nations Oil-for-Food Programme, *Report on the Manipulation of the Oil-for-Food Programme* (27 October 2005), Committee Tables, Table III, pp. 16–17. Available at http://www.iic-offp.org/story27oct05.htm.

5 Media Sustainability Index, report prepared by International Research & Exchanges Board (IREX), http://www.irex.org/msi/2005/MSI05-Bulgaria.pdf.

6 Media Sustainability Index, report prepared by International Research & Exchanges Board (IREX), http://www.irex.org/msi/2005/MSI05-Bulgaria.pdf.

7 According to private communication between authors and headquarters of the major newspapers.

8 Under the 1991 Constitution in Bulgaria, there are two types of National Assemblies, ordinary and grand. A Grand National Assembly is elected in separate elections, has more deputies than an ordinary one, and is entitled to change the Constitution, whereas the texts concerning the form of government can be changed only by a Grand Assembly and not by an ordinary one.

9 *The Judiciary: Independent and Accountable: Indicators on the Efficiency of the Bulgarian Judicial System* (Centre for Liberal Strategies, Sofia, April 2006).

10 *Monitoring Report on the State of Preparedness for EU Membership of Bulgaria and Romania* (Commission of the European Communities, Brussels, September 26, 2006).

11 Marc Miles, Kim Holmes, and Mary Anastasia O'Grady, *2006 Index of Economic Freedom* (Heritage Foundation and *The Wall Street Journal*, 2006), p. 121.

12 James Gwartney and Robert Lawson, *Economic Freedom of the World 2006 Annual Report* (Fraser Institute, 2006), p. 62.

13 Data can be found at http://www.transparency-bg.org.

Croatia

by Petar Dorić

Capital: Zagreb
Population: 4.4 million
GDP/capita: US$13,185
Ethnic Groups: Croat (89.6%), Serb (4.5%), other (5.9%)

The economic and social data on this page were taken from the following sources:

GDP/capita, Population: *Transition Report 2006: Finance in Transition* (London, UK: European Bank for Reconstruction and Development, 2006).

Ethnic Groups: *CIA World Fact Book 2007* (Washington, D.C.: Central Intelligence Agency, 2007).

Nations in Transit Ratings and Averaged Scores

	1999	2001	2002	2003	2004	2005	2006	2007
Electoral Process	4.25	3.25	3.25	3.25	3.25	3.00	3.25	3.25
Civil Society	3.50	2.75	2.75	3.00	3.00	3.00	2.75	2.75
Independent Media	5.00	3.50	3.50	3.75	3.75	3.75	3.75	4.00
Governance*	4.00	3.50	3.50	3.75	3.75	n/a	n/a	n/a
National Democratic Governance	n/a	n/a	n/a	n/a	n/a	3.50	3.50	3.50
Local Democratic Governance	n/a	n/a	n/a	n/a	n/a	3.75	3.75	3.75
Judicial Framework and Independence	4.75	3.75	3.75	4.25	4.50	4.50	4.25	4.25
Corruption	5.25	4.50	4.50	4.75	4.75	4.75	4.75	4.75
Democracy Score	4.46	3.54	3.54	3.79	3.83	3.75	3.71	3.75

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

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

Executive Summary

During 2006, Croatia continued its slow transition toward democratic standards along a Euro-Atlantic path of EU and NATO integration, though there were still many delays and problems connected primarily to the nationalist system of values developed in the 1990s. The country's inability to deal with war crimes committed during the homeland war suggests a lack of institutional capacity to realize high expectations from citizens who already see their country within the EU framework. The conservative Croatian Democratic Union (HDZ) government has managed to strengthen state institutions and maintain internal security better than the previous center-left government, but it continues to fall short of expectations in its ability to implement macro-level reforms in such areas as the judiciary or to fight corruption, which remains entrenched in the country's institutions. An overall reckoning with ethnic diversity, the need for professionalization of the media, and a more central role for civil society remain areas of concern for the long-term democratization of Croatian society.

National Democratic Governance. Croatia's slow democratic consolidation process progressed in 2006 with the conservative HDZ-led government successfully continuing the country's transition in some areas, surpassing the results made by four years of governance under the liberal coalition, especially in the country's internal stability. However, there is concern about larger institutional stability, owing to the government's inability to deal not only with war crimes committed by highly ranked soldiers, but with what appear more and more to have been crimes planned and orchestrated by the late president Franjo Tuđman and his closest allies. Despite the fact that almost a decade has passed since the war, government reckoning has not taken place in a manner that has fully clarified the roles and intent of the newly formed government structures of the Croatian state. Thus, the government's progress in implementing its European Union (EU) reform agenda has been slower than the EU would like in many key areas, including judicial reform, corruption, minority rights, and economic liberalization. This occurs at a time when EU concern about further enlargement has required the Croatian government to firmly demonstrate its commitment to the implementation of necessary reforms. *Accordingly, Croatia's national democratic governance rating remains at 3.50.*

Electoral Process. For the first time in its history, Croatia is trying to create a legal framework that puts limits on the financial fluctuations among state and public companies and political parties. The proposed law, which has yet to be adopted, states that anonymous donations to political parties would be prohibited

and puts a limit on donations for individuals and companies, including state-owned companies. However, the proposed law does not deal with the specifics of financing political campaigns during elections, which is important since this is when political parties spend the greatest amount of money. In 2006, several local reelections took place and were carried out within democratic standards. Also, electoral laws were changed at the local level to allow citizens to vote directly for mayors. *As the draft legislation to create a legal framework for funding political parties, and the revision of local-level electoral laws to allow direct-election of mayors have yet to be adopted, Croatia's electoral process rating remains at 3.25, although ongoing reform efforts raise expectation for future improvement.*

Civil Society. Civil society engagement with the government brought about some success in the passage of the hate crimes amendments to the criminal code in 2006. However, the overall influence of reform-related civil society organizations in Croatia, whether environmental or more human rights-oriented, remains dwarfed by the influence of more reactionary forces like the country's organization of war veterans or the role of the Catholic Church. *The rating for civil society remains at 2.75 owing to the challenges many civil society organizations still face in their efforts to influence the policy process.*

Independent Media. While 2006 saw improvement in the space for critical reporting on sensitive subjects in Croatia, the reality of commercialization, government influence, and the sharp rise in sensationalist journalism weakened media diversity. The overall media picture shows a significant rise in tabloid-style print coverage of sports, celebrities, and lottery games. Serious social, political, economic, and cultural issues have not disappeared completely but are becoming more a framework for advertising than serious focus points. Even though the social climate has changed enough to allow for the opening of mainstream media to sensitive subjects hidden over the past decade, the industry's present massive commercialization has left print media without a respectable or trustworthy image, with television dominated by the national HTV (still the main news source for the majority of the population). *Croatia's independent media rating worsens from 3.75 to 4.00 owing to its failure to develop media standards and the markedly increased commercialization of the media during 2006.*

Local Democratic Governance. Legislation drafted in 2006 to allow Croatian voters to directly choose mayors during the next round of elections should go some way toward improving local democratic governance. However, the country is still running a large and complicated set of regional and local government institutions that are far more expensive than efficient. Constant EU pressure to decentralize has resulted in a larger distribution of duties and responsibilities, but these are almost never followed by a commensurate distribution of resources. During 2006, several local- and county-level reelections took place, all within democratic standards and without significant political changes. *Despite the draft*

decision to put legislation in place to locally elect mayors, the local democratic governance rating remains at 3.75 owing to the slow progress in initiating decentralization processes that work in practice.

Judicial Framework and Independence. In May 2006, the parliamentary Committee for Human and National Minority Rights adopted legislative amendments that introduce the concept of hate crimes into the Croatian criminal code, which represents a key step forward in improving the domestic legal framework. At the same time, the high-profile trial of top-level politician Branimir Glavaš, accused of war crimes in eastern Slavonia, demonstrated many weak points in the domestic judicial framework, which is still struggling to reform to EU standards from its partisan, unprofessional, and wartime beginning. There has not been sufficient progress in developing a functional legal framework; as a result, the judicial system remains one of the country's top problems in negotiations with the EU. *The rating for judicial framework and independence in Croatia remains at 4.25 since little real progress was made in 2006.*

Corruption. During 2006, Croatia did not improve significantly in its fight against corruption, causing the EU to highlight corruption as one of the three most problematic areas in the country's reform. During the year, numerous reports put the spotlight on corruption primarily within local administrations, many sections of the judicial system, police, customs, and public health institutions. The governmental proposal on the Law of Financing of Political Parties is currently one of most important administrative attempts to decrease corruption. How it is implemented will provide an indication of whether the government is serious in its newfound commitment to battle institutional corruption. *However, the corruption rating remains at 4.75 since only limited progress was recorded in 2006, even as public perception of the problem grew substantially.*

Outlook for 2007. It is difficult to predict the domestic impact of the upcoming ruling of the International Criminal Tribunal for the Former Yugoslavia, where several of Croatia's most important generals are accused of being involved in a so-called criminal organization led by President Tuđman that aimed at building up a "Greater Croatia." Such a ruling could have a profound effect on the government's legitimacy and the institutions in place today. While the EU and NATO path remains Croatia's key political point of consensus, weariness with what are perceived as ineffective reforms and a reconsideration of the cost of membership could hamper Croatia's pace of reform in the year ahead. Regardless, clear progress in harmonizing the macro-level reforms, either on economic liberalization and the fight against corruption or through the judiciary, will be needed to convince both citizens and outside observers that Croatia is ready to be considered a more consolidated democratic state.

Main Report

National Democratic Governance

1999	2001	2002	2003	2004	2005	2006	[illegible]
n/a	n/a	n/a	n/a	n/a	3.50	3.50	3.50

Croatia continues to slowly improve its governmental system, which is generally considered to be functional and democratic. But there are still dozens of gaps in the framework and performance of the government as the country gradually consolidates its democratic practices. These growing pains are due partly to the process of transitioning from a formerly Socialist country and partly to the additional problems related to the legacy of building a state during a time of war.

The current Croatian Democratic Union (HDZ) conservative-led government has continued the democratization process that started after the death of the country's first president, Franjo Tuđman, in 1999. In some ways, especially in the areas of internal security and overall central government strength, the HDZ has produced more results than the liberal coalition of Social Democrats (SDP) during its four years of government following Tuđman's death. After coming to power in 2000, the liberals managed to overcome international isolation, making significant steps in domestic reforms and gaining admittance to international institutions.

However, the SDP government suffered under the constant shadow of domestic protests that threatened to overthrow the civil government. This is possibly explained by the fact that the HDZ is currently controlling extremists much better than the liberal coalition was able to do and also because Ivo Sanader's HDZ, while in the opposition, used extremists against the SDP-led coalition, which is not the case now. Indeed, Prime Minister Sanader has managed to build up a strong state with a centralized structure. Although there are clear reform gaps, the current HDZ-led government performs in a much more centralized way than the previous SDP-led regime.

The main concern regarding the stability of Croatia's governmental system lies in the fact that the largest parliamentary consensus reached after the death of President Tuđman produced the famous Declaration of the Homeland War in 2000. In this statement, almost all political parties united to declare that the Croatian war was a legitimate defense against Serbia's aggression and necessary for the liberation of Croatia, not the conquest of sections of Bosnia and Herzegovina (BiH). The declaration also produced a certain approach to the value system present throughout the state administration, which prioritizes political connections, informal networks, and short-term personal gains over longer-term transparent institution building. Accordingly, those within the HDZ political elite, as well as coalition partners and even the opposition elite, continue to benefit from the patronage system that connects the political and economic spectrums of Croatia.

The relevancy of this legacy grew during 2006 as more public attention was given to indictments by the International Criminal Tribunal for the Former Yugoslavia (ICTY) against several highly ranked Croats (who are currently in custody in The Hague) as allegedly being part of a "joint criminal enterprise" that had the specific aim to create a "Greater Croatia." If the ICTY's prosecution manages to prove its accusations, a greater scandal than merely changing Croatian history books can be expected. First, there is no relevant political party in the country—except perhaps the urban-intellectual-based Hrvatska Narodna Stranka (HNS) (Croatian Peoples Party)—that can claim in the public record any strong criticism of the HDZ's involvement in BiH and the way the government was managed in Croatia.

Second, and more important, the country's current social and political development gives no guarantees that domestic institutions could handle a shift from the image of "father of the nation" to "war criminal" conferred not only on the late president Tuđman, but also on a large group of his close associates, who still hold top political, legal, and economic posts in Croatia. A public reexamination of this sort could ultimately assist Croatia in its long-term democratization process, but the short-term impact could likely be politically destabilizing and threaten to boost nationalist and denial-based public figures.

Since Ivo Sanader's HDZ managed to return to power, the negotiating process with the EU on potential membership has become the focal point for domestic political policies. Prime Minister Sanader appears to use EU direct warnings mainly as the bottom line for necessary democratization changes as he balances EU demands and HDZ capabilities. In many ways, the EU has become the most important actor in Croatia's democratic transition. However, the current status of negotiations with the EU regarding Croatia's eventual accession is much slower than Sanader was promised and the country has been expecting. Accordingly, EU fatigue on the side of Croats regarding the demanded reforms could be a concern in the years ahead if the EU does not provide concrete assurance of membership.

All major political parties have continued their previously adopted agendas, and no significant shift in ideology or programs was recorded during 2006, even as parties maneuvered to position themselves for parliamentary elections later in 2007. As in many countries, the political party names do not actually correspond to the stated agendas. For example, the "Social Democrats" (SDP) are very close to a liberal ideology, while several "liberal" parties (Croatian Social-Liberal Party, Liberal Party, and so on) are basically nationalist-oriented. The "populist" party Hrvatska Narodna Stranka (HNS) is in fact a group of generally urban-based intellectuals; the "party of law" (Croatian Party of Rights) is often connected to pro-fascist ideology; and the ruling "Democratic Union" (HDZ) has the largest portfolio of authoritarian acts and secret deals of any political party in Croatia.

According to the 2006 annual World Bank report,[1] Croatia lacks a business environment that could be called free. For several years in a row, the World Bank has ranked Croatia very low in terms of the country's overall business environment. This is mainly because the state government in many ways dominates the

economic system, while the legal framework of the business environment is often used as protection for a single favorable producer, seller, and user—the state over clear competition.

Ethnic tension in Croatia remains a concern since Croatian Serbs that stayed or have returned continue to experience a challenging existence.[2] Even though official policies related to minority rights have improved, violence and tension are still common, particularly in the Lika region, northern Dalmatia, and western and eastern Slavonia. In its yearly report on Croatia, Human Rights Watch highlighted this concern by titling the report *Plight of Returning Serb Refugees May Slow EU Bid.*[3]

Electoral Process

1999	2001	2002	2003	2004	2005	2006
4.25	3.25	3.25	3.25	3.25	3.00	3.25

The legal framework for funding political parties in Croatia is very weak, and it fails to meet the necessary standards in more than just a declarative way. The financing of political parties and their activities not only corresponds to the workings of the country's political system, but is also at the heart of the fight against corruption. Attempts to correct the situation with new legislation began in 2006, but both the content and passage of this legislation have not yet had the opportunity to show any effective strengthening of the legal framework. The real test will be during parliamentary elections scheduled likely in November 2007.

Since Croatia's independence, the structures of party financing have been chaotic at best, with opaque means of transferring and securing funds. Many citizens disagree with the current practice of financing political parties and assume that much of the taxpayers' money is used illegally for this purpose.[4]

After a decade of internal demands and critique—and more importantly, after critique from the European Commission—Sanader's government finally attempted to construct such a law during the second half of 2006. The proposed legislation states that all anonymous donations to political parties would be prohibited, something new in Croatia. The law puts a limit on donations during a one-year period —1 million kuna (US$170,000) for companies and 90,000 kuna (US$15,250) for private individuals. The proposed law also forbids the financing of political parties by majority-owned state, region, city, or municipal companies.

The law has not yet been adopted, and delays have already been criticized by the opposition, since the current period can still be used for collecting financial sources that will go unchecked later. The law also does not deal specifically with the financing of political campaigns during election time, which is important since this is when political parties are most likely to spend the greatest amount of money.[5] Accordingly, additional legislation that focuses on this portion of party financing has been urged by a number of civil society actors.

With no major elections during 2006, the long-term problem with outdated voter lists did not draw any additional scrutiny or impetus for change. The only other legislative change put forward in draft form was the provision to allow for the future direct election of mayors. Until now, mayors had been chosen by political parties that won or controlled a majority within city parliaments. The provision would not similarly change the way local prefects are elected, even though earlier draft versions of the proposed law suggested direct voting for prefects as well.

During 2006, reelections at the local and regional levels happened in several places, including Dubrovačko-Neretvanska and Požeško-Slavonska County, the city council of Velika Gorica, and the municipal council of Stara Gradiška. Elections were generally carried out in a democratic manner and with voter turnout around 40 percent, similar to previous elections in those areas. The reelections took place because some representatives changed political parties at the local level; even though they kept their mandates, elections were necessary to provide a new mandate to the political party that the representatives joined.[6]

Civil Society

1999	2001	2002	2003	2004	2005	2006	2007
3.50	2.75	2.75	3.00	3.00	3.00	2.75	2.75

The rapid acceleration of nongovernmental organization (NGO) registration continues in Croatia, and it is estimated that more than 20,000 NGOs formally exist. Yet many of them exist as registrations only and have no activities. But however difficult it is to actually count the number of NGOs, it is even more difficult to assess their influence within Croatian society.

According to the national survey taken by the Ivo Pilar Institute in June 2006, around 48 percent of citizens believe that as individuals they do not have any influence on decisions regarding social or political issues at the local level. Citizens are even more skeptical of their influence on important decisions at the regional (61 percent) and national (63 percent) levels. The same research states that around three-quarters of those surveyed express a generally positive opinion regarding NGOs, with a quarter not having an opinion on NGOs, and citizens with a generally negative stand regarding NGOs are now very rare.[7] This attitudinal shift has come about slowly over the past five years—while now, perhaps not seen as particularly effective in their respective agendas, NGOs are at least no longer viewed as potential "enemies of the state" by the state and public media, as was sometimes put forward during the Tuđman years.

Probably the biggest success for the entire NGO scene was the adoption of the amendments that introduced the term *hate crime* into the Croatian criminal code during 2006. The amendments were presented by two human rights-oriented NGOs called Iskorak and Kontra, and pressure to follow through on their passage was key for the eventual government adoption. These groups, as well as other

relatively powerful human rights–oriented NGOs like the Helsinki Committee (Hrvatski Helsinški Odbor), B.a.b.e. (Budi Aktivna, Budi Emancipirana—Be Active, Be Emancipated), the Dalmatian Committee for Human Rights (Dalmatinski Komitat Za Ljudska Prava), Altruist, and so on, are also more or less successfully continuing the tradition of the strong human rights NGO scene built during the 1990s, even as funding for these types of activities is becoming more difficult to secure. Yet the involvement of strong advocacy groups in more detailed research aimed at government policymakers remains low or takes place on an ad hoc basis.

Environmental groups have continued their activities but remain small players, at least at the local level, even though the environment is one of the country's most important assets as a tourist destination. For example, the environmental NGO coalition Zagora's Bells (Zvona Zagore) from the rural Dalmatian area has been protesting over the past two years against the building of a large recycling center in the mountainous Lecevica area north of the city of Split. According to the coalition, the recycling site should be moved to another location given "the potential for groundwater contamination." The chemical used in the recycling process in this mountainous rural area could pollute the drinking water used by the overpopulated urban areas below it. However, despite independent scientific studies to this effect, media campaigns and appeals to local and central government officials have led to no noticeable change in government policy.

The largest and by far most influential Croatian NGO is the veterans' organization HVIDRA (Hrvatski Vojni Invalidi Domovinskog Rata—Croatian Military Invalids of the Homeland War). HVIDRA is an umbrella group that unites many local and subregional organizational wings, with constant changes within its leadership. Since it is well funded by the government, HVIDRA has changed the perception of NGOs in Croatia and could be influential in determining the ultimate stability of the political system. In the recent past, HVIDRA was the base of the so-called Headquarters for the Protection of Values of the Homeland War, and this set of actors was influential in weakening the Ivica Racan-led government as it began its Hague cooperation. The main political objectives of the Headquarters for the Protection of Values of the Homeland War remain the complete refusal of cooperation with the ICTY and the dismissal of all domestic legal cases related to war crimes allegedly committed by the HV Hrvatska Vojska (Croatian Army) members. Both HVIDRA and the Headquarters for the Protection of Values of the Homeland War claim that the state should be given to those who defended the "homeland" during the war. Under the HVIDRA umbrella, several veterans' groups that are quite radical still exist and are ready to defend certain political agendas outside of the normal security services command and control.

Croatia has a relatively strong trade union scene that is historically well organized and popular among citizens. The lead union is the SSSH (Savez Samostalnih Sindikata Hrvatske—Union of Autonomous Trade Unions of Croatia), which was founded in 1990 and has about 500,000 members. The other two big unions, the NS (Nezavisni Sindikat—Independent Union) and the HUS (Hrvatska Udruga Sindikata—Croatian Trade Union Association), are followed by several smaller

union groups. The SSSH, traditionally the most aggressive union, is perceived to be close to the ideology of the Center-Left. The HUS is close to center-right values, while the NS has remained in the middle.

The Catholic Church is a dominant actor in Croatian civil society. During 2006, the Catholic Church continued its strong influence on both the state and society, but not necessarily consistently in the vein of reconciliation. For example, during the hate crimes incidents near Zadar in 2006 where a number of Serb returnees were threatened and had property damaged, the local priest sided with a group of ethnic Croats who were provoking Serb returnees. Several months later, when former Slavonian warlord Branimir Glavaš was imprisoned, the local church served him holy mass. The Catholic Church is also aggressively pushing its particular brand of conservative, religious educational programming for elementary and high schools, making it difficult for students not of the Catholic faith to opt out of this religious influence and training.

Independent Media

1999	2001	2002	2003	2004	2005	2006
5.00	3.50	3.50	3.75	3.75	3.75	3.75

The Croatian media are subject to market rules. But since the domestic market is not free from state and political influences or immune to corruption, it would be difficult to conclude that the media are more independent and diverse than other parts of society. Far from the 1990s, the Croatian media are no longer mouthpieces for the nondemocratic regime, but the media have retained many of the ills that affect other transitional countries.

When looking at the media's overall framework and environment, observers note an improvement in the willingness and ability of Croatia to practice critical journalism, but the day-to-day reality is still well below European standards. For instance, when discussing the physical attacks on Serb returnees in Croatia, a prominent human rights advocate from the Croatian Helsinki Committee, Žarko Puhovski, states that stopping media propaganda from depicting all Croatian Serbs as guilty would improve the general image of Croatian Serbs.[8] Few of the country's media could claim that they carried out this type of balanced reporting in 2006.

According to the Organization for the Security and Cooperation in Europe (OSCE) mission in Croatia, the general climate for public debate continues to improve, and national media have become more critical and have progressively begun to report on sensitive issues such as war crimes committed by members of the Croatian army and the return of refugees.[9] However, in its annual report, Reporters Without Borders stated that laws regarding media freedom in Croatia (as in other EU candidates Romania and Bulgaria) remained well below European standards.[10] According to the South East European Media Organization, the media

environment in Croatia still raises concerns, since journalists are working under the pressure of politicians and are exposed to violence, threats, court proceedings, and jail sentences. On the other side, there are no powerful corrective elements within the country, such as effective laws that protect investigative journalists. During 2006, for example, Drago Hedl, a journalist from Osijek who has written about a local politician's involvement in war crimes for over a decade, had to delay his court testimony for the war crimes case being tried in the Croatian courts for several months because of death threats.

By far the most influential media outlet in Croatia is the state-owned national television, HTV (Hrvatska televizija—Croatian Television), which earns around 40–50 percent of its revenues from mandatory subscription fees and the rest through commercials. HTV serves as the primary source of information for an estimated 70–90 percent of Croatians, 50 percent of whom obtain their news from the station's nightly broadcast. The subscription obligates every Croatian household with a television set to pay, without the right to claim that HTV broadcasts are not viewed. Refusal to pay the HTV subscription can bring additional fee penalties as well as potential criminal charges. The strong position of HTV highlights the overall dependency of Croatian journalism on the state, which besides HTV owns the largest national news agency, HINA (Hrvatska Izvještajna Novinska Agencija—Croatian Informative News Agency), and the daily paper, *Vjesnik*, and has stakes in many other smaller local media.

Deregulation of TV channels occurred several years ago, allowing two other non-state-owned national television stations, Nova and RTL, into the national market. But in practice, they can hardly compete with the much stronger HTV. The existence of the two other national television broadcasters only occasionally forces HTV to be more critical in its reporting on the government's activities and state administration. Likewise, the level of professional journalism at Nova and RTL is not much different from that at HTV. Most of the professional staff members at Nova and RTL came from HTV and have the same professional history of acquiring positions through political patronage.

The official government voice can be heard most clearly through the work of the national news agency, HINA, which is under complete control of the state administration. A scandal at the end of 2006 regarding the installation of the new editor in chief provoked the opposition (the SDP) to call for a dismissal of the government.[11] Prime Minister Sanader was accused of intervening in the process of establishing HINA's new editor in chief, even as he requested that the board follow set procedures for the selection (something apparently not followed to the letter of the law). Regardless, the incident demonstrated the importance that the two main political parties placed on having the "right" person at the head of HINA.

The most influential print media house is Europa Press Holding (EPH), which is owned by the German conglomerate WAZ (Westdeutsche Allgemeine Zeitung). EPH owns several daily and weekly papers, while the Austrian Styria owns the best-selling daily, *Večernji List*, and the best-selling tabloid, *24 Sata*. EPH and

Styria compete heavily in sports, celebrity news, commercials, advertising, and erotic materials, while journalism is publicly perceived as being a second or third priority. This has created a situation where the previous overt political control of print media has morphed into corporate control, changing Croatian print from black to yellow, with Styria closer to dark yellow and EPH wavering at light yellow.

According to Viktor Ivančić, editor of the *Feral Tribune*, the internationally awarded Croatian paper, journalism as a profession has become subordinate to advertising companies that control thematic areas by paying or not paying for ads. And at this point in Croatia, there are no corrective elements balancing financial interests and the interests of the public. The average Croatian paper receives 50–60 percent of its earnings through advertising, but the respected *Feral Tribune* makes less then 5 percent of its earnings from ads.[12]

Local Democratic Governance

1999	2001	2002	2003	2004	2005	2006
n/a	n/a	n/a	n/a	n/a	3.75	3.75

Though a small country, Croatia has a large and complicated regional structure, with 20 counties, 120 cities, and 420 municipalities. The system of regional counties was developed in the early days of independence, and since then there has been a never-ending discussion regarding their number, geographic definition, and legal identity. Counties did not exist before 1990 and were probably developed partially to stop the activities of political parties not close to Tuđman's HDZ.

For example, during the 1990s, when the opposition controlled Dubrovnik County, many important competences were shifted to the city administration; likewise, Split County gained more powers when opposition parties controlled the Split city administration. This practice did not stop with the death of President Tuđman but rather continues in smaller ways. For instance, the city administration of Dubrovnik is still stronger politically and economically than the county-level administration, suggesting that the HDZ holds stronger positions in the city than in the county. While the political situation has stabilized somewhat over the past few years, administrative functions at the regional and local levels remain unclear to the average citizen.

In general, these systems duplicate similar city and national administrative functions and have unclear coordination structures in between. Both regional and local government offices are highly dependent on funds from the central state administration and are often used as a political testing ground for the national Parliament. Also, government offices at the local and regional levels are often seen as a way to reward loyal local-level party politicians. Often, the large administration's function is to satisfy the socioeconomic concerns of those in office, while citizens' needs are a secondary priority.

Beginning with discussions in 2005, and owing partially to greater pressure to demonstrate local governance, the government put forward a new set of laws and regulations in 2006 that would allow direct voting for mayors and county prefects. The government sent the Parliament a draft law and it was adopted, but only partially, which meant that mayors would be elected directly while the method for choosing county prefects would remain the same. Making the mayor more accountable to people at the local level may eventually help to improve accountability in general, but overall the convoluted local government system continues to provide less rather than more local government control.

A clear example of the anarchy that can result from these dual and multiple competences may be found in the process of local urban and environmental development plans. Several incidents and some larger demonstrations occurred during 2006 when the State Ministry for Ecology and Building decided to destroy many houses that were built without legal papers. Illegal housing is widespread in Croatia, especially along coastal areas. Lack of financial resources in local administration offices and the complicated administrative network that connects local, county, and central government offices have produced a chaotic situation where some local areas have been left without urban plans for more than a decade. Accordingly, several local administration offices have been issuing building permits without the legal right to do so and even collecting donations to develop urban plans that would help local people build houses.

EU pressure to decentralize according to accession criteria (and to gain in theory a better and more responsive government) has resulted in a larger distribution of duties and responsibilities on paper, but these are almost never followed by a commensurate distribution of resources either on paper or in practice. Local and regional administrations are in many cases overwhelmed with citizens' needs and demands, but without decisions from the central state administration, almost nothing can be done.

Many advise that Croatia should be organized into not more than four counties. Current negotiations with the EU sometimes go so far as to suggest a two-sector division, one coastal and one continental. However, no grand plan has yet been determined. Every two or three years, the national government and local administrations launch new programs to increase the functionality of cities, municipalities, and counties, while the country is involved in several international aid programs that are attempting to increase the level of local government management and public engagement, but the results remain limited and slow.

In April 2006, extraordinary local elections were held in several places where local and regional representatives could not agree on constituting local councils. This affected the counties of Dubrovačko-Neretvanska and Požesko-Slavonska, as well as the city council of Velika Gorica and the municipality of Stara Gradiška, after several local representatives decided to change their party affiliation but keep their mandates. This provoked the government to put in place an order to clarify that political mandates belong to people, not to parties.

Judicial Framework and Independence

1999	2001	2002	2003	2004	2005	2006	2007
4.75	3.75	3.75	4.25	4.50	4.50	4.25	4.25

During 2006, amendments were introduced to prosecute hate crimes in Croatia, and there was some level of reform throughout the judicial system. But the courts in general continued to function with selective justice and lacked the overall political will to properly address the legal rights of citizens. The Croatian Constitution declares protection for fundamental political, civil, and human rights, but in practice the whole judicial system is slow, corrupt, and often partisan. The judicial system remains one of the country's top problems in negotiations with the EU, and progress in developing a functional legal framework has not been sufficient despite years of attempting to tackle an overhaul of the judiciary.

In May 2006, the amendments that introduce the term *hate crime* into the Croatian criminal code were adopted by the parliamentary Committee for Human and National Minority Rights by a majority of votes, while committee members from the HDZ abstained. This is a late but significant step for the domestic legal framework. However, these amendments have yet to be put into practice, since many supporting laws and regulations have to be changed in order to act on them. In addition to continued attacks on ethnic Serb minorities, this legislation will likely be tested in other areas of social difference. For example, during the summer of 2006, other hate crimes related to homophobic physical attacks on tourists in coastal areas of Dalmatia[13] caught the headlines and concern of foreigners and those in the tourist industry. How this will translate into a proactive government response and use of the new legislation remains to be seen.

Incorporating the concept of hate crimes into Croatia's criminal code was highly welcomed by the OSCE[14] since no other country in the region has yet to manage such a change. According to Iskorak, one of two NGOs that were most active regarding this issue (the other is Kontra), crimes committed against persons because of personal characteristics or beliefs are rarely sanctioned in a proper manner. Violent acts perpetrated by police and security forces are treated as misdemeanors instead of criminal offenses, whereas crimes against national minorities are criminal offenses.[15] Croatia has a complicated system of more than 200 courts, which statistically outnumbers the common standard compared with its number of citizens. This large, poorly run system is far too slow for the needs of common citizens and is often misused by the state administration for its own purposes. The current judicial system reflects social and political problems that occupied the country in the last 15 years. In the early days of Croatian state independence (1991–1993), many experienced judges were thrown out because of their political connections to authorities from the former Yugoslavia or because they were of Serb nationality. This purge was followed by the wide employment of individuals connected to or recommended by the Tuđman-led HDZ. Many of the new judges were not experienced enough to oversee the legal system in difficult war times.

More complications came about during the first and second waves of privatization (1991–1993 and 1993–1997). In both instances, the judicial system, as well as the entire state administration, did not pay proper attention to the legality of privatizations but rather followed high-level political orders to take care of the "paperwork." Even without mentioning the courts' reputation for denying many rights to citizens of Serb nationality or to Croats who did not support President Tuđman, the judicial system came to be perceived as the "third hand" of the ruling HDZ and lost any credibility that it had tried to build during the late 1980s.

With its combined record of human rights cases, domestic war crimes cases, and legally questionable privatizations, the judicial system has a tough legacy to overcome. The highly anticipated domestically conducted war crimes trials of Generals Mirko Norac and Rahim Ademi continue to be prepared under tough scrutiny. Efforts at reform from the top and the much discussed technological improvements, training of judges, and so forth have had a limited effect, but the political will to deal with all of the current issues is still lacking. After the death of President Tuđman, the judicial system stepped into the twenty-first century with a backlog of over one million unsolved or partially solved cases, and some of these are quite compromising for today's judges.

A fresh example that demonstrates the dysfunction of the Croatian judicial system is the case of Branimir Glavaš, a current parliamentarian and one of the founders of the HDZ in the Slavonia region. Starting in 2006, Glavaš came under investigation for war crimes that happened in the beginning of the 1990s, but he was not imprisoned until November owing to threats made against witnesses. Even though independent media published many of these witness testimonies more than a decade ago, the investigation did not begin until Glavaš left the ruling HDZ and formed his own local party, which took away many votes that traditionally went to the HDZ. A similar situation can be found in the state prosecution, though here more political will has been displayed. Despite pressure from many hard-liners, the current chief prosecutor, Mladen Bajić, has reopened a number of cases that his predecessors did not want to deal with, but again the court system has been slow to process these.

Corruption

1999	2001	2002	2003	2004	2005	2006
5.25	4.50	4.50	4.75	4.75	4.75	4.75

During 2006, Croatia did little institutionally to improve its fight against corruption, which is widespread throughout the state administration and public institutions. In current EU negotiations, the EU points to corruption[16] as one of the three most problematic areas in Croatia. For the second year in a row, Transparency International rated Croatia 3.4 on a scale of 0 to 10, with 0 being most corrupt, in its Corruption Perceptions Index, above most of the former Yugoslav countries in the

region, but below most of its Central European EU neighbors. A number of different reports suggest that corruption is most obvious within the local administration, many sections of the judicial system, police, customs, and public health institutions. For example, according to a 2006 survey taken by Zagreb's office of Transparency International, more than 40 percent of complaints from local citizens regarding corruption were connected with the judicial system.[17]

The government made a key effort in 2006 with a proposal for the Law of Financing of Political Parties, but overall, prosecution of corruption-related crimes has been slow. For example, Croatia has lacked a proper mechanism for fighting money laundering for more than a decade. In the last nine years, only two people have been sentenced to prison for this kind of illegal activity. The government office for fighting money laundering established in the Ministry of Finance claims that more than 140 cases (since 1997) have been reported, but owing to a lack of cooperation with other institutions, these have resulted in a low level of investigations and results.

To understand the widespread corruption in Croatia, as well as the government's inability to fight it, it is useful to keep in mind the concept of "ideological corruption." In the case of Croatia, this refers to the creation of many parallel institutions or systems of management and protocols based primarily on a hard-core nationalist system of values rather than any stated policy or regulations. Ideological corruption is most obvious in the judicial system and at the regional level of administration.

Historically, many criminal cases, from war crimes to suspicious privatization deals, that were widely reported in the independent media have never been investigated or prosecuted. For example, in 2006 questionable deals related to the privatization of the pharmaceutical company PLIVA and business deals at the shipbuilder Brodosplit were prosecuted not through the court system, but rather through specially appointed state-level commissions, which by the end of the year had yet to produce any findings.

By the end of 2006, there were several statements from top-level politicians (some of the closest associates of the late president Tuđman) regarding Croatia's system of parallel institutions. For instance, former minister of foreign affairs Mate Granić[18] confirmed the existence of a parallel system within the Ministry of Defense. However, further public statements or actions related to this statement have yet to happen. Several large corruption scandals in 2006 backed the theory that attempts from state officials to fight corruption were never efficient since the state itself has been involved in corruption from the 1990s to the present. During the fall of 2006, President Stipe Mesić stated to Reuters that he believed the country had finally gained enough political will and organizational capacity to fight corruption, figuratively comparing corruption with an octopus that hangs over the whole state, sucking its blood.[19] However, the president was responding mainly to one particular corruption scandal that involved funds from the 1990s and primarily former HDZ governments.

Based on knowledge of the crimes that have been publicly reported, a good portion of organized crime groups in Croatia appear to be connected with or come

from the war veterans' population or other individuals who once served within the Ministry of Defense. Owing to many unclear war events, especially in the ethnic Croat territories of Bosnia and Herzegovina, some war veterans continue to use their political and law enforcement connections for illegal activities. The trafficking of humans, illegal drugs, and weapons is often connected with illegal organizations that are built around a society of former soldiers, especially around fragments of security and intelligence services developed during the 1990s.

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Czech Republic

by Jeremy Druker

Capital:	Prague
Population:	10.3 million
GDP/capita:	US$21,203
Ethnic Groups:	Czech (90.4%), Moravian (3.7%), Slovak (1.9%), other (4.0%)

The economic and social data on this page were taken from the following sources:

GDP/capita, Population: *Transition Report 2006: Finance in Transition* (London, UK: European Bank for Reconstruction and Development, 2006).

Ethnic Groups: *CIA World Fact Book 2007* (Washington, D.C.: Central Intelligence Agency, 2007).

Nations in Transit Ratings and Averaged Scores

	1999	2001	2002	2003	2004	2005	2006	2007
Electoral Process	1.75	1.75	2.00	2.00	2.00	2.00	2.00	1.75
Civil Society	1.50	1.50	1.75	1.50	1.50	1.50	1.50	1.50
Independent Media	1.75	2.00	2.50	2.25	2.25	2.00	2.00	2.25
Governance*	2.00	2.00	2.25	2.25	2.25	n/a	n/a	n/a
National Democratic Governance	n/a	n/a	n/a	n/a	n/a	2.50	2.50	3.00
Local Democratic Governance	n/a	n/a	n/a	n/a	n/a	2.00	2.00	1.75
Judicial Framework and Independence	2.25	2.50	2.50	2.50	2.50	2.50	2.25	2.00
Corruption	3.25	3.75	3.75	3.50	3.50	3.50	3.50	3.50
Democracy Score	2.08	2.25	2.46	2.33	2.33	2.29	2.25	2.25

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

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

Executive Summary

The year 2006 can be seen as yet another in which the country thrived—in spite of its politicians. Living standards continued to rise, unemployment dropped, the economy surged, and the crown had never been so strong against the euro. All that in a year when the country remained almost entirely without a government for six months, political culture took another blow as mudslinging abounded, and more corruption scandals erupted, demonstrating the dangerous commingling of the business and political elite.

The failure of the country's political parties to come to any agreement after the stalemated elections of June underlined the utter lack of true leadership and vision among the current political class, which remains bereft of any grand strategy to advance the Czech Republic to the next stage of development. Too many reforms remained unfinished in key areas, such as the fight against corruption, pension and health care systems, transfer of authority to regional administrations, speed of the judicial system, and integration of the Roma minority. While the country possesses most of the window dressing of advanced democracies, including competitive elections and a largely effective separation of powers, much work remains to be done to increase accountability and bring greater diversity to the political elite, as well as find the resources and political will to take controversial but necessary steps toward further democratic consolidation. With economists forecasting the slowdown of the economy, there is a creeping feeling that the country is living—albeit living well—on borrowed time.

National Democratic Governance. The inability to form a government after the 2006 parliamentary elections ended in a stalemate between the Left and the Right and plunged the country down a path of failed negotiations, ugly rivalries, and dead-end "solutions" to the crisis. The lack of a functioning government during the second half of the year not only disgusted much of the population, but dashed any hope of reform in areas such as health care, education, and social security. *The Czech Republic often resembles a fully functioning democracy—stable and secure, with checks and balances in place—but the inability to form a government highlighted the depths of the country's political immaturity and the lack of statesmanship on the domestic scene. That reality, coupled with little visible progress at dampening clientelism and improving legislative efficiency, leads to a downgrade in the national democratic governance rating from 2.50 to 3.00.*

Electoral Process. Parliamentary, Senate, and local elections all took place in 2006 without any serious violations or complaints. Voter turnout was up in each case, indicating widespread public interest in often bitterly fought campaigns. Although

the Green Party entered the Parliament for the first time, the Czech system still allows too little room for new faces in politics, and civic participation remains stunted. *Despite little to no progress in political party development or inclusion of the Roma minority, a series of competitive, well-run elections leads to a slight improvement in the rating for electoral process from 2.00 to 1.75.*

Civil Society. The reputation of nongovernmental organizations (NGOs) has continued to grow, with roughly half the population characterizing NGOs as influential in helping to solve society's problems. On the other hand, many politicians consider the more advocacy-oriented organizations, especially those attempting to change public policy, as unnecessarily interfering in and complicating their work. *Continued growth in the reputation and activities of NGOs is offset by disparaging comments from the president and little happening on the legislative side; the rating for civil society remains at 1.50.*

Independent Media. Czech media are independent and diverse, but critics continue to speculate about behind-the-scenes political and financial interference. The 2006 parliamentary elections prompted a relapse into biased coverage reminiscent of the 1990s, with the press the main culprit in playing political favorites both before and after the elections. *The backsliding into biased election coverage, combined with further delays in the licensing of digital television and the need for greater plurality in the TV market, leads to a slight worsening in the rating for independent media from 2.00 to 2.25.*

Local Democratic Governance. Competitively fought local elections, with a record number of candidates and high voter turnout, bode well for the development of local democracy, yet more control systems over the function of local offices need to be put in place to rid them of clientelism and improve efficiency. The overall system of local government continues to improve, but the flow of funds from the center needs to keep better pace with newly added responsibilities. *With vibrant political competition and a solid system of local democratic governance proving its worth, the rating improves from 2.00 to 1.75.*

Judicial Framework and Independence. In 2006, reforms that would speed up judicial processes remained largely unimplemented, legislation to combat discrimination languished in the Parliament, and provisions to improve gender equality were ignored. Yet the year did mark some improvements, especially with more judicial appointments and indications that reform may finally be on the way. A high-profile dispute between the president and the chairwoman of the Supreme Court ended up reaffirming judicial independence and the Constitutional Court's autonomy. *No real judicial reform took place, but a landmark case reaffirmed the separation of powers, warranting a slight improvement in the country's ranking for judicial framework and independence from 2.25 to 2.00.*

Corruption. The level of everyday corruption is slowly being reduced, but much of Czech society believes that graft is still widespread at both the national and local levels of public administration. The passage of a Law on Conflict of Interest (though imperfect) and a better rating for the Czech Republic in the Transparency International Corruption Perceptions Index suggest hope for the future. *Although the long-delayed passage of important conflict-of-interest legislation in 2006 raised expectations for future improvement, a new government strategy and consistent implementation of current legislation are still needed, so the Czech Republic's corruption rating remains at 3.50.*

Outlook for 2007. By the end of 2006, Mirek Topolánek was back where he started the post-election period, proposing a coalition composed of his Civic Democrats, the Social Democrats, and the Green Party. He pledged a strong reform program for the government, and his choice of ministers seemed to back up that assertion. Yet the challenge remained to find rebels within opposing political parties or outcasts who would at least abstain from a vote of trust in the government, ending the deadlock between Left and Right. And even if that were to happen, the need for such support at every crucial vote in the Parliament calls into question the possibility of passing the controversial reforms necessary for real change.

Main Report

National Democratic Governance

1999	2001	2002	2003	2004	2005	2006	2007
n/a	n/a	n/a	n/a	n/a	2.50	2.50	3.00

The institutions of governance in the Czech Republic are stable and democratic. No single party dominates the political scene, and regular rotations of power occur at national and local levels. Political parties generally agree on the nature and direction of democratic change, with one major exception—the largely unreformed Communist Party (KSČM), which has not served in a post-1989 government. The party continues to attract those nostalgic for the old regime and frighten away those who worry that the KSČM will one day sit in power and backtrack on reforms. The KSČM holds 26 of the 200 seats in the powerful lower house of Parliament, but the refusal of other political parties to include it in coalitions has greatly complicated the process of forming stable governments among the remaining, often conflicting parties. That was again the case in 2006, as parliamentary elections in June ended in a tie between the two main left- and right-wing camps.

The months following the elections were full of twists and turns, which was to be expected given the animosity between the country's two major parties and their heads: the Civic Democrats (ODS), led by Mirek Topolánek; and the Social Democrats (ČSSD), led by Jiří Paroubek. Three weeks after the elections, the ODS, the Christian Democrats (KDU–ČSL), and the Green Party (SZ) formed a coalition and named their ministerial lineup. The ČSSD, however, refused to tolerate the government and turned down an offer to join the coalition. In August, the ODS—seeing that the present coalition had no chance of receiving a vote of confidence—began to negotiate with the ČSSD about a minority ODS government that would be tolerated. Soon after, however, the ČSSD shocked the ODS by announcing that it had initiated talks of a coalition with the KDU–ČSL, supported by the KSČM. After an uproar by regional KDU–ČSL representatives, who were outraged that the party's leadership would even consider forming a government that would rely on the Communists, the party pulled out of the negotiations and Miroslav Kalousek resigned as chairman.

The false starts continued throughout the fall. In September, President Václav Klaus appointed a minority government led by Topolánek and composed of ODS politicians and several independents. But, as predicted, the government failed to win a vote of trust in early October—for the first time in the history of the Czech Republic—and resigned a week later, after 38 days in power. By November, with all other avenues evidently closed off, Topolánek and Paroubek sat down to finally agree on a coalition government, but negotiations soon broke down. Finally, in De-

cember Topolánek came around full circle, again proposing a coalition of the ODS, KDU–ČSL, and SZ. This time, however, he was apparently confident of finding several ČSSD rebels or outcasts who would at least abstain during the vote of trust planned for January 2007.

The long period of practically no government had profound effects on vital areas of society, as the daily *Mladá Fronta Dnes* mapped out in an analysis published in mid-October. Among other things, the Ministry of Health belatedly began deciding the cost-sharing structure for prescription drugs, delaying the introduction of new medicine on the market; policemen and firemen waited in vain for the government to issue new pay guidelines expected with the new Law on Civil Service originally scheduled to take effect in January 2007; and farmers had no one with whom to negotiate over subsidies slashed by the previous government.[1]

Political analysts have offered many reasons for the failure to form a government—an even number of seats in the Chamber of Deputies, the president's slow pace before virtually any decision, Topolánek's naive expectation that the ČSSD would tolerate his first coalition attempt—but the heart of the problem was the inability of the country's leading politicians to make any political sacrifices in favor of an agreement that would benefit the country as a whole. Although all parties except for the KSČM agree on the general direction of the country's development, they clash over many details and show a remarkable tendency to avoid compromise, preferring inflammatory attacks that keep the general political discourse at a comparatively low level. The June 2006 elections served only to downgrade the level of political culture even further.

In a special report assessing the reasons for the deadlock, the weekly *Týden* blamed the parties' increasing dependence on public opinion polls and popularity rankings, as well as the failure of the party heads to show true leadership and statesmanship. The media have also come under attack for framing any negotiations between the two big parties—a necessity for any agreement—as sinister power games. That approach is a legacy of an unpopular power-sharing agreement between the ODS and the ČSSD from 1998 until 2002 (despite fierce election rhetoric against its rivals, the ODS agreed to tolerate a ČSSD-led government in return for positions in the Parliament and other perks).[2]

Unsurprisingly, the ugly political campaign and subsequent failure to agree did little to improve the poor reputation of the political elite among the general public. In a poll released on September 26 by the anticorruption organization Transparency International, only 19 percent of respondents said they "trusted" the lower house of Parliament, while even less, 16 percent, felt favorably about political parties.[3]

Those low ratings also stemmed from scandals that highlighted what many see as the unethical intersection of political and economic interests in the country. One high-profile case concerned the arrest of the former head of the Office of the Prime Minister, the mayor of a Moravian town, and an official in the Ministry of Agriculture on charges of blackmail and conspiring to commit fraud with European Union (EU) funds. In general, lobbying the executive and the Parliament remains largely unrestricted, and the public continues to believe that special interests play a

major role in determining the political agenda (one poll placed special interests and lobbying behind only corruption in that regard).[4]

A lack of transparency in major business deals involving the state at both national and local levels remains a serious problem. While the country's highest control body, the Supreme Audit Office (NKÚ), has uncovered massive irregularities and overspending on various government contracts, politicians generally ignore its findings, calling the agency incompetent and toothless. Current law does not allow the NKÚ to impose sanctions. After the head of the NKÚ died in 2003, the Parliament was unable or unwilling to elect a new president until October 2005. Although a Law on Freedom of Information is on the books, journalists often do not invoke their rights.

Critics also point to the political parties' widespread practice of nominating individuals to serve at all levels of the public administration, as well as on the supervisory boards of companies partially owned by the state. This has increased both instability and clientelism, while interfering in the maturation of the civil service, already hampered by low wages, poor reputation, and a corresponding turnover in qualified experts, according to the UN's *Human Development Report.* Implementation of the Law on Civil Service, which was to enter into force in January 2007, was postponed for the third time, until 2009, with politicians claiming that the overburdened budget could not bear the salary increases that would come with the new law.

Although the legislature is independent from the executive branch, critics charge that such autonomy has not prevented the Parliament from passing an excessive number of its own poorly prepared laws. There is also a chronic lack of skilled experts to assist in writing and editing legislation, as well as poor communication and insufficient cooperation among ministries and other bodies of the public administration. The Ministry of Justice, for example, has depended on judges to write legislation, which is problematic from a separation of powers point of view, as the branch charged with implementation should ideally not play a leading role in the creation of laws.

The legislative process is further complicated by the ability of parliamentary deputies to make an unrestricted number of proposed amendments during the second reading of bills. (Although most parliamentary democracies allow such additions, strict rules often apply, such as the need for a minimum number of deputies to make a joint amendment.) As the weekly *Respekt* has pointed out, this tradition often disorients even the most attentive parliamentarians and serves as a calculated strategy to derail long-needed legislation. In the whirlwind of amendments and counteramendments, deputies also manage to sneak in calculated additions that have little to nothing in common with the debated bill. While some deputies agree that this process is open to abuse and should be changed (one proposal making the rounds in the Senate would require a minimum of 10 deputies to make an amendment),[5] others doubt that their colleagues will give up the power to influence legislation that this privilege grants each deputy.[6] As a result of these deficiencies, the Parliament sometimes passes error-filled laws requiring repeated revisions, as

well as approving numerous amendments that serve only to complicate the interpretation of laws.[7]

It does not help matters that the executive and the legislature rarely consult civil society for input on proposed legislation. This points to the lack of independent public policy actors but also reflects the unwillingness of most politicians to consider civil society as a potentially important contributor to policy discussions. Legislators remain much more likely to meet with lobbyists behind closed doors than attend NGO-organized events with ordinary citizens debating key issues. Since various forms of "direct democracy" (plebiscites, petition drives, demonstrations, and so forth) are also underdeveloped and underused, public pressure remains minimal. Thus policy making is almost exclusively the domain of government officials, with little outside input.

Although the legislature and judiciary are generally thought to exercise sufficient supervision with respect to the military and security services, a 2006 scandal over a confidential report did call into question the politicization of the police force. Shortly before the parliamentary elections in June, Colonel Jan Kubice, director of the Office for the Detection of Organized Crime, submitted a top-secret report to a parliamentary security committee that alleged the infiltration of organized crime into the highest levels of the civil service and the interference of ČSSD politicians in several criminal cases. The report's most controversial findings were almost immediately leaked to the press. The timing of the report led some ČSSD members to accuse Kubice of being in the pocket of their rival, the ODS.

Some analysts believe that the Constitution creates an overlap of executive power between the government and the president. Actual confrontations depend largely on the personality of the president, since the position is chiefly ceremonial yet retains some important powers, such as forming a government. Over the years, for example, President Klaus has sought out candidates closely tied to his political philosophy when appointing new governors to the Central Bank and new justices to the Constitutional Court.

In key areas such as foreign policy, Klaus has also attempted to expand his real influence on the policy-making process—surpassing steps taken by his predecessor, Václav Havel, and in some cases clouding the division of power. In addition, despite government criticism of his activities, he has espoused his Euro-skepticism at various international forums, clashing with the official government line on issues such as the European Constitution and the introduction of the euro. In this regard, Klaus may have indirectly benefited from the lack of interest in foreign affairs that the major political parties displayed throughout 2006, focused as they were first on the elections and then on solving the political crisis. The resulting lack of a coherent foreign policy—or serious attempts to find some consensus on the country's so-called national interests—allowed Klaus, to some extent, to fill the vacuum and offer his personal views.

During the crisis following the elections, Klaus faced criticism both for moving too slowly—he waited two and a half months before naming a prime minister—and for freely interpreting the Constitution in an attempt to increase his

own powers. Proceeding under the assumption that tactics not explicitly forbidden by the Constitution are permissible, he stated that he would refuse to name any government that relied on support from renegades from other parties, even if he received a list of more than 100 deputies from the candidate for prime minister. He also suggested that a small change in the Constitution could allow the president to name a government made up of bureaucrats who would not have to seek a confidence vote and said that he might not name a prime minister proposed by the chairman of the lower house (who is granted that power during the third attempt at forming a government).[8]

Electoral Process

1999	2001	2002	2003	2004	2005	2006
1.75	1.75	2.00	2.00	2.00	2.00	2.00

The Czech Republic is far beyond the fundamental electoral challenges facing parts of Eastern Europe and the former Soviet Union. No one doubts the fairness of the electoral process, and there are no reports of intimidation, fraud, or any other type of manipulation on the part of the authorities (however, the deadlock following the 2006 parliamentary elections did lead to increased calls to change the electoral legislation). Political organizations have no problems either registering or campaigning. Although a shaky coalition government was in power for the last few years, the system itself is solidly multiparty, with a strong opposition and diversity at all levels of government.

The Czech Republic uses a parliamentary system with two houses. Real political power resides in the Chamber of Deputies, the 200-seat lower house, with deputies elected by proportional vote on party ballots. The 81-seat Senate is elected on the basis of single-mandate districts. The Senate can return approved bills to the lower house, but the Chamber of Deputies can override the Senate by a simple majority. Though serving as a check on the Chamber of Deputies, the upper house is weaker, still hampered by low regard among the general public and those political parties that did not welcome its introduction in 1996. That poor reputation has started slowly to improve, however, and according to the weekly *Respekt*, the Senate has been the second most successful upper house in Europe at derailing legislation with which it disagrees—the Chamber of Deputies approved only around 60 percent of the laws sent back by the Senate.[9]

In 2006, the Czech Republic conducted parliamentary, Senate, and local elections, with the ODS triumphing each time. In the parliamentary elections, the ODS won 35.38 percent of the vote, giving the party 81 deputies in the 200-seat lower house. The ČSSD came in second with 32.32 percent (74 seats), followed by the KSČM at 12.81 percent (26 seats) and the KDU–ČSL at 7.22 percent (13 seats). Adding a breath of fresh air to the normally static Czech political scene, the

SZ offered a number of new faces from many sectors of society and entered the Parliament for the first time with 6.29 percent of the vote, garnering 6 seats. The election turnout was more than 64 percent, which was 6 percent higher than the last elections in 2002.

Prime Minister Jiří Paroubek, who had revived the ČSSD after corruption scandals and bickering factions led to its plummeting popularity, took the defeat particularly badly. Shortly after the election, he gave a now notorious speech, threatening to legally challenge the election and blaming prominent journalists for the defeat. In his perhaps most inflammatory remarks, he referred to the ODS's "putschist" practices and claimed that democracy was as threatened in the Czech Republic as it was in 1948 when the Communist Party coup took place. Roundly criticized, Paroubek, in the end, took no legal action.

The ODS also triumphed in the Senate elections, winning 14 of the 27 seats up for grabs, giving the party a majority in the upper house (41 seats out of 81)—the first ODS majority since the Senate started functioning. The ČSSD won 5 new seats for a total of 12—a big improvement over the last elections in 2004, when the party won no seats. The KDU–ČSL lost 3, dropping the party's representation to 11. The KSČM did not win any race, staying at 2 seats, while the SZ did not manage to add to their single Senate seat. Independents lost 6 seats but remained a force at 14 total. Voter turnout in the first round was 42 percent, a significant increase over the 25 percent seen in the first round in recent years.[10]

Under the current impasse in the lower house—with the Left and the Right equally split—the ODS's new majority in the Senate means little, since it is doubtful that any controversial laws will even make it to the upper house for approval. Just as unlikely is the chance that the Senate would be able to gain approval for any of its own legislation in the Chamber of Deputies. However, if the ODS manages to cobble together a coalition and effectively control both houses, the party will have little problem setting the political agenda and passing any legislation it sees fit. That possibility has raised fears that ODS senators (who have sometimes acted more autonomously than their counterparts in the lower chamber) will be forced to fall in line to ensure their majority and that the Senate will become little more than a meaningless extension of the lower house, simply rubber-stamping legislation.[11] The victory of the ODS also increased the likelihood that the party's founding father, President Václav Klaus, will win reelection in 2008.[12] In a joint session, both houses elect the president for a five-year term by a simple majority.

Local government elections were held in October 2006, with a record number of candidates—over 200,000 from 186 parties and groupings, roughly 8,000 more candidates than in 2002.[13] The ODS was swept to victory in most places, winning in 26 of the 30 largest cities and becoming the only long-serving parliamentary party to raise its number of mandates. Most analysts traced the party's success to efforts to increase its membership base and run party candidates wherever possible —almost 3,000 more than the local elections of 2002. The ČSSD, meanwhile, offered fewer candidates than four years ago and has always been weaker than the ODS at local and regional levels. Both the KDU–ČSL—traditionally strong at the

local level—and the KSČM lost hundreds of seats, partly a result of falling membership levels and fewer candidates running than in years past.[14] Overall, the number of candidates representing national parties is decreasing, replaced by people running on behalf of local groupings or as independents. The weekly *Týden* interpreted this trend as a response to widespread disgust at the machinations of party politicians in Prague, especially the inability to agree on a government following the parliamentary elections.[15] Turnout was surprisingly strong at 46 percent.

The increases in turnout during the 2006 elections suggested that pessimistic forecasts based on the electorate's indifference in several past polls may have reflected a dislike of the Senate and ignorance of the European Parliament (few turned out in 2004) more than a long-term trend. Apathy has, however, played a key role in the stunted development of other direct or participatory forms of democracy, such as petitions, demonstrations, and referendum drives, notes the UN's *Human Development Report.* Although starting from a low point in the 1990s, use of these tactics has increased in the past few years with some success.

Current legislation on communal referendums has also impeded the increase of public engagement in political life. According to the law, a referendum is valid only if 50 percent of the electorate participates. Even seemingly important issues in smaller towns and villages—such as closing a nursery school or founding a hospice—have attracted minuscule turnouts. Such examples have discouraged local activists and politicians who believed that issues closer to home would reverse voter apathy, reports the weekly *Týden.*

Continued low membership in political parties does not help the situation. The KSČM remains the largest party (nearly 83,000 members), followed by the KDU–ČSL (41,300), the ODS (28,700), the ČSSD (19,000), and the SZ (2,100). Several new parties formed in time to compete in elections to the European Parliament, but these have very small membership bases. Low figures persist despite generous state funding—to qualify, parties need receive only 1.5 percent of the vote (well under the 5 percent threshold in the Parliament).

The parties' low membership base has clear repercussions for the political elite: With relatively few members to choose from, parties often recycle the same personalities, creating the impression that talented new faces rarely surface. Parties also often reward loyalty rather than expertise, handing out ministries to individuals whose only qualification is their long service to the party. Add to these deficiencies the continued poor management and insufficient democracy within parties, mediocre policy teams, and arrogant grandstanding, and it becomes clear why many analysts believe the current political class does not possess the capacity to push the country forward at a dynamic pace. Leading elite members are unable to seek, let alone achieve, consensus on issues of national interest and major reforms.

In addition to these problems, the country's largest minority, the Roma, are effectively shut out from participating in national politics. Although the number of Roma is estimated at between 200,000 and 250,000, there are currently no Roma parliamentarians. Prospective Roma politicians find themselves in a catch-22: Mainstream parties believe that placing Roma candidates on their lists may

do them more harm than good among average voters, while Czech Roma are not organized politically to compete effectively for votes. There are, however, a handful of Roma who are active at the local level.

Civil Society

1999	2001	2002	2003	2004	2005	2006	
1.50	1.50	1.75	1.50	1.50	1 50	1.50	1.50

The reputation of nonprofit organizations has continued to recover from several scandals that tarnished their early post-Communist existence. Most Czechs now see NGOs as not only legitimate but valuable instruments for creating and preserving social cohesion. Roughly half the population characterizes NGOs as influential organizations that help solve social problems and are essential to a well-functioning democracy. In a 2005 survey commissioned by the Donors Forum, almost 81 percent of respondents felt foundations were important and performed work the state did not; 83 percent found that foundations highlighted neglected issues in society. Consequently, there has been an increase in donations to nonprofits from individuals and the business sector. In an April 2004 survey on civil society issues conducted by STEM, a Czech polling agency, 47 percent of respondents said they had made a donation to a nonprofit organization, up 4 percent from 2000.

Roughly 95,000 NGOs exist in the Czech Republic, legally falling into four types: civic associations, public benefit organizations, foundations, and foundation funds. The most common form is the civic association—a legal entity comprising groups of individuals in pursuit of a common interest. By September 2006, the Ministry of the Interior had registered 57,474 civic associations, ranging from political think tanks to hobby groups and sports clubs—a growth of over 3,000 from the past year—and 382 foundations. According to the Czech Statistical Office, there were 4,460 church charities, 986 foundation funds (similar to foundations but not operating any of their funded assets), and 1,278 public benefit organizations (entities providing general services to recipients under the same conditions).

The relationship of the political elite to the nonprofit sector varies. The state provides extensive financial support through grants and remains, overall, the largest funder of NGOs. Policies are technically coordinated through the Council for NGOs, a government body that, however, suffers from low regard among the NGO community, which views it as a bureaucratic entity not in tune with the nonprofit sector. NGO representatives also sit on advisory bodies of various ministries.

On the other hand, many politicians consider more active NGOs, especially those that attempt to influence public policy, as unnecessarily interfering in and complicating their work. The political elite is particularly wary of what it considers more "aggressive" forms of action, such as demonstrations and petition drives, and is quick to label the initiators as politically motivated. Many officials would prefer that NGOs serve strictly as service providers, filling in where the state cannot or will

not. Indeed, most NGOs still feel more like supplicants than true partners. This overall attitude may explain the remarkably small number of truly independent and influential public policy organizations or think tanks in the Czech Republic.

Since the 1990s, when he served as prime minister, Czech president Václav Klaus has exemplified the political establishment's leery attitude toward the NGO sector. This reached new levels in 2005, when at a Council of Europe meeting Klaus called for a fight against so-called postdemocracy, whereby various NGOs supposedly attempt to influence public life without an electoral mandate—which he called a risky and dangerous phenomenon of the past few decades. Almost 90 Czech NGOs united to request an apology. Klaus refused, claiming he never spoke against the sector as a whole, only against those groups that misuse their standing for political purposes. Later in the year, at another conference, Klaus said that disappointed people expecting miracles from democracy turned to the "evangelists" of civil society and NGOs, losing trust in the parliamentary system. He then claimed that "NGO-ism" was almost on the same level as Communism.[16]

NGO experts generally view the legal framework as adequate, even though the inability to clarify the term *nonprofit organization* in Czech legislation has created problems, especially after the passage, in 2004, of a new Law on Value-Added Tax. The law, which lowered the limit above which organizations must pay a value-added tax to 1 million crowns (US$43,000), made no distinction between for-profit and nonprofit organizations—important for NGOs earning funds through their own activities. On the positive side, amendments to the Law on Value-Added Tax in early 2006 removed that tax from donations made through mobile phone text messages, a popular form of giving in the Czech Republic. The Donors Forum coalition has been unsuccessful in attempts to change tax laws to allow individuals to give 1 percent of declared taxes to socially beneficial projects, and the Parliament has failed to pass social services legislation that would affect the vast majority of NGOs.[17] However, these legal deficiencies appear to be the result of the state's insensitivity to the plight of NGOs rather than a concerted effort to apply financial pressure on their activities and limit their impact.

Local donations from individuals and companies are increasingly critical as foreign funding becomes more difficult to obtain. Corporate philanthropy has increased in the past few years, with research conducted in 2004 by the Donors Forum showing 67 percent of companies engaged in sponsorship activities and/or donations. Yet companies complain about limited tax benefits and a lack of appreciation among the public and media. Current trends also show corporate philanthropy supporting recreational activities and young people more than issues such as human rights or ethnic minorities.[18] While international companies have increased their grant programs, Czech firms lag in the area of corporate responsibility, rarely initiating their own projects.[19]

Although Czech civil society is certainly more vibrant now than it was a few years ago, grassroots initiatives are still not commonplace. The STEM research found that 14 percent of respondents had participated in a protest demonstration over the past five years; 43 percent had signed a petition; and 12 percent had writ-

ten at least one letter to a newspaper. But motivation is often limited to a core group of activists. Several referendums have not had sufficient participation, while at the same time, a survey by the Center for Research of Public Opinion showed that only one-tenth of respondents were satisfied with the level of citizens' participation in public life, a decrease from earlier surveys.[20]

Regarding the emergence of extremist organizations, the situation in the Czech Republic appears to have settled down. Violent attacks on foreigners and the Roma minority occur less frequently than in the 1990s and remain largely out of the headlines. In its 2005 annual report (released in October 2006), the Security Information Service (BIS)—the domestic intelligence agency—stated that neither right-wing nor left-wing extremists had strengthened and that Czech racist groups had failed to form a united bloc.[21] In October, a leading Czech expert on the extreme Right and neo-Nazism, Ondřej Cakl, also reported that the extreme Right was in decline, without public support, and increasingly marginalized—despite the recent appearance of many new Web sites promoting racial intolerance. Only seven candidates from right-wing extremist parties won seats in the country's local elections in the fall.[22]

Some continue to see the KSČM as an extremist group. Unlike its counterparts in other Central European countries, the KSČM remains largely unreformed, having failed to renounce its past. The thinly veiled intention of ČSSD leader Jiří Paroubek to form a minority government supported by the KSČM was a rallying cry for the rest of the political spectrum before the 2006 parliamentary elections. On the other hand, the official ČSSD party line explicitly prohibits a coalition with the KSČM. And the country's center and right-wing parties, so cautionary over the KSČM threat on the national stage, happily govern along with the KSČM in cities across the country. In addition, according to the weekly *Respekt*, the number of people who would object to the participation of the KSČM in the government is falling. Today, that figure stands at around half the population, with roughly half of those considering the KSČM a real threat and the other half merely expressing their aversion to having a party with such a name and past ruling the country.[23]

Independent Media

1999	2001	2002	2003	2004	2005	2006	2007
1.75	2.00	2.50	2.25	2.25	2.00	2.00	2.25

For the most part, Czech media display sufficient independence and practice a decent, if unremarkable, level of journalism. Press freedom has long been secure in the Czech Republic, and no major media are state owned. Media are generally free of political or economic bias, though allegations still surface of pressure from both business and political interests. Rarely do newspapers publish comprehensive analyses getting to the heart of policy issues. Instead they prefer shorter, sensational

articles. Still, they do provide the population with an adequate overview of the main events and issues facing society.

Anecdotal evidence suggests that media interference still takes place—especially in public broadcasting, with timid responses from management—but hard proof of direct pressure from politicians or financial groups rarely surfaces. Such was the case in December 2005, when Czech TV, the public television station, canceled its top-rated journalism program after then-Prime Minister Paroubek complained repeatedly about its lack of objectivity. Management claimed to have canceled the program because it was expensive and an independent analysis had shown it to be unbalanced, rather than as a result of pressure. Many doubted this explanation, given the approaching elections.

The national print media offer a diverse selection of daily newspapers, weeklies, and magazines. Foreign corporations own many of these publications, including nearly all Czech dailies. (Media-related legislation includes minimal ownership restrictions and none on foreign ownership.) In contrast with the situation a mere six or seven years ago, the "serious" press has now matured to a point where it offers more balanced political coverage and opinions. However, some analysts believe that the 2006 elections prompted a relapse, with the press returning to the political polarization of the 1990s both before and after the elections. Sacrificing impartiality and fairness in favor of waging thinly veiled wars against political enemies, the media more regularly than in the past published attacks on various political figures predicated on hearsay and rumor. These stories—based on supposedly "well-informed sources" often originating in the police and security services—usually remained unconfirmed and unverifiable.[24]

According to ABC Czech Republic, the Audit Bureau of Circulations, *Mladá Fronta Dnes*, the country's most popular serious daily, sold an average of 380,354 copies in December 2006, as compared with the tabloid *Blesk* at 552,025, *Právo* at 212,961, *Hospodářské Noviny* at 76,667, and *Lidové Noviny* at 106,519. That works out to roughly 150 sold copies of dailies per 1,000 inhabitants—less than half the normal figure in Western countries.[25] *Respekt*, a well-regarded independent weekly, suffers from low sales (15,236 copies). More popular are *Týden* (51,749 copies) and *Reflex* (50,934 copies), both respected weeklies concerning culture, society, and politics. *Nedělní Svět*, the country's first quality Sunday newspaper, folded in 2006. Many Czechs also receive their news from Web sites run by major dailies, though overall Internet usage continues to lag behind that of the West owing largely to very high dial-up costs. Estimates vary, with some figures quoting "Internet penetration" at nearly half the population and others offering considerably lower numbers. However, the market has grown for high-speed mobile phone and wireless access, which should boost these numbers significantly.

Even with the wide range of publications available, true investigative journalism remains at a premium and appears regularly only in *Respekt* and on the popular online news site aktuálně.cz. Some media analysts worry about recent attempts to change the criminal code to ban the use of hidden cameras (making it an offense punishable by up to five years in prison). Supporters of the move say they want

to protect people from unscrupulous private security services, extortionists, and aggressive tabloid newspapers and point out that the civil code allows exceptions for journalists who act in the public interest.[26] In a wiretapping scandal that emerged halfway through 2006, the journalist community was outraged to learn that the police had tapped the phones of two reporters in an effort to determine the source of a leak of a classified organized crime report shortly before the parliamentary elections.

In September 2005, the Constitutional Court set a precedent by ruling that journalists do not have to disclose their sources, a landmark decision that could in fact bolster investigative journalism. The ruling effectively strengthened the 2000 Law on the Press—which provides the right for publishers to hide a source rather than individual journalists—and formalized an exception to the penal code, which mandates full cooperation with the police.[27]

Some media critics have charged that certain publications practice a form of self-censorship by shying away from stories that portray top advertisers in a poor light. Others surmise that commercial television stations occasionally ignore stories that might harm their parent companies' financial interests. But journalists are loath to complain about ethical violations; they fear dismissal and know all too well the small size of the media market, where a huge number of applicants compete for each newly available position. (Along those lines, true media criticism hardly exists in the mainstream press because journalists refrain from antagonizing potential employers.)

Furthermore, some foreign media owners have been denounced for not adhering to the same employment standards followed in their home countries. The lack of a collective bargaining agreement at the national level between publishers and the Czech Syndicate of Journalists means employers are bound only by normal labor law. The syndicate, which counts few influential members, has played a largely insignificant role post-Communism. It does, however, work in the field of media ethics, which includes setting standards. Supported by the European Social Fund and the Czech government, a gender news agency began operating in September 2006, pledging to inform its readers on themes dealing with equal opportunities for men and women.[28]

With improved news and current affairs coverage over the past few years, the public television and radio stations, Czech TV and Czech Radio, serve as largely effective counterweights to the more biased press. In an opinion poll conducted by the Center for Research of Public Opinion in October, 80 percent of respondents said Czech TV's main news program broadcast "true" information, while only 2 percent said "untrue."[29] Czech Radio, in particular, has moved aggressively to embrace the digital era, launching four new thematic radio channels and original programming.[30] In the past, however, Czech TV's financial difficulties have made it particularly vulnerable to political and business interests.

The Chamber of Deputies appoints Czech TV's supervisory board and controls viewer fees—the station's lifeblood. In 2005, parliamentarians decided to phase in higher fees and ban advertising except during key cultural or sporting events. In

2007, the station will be forced to halve its ad time, with analysts estimating the commercial stations to benefit by some half a billion crowns (US$23 million).[31] It has long been assumed that the private stations' powerful lobbying has had an undue influence on parliamentary deputies, resulting in laws favoring commercial stations over public broadcasters.

The licensing of digital television, which should eventually help level the market and provide more plurality in broadcasting, took another blow in 2006. The process has long been delayed by political haggling over license regulation and alleged attempts by politicians to increase their control.[32] In April 2006, the Radio and Television Broadcasting Council (RRTV), the industry regulator, finally granted licenses to six stations. However, after failed license bidders complained over the terms of the tender, the Prague Municipal Court overturned the RRTV's decision in September, throwing the entire process up in the air.

In the meantime, growing competition in the traditional television market dropped off somewhat over the past year. Prima TV, which looked for a time to be capable of rivaling leader TV Nova, has fallen to a 20.8 percent share of the market (down from a record 28 percent a year earlier), while TV Nova is back at 43.2 percent, up from last year's 38 percent, according to *Czech Business Weekly*.[33] Czech TV's two channels together garner almost 29 percent. The commercial stations are more politically balanced than they were several years ago, when TV Nova was often accused of supporting the ODS.

Local Democratic Governance

1999	2001	2002	2003	2004	2005	2006
n/a	n/a	n/a	n/a	n/a	2.00	2.00

After long delays, the development of local government structures and authority has become one of the Czech Republic's bright spots in recent years. Landmark legislation passed in 1997 led to the creation of 14 regions, which began functioning in 2001. The central government handed over significant powers to these regions in the fields of education, health care, and road maintenance, among others. Additionally, 205 newly created municipalities replaced 73 district offices, which ceased all activities by the end of 2002.

Self-governed regions and municipalities own property and manage separate budgets. Voters directly elect regional assemblies, which then choose regional councils and regional governors. The regional councils may pass legal resolutions and levy fines. Directly elected municipal assemblies elect municipal councils and mayors. Municipalities wield considerable power over areas such as welfare, building permits, forest and waste management, and motor vehicle registration.

Some analysts consider the creation of the regions as one of the most important steps in the country's recent history. The regions have made considerable progress in tackling problems neglected by the central government. The education system is a

prime example. Although the birthrate dropped rapidly from the end of Communism and reduced the number of pupils, the state failed to take the unpopular steps of closing schools and firing teachers. Since acquiring power, some regions have moved much more forcefully, shuttering schools and tying funding more strictly to the number of students. Such savings will go toward better equipment and higher salaries for teachers, reports *Respekt*. These improvements have emboldened regional administrations to seek more power and money from the state for education, and some regional leaders have even called for funds connected to high schools to go directly to the regions instead of the Ministry of Education, according to *Lidové Noviny*.

Overall, the success in regional management and greater autonomy has made a strong case for allowing regional governments to manage more of their money. They currently control only a small percent of their budgets, a fact that causes consternation among local leaders. For the large bulk of their budgets, regions essentially act as middlemen for the state, sending money to predetermined recipients.

The failure of funds flowing from the center to keep pace with these newly added responsibilities has proven just as vexing for local politicians, with respect both to new laws and to EU commitments. For example, municipalities must now finance the last year of kindergarten but have not received any funds from the central government to do so.[34] Local politicians complain regularly that the central government has transferred major tasks without the money necessary to do their jobs well. The funds they do receive, they say, should be based on their communities' relative wealth rather than sheer size. The regions are allowed to keep only a fraction of the tax money they help collect, although that is an improvement from earlier amounts. The government has assisted occasionally—approving, for example, a transfer of billions of crowns to help impoverished hospitals—but that support has been insufficient. Municipalities, in turn, believe regions do not have the competences, money, or experience necessary to effectively influence local development.

Adding to the aggravation of local authorities, the law allocates a broad range of responsibilities to regional governments, but in practice the transfer has been gradual and the regions have not yet assumed full control over promised areas. Competences have sometimes been transferred, but legislation that would force change with "ownership" has lagged. For instance, the regions now receive funds to care for socially vulnerable citizens, yet no specific law exists to bind local authorities to certain minimum standards (only guidelines). Not surprisingly, some regions have taken the initiative and improved the system, while others have done little, claiming they don't have the money for major changes.

At this stage, insufficiencies at the local level can best be explained as a combination of limited resources and inexperience in areas long neglected even at the national level, such as implementing gender equality provisions, improving civic participation, and addressing the needs of marginal groups. For instance, a Ministry of Labor report in 2005 concluded that the performance of local authorities in integrating foreigners remains uneven, with some municipalities and regions doing

virtually nothing to further integration. Stating that the situation had not improved much since 2003, the report called for changes in legislation that would better define the division of powers between the state administration and local governments and encourage the creation of local strategies for integrating foreigners.[35]

While the record interest in running for local government seats in the October elections and the high voter turnout might indicate a healthy flowering of local democracy, the weekly *Týden*, for one, has taken a more sober view, explaining the rough-and-tumble world of local politics as a fight over who gains access to local riches.[36] Greater transparency and corruption-fighting instruments at the national level have not kept up with the transfer of responsibilities and finances to local governments, and endemic cronyism remains a critical problem.

A Transparency International–Czech Republic (TIC) study released in November 2005 indicated a widespread lack of transparency in awarding public contracts for construction projects in the country's eight largest cities. After reviewing contracts over the past five years for projects in which town halls had awarded more than 10 million crowns (US$413,000), TIC researchers cited possible favoritism and links between these companies and local officials. Among other problems, the lack of effective control mechanisms, frequent lapses in announcing open competitive biddings, and the failure to publicly announce decisions and provide other information about the tenders annually lead to enormous losses, TIC concluded.[37]

A lack of control across the board over such dealings is a major part of the problem. Opposition representatives usually have full-time jobs and cannot dedicate the time needed for proper monitoring, and the same is true for understaffed local publications. Many communities do publish newspapers, but few allow any opinions that conflict with the coalition in power—one study of 58 local periodicals found that only 31 percent provided at least a minimum of space for views that differed from those of the local administration.[38] Perhaps worst of all, the NKÚ currently has no legal right to examine the financial management of regional governments or municipalities. Although Transparency International and some parliamentary deputies favor changing the law, others argue either that local governments should implement their own controls—in the spirit of self-government—or that sufficient controls already exist.[39] With local politicians immune from any conflict-of-interest regulations,[40] it is no wonder that numerous cases of unethical behavior continue to occur.

Increasingly, ambitious local politicians view their positions as stepping-stones toward national office. The Senate, for example, used to be a mouthpiece for prominent national politicians but has now become home to many mayors and other local representatives. Although some view the situation as a normal development, bringing the Czech Republic closer to Western democracies, others fear that this "localization" of the Senate may dilute its ability to act as a powerful counterweight to the lower house, especially with the ODS now holding a majority in the Senate.[41]

Judicial Framework and Independence

1999	2001	2002	2003	2004	2005	2006	2007
2.25	2.50	2.50	2.50	2.50	2.50	2.25	2.00

The Czech Republic's four-tiered judicial system consists of district courts (86), regional courts (8), high courts (2), and the Supreme Court. The Czech Constitutional Court is a well-respected institution that may be addressed directly by citizens who believe their fundamental rights have been violated. Although the Czech judiciary is constitutionally independent, the minister of justice appoints and dismisses the chairmen and deputy chairmen of the courts. Since the country's founding in 1993, reform attempts have preserved the Ministry of Justice's central role in overseeing the judiciary, drawing criticism that the executive could compromise the true independence of the courts. Still, cases of overt meddling remain rare.

The most disputed case in 2006 however, did concern the relationship between the executive and the courts. Early in the year, Minister of Justice Pavel Němec decided to remove Iva Brožová, chairwoman of the Supreme Court, claiming that she had failed to manage the Court properly. President Klaus agreed and signed Neměc's request, only to soon find Brožová defiantly lodging a complaint with the Constitutional Court that the move to replace her had no legal basis. The Constitutional Court ruled that the portion of the law Klaus had used to dismiss Brožová was unconstitutional and that she should remain chairwoman. An infuriated Klaus labeled the decision as a dangerous move "away from parliamentary democracy toward completely unrestricted judicial autonomy"—a reaction some viewed as interference in the decision of an independent court.[42]

The dispute lingered late into the year. as Klaus appointed a rival to Brožová as her deputy chairperson, even though she already had a deputy (and legislation mandates one deputy); Brožová again railed against the move as unconstitutional, while Klaus's supporters said he was only increasing the Supreme Court's efficiency, since the chairwoman had been out of the office for six months recovering from an auto accident. The ODS, winner of the parliamentary elections, has said that it will seek to amend the law to allow greater space for replacing court functionaries without clashing with the Constitution and to include nonjudges in judicial disciplinary committees.[43] Additionally, the Constitutional Court's stance restored some of its luster of independence. Some respected constitutional experts had felt the Court's independence had been compromised after Klaus became president and, following a drawn-out dispute with the Senate, set about appointing new Constitutional Court justices reportedly close to his political philosophy.

The Czech Republic continues to pay a high price for its slow judicial system, losing numerous cases in 2005 at the European Court of Human Rights (ECHR) in Strasbourg over the length of Czech court proceedings. Some individuals have

waited over a decade for decisions in business disputes; others have been illegally held in detention for extensive periods of time. For example, in April, the ECHR found that the Czech judicial system had breached the "reasonable time" requirement for not settling a fraud case lasting almost 12 years.[44] According to Ministry of Justice figures, restitution cases are the most problematic, lasting on average around 5 years, while criminal cases are handled the fastest: 275 days.[45] In general, while some areas continue to have significant backlogs—such as in commercial cases—the overall situation appears to be improving slowly. Laggard judges now face a greater likelihood of disciplinary action or even dismissal.

Although the public and much of the media continue to see the inefficiency of the judicial system as a direct result of too few judges, experts say this is an oversimplification. In fact, a Ministry of Justice report from 2004 concluded that the country actually has the highest per capita number of judges in the EU. The problem, says the ministry, lies in the departure of many compromised Communist-era judges in the 1990s and the subsequent abundance of unresolved cases from those years, including many complicated business and civil disputes. In addition, the courts move slowly because the lack of reform has meant that judges continue to perform many chores, including administrative work. As a result, statistics have shown that raising the number of judges has not dramatically shortened the length of court proceedings.[46] Once reform does arrive and judges manage to clear the backlog of old cases, there may very well be too many judges.[47]

Some judges may be slow and others incompetent, but as a whole, the judiciary is considered largely free of corruption. However, in its 2005 annual report (released in October 2006), the BIS—the domestic intelligence agency—claimed that organized crime had infiltrated the judiciary. The BIS report stated that some lawyers and state attorneys were involved and that bribes to judges—especially at the district court level—were leading to lenient sentences. Both the Czech Bar Association and the Judges Union strongly protested the allegation of widespread corruption in the judicial sector.[48]

Little progress was made in fulfilling the October 2005 agreements between the Ministry of Justice and the chairmen of the country's highest courts that were designed to ease some of the major problems in the judiciary. The ministry had pledged to enshrine in law the position of court assistant, who would handle much of the courts' administrative work, and also pledged to hire new judges and concentrate on sending them to understaffed regions. The deal also included a provision to quickly identify long-delayed cases. However, from the beginning legal analysts doubted whether these reforms would actually be implemented, since then-justice minister Pavel Neměc was fighting for his political survival (in the end, his Freedom Party did not win enough votes in the 2006 parliamentary elections to remain in the Parliament).

Still, the ČSSD-led government did sign off in June on the hiring of 550 new judicial employees—largely administrative help—but funds for salaries must still be found in the 2007 budget. President Klaus approved several dozen new judges in 2006, following up a successful 2005 in terms of new appointees. Another

positive development concerned the opening in October of a new judicial complex in Prague, built at a cost of 2.5 billion crowns (US$114 million); the complex will house four district courts and state attorney's offices, easing the previously overcrowded conditions.[49]

However, the country has dragged its heels in passing antidiscrimination legislation in line with the UN Convention and EU standards. The government finally approved the bill in December 2004, but it has since languished in the Parliament. Although an amendment to the labor code in 2001 mandated equal treatment for all employees, implementation lags as women remain underrepresented in senior positions and are paid less than men for similar jobs. No significant government measures have been undertaken to remedy these problems, and the bodies that do exist to combat discrimination remain powerless to do more than simply report it, according to a recent Open Society Institute report on equal opportunity. The report found lack of political will as a serious obstacle toward the promotion of gender equality.[50]

The recent parliamentary elections only reaffirmed that political parties—except for the SZ—have little room at the top of their candidate lists for women in national elections or in party leadership positions. Overall, few women hold seats in the Parliament or attain other positions of political power. Only 2 of 18 ministers in the previous government were women, and there are no women regional governors. The country's first women's party—Equality—was officially registered in 2005, with the party's leaders describing as their main goal to increase the number of women in politics.

Discrimination against the Roma in employment and housing is also a serious problem, and a 2006 government report commissioned by the Ministry of Labor and Social Affairs described the troubling growth of Roma-inhabited ghettos. As the most in-depth study ever conducted on the topic, the report estimated that 80,000 Roma—roughly a third of the country's Roma population—live in these neighborhoods, with between 95 and 100 percent unemployment.[51] The issue of Roma housing was again in the news in the fall after the KDU–ČSL mayor of the north Moravian city of Vsetín, Jiří Čunek, was elected senator based on his controversial record of moving hundreds of Roma out of the center of town and even to other parts of the country for nonpayment of rent. Čunek said he was only "removing an ulcer" from the town but denied that his statement referred to any one ethnic group. There are several bright spots, however. Fewer Roma children are being automatically sent to schools for the mentally handicapped, and many more are entering higher education, according to *Mladá Fronta Dnes*.

Corruption

1999	2001	2002	2003	2004	2005	2006	2007
3.25	3.75	3.75	3.50	3.50	3.50	3.50	3.50

Corruption is another area where gradual improvements are more a testament to the country's overall maturation than the result of concrete actions taken by the governing elite or the population at large. Ordinary people still complain about paying bribes or "giving gifts" in exchange for expediting services, as excessive regulation continues to plague parts of the public administration. Yet these are exceptions rather than the rule, and most people are able to conduct their daily lives without engaging in corrupt behavior.

Although few people encounter corruption directly, the perception of illegal activity, especially among the political elite, is widespread and escalating. That may be due partly to media and political exaggeration, but in 2006 the public continued to face countless examples of official wrongdoing at both national and local levels. Many view existing anticorruption measures as insufficient to dismantle the intricate web of connections between political and business elites. When asked in October 2006 what most bothered them in today's world, respondents in a Center for Research of Public Opinion poll said financial crime and corruption (29.4 percent), followed by unemployment (20.9 percent) and the political situation (16.4 percent).[52]

Expert surveys carry similarly pessimistic views, such as the Transparency International Corruption Perceptions Index, which measures the perceived level of corruption among politicians and public officials. In the 2006 survey, the Czech Republic tied with Kuwait and Lithuania for 46th place (out of 163 countries), with a rating of 4.8 (10 indicates a country without corruption). Although a significant improvement over the 2005 rating of 4.3, it was still bad enough to rate the Czech Republic among EU countries with the worst levels of perceived corruption. In a press release announcing the new survey, the TIC cited several especially vulnerable areas—including the handling of public funds and state and municipal property and the penetration of organized crime into the public administration. The TIC blamed the situation on the failure of the political elite to put in place an effective system for lowering the level of corruption and increasing transparency.[53]

A TIC report released in September 2006, for example, found a catastrophic situation in the area of public contracts. More than half were awarded in violation of the Law on Public Procurement, with public officials routinely choosing companies without holding tenders. Less than one-third—27 percent in 2005, 19 percent in 2004—of all recent public contracts were subject to open bidding, as officials had often taken advantage of a loophole in legislation that requires open tenders only for contracts of more than 2 million crowns (US$91,000). In spite of protests by the TIC and other anticorruption advocates, the new Law on Public Procurement, which took effect in July 2006 increased the limit for construction projects to 6 million crowns (US$284,800).[54]

There have been some improvements of late, at least on paper. After years of stonewalling even in the face of widespread criticism, in 2006 the Parliament finally passed a much stronger conflict-of-interest bill that immediately faced criticism for not requiring asset declarations from the spouses of public officials covered by the law (that is, members of the government, parliamentarians, local government representatives, and others). Still, even most critics admitted the proposal was a step forward.[55] The law will become valid in 2007. New traffic legislation, which introduced a point system and stricter penalties, took effect over the summer and should lessen corruption among traffic police, who often accept bribes instead of applying fines. And in October, the short-term government of the ODS approved a new strategy in the fight against corruption for 2006–2011, based on prevention, transparency, and punishment, that has been praised by the TIC.

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Estonia

by Paul A. Goble

Capital: Tallinn
Population: 1.4 million
GDP/capita: US$16,203
Ethnic Groups: Estonian (67.9%), Russian (25.6%), Ukrainian (2.1%), Belarusian (1.3%), Finn (0.9%), other (2.2%)

The economic and social data on this page were taken from the following sources:

GDP/capita, Population: *Transition Report 2006: Finance in Transition* (London, UK: European Bank for Reconstruction and Development, 2006).

Ethnic Groups: *CIA World Fact Book 2007* (Washington, D.C.: Central Intelligence Agency, 2007).

Nations in Transit Ratings and Averaged Scores

	1999	2001	2002	2003	2004	2005	2006	2007
Electoral Process	1.75	1.75	1.75	1.75	1.50	1.50	1.50	1.50
Civil Society	2.50	2.25	2.00	2.00	2.00	2.00	2.00	2.00
Independent Media	1.75	1.75	1.75	1.75	1.50	1.50	1.50	1.50
Governance*	2.25	2.25	2.25	2.25	2.25	n/a	n/a	n/a
National Democratic Governance	n/a	n/a	n/a	n/a	n/a	2.25	2.25	2.25
Local Democratic Governance	n/a	n/a	n/a	n/a	n/a	2.50	2.50	2.50
Judicial Framework and Independence	2.00	2.00	1.75	1.75	1.75	1.50	1.50	1.50
Corruption	3.25	2.75	2.50	2.50	2.50	2.50	2.50	2.50
Democracy Score	2.25	2.13	2.00	2.00	1.92	1.96	1.96	1.96

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

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

Executive Summary

Three events in 2006 symbolized Estonia's remarkable—indeed, almost unparalleled—achievements in making the transition from Communist occupation to free society, as well as highlighting some of the difficulties that a small Baltic country still faces in the future.

First of all, 2006 saw a symbolic change of generations at the top of the country's political hierarchy, with the death in March of former president Lennart Meri and the defeat in September of then incumbent president Arnold Ruutel by Toomas Hendrik Ilves. Meri and Ruutel grew up in pre-1940 Estonia, lived through the Soviet occupation, and represented in their own persons the continuity of statehood that has been a keystone of Estonia's national life. Ilves, in contrast, was born and grew up abroad; he came to Estonia in the 1990s to work as foreign minister, journalist, Social Democratic politician, and (most recently) member of the European Parliament.

In addition to the obvious generational change his election represents, Ilves brings an important new dimension to the presidential palace neighborhood of Kadriorg: He is closely tied with the Social Democratic Party he helped to reestablish and thus is likely to change the dynamics of the relationship between the presidency and the Parliament over the course of his tenure.

Second, in 2006 Estonia became an even more important "exporter" of democratic values with former prime minister Mart Laar serving as a key adviser to the government of the Republic of Georgia and Estonian forces participating in NATO-led operations in Afghanistan and Iraq—even though some international monitoring agencies and at least one domestic nongovernmental organization (NGO) stressed that Estonia itself still had a long way to go to institutionalize democratic values.

Third, 2006 was marked not only by political change at the top and abroad, but by a continuing "battle over monuments," as Estonians and ethnic Russians—some citizens of Estonia, some citizens of the Russian Federation, and some still without citizenship in either country—struggled over how key events in the country's national life in the twentieth century should be commemorated by statues or other monuments.

Disputes over the fate of the Soviet war memorial in front of Estonia's national library in the capital, Tallinn, attracted the most attention, but Estonians also found themselves divided and sometimes criticized for other memorials, including those involving Estonian resistance to the Soviet advance against the Germans in World War II.

National Democratic Governance. Estonia's parliamentary government remained more stable in 2006 than in earlier years, but this stability of cadres did not translate into the adoption of much legislation. One reason is that the Parliament remains divided among a large number of parties. Another is that many of Tallinn's most immediate challenges are bringing its legislation and practice into line with European Union (EU) rules, an effort that is often devoid of dramatic votes even though it involves some of the most serious issues. Yet a third is that the year saw another recombination of political groupings as various parliamentary and extraparliamentary factions positioned themselves for elections to the Parliament that will be held in the spring of 2007. *Taking all these things into consideration, Estonia's national democratic governance score remains at 2.25.*

Electoral Process. There were no local elections in Estonia in 2006, and the election of the president in the late summer and fall took place indirectly through the Parliament, where no candidate received the necessary two-thirds supermajority, and then through a broader electoral assembly, where Toomas Hendrik Ilves defeated Arnold Ruutel. As in earlier years, many Estonian commentators called for amending the country's Constitution to allow for the direct popular election of the president, with one senior minister urging the wholesale redrafting of the Constitution now that Estonia is a member of the EU. If polls are to be believed, Ilves would have won a direct election, but many observers complained that the media were not balanced in their coverage of the election. One opposition politician even suggested that the election was not between Ruutel and Ilves, but between Ruutel and the media, which he said were entirely behind Ilves. *Estonia's rating for electoral process remains at 1.50.*

Civil Society. The Estonian government places few restrictions on the activities of NGOs. Indeed, measured by that yardstick, Estonia is already one of the freest countries in the world. But the country's small size means that NGOs are often dependent on a single domestic supporter or on foreign assistance, thus undercutting the meaning of what would otherwise be a dynamic public space. In 2006, Estonian NGOs continued to struggle, with some playing a larger role in interacting with government and broader society, but with others facing an uncertain economic future. But one very encouraging sign is that many young Estonians tell pollsters they trust NGOs more than political parties or most other institutions. *As a result, Estonia's score for civil society remains at 2.00.*

Independent Media. The Estonian media in 2006 had both positive and negative features. Among the most positive were the continuing ability of the media to operate free of direct governmental regulation, the rise of Russian-language editions of portions of the national press and the appearance of a special series entitled *Remaining Russian* on the state television channel, and the continued growth of Internet use in what is already one of the most online countries in the world. But among the more negative features were the Parliament's rejection of a bill

that would have ensured better communication of government decisions to non-Estonian speakers, the appearance of the worst kind of yellow journalism in the run-up to the presidential vote in the early fall, and the inability of the print media to escape the dilemma of operations in a small media market, where most papers are financed either by readers (which makes prices high) or by owners (which raises serious questions about editorial control) rather than by the bundled advertising that is typical of larger markets. *Estonia's independent media rating thus remains at 1.50.*

Local Democratic Governance. Local elections at the end of 2005 led many Estonians to think that their local governments would be given greater taxation authority and independence of action. That did not happen in 2006. Instead, the local governments outside the major cities were forced to confront the problems arising from declines in the number of residents and a rapidly aging population. And while some in the regions were encouraged by the fact that the presidential election was resolved in the countrywide electoral college rather than by the increasingly Tallinn-centric Parliament, particularly in the economically hard-pressed south and northeast, many in these regions felt that the national government was either ignoring their needs or seeking to address them on a national rather than a regional or local basis. *Estonia's rating for local democratic governance remains at 2.50.*

Judicial Framework and Independence. Prodded by the EU and other international bodies and aware of shortcomings in the past, the Estonian government worked hard in 2006 to improve the training of judges and to expand consultation between the judicial authorities on the one hand and academic experts and civil society groups on the other. But if the already independent judicial sphere showed progress, conditions in Estonia's prisons did not. They were the subject of sharply critical reports by the EU, the United Nations, and human rights watchdog groups, and a few Estonian public figures were sufficiently concerned about the country's penal system to the extent that some in the government suggested that private entrepreneurs should take over the prisons and work to improve them. *Estonia's rating for judicial framework and independence remains at 1.50.*

Corruption. Estonians continue to believe that their government and economic institutions are more corrupt than most international watchdog groups think these institutions to be. Among the reasons for this belief by Estonians is a national style that accentuates the negative over the positive, extensive media coverage of corruption charges and trials, and a tendency to label certain activities as corrupt—such as covert Russian government involvement in Estonian media and politics—that few international monitors include. This third partial explanation for Estonian views became more significant in the past year not only by reports of government concessions to wealthy Russians seeking Estonian citizenship or control of Estonian economic institutions, but also by virtue of regular reporting

of the country's security police about Russian government malfeasance in this area. *Because consolidating these different perspectives is difficult if not impossible, Estonia's corruption rating remains at 2.50.*

Outlook for 2007. The year ahead appears likely to be a far more contentious and difficult one in Estonia than the last several have been. First, in the early spring there will be parliamentary elections in which several new, or newly combined, political parties will be competing for votes with sharply contrasting agendas. Second, Estonia will be implementing the next stage of its Estonian-language requirements in the schools, a program that some politicians and analysts believe could trigger a "Latvian scenario," in which the divisions between Estonians and ethnic Russians could deepen, especially if Moscow seeks to play up these differences. Third, Estonia will continue to wrestle with the implications of its EU membership, now that it has ratified that organization's Constitution, and with its past, including disputes with Russia and Russians about monuments and symbols.

Main Report

National Democratic Governance

1999	2001	2002	2003	2004	2005	2006	[illegible]
n/a	n/a	n/a	n/a	n/a	2.25	2.25	2.25

Estonia remained a stable, parliamentary republic throughout 2006. The United Nations praised Estonia for its willingness to address its problems, but the Open Estonia Institute bemoaned divisions and a lack of trust in the Estonian political system, which limited that country's political system from taking needed steps forward.[1]

The government itself remained remarkably stable throughout the year, with little of the ministerial turmoil that has marked most of the period since Estonia recovered its independence in 1991. This stability, however, did not translate into the adoption of much legislation. One reason for that is that both the coalition government and the Parliament remained divided among a large number of parties. Another is that the government focused throughout 2006 on the continuing effort to prepare the country for ultimate accession to the EU Schengen system, steps that did not always require legislative action. Third, most of 2006 was focused on the election of a president and the positioning of various parties for a parliamentary vote scheduled for early 2007.

The presidential election is considered in the next section, but its impact on Estonia's Parliament and political parties will be examined here. These changes, which brought together several of the oldest parties and sparked speculation that one of the largest parties (Edgar Savisaar's Center Party) may have peaked, have been such a frequent feature of Estonian political life that examining them often recalls the efforts of scientists to examine short-lived trace elements produced by the coming together of two subatomic particles: A great deal of heat and light is generated about something that may not last very long.

More intriguingly, many analysts who had suggested that the Center Party would gain from the aging of Estonia's population now argue that the Center Party may have passed its peak and will soon lose much of its ethnic Russian constituency next year. Whether that happens, of course, remains very much an open question.

The political party situation in Estonia remained fluid throughout the year. Some small parties—those attracting less than 5 percent of the electorate—were able to retain more or less constant levels of support, but the major parties both in the government and outside saw their numbers rise and fall on a regular basis because they have not been able to create the kind of "big tent" that most parties in Western countries aspire to become. Most of the parties appear to be based more on the attractiveness of particular leaders than an attachment to party programs. The Social Democratic Party may prove an exception, although its leadership too

is diverse ideologically. Two of the more important parties combined in 2006,[2] although it remains unclear just how much their "union" will mean in the future. Ethnic Russian parties continued to be fragmented, with few of their leaders expecting that situation to change anytime soon.[3]

One leading commentator and participant, Rein Taagepera, has suggested that Estonia needs no more than four or five parties, but it has far more than that—often making unstable coalition governments a near necessity.[4] But there are two deeper problems: First, Estonia's small size means that its national politics are often more like country courthouse politics in the United States than the more familiar national politics of other countries. What that means is that individuals, however they label themselves in terms of party, tend much of the time to come together on a personal rather than a party basis to make deals, advance particular programs, or even form governments.

Second, despite Estonia's small size, running for office is remarkably expensive, with estimates of the cost of a parliamentary seat now being in the range of 1 million kroons, about US$80,000, and of the presidency perhaps 10 times that. Such prices for admission mean that many Estonians suspect that those who have won office have done so only by becoming beholden to those of enormous wealth or power either within Estonia or beyond.[5]

In 2006, after more than a decade of being an importer of democratic values, Estonia became an "exporter" of these values to countries farther east. Most prominent are former Estonian prime minister Mart Laar serving as a key adviser to the government of the Republic of Georgia and Estonian forces participating in NATO-led operations in Afghanistan and Iraq. In addition, Estonians took an active interest in elections in the post-Soviet space. They attempted to observe the Belarusian vote but were prevented from doing so by the Lukashenka regime.[6]

But the most public face of the current state of play of national democratic governance in Estonia in 2006 concerned what many call the "battle of the monuments," a set of long-running disputes between those who want to maintain Soviet-era monuments to the USSR's victory in World War II and those who believe that such monuments represent an affront to the dignity of Estonia. Estonia was occupied for almost 50 years because of the Soviet victory in 1945, and those who oppose the Soviet monuments would like to erect monuments to those who resisted the Soviet occupation both alongside German forces and after the defeat of those forces by the Allies.

The largest dispute concerned the fate of the Soviet war memorial located in front of Estonia's national library in Tallinn. Many Russians and some Estonians view this as holy ground, not only because of the monument, but because of the unmarked graves of Soviet soldiers there. But many Estonians view it as a mark of occupation and want it removed. Beginning in the spring and continuing throughout the summer and fall, both sides have pressed their case, forcing the authorities to guard the statue against vandalism—it was defaced several times—and raising questions that as of November 1 had not been resolved.

The fight over the statue in the center of Tallinn was exacerbated by the efforts of some Estonians to erect monuments to anti-Soviet fighters and led some Russians

to call for the creation of a "Russian national autonomy" within Estonia and a special commission to protect Soviet cemeteries and monuments in that country. The Estonian political elite was divided among those who believed that the Soviet monuments should be taken down, those who thought there was no alternative but to protect them, and those who argued that Soviet-era monuments should be "denatured" by erecting Estonian monuments around or next to them.

Electoral Process

1999	2001	2002	2003	2004	2005	2006
1.75	1.75	1.75	1.75	1.50	1.50	1.50

There were no local elections in Estonia in 2006, and the election of the president in the late summer and fall took place indirectly through the Parliament, where no candidate received the necessary two-thirds supermajority in the first three rounds of voting at the end of August, and then through a broader electoral assembly (which consists of the members of Parliament and regional officials), where Toomas Hendrik Ilves defeated Arnold Ruutel on September 24. Ilves took office on October 9.

As in earlier years, many Estonian commentators called for amending the country's Constitution to allow for the direct popular election of the president, with one senior minister—Rein Lang—urging the wholesale redrafting of the Constitution now that Estonia is a member of the EU.[7] If polls are to be believed, Ilves would have won a direct election, but many observers complained that the media were not balanced in their coverage of the election.[8] One opposition politician even suggested that the election was not between Ruutel and Ilves, but between Ruutel and the media, which he said were entirely behind Ilves.[9]

Ilves's election represents another step in the generational transition in Estonia. In March, former president Lennart Meri died after a long illness, and Ilves himself defeated Arnold Ruutel. Both Meri and Ruutel grew up in pre-1940 Estonia, lived through the Soviet occupation, and represented in their own persons the continuity of statehood that has been the keystone of Estonia's national life. Ilves, in contrast, is 53, was born and grew up abroad, and came to Estonia in the 1990s to work as foreign minister, journalist, Social Democratic politician, and (most recently) member of the European Parliament. His rise to office means that Estonia now joins its two Baltic neighbors in having a president who had spent much of his or her life abroad.

In one respect, Ilves's election represents the continuation of the Estonian national policies of the past, with their focus on problems arising from the Soviet occupation and on gaining security within Western institutions. Indeed, some have speculated privately that his election represented the last gasp of the prewar Estonian perspective. But others suggested just the opposite, noting that Ilves, unlike his two predecessors, has publicly and pointedly linked himself to a specific

political party, the Social Democrats, a tie that may change the dynamics of the relationship between Kadriorg and Toompea (the locations of the executive and Parliament, respectively) in the coming years, and that he has been concerned in all of his comments to talk about the future rather than focus on the past.

Civil Society

1999	2001	2002	2003	2004	2005	2006	2007
2.50	2.25	2.00	2.00	2.00	2.00	2.00	2.00

In his inaugural address, President Ilves pointed to the development of a strong and vibrant civil society as one of his and the country's most important goals.[10] Over the past 15 years, Estonia has made dramatic progress in the development of a vigorous civil society. The government places few restrictions on the activities of NGOs. Measured by that yardstick, Estonia is, as a variety of international monitoring organizations report, one of the freest countries in the world. But three other aspects of Estonian public life, each of which was very much on public view in 2006, have limited the impact of that achievement.

First, Estonia's size—fewer than 1.4 million people—means that NGOs are often dependent on a single domestic supporter or on foreign assistance, thus undercutting the meaning of what would otherwise be a dynamic public space. In 2006, Estonian NGOs continued to struggle, with some playing a larger role in interacting with government and broader society but with many facing an uncertain economic future. Indeed, with the exception of some very, very small groups, such as the Animal Rights Protection League, there is no true NGO in the usual sense of one supported entirely by private and domestic sources.

Second, because of both their foreign links and the Soviet experience with government-operated NGOs (GONGOs), many older Estonians are uncertain even now of what role NGOs should play, although increasingly, younger Estonians view NGOs and other public groups more favorably.[11] According to research conducted by Tallinn sociologists, some Estonians view NGOs as unwelcome levers of foreign influence rather than as part of a genuinely Estonian civil society, and others are unsure of what their role should be alongside groups like churches and other social bodies that exist between the state and the individual. The Open Estonia Institute reported this year that civil society, as understood elsewhere remains relatively weak in Estonia, but such attitudes are changing. And President Ilves's championing of the ideas of civil society is likely to speed up that process.

Third, there is the continuing problem of the 16 percent of the population that includes either citizens of other countries or noncitizens. Of the 1.39 million residents of Estonia at the start of 2006, only 1.15 million were citizens of the country. Of the 234,000 others, approximately 98,000 were citizens of the Russian Federation or other foreign countries, leaving 136,000 were people without citizenship. That last figure declined by fewer than 5,000 in the course of 2006.

Most of these were Soviet citizens who moved to Estonia during the occupation and have not been either able or willing to qualify for Estonian citizenship.

Estonian authorities are proud that they have now naturalized more non-Estonians since 1992 than there are remaining noncitizens, but the more than 130,000 noncitizens remain a problem and one for which there is no quick solution. The Council of Europe and other international bodies continue to push for their more rapid inclusion, and their status remains a bone of contention with Moscow. But in 2006, the number of applicants for citizenship declined, prompting the Estonian prime minister to suggest that there will be fewer and fewer in the future.[12] Their future remains problematic: While the Estonian government has sought to reduce the barriers to naturalization, been more solicitous in helping noncitizens meet naturalization requirements, and allowed noncitizens to vote in local elections, there are growing indications that the number of noncitizens seeking naturalization may be declining after rising over the last decade.

The situation may become more explosive next year when Estonia implements tougher language requirements in secondary schools, a step that some Estonian commentators have warned could lead to a "Latvian scenario" in Estonia.[13] But that may be more apocalyptic than the facts warrant: Polls suggest that most of the ethnic Russians in Estonia are more tolerant than the Estonians themselves, on this issue as well as on others. That in turn means that efforts by some in Moscow—or in Tallinn—to promote a "Russian national autonomy" in Estonia are almost certainly doomed to failure.[14]

One additional and worrisome development in the area of civil society concerns Estonia's handling of Nazi and neo-Nazi activities. Estonia is currently one of the few countries in the world that does not keep statistics on hate crimes, a failing that allows both supporters and opponents of Estonia's approach to make claims that may not be supported by reality. However, Estonia's handling of one case this year led to a protest by the American ambassador and to a decision by the Wiesenthal Center to drop Estonia's "anti-Fascist" grade from a D to an F, the worst rating possible.[15] The decision of an American neo-Nazi to settle in Estonia has also attracted Russian media attention and the concerns of anti-Fascist activists.[16]

Independent Media

1999	2001	2002	2003	2004	2005	2006	[illegible]
1.75	1.75	1.75	1.75	1.50	1.50	1.50	1.50

As has been true for most of the past decade, international media watchdogs rated Estonian media as among the freest in the world. Reporters Without Borders, for example, said that Estonia ranked 11th in the world and among the very highest in the post-Communist region. In terms of the absence of government regulation of the press, these ratings are entirely justified, but considering the situation of the media in Estonia more broadly, the picture is far more mixed.

Among the most positive developments in 2006 were the continuing ability of the media to operate free of direct governmental regulation, the rise of Russian-language editions of portions of the national press—*Eesti Paevaleht* joined *Postimees* in putting out a Russian-language edition of its daily paper—the appearance of a special series entitled *Remaining Russian* on the state television channel,[17] and the continued growth of Internet use in what is already one of the most online countries in the world.[18] All of this contributed to a lively press and helped to continue the process of integration of Estonia's ethnic Russian community.

But among the less positive developments were the Parliament's rejection of a bill that would have ensured better communication of government decisions to non-Estonian speakers, the appearance of the worst kind of yellow journalism in the run-up to the presidential vote in the early fall, and the inability of the print media to escape the dilemma of operations in a small media market (most papers are financed by readers, which makes prices high, or by owners, which makes a single editorial position likely, rather than by the bundled advertising typical of larger markets). Each of these deserves more attention than any have received in most evaluations of the Estonian media by international institutions.

The Estonian government faces an increasing problem in communicating with those Russians who have not yet learned Estonian. Most younger Estonians have chosen to learn English rather than Russian as their second language; consequently, Russians who speak only Russian are more isolated in some ways than before. Both because the number of people in this category are smaller—probably under 100,000—and because the Estonian government actively seeks to promote Estonian-language knowledge among them, Tallinn has been ever less supportive in providing Russian-language materials about Russian legislation and regulations.

In 2005, the Estonian government stopped publishing new laws in Russian, although it continued to issue them in Russian via the Internet and the new Russian-language editions partially made up for the decision to end publications. In the spring of 2006, the Estonian government decided to oppose spending more money on Russian-language releases of Estonian laws and regulations. As a result, ethnic Russians in Estonia who know only Russian are in a less favorable position today than they were a decade ago in finding out what the government in Tallinn is doing.

But an even more serious problem with the Estonian media is the quality of their coverage. Much of the press features the kind of reportage that would be labeled yellow journalism anywhere else. In the presidential campaign, the media gave extensive coverage to Russian reports that incumbent president Arnold Ruutel had an illegitimate child living in St. Petersburg and to a drunken party involving Ruutel's granddaughters at the presidential palace during his absence. The coverage was so biased and extreme that Ruutel's opponent in the presidential race, Toomas Hendrik Ilves, denounced the articles on these subjects, even though another Estonian politician, Edgar Savissar of the Center Party, argued that they were part of the media's tilt to Ilves.[19]

Yet a third problem concerns the consequences of Estonia's small market on its media outlets. Because the total Estonian audience is so small, Estonia's newspapers are financed not by bundled advertising, as in larger markets, but by readers, who must pay increasingly higher prices for papers and consequently are turning to electronic outlets, or by owners, often based outside Estonia, who many Estonians believe have their own agendas.

Exacerbating these problems is the following: Throughout 2006, there were frequent reports that Russian agencies were placing what one Estonian media commentator called "Red propaganda" in the newspapers by under-the-table payments of one kind or another. How accurate these reports are is a matter of some dispute, but their appearance undercuts the authority of the media with many readers.[20]

Given the high prices of newspapers and journals, ever more Estonians are turning to television and radio and especially to the Internet. Estonian television has generally received better marks for its coverage of the news than the country's newspapers have, but its total news budget is relatively small. With regard to the Internet, Estonia, one of the most online countries on earth, now faces two serious problems: On the one hand, the ability of Estonians to move to other EU countries means that Estonia already faces a shortage of information technology personnel, estimated to rise to more than 1,000 such workers by the end of this decade. On the other hand, the country faces increasing problems with software piracy. According to some reports, more than a third of all software being used in Estonia today is pirated, a situation that the EU is likely to focus on in the year ahead.[21]

Local Democratic Governance

1999	2001	2002	2003	2004	2005	2006
n/a	n/a	n/a	n/a	n/a	2.50	2.50

The year 2006 was disappointing for those involved in local government. Local elections at the end of 2005 (there were none in 2006) had led many Estonians outside the capital to think that their local governments would be given greater taxation authority and independence of action. That has not happened. Instead, local governments outside the major cities were forced to confront the problems arising from declines in the number of residents and a rapidly aging population. And while some in the regions were encouraged by the fact that the presidential election was resolved in the countrywide electoral college rather than by the increasingly Tallinn-centric Parliament, an ever larger percentage felt that the national government was either ignoring their needs or seeking to address them on a national rather than a regional or local basis.[22]

This situation is likely to get worse. Ever more young people are fleeing rural areas to Tallinn or even abroad, leaving the countryside increasingly hollowed out, with a small number of aging residents. That reduces the political clout of these

areas in Tallinn, thus making it less likely that they will be able to extract more resources from the center. It also means that political competition in rural areas is likely to decline as fewer people take part in elections and political life. Last but not least, it creates a security problem for Estonia as a whole because of the "hollowing out" of much of that country's territory.

Many countries around the world are living through a similar process, but for Estonia it is particularly striking, given the history of the country. Until a decade ago, the country's most important newspapers were published not in Tallinn but in rural areas, its most important university was in Tartu and not in the capital city, and its people identified with rural areas even when they had to live in cities like Tallinn, where the jobs were. The decline of rural areas thus represents a national identity crisis.

But it also represents a crisis in local democratic governance. Local officials often look to Tallinn rather than local voters for guidance, a situation that has prompted ever more Estonians to take advantage of a quirk in Estonian tax law that may end by making the situation still worse. Local governments get back from Tallinn a certain percentage of the taxes paid by those registered as residents in their area. But Estonia's tax code allows people to register at either their homes in rural areas or their apartments in the cities. Cities like Tallinn and Tartu have conducted campaigns to get people who own urban apartments to register there, something that has further reduced the funds local governments have. That may generate a backlash from rural areas eventually, but up to now it means that local governments have fewer resources to meet their responsibilities than before and thus are less able to win support from their constituencies.

Judicial Framework and Independence

1999	2001	2002	2003	2004	2005	2006	2007
2.00	2.00	1.75	1.75	1.75	1.50	1.50	1.50

Estonia's record in this area during 2006 was decidedly mixed. On the one hand, the Estonian government intensified its efforts to improve the training of judges and to expand consultations between the judicial authorities and experts, efforts that won praise from the EU and the United Nations. On the other hand, conditions in Estonian prisons and especially the conditions of ethnic Russian prisoners remained unsatisfactory, a reflection of both the continuing shadow of Soviet-era practice and Estonian attitudes toward prisons and those incarcerated in them.[23]

As noted previously, European institutions concluded that Estonia is overcoming problems in this sphere just as it is in others, and both academic specialists in criminal law and human rights activists in Estonia's small NGO sector had more success in 2006 in consulting with the government than in the past. Consequently, both groups viewed 2006 as a breakthrough year, one in which Estonia finally turned an important corner in the operation of its judicial system.[24]

But there was one area where there was little or no progress: the country's aging and often Dickensian prisons. The UN was one of several international bodies that expressed concern about the status of inmates and especially ethnic Russian inmates in Estonia's penitentiaries. While some of its language may reflect the status of the Russian Federation in that organization, the UN report made it clear that Estonia has a long way to go in this key area of building a strong civil society, something President Ilves has indicated is a matter of major concern to him.[25]

Unfortunately, as a major sociological study by Iris Pettai showed, significant percentages of Estonians are unwilling to spend more on prisons, with many having what the Tallinn pollster describes as "a totalitarian attitude" toward prisoners: Because they are guilty of crimes, prisoners should not be coddled in any way. As a result, there is little support for improving conditions even in those places, such as the women's prison just west of Tallinn, where conditions are known to be especially atrocious.[26]

Absent international and especially EU pressure in this area, Estonia still appears unwilling to act, but because of that pressure, ever more Estonian politicians and officials are asking what they can do without increasing public expenditures. One idea floated in 2006 was to turn over the operation of prisons to private companies, a step that would be consistent with Estonian policy in other spheres and with the actions of some other countries as well. At the end of 2006, however, it was unclear whether this idea had found much support within the political class.[27]

One area of particular concern has to do with Estonia's difficulties in recruiting and retaining police and customs officials. Salaries remain extremely low, the fight against corruption is happily choking off the usual sources of income supplements, and many police functions have already been transferred into the hands of private security firms. But the result is that there are huge holes in Estonia's public security services, and absent a commitment to spend more money, it seems likely that these gaps will only increase in size in the year ahead.[28]

Corruption

1999	2001	2002	2003	2004	2005	2006	2007
3.25	2.75	2.50	2.50	2.50	2.50	2.50	2.50

Forbes, Moody's, and the U.S. State Department in 2006 all rated Estonia as one of the least corrupt countries, not only among those making the transition from communism, but among all states around the world.[29] But polls suggested that Estonians continued to believe their country is more corrupt than these outside evaluations suggest, a divergence that prompted the authors of one study prepared for the World Bank to conclude that corruption in Estonian businesses is at least 10 percent less troublesome than Estonians believe.[30]

There are three major reasons Estonians continue to believe that their economic and political system is more corrupt than most international observers do. First

of all, Estonians are disposed to accentuate the negative over the positive and to focus on problems rather than achievements. Second, cases involving corruption and charges of corruption by one politician or another receive enormous and some might say disproportionate attention in the media, leading Estonians to conclude that their country faces a rising rather than declining level of corruption. Indeed, as Rasma Karklins and other students of the subject have noted, any fight against corruption tends to make people more sensitive to the issue of corruption, even when that fight is successful in reducing the amount of corruption.

Third—and in many ways this is the most important reason—Estonians include under "corruption" activities (such as covert Russian government influence in the media, the government, and the economy) that international studies of the problem tend to discount or ignore. (Most of them define corruption narrowly as "private profit from public position.") The Estonian security police Kaitsepolitsei (KAPO) reported throughout 2006 about Russian efforts to penetrate and influence the Estonian media, Estonian firms, and even Estonian politics. That there are such efforts and that some of them have been successful is beyond question—the case of a Russian millionaire seeking to "buy" Estonian citizenship, for example, received prominent and convincing coverage in 2006—but on the often supercharged issue of Moscow's influence in Estonia, it is not always possible to distinguish the fire from the smoke.[31] And polls suggest that many Estonians are inclined to accept the charges as sufficient proof.[32]

Given the nature of corruption itself—something that is typically hidden in whole or in part from public view—it is impossible to say which of these two contrasting views is correct. On the one hand, Estonia is clearly less corrupt than many other post-Communist countries because its government has consistently sought to eliminate regulatory institutions where corruption can most easily flourish. On the other hand, Estonia nonetheless has a corruption problem, not only because Estonians believe that it does, but because corruption and the fight against it are highlighting some serious problems with governance that the Estonian political system has not yet been willing to confront.

Three of those problems are worthy of note here: First, Estonia is a small country, and consequently, its various elites—political, economic, intellectual—overlap. Because these elites are so small, almost everyone in them knows everyone else. That means there are greater possibilities for corruption than in larger and more impersonal legal systems—or, at the very least, a basis among the media and the population for making that assumption. The ugly 2006 case of the head of the land development department who profited from his position by making deals with his friends in the political system was only the most prominent of these developments. Estonia has not yet addressed the problem of erecting barriers to corrupt relationships within such a tiny elite.[33]

Second, Estonian prosecutors have convicted numerous low-level police and customs officials. A June 2006 case, for example, led to the conviction of more than 20 such line officers.[34] But as welcome as these convictions were, they revealed a fundamental problem that Estonia has yet to address: The salaries for such state

employees remain extremely low. In the past, at least some people joined these services because they knew they could supplement their salaries through corruption. But now without that opportunity, fewer are joining up and many are quitting outright. Such a development could produce a better class of officers if official salaries remain low. But so far, at least, those salaries remain so low that in many cases these services are very short staffed, something that may allow other kinds of criminal activity to flourish.

Third, Estonia has yet to devise a system for evaluating reports about covert Russian penetration of key Estonian institutions that does not exacerbate Estonian-Russian relations or allow Moscow to act inappropriately with impunity. At present, the Estonian political police KAPO routinely reports on Russian penetration. Other Estonian officials deny it. And the media play up both one and the other.[35]

In some cases, Russian covert penetration is so large that Estonian political figures have concluded they cannot expose it lest it damage the image of their country in the West. But in others, they are reluctant to act, even in ways that any other state might, lest they offend those countries that often evaluate Estonia in terms of its ability to cooperate with Moscow. There may be no solution to this problem, but so far, at least, Estonians have generally avoided discussing it at all.

There was one very bright spot on the anticorruption front in Estonia in 2006: As part of its commitment to the war on terrorism, the Estonian government established a special commission to fight money laundering and the financing of terrorism. Initial indications are that it is having some success given the remarkable transparency of Estonia's banking system.[36]

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Georgia

by Ghia Nodia

Capital:	Tbilisi
Population:	4.6 million
GDP/capita:	US$3,078
Ethnic Groups:	Georgian (83.8%), Azeri (6.5%), Armenian (5.7%), Russian (1.5%), other (2.5%)

The economic and social data on this page were taken from the following sources:

GDP/capita, Population: *Transition Report 2006: Finance in Transition* (London, UK: European Bank for Reconstruction and Development, 2006).

Ethnic Groups: *CIA World Fact Book 2007* (Washington, D.C.: Central Intelligence Agency, 2007).

Nations in Transit Ratings and Averaged Scores

	1999	2001	2002	2003	2004	2005	2006	2007
Electoral Process	4.00	4.50	5.00	5.25	5.25	4.75	4.75	4.50
Civil Society	3.75	4.00	4.00	4.00	3.50	3.50	3.50	3.50
Independent Media	3.75	3.50	3.75	4.00	4.00	4.25	4.25	4.00
Governance*	4.50	4.75	5.00	5.50	5.75	n/a	n/a	n/a
National Democratic Governance	n/a	n/a	n/a	n/a	n/a	5.50	5.50	5.50
Local Democratic Governance	n/a	n/a	n/a	n/a	n/a	6.00	5.75	5.50
Judicial Framework and Independence	4.00	4.00	4.25	4.50	4.50	5.00	4.75	4.75
Corruption	5.00	5.25	5.50	5.75	6.00	5.75	5.50	5.00
Democracy Score	4.17	4.33	4.58	4.83	4.83	4.96	4.86	4.68

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

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

Executive Summary

Since independence, Georgia has created a hybrid regime haunted by instability. Wars for secession from 1991 to 1993 brought some 15 percent of the country's territory under the control of unrecognized governments in Abkhazia and South Ossetia, and there were two unconstitutional changes of power in 1992 and 2003, though the latter was peaceful and did not generally unsettle the stability of the country. The 1995 Constitution conformed to primary democratic criteria—through the rest of the 1990s, it allowed political parties to compete freely for the most part, and independent media and civil society developed into formidable social actors.

However, under President Eduard Shevardnadze, the executive power was ineffective and corrupt, elections were increasingly rigged, and Georgia was often referred to as a "failing state." The new government that came to power in 2003 as a result of the Rose Revolution has made a number of important achievements. It brought Achara, run by a local autocrat, back into mainstream Georgian politics. It has carried out a number of important reforms leading to greater effectiveness in public service, curbed corruption, and set joining NATO and the European Union (EU) as major national goals. But no comparable success has been achieved in advancing democratic institutions: The February 2004 constitutional amendments strengthened the presidency at the expense of the Parliament; the trend toward electoral fraud has been largely overcome, but elections are less competitive in practice; and energetic measures to reform the court system have led to lower trust in its political independence.

The local elections in October 2006 were the most important political event of the year. They occurred without significant violations and confirmed the strong mandate of the government but also the inability of the opposition to put up serious competition. Some cases of human rights abuses by law enforcement led to public protests in the spring and summer. Government reforms bore fruit as the World Bank and International Finance Corporation recognized Georgia as the "best reformer" in the world in terms of creating a better environment for business. At the end of the year, growing tensions with Russia led to an effective economic blockade of Georgia by its northern neighbor and created new challenges to Georgia's security and economic development, but also greater consolidation of the society.

National Democratic Governance. Georgia has a mixed political system that secures major civil and political rights and provides for political pluralism and meaningful expression of the public will. However, the government's numerous imbalances, most notably the domination of the executive branch over all other state agencies, leads to authoritarian tendencies in different spheres of public life

and prevents Georgia from becoming a consolidated democracy. Civil society has influence over some aspects of state policy, but political participation—save for elections or public protests—is concentrated within a small elite. About 15 percent of Georgian territory is controlled by the secessionist regimes of Abkhazia and South Ossetia, which are backed by Russia. The effectiveness of the executive government has increased considerably since the Rose Revolution, especially in attracting public revenue and providing public goods. *As Georgia is a hybrid system with considerable democratic freedoms but still lacking fully consolidated state institutions and sufficient governmental checks and balances, and the government's authority does not extend over the entire territory, the rating for national democratic governance is unchanged at 5.50.*

Electoral Process. Elections since the Rose Revolution have been considered generally free and fair. Overcoming widespread fraud, hitherto endemic to the system, constituted a major achievement. The 2006 legislation on public financing for political parties and free television time for electoral campaigning created a more level playing field for the government and opposition parties. However, the level of political competition remains low owing to the weakness of the opposition. Use of state administrative resources by the party in government may be part of the problem. *Owing to the steady trend toward eliminating electoral fraud and new legislation aimed at creating a more level playing field for political parties, Georgia's rating for electoral process is upgraded from 4.75 to 4.50.*

Civil Society. Legislation regulating the activities of nongovernmental organizations (NGOs) is quite liberal in Georgia. Nonprofit organizations are easy to register, their number is growing, and they can operate freely. A majority of the public appreciates the role of civil society in advancing democratic causes. However, after the Rose Revolution the sector's visibility has diminished. NGO cooperation with the government is productive in some areas, but there is no stable mechanism for interaction between the government and civil society. There are organizations with illiberal, extreme right-wing agendas, but their influence is marginal. The social base for NGOs is rather narrow, and organizations in most regions outside the capital are less developed. They are dependent primarily on foreign funding. The 2005 tax code instituted tax breaks for charitable activities, though these legal provisions are rarely used. Trade unions exist but have little influence. In September 2006, the function of NGO registration was moved from the Ministry of Justice to the Taxation Office. Also during the year, several organizations created a coalition to influence the government through mobilizing protest actions. *The rating for civil society remains unchanged at 3.50.*

Independent Media. The Georgian Constitution and legislation ensure a liberal environment for the development of independent media. The 2004 Law on Freedom of Speech and Expression took libel off the criminal code and relieved journalists of legal criminal responsibility for revealing state secrets. However, after

the Rose Revolution part of the media proved vulnerable to behind-the-scenes pressure from the government. Weak editorial independence, using media outlets to promote the political interests of owners, and low professional standards constitute major concerns. Pluralism of the media and their readiness to cover all newsworthy stories and voice views critical of the government are guaranteed by the diversity of the ownership structure. Almost no state-subsidized media remain. Journalists are occasionally abused by authorities outside the capital, but there is an increasing trend in the prosecution of such abuses. There are no strong formal associations of media, but in 2006 the Media Council made the first steps toward enforcing professional standards to which most media have subscribed. *As the government took more consistent measures to protect media freedoms outside the capital, the rating for independent media in Georgia improves from 4.25 to 4.00.*

Local Democratic Governance. The Constitution does not define the territorial arrangement of the country or the competences of subnational institutions of state power. Legislation adopted in 2004 regarding the Autonomous Republic of Achara left little power to the regional council. In December 2005, the Georgian Parliament adopted legislation laying the groundwork for new local government institutions—the creation of these began after the local elections in October 2006. These will be established at the district level, plus Georgia's six largest towns and the capital, Tbilisi, which will be governed by locally elected councils with their own budgets and property. However, these local government units may have insufficient authorities and resources. *Owing to the important step made to create functional and independent local government structures, the rating for local democratic governance improves from 5.75 to 5.50.*

Judicial Framework and Independence. The Georgian Constitution provides important safeguards for the protection of human rights and the independence of the judiciary. However, after the Rose Revolution the judiciary still finds it difficult to withstand political pressure. Although there is a notable decrease in torture at preliminary detention facilities, there have been scandalous cases of abuse by law enforcement officers and serious problems in the penitentiary system. In 2006, the government took positive steps to increase the independence of the judiciary, creating better safeguards for excluding torture through amendments to the criminal procedures code and reforming the penitentiary system. *The rating for judicial framework and independence remains at 4.75.*

Corruption. Although corruption continues to constitute an important concern in Georgia, the resolute anticorruption measures of the government started to bear fruit. This is reflected in the considerably lower perception of corruption among both the general public and experts. While in the aftermath of the Rose Revolution anticorruption efforts consisted of strong but somewhat erratic punitive measures with insufficient respect for due process, later the anticorruption policies became more comprehensive and orderly. Lack of transparency in a number of public

institutions contributes to continuous concerns about corruption. In 2006, the customs and tax bureaus were united into a single agency, the anticorruption system is functioning better, and some members of Parliament (MPs) were prosecuted on corruption charges. *Owing to the persistent anticorruption measures of the government and important improvements in the perception of corruption in Georgia, the country's corruption rating improves from 5.50 to 5.00.*

Outlook for 2007. Several challenges await the Georgian government and society in 2007. Easing tensions with Russia and managing the precarious balance in the uncontrolled territories of Abkhazia and South Ossetia will be an especially demanding task. These tensions may have an adverse effect on internal stability and democratic pluralism as well. The government plans to take steps to reform the social security system, an area in which no clear policy has been formulated. The new system of local governance is expected to start functioning, and 2007 will be an important test of its viability. As low trust in the judiciary system constitutes one of the major concerns of the society, the government is expected to prioritize this area as well.

Main Report

National Democratic Governance

1999	2001	2002	2003	2004	2005	2006
n/a	n/a	n/a	n/a	n/a	5.50	5.50

The Georgian political system is based on democratic principles and provides for meaningful guarantees of political pluralism and freedom of expression. There are no obvious impediments to citizen participation in public life. The Rose Revolution of 2003 demonstrated a high level of intolerance in the society toward infringements upon political rights, and it brought to power a political group that had long advocated democratic reforms modeled on Western countries.

The policy of the government to pursue democratic reforms with the ultimate aim of joining NATO and the EU is widely supported by the public, and no serious political parties contest that choice. However, the Georgian political system continues to be unstable and unbalanced with regard to both its institutional design and actual political process. The political agenda of the country is set by a narrow circle of like-minded individuals surrounding the president, with insufficient public deliberation. This may be attributed to the unwillingness of the government to take into account alternative political visions, as well as insufficient capacity among opposition parties and civil society to provide them.

The government's greatest defect is its inability to ensure territorial control. There are two self-proclaimed territories in Georgia, Abkhazia and South Ossetia, which do not recognize the national authority. Cease-fire agreements brokered and enforced by Russia have been in effect in these regions since 1994 and 1992, respectively, but there is no progress toward a final settlement. Moreover, since 2004 tensions in both conflict regions, especially South Ossetia, have increased, with occasional skirmishes leading to shoot-outs and casualties. Some statements by Georgian leaders created fears that the government might have been contemplating a military solution to the conflicts, but the removal in November 2006 of Defense Minister Irakli Okruashvili, a reputed leader of the "war party" in the Georgian government, largely alleviated them.

In August 2006, there was a mutiny in Kodori Gorge, the only part of Abkhazia nominally loyal to Georgia, but in effect run by local militia. The mutiny was quelled successfully and led to the establishment of effective control by the Georgian government. The pro-Georgian Abkhazian government that is recognized by Tbilisi—and which represents the part of the population expelled by the separatist government during the 1992–1993 war—was relocated to Kodori Gorge, which the government also calls Upper Abkhazia. There are no other challenges to the sovereignty of the national government, though ethnic Armenian residents of

Javakheti province in southern Georgia occasionally raise claims to an autonomous status.

These conflicts are complicated by poor relations with Russia, which the Georgian government accuses of supporting the separatists. In July 2006, the Georgian Parliament adopted a resolution instructing the government to start procedures to end the Russian peacekeeping operation in South Ossetia and Abkhazia. Georgian-Russian relations reached a crisis point in September–October 2006, when the Georgian government arrested four Russian military officers on allegations of spying and subversive measures that led Russia to impose sanctions against Georgia. While there are no specific demands behind the sanctions, it is believed that pushing Georgia to change its leadership may be the ultimate aim. The crisis has consolidated support for the government in the short run but also has increased fears that hostilities will resume in the separatist regions.

Until 2004, the design of the central government generally followed the model of the U.S. Constitution. The president could not dissolve the Parliament and needed to secure parliamentary approval when appointing ministers and adopting the budget. On February 6, 2004, the Parliament introduced changes to the Constitution that unraveled the republican balance of power in favor of the president. The positions of prime minister and the Cabinet of Ministers were established. The president must secure approval from the Parliament to appoint the prime minister but can dismiss him at will. Most importantly, the president acquired powers to dismiss the Parliament in specific circumstances, such as in the event of three consecutive no-confidence votes delivered to the cabinet by the Parliament. In practice, parliamentary independence decreased as a result of these changes.

The assembly passes an enormous amount of new legislation without sufficient deliberation, though it offers resistance to some draft legislation coming from the executive branch and initiates its own. A package of amendments to the Constitution submitted by President Mikheil Saakashvili in October 2006 was adopted in a substantively changed form owing to criticism from the Parliament, the opposition, and the expert community. During most of 2006, opposition factions boycotted Parliament sessions since they did not think their participation was meaningful. However, the Parliament is rather open to public participation in preliminary hearings, and there are effective instruments to inform the public on its legislative agenda.

Constitutional amendments adopted in December 2006, designated October as the month when the president's and Parliament's terms expire and the next elections will be held between October 1 and December 31, 2008. This amendment was criticized for creating a precedent of extending the term of a standing Parliament: The previous version of the Constitution required elections to be held in spring 2008, almost half a year earlier.

The public's rights to join and form political parties, take part in elections, and create and engage in public associations or demonstrations are generally respected. There are occasional meetings between the government and civil society representatives at the highest levels, although this tended to diminish in the last two years.

Government agencies have public boards/councils and other formats for dialogue with civil society, and in some instances, state agencies take civil society's advice.

The 1999 administrative code includes the equivalent of the U.S. Freedom of Information Act, which makes all public information accessible. In practice, however, some public agencies do not conform to these requirements. Some NGOs report that after the new government came to power, accessing public information became more difficult in practice, and 50 percent of polled journalists said that access to public information declined after the Rose Revolution. The Ministries of Internal Affairs and Defense and the Office of the State Prosecutor were mentioned as the worst performers, while the Ministries of Culture and Sports, Health and Social Welfare, and Finance are among those considered to be the most responsive to requests for information.[1] In 2006, the government took some steps to address the problem. In November 2006, following the intervention of the public defender, Tbilisi municipality fired a staff member who failed to release public documents to a citizen who requested them.

Georgian legislation provides for democratic oversight of the military and security services. The military budget has become much more detailed and transparent, and the ministers of defense and internal affairs take part in parliamentary hearings. There is a "group of trust" in the Parliament that has access to classified information and is in closer contact with the military and security services. However, no opposition member is represented in the group. The parliamentary majority rejects the candidacy of David Gamkrelidze, leader of the New Rights Party, who is the only representative the opposition supports for the position (without giving specific reasons).

Electoral Process

1999	2001	2002	2003	2004	2005	2006
4.00	4.50	5.00	5.25	5.25	4.75	4.75

The Constitution and the electoral code guarantee universal suffrage, equal electoral rights, and the right to direct and secret ballot in Georgia. However, the actual ability of the electoral process to ensure fair competition among parties and fair voting procedures has been low throughout the period of independence. There was a general trend of declining standards until November 2003, when blatant electoral fraud during the parliamentary elections triggered mass protests culminating in the resignation of the president and partial invalidation of the election results (the portion including party lists).

Several elections have taken place since the Rose Revolution: the extraordinary presidential elections in January 2004, repeat parliamentary elections (party lists only) in March 2004, regional elections in Achara in June 2004, and local elections in October 2006. There was a clear trend of improvement in electoral standards in

all of them, confirmed by the assessments of local and international observers. For instance, the International Election Observation Mission of the Organization for Security and Cooperation in Europe (OSCE) and the Council of Europe noted that the March 2004 repeat parliamentary elections "demonstrated notable progress and were the most democratic since independence."[2] The October 2006 local elections continued the trend of improvement in the lack of obvious fraud and improved organization, but they were not sufficiently competitive.

The low level of political competition has been the chief trait of the post-Rose Revolution elections in Georgia. Mikheil Saakashvili won the 2004 extraordinary presidential elections with 96.27 percent of the vote, which could be easily attributed to the euphoria after the Rose Revolution when no major politician stood up to him (while those who did not support him chose not to vote). His bloc of the National Movement and United Democrats carried the March 2004 partial repeat parliamentary elections with 66.24 percent of the vote (the two parties later merged formally into the United National Movement [UNM]). Only one other bloc, the New Rights–Industrialists, overcame the 7 percent threshold required for political parties, with 7.96 percent. As time has passed since the revolution, however, the balance of political forces has not changed: In by-elections on October 1, 2005, all five parliamentary seats in single-mandate districts were taken by the UNM, and the 2006 local elections brought a resounding victory for the party.

These results cannot be explained by the repression of opposition parties, as generally they can operate freely, though there have been several allegations of pressure against individual opposition and independent candidates in some Georgian regions. The most fundamental problem noted by the local and international observers was misuse of "administrative resources" or "blurred distinction between the authorities and the governing party"[3] that gave an advantage to incumbents. In particular, it meant that in the preelection period, a number of widely publicized social programs were implemented that became a major part of the election campaign of the government party. However, it was also noted that opposition parties failed to articulate distinct alternative platforms and restricted their campaigning to competing for protest votes.

This underscores the most substantive deficiency in the Georgian electoral system: the lack of strong and stable political parties. Most influential political parties are seen as machines for ensuring support for their individual leaders rather than as vehicles for mobilizing citizens around competing interests and policy options. The current party in power continues a tradition of dominant political parties that can be hardly distinguished from the state—for instance, the Round Table from 1990 to 1991, the Citizens Union of Georgia from 1995 to 2001, and the Union of Revival of Georgia in Achara from 1992 to 2004. The three opposition factions in the Parliament have 35 seats (out of 235) and do not have any significant influence on the work of the Parliament. Moreover, they spent most of 2006 boycotting sessions in protest of the majority not meeting the opposition's specific political demands (such as the resignation of the minister of internal affairs)—but they returned to parliamentary sessions in November.

Some legislative initiatives in 2006 were aimed at leveling the opposition's chances in a system where they have difficulty competing with the dominant party. The Law on Public Financing of Political Parties secures a much higher level of financing based on a party's performance in the last elections. Public financing also extended to parties that broke away from the ruling party and created their own factions while in the Parliament. Amendments adopted to the electoral code in June 2006 mandated that television stations provide a considerable amount of free time for broadcasting election campaign messages. As TV commercials had traditionally constituted the highest campaign expense, this effectively amounted to additional public support for the parties.

The 1997 Law on Citizens' Political Associations presents no significant barriers to political organization and registration. By July 2005, there were 184 political parties registered in the Ministry of Justice.[4] The only important restriction prohibits the creation of regionally-based political parties. This provision was used twice by the Ministry of Justice (in 1999 and 2001) to deny registration to Virk, a political party based in the ethnic Armenian–populated province of Samtskhe-Javakheti. Virk advocates creating an ethnically-based Armenian autonomy in the region, which is a source of concern in Georgian society.

The electoral code does not present any serious obstacles for free and fair elections, but two elements of the system are frequently criticized. The 7 percent threshold for party lists in national elections is widely considered to be too high, but the Georgian government refuses to follow recommendations from such bodies as the Council of Europe to reduce the barrier to 3–5 percent. On the other hand, creating multimandate districts with a "winner takes all" formula for the majoritarian component of parliamentary elections (first used in municipal elections in the capital, Tbilisi, in 2006 and slated for the next parliamentary elections scheduled for 2008) leaves a slim chance for the opposition unless it unites into a single bloc.

The composition of electoral commissions is another contentious issue. Before 2005, Georgian electoral commissions were based on the balance among representatives of political parties, with government parties usually calling the shots. Following amendments to the electoral code adopted in April 2005, a new system of central and district electoral commissions was created. In this system, neutral civil servants are selected through a competitive process in which the president selects 12 candidates for the Central Electoral Commission and a candidate for the position of chair, while the Parliament elects 6 members and confirms the chair. This system caused protests from the opposition, which did not trust the neutrality of the new electoral administration.

Although election turnout figures are usually considered unreliable owing to faulty or incomplete voters lists, a high level of participation is obvious in most critical elections, including the presidential and parliamentary elections in 2004. The 48 percent voter turnout in the October 2006 municipal elections is considered relatively high by the standards of local elections. However, the lack of viable political parties restricts broad public participation mainly to elections or occasional protest actions.

The genuine participation of ethnic minorities is especially low (though their formal turnout in elections is relatively high). According to a 2002 census, ethnic minorities constitute more than 16 percent of the population (not counting the breakaway regions of Abkhazia and South Ossetia) and are concentrated largely in two provinces, Kvemo Kartli and Samtskhe-Javakheti. The majority do not speak Georgian, which is the country's only official language. This effectively disqualifies them from public and political life at the national level.

Ethnic minorities are underrepresented in all branches of power at the national level and in some regions at the local level as well. They are also rarely involved in political parties other than those in power. However, in the 2006 local elections the overwhelmingly Armenian-populated district of Akhalkalaki had the most competitive elections in the country, with the local branch of the Industry Will Save Georgia party putting up a serious fight to the UNM. Voter turnout was 64.06 percent. Still, the contenders represented local interest groups and had no strong links to the national parties on whose behalf they competed.

Civil Society

1999	2001	2002	2003	2004	2005	2006	2007
3.75	4.00	4.00	4.00	3.50	3.50	3.50	3.50

The state provides a largely favorable environment for the development of the independent civic sector in Georgia. The country's legislation allows civil society organizations to be easily registered, or not to register at all, and operate freely. Beginning in September 2006, the function of registering NGOs moved from the Ministry of Justice to the Taxation Office, and registration is fairly easy, speedy, and affordable. NGOs enjoy considerable tax benefits: The Law on Grants exempts NGO moneys from most taxes, and the 2004 tax code instituted tax exemptions to encourage charitable giving. Businesses can now spend up to 8 percent of their profits on charitable activities to decrease their tax burden. NGOs can participate in tenders and compete for government contracts at both local and national levels. However, the Law on Grants does not extend to state grants for NGOs.

The civic sector in Georgia is relatively large, vibrant, and influential. There were 7,581 nonprofit associations and 999 foundations registered in the country by April 2005,[5] though most of them exist on paper only or were created for implementing just one or two projects. Several hundred organizations are relatively stable, and an increasing number of them reach or come close to international standards of quality of management. Local expertise on NGO management is becoming more readily available for less developed organizations. Training and handbooks on NGO management, fund-raising, and other resources are largely available. In 2004, a code of conduct for NGOs was created, and most leading organizations have signed on to it.

NGOs in Georgia are rather diverse with regard to their mandates. A number of groups are involved in human rights and environment advocacy, women and minority issues, training and consultancy in various fields, public policy development, and so forth. However, there are important structural shortcomings. NGOs depend mainly on the international donor community. Local philanthropy exists but is weakly institutionalized and more willingly involved in humanitarian and cultural projects—support of civil society organizations is extremely rare. Volunteerism is also weakly developed, and successful community-based organizations are few. As a result, the social base for civil society organizations is rather narrow, including mostly young urban professionals. There are few genuinely membership-based organizations, and the most successful organizations are professional groups. According to a spring 2005 poll conducted by the Center for Strategic Research and Development of Georgia,[6] only 7.9 percent of respondents said they had interacted with NGOs, and less than 2 percent described themselves as members of any organization.

The Georgian civic sector played an important role in the Rose Revolution of 2003 by providing authoritative monitoring of the electoral process, mobilizing support for democratic causes, and using its capacity to ensure peaceful and organized mass protests. Many leaders in the new government come from an NGO background. These include, among others, the ministers of internal affairs, defense, education and science, finance, and culture and sports, the mayor of Tbilisi, and the chairman of the Constitutional Court.

However, since the Rose Revolution the overall visibility and political influence of civil society organizations have diminished. The sector has become more politicized and fragmented, although a few organizations that are mainly supportive of the government agenda have had an ongoing influence on government policies. For instance, the Liberty Institute took part in developing such key pieces of legislation as the labor code, amendments to the electoral code and the Law on Licensing, and the draft Law on Notary. The government was responsive to a number of initiatives led by the Open Society–Georgia Foundation, such as the introduction of retraining programs for former public servants (Tbilisi municipality joined the program), the institution of community policing, and the adoption of a system of free legal assistance. The Georgian Young Lawyers Association, an organization strongly critical of the government on a number of issues, was also closely involved (along with the Liberty Institute) in a working group created in 2004 to elaborate a new criminal procedures code (expected to be adopted in 2007).

Quite a few public councils function with different government agencies, but their effectiveness is often low. The Ministry of Education and Science and the Ministry of Health and Social Welfare are notable for successfully involving civil society organizations in their reforms. Overall, however, the government is rather selective when cooperating with NGOs, with most organizations having rather limited opportunities to make themselves heard by decision makers. The government considers the NGO community to be too politicized and unrepresentative and

deems cooperation with a smaller circle of like-minded organizations to be more productive.

In 2006, a number of organizations created a coalition that aims to influence the government through mobilizing protest actions. Such NGO activism mainly targeted alleged abuse from the police, such as "shoot-to-kill accidents" in the course of arresting suspects in 2005 and the first half of 2006. These protests may have played a part in the lack of significant police-related scandals in the second half of 2006.

The service-providing role of civil organizations has increased in Georgia. NGOs such as the Georgian Foundation for Strategic and International Studies, Georgian Young Lawyers Association, Civil Society Institute, Partners-Georgia, and others play an important role in training new public servants or setting up new agencies (for instance, the Georgian Young Lawyers Association contributed to setting up the new environmental police). There is successful cooperation between local government bodies and NGOs in a number of regions. Some civil society representatives are frequently invited by the media to comment on current political issues and policy reforms. However, only a small number of organizations and civil society personalities maintain high media visibility, and most of them are presumed to be in either pro- or antigovernment camps.

Georgia has a number of public associations that pursue illiberal causes. For the most part, these claim to protect Eastern Orthodox values from the pernicious influence of Western liberalism. In the past, some groups have been involved in violent attacks against religious minorities, civil society, the media, and the political opposition. The new government has been successful in curbing the activities of such groups, so that violence on behalf of "uncivil society" has largely stopped. These groups are free to express their opinions but do not have much political influence or seriously disrupt public order.

Georgians are free to organize and join trade unions, but so far only a few viable independent trade unions have been created, mainly in health care and education. Those trade unions that are successors to Soviet-era organizations do not play any visible role in defending employee rights. Thanks to matching grants issued by the Tbilisi and Batumi municipalities in 2005 and 2006, quite a few neighborhood associations were successful in organizing themselves and raising funds to provide for local needs.

Following the April 2005 Law on Education, school boards comprising parents and teachers were created with extensive rights to run public schools in 2006. The government considers this to be a major initiative aimed at developing civil society at the local level, as schooling constitutes a primary interest for local communities. There are plans to entrust school boards with other responsibilities, such as monitoring law enforcement bodies at the local level.

By early 2007, Georgia will have completed its two-year transitional period in reforming the country's university system. The reform was implemented by presidentially-appointed rectors who were mandated to prepare the ground for establishing new structures to ensure the genuine independence of universities.

The reform stirred public protests at Tbilisi Ivane Javakhishvili State University over the considerable job loss among faculty, and the government was criticized for restricting university autonomy during the transition period. By the end of 2006, Georgian universities began electing rectors according to a new law, thus restoring their academic autonomy.

Independent Media

1999	2001	2002	2003	2004	2005	2006	[illegible]
3.75	3.50	3.75	4.00	4.00	4.25	4.25	4.00

After the Rose Revolution, Georgian media legislation was advanced to the level of the best international standards, and the country's legal system strongly guarantees media freedom. The Constitution states that "the mass media are free; censorship is impermissible" and that "citizens of the Republic of Georgia have the right to express, distribute, and defend their opinions via any media, and to receive information on questions of social and state life. Censorship of the press and other media is not permitted." The June 2004 bill on freedom of speech and expression decriminalized libel, moving litigation from criminal to civil law competences. To file a libel case, a defendant must prove that the media acted with prior knowledge of a statement's false nature or with reckless disregard for the truth.

Journalists can no longer be held responsible for revealing state secrets, which is an important protection for whistle-blowers; only relevant public servants can be charged for failing to guard them properly. Courts cannot require journalists to disclose sources of confidential information. After this law was enacted, litigation against journalists or the media on defamation or other charges, which was common practice before, became rare.

Almost no state-supported media remain in Georgia. Following the December 2004 Law on Broadcasting, the State TV and Radio Corporation was transformed into Georgian Public Broadcasting in summer 2005. It is supervised by a nine-member board of governors appointed by the Parliament, with two candidates for each slot pre-selected by the president from a multiplicity of applicants. It was only in 2006 that public television started its new programming. Experts agree that its news and political talk shows are rather balanced, but the overall rating for public TV channels is still low. Public radio is more popular and provides a forum to different political views as well.

Several newspapers in ethnic minority languages are the only remaining ones that depend on state funding. Achara TV, active in the Autonomous Republic of Achara, continues to have the status of a state organ and is directly dependent on the Acharan authorities.

The Law on Broadcasting entrusts the licensing of outlets to the Broadcasting Commission, an independent body whose five members are appointed by the

Parliament through the same procedure described for public broadcasting trustees. Licenses are issued for 10 years and extended automatically for another term unless the broadcaster violates specific requirements defined by law. In terms of legislation, there are concerns regarding the absence of special procedures for arrests and searches of media property. Currently, media organizations are required to follow the same procedures that apply to any other business, but the lengthy court procedures that tend to result from perceived violations can disrupt the functioning of the media.

In 2006, there were no allegations of important news being kept out of the public domain, and opinions that were critical of the government were widely reported and expressed by the media. The media played a crucial role in exposing improper government actions and mobilizing public protests in the scandal related to the death of Sandro Girgvliani, head of the Georgian Bank's Foreign Department who was found dead on January 28, 2006 with injuries sustained as a result of physical abuse. However, there are serious concerns regarding the editorial independence of journalists, particularly the manner in which media owners tend to use their outlets to promote their political preferences.

In Georgia, diversity in media ownership ensures media pluralism. Imedi, which in 2006 became the highest-rated TV channel (as well as the highest-rated radio station of the same name), is owned by Badri Patarkatsishvili, a tycoon close to the strongly oppositional New Rights Party. Rustavi-2, which slipped to second place in the ratings, changed ownership twice after the Rose Revolution. In November 2006, a new holding company was created including Rustavi-2, Mze (the third-rated channel), and the less significant First Stereo TV. The holding company is believed to belong to business groups closely aligned to the present government. Moreover, changes in leadership at Rustavi-2 are believed to follow changes within the existing government: Kibar Khalvashi, owner of the company in 2004–2006, was presumably close to Defense Minister Irakli Okruashvili. The removal of Okruashvili in November 2006 may be correlated with Khalvashi selling his ownership rights in Rustavi-2 during the same period.

The small TV channel Kavkasia (broadcasting in the capital only) is openly oppositional. Two small TV stations that were highly critical of the government—202 (Tbilisi) and Trialeti (Gori)—suspended all or part of their programming, claiming either a need for restructuring or financial reasons. Several independent radio stations such as Ucnobi, Imedi, and Radio Green Wave as well as Public Radio have become forums for public debates. Most print media give preference to news coverage and opinion critical of the government, but the distribution and influence of newspapers are considerably lower than those of television. Insufficient professional standards within Georgian media organizations continue to be a long-term problem.

The advertising market in Georgia is insufficient to sustain several independent television channels and a large number of newspapers, though there is a significant tendency toward growth. In 2005, the income of television and radio broadcasting companies rose to 31.7 million lari (about US$17.6 million), which is 3.2

times more than it was five years ago.[7] Experts allege that since commercial revenues are seldom sufficient to sustain media outlets, owners tend to use their media holdings to promote their other interests rather than establish them as independent businesses in their own right. This encourages bias in their political coverage. On December 31, 2006, the tax breaks for print media expired, with the ruling majority stating that it did not plan to renew them.

On a number of occasions, authorities (usually outside the capital) abuse journalists and hinder them from gathering information. For instance, journalists from two Azerbaijani TV companies were verbally and physically attacked when they were covering a protest rally of ethnic Azerbaijanis in Georgia. There is some progress, however, in that the abusers cannot get away with impunity in many cases. On May 8, 2006, police confiscated videocassettes from journalists involved in an investigative reporting project. The next day, the ministry of internal affairs returned the cassettes and apologized to the journalists, and three police officers involved in the matter were fired. On June 15, journalists and other participants at a protest rally in Sighnaghi district were beaten by the police. Later, three people were arrested for beating journalists but eventually released on a plea bargain. The head of the Tbilisi patrol police resigned after he physically abused a Public TV cameraman. The head of the Labor, Health, and Social Security Department of the Guria region was fired after physically attacking a journalist.

Another problem in relations between the government and the media is favoritism shown toward some journalists and the "blacklisting" of others. In particular, the Ministry of Defense denied access to information to journalists who produced unfavorable coverage of defense activities. Rustavi-2 is usually favored over the opposition-leaning Imedi by the Ministries of Internal Affairs and Defense in covering their events.

There are several journalist and media associations in Georgia, but none of them became strong enough to unite the media community around issues of journalistic freedom or professional standards. In 2005, a Media Council was created to monitor and enforce professional and ethical standards among participating organizations as defined in the 2002 Professional Standards of Media. The process was joined by major TV companies but boycotted in large part by the print media. In 2006, the council began issuing judgments on specific cases of alleged violations among Georgian media.

Access to the Internet is not restricted in any way, save for economic and technical reasons. There are still no Internet providers in several less developed regions, but the number of Internet users is growing fast. The government does not create impediments for the registration of new Web sites and does not try to censor or control their content. While there are some Internet debate forums, this medium is still of marginal importance for expressing and debating political opinions. In the 2006 worldwide Press Freedom Index by Reporters Without Borders, Georgia was ranked 89 among 168 countries with 21 points, up from 99th place among 167 countries with 25.17 points in 2005.

Local Democratic Governance

1999	2001	2002	2003	2004	2005	2006	2007
n/a	n/a	n/a	n/a	n/a	6.00	5.75	5.50

Since independence, Georgia's political system has been highly centralized, with rather weak democratic institutions at the subnational level. Paradoxically, at the same time, weak state capacity has made government control in some regions rather precarious, with effective governance often relying on deals between the central government and local elites. The 1995 Constitution did not define the structure of local government, postponing this move until after the resolution of conflicts in Abkhazia and South Ossetia.

Since the Rose Revolution, there has been a trend to strengthen effective government control throughout the territory of the country save for Abkhazia and South Ossetia, while also creating a new system of local government. The legislative package—including the new Law on Local Self-Government, amendments to the legislation on the capital, Tbilisi, and laws regulating taxation and property rights at the local government level passed in 2005—has laid the foundation for the new system, while the October 5, 2006, local elections launched a process to actually create it.

The new legislation introduces a one-level system of local government at the district (*raion*) level, which used to be the main administrative unit in the Soviet system. There will also be several self-governing towns, including the capital. This makes self-governing units larger: Before 2006, there were up to 500 smaller municipal units (including small towns and a few villages), while under the new law, bodies of local government were created in 75 larger units, including Tbilisi as a single unit, plus several small communities in parts of Abkhazia and South Ossetia where the Georgian government was capable of organizing elections.

This change attracted some criticism for making local government more distant from citizens, but larger units may be more economically viable and will potentially have a greater capacity to balance the power of the national government. The introduction of local self-government in the capital, which makes up about one-fourth of the Georgian population, is especially important politically: The locally elected city mayor may become a powerful figure independent from the central government. On the negative side, the new legislation provided rather limited financial resources for municipal governments and reduced their competences to social and cultural spheres only.

The *raion* council elects its chairperson as well as the mayor, a public servant of local self-government who will head the *raion* administration. The draft law also provides for specific forms of citizen participation in decision making at the local

level, such as citizens assemblies, petitions, surveys, public discussions, and so forth. The resources of local governments will be audited by independent companies.

The local government elections on October 5 led to the strong victory of the ruling UNM, which received 77.08 percent of the vote nationally and won in all electoral districts. The bloc of the Conservative and Republican Parties came second with 8.56 percent and the Labor Party third with 6.42 percent. The opposition tried to put up a real fight only in the capital, Tbilisi, and it was marginally more successful there (the above-mentioned opposition parties/blocs got 12.04 and 10.65 percent, respectively), but in general the campaign was rather lukewarm. Voter turnout overall was 48.04 percent. International observers from the OSCE/Office for Democratic Institutions and Human Rights and the Congress of Local and Regional Authorities of the Council of Europe noted "significant progress"[8] in the conduct of elections. Results from parallel vote tabulation conducted by two Georgian organizations, the International Society for Fair Elections and Democracy and New Generation–New Initiative, which acted in cooperation, respectively, with the National Democratic Institute and International Republican Institute of the United States, diverged from the official election results but within acceptable margins of error. The main criticism of both local and international observers referred to the misuse of so-called administrative resources.

With all municipalities in the country controlled by the party governing at the national level, the process of setting up the new system of municipal government is not expected to create any political challenges to the government's decentralization plan—unless it encourages tensions within the UNM.

The Autonomous Republic of Achara has a special status defined by the Constitution and 2004 constitutional Law on the Status of the Autonomous Republic of Achara. It defines the competences of the republic in the areas of education, culture, local infrastructure, and so forth, but at the same time it gives the Georgian president extensive rights. The president appoints the prime minister of Achara. The president can also dismiss Achara's Supreme Council if its activities endanger the sovereignty and territorial integrity of Georgia or if it twice consecutively fails to approve the candidacy of the Achara government's chairman. This law was criticized by some observers as excessively restricting Achara's autonomy but did not cause any protests locally.

On June 20, 2004, extraordinary elections to the Supreme Council of Achara following the forced resignation of its leadership in May brought a strong victory of 72.1 percent to the UNM, with only the Republican Party able to overcome the 7 percent threshold. The Council of Europe welcomed this progress as compared with previous elections in the region, but it stated that "the electoral process fell short of international standards in some areas," including the accuracy of voters lists, secrecy of the ballot, and low competency of election commission staff.

Judicial Framework and Independence

1999	2001	2002	2003	2004	2005	2006	2007
4.00	4.00	4.25	4.50	4.50	5.00	4.75	4.75

The Georgian Constitution guarantees all fundamental human rights and freedoms, using the European Convention on Human Rights as a model. The Constitution also provides for a public defender, who is nominated by the president and elected by the Parliament for a five-year term yet is not accountable to either the president or the Parliament. In 2004–2006, the public defender was strongly critical of a variety of government actions.

Violations of human rights in Georgia continue to be an important concern in several areas. Abuse of suspects and prisoners in the Georgian law enforcement system has been the most challenging human rights problem since independence. The problem has persisted since the Rose Revolution, though its character has changed. There has been a dramatic reduction in the occurrence of torture in pretrial detention facilities (a formerly common practice); however, there have been serious cases and allegations of abuse by law enforcement officers in arrests, as well as abuse of prisoners in penitentiary facilities. This may be linked to a crackdown on organized crime announced by the government in December 2005.

The most publicized and scandalous case was that of two young people severely beaten in January 2006 by high-ranking officers of the Constitutional Security Department of the Ministry of Internal Affairs, presumably on the grounds of settling personal scores. One of them, Sandro Girgvliani, died as a result. This led to the resignation of the department head and imprisonment of the direct perpetrators, though the episode sparked numerous street protests demanding resignation of the minister of internal affairs and punishment for the high-level officers whose guilt was not proven in court. In several other incidents in 2005 and the first half of 2006, suspects were shot in the process of arrest. Although the government claimed this was an unavoidable result of dangerous criminals resisting arrest, some human rights groups branded these actions as premeditated extrajudicial killings.

The new leadership of the penitentiary system started reforms, including taking effective control over the prison system away from "in-house" criminal bosses (who had run the prisons together with corrupt prison administrations) and improving conditions for inmates by building new penitentiary facilities. All criminal bosses ("thieves in law") have been isolated from other inmates, and two new prisons with modern facilities were built during 2005 and 2006, significantly improving conditions for about 4,000 prisoners. Two other prisons are under construction, which will improve conditions for another 4,000 inmates and conform Georgia's prison system to the standards of other democratic societies.

However, these reforms have also led to increased allegations of prisoner abuse. In part, this is linked to the problem of prison overcrowding. Following the crackdown on crime in Georgia, the prison population increased dramatically from about

6,000 inmates in 2003 to almost 13,000 in 2006. Hygienic and health conditions that had been poor in the first place became dismal. In mid-2006, 63 percent of prisoners were held on remand, awaiting trial (this number was somewhat reduced by the end of the year). There have been numerous allegations of prisoner abuse and excessive force used by prison authorities. During a prison riot on March 27, 2006, 7 inmates were killed and 17 suffered serious injuries.[9] There are conflicting accounts of this event, but some inmates cite inhumane treatment of prisoners as a possible cause for the revolt. To monitor such abuses, the leadership of the Penitentiary Department has begun to install videocameras in the facilities. Nevertheless, 92 inmates died in 2006 in the prison system, compared with 46 deaths during 2005.[10]

The government has introduced some measures to address the issue of human rights abuses in the law enforcement system. In 2005 and 2006, divisions responsible for monitoring human rights protection were instituted in the Office of the State Prosecutor, the Ministry of Internal Affairs, and the Penitentiary Department. The number of cases of law enforcement officers charged with human rights abuses is increasing: In 2004, 3 cases involving "compulsion to testify" were initiated; in 2005, 24 cases were initiated on charges of torture, 4 on inhumane and degrading treatment and 6 on compulsion to testify; in the first 10 months of 2006, there were 27 cases of torture, 2 on threat of torture, 7 on inhumane and degrading treatment, and 3 on compulsion to testify. However, such cases almost never result in court sentences (there was only 1 sentencing in 2005).

Although the Constitution provides for the independence of the judiciary, a lack of competence and independence among judges constitutes another major concern in Georgia. There are widespread allegations that political leadership exerts hidden pressure on judges who, at least in politically sensitive cases, hardly dare to disappoint the demands of the prosecution. Acquittals are rare: In 2006, a total of 16,911 defendants were found guilty, and 37 people were acquitted.

There are also some positive trends in the last two years. While in 2003 the judiciary approved 88 percent of motions for preliminary detention of suspects, this number dropped to 79 percent in 2005 and 64 percent in the first quarter of 2006. In 2006, of those charged, 37.7 percent were released on bail, five times the number of 2005. In some areas, private parties stand a good chance of winning cases against the state. For instance, in 2006, out of 1,615 cassation claims considered by appellate courts, 45 were ruled in favor of private parties against state agencies. New legislation adopted in 2005 significantly increased judges' salaries beginning in 2006.

There have been important changes in the appointment of judges. According to the 1998 law, common-law judges were appointed by the president upon nomination by the High Council of Justice (HCJ), a consulting body whose members are appointed or elected by the president, the Parliament, and the Supreme Court. Only candidates who pass exams organized by the HCJ may be nominated as judges. Following constitutional amendments that came into effect in June and December 2006, the composition of the HCJ has changed significantly so that judges constitute a majority of its members, while the prosecutor general has been removed as a member.

Judges now also constitute a majority in the Disciplinary Panel of the HCJ, the only body that is allowed to remove judges, and the decision of the Disciplinary Panel can be appealed in courts. The HCJ has gained full independence from the president. This completed the council's transformation from a consultative body under the president to an independent body supervising the judiciary system. The Disciplinary Panel consists partly of members of the HCJ and is the only body that can dismiss judges on the basis of professional ethics violations or "manifest infringement of law." The latter provision, however, is sometimes criticized for leaving space for broad interpretation.

There are concerns that procedures for interviewing judges during the appointment process are not sufficiently transparent. There is also a problem finding appropriate candidates for judges—this left more than 100 positions unoccupied at the end of 2006. To solve this problem, the Constitution was amended to reduce the minimum age for judges from 30 to 28. The shortage of judges and increased number of cases have led to a significant overload of the judicial system, which expressed itself in longer pretrial waiting periods and a lower quality of judicial work. A new Higher School of Justice was introduced to increase the professionalism of judges. The draft criminal procedures code, which was debated starting in fall 2006 and is expected to pass in 2007, provides for the introduction of jury trials. The concept entered Georgian legislation with a 2004 constitutional amendment but had never been put into practice.

Apart from measures increasing judicial independence, efforts were made to fight corruption in the judicial system. Since 2004, 7 judges were detained for taking bribes and, altogether, 19 judges were brought to criminal courts for different violations. Moreover, almost all Supreme Court judges were replaced by providing attractive retirement packages or by termination through disciplinary measures. A number of civil society organizations alleged that this "purge" was politically motivated and involved procedural violations. According to an assessment by the U.S. State Department, "the decision by the High Council of Justice to expel judges on the basis of a decision with which the council disagreed effectively chilled independent decision making by judges."[11] The government justified its radical steps by pointing to the prevailing corruption in the court system.

While the effects of the judicial reforms remain to be seen, they have not brought increased trust to the judicial system thus far. As a positive sign, in the Doing Business index published by the World Bank and International Finance Corporation, Georgia jumped by 24 points to 32nd place in the world in terms of ease in enforcing contracts. This may be considered recognition of the higher effectiveness of the system. However, in the same index, Georgia is ranked only 135th out of 175 countries regarding how well investments are protected—mistrust of the judiciary is considered to be the main reason. In April 2006, 50 percent of those polled by the Institute of Polling and Marketing for the International Republican Institute had an unfavorable opinion of the court system in Georgia, and only 34 percent had a favorable opinion. This constituted a decline from June 2005, when 39 percent had confidence in the courts and another 39 percent did not.

In March 2005, amendments were adopted to the criminal procedures code that allow testimony given by a defendant in pretrial detention to be used in court only if it is confirmed by the defendant in court. This is supposed to make the use of torture to extract confessions pointless. The limit on pretrial detentions has been reduced from 9 to 4 months, and the limit on trial detention has been reduced from 24 to 12 months.

In 2006, judges assumed expanded rights to introduce fines or convictions up to 15 days without the right to appeal for contempt of court. This, however, led to controversial rulings where several activists of the Egalitarian Institute, an opposition-leaning NGO were detained for 15 days for shouting slogans outside the court building. There are criticisms that the extended rights of judges to punish contempt of court may constitute a dangerous infringement of the right to expression.

There has been significant progress in Georgia regarding freedom of religion, following a trend of violence in 1999–2002 against minority religions, especially Jehovah's Witnesses and the Baptist-Evangelical Church. The chief perpetrators were arrested in spring 2004 and subsequently convicted to prison terms of one to six years. The open disruption of minority religious services has mostly stopped, though some relatively small episodes of harassment continue. The main problems are related to the construction of new places of worship. While there are no legal impediments to this, there is strong opposition from local communities that the government is often unable or reluctant to overcome. Despite these obstacles, several new houses of worship were built by the Armenian Apostolic Church, Muslim, Baptist-Evangelical, and (especially) Jehovah's Witnesses communities.

Corruption

1999	2001	2002	2003	2004	2005	2006	2007
5.00	5.25	5.50	5.75	6.00	5.75	5.50	5.00

For years after independence, corruption was considered a major obstacle to state building and democracy in Georgia. Yet since the Rose Revolution, Georgia has made important improvements in curbing corruption. Within the first two years, however, these achievements, while obvious in certain areas, were not confirmed by comprehensive authoritative studies. In 2006, the Business Environment and Enterprise Performance Survey BEEPS (Doing Business) study published by the World Bank and International Finance Corporation gave Georgia the title of "best reformer" in the world with regard to its business environment: Georgia moved from 112 to 37 in the list of 175 countries with the best environment for doing business and was considered the country that had made the most progress in the course of the year. Although this research did not measure corruption specifically, the progress in the ranking could not have been achieved without a significant reduction in corruption.

In June 2005, the National Anticorruption Strategy and Action Plan were signed by President Saakashvili. The next step was for different public agencies to draft anticorruption strategies and submit them to the minister of state in charge of structural reforms, who was put in charge of supervising and coordinating implementation of the National Anticorruption Strategy. This process, however, took longer than initially planned, with the general-level strategies being submitted to the ministry in August–September 2006. While some public agencies (for instance, the Ministry of Finance and Ministry of Education and Science) developed rather elaborate working plans, others (such as the Ministry of Energy and Ministry of Agriculture) formulated more general strategies, while the Ministries of Internal Affairs and Defense did not submit any plan at all. Public agencies are expected to report on the plan's implementation once every three months.

In 2004–2005, the areas in which improvements were most obvious included education, where national matriculation exams (first conducted in 2005) virtually cleaned out the notoriously corrupt process of admission examinations in universities. With the disbanding of the extremely corrupt traffic police in 2004, Georgian drivers are no longer harassed on the roads, and the issuing of licenses, citizen IDs, and passports has greatly improved. The "single window" system in the Ministry of Justice, property registry, and other public institutions removed rampant corruption in these areas. In 2005, procedures were likewise simplified in the tax and customs agencies. In an important improvement in the transparency of public expenditures, beginning in 2006 a comprehensive report on public spending is now available from the National Treasury.

According to the 1997 Law on Corruption and the Incompatibility of Interests in Public Service, high-ranking public officials (including MPs, ministers, and their deputies) and members of their families cannot hold positions in commercial organizations whose activities are supervised by the government agency for which said public official works. However, it is widely believed that in practice this legislation is often not respected, with businesses being run through spouses or close confidantes of important political figures. The new government took some steps to redress the situation: in 2006, two MPs were stripped of their parliamentary seats for continuing to run businesses. One of them, Valeri Gelashvili, belonged to the opposition and another, Badri Nanetashvili, to the majority faction. In 2005, Koba Bekauri, one of the leaders of the ruling faction, gave up his seat after being accused of running his own business. However, there are widespread charges of selectivity in investigating such cases. Some experts believe enforcing current legislation is unrealistic and that emphasis should be placed on openly declaring conflict of interest rather than attempting to avoid it altogether.

In 2006, Georgia ratified the Council of Europe Criminal Law Convention on Corruption (the Civil Law Convention on Corruption has been in force in Georgia since November 2003). As part of the implementation of the National Anticorruption Strategy, the Law on Public Financing of Political Parties was adopted in February 2006. Following a scandal in the fall of 2006, when a major opposition leader was caught on tape accepting an illicit political contribution in exchange

for a place on the party list in the elections, the majority faction in the Parliament proposed new legislative changes aimed at greater transparency in financial contributions to political parties. The opposition protested that such a proposal would create disincentives for contributors to political parties. Debate on the issue was postponed until 2007.

The fight against corruption also expresses itself in numerous arrests of low- and middle-level public servants on corruption charges. In one of the most publicized cases in 2006, Gia Nutsubidze, an MP from the ruling UNM, was caught proposing a bribe to the deputy minister of education and science in October 2006. Nustubidze was stripped of his seat and detained. While the opposition frequently claims that the crackdown on petty corruption has been accompanied by thriving elite corruption implicating officials at the highest level, no such charges have been substantiated.

The customs and tax agencies and the penitentiary system are still considered more corrupt than other departments. By the end of 2006, customs, tax, and the financial police were united into a single agency under the Ministry of Finance in an effort to redress the situation. There is a greater perception of corruption regarding public procurement and privatization. NGOs such as the Georgian Young Lawyers Association alleged a low level of transparency in so-called governor's funds and other funds that are managed by the authorities but not part of the state budget. The special status of these funds allows them to avoid public scrutiny. The media freely air and discuss allegations of corruption. However, after the Rose Revolution there was a marked decline in investigative reporting. There is some growth in this area, though the selection of targets is often politically motivated.

The Georgian public generally supports the government's anticorruption initiatives, though many people are still ready to resort to corrupt practices as an easy solution to their problems. The unwillingness of numerous citizens to serve as court witnesses on corruption cases or cooperate with law enforcement also decreases the effectiveness of law enforcement efforts. A number of people consider cooperation with law enforcement to be an immoral act of "denunciation."

An indirect indicator of the success of the government in tackling corruption can be seen in the fact that people no longer consider corruption to be the most acute problem in the country. In a 2003 poll conducted by the Institute of Polling and Marketing for International Republican Institute, 17 percent of respondents mentioned corruption as the most or one of the most important issues in Georgia. In February 2004, when the postrevolutionary government made widely publicized anticorruption initiatives the central issue of its policy, the figure rose to 20 percent. Yet in a similar survey in April 2006, respondents did not include corruption in the list of important issues.

The government explicitly targets these attitudes through advertising campaigns. However, most official anticorruption initiatives are generally popular, and people are rather critical of the government for not being consistent enough in this area. Georgia's position in Transparency International's Corruption Perceptions Index is low but improving slowly, from 1.8 in 2003 to 2.0 in 2004 to 2.3 in 2005

against a scale of 10 being least corrupt. Last year, Georgia was ranked 130 out of 158 countries surveyed. In 2006, the index moved Georgia up to 99th place among 166 countries.

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8 OSCE/Office for Democratic Institutions and Human Rights, Congress of Local and Regional Authorities of the Council of Europe, press release, http://www.osce.org/documents/pdf_documents/2006/10/21165-1.pdf, accessed November 7, 2006.

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Hungary

by Balázs Kovács and Viktória Villányi

Capital:	Budapest
Population:	10.0 million
GDP/capita:	US$18,100
Ethnic Groups:	Hungarian (92.3%), Roma (1.9%), other (5.8%)

The economic and social data on this page were taken from the following sources:

GDP/capita, Population: *Transition Report 2006: Finance in Transition* (London, UK: European Bank for Reconstruction and Development, 2006).

Ethnic Groups: *CIA World Fact Book 2007* (Washington, D.C.: Central Intelligence Agency, 2007).

Nations in Transit Ratings and Averaged Scores

	1999	2001	2002	2003	2004	2005	2006	2007
Electoral Process	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.75
Civil Society	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.50
Independent Media	2.00	2.25	2.25	2.25	2.25	2.50	2.50	2.50
Governance*	2.50	3.00	3.00	2.50	2.50	n/a	n/a	n/a
National Democratic Governance	n/a	n/a	n/a	n/a	n/a	2.00	2.00	2.25
Local Democratic Governance	n/a	n/a	n/a	n/a	n/a	2.25	2.25	2.25
Judicial Framework and Independence	1.75	2.00	2.00	1.75	1.75	1.75	1.75	1.75
Corruption	2.50	3.00	3.00	2.75	2.75	2.75	3.00	3.00
Democracy Score	1.88	2.13	2.13	1.96	1.96	1.96	2.00	2.14

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

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

Executive Summary

In 2006, Hungary faced its greatest challenge since the country's democratic transition. Even though the reforms of the early 1990s successfully introduced a free market economy, the state's involvement in the economy still remains significant, particularly in the redistribution of resources and the provision of human services. The consecutive governments' combination of an inability to introduce major structural reforms and six years of largesse has led to a high deficit and financial crisis. Prime Minister Ferenc Gyurcsány's second government expressed its determination to tackle structural problems, most prominently in the central administration, education system, and health care. Reforms are still needed, but continued political turmoil might imperil their progress. Nevertheless, Hungary has demonstrated a stable parliamentary system; the Hungarian Socialist Party (MSZP) and center-right Fidesz–Hungarian Civic Union (Fidesz) dominate the Parliament, in which three minor parties also have independent factions.

The deep-running division between Hungary's political Left and Right manifested itself in riots during September and October 2006. Clashes between police and protesters were sparked by a leaked audio recording of a speech by Prime Minister Gyurcsány in which he admitted to lying about the state of the economy in order to win the general elections. The tensions released, however, had built up over a longer period and stem from several factors, including the lack of fundamental reforms, the state's central role in providing services beyond its capacity, and public reliance on the state instead of the private and nongovernmental sectors. The country's unresolved Communist legacy, including the role of secret services before the transition and the management of privatization, still haunts the sociopolitical landscape.

Division between the Left and the Right has greatly increased, and the political elite have not done much to reconcile it. Reluctance to tackle substantive problems and symbolic politics with sometimes illiberal rhetoric are largely responsible for the crisis of 2006. Despite attempts, President László Sólyom has not been able to position himself as an independent actor, and his perceived loss of credibility limits his ability to mediate between the parties. On a positive note, Hungarian democratic institutions have proved remarkably resilient in the face of political crisis and will likely contribute to a resolution.

National Democratic Governance. The strength of Hungary's democratic institutions and constitutional framework was shown in a stark light during the political convulsions of 2006. The much criticized creation of the development cabinet outside the government concentrated huge resources in the hands of the prime minis-

ter, and the body is now planned to be transformed into a ministry at the beginning of 2007. Following the highly contested April elections, the divide between the government and the opposition widened even further. The violent events of September and October, a level of unrest unseen since 1956, finally highlighted the cracks in the country's democratic consensus. *Owing to the questionable handling of the riots by the government and irresponsible attitudes by a majority of the opposition during autumn 2006, Hungary's rating for national democratic governance falls to 2.25.*

Electoral Process. In the 2006 parliamentary elections, the Socialist-liberal coalition won consecutive national elections for the first time since the end of the Communist regime in 1989. While the two major parties competed with populist messages for higher popularity, their junior counterparts struggled to reach beyond the 5 percent threshold for election to the Parliament. The campaign deteriorated as parties accused one another of planning election fraud, some of which was eventually revealed. The government withheld information about the economy before the elections and later admitted to lying in order to win. *Owing to illegal and unethical party campaign practices during the parliamentary election; and because a growing, vocal segment of the opposition showed little respect for representative government, instead favoring demonstrations and intimidation as a way to gain political ground, Hungary's rating for electoral process deteriorates from 1.25 to 1.75.*

Civil Society. Hungary's legal framework is hospitable to civil society. Even though the most visible nongovernmental organizations (NGOs) are affiliated with political parties, the majority of organizations work without any political influence, mostly providing human services to their communities. The most salient feature of 2006 was the politicization of civil society. Political parties used affiliated groups in their campaigns, and the autumn brought the sudden appearance of a number of groups that are opposed to the fundamental principles of liberal democracy. While this did not affect the overall integrity of Hungarian civil society, human rights groups voiced their concerns over questionable actions by the police during the riots. *Owing to increasing visibility of illiberal views in the sector, Hungary's civil society rating worsens from 1.25 to 1.50.*

Independent Media. Media are considered to be generally free in Hungary. The wide selection of media outlets prevents any control over freedom of the press and information. Particularly among print sources, the media scene currently reflects Hungary's polarized political climate. In general, Hungarian journalists are trained professionals maintaining high standards; still, the lines between factual information, analysis, and commentary are often blurred. Libel remains a criminal offense, and the high number of libel and state secrecy suits over the last few years has raised widespread concern. The lack of proper legal regulation and financing keeps public service broadcasts at the crossroads of political and professional debates. *Hungary's independent media rating remains at 2.50.*

Local Democratic Governance. Local government reform legislation took pride of place among transition laws in Hungary and played a vital part in the creation of democratic state structures. Still, the over-fragmented system at the subnational level created gaps and insufficiencies in public policy making and delivery, and further reforms are required to enable the financial viability of subnational units and the real decentralization of state power. Both local and minority self-governments were elected in 2006. While local elections have been considered free and fair since 1990, irregularities and scandals overshadow minority self-government elections. *Hungary's local democratic governance rating remains at 2.25.*

Judicial Framework and Independence. Fundamental civil and political rights are guaranteed by an independent judiciary, the Constitutional Court, and the ombudsmen. The unfolding conflict between the government and the president delayed the election of the new chief prosecutor. There is no systematic torture or ill-treatment of defendants in Hungary. But the police received a heavy barrage of criticism from the opposition following the autumn clashes with extreme right-wing rioters, which became one of the year's core topics of political debate in and outside of the Parliament. A welcome development in 2006 was the long overdue open debate about the accountability of the judiciary. If continued, this debate may improve the justice system's practices and accountability. *Hungary's rating for judicial framework and independence remains unchanged at 1.75.*

Corruption. Anticorruption legislation has seen continuous improvement in Hungary, but the implementation of these laws requires further reinforcement. Non-transparent political party and campaign financing, questionable businesses closely associated with political parties, and favoritism with public procurement contracts were regularly reported in the media, suggesting continuous problems in these areas. *The country's rating for corruption remains unchanged at 3.00.*

Outlook for 2007. Two major issues are likely to dominate Hungarian politics in 2007. The government announced a series of far-reaching structural reforms, and their implementation will be a chief priority. The reforms are already contested by the opposition and interest groups. The other issue is the political strife between the Fidesz-led opposition and the government. This struggle can hurt the reform process and has the potential to widen the already significant political gap in Hungarian society. Fidesz, the MSZP, and the Alliance of Free Democrats (SZDSZ) will elect new leaders. Incumbent SZDSZ president Gábor Kuncze already announced his retirement from politics, and the two prime candidates for the post are Gábor Fodor and newcomer to the party János Kóka. Under growing pressure by his colleagues after having lost two elections, Viktor Orbán of Fidesz is still likely to hold on to power and remain at the helm of the opposition for the time being. Prime Minister Ferenc Gyurcsány will be running for office from within the MSZP. Gyurcsány was seen as the primary candidate for the job up until the September scandal and the subsequent Socialist defeat at the municipal elections, but his

candidacy is not as solid as before. The most important question for 2007 is whether the government will actually be able to carry out structural reforms or only maintain the austerity measures introduced at the end of 2006 and planned for the beginning of 2007. Street protests are likely to continue into the new year, and their nature will be an important factor in 2007.

Main Report

National Democratic Governance

1999	2001	2002	2003	2004	2005	2006
n/a	n/a	n/a	n/a	n/a	2.00	2.00

Hungary's constitutional system overall ensures stable, democratic governance. Following general elections, the president requests the winning party to nominate—and Parliament then elects by absolute majority—a prime minister, who is responsible for governance. Ministers cannot be impeached directly, and the Parliament can remove the prime minister and his/her entire cabinet through the process of "constructive no-confidence," which requires not only a vote of no-confidence but the previous nomination of and vote on a new prime minister. This method ensures that the new head of the executive will also hold the support of a majority of members of Parliament (MPs). As a consequence, the opposition has very little chance to oust an incumbent prime minister between general elections. The Constitutional Court, with its broad powers to control legislation and the executive's decisions, provides effective checks. The president of the State Audit Office, president of the Supreme Court, chief prosecutor, and members of the Constitutional Court are elected by the Parliament, usually after reaching a broad consensus.

The top legislative organ in Hungary is the 386-member unicameral Parliament. The government and ministries may pass decrees that must conform to laws in force. Citizens have easy access to information on the Parliament through the media, interactions with MPs, and a frequently updated, easy-to-use Web site,[1] although there is room for improvement regarding legislative transparency and consultations with civil society. The Hungarian Civil Liberties Union sued the Ministry of Justice and Law Enforcement for access to the new draft Constitution, and a court of first instance ruled that the ministry must publish the material.[2] The Fidesz–Hungarian Civic Union (Fidesz) party's policy of abstention during the speeches of Prime Minister Ferenc Gyurcsány of the Hungarian Socialist Party (MSZP) is an obstacle to finding a constructive solution to the country's current political crisis.

The country's political system and democratic institutions are stable. This became markedly visible in the second half of 2006 when a series of worrisome developments challenged the democratic framework. Following the highly contested general elections in the spring, reelected prime minister Gyurcsány reshuffled his government. Part of this move was the controversial creation of the development cabinet, headed by Gordon Bajnai. Responsible for the management of approximately 8 trillion forint (US$40 billion) in European Union (EU) subsidies, the development cabinet reports directly to the prime minister but is not part of the government; hence its head, unlike ministers, is not answerable to either the Parlia-

ment or ministers. It is planned, however, that Bajnai will become a minister in the government, which will end this anomaly.[3]

The events of September and October overshadowed all previous developments in the country. On September 17, an audio recording was leaked to the press in which Prime Minister Gyurcsány admitted to the Socialist Party caucus in a closed-door meeting that the previous Socialist government had not done anything worth mentioning and that his government had been lying to win the elections. That same day, people congregated in front of the Parliament to protest. By September 18, the crowd had grown to several thousand. Many of them, roused by László Toroczkai—then head of the 64 Counties Youth Movement, a well-known nationalist group—went to nearby Szabadság Square, where they attacked and captured the national television headquarters.

Street violence also occurred on the following two nights, but with a police force markedly more prepared to take on rioters.[4] The leaked audiotape, street violence, and looming municipal elections created a "cold war" atmosphere in Hungarian politics for the rest of September. Opposition leader Viktor Orbán sent an ultimatum to Prime Minister Gyurcsány on October 2 demanding his resignation within 72 hours. Earlier, Orbán argued that the municipal elections on October 1 would be a watershed event and de facto referendum on the government's legitimacy.[5] Also, Fidesz's continued attempts to delegitimize the Péter Medgyessy government (and later the first and second Gyurcsány governments) and its repeated questioning of election results since 2002 contributed to the intensity of the protests.

The civil unrest continued until late October, but apart from the October 23 commemorations of the 50th anniversary of the 1956 revolution, there was no violence. The riots on October 23 began in the afternoon and ended in the early hours of the following day. Clashes between rioters and police were intense, with many people injured on both sides. After the smoke cleared, a controversy over the legality of the police actions began between the government, opposition, and human rights groups such as Hungarian Civil Liberties Union and the Hungarian Helsinki Committee. The riot police deployed on October 23 did not wear identification insignia and on several accounts used unnecessary force against detainees and passersby caught in the crossfire or near but not within the operational area. Police were videotaped beating people unprovoked, including the opposition MP Máriusz Révész.

Budapest police chief Péter Gergényi at first refused to conduct internal investigations on the legality of certain incidents. The government, as well as Budapest mayor Gábor Demszky of the Alliance of Free Democrats (SZDSZ), protected Gergényi against calls for his resignation and denied his request for retirement.[6] Under pressure from human rights groups, investigations started by the end of the year.

Following the events of October 23, the Fidesz-affiliated farmers group MAGOSZ announced a demonstration with farmers and their tractors, to be held in Budapest. To prevent this demonstration, Mayor Demszky and the Budapest City Council ordered the placement of road signs forbidding the entry of tractors at all venues that the farmers were likely to use to enter the city.[7] Whereas the

placement of such signs could normally be considered reasonable, the timing of the action suggests it happened to obstruct the farmers' rally and curtail their freedom to assemble. In a similar vein, the Budapest City Council modified the rules for demonstrations in public areas, effectively limiting freedom of assembly.[8]

Following the landslide victory of Fidesz in the municipal elections, Viktor Orbán began organizing new Fidesz mayors by creating the Municipal Representatives National Assembly within the party. The assembly is headed by Orbán, the president of the party.[9] Whereas Fidesz claims the rationale for the assembly is to give more influence to local politicians in the party, the new body would grant Orbán even more power than he has now and suggests an intention to confer upon the party leader more direct control over municipalities.

Law enforcement agencies and security services are under civilian control, ultimately accountable to the Minister of Justice and Law Enforcement. However, they were criticized for their handling of the October events, and in the heated political atmosphere, the government has thus far failed to effectively investigate the anomalies surrounding actions by the police and security services. Police records created during the protests were given classified status for 80 years. This seems unnecessarily long, as it prevents investigations that would add clarity about the controversial events and supercedes the natural lifetimes of the participants.[10] Similarly, developments during the August 20th national holiday highlighted serious flaws in the decision-making mechanism of the government. A national celebration in Budapest was not called off when bad weather arrived, which resulted in several deaths and injuries.

Electoral Process

1999	2001	2002	2003	2004	2005	2006	2007
1.25	1.25	1.25	1.25	1.25	1.25	1.25	

Representatives to the 386-seat unicameral Hungarian Országgyűlés (Parliament) are elected for a four-year term by popular vote under a two-round mixed electoral system; 176 members are elected in single-seat constituencies, 152 from regional party lists by proportional representation, and 58 from national party lists. In the first round, voters cast two ballots: one for a single-seat constituency candidate and one for a party with a regional list. A second round of voting is required only in single-seat constituencies where none of the candidates wins an absolute majority in the first round. Only parties that reach the 5 percent parliamentary threshold gain seats from national or regional lists.

Forty-eight parties were eligible to run for parliamentary elections in 2006, out of which 12 set up national party lists alone or in coalitions and 5 set up regional party lists—additionally, candidates from 7 parties ran in single-seat constituencies.[11] The most recent national legislative elections were held on April 9 and April 23, 2006, with voter turnouts of 67.83 percent in the first round and 64.39 percent in

the second. Although only the two main parties were expected to receive enough votes to win seats in the Parliament, five parties either individually or in coalition cleared the 5 percent threshold necessary for individual party representation or the 10 percent threshold needed for coalition representation.

The elections resulted in confirming the center-left coalition government in office headed by the post-Communist social democratic MSZP with 190 seats and the left-liberal SZDSZ as a junior partner with 20 seats. The center-right Fidesz, in alliance with the Christian Democratic People's Party (KDNP), received 164 seats, while the conservative Hungarian Democratic Forum (MDF) gained 11 seats. Although Fidesz originally wanted to form a joint parliamentary faction, the KDNP, once in the Parliament, formed an independent faction. Only one extra-parliamentary party, the far-right Hungarian Justice and Life Party, with 2.2 percent support, was entitled to state subsidy. And only one independent candidate was elected to the Parliament.

Since the narrowly divided 2002 elections, which deepened the political polarization of the Left and the Right, a continuous campaign among the parties has penetrated most areas of public life. In 2006, populism characterized the campaigns of the leading parties, the MSZP and Fidesz, in a contest to see whose government would be more cohesive, particularly regarding their economic promises and positions. Statements by the MSZP and Fidesz contained contradictory elements promising both tax cuts and increases in state subsidies without clear, concrete ideas on social security or state administration reform or plans for how they would run the economy if elected.

Overall, Hungarian elections have consistently been considered free and fair. While the 2006 elections were managed sufficiently, their fairness and transparency were overshadowed by various questionable and illegal practices by the parties during the campaign. The MSZP–SZDSZ government withheld state budgetary figures hiding the country's critical financial situation before the elections, misleading voters about the state of the country's economy. After the elections, Prime Minister Gyurcsány was caught on a leaked audio recording admitting to the Socialist Party caucus in a closed-door meeting that the previous Socialist government had been lying in order to win the elections.

Additionally, in February the MSZP's computer server was hacked into by rival Fidesz and campaign files and documents were downloaded, after which the police investigated the case and three Fidesz workers were suspended by the party. In another instance, the MSZP's Szolnok chapter admitted that one of its activists handled data from candidate nomination forms in an unauthorized, unlawful way. In March, the National Election Office condemned Zoltán Bagó, a Fidesz candidate, for violating the electoral law by threatening a potential MDF candidate.[12] Yet for the first time since transition, no observers from the Organization for Security and Cooperation in Europe monitored the parliamentary elections in Hungary.

Membership in political parties is low, with only about 1 percent of the population participating. It is relatively easy to form a party in Hungary, yet out of the more than 200 political parties registered in the last decade, approximately half ceased to

exist after several years or were transformed into civic associations. Minorities and women are under-represented at the national level. Out of 386 parliamentary seats, women candidates won 40 seats in the 2006 elections, and two went on to serve as cabinet ministers in the MSZP–SZDSZ government. Three Roma representatives won parliamentary seats in 2006, all of them from Fidesz as the result of an agreement between Fidesz and Lungo Drom, the largest Roma organization in Hungary. However, the Parliament should have already achieved real representation for Roma and other minorities in Hungary by 1992, as required by the Constitution.

The last presidential elections were held in 2005. Under the Constitution, the president is mainly a ceremonial figure, elected indirectly by the Parliament with a two-thirds majority for a maximum of two five-year terms. If a qualified majority cannot be reached in either of the first two rounds, then a third round with a simple majority is necessary. While the governing coalition could not agree on a mutually acceptable candidate, Fidesz-nominated Lászlo Sólyom—the candidate of an ecopolitical NGO, Protect the Future—enjoyed the formal support of over a hundred intellectuals across the political spectrum and gained the majority of votes in a heated third round to become president. President Sólyom—former chief judge of the Hungarian Constitutional Court, a committed environmentalist, and an internationally respected lawyer—has not been successful in bridging the political divide in Hungary.

Civil Society

1999	2001	2002	2003	2004	2005	2006	2007
1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.50

With the 1987 amendment to the civil code and 1989 Law on Associations at its core, Hungary's legal framework for civil society facilitates the creation and functioning of NGOs, and there are no laws in place that restrict their activities. Foundations and associations are registered by county courts, and there is little legal ground for denying registration. Tax regulations, however, put a considerable administrative burden on all sectors, nonprofit and for-profit alike.

There are about 76,000 registered NGOs in Hungary, according to data from the National Statistical Office, only half of them operational.[13] The majority of NGOs provide human and community services and sports, recreational, and cultural programs. Organizations with a national reach are concentrated in Budapest and include human rights defenders, think tanks, and political foundations.

NGO funding remains problematic, although according to a Nonprofit Information and Training Center survey, Hungarians are charitable and more than willing to give. Four-fifths of all Hungarian citizens and companies have contributed, providing some 13 percent of nonprofit sector income. Totaling approximately 100 billion forint (US$500 million), civil sector support in Hungary is provided

by foreign donors, Hungarian businesses, and citizens, most of whom contribute through voluntary work. The state provides the biggest chunk of NGO income, some 45 percent, while the rest is made up through activities conducted by the organizations themselves.[14]

Citizens are entitled to contribute 1 percent of their income tax to NGOs and another 1 percent to churches or, alternatively, to one of four priority lines (crime prevention; supporting sports to improve health; support for the Heritage Fund; supporting the eradication of hemp) in the state budget. In 2005, some 24,811 NGOs and 127 churches received approximately 11.8 billion forint (US$62 million), roughly 53 percent of the potential 22.4 billion forint (US$124.4 million) that could have been raised if all citizens contributed. Of the NGOs that received some funding from the 1 percent mechanism, 31 percent were engaged in education, 16 percent in sports, 14 percent in cultural activities, 10 percent in health care, and 8 percent in social services.[15] Data for 2006 showed a slight increase as 25,648 NGOs, 137 churches, and 5 priority lines received approximately 12.77 billion forint (US$69.3 million).[16] Additionally, volunteerism has become a significant source of support for Hungarian civil society. According to a 2004 study, approximately 40 percent of Hungarians over 14 years of age work as volunteers. Volunteerism is regulated by the 2005 Law on Volunteerism.[17]

Trade unions are autonomous and operate freely in Hungary. There are six major union alliances in the country in addition to various interest groups, such as vocational chambers. Unions have low membership, and many are seen as partisan. Most traditional groups that originated before Hungary's transition are seen as affiliated with the political Left, whereas some new unions and interest groups, especially farmers groups, are perceived as right-wing. The farmers group MAGOSZ was vocal during autumn 2006 and planned to hold a demonstration in Budapest against the policies of the government.

After April's general elections and the government's announcement of planned austerity measures, Hungarian trade unions held several protests. Interest groups, including the Chamber of Physicians and the Chamber of Pharmacists, began a media campaign supported by the opposition to stop health care reforms and pharmacy liberalization. The National Conference of Student Self-Governments (HÖOK) held a rally and several rounds of negotiations with the Ministry of Education and Culture over the introduction of tuition fees in higher education, without much success.[18] The rectors of the country's universities, on the other hand, expressed their support for the introduction of the new funding mechanism.

Civil society has been vibrant in Hungary for years, and 2006 was no exception. The key feature of the year was the further politicization of the civil sector. NGOs were active on both sides of the political spectrum during the electoral campaigns. Fidesz used the publication *Magyar Vizsla*, produced by the taxpayer watchdog group Association for the Representation of Taxpayers' Interests, to disseminate propaganda against the MSZP and SZDSZ.[19] Fidesz's "civic circles" and the MSZP's "Amoba"—party-organized grassroots movements—were also used to mobilize supporters.

In part, the trend toward politicization is fueled by the emergence of illiberal views (groups that are opposed to the fundamental principles of liberal democracy) in Hungarian civil society. In September and October, a number of new and widely publicized associations were created during the protests sparked by the public leak of Prime Minister Gyurcsány's speech, and their emergence dominated the press. These high-profile groups demanded "system change," while others published the names, addresses, and other personal data of judges and prosecutors involved in the cases of arrested demonstrators.[20] Another facet of the problem is the leadership role some extremist groups, such as the 64 Counties Youth Movement, played in the violent riots. The leader of the group, Lászlo Toroczkai, was fined 40,000 forint (US$200) for breaching the Law on Assembly when he called for protesters to move from Parliament Square to the national television headquarters on Szabadság (Freedom) Square, which resulted in the attack on the building.

Education is free from political or ideological influence, and there is a variety of state-run, private, and church-sponsored educational institutions from primary to higher education. Parochial schools held a demonstration in front of the Ministry of Education and Culture in December 2005 to protest alleged cuts in state subsidies to church-sponsored schools. Churches, religious leaders, and parents complained about the decrease in state funding channeled to religious institutions, while the ministry, quoting different figures, alleged that governmental funding had in fact increased. The debate about funding continued into 2006 and served to mobilize voters for the elections.[21]

Independent Media

1999	2001	2002	2003	2004	2005	2006	2007
2.00	2.25	2.25	2.25	2.25	2.50	2.50	2.50

Media in Hungary are considered to be generally free. The large number and variety of media outlets in the country prevent any single interest from dominating information or public opinion. The media landscape is generally controlled by market forces yet still features some political interference.

The 1996 Law on the Media introduced commercial broadcasting and broke up the monopoly of state-controlled public service channels. Apart from this important step a decade ago, the law has been widely criticized for not laying the groundwork needed to transform the public service media into a modern, financially independent outlet free of political influence. Instead, it institutionalized political interference. Half of the board members of the public service broadcasters are appointed by governing political parties, the other half by the opposition, leaving too much room for political interference in public service broadcasting.

To secure some civilian involvement and control, the Law on the Media allows NGO representatives to sit on the boards of the public service broadcasters. However, the selection of civil sector members has also been an occasion for

controversy, as many of the NGOs delegating these members are considered to be closely connected to political parties. The law also established the National Television and Radio Board (ORTT), a regulatory and supervisory body whose members are delegated by political parties. The ORTT monitors the activities and programs of public and commercial broadcasting stations and also grants licenses and broadcasting frequencies.

After four unsuccessful attempts to elect a new board president, which left Hungarian public radio without proper legal representation for over a year, the board eventually managed to reach consensus and elected a new president in 2006. It was assumed that before the national parliamentary elections there would not be consensus on the new public radio president, illustrating how public interest is overruled by party politics.

An almost decade-long wish to modify the Law on the Media or create a new one persists. There have been various attempts at modifications, but none has succeeded owing to a lack of political consensus. The ORTT itself prepared a new draft version of the law that instead of strengthening media freedom focused on the regulation and sanctioning of television and radio channels and the Internet.[22]

In a letter to Prime Minister Gyurcsány in 2006, Arne Wessberg, president of the European Broadcasting Union, harshly criticized the lack of independence and financing of public service television and called Hungarian Television (MTV) one of the worst channels in Europe.[23] Its income depends almost entirely on annual aid from the state budget, making public service television vulnerable to government influence. MTV regularly runs overbudget, and only repeated state guarantees prevent it from going bankrupt. Since public television attracts only about 10–15 percent of viewers and has been on the edge of bankruptcy for years, the rationale for maintaining six state-sponsored stations (including three public radio stations) is questionable.

Hungarians receive their information primarily from private television channels, most of which are foreign-owned. Besides the three state-supported channels, two commercial stations—RTL Klub (affiliated with the Belgian–French RTL–UFA) and TV2 (owned by a Hungarian–American–Scandinavian consortium)—also reach the entire population. In addition, there are several commercial cable and satellite television and radio channels, some foreign-owned. There are over 200 local or regional public, commercial, nonprofit, and cable radio stations, most limiting their programming to entertainment without significant original news content. According to a report by the Open Society Institute, "Hungarian [television] channels scarcely ever broadcast investigative reports and can hardly be labeled as watchdogs of democracy."[24]

Foreign media companies are active in both national and local newspaper markets, and only a small portion of daily papers are owned locally. Still, local papers are important and have managed to keep their monopolies in the counties where they are published; their total circulation is about the same as that of the national daily papers combined. In the race to attract readers to print media, tabloids prove to be the winner, however.

In general, Hungarian journalists are trained professionals maintaining high standards. Still, the lines between factual information, analysis, and commentary are often blurred. Media outlets and many journalists are divided along political cleavages, which affects their objectivity. Political figures often use the media in inter- and intra-party conflicts by providing journalists with deliberately leaked information but without much protection from political interference. The high number of court cases against journalists raised continued concerns in 2006. Libel and secrecy laws remained criminal offenses and are considered to be restrictions on press freedom. According to the Hungarian criminal code, libel constitutes not only statements that damage an individual's reputation, but also the act of giving publicity to derogatory statements. Thus a politician who has been unable to get even with another politician under immunity can take revenge on the journalist quoting the other politician.

One of the biggest problems, according to Éva Vajda, a well-known investigative journalist and deputy editor in chief of *Manager Magazin*, is that what journalists consider credible information—such as corroborating stories from separate, independent unnamed sources—is not considered credible by most judges. Likewise, judges in libel cases many times contradict one another. On the basis of recent libel cases, some journalists believe that "antipress tendencies have been forming a framework" and that professional circumstances for journalists are getting worse.[25]

In 2006, the Office of the Capital Prosecutor filed charges against seven executives of the Communist Party for publishing an article on the party's Web site in which the party accused the capital court's decision as being political. If found guilty, the party leaders may face up to two years in prison for expressing their critical opinions publicly. In another case, Rita Csík, a *Népszava* journalist, was charged in 2004 under outdated secrecy laws with "deliberate breach of a state secret" after she wrote a story quoting an unlawfully classified police memorandum that cited criminal evidence collected on an MP. This case continued in 2006 with the acquittal of Csík in the appeals court, confirming last year's decision by the lower court. This was the first case since Hungary's transition where a journalist accused of breaking a state secret was brought to court.

Internet news portals such as [origo] and Index.hu, as well as television and radio broadcasting on the Internet, have become increasingly popular in Hungary. Index.hu, other news sites, and smaller-scale alternative agencies have broken the monopoly of the dominant national state-owned Hungarian News Agency (MTI). Although 69 percent of the adult population knows about the e-services of public institutions, only 2 percent uses this method of interacting with state administrations.[26] The 2005 Law on Freedom of Electronic Information came into force on January 1, 2006, with the aim to enable anyone to access updated public information electronically, free of charge, without identification or bureaucratic procedures.[27]

Instances of Internet censorship have been limited in Hungary. The planned new Law on the Media, however, aims to regulate the Internet in order to apply the same liabilities and rights for both online and offline media outlets. There are

self-regulatory organizations that have been founded by Internet content providers, such as the Hungarian Association of Content Providers, with a voluntary code of conduct regulating content in order to prevent state intervention. Among Hungary's most important journalistic associations are the National Association of Journalists and the Community of Hungarian Journalists. A number of other organizations exist for specialized groups, such as publishers, broadcasters, and other media players.

Local Democratic Governance

1999	2001	2002	2003	2004	2005	2006	2007
n/a	n/a	n/a	n/a	n/a	2.25	2.25	

The reform of local government legislation took pride of place among transition laws in Hungary and played a vital part in creating a democratic state structure. Still, the overfragmented system at the subnational level created gaps and insufficiencies in setting and delivering public policy, and it requires further reform to enable the financial viability of subnational units and real decentralization of state power.

According to Article 42 of the Hungarian Constitution, "Local self-government is the independent and democratic management of local public affairs that affect the community of local citizens, and the exercise of authority in the interest of the local population." In Hungary, every village, town, and county as well as the nation's capital has the right to freely administer local affairs autonomously. Consequently, the local governmental system is highly fragmented, inefficient, and excessively expensive, with 3,174 municipal and 19 county governments and the capital serving a total national population of fewer than 10 million.

The Law on Local Governance made municipalities the dominant element of the local government system and weakened the former county governments that now have only a limited role of providing public services with a regional character. Every municipality has become a unit of local government that provides primary education, basic social services, health care, and various public utilities. There are seven countrywide local government associations, as local authorities have the right to form organizations for the protection of their common interests and collective representation.

Although the legal autonomy of local governments is well protected, their financial autonomy is highly limited, and they rely heavily on state subsidies. Among municipal governments, 91 percent represent fewer than 5,000 people, while more than half have a population under 1,000. These units often cannot sustain the level of services mandated to them, as they usually are not economically viable with adequate local economic activity.[28] Additionally, in the smallest municipalities, those with fewer than 100 inhabitants, basic budgetary conditions and expertise are lacking. Although municipal governments can raise their income by levying local

taxes and fees, only one-third of their revenue originates from these sources. Most municipalities regularly run deficits. Many have consumed most of their wealth by selling their assets to cover local government expenses.[29] County self-governments have no right to levy taxes.

Weak counties, without directly elected bodies or adequate resources, have led to an increase in central government influence and strong centralization of the administrative system. Year by year, the central budget has increased its share of public expenditures with a recentralizing tendency.[30] The political elite are divided, while local society is rather indifferent about regional decentralization. Within local networks, there is a lack of cooperative willingness among local actors.[31] While many experts agree on the necessity of creating regions instead of counties as the middle-level unit of local self-governance, others believe that instead of eliminating county self-governments, merging a few smaller counties and providing them with adequate financial means would be a sufficient solution.[32]

Hungary has identified two directions for modernizing local self-governance: the voluntary cooperation of municipalities to be incorporated into "small regions" (instead of fragmented individual municipalities) and the establishment of 7 larger development regions (instead of 19 counties and the capital) into the Hungarian public administration system. The legally defined 168 small regions are meant to have three dominant functions: the performance of local governmental public services, management of state administration tasks where local knowledge and expertise are necessary, and operation of spatial development functions.[33]

Although debates about decentralization and counties versus regions have been ongoing since the beginning of Hungary's transition, no consensus had been reached between the government and the opposition by 2006. Without two-thirds majority support of the Parliament, the constitutional status of the seven regions replacing the counties in the middle-level government and the modification of the Law on Local Governance has been rejected. Still, the government tries to bypass the opposition and aims to further weaken the counties and strengthen the seven development regions mentioned above.

In October 2006, with a record 53 percent voter turnout, local self-governments—that is, mayors and local representative bodies—were elected with a landslide victory by the center-right conservative opposition. The opposition won in 18 out of 19 counties, while it obtained 57.71 percent of the votes in the capital and county councils. Out of 23 cities with county status, 1 will be ruled by an independent mayor, 15 by the conservative opposition, and 7 by leftist liberals. In Budapest, the SZDSZ mayor, with the MSZP's support, was reelected for his fifth term by a narrow 1.66 percent margin. Out of the 386 MPs, 16.5 percent ran for mayor,[34] allowable in the absence of any conflict-of-interest regulations. A little over one-third of the elected mayors ran as independent candidates; in settlements with fewer than 10,000 inhabitants, 80 percent of mayors are independent.[35] In larger cities, there is a much higher partisan character to local councils than in smaller settlements. Mayors and local representatives, along with their partners and children, are required to declare their assets.

Citizens are particularly active at the local level in Hungary through various NGOs and local initiatives, but their participation in local public affairs through local governments is limited. Most decisions on local matters are determined by state subsidies, constraining citizens' effectiveness in influencing local matters, especially in small municipalities.[36] Between local elections, the participation of citizens in the decision-making process is guaranteed by a minimum of one public hearing a year, as set by the Law on Local Governance. Eighteen local referendums were held in 2006.[37]

The 1993 Law on the Rights of National and Ethnic Minorities guarantees Hungary's 13 recognized minority groups the right to establish national and local minority self-governments. Minority self-governments, financed by the state budget, can maintain institutions that help to preserve their culture and ethnic identity. The 2005 modification of the Law on the Election of Minority Self-Government Representatives aimed to prevent nonminorities from holding positions in minority self-governments as a way to gain personal business advantages and benefits. Thus only those voters who previously declared their minority affiliation for the purpose of elections and registered themselves in the minority voters register could vote for or get elected in the 2006 minority self-government elections.

Candidates could run only with the nomination of minority civil organizations and were required to declare that they knew the language, culture, and traditions of the given minority. Many critics were concerned about the legislation changes, claiming that registration displays sensitive ethnic data and may violate the identity and universal suffrage rights ensured by the Constitution. Despite initial skepticism and the expected low registration and participation in the 2006 minority elections, 200,000 registered minority voters in 1,437 different settlements elected 2,045 minority self-governments, 200 more governments than in 2002. However, the amendment did not fully eliminate the preexisting pseudo-self-governments formed by nonminority members.

Judicial Framework and Independence

1999	2001	2002	2003	2004	2005	2006	2007
1.75	2.00	2.00	1.75	1.75	1.75	1.75	1.75

The Hungarian Constitution recognizes the equality of its citizens before the law and protects their fundamental political, civil, economic, and social rights. The primary safeguard of human rights in the country is the judicial system. The Hungarian judiciary is organized in a four-tiered system of local courts, county courts, the highest appeals courts, and the Supreme Court. Local and county courts have jurisdiction over their territorial districts, and county courts also serve as local appeals courts in minor cases. The highest appeals courts have regional jurisdiction and have seats in Budapest and four other towns across the country. The Supreme Court serves as an appeals court for cases adjudicated at the highest level and

issues abstract judgments to ensure the uniform application of laws and to develop a limited form of case law.

Citizens can turn to four ombudsmen who function independently from the judiciary. The ombudsmen are elected by the parties in the Parliament and protect privacy rights, ethnic and national minority rights, and citizens' rights in general. Ombudsmen have no legal authority, but by reporting to the Parliament, they provide an effective complementary mechanism to protect human rights. The Ministry of Education and Culture employs a commissioner to protect student rights within the educational system.

The 11-member Constitutional Court, working since 1990, has shaped the legal framework of Hungary. Its members are elected by the Parliament from among the most prestigious legal scholars in the country. The Court's primary function is to safeguard human rights through its interpretation of the Constitution and control of legal norms.

The judiciary functions as an independent branch of power. Since the reform of 1997, it has been self-governed by the 15-member National Judicial Council. The head of the council is the president of the Supreme Court, currently Zoltán Lomnici. Nine members are elected from among and by judges; the other members are the minister of justice and law enforcement, the chief prosecutor, the chairman of the Hungarian Bar Association, and one delegate apiece from the Parliament's judicial and financial committees.

The chief prosecutor is nominated by the president and elected by the Parliament. In May 2006, the mandate of Chief Prosecutor Péter Polt expired. President Lászlo Sólyom nominated Miklós Horányi before the general elections, but the ruling coalition did not approve. The controversy was interpreted as yet another sign of the discord between the president and the government.[38] Finally, the Parliament elected Tamás Katona, a military prosecutor and former deputy of the chief prosecutor. The election drew criticism since Katona is 66 years old, and according to the Law on the Office of the Prosecutor[39] (Office of the Capital Prosecutor is the agency's name) the chief prosecutor is elected for a six-year term and may not hold the office beyond the age of 70.

The judiciary is among the most trusted institutions in Hungary. According to a Szonda Ipsos survey, citizens believe that the Constitutional Court and the Supreme Court contribute most to the rule of law, both having an approval rating of 69 percent. These are followed by the other courts, the police, and the prosecutors' offices. The institutions that are considered to contribute least to the rule of law are the government and the Parliament, with approval ratings of 48 percent and 46 percent, respectively.[40] The approval rating is higher even among lawyers. According to a De Jure survey, members of other legal professions say the functioning of the courts is slow but represents high professional standards, and four-fifths think judges exercise their functions without political interference.

Even so, the judiciary was the subject of serious criticism in 2006, particularly from Zoltán Fleck, a leading sociologist of law. In a published essay, Fleck urged

the reform of the judiciary to overcome its alienation from society, intolerance of criticism, and lack of transparency and accountability.[41] The Hungarian Lawyers Association invited Fleck to present his findings at their June conference. Later, however, the organizers withdrew the invitation owing to the potential nonappearance of judges at the event.[42] Publicist Mária Vásárhelyi for the weekly *Élet és Irodalom* criticized the judiciary on similar grounds, citing the lack of accountability in the judiciary.[43] The chair of the capital court, László Gatter, filed libel charges against seven leaders of the Workers Party for posting a commentary on the party Web site that characterized one of the court's decisions as political.

Another area that needs more transparency is the judiciary's recruitment mechanism. At a conference presentation given at Eotvos Lorand University's Faculty of Law, Gatter claimed that relatives of judges are privileged in the selection process[44] and that subsequent promotions depend on personal connections rather than merits. The launch of an academy in Hungary for the training of judges was a positive development, but it will likely take a few years before the academy can offer full education for judges. Yet the opening of the institution signals an effort to increase the professionalism and quality of work within the judiciary.

Intolerant views against minority groups are well entrenched in Hungarian society, and discrimination against the Roma remains an issue. Amnesty International's 2005 *Report on Hungary* published in 2006 criticizes the country for the segregation in schools of approximately one-quarter of all Roma children.[45] Hungary participates in the Decade of Roma Inclusion (2005–2015)[46], the cooperation of Central and Southeastern European governments to improve the socio-economic conditions of the Roma, but tangible results remain to be seen.

In general, the Hungarian police work professionally and without political interference. Following the riots of September and October, however, the professionalism and democratic control of the police came under fire from the opposition and domestic human rights groups, including the Hungarian Civil Liberties Union and the Hungarian Helsinki Committee.[47]

The riots stretched the police and the judiciary to their limits, and Budapest courts struggled to handle the sudden flood of cases.

Corruption

1999	2001	2002	2003	2004	2005	2006	
2.50	3.00	3.00	2.75	2.75	2.75	3.00	3.00

Hungary's institutional framework for preventing and curbing corruption has improved significantly in past years and now meets international standards. Still, the implementation of these measures requires more reinforcement and commitment not only from political parties and state institutions, but from civil society and the media as well. In 2006, the media regularly reported on nontransparent party

and campaign financing, questionable businesses closely associated with political parties, and bribes to public service employees, suggesting ongoing problems in these areas.

The long-awaited Law on Lobbying was enacted in February 2006 and came into force on September 1. The law aims to make public the interests behind certain legislative decisions, regulating the activity of lobbyists by registering and accounting their activities in detailed reports. NGOs and trade unions are excluded from authorized lobby groups, and the law lists those that are prohibited from lobbying activities. A register of conversations between state officials and lobbyists must be published on the Internet, but the law lacks provisions defining a mandatory waiting period before former public officials can lobby for organizations after leaving office. Additionally, there is still no protocol or code of ethics for political decision-makers.

Parliamentarians, judges, and various other public officials are required to declare their assets annually. According to a GfK Polling Institute study, Hungarians give bribes to public service employees more frequently than the Central and East European average. A number of doctors use state equipment for their private profit. The practice of "gratitude money" for public health care employees, when the state-employed doctor receives money from the patient for provisions to which he or she is not entitled, is widespread. There are no effective mechanisms for sanctioning incomplete or false financial statements and no means for investigating asset report claims. Also, MPs are neither banned from engaging in business activities nor restrained from assuming positions at state-owned companies before or after their mandate.

Although no independent body deals solely with corruption investigations, a number of state institutions are empowered to fight corruption. The main investigative law enforcement body is the police, while high-level corruption (involving MPs, ministers, and heads of public departments) and organized crime cases fall under the jurisdiction of the Central Investigation Department of the National Office of the Prosecutor. Additional institutions with enforcement authority, such as customs and tax agencies, also have separate units to combat corruption. However, better cooperation among these institutions is required.

The State Audit Office of Hungary (ÁSZ) exercises ultimate financial control over all public and EU funds and is a completely independent agency reporting to the Parliament. The "glass pocket" law from 2003 made it possible for the ÁSZ to trace the path of public funds even through private business files, and the law widens the circle of individuals required to declare their personal assets.

Still, the path of public funds is difficult to follow. Bribery, cartels that inflate the price of public procurements, and other irregularities are likely to be present in many tenders. The personnel applying the laws are not adequately trained, and conditions are insufficient for ensuring compliance with the laws. Moreover, internal controls within public institutions are limited and weak, which contributes to a high risk of corruption.[48] The bidding process is excessively bureaucratic; many regulations are ambiguous and provide loopholes for businesses. "U.S. companies are

increasingly concerned about the lack of transparency and poor bidding procedures in major government procurements," warned U.S. ambassador George Walker in his farewell speech.[49]

Although the "glass pocket" law, which introduced the concept of public interest data, requires ministries to publish their operational costs and high-value contracts on their Web sites, little information is up-to-date. The Law on Freedom of Electronic Information, in force from January 1, 2006, obliges state institutions to publish information of public interest on the Internet.[50]

The capital court in 2006 supported the Competition Authority (GVH), the financial and economic audit organization of the Parliament, in sanctioning highway construction companies in 2004 for 7 billion forint (US$3.5 million). For years, the GVH has succeeded in revealing questionable practices in public procurement tenders where cartels divided the market with fixed prices to eliminate competition in the procurement process. Since 2005, the criminal code makes it possible to prosecute and sentence executives for forming cartels. Although informants can receive some exemptions if they provide information to authorities about cartels being formed, this modification sets back the GVH's work since the possibility of a severe sentence inhibits informants from sharing their information.[51]

According to the report adopted by the Organization for Economic Cooperation and Development, Hungary needs to take further steps to combat corruption and bribery in international business transactions.[52] The report identifies the country's lack of well-understood laws and untrained officials as significant obstacles in its fight against bribery. Among the report's recommendations are ensuring necessary resources for the effective functioning of the Central Investigation Department, increasing the transparency of the prosecution, and sanctioning company auditors to report all suspicions of bribery by any employee or agent to management or competent law enforcement authorities.

Every four years—around election time—the issue of re-regulating party and campaign financing is high on party agendas, but so far without making much headway. According to reports and studies by various institutes,[53] there is significant evidence of illegal party and campaign funding in Hungary. Moreover, the operations and activities of party-based businesses lack transparency and adequate control, and there are no effective sanctioning and enforcement mechanisms in place for illicit bookkeeping of party financing.

The low spending limit of only 1 million forint (US$5.5 thousand) per candidate does not allow parties to campaign intensively, leading parties to breach regulations and generate corruption. Although party reports claim they spent within the allowable limit, according to some estimations, the two main parties spent at least 10 times more for advertising raised from unknown sources during the 2006 election campaign.[54] More conservative estimates also reveal excessive overspending.[55] For advertising in 2006, the MSZP spent 1.3 billion forint (US$6.5 million), Fidesz spent 1.1 billion forint (US$5 million), and two smaller parties spent 400 million–500 million forint (US$2.2 million–2.7 million). The parties, when elected, served the interests of funders through favorable government policies and

contracts,[56] and there are concerns about public funds ending up with political parties through irregular procurements.

According to the Austrian daily *Die Presse*, a few weeks before the local elections, the governing parties received significant funds from the Austrian construction company Strabag, which won approximately 240 billion forint (about US$1.3 billion) in 2004 in road construction public procurement tenders in Hungary.[57] The SZDSZ and MSZP denied the allegations, the SZDSZ claiming there was no trace of Strabag money in the party's books. The street violence in September drove attention away from the Strabag case, and there was no investigation into the issue. Some reports noted that a few weeks after the news broke out, Strabag paid for massive advertisements in two main oppositional media outlets, the daily *Magyar Nemzet* and the news channel HíR TV.

There are major problems stemming from loopholes and inadequacy in the regulation of campaign finances, such as a lack of guidelines for campaign periods and allowable costs. As a result, costs are what parties consider them to be and what they decide to account for within the short, 60-day reporting period after the elections. Moreover, it is unclear whether in-kind contributions, free services, or bills paid by third parties are considered to be support and in what form campaign expenses and their sources should be made public. Additionally, fund-raising and spending through party foundations and party-founded enterprises are neither limited nor controlled.

The ÁSZ has recommended in various forums that the government should modify the Law on Parties in order to eliminate the discrepancy in reporting systems between the Law on Accounting and the Law on Parties. On the other hand, the ÁSZ has been recently criticized for being rather passive and limiting itself to examining campaign reports submitted by parties rather than investigating actual expenses.[58]

Public trust in parties and in the overall democratic process has been on a continuous decline in Hungary and has reached a critical low. Breaking the norms that parties set up for themselves undermines voter faith in the political elite and in democratic developments in general. Still, there is little political will from parties to curb hidden financing, which weakens the accountability of democratic institutions and contributes heavily to the decline of public trust.

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Kazakhstan

by Bhavna Dave

Capital: Astana
Population: 15.0 million
GDP/capita: US$8,536
Ethnic Groups: Kazakh/Qazaq (53.4%), Russian (30.0%), Ukrainian (3.7%), Uzbek (2.5%), German (2.4%), Tatar(1.7%),Uygur(1.4%),other(4.0%)

The economic and social data on this page were taken from the following sources:

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Nations in Transit Ratings and Averaged Scores

	1999	2001	2002	2003	2004	2005	2006	2007
Electoral Process	6.00	6.25	6.25	6.50	6.50	6.50	6.50	6.50
Civil Society	5.00	5.00	5.50	5.50	5.50	5.50	5.75	5.75
Independent Media	5.50	6.00	6.00	6.25	6.50	6.50	6.75	6.75
Governance*	5.00	5.00	5.75	6.25	6.25	n/a	n/a	n/a
National Democratic Governance	n/a	n/a	n/a	n/a	n/a	6.50	6.75	6.75
Local Democratic Governance	n/a	n/a	n/a	n/a	n/a	6.25	6.25	6.25
Judicial Framework and Independence	5.50	5.75	6.00	6.25	6.25	6.25	6.25	6.25
Corruption	6.00	6.25	6.25	6.25	6.50	6.50	6.50	6.50
Democracy Score	5.50	5.71	5.96	6.17	6.25	6.29	6.39	6.39

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

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

Executive Summary

Beginning in 1989 under Soviet rule, President Nursultan Nazarbaev presided over a brief but relatively vibrant phase of media freedom, civic participation, and democratic activism throughout the early 1990s. However, since the adoption of a new Constitution giving unchecked powers to the presidency in 1995, Nazarbaev has built a strong and personalized presidential regime, claiming credit for the economic success delivered by its rich oil and mineral resource base. He has facilitated considerable social and ethnic stability through a mix of top-down control and the promotion of economic well-being at the cost of political freedoms. The Europe-oriented authoritarian-patrimonial regime of Nazarbaev has allowed an inner circle of close family, friends, and business associates to exert formal and informal influence over vital economic resources and political positions, offering rapid career mobility to technocratic elites and top-level government bureaucrats.

An active international public relations campaign launched by the government did not help Kazakhstan to obtain the Organization for Security and Cooperation in Europe (OSCE) rotating chair for 2009. None of the presidential or parliamentary elections held in Kazakhstan so far have been recognized as "free and fair" or meeting international standards. The 2005 election enhanced Nazarbaev's mandate to 91 percent from 79 percent in 1999, leading his critics to warn that the incumbent is determined to contest in the next election to win by an even wider margin.

National Democratic Governance. After securing 91 percent of the vote in the December 2005 elections, President Nazarbaev, together with members of the government, diplomats abroad, regime-controlled media, and the entire propaganda apparatus, reinvigorated the campaign to obtain the rotating OSCE chair for 2009 by acclaiming Kazakhstan's success in promoting economic growth, social stability, and orderly conduct of multiparty and multi-candidate elections. The benefits of Kazakhstan's rapidly growing economy are monopolized by the narrow circle of kin, clients, and supporters of the regime as well as a limited stratum of government officials, technocrats, and entrepreneurs. *Owing to the virtual impossibility for a political party or individual to acquire a major office without joining pro-regime parties or pledging personal loyalty to the regime and the reality that government critics of the opposition remain excluded from formal political processes and institutions, Kazakhstan's rating in national democratic governance remains at 6.75.*

Electoral Process. The largest pro-regime party, Otan, further strengthened its hold when two smaller parties, Asar (founded by the president's eldest daughter, Dariga Nazarbaeva) and the Civil Party of Kazakhstan, merged with Otan to create

a more "consolidated" party system. These three parties along with nominally independent pro-regime deputies already control the Parliament, which has no genuinely independent members. The moderate Ak Zhol led by Alikhan Baimenov holds the sole opposition seat in the Parliament, and no deputies have offered a constructive engagement with the government. Two other opposition parties, Alga and Nagyz ("Real"), as well as Ak Zhol, have faced continuing difficulties in obtaining registration. *Owing to the fact that the government has continued to deny legal status to two major opposition parties and to harass its members while enlarging the pro-regime party Otan to make it even more difficult for the existing opposition to offer any electoral contest, Kazakhstan's rating for electoral process remains at 6.50.*

Civil Society. The Nazarbaev regime has continued to use its economic power, political control, and electoral mandate to pressure nongovernmental organizations (NGOs) to "cooperate" to establish a pliant civil society. The government has stepped up financial aid through social contracts and procurements to NGOs engaged in social and infrastructure development and also made efforts to disburse such aid through government-organized NGOs. NGOs engaged in advocacy for civil rights and political reforms remain dependent on foreign donors and find their activities under continuing surveillance through financial audits and other forms of control. *Despite minor legal and technical improvements, symbolic gestures to promote civic harmony, and the rhetoric of supporting civil society, the government has stepped up the monitoring of civil rights groups, the opposition, religious associations, and youth groups. So Kazakhstan's rating for civil society remains at 5.75.*

Independent Media. Kazakhstan's media are privately owned but controlled almost entirely by major financial groups affiliated with key members of the regime and the major pro-regime political parties. Further amendments to an already restrictive Law on the Media make it impossible for banned news outlets to reregister or for banned journalists to be absorbed by existing media channels. The government continues to block Internet access to opposition Web sites and imposes limits on the registration of Internet domain names. Members of the regime sponsor Internet sites that wage disinformation campaigns to discredit the opposition and critics of government and to publish periodic "blacklists" of such individuals. *Though amendments to the Law on the Media have further undermined the modicum of independent media that exists in the country, Kazakhstan has been forced to offer a measured response to the widespread international attention and negative publicity it has received owing to its handling of the satirical film* Borat. *In the absence of further legislative measures to restrict media freedom, Kazakhstan's independent media rating remains at 6.75.*

Local Democratic Governance. In Kazakhstan's unitary administrative framework, the central government exerts top-down control over regional and local levels, with the president exercising authority to appoint all heads (*akims*) of regions and districts. Nazarbaev has refused to consider demands for the election

of *akims*. A limited and highly managed "experiment" of electing *akims* took place in four districts, but the government failed to hold further elections in 2006 as earlier promised. Local authorities have no budgetary autonomy or electoral accountability, which hampers the development of institutions that cater to local citizens. During 2006 local authorities failed to protect basic civic rights of the poor in the outskirts of Almaty, or assist them with legalizing their properties in accordance with the law, and subsequently bulldozed their settlements. *Owing to the lack of accountability in local governance structures, Kazakhstan's rating in local democratic governance remains at 6.25.*

Judicial Framework and Independence. Under the country's strong executive system based on presidential patronage, the judiciary, like the legislative branch, has remained loyal to the regime. The judiciary has continued to protect the interests of the state and its functionaries rather than those of individuals, minorities, and the weaker strata of society. This was proved again by the trial in an Almaty court on the murders of a prominent opposition leader, Altynbek Sarsenbaev, his bodyguard, and his driver. The convict, who was a senior official of the National Security Service and Ministry of Interior Affairs, initially named his former bosses—head of the National Security Service Nurtai Dutbaev (who then resigned) and Speaker of the Senate Nurtai Abykaev—as having ordered the killing, but later retracted his testimony. The top officials were never called to the trial. *Notable improvement in wages and professional training for judges were offset by a continuing poor record in handling cases related to civil liberties and human rights, the failure to conduct an impartial inquiry in the Sarsenbaev murder trial, and numerous procedural violations in the trial. Kazakhstan's rating for judicial framework and independence remains at 6.25.*

Corruption. Since the use of public office for personal gain is particularly endemic in an oil-rich, patronage-based, personality-focused regime such as Kazakhstan, it is hard to document the extent of corruption in the absence of independent media and access to credible information. The president regularly launches anticorruption programs and appoints anticorruption bodies that comprise members of the financial police who report to the president. Top figures within the regime and the government enjoy a virtual immunity from such inquiries unless they engage in political or economic activities that challenge the president. The government has invested some effort in developing civic awareness about corruption and also increased salaries of public sector employees as long-term solutions to tackle the problem of corruption. *Improved governance and economic conditions may have helped to control corruption at the lower and middle levels of bureaucracy, but the absence of an independent judiciary and media mean that it is impossible to bring to light corruption at the top echelons of the ruling elite. Therefore Kazakhstan's corruption rating remains at 6.50.*

Outlook for 2007. Although it is unlikely to get the rotating OSCE chair for 2009—the decision is postponed until mid-2007—Kazakhstan is likely to intensify

its publicity campaigns by touting its economic achievements, the goal of joining the "50 Most Competitive Economies of the World" by 2008, and social and political "stability" in order to obtain the position for 2011. Its "stability" is a result of widespread civic disengagement and apathy promoted by the regime through its control over opposition, civil society, and media on the one hand and the promise of economic prosperity and stability on the other. However, social discontent with profound inequities of wealth distribution is gradually surfacing and is likely to come to the fore.

The merger of pro-regime parties into Otan suggests trends toward the emergence of a single party system with the opposition completely unable to contest. The year 2007 is likely to see movements toward changing the present political or electoral system to provide for the option of reelecting the president.

Main Report

National Democratic Governance

1999	2001	2002	2003	2004	2005	2006	[illegible]
n/a	n/a	n/a	n/a	n/a	6.50	6.75	6.75

The regime of President Nursultan Nazarbaev has cultivated a vision of Kazakhstan as a prosperous and stable country on a path to achieving the economic success of Kuwait and the social harmony, political progressiveness, and economic development found in Western societies. Kazakhstan's economic growth, over 8 percent since 1998, is fueled largely by increasing oil exports and high global oil prices. Oil revenues accounted for at least two-thirds of the country's budgetary revenues in 2006, increasing its per-capita gross domestic product (GDP) to US$5,100, up from US$3,620 in 2005.[1]

In reality, the country's political system hinges largely on a patrimonial disbursement of power, privileges, and preferences to a small group of kin clients and cronies and a top-down management of economic and political interests. Nazarbaev, who has held the top office since 1989 under Soviet rule, secured another seven-year term in December 2005 by winning 91 percent of the vote, surpassing his previous success of 79 percent in 1999.

Almost all major challengers to Nazarbaev have been eliminated over the past seven years through trials in absentia (ex-premier Akezhan Kazhegeldin, who managed to leave the country in 1997), imprisonment for alleged abuse of office (Mukhtar Ablyazov and Galymzhan Zhakiyanov, though both were released and their financial assets and support base dismantled), and murder (Altynbek Sarsenbaev, leader of the Ak Zhol party, in February 2006). In November 2005, another prominent opposition leader, Zamanbek Nurkadilov, was found dead in his house. The case was described as a suicide by the police, a verdict his family and friends challenge. Nurkadilov had claimed that he had access to "compromising materials" on financial misdeeds by the president that he would expose prior to the presidential elections.

Kazakhstan's rich resource base and speedy, nontransparent privatization of key industries in the 1990s created powerful financial groups consisting of close kin and associates of the president who wield control over crucial economic resources and political positions. These financial interests have monopolized political power by creating or sponsoring political parties that control the Parliament; they have also captured the country's media market and pushed out independent media channels. Some of the more prominent groups are controlled by the president's eldest daughter, Dariga Nazarbaeva, and her husband, Rakhat Aliev, currently the deputy foreign minister. Oil and financial networks are controlled

by the second son-in-law, Timur Kulibaev. And numerous mining and industrial interests are controlled by the "Eurasia Group," headed by Azat Peruashev, a parliamentary deputy, together with Aleksandr Mashkevich and Patokh Shodiev, ex-Soviet citizens with foreign passports.

The Nazarbaeva-Aliev group exerts control over much of the national media, which are privately owned but not politically independent. Nazarbaeva headed the state news agency Khabar from 1996 to 2003 and resigned the position to form her political party, Asar, for the 2004 parliamentary elections. Aliev controls sections of the National Security Service and earlier headed the agency's Almaty branch. Kulibaev heads the reconstituted KazEnergy, which was established in 2005 by the government as a consultative body to promote the development of Kazakhstan's oil and gas sectors. In addition, Kulibaev exerts control over major pipelines along with banking and financial groups, prominently Kazkommertsbank, the largest commercial bank in the country. Peruashev, chairman of the Civil Party of Kazakhstan, represents the political wing of the Eurasia Group, which is estimated to account for about 20 percent of Kazakhstan's GDP.[2]

Apart from the key financial interests connected with Nazarbaev through personal ties, oil-fueled prosperity has brought in unprecedented benefits and career mobility for a small stratum consisting of key government officials, entrepreneurs connected with the regime, and young, Western-trained professionals and technocrats. Loyalty to the regime and overall disengagement from politics is the price they are expected to pay for career mobility. The system places innumerable obstacles to genuinely independent economic, political, and social groups, preventing them from organizing and playing a legitimate role in the formal institutions of governance.

Kazakhstan has carefully cultivated its image as an "oasis of stability" in the region by referring to the absence of ethnic or religious conflict in the multiethnic state. Ethnic Kazakhs form 55 percent of the population, and their share continues to rise as the population of Slavs and other Russian-speaking groups, currently about 36 percent, declines. Non-Kazakhs remain underrepresented in all organs of the government and administration. However, any non-Kazakh holding a crucial position in the government or administration is no indicator of the influence of that group, as these individuals do not represent their ethnic constituencies but are instead plugged into the patronage networks within the regime.

The Majilis—the 67-member lower house of the Parliament—is fully controlled by pro-regime parties and independent deputies loyal to the regime. The Senate is composed of 39 deputies, 7 appointed by the president and 32 selected through indirect elections by the 14 oblast or regional assemblies; the capital, Astana; and the former capital, Almaty. Senators serve six-year terms, with half of those elected facing the ballot every three years. The president appoints the prime minister, his cabinet, and virtually all top political and administrative figures. Daniyal Akhmetov, the current premier, has held office since June 2003. Headed by the prime minister, the government enacts and implements all policies but has little independent power to formulate policy or initiate legislation.

Kazakhstan's military and national security services remain firmly under the control of the president, who nominates the latter's heads and key members. The conviction of two former members of the National Security Service in the murder of opposition leader Altynbek Sarsenbaev, his bodyguard, and his driver in February 2006 has raised many questions about the rival factions led by top figures within the regime, including the president.

The main accused, former chief of staff of the Kazakhstani Senate Erzhan Utembaev, initially named his bosses, Nurtai Abykaev (Speaker of the Senate) and Nurtai Dutbaev (chairman of the National Security Service), as having ordered the killings, but he subsequently recanted, most likely from duress. Even before the trial had begun, Nazarbaev mentioned that the accused had written to him personally, confessing that he had killed Sarsenbaev in a personal vendetta.[3]

During much of the mid-1990s, the National Security Service was headed by Abykaev, a relative and confidant of Nazarbaev. Since 2001, Abykaev has held the post of Chairman of the Senate, which is next in line to succeed the president should he die in office, leave, or be incapacitated.

Erzhan Utembaev and a number of other convicts belonged to the elite guard antiterrorist unit Arystan in the National Security Service and are seen as loyal to Rakhat Aliev, who was responsible for their training. Growing criticism within the regime about Aliev's rapid political rise led in 2002 to his "exile" as ambassador to the OSCE, an appointment that ended in 2005 when he was named deputy foreign minister.

Electoral Process

1999	2001	2002	2003	2004	2005	2006	2007
6.00	6.25	6.25	6.50	6.50	6.50	6.50	6.50

In the last presidential election held in December 2005, Nazarbaev won over 91 percent of the vote, and the opposition candidate, Zharmakhan Tuyakbai, came in second with only 6.6 percent. The election was recognized as not satisfying "international standards for democratic elections" by the OSCE/Office for Democratic Institutions and Human Rights (ODIHR), consistent with all previous OSCE assessments of elections held in Kazakhstan.

The Constitution imposes a two-term limit on the president. Having been reelected in 1999 and 2005, Nazarbaev has reached the constitutional limit, though his term in office can be extended by holding a referendum (an option he used in 1995) or by amending the Constitution. Critics of the present system noted that "Mr. 91 Percent" (Nazarbaev's sardonic accolade) is gearing up to become "Mr. 100 Percent" in the next election. Indeed, soon after mustering the landslide support, Nazarbaev declared that the 9 percent of people who did not vote for him had felt excluded from the remarkable progress made by Kazakhstan. He promised to

deliver the benefits of Kazakhstan's rising economic prosperity to "the disgruntled 9 percent" to attain their support.[4]

The largest and most prominent political party is Otan, which proclaims Nazarbaev as its leader, though the president symbolically remains above political parties. Otan, together with Asar and the Civil Party of Kazakhstan, obtained over two-thirds of the seats in the Majilis in the 2004 elections, with the remaining third going to "self-nominated" but regime-affiliated candidates. Numerous other minor parties loyal to the regime (for instance, the Democratic Party of Kazakhstan, Agrarian Party, Rukhaniyet ["Spirituality"], Aul ["Nomadic Migratory Camp"], and Communist People's Party of Kazakhstan) provide an illusion of political pluralism but target the opposition for criticism.

Since Nazarbaev secured another seven-year term in December 2005, the trend has been toward the further coalescence of various pro-regime parties to create a more consolidated political party system. Asar, the party founded by Dariga Nazarbaeva in 2003, merged with the largest party, Otan, in July 2006, and the Civil Party of Kazakhstan followed suit a few months later. With the merger, Otan's membership is estimated to increase to about one million, which suggests that roughly one out of eight adults belongs to the party of the regime. Nazarbaev stated that "fewer but stronger" parties are necessary to "defend the interests of the population," declaring that he expected more parties to merge with Otan in the future.[5]

Numerous opposition political parties, coalitions, and independent leaders have emerged in Kazakhstan over the past decade to offer an alternative to the existing regime. Prominent among these is the Democratic Choice of Kazakhstan (DCK)—formed in 2001 by ex-members of the government, Mukhtar Ablyazov and Galymzhan Zhakiyanov—which galvanized support and prompted several younger members of the Nazarbaev regime to join. Soon after, Ablyazov and Zhakiyanov were imprisoned on politically motivated charges of misuse of office.

Next, Ak Zhol emerged on the scene, acquiring many DCK members, though it veered between forming a moderate or "constructive" opposition force (as pressured by the regime) and taking an outright oppositional stance. It won only one seat in the 2004 Majilis elections, which led the party leadership to renounce that seat, declare the elections fraudulent, assert its opposition to the regime, and form a common forum with other opposition parties, such as the Communist Party of Kazakhstan and the rump DCK.

Ak Zhol split in 2005 with a breakaway faction headed by Altynbek Sarsenbaev, Bulat Abilov (a leading entrepreneur), and Oraz Zhandosov (former economic adviser to Nazarbaev) who formed a new party called Nagyz ("Real") Ak Zhol; a more moderate faction under the leadership of Alikhan Baimenov retains the original name of Ak Zhol. Baimenov entered the presidential election in December 2005 instead of supporting the common candidate Zharmakhan Tuyakbai, chosen by the opposition coalition, For a Just Kazakhstan. Baimenov won only 1.6 percent of the votes but otherwise has continued to fill the single parliamentary seat won by Ak Zhol in the 2004 elections by promising to cooperate with the government.

Kazakhstan's Law on Elections remains a major legal impediment to open and fair electoral contest. The government has not adopted any of the substantive recommendations made by the OSCE in its final report on the 2004 parliamentary elections concerning improvements to the Law on Elections and the legislative base for elections. Political parties need 50,000 signatures to register with the Ministry of Justice, an increasing challenge as the regime seeks to channel political participation through the various "authorized" (pro-regime) parties. Furthermore, the amended Law on Political Parties prevents a new party from acting as the legal inheritor of a banned organization.

Since the DCK was banned in 2005 as an "extremist" organization, its successor, Alga Kazakhstan ("Forward Kazakhstan"), has been unable to obtain registration with the Ministry of Justice. The defeated opposition candidate in the presidential elections, Zharmakhan Tuyakbai, is attempting to create a new Social Democratic Party to promote social equity and wealth redistribution, but it is unclear if it will be able to muster enough support to withstand the pro-regime party Otan. Nagyz Ak Zhol has been the most direct target of the government crackdown in 2006. Soon after the murder of Sarsenbaev in February, a string of politically motivated criminal and corruption charges were filed against Bulat Abilov, the party's second in charge. One conviction led to a three-year suspended sentence, which disqualifies Abilov from traveling abroad or contesting in elections.

Civil Society

1999	2001	2002	2003	2004	2005	2006	2007
5.00	5.00	5 50	5.50	5.50	5.50	5.75	5.75

While using its growing economic power and control over formal political institutions to marginalize the opposition and independent media, the government has also moved to co-opt civil society and the nongovernmental sphere. The National Commission on Democratization and Civil Society, appointed by the president, holds periodic meetings with pro-regime parties and quasi-governmental NGOs, urging opposition parties and independent NGOs to engage in a "constructive cooperation" with the government. It serves as a mechanism for co-opting independent civil society activists and moderate opposition figures and delegitimizing those who resist such pressures for partnership.

Still, the sustained advocacy campaigns by the Confederation of Nongovernmental Organizations of Kazakhstan and other domestic and international civil rights groups paid off in 2005, when the Constitutional Court of Kazakhstan turned down a bill proposing restrictive measures on NGO financing and civil activities. The government also reduced the registration fee for all legal entities, including NGOs, from US$146 to US$57 in 2006.

The Constitution prohibits state financing of public associations (Section 5.2). Since neither "state financing" nor "public association" is clarified in the Constitu-

tion, the legal basis for NGO service contracts and procurements is ambiguous. An active campaign by local NGOs, with technical assistance from the International Center for Not-for-Profit Law, led to the adoption of the Law on State Social Contracts in 2005. This provides for a new legal framework allowing the state to finance NGOs by issuing state social contracts, though these effectively take the form of state procurement contracts.[6] Since adopting the law, US$3.5 million was distributed through state social contracts in 2005, US$4 million in 2006, and by 2010 that amount is to be increased to US$8 million.

While this may denote recognition by the government of the need to enter into partnerships with NGOs for an efficient provision of social services, the government's main incentive is to curtail the influence of foreign donors in shaping the agenda of NGOs, "outbid" the more independent NGOs, and channel funds for procurement through quasi-governmental or government-organized NGOs (GONGOs).

The bulk of financial support to NGOs, particularly in the civil and political rights spheres, comes from key foreign donors such as the U.S. Agency for International Development (USAID) for public health and electoral reforms in particular, the Counterpart Consortium (social issues), and the Eurasia Foundation and Soros Foundation (education and civil rights). However, funding from foreign donors is decreasing, and the economic boom in Kazakhstan has lured younger citizens to work in the more lucrative private sector.

Of the 4,000 registered NGOs in the country as of 2005, many exist only on paper, and others are quasi-governmental groups propped up to compete with independent NGOs for grants. Only about 800 are active, and fewer than 150 are able to make a positive impact. The NGO sustainability index for Eurasia published by USAID in 2005 showed a slight improvement in the overall environment for NGOs in Kazakhstan, though the score remained at 4.1, as it was in 2004 (on a scale of 1 to 10, a higher score represents lower sustainability).[7]

Zhalgas, an NGO participating in a USAID initiative, secured private corporate financing worth US$1 million in 2005 with Kazkommertsbank, the nation's largest private commercial bank.[8] While corporate sector financing continues, this funding decreased to US$600,000 in 2006. The dependence of private businesses on government patronage pressures them to fund GONGOs or to invest in social or community development projects. However, there are reports of private businesses covertly funding civil rights advocacy campaigns and independent media channels.

Less than 10 percent of NGOs are engaged in civil liberties, human rights, and minority protection issues. Since the Tulip revolution in Kyrgyzstan and especially in the run-up to the presidential election in December 2005, human rights NGOs have been targets of considerable negative publicity in the national media as well as popular and official prejudice. Nazarbaev has warned NGOs obtaining foreign funding that they will be "closely watched." Thirty-two human rights and international NGOs were subjected to inspection by the prosecutor general on the demand of a parliamentarian.[9] The Ministry of Education has stepped up funding

to the Youth Congress, a GONGO, to lobby support for the regime among youth. The government has continued to closely monitor the activities and finances of NGOs promoting civil liberties and democratization.

The Federation of Trade Unions, containing vestiges of state-sponsored unions from the Soviet era, remains the largest trade union association. Two other independent associations, the Confederation of Free Trade Unions of Kazakhstan and the Confederation of Labor, claim to represent a significant number of workers but have not played an effective role in representing workers' interests.

Following the deaths of 23 miners in a gas explosion in a Mittal Steel subsidiary in Temirtau in 2004, labor unrest and demands for increased wages and compensation have been regularly put down by the government and the official trade unions. Mittal Steel, which enjoys government protection, owns the giant Karmetkombinat with several other coal mines in the Karaganda region and contributes 2–3 percent of Kazakhstan's GDP.[10] When another explosion killed 32 people in September 2006 and brought considerable international media coverage, Nazarbaeva opportunistically shifted the blame to Mittal Steel, giving a go-ahead to the official trade unions to organize a strike for higher wages.[11]

The Constitution bans the formation of any political party or association that is seen as inciting social, racial, national, religious, class, or tribal enmity. There is no independently verifiable evidence of extremist networks—whether on religious, political, or other grounds—operating within Kazakhstan or enjoying visible support. Kazakhstan's controversial Law on Extremism and amendments to its strict antiterrorism legislation passed in 2005 impose heavy penalties for "extremist and terrorist activities," including "terrorist financing."

Yerlan Karin, a leading political analyst, notes that since 2001, Kazakhstan has increased at least fivefold the money allocated to the security services under the guise of combating terrorism. In actuality, a sizable portion of this has been used for surveillance of the opposition and regime critics, including preparing cases that implicate them in criminal acts and financial misdeeds.[12] The increase in spending and surveillance began with the formation of the opposition DCK, which predates September 11, 2001.

Nazarbaev has used the rhetoric of religious goodwill and built a new Catholic Church (to welcome Pope John Paul II in 2001), a synagogue, a Russian Orthodox Church, and an enormous mosque in the new capital, Astana. The latest and most ostentatious monument to Kazakhstan's tolerance is the multimillion-dollar Pyramid of Peace and Reconciliation in Astana. While Kazakhstan's constitution and Nazarbaev's numerous pronouncements emphasize religious tolerance, in September 2006, without warning, local authorities of the Karasai region in Almaty oblast razed 13 houses on a 118-acre farm belonging to members of the local Krishna Consciousness Society.[13] The Hare Krishna devotees had applied for legalization of their property in accordance with the government program on amnesty but were refused permission without any valid reason amid rumors that a member of the president's family planned to acquire the plot to develop a commercial center.[14]

Independent Media

1999	2001	2002	2003	2004	2005	2006	2007
5.50	6.00	6.00	6.25	6.50	6.50	6.75	6.75

According to Reporters Without Borders' Worldwide Press Freedom Index, Kazakhstan ranked 128 out of 168 countries (behind Tajikistan and Kyrgyzstan, though ahead of Uzbekistan and Turkmenistan) in 2006.[15] The working conditions for independent media deteriorated further in 2006 after additional limits on media were introduced into the country's already draconian Law on the Media. The amendments were passed in June 2006 despite criticism by local and international press and human rights organizations, the OSCE, and the international Committee to Protect Journalists.[16]

The decline in Kazakhstan's media independence since the late 1990s has coincided with its economic upturn. Leading financial groups and business interests entrenched in the regime own an overwhelming proportion of the country's media channels and newspapers, which offer some criticism of the government but without touching the president, members of his family, or close associates within the regime.

Extensive formal and informal control is exerted over the country's media by Khabar, the state news agency set up in 1996 with Dariga Nazarbaeva at its head. The state owns 50 percent plus one share in this privatized media holding company, while the remaining shares are in private hands, widely seen as owned by Nazarbaeva, Aliev, and groups connected with them. The couple also holds numerous shares in several privatized newspaper and media channels and owns another subsidiary, Alma Media, which has four television channels, several radio stations, and a number of newspapers. The opposition leader Altynbek Sarsenbaev (who held the position of minister of culture, information, and public accord[17] in 2004 before resigning over differences with the government) had consistently referred to Khabar as a monopoly of Nazarbaeva and her family. Sarsenbaev presented evidence stating how the family had acquired the majority shares, for which he was taken to court and fined 1 million tenge (about US$71,000) in 2005.[18]

The amendments to the Law on the Media broaden the grounds on which the government can deny registration to news outlets, closing loopholes that had allowed banned publications to resurface under new names. News outlets that make even the slightest administrative change, such as in staff or mailing address, are required to seek reregistration. Media outlets cannot use the same name, in full or in part, of an outlet previously closed by a court order, and the law now bars editors of previously banned media outlets from working in similar positions at other publications.[19]

These amendments effectively ended the game of hide-and-seek between Kazakh authorities and opposition newspapers in the last few years. *Dat*, an opposition newspaper edited by Ermurat Bapi, had managed to reincarnate itself as *SolDat* for a few years after being banned by the authorities, then appearing as *Zhuma*

Times–Data Nedeli in 2005 before it was banned again. Similarly, the newspaper *Respublika*, published previously under the name *Assandi Times*, was closed down again in 2005 by the Ministry of Culture and Information. Since early 2006, it is published only on the Internet, where government officials frequently attempt to block access to its Web site.

Nazarbaeva, who now heads the Congress of Journalists of Kazakhstan while remaining a parliamentarian representing Otan (since it merged with her pro-regime party, Asar, in July 2006), criticized the proposed amendments as undemocratic. She demanded the resignation of Ermukhamet Ertysbaev, the minister of culture and information, who in turn suggested the government establish full control over Khabar. The public acrimony between Nazarbaeva and Ertysbaev has not resulted in any serious policy debate or changes: Khabar's status remains unchanged, Ertysbaev retains his ministerial post, and Nazarbaeva signed the amendments to the Law on the Media in July 2006.

In addition to the above amendments, the 2005 Law on National Security and the criminal code of Kazakhstan already contain severe limits on independent media. Article 318 of the criminal code penalizes a person who "insults the honor and dignity of the president" and is routinely used against independent journalists. Apart from legal and financial channels, the government uses a range of tactics and reprisals against critical media channels. These include denying or revoking registration, exerting pressure on private printing companies to terminate existing printing contracts, suspending electricity, arson, confiscating print runs, buying all copies of opposition-supported newspapers at kiosks, and initiating libel suits. A further tactic is the use of the Internet to spread sensational news and rumors that attack and discredit the opposition, public figures, and independent media.

Kompromat.kz, a Web site controlled by Rakhat Aliev and his associates in the National Security Service, regularly posts "blacklists" containing incriminating materials on independent journalists, opponents of Aliev, and critics of the regime, and occasionally on other members of the regime, as well as periodic warnings about terrorist plots in the country. The Web site published numerous posts alleging a "Sufi conspiracy" in which Galym Dosken (head of the Kazakhstan Television and Radio Broadcasting Corporation), Almaty's mayor, Imangali Tasmagambetov, and one of the city's deputy mayors, Galym Bokash, appeared on the blacklist as radical proponents of Sufism.[20]

References to Tasmagambetov were dropped, whereas the other two were made to resign. Dosken had approved the screening of materials on Ahmed Yassavi (a fourteenth-century Sufi saint whose mausoleum is in Turkestan in south Kazakhstan) on the state channel Kazakhstan-1. Bokash had allowed the registration of several Sufi societies to promote the teachings of Yassavi. Sufism is a mystic tradition within Islam that seeks union with Allah through love and devotion and has no radical political agenda. About 100 employees of the Kazakhstan Television and Radio Broadcasting Corporation resigned in protest after the arbitrary firing of Dosken, which Ermukhamet Ertysbaev described as a periodic act of shuffling personnel.[21]

Reporters working for prominent international organizations such as the Institute for War & Peace Reporting, Radio Free Europe/Radio Liberty, and Internews, as well as the local media watchdog group Adil Soz Freedom of Speech Defense Fund (Internews and Adil Soz are funded in part by the USAID), have been subject to continuing monitoring by law enforcement officials since the Tulip revolution in Kyrgyzstan. Independent journalists and staff of frequently banned opposition newspapers have resorted to publishing articles on the Internet, where they also face obstacles. Kazakh law requires all Internet domain names to be registered in Kazakhstan (.kz), stating that non-Kazakh domains can be denied registration.

According to estimates by the *CIA World Factbook*, Kazakhstan had about 400,000 Internet users in 2005. The cost of Internet access is a major deterrent: One hour of daytime use costs about US$2, four times what it would cost in the United States or in neighboring Kyrgyzstan and at least double the cost of access in Russia.[22] The state-owned Kazakhtelekom and its six subsidiaries are the monopoly Internet service providers, which regularly block access to opposition Web sites, limit the bandwidth, and hamper access even via proxy servers. KUB, a Web site run by Rachid Nougmanov (a Kazakh filmmaker and human rights activist based in France), and other popular Internet sites that publish materials by the opposition are registered outside of Kazakhstan.

The 2006 release of British comedian Sacha Baron Cohen's popular satirical film *Borat: Cultural Learnings of America for Make Benefit the Glorious Nation of Kazakhstan* led Kazakhstani authorities to wage an intense international PR campaign, reportedly spending millions of dollars to promote a positive image of the country and also to strengthen their case for obtaining the rotating OSCE chair for 2009. Supplements acclaiming Kazakhstan's economic achievements appeared in various international newspapers (such as *The New York Times* and the *International Herald Tribune*) as well as on commercial television channels. Though the film is still banned in Kazakhstan, the government has changed its tactics and has sought to convert the negative publicity to its advantage by inviting Cohen to visit "the real Kazakhstan."

Local Democratic Governance

1999	2001	2002	2003	2004	2005	2006	2007
n/a	n/a	n/a	n/a	n/a	6.25	6.25	6.25

In Kazakhstan's unitary administrative framework, the central government exerts top-down control over regional and local levels. The Constitution does not provide for elections of oblast, regional, or local administrative heads (*akims*), nor does it spell out their powers. According to Article 87, all *akims* are part of the unified system of executive power, appointed by the president and government, and may, regardless of the level they occupy, be dismissed from office by the president at his

discretion. The *akims* at lower administrative levels—towns and villages—report to their superior administrative heads.

In theory, local legislative councils, or *maslihats*, whose members are elected indirectly for five-year terms via electors, serve as the only outlet for civic participation. The established procedure for electing electors, left over from the Soviet era, is informal and feeds on patronage. Ironically, these "elected" members are accountable to the appointed *akims*. *Maslihats* serve primarily as rubber-stamp bodies to approve acts by local executives. The top-down control allows patronage and personal influence to define the powers of the incumbent. It is estimated that about 44 percent of Kazakhstan's population residing in rural areas lack any say in local affairs.[23] Each oblast *maslihat*, and those of Almaty and Astana, nominates two members to the Senate.

Neither Nazarbaev nor any prominent member of the government has indicated a willingness to introduce local elections or establish a proper legislative base for the rights of local and regional bodies. Galymzhan Zhakiyanov, a popular former *akim* of Pavlodar from 1997 to 2001 and founder of the opposition DCK, has been the most prominent advocate for direct elections of *akims* and greater autonomy for oblasts. Since his release from jail in early 2006, Zhakiyanov has continued to lobby for regional autonomy as an opposition activist.[24]

A presidential decree in 2004 promised direct elections of *akims* at the district and village levels from August 2005 to the end of 2007, including four districts in August 2005 as an "experiment" and "step toward democratization." The incumbents were "elected" in the four districts, but there have been no further elections or any official evaluation of the "experiment." Even if direct elections were introduced, they are unlikely to have a democratizing effect because the incumbent *akims* and their patrons, together with members of the Central Election Commission and the District Election Commission, wield enormous influence in the nomination of candidates.

The lack of financial autonomy of local bodies is another serious limitation. The central government determines taxation rates and budgetary regulations. Although the regional governments own over 80 percent of all state enterprises, the law limits local government control over local tax rates, including tax on property and vehicles. The central government has allowed an informal (though de facto) decentralization to oil-rich oblasts that have attracted the most foreign investment. The *akims* have managed to exert a greater control over budgetary matters mainly by extracting significant contributions from foreign investors to various "social and welfare projects" and thus informally negotiating revenue-sharing rates with the central government. But this arrangement appears to be based largely on the personal standing of the *akim* and has no institutional repercussions. The oblast *akims* have shown no inclination to share powers or revenues with the lower-level city and village governments.[25]

Local budgets are allowed to keep all fines from occurrences of environmental pollution but must transfer other revenues to their higher authorities. Oblasts are not allowed to keep their surplus budget, which is turned over to needier oblasts.

The present system leaves both donor and recipient oblasts dissatisfied over the existing system of deduction from local budgets and subvention from the national budget.[26]

The absence of budgetary autonomy or electoral accountability has hampered the development of institutions that cater to local citizens. Furthermore, the central government has continued to channel massive resources toward the development of the new capital, Astana, as well as the former capital, Almaty, which are declared special economic zones. Official data show that US$18 billion from the state budget has been invested in the development of Astana so far: About US$1.5 billion from the state budget is allotted for 2007, and the figure for 2006 was US$2 billion, though the actual amount invested is estimated to be considerably higher. There is widespread discontent that the spiraling growth of these two cities and the oil town Atyrau on the Caspian Sea has further deprived other regions of a share in budgetary revenues.

The government's decree on the "legalization of property" has produced numerous disputes between ordinary citizens and local authorities on its actual interpretation and implementation. The move is geared to enable citizens to legalize private houses and dachas built over the past years when a proper legal framework for property ownership did not exist. The government has assigned responsibility for elaborating legalization instructions to the Tax Committee of the Ministry of Finance, which will then pass the instructions to *akims* and authorized bodies, including territorial tax committees.

While this decree has allowed members of the elite to legalize houses and dachas built in posh parts of Almaty without proper authorization, poor residents have faced obstacles from local authorities in legalizing their dwellings. About 400 squatter families residing in the Bakai and Shanyrak settlements on the outskirts of Almaty found their houses bulldozed and have been fighting to get their claims recognized. They have blamed local authorities for failing to provide proper information, documentation, and assistance in filing applications for legalization. Local civil rights groups blame the city administration for illegally clearing the slums in order to acquire the land for developing large commercial complexes, and the standoff between the poor squatters and city authorities continues.[27]

Judicial Framework and Independence

1999	2001	2002	2003	2004	2005	2006	2007
5.50	5.75	6.00	6.25	6.25	6.25	6.25	6.25

Kazakhstan's strong executive system based on presidential patronage recognizes the principle of separation of powers. However, the judiciary together with the legislative branch has remained loyal to the executive headed by the president. The judiciary has served to protect the interests of the state and its functionaries rather than those of individuals, minorities, and the weaker strata of society.

Kazakhstan's Constitution makes formal mention of the judiciary's independence without providing any mechanisms for safeguarding it. The Constitution spells out an elaborate procedure for appointing judges in which the president proposes nominees for the Supreme Court who are approved by the Senate. These nominees are recommended by the Supreme Judicial Council, which comprises the chair of the Constitutional Council, the chair of the Supreme Court, the prosecutor general, the minister of justice, senators, judges, and other people appointed by the president. The president may remove judges, except members of the Supreme Court, on the recommendation of the minister of justice.

Kazakhstan has continued to raise the professionalism and remuneration of its judges. Supreme Court judges receive a higher remuneration package than government ministers. Their salaries are continually revised as part of the government's commitment to raise the salaries of public servants to match those in the private sector.

All judges are required to attend the Judicial Academy set up with assistance from the OSCE/ODIHR in 2004. The American Bar Association/Central European and Eurasian Law Initiative and USAID have been aiding judicial reforms since 1993, focusing particularly on training in judicial ethics and human rights. The two main associations of independent lawyers are the Association of Lawyers of Kazakhstan and the Legal Development of Kazakhstan. The Judicial Assistance Project funded by USAID emphasizes a continuing education program and brings new judicial training coordinators from each oblast for training in Astana and Almaty. This project has also advocated the use of video technology in court proceedings to enhance transparency and accountability.[28]

Although it has shown a marked professionalism in adjudicating civil and criminal cases, Kazakhstan's judiciary has a checkered history in handling cases related to civil liberties, political freedom, independent media, and human rights–related issues. It has shown a near total servility to the regime and has convicted all major political or public figures brought to trial on politically motivated charges. These instances include the trial in absentia of ex-premier Akezhan Kazhegeldin in 2000, opposition leaders Mukhtar Ablyazov and Galymzhan Zhakiyanov in 2003, and journalist Sergei Duvanov in 2003. Convictions in the above-mentioned cases have been passed without credible evidence or proper procedures.

The latest in a string of trials lacking credibility was the case of the murders of opposition leader Altynbek Sarsenbaev, his bodyguard, and his driver. In October 2006, an Almaty court convicted 10 defendants of these murders. Erzhan Utembaev, former chief of staff of the Kazakhstani Senate, was accused of contracting the murder and sentenced to 20 years in prison, and Rustam Ibragimov, the supposed killer and a former employee of the Ministry of Interior Affairs, was sentenced to death. As Kazakhstan has had a moratorium on the death penalty since 2004, the convict will get life imprisonment, although courts are still allowed to issue the death penalty. Eight other defendants, all linked to Kazakhstan's security and interior forces, received prison sentences ranging from 3 to 20 years.

Utembaev confessed to contracting Ibragimov (who reportedly received US$60,000 for the job) to murder Sarsenbaev in revenge for a newspaper article

making unflattering revelations about him. In his earlier testimony, Ibragimov implicated several high-level officials in the National Security Service, including Nurtai Dutbaev, as well as Chairman of the Senate Nurtai Abykaev, but he later retracted the initial testimony. Dutbaev and Abykaev were not called to give evidence in court. The trial took place in Taldykorgan, about a three-hour drive from Almaty. Relatives of the victims and opposition leaders maintained that the trial's remote location was designed to limit public scrutiny of the proceedings.[29] The case is now being reviewed by the Supreme Court following appeals by the convicts.

In accordance with a bill passed in 2005, Kazakhstan will introduce jury trials in January 2007 for criminal cases. A USAID project has offered training to 20 judges from each oblast to study such trials in Russia.[30] Kazakhstan has adopted the continental, or Franco-German, model (different from the classic, or Anglo-Saxon, model), in which a presiding judge reviews the case along with the jurors and joins them in the final decision-making process. It is believed that jury trials will help reduce graft and corruption and enhance the independence and impartiality of courts. It remains doubtful whether jury trials can attain this objective amid the low public trust in the judiciary and its poor track record of passing independent verdicts.

Kazakhstan has a National Human Rights Commission headed by the ombudsman, a presidential appointee. Bolat Baikadamov has held the position since its creation in 2002. The ombudsman has been granted further powers by the Parliament, including the right to participate in the court review of cases. Being an appointee of the president who is supposed to remain loyal to the government, the ombudsman lacks an impartial image or the support and trust of civil society activists.

Corruption

1999	2001	2002	2003	2004	2005	2006	2007
6.00	6.25	6.25	6.25	6.50	6.50	6.50	6.50

The Agency on Combating Economic Crime and Corruption, headed by Rustem Ibraimov, operates directly under the president. In 2006, it launched the next phase of the State Program for Combating Corruption Through 2010. Nazarbaev has also announced the creation of a financial intelligence unit to counter money laundering and tax evasion. The latter brought to light several cases of misappropriation of public funds. The ex-chairman of Valyut-Tranzit Bank was arrested for appropriating US$1.2 million; ex-officials of the liquidated Nauryz Bank were brought to trial for appropriating US$4 million.[31]

The Ministry of Economy and Budget Planning is implementing broader anticorruption measures, such as raising the salaries of public officials to levels comparable with those of Kazakhstan's largest private companies, reducing the layers of government officials by half, and providing additional incentives for career growth

and more efficient work. Some of these measures were scheduled to come into effect by January 2007. The most widespread form of corruption in Kazakhstan is administrative, including routine extortions and shadow control of businesses by officials, which is believed to have led to inflation. One estimate states that goods and services cost almost 50 percent more owing to such corruption.[32]

Kazakhstan's enormous oil and mineral resource base and lack of democratic oversight have created a fertile environment for the nontransparent accumulation of wealth by top elites and core members of the regime. This is especially difficult to document since Kazakhstan became a sovereign state in 1991. These individuals and business groups have by now fully legalized their assets; but more importantly, no independent records or mechanisms exist to prove wrongdoing. Fully documenting the extent of disbursement of favors, spoils, and positions at the top levels is almost impossible in a patronage-based, personalistic regime in which independent media, access to credible information, and democratic accountability are absent.

Almost all anticorruption inquiries target low- and middle-level officials, prominent political or public figures, or entrepreneurs who enter into a confrontation with key members of the regime. The Agency on Combating Economic Crime and Corruption charged Ak Zhol leader Bulat Abilov for the fraudulent appropriation of stocks worth US$2.1 million some 10 years ago through his business venture Butya Capital. Abilov has already been convicted of various "administrative offenses," which disqualifies him from running for public office.

The "Kazakhgate" trial in the United States was stalled during 2006 but is expected to resume in early 2007. James Giffen, the main accused and a former consultant to Nazarbaev, is charged in a U.S. federal court with funneling up to US$84 million in illicit payments to Nazarbaev and other senior members of the Kazakh government in exchange for lucrative concessions to Western oil companies. Giffen was indicted under the U.S. Foreign Corrupt Practices Act, which prohibits U.S. citizens from bribing foreign officials for business advantage. Even if Giffen is convicted, the prospect that the case may undermine Nazarbaev is practically nonexistent.

According to Transparency International's 2006 Corruption Perceptions Index, Kazakhstan ranked 111 out of 163 countries observed. Its ranking and score of 2.6 was better than that of resource-rich Russia (127 at 2.5), Azerbaijan (130 at 2.4), and the rest of the Central Asian states. However, these differences are marginal since any score of 5.0 or below, and especially one below 3.0, indicates a serious corruption problem. The index defines corruption as the abuse of public office for private gain and measures the degree to which corruption is perceived to exist among a country's public officials and politicians.

It is not always easy to define what is corruption or misuse of office for private gain. The salaries of leading figures in oil and gas, banking, and telecommunications have seen an astronomical increase in Kazakhstan. In September 2006, Nazarbaev fired Khairat Karibzhanov, chairman of the state-owned Kazakhtelekom, after it was revealed that Karibzhanov was receiving a monthly salary of US$365,000 and an annual bonus of over US$2 million.[33] Nazarbaev threatened

to publish the names of all other overpaid public sector managers "unless they return the money themselves," but no further firings have taken place. Karibzhanov reportedly returned his bonus, and no further action was taken against him. It is not clear how long he had been receiving that salary and if other public sector managers are drawing comparable salaries.

Kazakhstan established the National Oil Fund in 2001 to protect the economy from price volatility and to aid in the transparent management of oil revenues. While its revenues have grown to US$12 billion in 2006 owing to high oil prices and rising exports, vital issues of transparency, management, and redistribution of oil fund revenues have not been addressed. The Parliament has no authority to investigate an audit of oil funds or to determine how and under what conditions the funds are to be used. Though Kazakhstan joined the Extractive Industries Transparency Initiative in October 2005,[34] it has yet to make a mandatory disclosure of oil revenues received by the treasury from each of the 51 legal entities operating in the oil and gas industries (and any new ones that may be formed) or to involve independent NGOs in overseeing how oil revenues are managed.

There have been some positive efforts to enhance awareness about corruption at the grassroots level, particularly as a result of an initiative by Transparency Kazakhstan, the local branch of Transparency International, and the Interlegal Foundation for Political and Legal Research. Called Combating Corruption Through Civic Education, this project involved a partnership with members of Kazakhstan's Constitutional Council and Supreme Court. The absence of an independent judicial system makes it impossible for ordinary citizens or independent NGOs to file corruption charges against any high-ranking state official. The prosecutor general, appointed by the president and not accountable to the government, handles inquiries into official corruption, in conjunction with the Ministries of Justice and Internal Affairs.

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Kosovo/UNMIK-Administered

by Bashkim Rrahmani and Avni Zogiani

Capital: Pristina
Population: 1.9 million
GDP/capita: US$1,990
Ethnic Groups: Albanian (90.0%), Serb (6.0%), other (4.0%)

The economic and social data on this page were taken from the following sources:
GDP/capita, Population, Ethnic Groups: *UNMIK Factsheet 2007* (UNMIK, 2007).

Nations in Transit Ratings and Averaged Scores

	Yugoslavia				Kosovo			
	1999	2001	2002	2003	2004	2005	2006	2007
Electoral Process	5.50	4.75	3.75	3.75	5.25	4.75	4.75	4.75
Civil Society	5.25	4.00	3.00	2.75	4.25	4.00	4.25	4.25
Independent Media	5.75	4.50	3.50	3.25	5.50	5.50	5.50	5.50
Governance*	5.50	5.25	4.25	4.25	6.00	n/a	n/a	n/a
National Democratic Governance	n/a	n/a	n/a	n/a	n/a	5.75	5.75	5.75
Local Democratic Governance	n/a	n/a	n/a	n/a	n/a	5.50	5.50	5.50
Judicial Framework and Independence	5.75	5.50	4.25	4.25	6.00	5.75	5.75	5.75
Corruption	6.25	6.25	5.25	5.00	6.00	6.00	6.00	6.00
Democracy Score	5.67	5.04	4.00	3.88	5.50	5.32	5.36	5.36

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

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

In *Nations in Transit 2007*, Freedom House provides separate ratings for Serbia and Kosovo in order to provide a clearer picture of processes and conditions in the different administrative areas. Doing so does not indicate a position on the part of Freedom House on Kosovo's future status.

Executive Summary

Following the NATO air campaign against Serbian forces in the spring of 1999 ending the 1998–1999 war in Kosovo, the UN Security Council created the UN International Administration Mission in Kosovo (UNMIK) and charged it with governing and creating substantial autonomy for the territory within Serbia and Montenegro until the area's status could be resolved. Belgrade-led armed forces were ordered to withdraw from Kosovo, and a NATO-led Kosovo Force (KFOR) arrived to provide peace and security in the region. While the deployment of UNMIK was underway, the Kosovo provisional government, led by former insurgent Kosovo Liberation Army (KLA) political leader, Hashim Thaci, established itself at central and municipal levels and filled a vacuum left by the withdrawing Serbian administration.

Beginning in 2000, UNMIK worked with political factions in Kosovo to develop the Constitutional Framework for the Provisional Institutions of Self-Government (PISG). The PISG provided substantial autonomy and delineated the powers to be exercised by UNMIK and Kosovar institutions. An outbreak of ethnic-based violence in 2004, though quickly quelled, spurred the international community to accelerate the transfer of powers from UNMIK to Kosovo institutions in the run-up to final status discussions. The transfer would allow domestic authorities to take on more direct responsibility for the protection of minorities, as well as overall governance issues within Kosovo. In 2005, the international community began serious steps to finalize Kosovo's status. The UN Security Council appointed senior diplomats Martti Ahtisaari and Frank Wisner to lead status negotiations. The Kosovo delegation entered the negotiations with full independence as its platform, while the Serb delegation maintained a platform of less than independence and more than autonomy.

Throughout 2006, Kosovo continued to be governed by UNMIK with the KFOR international military presence. The top priorities of the year consisted of preserving stability, preventing violence, and maintaining peace and political unity in Kosovo. Overshadowing all else, however, was the ongoing process of resolving Kosovo's final status, which was not completed during the year.

National Democratic Governance. The negotiation process for determining Kosovo's future status was the main focus for every segment of the society. Administrative time, effort, and energy were oriented toward Vienna and the Unity Team. Kosovo has had a very weak government ever since it was established, but it has managed to be a stable one. The stability of the government does not derive from stable structures, but rather is preserved primarily by pressure from the international community, in particular the U.S. and European Union (EU)

diplomatic offices in Pristina, as well as by the occurrence of the status talks. During 2006, personnel changes encouraged more open debate in the Parliament, though not enough, and rarely did members of Parliament (MPs) debate beyond their own political party agendas. *Kosovo's rating for national democratic governance remains unchanged at 5.75.*

Electoral Process. The electoral process was effectively frozen in 2006. Municipal elections were postponed owing to the international community's fear that electoral campaigns would destabilize the final status process as well as relations in the Kosovar political realm and possibly lead to violence. The postponement demonstrated the lack of respect for Kosovo's electoral institution among decision makers both outside and inside of Kosovo. Though the decision was brought by the Special Representative of the UN Secretary General in Kosovo (SRSG), the two parties in power did not hide their delight in the postponement of the mandate. The Kosovo authorities are acquiring competences in the technical aspects of the elections, but political decisions about whether to hold elections still lie within the UNMIK mandate. Against many calls from civil society groups, Kosovo does not yet have a single electoral law. *Kosovo's electoral process rating remains at 4.75.*

Civil Society. Kosovo's tradition of nongovernmental organizations (NGOs) extends back to 1989, when the NGO Council for the Defense of Human Rights and Freedoms and other political mechanisms created a parallel system in contradiction to the Milosevic regime. However, by 2006 civil society in Kosovo has still not reached the expected level of development. The NGO sector is large and varied, but still depends entirely on foreign funds and is far from independent. Perhaps owing to the large number of NGOs, many have difficulty defining their individual missions. Unfair competition for funds damages the strength and development of the sector and discourages the formation of NGO cooperative networks. Activities that normally should have developed have not, with status talks as the excuse. In exception, some courageous NGOs initiated activities in the anticorruption field. *Owing to the lack of significant changes, the rating for civil society remains at 4.25.*

Independent Media. The year was marked by the development of the media legal framework. A Media Institute was established and is expected to graduate the first trainees in 2007. However, pressures against the media were very much evident. Journalists were the victims of physical assaults, and the government used advertising revenues to influence the media sector. The media regulatory authority is finally functional, and a multiethnic Press Council with competences to enforce fines for newspapers that violate the law has been established. The Kosovo population still turns to television as its main source of information, while newspaper sales are dismal. *Despite the development of a legal framework and the establishment of a Media Institute, attacks on journalists and pressure on the media persisted; therefore Kosovo's independent media rating remains at 5.50.*

Local Democratic Governance. Decentralization is understood as devolution of power from the central to the local authorities. This was the hardest "nut to crack" in negotiations about the future status of Kosovo, and approaches were tailored to accommodate the needs of the Serbian Kosovar minority. The debate is ongoing about what competences should be awarded to the newly established Serbian Kosovar municipalities, and the chief concerns relate to law and order and the security spheres. A local governance legal framework was not developed during 2006, and local governments by year end were still deemed as mere branches of the central government. Because of the status negotiations, the Ministry for Local Governance was more focused on providing input to the status negotiation team than on the needs and issues at the local level. *Kosovo's rating for local democratic governance remains unchanged at 5.50.*

Judicial Framework and Independence. The process of promulgating laws in Kosovo has improved, but this could not be said for their implementation. The work of the assembly committees has also strengthened, but the Parliament is still dependent on the will of political parties. Ambiguities in legislative competences pose significant obstacles to the implementation of legislation. The court system has not reached the desired level of development. This is due to the small number of judges, too few trained judges, and insufficient protection for judges and witnesses. *Owing to the lack of implementation of the numerous laws recently adopted, Kosovo's rating for judicial framework and independence remains at 5.75.*

Corruption. Corruption in Kosovo is widespread. The Office of the Auditor General has reported massive abuse of public funds in all municipalities, many ministries, and several Kosovo Trust Agency–managed enterprises, such as the airport, the Kosovo Energy Corporation, and the Post and Telecommunications of Kosovo. Measures to curb government corruption were virtually nonexistent in 2006, while civil society has increased direct pressure on political institutions. However, reports show that organized crime as a breeding ground for corruption is still a serious problem in the country. Though the Anticorruption Agency is now established, the lack of political will to fight corruption within the central government and legislature is not conducive to the agency's effective functioning. Politics in Kosovo remains a business of clans, and political parties are far from operating with transparency. *As a result of the lack of political will to fight widespread corruption, Kosovo's corruption rating remains at 6.00.*

Outlook for 2007. The year 2007 is expected to witness the final resolution of the status of Kosovo. It is clear that no agreement will be reached between Kosovo and Serbia. Rather, it is anticipated that the solution will be imposed based on a new UN Security Council resolution, which is expected to be adopted in 2007. UN mediator Martti Ahtisaari will make public his package on the future status of Kosovo following the 2007 elections in Serbia. Kosovo is expected to become

independent in some form that retains international supervision but is no longer governed directly by UNMIK.

The resolution of Kosovo's status, however, is not going to solve the country's many accumulated problems and social tensions, which might be the biggest threats to its stability. An agreement on creating a broader coalition government composed of the four largest Kosovo Albanian parties may be reached with international support. But even if this broader government coalition is created, it will not be able to bring about notable changes in the economy or other important sectors. This is because the 2007 elections will likely be focused on the merits of Kosovo's status resolution, which could polarize the Albanian Kosovar society. Additionally, the parties outside the Unity Team might run a campaign against the status settlement, particularly the Team's plan for decentralization.

Main Report

National Democratic Governance

1999	2001	2002	2003	2004	2005	2006	2007
Yugoslavia				n/a	5.75	5.75	5.75

UN envoy Kai Eide's report to the UN Security Council in May 2005 was critical of Kosovo's governing institutions. Gradual steps are addressing the shortcomings. During 2006, the Ministry of the Interior and Ministry of Justice were created. The governing coalition LDK-AAK nominated Fatmir Regjepi (from the LDK) for interior minister and Jonuz Salihaj (from the AAK) for justice minister. During the year the two new ministries became functional, but it is too early to judge their effectiveness. Following allegations of corruption and mismanagement, Slavisa Petkovic from the Ministry of Returns and Communities was forced out of office in late November 2006. The governing coalition held together throughout the year, though many had anticipated that it would be a short-lived union. President and LDK party leader Ibrahim Rugova's death from lung cancer on January 21, 2006 and the subsequent changes in Parliament and the government, have not caused any deep political crises that would jeopardize the coalition.

Parliamentary life in 2006 was more dynamic, advanced, and effective than in previous years, thanks to increased debate from the opposition, the replacement of the Speaker of the Parliament, and international influences. The opposition helped to shift the political debate from political parties to institutions. However, it did not fully tap its potential in this regard (a reflection of the number of opposition MPs) and justified its relative reticence on the status talks, creating a perception that stirring a government crisis could jeopardize the negotiations process.

The Kosovo Assembly has 120 seats, of which 100 are directly elected by voters. Ten seats are reserved for representatives of the Serbian Kosovar community, and the remaining 10 are shared among other population groups (4 for the Roma Kosovar, Ashkali Kosovar, and Egyptian Kosovar communities; 3 for the Bosniac Kosovar community; 2 for the Turkish Kosovar community; and 1 for the Gorani Kosovar community). The international community holds as a key demand in resolving final status, that the Kosovo institutions go beyond lip service and provide the Serbian Kosovar community with assurances that their rights as minorities will be protected.[1]

After the death of Rugova, the presidency fell to (then) Speaker Daci for a short period (January 21–February 11, 2006) and then to Fatmir Sejdiu. Under President Sejdiu, there were numerous personnel changes in institutions, and former Prime Minister Bajram Kosumi was forced to resign on March 1, 2006, following pressure from the coalition Alliance for the Future of Kosovo (AAK). Former Kosovo Liberation

Army (KLA) military official Agim Çeku became the new prime minister, and his nomination and election were endorsed by Ramush Haradinaj (whose AAK party Çeku joined). The Parliament voted-in Çeku's government on March 10, 2006. It largely resembled the previous government, with only Deputy Prime Minister Adem Salihaj being replaced by Minister for Local Governance Lutfi Haziri.

The forced resignation of Parliament Speaker Nexhat Daci on March 10 ended a period of strained relations and power struggles: within Daci's own Democratic League of Kosovo (LDK) party and among key party figures, as well as interactions with international bodies. Despite holding the Speaker position for several years, Daci failed to demonstrate an understanding of the politically interdependent position of Kosovo in the region or show a capacity for negotiating the various levels of power among the political parties, regional governments, and international offices.

Also following Rugova's death, leadership within the LDK changed dramatically. The LDK finished party elections at all levels, but the electoral process was tumultuous and periodically violent. It ended on December 9, 2006 with the interruption of the election council after the voting results were announced. Fatmir Sejdiu, who was previously LDK general secretary for several years, and then Parliament Speaker Nexhat Daci declared themselves candidates to fill the LDK's leadership vacuum. Other potential candidates saw their chances as slim against Sejdiu and Daci. Sejdiu won by a narrow margin and Daci left the council after the results were reported but his supporters remained and continued to take part. When Daci's supporters were sidelined in a list Sejdiu proposed to the council of candidates for the party presidency (left vacant following Rugova's death), they requested changes to the list. Sejdiu continued with the council and attempted to have his list formally approved. Seeing that the list and council were nearing final phase without their requested adjustments, Daci's supporters provoked conflict that resulted in physical blows between the two sides and necessitated police intervention.

Because Daci continued to oppose the proposed list, when the list was eventually accepted by the party, some observers thought the event marked the near end of Daci's participation in the LDK. However, Daci remained an LDK member of Parliament through 2006 with the support of six other MPs. Daci's support of the government is critical because without him and the six MPs who support him, the government would lose its parliamentary majority. Nevertheless, Daci has signaled in a press conference that he would withdraw his support if the status package is "not in line with the will of the people," which was reported by several media outlets in Kosovo. This effectively gives Daci the opportunity to interpret any proposed status settlement to his political benefit.

A long-standing LDK activist, Kole Berisha, replaced Daci as Parliament Speaker on March 10, 2006. Through the year, he proved to be comparatively more open, cooperative, and gentle in the exercise of the office's functions. Without delay, Berisha proposed a broad package of reforms to the assembly, all of which were approved during the parliamentary session in early June 2006. All parliamentary members welcomed the reform package, especially measures relating to the holding of regular sessions and question-and-answer sessions, which previously had been

largely ignored. The assembly has taken a more functional and dynamic direction under Berisha, leading to unprecedented initiatives in establishing government oversight.

During 2006, the country continued to experience a deep economic crisis, with high unemployment, evident poverty among the population (almost half, based on World Bank reports), difficult social conditions, and other important challenges to stability such as the extreme lack of power supplies, unresolved status of pensioners, and a slow privatization process. Kosovo's largest opposition political party, the Democratic Party of Kosovo (PDK), which has created something of a shadow government, and the print media expressed their criticism of the new government. Like the previous government, the current government did not manage to exercise its power in the country's northern territory, which includes North Mitrovica and the municipalities of Zvecan, Zubin Potok, and Leposavic. Government institutions also failed to expand their power in areas populated by Serbian Kosovars. It is estimated that of the more than 100,000 Serbian Kosovars living in Kosovo, only about one-third live in the northern part Serbian Kosovar enclave.

At a minimum, the government has failed to decrease Belgrade's influence over the Serbian Kosovar population in Kosovo, which further disconnected the links between the Serbian Kosovar community and the PISG in Kosovo. In March 2006, the Coordinating Center for Kosovo and Metohija invited Serbian Kosovars to reject their education and health contracts with the PISG, offering close to €300 (US$408) more than what the PISG provided from the Kosovo budget; but the influence is not always a matter of money.

During the year, PDK leader Hashim Thaci frequently accused the government of being run by "parapolitics," and some government ministers were hit with charges of corruption and crime. On December 21, 2006, two governing coalition officials were arrested after police found a minibus packed with heavy weapons and ammunition. The haul included a 12.7-mm anti-aircraft gun and more than 100 rocket-propelled grenades. The cache, found in the Drenica region village of Stutica in central Kosovo, was the largest in the country since the 1998–1999 war and the deployment of NATO peacekeepers. Three men were arrested, including two advisers to the minister of labor and social welfare and a member of the presidency of the AAK, the smaller party in the governing coalition. It is clear that current government ministers are ruled by their parties and that the coalition's most effective mentor and "fixer" is Ramush Haradinaj, leader of the AAK.[2]

In general, Kosovo's current political stability should be attributed to the "consensus" reached by the four biggest political parties and to the pressure from the international community. This consensus suggests that all energies are being directed toward negotiations and the status determination. The Unity Team, though not very open to the public, has shown credibility and flexibility during status talks in Vienna but nevertheless has been criticized in the Kosovo Parliament. The team members did not initially communicate much with the public, but late in 2006, leaders Hashim Thaci and President Sejdiu began visiting municipalities on the suggestion of Deputy Special Representative of the UN Secretary General

Steven Schook and the head of the U.S. office, Tina Kaidanow. Notable for being the most effective in communicating with the public and Kosovo's various ethnic communities during the year, was MP Veton Surroi, leader of the Reformist Party.

Spotlight on Status Talks

During 2006, Kosovo—led by a five-member negotiating team known as the Unity Team—and Serbia engaged in a series of talks through UN-brokered international mediation in Vienna. The Unity Team was proposed by former President Ibrahim Rugova. Its first composition was as follows: Ibrahim Rugova (president), Bajram Kosumi (prime minister), Nexhat Daci (speaker of the Parliament), Hashim Thaci (leader of the Democratic Party of Kosovo), and Veton Surroi (leader of the Ora political party). The composition changed during the year following Rugova's death. Newly-elected President Fatmir Sejdiu replaced him; Agim Çeku became the prime minister and replaced Bajram Kosumi; Kole Berisha became the speaker of the Parliament and replaced Nexhat Daci. By year's end, the sides had not managed to reach an agreement on Kosovo's final status.

The first round of talks, held in February, addressed the basic municipal powers in the health, education, cultural, judicial, police, and social welfare fields. Though the sides reached some agreement, they disagreed over the level of autonomy municipalities should exercise in their authority over these spheres. The second round of talks, held in March, addressed municipal finance, inter-municipal cooperation, and Serbian Kosovo-majority municipality cooperation with Belgrade.

The third round of talks was held in April, where a document prepared by the UN Office of the Special Envoy of the Secretary General for the Future Status Process for Kosovo[3] was discussed that covered decentralization principles, powers of the municipalities, and other issues that the two sides met with resolutely opposite stances.

The fourth through sixth rounds were held in May. The fourth took up the discussion of creating new municipalities and adjusting the borders of municipalities with Serbian Kosovo majorities. In this round additional agreement was reached on criteria for the creation of new municipalities, addressing the needs of Albanian Kosovar, Serbian Kosovar, Gora Kosovar, Roma Kosovar, and other minority communities. The fifth round discussed protecting cultural heritage. The Kosovar side argued that the protection of places of worship and cultural heritage establishments should not be carried out with special measures or linked to the general decentralization plan. The Serbian delegation asked for this issue, among others, to be partly resolved by the decentralization plan. The sixth round discussed the economy, privatization, and Kosovo debts. Although the fourth round introduced criteria for minority communities, minority rights were first discussed in the August round of talks.

It was widely expected that Kosovo's status would be settled by the end of 2006. But the approval of the Serbian Constitution and announcement of new elections in Serbia led to a consensus for postponing the Kosovo final status proposal until

after the elections in Serbia. However, this delay is not expected to change the platforms of either Kosovar or Serbian parties; neither is it anticipated that a status agreement will be reached based on the Vienna talks. By the end of 2006, it was clear that the status settlement will be an imposed solution with some form of independence but also with an international presence remaining in Kosovo.

Electoral Process

1999	2001	2002	2003	2004	2005	2006
Yugoslavia				5.25	4.75	4.75

All of the elections held through 2006 in Kosovo were organized by the Organization for Security and Cooperation in Europe (OSCE). Kosovo does not have a single election law, and the principles entrenched in UNMIK's Constitutional Framework do not provide clear deadlines for elections. Even the OSCE admits that Kosovo will need a comprehensive legal framework for elections, one that not only takes into account legal developments since 1999, but also evolves with the new political circumstances and provisions of the eventual status settlement. Whatever legal framework is adopted, it should ensure that the first elections following the status settlement represent a first step in the right direction for Kosovo.[4]

During 2006, significant efforts were made toward building Kosovo's capacities for local elections, and local election institutions continue to be empowered to organize elections independently. The most important part of that process was the transfer of know-how. Nonetheless, the responsibility for elections is still reserved for the UN interim administration in Kosovo, as delegated to the OSCE. This requires the mission to proactively monitor the preparation and conduct of elections and intervene as necessary to prevent or remedy any potential misconduct or deviation from electoral rules.[5] The OSCE and UNMIK still maintain the voters list, manage political party registration, and draft legislation on elections. According to the OSCE, local capacities have been created to carry out fair elections, but this will be hard to assess until local authorities actually organize and hold local elections. The next elections to be organized in the country will be fully administered by local election institutions.

Four elections have taken place in post-conflict Kosovo with no observable irregularities. Elections were held at the municipal level in 2000 and 2002 and at the central level in 2001 and 2004. Domestic and international observers qualified these elections as free and fair. A record 73 percent turnout was noted in the 2000 local elections, which were the first elections after the war and showed an eagerness among the public to build domestic, democratic institutions by suffrage.

However, immense discrepancies between public expectations and actual results have created a sharp sense of disappointment and have severely affected voter turnout in subsequent elections. The 2001 parliamentary elections had a 64

percent turnout, and only 51 percent of voters went to the polls in 2004. Serbian president Boris Tadic called on Serbian Kosovars to participate in the elections, directly opposing the Serbian government, the Orthodox Church, and most Serbian Kosovar politicians, who called for a boycott.

The parliamentary elections that had been scheduled to take place in Kosovo in fall 2006 were postponed for at least a year by SRSG Soren Jessen Petersen. Representatives of the ruling LDK and AAK saluted Petersen's decision and brushed off objections raised by civil society that the will of Kosovo citizens was being ignored, citing as an excuse the negotiations over Kosovo's status.[6] The Reformist Party made serious objections to the postponement. PDK leader Hashim Thaci showed resistance only after the decision was reached but was calmed with an offer to join the negotiation team on the country's future status. Opposition parties raised concerns over the legitimacy of elected institutions in Kosovo in the aftermath of Rugova's death, subsequent significant changes in the government, as well as the indictment of former Prime Minister Ramush Haradinaj to the International Criminal Tribunal for the former Yugoslavia (ICTY) in The Hague for war crimes, which occurred at the end of 2004.

In administering both central and local elections, the OSCE has used a proportional system with closed lists. The OSCE insists that the proportional closed-list system maintains sufficient participation of women in politics, and by contrast, that open lists cause confusion among the voters and are more costly. In adherence with the current law, 30 percent of political party candidates in all elections must be women, and the proportional representation system using closed party lists has indeed facilitated women's representation in Parliament, where 28 percent of the MPs are women holding 34 out of 120 seats. Nevertheless, the system has been criticized.

Civil society and small political parties, such as Reformist Ora, have been the most vocal in calling for changes to the electoral law. They have raised concerns over the past few years that the current closed-list-one-electoral-zone system is undemocratic on the basis that it narrows the choices of Kosovo citizens to three or four significant political parties. Consensus is building in support of establishing a single election law that would allow for open lists in a mixed majority and proportional electoral system. Proponents claim that these changes would give the public a wider range of choices among candidates rather than political parties, as preferred by the OSCE.[7]

Negotiations are ongoing among the Election Forum—composed of 10 local Central Election Commission members, 1 member from the Ministry for Local Governance, and 4 members from the civil society sector—the OSCE and UNMIK. Like the decision to postpone parliamentary elections, which was made without much public consultation, the very vocal request by civil society to replace the closed-list system with a more democratic form of voting, has fallen largely on deaf ears.

Civil Society

1999	2001	2002	2003	2004	2005	2006
Yugoslavia				4.25	4.00	4.25

The development of civil society in Kosovo occurred in four phases. The first phase began in 1989 when two organizations, the Council for the Defense of Human Rights and Freedoms (CDHRF) and the Mother Teresa charitable society, were established and other political mechanisms created a parallel system in contradiction to the Milosevic regime. Also at that time, the organization of independent trade unions began. Almost all the NGOs at that time dealt with the protection of human rights or humanitarian activities, and all were opponents of the regime. The second phase began in 1995 with the appearance of so-called think tank organizations such as Riinvest and the Kosova Action for Civic Initiatives, among others. Until the end of 1998, only a small number of organizations existed in Kosovo, but notable for their success and efficiency in the scope of their activities. The post-conflict third phase in NGO development in Kosovo—also called "the emergency phase"—was distinguished by the creation of a large donor market numbering around 500 donors in 1999 by some estimates. The fourth and current phase is known as "the mushroom phase" because of the rapidity with which organizations have appeared. In general, the procedure for NGO registration is easy and takes place in the Ministry of Public Services. By 2006, according to the Ministry's NGO register, the number of organizations exceeded 3,000. The number of active groups, however, is considerably smaller.

Despite the sector's plurality, a developmental lag exists in the sector's sustainability, stability, independence, and activities. Civil society in Kosovo can still be characterized as driven by income opportunity rather than a mission for societal change. A small number of NGOs operate on the basis of a clearly defined mission, but the majority of groups still operate "from project to project."[8] This means that most act according to the program orientation of donors. Some claim to address democratization, women's rights, or the advancement of minority positions, but the profiles of most are rather generalized. A notable lack of transparent management of funds indicates that many organizations have yet to reach a sufficient level of professionalism among staff. Additionally, a large number of NGOs have not yet managed to create real governing structures or functioning boards, although this is a legal obligation. The possibilities for generating funds from local sources are quite small, considering the country's economic circumstances in general, and the number of external donors is declining. This has led to competition in fund-raising and a decline in cooperation and networking among NGOs.

The year 2006 presented other evidence that Kosovo's civil society sector has not yet reached maturity. In a mature civil society, status talks should have had the effect of intensifying NGO activities in various spheres: demanding transparency in the negotiation process (which has largely taken place away from public view), fighting corruption, and advocating for transparency in governance at all levels.

Although the CDHRF, Kosovo Women's Network, the Kosova Institute for Policy Research and Development (KIPRED), and other groups, continued to be active in their respective fields, the norm in Kosovo during 2006 was that civil society was caught in a trap by the status negotiation process. NGOs dealing with so-called citizen activism, advocacy NGOs, and watchdog organizations did not conduct any salient activity, apart from some superficial monitoring of institutions or publishing of reports with negligible audience impact. As explanation for the "wait and see" approach to the status issue, arguments were heard during the year that so-called "hot activities" (such as anticorruption efforts) should not be conducted because they might imperil the status negotiation process. Contributing factors to this approach include donor influence, as well as self-censorship.

The Organization for Democracy, Anticorruption and Dignity, Rise Up! (Çohu!) conducted some anticorruption activities during 2006 which stirred reactions from government representatives. In December, Çohu! awarded the government with the "corruption championship cup", an original creation which the organization placed in front of the prime minister's office building. Prime Minister Çeku reacted to the award by declaring the stunt "unserious" and "untrue". Çeku's reaction is characteristic of the perception held within government institutions regarding NGOs and civil society functioning in general.

NGOs have mostly been free of any obstacles from government institutions, excluding interventions against the Vetëvendosje (Self-Determination) movement. Despite arrests, beating of activists, and censure, the Vetëvendosje movement, led by Albin Kurti, continued its characteristically provocative activities, such as refusing to recognize the Unity Team or UNMIK, and in May 2006 calling for Kosovar citizens to boycott products from Serbia. The demonstration organized by Vetëvendosje on November 11 in Pristina showed that this movement has the capacity to mobilize citizens, which is a capacity that even the political parties lack. Demonstrators threw bottles and stones at the buildings of the Kosovo provisional Parliament and the UN headquarters but were dispersed by the use of tear gas. It is difficult to put this movement into any specific category of civil society organization, as it remains unique in the way it is organized (unregistered), conducts activities, and pursues membership. Its leaders claim that the movement does not rely on donor funds and enjoys voluntary popular support.

Although there are no formal studies about public perception of the NGO sector in Kosovo, there is also no evidence to indicate that 2006 registered any significant changes. Anecdotal evidence indicates the public perception of NGOs as one of apathy, disinterest, and even distrust. NGOs do not yet possess the necessary skills to promote their work or effectively approach the media. Similarly, media do not yet accurately or fully report the importance of the civil sector in society.

Trade unions in Kosovo have remained at the same level of organization for many years and serve more as observers of the country's privatization process, although there are trade union representatives in the Kosovo Trust Agency (KTA). Only the Education Trade Union is registered as an NGO. The new rector of the public university, Enver Hasani, has shown decisiveness in deepening the reform of

this public institution, which is the largest center of higher education in Kosovo. However, there has been a decline in the authority of the public university in favor of a growing number of private educational institutions.

Humanitarian activities sponsored by religious organizations have continued alongside their proselytizing efforts. The Serb Orthodox Church has an influence on public life, while different sects of various religions also conduct activities, with little support from the public. The Wahhabi movement has grown in Kosovo as a result of high unemployment and financial benefits for those who convert to its model of Islam.

Independent Media

1999	2001	2002	2003	2004	2005	2006	2007
Yugoslavia				5.50	5.50	5.50	5.50

Despite significant improvements made in the media regulatory framework during 2006, journalists in Kosovo continued to be victims of the arbitrary use of force by those in power, even from high officials, such as the heads of municipality executives. The use of force against journalists declined slightly in 2006, as the previous year was an unusually tragic time for Kosovo journalism, with some cases ending in fatalities.[9] In December 2005, body guards and friends of Enver Muja, Gnjilane municipality executive, attacked local television journalists. According to police reports, they injured one journalist and broke a television camera. Although thirteen journalists resigned and accused their employer of succumbing to pressure from the municipality by blocking a story about misuse of funds, the incident went unpunished in 2006. In January 2006 Muja pushed a female journalist down a flight of stairs.[10] This case, like most violations against journalists, did not gain any significant public or judicial attention except for a reaction from the Association of Professional Journalists of Kosovo (APJK).

In November, unknown assailants attacked reporter Bujar Desku at his desk at the daily newspaper *Lajm Ekskluzive* just a few days after he reported that countrywide operations of a mobile telephone provider were illegal.[11] During the year, there were also cases of force used against journalists by Kosovo police officers. Enis Veliu, a reporter for *Lajm Ekskluzive* covering the Kosovo Assembly, was punched in the face by a Kosovo Police Service (KPS) officer in September. And in October, Lorik Pustina, editor of the daily newspaper *Express*, while covering the police and judiciary, was jailed for a night without being given any explicit reason.[12]

Clearly some important issues need to be addressed and Kosovo is taking steps toward media reform. The 2005 Law on the Independent Media Commission established an independent media regulator, and has since appointed the Council of the Independent Media Commission. The establishment of a multiethnic Press Council, comprising most of Kosovo's editors in chief, has added an important instrument of self-regulation to Kosovo's media framework. The Council is in

charge of print media, has the right to impose sanctions, and can order media to print retractions or to take other remedial action.

However, the laws that protect and provide freedom of information are not yet functional, leaving these rights in question. In May, the APJK staged a street protest against an administrative order related to the Law on Access to Official Documents that gives overly broad competences to officials when deciding whether documents are to be made public. The order also sets no deadlines for responses to requests for information if they fall within the so-called unusual cases.[13]

Another common tool used by the government to pressure media is to withdraw advertising from newspapers that take a critical tone. This is an effective strategy in Kosovo's poorly developed economy and private advertising market, where state and local administration tenders and job postings make up the bulk of advertising for much of the print media. It is therefore difficult for the media's editorial and news-gathering functions to remain free of interference from the government or private owners. The total readership of daily newspapers in Kosovo amounts to no more than 15,000 copies. Even though the print media remain the only sources of investigative journalism, the majority of the Kosovo population turns to the country's three national television stations for information.[14]

In July, the Council of the Independent Media Commission became fully functional after the assembly appointed a representative to the council. An acting temporary media commissioner was appointed chief executive. A new law governing the public broadcaster, Radio Television of Kosovo, was enacted in April 2006. Implementation of the law in line with European practices will be crucial to help public service broadcasting become fully independent.

The first class of the Kosovo Institute of Journalism and Communication began studies in the academic year 2005–2006; the first trainee graduations are expected to take place in 2007. The institute was founded in October 2005 (with funding from the Royal Norwegian Ministry of Foreign Affairs) and aims to build the professional capacity of the media sector through mid-career training. The recruitment procedure for the director's post is currently under way, and the institute is expected to be fully operational by the beginning of 2007. Although there were no attempts to restrict access to or use of the Internet, a November poll showed that 19 percent of Kosovars used the Internet daily, according to the U.S. Department of State 2006 Country Report on Human Rights Practices. However, Internet users are concentrated in towns, as much of the rural population lacks suitable infrastructure and sufficient electrical energy supplies.

Local Democratic Governance

1999	2001	2002	2003	2004	2005	2006	
Yugoslavia				n/a	5.50	5.50	5.50

Local governance in Kosovo remains weak and lacks independence from the central government. All decision making on local reforms takes place at the central level,

conducted mainly by UNMIK and the Kosovo government. To a considerable degree, local governments have been passive actors in the reform process since the end of the conflict.

The process of local governance reform became particularly centralized with the start of negotiations on the future status of Kosovo. With the justification that the decentralization process needed to be kept secret, the Kosovo negotiating team created a gap in communication between the central and local governments throughout 2006. This philosophy was transfetred to the local governments, whose accountability toward the communities they serve went from bad to worse. Because local government autonomy was not entrenched in the legal framework, Kosovo municipalities showed more accountability to the Kosovo government than to their communities. Likewise, the country's legal framework does not grant local governments an entrenched independence.

Though the decentralization of power from the central to the municipal level was the main topic in the status negotiations, local governments have had almost no say in this process. In general, those who made decisions about the devolution of power to the local level did so without any consultation with local stakeholders in a process that was criticized as nontransparent. Because the decentralization concept was tailored to provide comfort to the Serbian Kosovars in exchange for their participation in Kosovo institutions after more than two years of boycott, it is considered to be a political and politicized process rather than one responding to the local needs for development and security. Specialists claim that the reform of local government has been reduced to a simple devolution of powers within the scope of decentralization.[15]

Decentralization proved a difficult aspect to resolve in the Vienna talks, and it was the first issue that convinced the mediators that a solution on Kosovo's status would have to be imposed. In February 2006, the mediators failed to reconcile the Kosovar and Serbian sides over the issue of local government reforms, particularly over granting extra authority to Serbian Kosovar communities on justice and police issues. The latter proved to be one of the most contentious issues in the decentralization talks, in addition to the number of municipalities and the territory each would encompass. The Serbian and Kosovo sides also held antagonistic stances regarding timing, with the Serbian side asking that decentralization begin as soon as possible, while the Kosovo representatives insisted this process should occur only after the determination of Kosovo's status.

The Serbian side advocated cultural autonomy and communal independence in health care, education, courts, police, and the like, while the Albanian Kosovars claimed that these problems should be solved by the respective Ministry for Local Governance, without any parallel decentralized administrations. The Albanian Kosovars appeared to show willingness in granting the Serbs more autonomy in health care and education, but hesitated to do so when it came to security issues, such as courts and police. However, they agreed that the ethnic composition of Kosovo's police should be equivalent to the ethnic composition of the regional population.[16]

Three issues related to decentralization are particularly sensitive: community financing, intercommunal cooperation, and the ties between Serbian Kosovar communities and Serbia. Serbians demanded that Serbian Kosovar communities in Kosovo be allowed to cooperate tightly with one another and to be in direct contact with Serbia, in what have become known as horizontal ties and vertical ties, respectively. Intercommunal (horizontal) ties could be formalized through such organizations as intercommunal committees on health care, social security, and so forth.

The Albanian Kosovars objected that such committees could be politicized and could lead to the division of Kosovo into separate Albanian and Serbian entities, fearing a scenario reminiscent of Bosnia. Instead they argued for informal ties and against a third administrative level between the central and communal authorities. The Serbs suggested that the Serbian Kosovar communities be financed from local tax revenues and from Serbia's national budget, while the Albanian Kosovars said that such funding, like any "foreign aid," can enter Kosovo only through its central government. Since no definite agreement was reached on these issues, an imposed solution is expected to be presented by Martti Ahtisaari, the UN status talks mediator, before the Security Council in January 2007.

The status talks drained the energy of Kosovo institutions in 2006; thus the Ministry for Local Governance was turned into a kind of advisory office for the Kosovo negotiating team, with its respective minister involved at the first round of Vienna talks. Since the latest changes in the central government, Minister Lutfi Haziri was also appointed deputy prime minister. In this way, the Ministry for Local Governance, while trying to respond to the Vienna negotiating team, was almost nonexistent as a source of support to local governments in the institution-building process. On the other hand, the ministry interfered conspicuously in the decisions of local governments.

As for the legal framework governing politics at the municipal level, the situation did not change in 2006. UNMIK regulations still provide the overall legal framework for municipalities. However, with status negotiations still ongoing, the municipalities have been largely ignored by the central level, and their independence has been jeopardized in the decentralization talks—an absurd contradiction given that the decentralization process is meant to grant powers to the local level.

Judicial Framework and Independence

1999	2001	2002	2003	2004	2005	2006	2007
Yugoslavia				6.00	5.75	5.75	5.75

The judicial system in Kosovo is still in the establishment phase. Even though advances have been recorded, many deficiencies remain. Beginning with the judicial framework, as of 2006, Kosovo still had no Constitution but, rather, a Constitutional Framework adopted by the UNMIK administration. The framework is based on UN Security Council Resolution 1244 and aims to establish a Kosovo

Provisional Self-Governance, which would serve to develop judicial institutions, among other things to prepare Kosovo for the final resolution of its status.

When exercising their duties, Kosovo institutions and authorities are obliged to respect three main principles recognized in the Constitutional Framework: respect for UN Resolution 1244; respect for the rule of law, human rights and freedoms, democratic principles, and reconciliation; and respect for the division of legislative, executive, and judicial powers.

The Constitutional Framework determines three categories of competences that are exercised in Kosovo: responsibilities of the PISG, joint responsibilities of the PISG and international authorities, and reserved responsibilities for the SRSG. Often this division of competences and responsibilities has created ambiguities as well as alibis and excuses for all sides.

The Constitutional Framework observes international standards on human rights, starting with the Universal Declaration of Human Rights up to the Framework of the Council of Europe for Minority Protection. These international judicial acts, according to UNMIK Regulation 24/99 on applicable law, must be implemented directly by Kosovo institutions. The Constitutional Framework offers specific protections for minorities, which many theoreticians consider "positive discrimination." According to the framework, minorities have the right to use their own language and symbols, establish their own associations, protect their cultural and religious monuments, and have equal employment rights, among other guarantees.

The judicial system of Kosovo is still crippled and ineffective and far from independent. A Kosovo prosecutor, who spoke on condition of confidentiality with this report author, indicated some of the causes of corruption in the judicial system of Kosovo: the number of judges and prosecutors is small compared with caseloads; the working environment for judges and prosecutors is quite unfavorable; the monitoring system of courts is not clear; the personal safety of judges and prosecutors is low; the salaries of judges and prosecutors in Kosovo are the lowest in the region. The Kosovo Judicial Council (KJC) and the Ministry of Justice have made efforts to improve the system, though reforms to framework have yet to yield real results in practice. Ambiguities in competences remain a chief obstacle to the proper development of the judicial system. There is still no equality in the process of power division among legislative, executive, and judicial branches.

During 2006, the ombudsperson mandate was transferred from the international to the local authorities. This was done under UNMIK Regulation 2006/6, but the Kosovo Parliament did not manage to select the ombudsperson during the year. The Parliament considered three candidates but none received the necessary number of votes, therefore the procedure is expected to be repeated in early 2007.

Since March 13, 2003, Kosovo has been committed to the accompanying mechanism for stabilization and association in the EU. Based on fulfilling these standards, the promulgation of laws has accelerated during the last two years.

The KJC, which was established by UNMIK Regulation 2005/52, began work shortly after its inaugural meeting in April 2006. The council is a professional body

under the authority of the SRSG and is the successor to the Kosovo Judicial and Prosecutorial Council. In addition to appointing judges, lay judges, and prosecutors, and implementing disciplinary measures for judicial misconduct, the KJC eventually will assume additional responsibilities related to court administration. The council is composed of Kosovo Albanians and Kosovo Serbs, judges and nonjudges. During its first year of operation, two international judges also were part of the council.

The judicial system of Kosovo recognizes the following types of courts: minor offense courts, municipal courts, district courts, commercial courts, and the Supreme Court of Kosovo. Kosovo does not have a Constitutional Court, but according to the Constitutional Framework, there is a special panel within the Supreme Court that deals with issues regarding the Constitutional Framework.

The effectiveness of the courts should not only be measured by the number of solved cases; it should also be measured by the quality of the judgments. By both accounts, a lot of work remains to make Kosovo's judicial system fully independent and functional.

Despite the small number of judges, President Regjep Haxhimusa of the KJC said in a December 2006 press conference that the courts had been effective. During the first nine months of the year, 185,919 cases had been settled of the 335,889 log awaiting trial—approximately 55 percent. According to Haxhimusa, the weakest aspect of the Kosovo judicial system is the lack of clear deadlines when court cases start and end, which makes for exceedingly long proceedings and a backlog of cases, particularly in civil disputes. As an example, the daily *Koha Ditore* reported Haxhimusa's statement that, "The Supreme Court has 3 criminal cases and 15 civil cases waiting to be solved that are older than 2006."

Various independent monitors of the Kosovo courts, statements by lawyers, and articles published in Kosovo newspapers indicate court violations of domestic law and international human rights standards occur. The OSCE, in its December 2006 report on monitoring the Kosovo courts, highlighted these specific problems: failure to adequately protect witnesses and witness intimidation; failure to appropriately handle juveniles who are charged with crimes; in minor offences, filing charges and issuing decisions that are of poor quality and often not well reasoned; and failing to assign individual responsibility by using collective punishment. In a case against activists of the Vetëvendosja movement for a protest in which they blocked the main entrance of the main UN residence, the courts handed down the same sentence to nine persons. The OSCE criticized the justification for the decision in which the courts talked about "the behavior of the accused with a collective sense, without any reference to the acts and the level of responsibility for each accused person."[17]

Even if evaluated within the overall context of the country's current socioeconomic and political movements, Kosovo judicial system has not yet reached a needed level of effectiveness and quality. Many of the occurrences are inconsistent with the law on the books and court decisions. For example, there are frequent instances where the same verdict and justification is announced in different cases with different defendants. Judges issue almost the same verdict no matter the circumstances of the case, in a form of "cut-and-paste" justice.

Corruption

1999	2001	2002	2003	2004	2005	2006	2007
Yugoslavia				6.00	6.00	6.00	6.00

UN envoy Kai Eide's 2005 report on Kosovo characterized corruption and organized crime as the biggest threats to the country's stability and the sustainability of its institutions. According to the report, corruption is widespread at all levels.[18] There was little evidence in 2006 to indicate that anything improved and the year was again filled with media reports on corruption in Kosovo.

The European Commission stressed in its 2006 Progress Report that the most challenging problem for Kosovo, besides its status resolution, is organized crime. Criminal networks extend into various socioeconomic sectors and into politics.[19] Finding highly skilled police personnel remains a major challenge. Legislation is still lacking to keep the identity of informants confidential in court, an obstacle in the fight against organized crime. The opposition, too, claimed that extra-institutional structures make the real decisions in Kosovo, not the Kosovo government or Parliament.[20]

Though high-level officials have allegedly misused their public offices to benefit themselves or special interest groups, the new government led by Agim Çeku did not undertake substantial steps against corruption and organized crime during the year. In July, The Organization for Democracy, Anticorruption and Dignity, Rise Up! (Çohu!) published a report accusing the Çeku government of corruption and nepotism. During 2006, a growing Anticorruption Coalition of NGOs, led by Çohu!, worked to combat public and private sector corruption in Kosovo. While not politically motivated, this network of NGOs from various municipalities carried out some aggressive campaigns against corruption and organized crime and aimed to inform citizens about the risks presented by corrupt political structures. In March, Çohu! spoke out for the first time about the misuse of power by former Prime Minister Haradinaj, who diverted public funds into his Tribunal defense fund for The Hague.[21] In May, the Coalition began a public action with a poster campaign that contained illustrations of patriotic demagoguery being used to cover up corruption in a quasi-mobster manner of governance.

Within the reserved competences of UNMIK the Office of the Auditor General in Kosovo (OAG) has been tasked with promoting high standards of transparency, accountability, and integrity in the financial management and public administration in Kosovo. The OAG conducted an annual series of audits during 2006, including ministries, municipalities and the central budget. In most cases, the findings showed pervasive violations and misconduct in almost all procurements.[22] Additionally, throughout the year daily newspapers reported suspected cases of corruption in which high officials were involved. One of the most outstanding cases accused Deputy Prime Minister and Minister for Local Governance Lutfi Haziri of setting a lower price for the privatization of the socially-owned Jugoterm factory

(a heating equipment producer in Ferizaj/Urosecac) and illegally receiving shares within the winning consortiums.[23] The board of the KTA, which deals with the privatization of state-owned companies, met in December 2006 to decide whether the KTA internal audit reports contained sufficient facts to prove that the October privatization of Jugoterm was a setup. However, the minister of economy and minister of trade and industry, both members of the KTA board, resisted a decision to re-tender the company.[24]

Allegations that members of the international and local administrations cooperate in corruption were widespread during 2006. The UN Office of Internal Oversight Services (OIOS) report on Pristina Airport revealed 266 counts of suspected violations among the management. The OIOS report says that the airport was unsupervised by UNMIK and managed without any internal control. Moreover, it was concluded that the situation was exploited by the airport management staff to misuse public funds.

Although local media covered the UN report on the airport irregularities in detail, former SRSG Jessen Petersen did not comment until the report became a scandal in the international media. He contested most of the report's recommendations for disciplinary measures on the basis that the conditions were difficult to meet in the peacekeeping mission. He also denied that corruption was a broad and all-encompassing phenomenon at the airport. Immediately after Reuters published the OIOS report, the head of UNMIK reacted by calling the document—which some had hoped might open the door to fighting corruption in public enterprises—unfounded.[25]

The executive and judicial branches of power were sluggish but slightly more active than the Kosovo Parliament which was largely inert during 2006 in the fight against corruption. A handful of "small fish" corruption cases were initiated, but despite immense evidence produced by independent audits, the government resisted taking any steps against high officials who were reportedly linked to corruption. Responding to pressure from the press, the Kosovo government decided in November to dismiss Minister of Returns and Communities Slavisa Petkovic, the only Serb minister in the government, on allegations of corruption.

The Kosovo Anticorruption Agency (ACA) became functional on July 17, 2006. Its director, Hasan Preteni, a former military official and new to the field of fighting corruption, quickly found himself within the highly complicated maze of special interests and political groups that have developed in Kosovo institutions since the conflict. Public prosecutor and ACA Chairman Besim Kelmendi stated that without a law on protection of witnesses, information that would be key to the fight against corruption is being withheld from his colleagues in the Kosovo courts.

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1 Between June and December 1999, thousands of Serbian Kosovars fled Kosovo, fearing retaliation from returning Albanian Kosovars. Those Serbian kosovars who remained in Kosovo were subject to systematic attacks and intimidation, which eventually forced them to leave the territory or to concentrate in Serbian Kosovar-dominated enclaves protected by the KFOR. According to the International Committee of the Red Cross, approximately 900 Serbian Kosovars, Roma Kosovars, and other minorities are reported to have been killed or gone missing from January 1999 to April 2001.

2 See Crisis Group Europe Report No. 163, *Kosovo After Haradinaj,* 26 May 2005

3 The United Nations Office of the Special Envoy of the Secretary General for the future status process for Kosovo has been established in Vienna to support the activities of Martti Ahtisaari, the secretary general's special envoy.

4 Remarks of Head of Mission Werner Wnendt, OSCE, 5 June 2006, "The Kosovo Legislation for Elections: Who? What? When? How?"

5 See http://www.osce.org/kosovo/13208.html

6 "You can not hold two watermelons at the same time," said Kosovo Assembly Speaker Kole Berisha in a press conference in September, referring to the elections and negotiations, using an Albanian idiom

7 "Reform Coalition Demands Democracy in Kosovo," *Advocacy* 2, no. 4 (April 2004), www.advocacy-center.org/Newsletters/0404special1%edition_eng.pdf.

8 The author of the work proves this statement from the position of a local grant maker. During many direct contacts with the organization leaders on many occasions, he had asked them about the mission of their organizations. In most cases their response was: "Tell us about the program orientations of the foundation and we shall prepare our projects immediately according to your requests." The author of the work, again from the same position during the review of applications, has observed in many cases that different organizations applied for a grant although their mission (according to the documents presented) was not at all close to the kinds of grants announced.

9 Bardhyl Ajeti from the daily *Bota Sot* was murdered in 2005. See last year's report, *Nations in Transit,* on Kosovo.

10 "Kryeshefi Muja edhe njehere tregon forcen fizike ndaj gazetareve [Head of Municipality Muja Once More Shows Physical Force Against Journalists]," 22 January, press release, Association of Professional Journalists of Kosova (APJK), all Pristina-based dailies.

11 Press release APJK, November, 2006

12 All dailies, 28 October 2006.

13 *Koha Ditore* daily newspaper, 4 May 2006

14 Almost 80 percent of respondents declare TV as the main source of information, whereas the newspapers reach something more than 7 percent; see http://www.indexkosova.com/Publications/Pub_sep2006.html.

15 *Local Governance and Administration,* Leon Malazogu and Era Gjurgjeala, 2005, p. 22.

16 March 29, 2006, all daily newspapers published in Pristina.

17 OSCE report *Review of Judicial Penal System in Kosovo,* Albanian version, published on December 14, 2006, p. 26.

18 *Comprehensive Review of the Situation in Kosovo,* report, 8 October 2005.

19 Kosovo (under UNSCR 1244) 2006 Progress Report, Commission of the European Communities, Brussels, 8 November 2006, p. 38.

20 Hashim Thaçi, leader of the opposition party PDK, press conference, 8 December 2006.

21 See Çohu! web site: http://www.cohu.org/fondiharadinaj.html.

22 See the Office of the Auditor General in Kosovo web site: http://www.oag-ks.org/reports.htm.

23 "The LDK Might Discuss Haziri's Jugoterm Affair," *Koha Ditore,* 15 October 2006.

24 All Pristina-based dailies, 15 December 2006.

25 *Why High Officials Did Not Execute Their Obligation to Denounce Serious Breaches of Law During the Years 2000–2005,* Investigative Report of the Organization for Democracy, Anticorruption, and Dignity Çohu!, p. 7.

Kyrgyzstan

by Bruce Pannier

Capital:	Bishkek
Population:	5.1 million
GDP/capita:	US$1,944
Ethnic Groups:	Kyrgyz (64.9%), Uzbek (13.8%), Russian (12.0%), Dungan (1.1%), Ukrainian (1.0%), Uygur (1.0%), other (5.7%)

The economic and social data on this page were taken from the following sources:

GDP/capita, Population: *Transition Report 2006: Finance in Transition* (London, UK: European Bank for Reconstruction and Development, 2006).

Ethnic Groups: *CIA World Fact Book 2007* (Washington, D.C.: Central Intelligence Agency, 2007).

Nations in Transit Ratings and Averaged Scores

	1999	2001	2002	2003	2004	2005	2006	2007
Electoral Process	5.00	5.75	5.75	6.00	6.00	6.00	5.75	5.75
Civil Society	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50
Independent Media	5.00	5.00	5.75	6.00	6.00	5.75	5.75	5.75
Governance*	5.00	5.25	5.50	6.00	6.00	n/a	n/a	n/a
National Democratic Governance	n/a	n/a	n/a	n/a	n/a	6.00	6.00	6.00
Local Democratic Governance	n/a	n/a	n/a	n/a	n/a	5.75	6.25	6.25
Judicial Framework and Independence	5.00	5.25	5.25	5.50	5.50	5.50	5.50	5.50
Corruption	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
Democracy Score	5.08	5.29	5.46	5.67	5.67	5.64	5.68	5.68

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

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

Executive Summary

Since the collapse of the Soviet Union, Kyrgyzstan has maintained the image of the most democratic of the five Central Asian states. Unlike in neighboring countries, in Kyrgyzstan the first president, Askar Akayev, was an academic who alone among Central Asian leaders openly opposed the 1991 attempted coup in Moscow and ordered the Communist Party disbanded. Akayev allowed an independent media and opposition parties, and though by the end of the 1990s he was moving to rein in their influence, both the independent media and the political opposition continued to be active. Akayev's repeated manipulation of the Constitution led to a crisis during the parliamentary elections of February–March 2005, when Akayev supporters won an overwhelming majority. Demonstrations eventually chased Akayev from power and he fled, first to Kazakhstan, thence to Russia. Opposition leaders, many of them former government officials, came to power.

In 2006, the new president, Kurmanbek Bakiyev, and his government were still trying to gain control over the country. There were some unpleasant developments in the fight against corruption. Opposition to the new president grew, and an embarrassing incident with one opposition leader cost the government some credibility. Promised amendments to the Constitution were slow in coming, and eventually the perceived reluctance of the president to move forward on the issue sparked a massive protest in the capital. The opposition sensed victory when a hastily amended Constitution was approved in November, but Bakiyev supporters in the Parliament reversed many of the changes just before the end of the year. By then, Bakiyev's partner, Prime Minister Feliks Kulov, and his government had resigned, signaling that the crises in Kyrgyzstan were not over.

National Democratic Governance. Kyrgyzstan faced many pressing issues when new leadership took over in 2005, and 2006 showed that the new government was still not capable of handling the country's problems. During the year, the government tried to make good on some of its promises, but as often as not, it was either forced into keeping pledges because of protests or seen to backtrack on promises. A new Constitution providing for a more equal distribution of power among the three branches of government was signed in November, but Bakiyev and his supporters maintained that the new distribution of power would not take effect until after the next presidential elections in 2010. The success of pro-Bakiyev members of Parliament (MPs) in pushing through amendments to the new Constitution just days before the end of the year reversed some of those changes. The opposition is popular among the people and has representatives in the Parliament. *Since the Kyrgyz government was slow to implement reforms and at times seemed helpless to respond*

to growing crises in the country, while displaying a dangerous, precedent-setting habit of making "quick fix" concessions to quell demonstrations and the opposition, the national democratic governance rating remains at 6.00.

Electoral Process. No national elections were held in Kyrgyzstan in 2006, but there were some by-elections. None of these went smoothly, raising concerns about the country's ability to hold a national election. This is troubling, since some analysts were predicting, with good reason, that there could be early parliamentary elections in 2007. There was violence in the by-elections in the Balykchy and Uzgen districts, and one resulted in a victory for a person many in Kyrgyzstan felt was a criminal. The new Constitution changes the structure of the Parliament and the means for electing half of the country's lawmakers, but that provision, like so much of the new Constitution, was still a matter for debate at the end of 2006. Previous elections in Kyrgyzstan have already demonstrated the difficulties in holding a free and fair poll, and judging by elections in 2006, the situation is unlikely to improve in the near future. *Kyrgyzstan's rating for electoral process stagnates at 5.75.*

Civil Society. It would be impossible for any government to get the support of all Kyrgyz civic and political groups but even more impossible to survive politically without some support from civil society. Political parties, nongovernmental organizations (NGOs), and special interest groups had a great deal of influence on Kyrgyzstan's politics in 2006. Such groups played key roles in ousting President Akayev in March 2005, and in November 2006 they again played key roles in forcing a new Constitution. There were numerous, generally peaceful rallies and demonstrations held around Kyrgyzstan during the year. The larger rallies in the capital, Bishkek, were well organized, and organizers and authorities often worked together to ensure these events were orderly. Yet it is somewhat troubling to see that although political and civic groups are able to muster significant public support, the authorities often seem to be responding to protesters' demands merely to disperse the crowds. Still, nearly all groups are able to make their voices heard, and civil society provides a fairly effective check on the authorities. *Kyrgyzstan's civil society rating remains at 4.50 as the active and usually positive role of Kyrgyz civil society in supporting the government in key decisions such as fighting corruption and at the same time exerting pressure on authorities to keep their promises was offset by the lack of vocalization about the Constitution.*

Independent Media. One of Bakiyev's campaign promises during and after the 2005 presidential race was to have a completely independent media in Kyrgyzstan. The media started 2006 with almost full support from Bakiyev, though as the year went on there were outlets that increasingly criticized the president and his government and experienced problems as a result. By year's end, not all of the country's media remained independent. Yet independent Internet news agencies like 24.kg and AKI press have become one of the main sources of information about events in Kyrgyzstan for the outside world. *Despite President Bakiyev's decreasing*

commitment to fostering a fully independent media in the country, most independent outlets in Kyrgyzstan were able to disseminate their material without obstacles. The rating for independent media remains at 5.75.

Local Democratic Governance. For the most part, local democratic governance in Kyrgyzstan was effective in providing for the needs of local populations. Most protests during 2006 were against policies being made in Bishkek, not against inefficiency or corruption in regional or local administrations and not against lack of basic goods and services. But there were changes made because provincial governors, in particular, challenged President Bakiyev's decisions and brought into question how much control the government in Bishkek has over the country's provinces. On the whole, these regional and local officials were able to restore order after the tumultuous events of 2005. *Owing to the fact that regional and local officials seemed to perform their administrative functions capably, though in some cases officials openly defied the president (indicating that connections between the regions and center are not well established), Kyrgyzstan's rating for local democratic governance remains at 6.25.*

Judicial Framework and Independence. Kyrgyzstan's judicial system has always been active and was a principal means for former president Akayev to silence critics. But since Akayev's departure, the courts have at times rendered contradictory decisions. This was certainly true when Ryspek Akmatbayev was running for a seat in the Parliament in March and April 2006. The decisions allowing Akmatbayev to run and win a seat were in absolute contradiction to the government's stated policy of keeping criminal elements out of government, yet the courts still allowed Akmatbayev's candidacy. Generally, courts seemed free from government interference or influence when they made their rulings, and a tendency toward what could be seen as vendetta justice against Akayev supporters that started to emerge during 2005 faded in 2006. As the year ended, it was unclear how the new Constitution would change the judicial branch of government, though in theory the changes should enhance its powers and independence. *Kyrgyz courts seem to be independent from government influence, as indicated by decisions that are occasionally at odds with government policies, but large problems still remain in tightening legislation and interpreting the law consistently. Owing to lack of information about the contents of the new Constitution, Kyrgyzstan's rating for judicial framework and independence remains at 5.50.*

Corruption. By the start of 2006, the new Kyrgyz government had already identified fighting corruption as its number one priority. President Bakiyev and Prime Minister Kulov complained publicly about corruption in government on many occasions in 2005, but the fight against corruption faded as the year went on owing to public protests for a new Constitution. In mid-January 2006, opposition lawmakers said it seemed the government did not have the will to confront criminals, and the case of parliamentary candidate Ryspek Akmatbayev demonstrated that this might be

true. The problem of corruption took an unexpected turn when President Bakiyev's brother Janysh, the deputy national security minister, was connected to an attempt to frame an opposition lawmaker in September. Kyrgyz independent media then reported on other Bakiyev relatives who held state posts or headed lucrative businesses. During the last months of the year, the fight against corruption did not get much publicity because of more immediate and pressing matters. But as the year ended, there was little evidence that much progress had been made in tackling corruption. *Though some efforts were made at the start of 2006 to fight corruption, the issue practically vanished after media reported on the state posts and successful businesses of President Bakiyev's relatives; thus Kyrgyzstan's rating for corruption remains at 6.00.*

Outlook for 2007. The outlook for Kyrgyzstan is not encouraging, as the departure of Prime Minister Kulov makes the government weaker. Along with President Bakiyev, Kulov was the other half of the so-called tandem that symbolically represented the union of the country, with Kulov hailing from the north and Bakiyev from the south. Kulov already left the government once in 1999 and formed his own opposition party, Ar-Namys, and for a time after that, he was Akayev's chief political rival. There is every reason to believe the ambitious Kulov will again go over to the opposition and turn from chief ally into one of President Bakiyev's leading opponents. It is possible, and even likely, that there will be early parliamentary elections in 2007. The Parliament is still packed with supporters of former president Akayev, despite the fact that parliamentary elections in February –March 2005 were the cause of protests that chased Akayev from power. Further, the new Constitution provides for a 90-seat Parliament instead of the current 75-seat body, leading already to a dispute about how many parliamentary seats are needed to form a majority. Another amendment in the new Constitution requires that at least half the seats be filled by party lists, yet the current Parliament was elected by single-mandate districts. Eventual parliamentary elections are sure to cause a frantic period, as there are some 80 registered political parties and movements in Kyrgyzstan.

Economically, there is nothing to indicate 2007 will be any better than 2006. The government is claiming some economic successes, but the country has few exports, and one of the prize joint ventures—the Kumtor Gold Mine—announced toward the end of 2006 that production was down by more than half and gold recoveries were falling. Militants reportedly from the Islamic Movement of Uzbekistan in Kyrgyzstan's section of the Fergana Valley were killed and more taken into custody in 2006, and security will likely continue to be a minor issue there. Many followers of suspect Islamic groups have found havens in the Fergana Valley because Kyrgyzstan's authorities rarely bother them unless they cause problems. The Kyrgyz ombudsman has even called for the group Hizb ut-Tahrir, which denounces use of violence but advocates the establishment of an Islamic caliphate in Central Asia, to be legalized in Kyrgyzstan. These groups are for now aiming primarily at the government in neighboring Uzbekistan, but their presence in Kyrgyzstan is expected to cause further problems, with small outbreaks of violence always possible.

Main Report

National Democratic Governance

1999	2001	2002	2003	2004	2005	2006	2007
n/a	n/a	n/a	n/a	n/a	6.00	6.00	6.00

Written in 1993, the Constitution of Kyrgyzstan enshrines democratic principles and reflects the willingness of the Kyrgyz government to accept advice from the West while it drafted the document. The policies of President Askar Akayev, who inherited the leadership of the newly independent country, were liberal and enlightened relative to other governments emerging in Central Asia during the same period. But an ever increasing rift opened up between Akayev and the country's Soviet-era Parliament, which worked to strip the president's office of power and purposely held up Akayev's reform proposals. Two days before the new Constitution came into force on May 3, 1993, the Supreme Soviet voted to transfer the powers of head of state from the president to the prime minister.

Akayev called for (and won) a presidential confidence referendum in January 1994, but deputies refused to attend sessions, saying the Parliament had become a house of intrigue. The government resigned in early September 1994, and when more than half of the deputies boycotted a session of the Parliament, Akayev dissolved the body. Subsequent referendums in October 1994, 1996, 1998, and 2003 changed more than half of the Constitution and transferred more power to the presidency. The system of checks and balances among the branches of power was drastically altered, and as a result, the parliaments elected in 1995 and 2000 were much more compliant. The Kyrgyz government became a clearly presidential state with a weak legislative branch and a subservient judiciary. Independent media outlets that criticized the government or government officials were brought to court on libel and slander charges, and several media outlets were shut down. The right to freedom of assembly also suffered temporarily.

Demonstrations, some lasting months, were frequent in Kyrgyzstan in the latter half of the 1990s. Protesters supported opposition figures and independent media outlets facing legal problems, but after a demonstration during the 2000 parliamentary elections, restrictions were placed on the right to assemble and rally. Those rights were partially restored after the March 2002 protests in the southern Aksy district, when police opened fire on demonstrators supporting Senator Azimbek Beknazarov, who had been jailed in January on abuse-of-office charges while in a previous state post. At least five demonstrators were killed. Large protests followed against the authorities' apparent indifference and subsequent attempted cover-up, forcing out the government of then prime minister Kurmanbek Bakiyev in May 2002 and compelling the authorities to ease restrictions on the right to demonstrate.

These demonstrations were a prelude to the unrest that would come in early 2005, when parliamentary elections were scheduled. Raising the stakes in those elections was President Akayev's vow not to seek another term in office in the presidential elections scheduled to take place later that year in October. Akayev supporters in government faced the reality that Kyrgyzstan's only president since the country's 1991 independence would no longer be in a position to help them. Well in advance of the 2005 parliamentary poll, opposition groups sensed a rigged election (based on the conduct of previous polls) and openly voiced their expectation that the election would be neither free nor fair. Independent media ran stories about a secret meeting of the prime minister with regional and election officials to ensure a victory for Akayev loyalists. Some of these independent media outlets encountered legal problems afterward.

Isolated protests started before the first round of elections in late February 2005 and grew larger when the second round was held in March. Akayev supporters did win—in some cases, 90 percent of the seats—and the protests took a violent turn with the burning of administrative buildings in some places, the blockade of highways, and mass protests in towns and cities around the country. On March 24, a crowd stormed the president's building in the capital, Bishkek, and President Akayev fled the country. Kurmanbek Bakiyev was made acting prime minister, then acting president. Ar-Namys political party leader Feliks Kulov was freed from jail, where he had served 4 years of a 10-year sentence on charges of embezzlement and abuse of office.

Early presidential elections were called for July 2005. In an effort to unify the country after the recent turbulence, Bakiyev and Kulov agreed that Bakiyev would run for the presidency and, after winning, would name Kulov as prime minister. This plan prevented the two from competing, and as Kulov was from the northern Chu region and Bakiyev from the southern Osh region, the "tandem" they formed symbolically linked the country. Bakiyev won the election, taking nearly 90 percent of the vote, and kept his promise to name Kulov as prime minister. The rest of the year, the two fended off one protest after another. Three lawmakers were killed, bringing to light the infiltration of criminal elements into the Kyrgyz government.

The first days of 2006 brought hope that the turbulence had settled, but this state of grace did not last long. In January, Prime Minister Kulov made a statement that law enforcement was not doing enough to fight corruption and crime. His comments offended the national security minister, Tashtemir Aitbayev, and the two exchanged accusations and insults. Toward the end of the month, the Parliament recommended that Bakiyev dismiss Aitbayev, his deputy, Vyacheslav Khan, and Security Council chief Miroslav Niyazov. Their public feud was overshadowed in February, when a conflict between the Speaker of Parliament, Omurbek Tekebayev, and President Bakiyev erupted. Tekebayev eventually resigned but proved even more troublesome to Bakiyev as a leader in the opposition For Reforms movement.

Tekebayev retained his parliamentary seat, helped by the fact that he was an opponent of former president Akayev, and there were others like him in the Parliament. Likewise, there were also Akayev supporters who had kept their

parliamentary seats after the former president fled the country. Bakiyev vented his frustration in early February, stating, "Parliament…is becoming a factor that creates an atmosphere of instability in the country," and hinted that he could dissolve the body.[1] At the same time, Bakiyev indicated the sort of Constitution he believed the country should have, stating, "It's frightening to think what happens if we turn the country into a parliamentary republic." Less than two weeks later, Bakiyev was quoted by the Russian newspaper *Kommersant* as saying, "The Parliament has turned into a skillfully scripted show. The people have understood that if, God forbid, this form of government is introduced, no breakthrough could be expected in the coming years." Bakiyev was also quoted as saying, "It is possible to disband the Parliament now, but I am deeply convinced I should not do this." In his presidential campaign, Bakiyev promised that drafting and adopting a new Constitution would be a priority for 2006, and the opposition and people of Kyrgyzstan grew impatient as the year went on with that goal no closer in sight. Most expected that a new Constitution would more equally distribute power among the three branches of government and turn the country from a presidential to a parliamentary form of government, or at least a presidential-parliamentary shared power. But Bakiyev's repeated statements about avoiding a "parliamentary republic" were an indication that the president had no interest in relinquishing power.

On April 17, Tekebayev announced that a number of political parties and NGOs would hold a demonstration at the end of the month to demand that President Bakiyev carry out constitutional reforms. Moving to head off what could have been a major conflict, President Bakiyev, Prime Minister Kulov, and Speaker of Parliament Marat Sultanov met live on national television to debate Tekebayev, opposition MP Kubatbek Baibolov, and others. In comments the following day, opposition leader Omurbek Tekebayev dismissed the debate as having accomplished nothing. Though rain diminished the size of a demonstration organized in Bishkek on April 29, according to some reports around 10,000 people (a sizable amount for Kyrgyzstan) turned out to demand a new draft Constitution, and another 10,000 people turned out for a similar demonstration on May 27.

The day before the May rally, the president indicated that he was concerned about protests when Prime Minister Kulov announced that Bakiyev had ordered the government to come up with a new law on opposition activities. Tekebayev had become the most vocal figure calling for constitutional reforms and in early July stated that the people wanted to see concrete steps taken by the government before autumn. Week after week, Tekebayev repeated this message through the Kyrgyz independent media and in comments to foreign media.

In early September 2006, Tekebayev went to Warsaw to attend an international forum, and upon his arrival, Polish customs officials found 595 grams of heroin in his luggage and detained him. Shock broke out in Kyrgyzstan, with MPs and Prime Minister Kulov saying publicly that such a thing was impossible and vowing to defend Tekebayev. There was more shock when news broke that the drugs had been planted in Tekebayev's luggage at Bishkek's Manas Airport when the deputy was leaving for Poland. An airport employee wrote a letter to President Bakiyev

explaining the plot, which was also caught on a security camera and quickly posted on the Internet. The man accused of planning the frame-up was Janysh Bakiyev, the deputy National Security Service (SNB) chief and President Bakiyev's younger brother.

The Parliament "invited" President Bakiyev to address the body and explain the affair. Bakiyev stated that no one was above the law and that he would never use his position to provide special favors or advantages to his family. Janysh Bakiyev was dismissed and later claimed he had played no part in the scheme. The airport official who reportedly authored the letter to President Bakiyev detailing the plot to frame Tekebayev also later said he never wrote the letter. SNB chief Busurmankul Tabaldiyev handed in his resignation. On September 21, a parliamentary commission formed to investigate the Tekebayev heroin affair found that the SNB was responsible for attempting to frame Tekebayev. The Parliament further demanded an investigation of both Janysh Bakiyev for the Tekebayev affair and President Bakiyev's son Maksim for property he had acquired. The Parliament then declared the Bakiyev-Kulov tandem to be unconstitutional, a ruling both men ignored.

On October 2, the For Reforms movement announced it was organizing a massive rally in Bishkek in early November to demand constitutional reforms as well as the resignation of the president and prime minister. Three days later, Prime Minister Kulov sent his draft for a new Constitution to the Parliament for consideration. A week later, Kulov told a forum organized by the For Reforms movement that he favored a new Constitution that provides for a parliamentary form of government, stating, "A parliamentary republic in Kyrgyzstan will reduce tribalism processes and the country's division into the north and the south."

A publicized meeting between For Reform members and President Bakiyev scheduled for October 21 failed to take place. That same day, For Reforms co-leader Almaz Atambayev announced to the independent Kyrgyz Internet news agency 24.kg that Bakiyev was a "political corpse," to which Bakiyev replied he would not respond to proposals made in the form of an "ultimatum." For Reforms leaders met with Bakiyev and other officials at month's end to agree to hold an orderly public rally. On November 2, the scheduled rally started outside the government building in Bishkek. An estimated 15,000 people turned out on the first day, making it the largest rally the Kyrgyz capital had ever seen, even larger than the day Akayev was chased from power. At least several thousand people turned out each day for the week-long rally.

On November 5, Prosecutor General Kambaraly Kongantiyev announced that he was investigating allegations that the opposition was planning a coup. The next day, Bakiyev sent his draft Constitution to the Parliament and intended to go himself until he learned the 51 deputies needed for a quorum were not present. Opposition leader Tekebayev said that was because 31 lawmakers were For Reforms members who would not attend sessions, therefore there could be no vote on Bakiyev's draft Constitution. On November 8, Bakiyev and the government gave in to the protesters' demand for a new Constitution. The Parliament worked late into the night, and just before midnight deputies voted 65 to 1, with 1 abstention,

to approve a new Constitution that reduced the powers of the president. Bakiyev signed it on November 9, saying, "There are no losers here."

Prime Minister Kulov presciently noted that the "hasty adoption of the Constitution, without any detailed consideration of all the nuances, creates a dangerous precedent and may be fraught with negative consequences for the country," and as warned, there was immediate confusion about the new laws. President Bakiyev dismissed a governor who had joined the Bishkek rally and appointed a successor a few days after signing the new Constitution. Opposition lawmaker Temir Sariyev questioned whether the new Constitution gave Bakiyev the right to appoint governors. Unfazed, Bakiyev dismissed another governor about a week later and appointed a replacement. Bakiyev's aides said that as a result of an agreement with the opposition, the terms of the new Constitution did not apply to the executive branch until after the next presidential election in 2010.

At the end of November 2006, Tekebayev stated that it did not appear that the authorities were hurrying to put the new Constitution into practice. On December 4, the Parliament was still demanding that the new Constitution be published. On December 21, pro-Bakiyev MPs introduced a proposal for amendments to the Constitution that restored to the executive branch some of the powers the original document took away. The proposal failed to pass on first consideration, but on December 30 it was proposed again and passed, and Bakiyev signed it that day. The Constitution retained an article abolishing use of the death penalty in Kyrgyzstan, something rights activists have requested for many years. Kyrgyzstan has had a moratorium on the death penalty since 1998, but still in 2006 nine sentences were passed.[2]

Electoral Process

1999	2001	2002	2003	2004	2005	2006
5.00	5.75	5.75	6.00	6.00	6.00	5.75

Compared with its Central Asian neighbors, Kyrgyzstan has held the most democratic elections since all gained independence after the 1991 collapse of the Soviet Union. But international observers such as the Organization for Security and Cooperation in Europe/Office for Democratic Institutions and Human Rights have never judged any of the country's elections as meeting international democratic standards. Referendums in Kyrgyzstan increased the power of the executive branch and transformed the Parliament from the unicameral Supreme Soviet to a bicameral legislature (1995 and 2000) and then back into a unicameral body in 2005. Though a handful of opposition figures won seats in the Parliament in 1995 and 2000, they were a minority in a body that was rarely able to influence presidential decisions.

The parliamentary elections in February–March 2005 were the catalyst for the protests that eventually ousted President Akayev from office. Opposition groups and

independent media warned of vote rigging and state interference in the poll, and when some 90 percent of the deputies elected turned out to be Akayev supporters, including two of Akayev's children, there was reason to believe the tales of electoral manipulation. Akayev left, but the deputies stayed, something of a compromise with opposition leaders, who wanted to avoid further unrest at the time.

In 2006, there were by-elections that provided little in terms of organization but were necessary to replace three deputies elected in March 2005 who were later killed. One of the cases is a complicated affair involving the brothers Akmatbayev from the Balykchy district of the Issyk-Kul province. At the start of 2006, Ryspek Akmatbayev was facing murder charges when he announced he would seek his brother Tynychbek's vacant seat in the Parliament. Tynychbek Akmatbayev was himself killed in the Moldovanka prison riot in October 2005. An investigation into the circumstances of Tynychbek's death uncovered evidence that he, like two other lawmakers killed earlier that year, was involved with criminal groups. Independent media often suggested that Ryspek Akmatbayev was also involved in criminal activities.

With the fight against corruption and criminal influence in government becoming one of the Bakiyev government's primary tasks, Ryspek Akmatbayev's candidacy quickly became a serious problem. The Central Election Commission (CEC) disqualified Ryspek from running on March 29. The next day, protests broke out in Ryspek's voting district, where he was very popular, and demonstrators blocked the lone paved road circling the lake (Issyk-Kul). Ryspek's supporters came in buses to Bishkek to take their protest to the government building. On April 2, Bishkek's Birinchi Mai court overturned the CEC decision, and Ryspek was reinstated as a candidate. NGOs led by the For Democracy and Civil Society coalition staged a protest against Ryspek's candidacy on April 8, but on April 9 he won the election. On April 10, CEC chairman Tuygunaly Abdraimov said Ryspek's registration for the seat was suspended while a review was conducted of the criminal case against him. On April 12, Edil Baisalov, leader of the For Democracy and Civil Society coalition that so opposed Ryspek's candidacy, was attacked in Bishkek. For many in Kyrgyzstan, there was no need to guess who ordered the attack. President Bakiyev stated on April 13 that criminals were trying to influence the country's politics. The issue was a political powder keg, and the country prepared for more demonstrations and counterdemonstrations, but on May 10 Ryspek Akmatbayev was shot dead in Bishkek.

Less publicized but similarly alarming was the by-election in Uzgen in late June. Adakhan Madumarov vacated the seat there when he was named deputy prime minister (he later became state secretary). On election day, June 25, supporters of the two candidates—Mamat Orozbayev and Sanjarbek Kadyraliyev—attacked each other with bottles and stones in the village of Tuzbel. Cars were set afire, and 27 people (including 10 policemen) were injured in the clashes. The election was postponed until October, when Kadyraliyev won.

CEC chairman Tuygunaly Abdraimov resigned in December, the same day as Prime Minister Kulov and his government. Not long afterward, opposition

lawmakers called on President Bakiyev to name a new chairman, most likely because so many felt that early parliamentary elections are unavoidable. The CEC has played a large role in all of Kyrgyzstan's parliamentary elections, at times barring opposition candidates from running and ruling that opposition parties or blocs were formed too late to participate in polls.

To a large extent, the current Parliament consists of supporters of former president Akayev, some of whom have joined with the current opposition to President Bakiyev. More importantly, the new Constitution changes the Parliament from a 75-seat to a 90-seat body in which half the deputies are to be elected according to party lists. In theory, that should give more political groups an opportunity to get their people into the Parliament. But with some 80 political parties and movements registered at the end of 2006, most of which have fewer than 10,000 members, the process of electing deputies by party lists will be a complicated matter. A new election code is supposed to deal with these issues, but at the end of 2006 there were still no changes to the old code.

Civil Society

1999	2001	2002	2003	2004	2005	2006	2007
4.50	4.50	4.50	4.50	4.50	4.50	4.50	

Since independence, Kyrgyzstan has exhibited the most vibrant civil society among Central Asian states. NGOs played key roles in the events leading up to March 24, 2005, and continued to do so throughout the year. These groups represent at times widely divergent points of view but were no less active in 2006. Rights groups such as the For Democracy and Civil Society coalition backed government efforts to fight corruption. This was especially true in the case of Ryspek Akmatbayev, when both groups organized rallies to protest allowing Akmatbayev to compete in the poll. Akmatbayev's supporters were also active, and court decisions allowing him to run in and win the election seem due largely to protests by his supporters.

The For Reforms movement was the most influential opposition political force in Kyrgyzstan in 2006 and combines NGOs, political parties, and various other movements. The group organized a November rally in Bishkek to demand constitutional reform, and one week later President Bakiyev signed a new Constitution, the details of which were neither known nor debated and would soon after cause controversy as people tried to decipher the changes and when they would come into effect. Bakiyev's supporters, though smaller in number, were also present at the rally and clashed briefly with opposition demonstrators in November, resulting in several people being taken to the hospital with injuries.

Other groups also made their voices heard. The Adilet (Justice) and Kylym Shamy (Torch of the Century) human rights NGOs worked to protect the interests of Kyrgyzstan's Uzbek population. Kyrgyzstan's Jamaat (Society) of Muslims

threatened to hold a rally on June 30 if the government did not grant their request to acquire a large plot of land on which to build a new mosque in Bishkek. The group said the current mosque held only 2,500, while some 12,000 currently attend Friday prayers. The Kyrgyz government agreed to give land to the group. Additionally, the Muslim women's NGO Mutakalim (Interlocutor) lobbied for the right to wear a veil when having their passport pictures taken.

Law enforcement and security agencies conducted an operation against banned Muslim groups in southern Kyrgyzstan that lasted through the summer of 2006. The operation was prompted by a May incident involving armed militants along the Tajik-Kyrgyz border. Some armed extremists and law enforcement personnel were killed, but there were no reports of a general crackdown on Muslims in Kyrgyzstan's section of the Fergana Valley, though Muhammad Rafiq Qori, the popular imam known for allowing suspected members of the banned Hizb ut-Tahrir to pray alongside other worshippers at his mosque in the town of Kara-Suu, was shot dead in August by security forces in unclear circumstances. Other religious groups in Kyrgyzstan appear to have been free to practice their faith during 2006.

Independent Media

1999	2001	2002	2003	2004	2005	2006	2007
5.00	5.00	5.75	6.00	6.00	5.75	5.75	5.75

Independent media played a huge role in the political events of March 2005. The ability of the media not only to spread information on statements from the opposition, but also to report on various demonstrations and rallies as they broke out and spread across the country undoubtedly encouraged many in the country to join in. After the March events, a curious situation arose where the state-owned media and independent media were close to working off the same page. State-owned media continued to point to the successes of the state and its officials, and independent media, which often championed the cause of the opposition, continued to report on the promises and goals of President Bakiyev and his administration after they transformed from government opponents to government officials.

But there were signs before the end of 2005 that some media were already facing problems. The most notable case was the Piramida independent television station, which aired programming that sometimes criticized the government. A group of men entered the station in December 2005 claiming they represented new ownership, but they were driven away by station employees backed by opposition MPs. In mid-February 2006, electricity to the station was cut off, and threatening telephone calls were made to the editor and director of the station Yelena Cherniyavskaya. Reporters Without Borders issued a statement on April 28, reporting that in one of the calls, a voice told Cherniyavskaya, "Shut up or get ready to die."[3] In late August, a group of men broke into the station and damaged

equipment; in late September, as the station finally prepared to go back on the air, a masked group beat two station employees, burned equipment, and vandalized the station's transmission tower, causing some US$200,000 in damages.

In 2005, President Bakiyev promised to make all media in the country independent, but suddenly in early September 2006 he rejected a law passed that would have turned the state-owned television channel MTRK into a public television and radio station, claiming that the country could not afford the cost. Later that month, opposition lawmakers accused the station of running programs that were biased in favor of the Bakiyev family, despite the fact that in 2005 and 2006, the station aired Radio Liberty radio and television programs. In October, the independent Kyrgyz Internet news agency 24.kg reported that Bakiyev was against privatizing the state television channel.

During the November rally in Bishkek, some demonstrators went to the station to demand that the opposition be given airtime. Station chief Kiyas Moldokasymov agreed but later said the government ordered him to cancel that agreement. When the government met the demands of demonstrators for a new Constitution, it also agreed to the creation of a Supervision Council made up of 15 members, 5 each from the president, the Parliament, and the company itself.

Though there were incidents of violence during the November 2006 rally, the week-long event was generally peaceful. However, Reporters Without Borders issued a report on November 20 noting, "Journalists with the 24.kg news agency were attacked by unidentified assailants while covering a pro-government demonstration in the capital, Bishkek, on 7 November. TV Pyramida reporter Turat Bektenov was attacked as he was returning home the same day." The report also pointed out that several media outlets were prevented from providing news coverage on November 2–7.[4] In its annual Worldwide Press Freedom Index, Reporters Without Borders ranked Kyrgyzstan 123 out of 168 countries surveyed in 2006.

Local Democratic Governance

1999	2001	2002	2003	2004	2005	2006
n/a	n/a	n/a	n/a	n/a	5.75	6.25

President Bakiyev had conflicts with several provincial officials during 2006, demonstrating that the president could not always rely on regional compliance. In January, Bakiyev named Talas governor Iskender Aliyev to be governor of Jalal-Abad province. The Jalal-Abad governor, Jusup Jeyenbekov, was supposed to become the new governor of Talas province, except that neither Jeyenbekov nor his supporters wanted him to leave Jalal-Abad. Hundreds of people demonstrated in Jalal-Abad, demanding that Jeyenbekov be left at his post there. Jeyenbekov finally met with Bakiyev and agreed to the transfer.

In May, Bakiyev appointed Jantoro Satybaldiyev to be governor of Osh province, but by October there were demonstrations in Osh calling for Satybaldiyev's

dismissal. Bakiyev also dismissed Issyk-Kul governor Esengul Omuraliyev in December for opposing the construction of a road linking Almaty, Kazakhstan, to the Issyk-Kul resort areas. During November's rally in Bishkek, Chu governor Turgunbek Kalmurzayev joined the demonstrators, and opposition lawmaker Melis Eshimkanov claimed other governors had also joined the rally. There were no large demonstrations against regional and local officials during 2006, and while officials may have resisted orders from Bishkek, they seem to have done an adequate job of meeting the needs of their constituents.

Judicial Framework and Independence

1999	2001	2002	2003	2004	2005	2006	2007
5.00	5.25	5.25	5.50	5.50	5.50	5.50	5.50

To what extent the new Constitution will affect the judiciary was not clear by the end of 2006, especially since amendments were made just before year's end. Ostensibly, Kyrgyz courts are free to act and render decisions prior to the adoption of a new Constitution as long as they remain within the boundaries of the Constitution.

During the Akayev era, the courts evolved into a tool to silence critics, particularly independent media outlets and journalists. The judiciary was clearly subordinate to the executive branch. Yet several cases in 2006 displayed a capacity for independent action. In the case of Ryspek Akmatbayev, the Birinchi Mai court in Bishkek overruled a CEC decision barring him from running for a seat in the Parliament, and Akmatbayev's candidacy was protested not only by some in Kyrgyzstan, but by international organizations that at the time called on the Kyrgyz government to remember pledges to purge government of criminal elements.

Following the ouster of President Akayev in March 2005, it appeared that the court system would be used to punish Akayev supporters who remained in the country. But in 2006, charges were dropped against several former Akayev officials, and neither the Office of the Prosecutor General nor the court system seemed anxious to pursue investigations and possible legal suits against Akayev. Similarly, when President Bakiyev's brother Janysh brought a case against the Parliament for connecting him to the Tekebayev affair, a Bishkek court ruled in December that the Parliament had exceeded its authority when it ordered the Office of the Prosecutor General to open a criminal case against Janysh Bakiyev.

There were no publicized incidents where Kyrgyz citizens were unable to take their cases to the courts or where citizens were detained or incarcerated without clear cause. That is not to say that judicial reforms are not needed or that all judges are competent to make rulings. Under Akayev, judges were regularly dismissed for incompetence.

The abolition of the death penalty in the new Constitution resolves the problem of the dozens on death row in Kyrgyzstan. Nine death sentences were

passed in 2006, but these will now be changed to either lengthy or lifetime prison sentences.

Corruption

1999	2001	2002	2003	2004	2005	2006	2007
6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00

Corruption has always been a major problem in Kyrgyzstan and one that various political leaders, including former president Akayev and current president Bakiyev, have vowed to tackle. Bakiyev himself admitted in 2005 that criminal elements had penetrated the government. The most striking examples of this are the Akmatbayev brothers, Tynychbek and Ryspek. An investigation into lawmaker Tynychbek's murder at a prison riot in October 2005 uncovered evidence that he was linked to criminal groups. The independent media branded his brother Ryspek as a criminal boss during his campaign to occupy his slain brother's seat in the Parliament.

Though President Bakiyev has often spoken about fighting corruption, he faced questions when his brother Janysh was implicated in the scheme to frame opposition leader Omurbek Tekebayev. Revelations that two other brothers of the president were working at embassies in Germany and China, and another brother and the president's son Maksim were successful businessmen, raised questions about nepotism. Opposition groups seized on this situation, saying the "revolution" of 2005 had merely exchanged the Akayev family for the Bakiyev family.

In mid-September, the International Helsinki Federation for Human Rights and the Kyrgyz Committee for Human Rights released a joint statement stating that unless President Kurmanbek Bakiyev's government made "credible efforts" to tackle "growing corruption, nepotism, and political manipulation of the judicial system," these problems "could lead to serious instability."[5] With the internal political problems that came during and after November's rally in Bishkek, the government could not concentrate on the fight against corruption for the remainder of the year. The situation with corruption, which officials freely admitted was terrible in 2005, did not appear much improved by the end of 2006.

Author: Bruce Pannier

Bruce Pannier has been covering events in Central Asia for Radio Free Europe/Radio Liberty since 1997. Since 1990, he has been a frequent visitor to the region.

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1 Just days before Bakiyev made those comments, the Parliament had rejected his nominee for chairman of the Supreme Court, Sultangazy Kasymov.

2 The Supreme Court on June 23 sentenced Uzbek citizen Otabek Akhadov to death for the murder of three members of a Chinese delegation that visited in 2001 and for the killing of a leader of the Uyghur diaspora in Kyrgyzstan, Nigmat Bazakov, in 2000; on July 15, the Bishkek Regional Court sentenced Makhmutjan Ruzimetov and Sabyrkul Batyrov to death for the murder of MP Erkin Bayaman in September 2005; in August, a court found Yevgeny Golovin, Azamat Zakirov, and Rustam Abdulin guilty of killing MP Tynychbek Akmatbayev during the October 2005 Moldovanka prison riot and sentenced them to death; on October 18, the Bishkek City Court found Madamin Shadiyev, Murali Rakhmanov, and Nurullo Khujayev guilty of involvement in the May 2006 attacks along the Tajik–Kyrgyz border and sentenced them to death.

3 Freedom House, "Death Threats Made Against Editor of Independent TV," April 28, 2006.

4 Reporters Without Borders, "Press Freedom Violations Mar Demonstrations Despite Democratic Progress," November 20, 2006.

5 International Helsinki Federation for Human Rights, "Kyrgyzstan: Frustrations About Corruption and Lack of Fair Trials Are Reaching a Boiling Point," September 14, 2006.

Latvia

by Juris Dreifelds

Capital:	Riga
Population:	2.3 million
GDP/capita:	US$13,595
Ethnic Groups:	Latvian (57.7%), Russian (29.6%), Belarusian (4.1%), Ukrainian (2.7%), Polish (2.5%), Lithuanian (1.4%), other (2.0%)

The economic and social data on this page were taken from the following sources:

GDP/capita, Population: *Transition Report 2006: Finance in Transition* (London, UK: European Bank for Reconstruction and Development, 2006).

Ethnic Groups: *CIA World Fact Book 2007* (Washington, D.C.: Central Intelligence Agency, 2007).

Nations in Transit Ratings and Averaged Scores

	1999	2001	2002	2003	2004	2005	2006	2007
Electoral Process	1.75	1.75	1.75	1.75	1.75	1.75	1.75	2.00
Civil Society	2.25	2.00	2.00	2.00	2.00	1.75	1.75	1.75
Independent Media	1.75	1.75	1.75	1.75	1.50	1.50	1.50	1.50
Governance*	2.50	2.25	2.25	2.25	2.25	n/a	n/a	n/a
National Democratic Governance	n/a	n/a	n/a	n/a	n/a	2.25	2.00	2.00
Local Democratic Governance	n/a	n/a	n/a	n/a	n/a	2.50	2.50	2.50
Judicial Framework and Independence	2.00	2.00	2.00	2.25	2.00	1.75	1.75	1.75
Corruption	3.50	3.50	3.75	3.50	3.50	3.50	3.25	3.00
Democracy Score	2.29	2.21	2.25	2.25	2.17	2.14	2.07	2.07

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

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

Executive Summary

Latvia's road to a fuller democracy, a functioning market economy, and an improved civil society has been made much easier by the country's historical exposure to two decades of independence, which most former Soviet states (other than Estonia and Lithuania) did not experience. Nevertheless, Latvia's institutions of democracy are suffering a crisis of legitimacy and trust. In July 2006, Eurobarometer polls of the Latvian public revealed distrust levels of 85 percent for political parties, 71 percent for the Parliament, and 68 percent for the government.[1] Voter participation in the October 2006 national elections dropped to 62 percent from a formerly traditional 71 percent. Latvia also has one of the highest percentages of Euro-skeptics, and about 20 percent of the population considers leaving the country in the next two years.[2]

Eurobarometer polls have shown an increase in the proportion of those satisfied with life in Latvia, from 55 percent in 2004 to 72 percent in November–December 2006. At the same time, the European Union (EU) average is 87 percent.[3] In spite of the current 11.9 percent rate of economic growth and the 22 percent increase in average salaries, there are strong undercurrents of discontent most pronounced among those over 45 and those less educated.[4]

There are, however, many positive signs of democratic consolidation. Increasing awareness of the value of nongovernmental organizations (NGOs) as well as Internet access to all types of government information have slowly built a sense of democracy and a more informed electorate. The highly competitive Latvian mass media are proving to be reliable sources of information and watchdogs against governmental abuses of power, and Latvia's political system functions well despite a perpetual series of coalition governments. The continued hold on the government mandate by the same party coalition with the same premier after the October 2006 national elections reflects a new national maturity and period of political stability. At the same time, this political consolidation has diminished sensitivity to legitimate demands of the presidency and of other state institutions and enhanced an executive-driven agenda unresponsive to opposition party initiatives.

National Democratic Governance. There is broad consensus on most areas of policy among the main governmental parties, which can be best categorized as center-right. The new four-party coalition following the October 2006 elections has a solid majority of 59 deputies in the 100-member Parliament. In quick fashion, all four parties were able to agree on common policy priorities, although such solidarity may be tested by the reality of pressing events, diverging interests, and differing solutions to emerging problems. This solidarity, however, has at times verged on governmental arrogance and insensitivity. On May 1, 2004, Latvia became a

member of the EU and can participate with other democratic regimes in setting common parameters and standards. Many EU laws apply to Latvia. The republic is receiving substantial aid from the EU, which is helping to raise the government's responsiveness and efficiency in delivering public services. *Latvia's national democratic governance rating remains at 2.00.*

Electoral Process. Latvia is a parliamentary democracy, with elections to the 100-member Parliament held every four years. The most recent parliamentary elections took place in October 2006 and were considered by the Organization for Security and Cooperation in Europe (OSCE) to have been "administered transparently and professionally in a competitive and pluralistic environment." However, major distortions in electoral spending were introduced by third-party advertising. A few political parties circumvented spending limits by large sums, giving them a considerable advantage over parties that followed the limit. These cases were reviewed by court, which concluded they would be liable for overspending. Voter turnout over the past four years declined from 71 percent to 62 percent. *Although the illegal campaign spending practices of a few parties were self-corrected during the year, no laws have been passed with respect to third party spending. Latvia's rating for electoral process worsens slightly from 1.75 to 2.00.*

Civil Society. The formation of interest groups in Latvia is still a work in progress, with limited but growing popular resonance. NGO activity is in a state of flux largely because of the loss of financing from foreign donors. NGOs, however, are now more widely accepted by the Parliament and the government and in 2006 had access to state "seed money" in order to obtain larger support from EU funds. A dozen NGO centers provide technical assistance, information, and consultative services to local groups. *Latvia's rating for civil society remains at 1.75.*

Independent Media. Latvian mass media have remained diverse, competitive, and buoyant. Total foreign media control remains a possibility, especially with a shift in ownership shares of the oil conglomerate Ventspils Nafta, a major player in Latvian media. While the media serve two distinct linguistic communities, Latvian and Russophone, there is some overlap of audiences, especially in broadcasting. Many people also have access to EU-country television programs. *Latvia's rating for independent media remains at 1.50.*

Local Democratic Governance. Latvia is in a quandary with respect to local governments. There are over 500 small units, but people are reluctant to amalgamate into larger, purportedly more efficient units and lose the personal intimacy of established local relationships. Local governments traditionally receive better ratings and are more trusted than national structures, but there is a growing gap between the broad array of responsibilities of local governments and their limited financial and human resources. As well, there is a wide gulf between the wealthier and less advantaged municipalities, leading to geographic inequality in services. Current

reforms envisage consolidation into about 167 new territorial units. *Latvia's rating for local democratic governance remains at 2.50.*

Judicial Framework and Independence. The status, pay, and number of judges in Latvia have continued to increase in the last few years. Slow but steady progress is also being made in dealing with the large backlog of cases. Modernization of the court system is progressing rapidly, yet trust ratings for the court system remain low. In 2006, several high-level judges were charged with bribery, increasing the desire in the judiciary for more active "self-purification" of their ranks. *Latvia's rating for judicial framework and independence remains at 1.75.*

Corruption. While all signs indicate relatively limited corruption in middle and lower levels of the administration, there are ongoing rumors of backroom deals involving top state administrators, politicians, and oligarchs. These rumors were reinforced in 2006 by the publication of secret phone conversations of the attempted bribery of a city deputy in Jurmala by Latvia's leading oligarchs. This watershed event became known as "Jurmalgeita" (Jurmalagate). Latvia's anticorruption organization, the Corruption Prevention and Combating Bureau (KNAB), is becoming more sophisticated and has accelerated its investigations of "big fish." The KNAB has become one of the most trusted organizations in Latvia, and people are increasingly willing to inform officials about observed corrupt activities. Charges of corruption against one of Latvia's most powerful oligarchs and mayor of Ventspils, Aivars Lembergs, sent a strong signal that corruption is no longer a risk-free activity. *Owing to the continued activities of the KNAB, the more positive perceptions of the business community, and the change in popular attitudes about the harm of corruption, Latvia's rating for corruption improves from 3.25 to 3.00.*

Outlook for 2007. In 2007, Latvia will continue to consolidate its position in the EU and NATO. The four-party coalition will attempt to harmonize its differences in order to deepen control of state functions. Unless forced by new political confrontations and developments, people will focus less on politics and more on work and shopping as the country's new spirit of consumerism expands. The distribution of EU funds will become a major area of conflict among various economic interests. Russian-Latvian relations within Latvia have returned to lower levels of confrontation, but group animosity will grow somewhat, fueled by the local Russian-language media and nationalist elements in Russia. Relations with Russia might improve as border agreements between the two states are signed. Rapid economic growth in the heartland will create even more discontent in the hinterlands, where stagnation will deepen. More individuals are expected to leave Latvia to work abroad. Many of these, especially Russophones, will not return to Latvia.

Main Report

National Democratic Governance

1999	2001	2002	2003	2004	2005	2006	2007
n/a	n/a	n/a	n/a	n/a	2.25	2.00	

By all formal measures, Latvia has built a solid foundation of democratic institutions and processes reflected in its amended 1922 Constitution (from an earlier period of independent rule, won in 1920) and a variety of laws and regulations. Latvia satisfied the stringent democratic parameters required for joining the EU and NATO. The rules of democratic politics are accepted by the vast majority of people, although the spirit of these rules has at times been seriously abused. Public participation is encouraged by the government and the media, but the activity of NGOs in political processes and decision making has been modest. There has been a general slide in popular regard for political and parliamentary institutions in spite of Latvia's outstanding economic growth and overall improvements in governmental services and standards of living.

Despite the Latvian public's low level of trust in the country's democratic institutions, there is a general acceptance of the legitimacy of national authorities. Increasingly, legal loopholes in existing laws are being closed, although many still remain. As well, people are slowly adapting to the idea that government should not be responsible for numerous areas of life previously covered by the Communist system. Indeed, there appears to be broad ideological consensus among Latvian political parties, which by their definition are center-right oriented. Only the two predominantly Russian political parties espouse left-oriented policies.

In 2006, the Latvian government once again experienced political instability. The main protagonists were the New Era Party with its leader, Einars Repse, and the Latvian First Party, led by Ainars Slesers. Both parties were members of the four-party coalition led by Prime Minister Aigars Kalvitis of the People's Party. The New Era Party left the government in April 2006, along with six ministers. As polls indicated, this grand gesture by the New Era Party cost it much support and left a negative legacy with most of the other political parties. Since October 2006, the New Era Party has been completely shut out of power, but the post-election coalition, with a mandate of 59 seats out of 100 in the Parliament (Saeima), is proclaiming a dominant position of stability and continuity.

In terms of output and accomplishments during its four-year existence, Latvia's eighth Parliament performed adequately, initiating 1,934 bills and passing 1,273 laws, with the bulk of serious cooperative work forged in parliamentary committees outside the glare of the media.[5] This new, ninth Parliament has the largest number of returned deputies since the renewal of Latvia's independence. Prime Minister Kalvitis is the first in the country's history to continue as premier following an election.

In 2006, several issues passed by the Parliament were contested by the president. One of the most sensitive concerned the proposed publication of the incomplete files and names of about 4,500 KGB informers from the Soviet period. The issue has not yet been finalized, since the Parliament can still choose whether to proceed on this initiative.[6] The banning of employment discrimination based on sexual orientation was passed in September 2006 by the Parliament, but only after the president returned the first set of labor law amendments, which had omitted this issue.[7]

Latvia's parliamentary system is not well structured for regularized dialogue with voters. Individual deputies are not responsible for a specific geographic area, as is the case in North America and much of Europe; hence people do not have a local representative office where they can ask for assistance. Another problem is Latvia's relatively underdeveloped lobbying structure. Parliamentarians, however, are able to gauge the popular will through a very active media and through increasingly vocal professional and ethnic associations. A memorandum on cooperation between NGOs and the cabinet was signed by Prime Minister Kalvitis on June 15, 2005, and a "declaration" attesting to the important role of NGOs "as an equal partner" was passed by the Parliament in March 2006.[8]

The Latvian government has made significant strides in providing public access to various state documents. These include Internet access to proposed legislation and to the agendas of the Parliament, the cabinet, state secretaries, cabinet committees, and parliamentary committees. Likewise, anyone can access the financial data of all ministries. Transcripts of parliamentary sessions as well as the protocols of cabinet and cabinet committee meetings are also available online.

The judiciary is independent of direct government pressure once the Parliament confirms a judge's candidacy. However, judges are dependent on the Ministry of Justice for their wages, administrative support, offices, and instructions on new laws and procedures.

In the Latvian political system, the president functions as head of state and has the power to appoint the prime minister and to return or veto legislation. Vetoed legislation is in force for two months, but it requires signing after a repeat majority vote in the Parliament. As for current president Vaira Vike-Freiberga, her major contributions lie in her continuity, political neutrality, and high popular rating. She has provided useful criticisms and successfully returned several ill-advised pieces of legislation. Thus the institution of the presidency acts as a gatekeeper for "sober second thought," a role usually performed by the Senate in many other countries. The president is highly regarded, and her acceptance of the nomination as a candidate for United Nations secretary-general on September 16, 2006, was widely applauded. She withdrew her candidacy on October 8 in part because an informal rule of geographic rotation gave preference to an Asian representative.

In 2006 as in 2005, Vike-Freiberga was on the Forbes list of the world's 100 most powerful women. She was also invited to address a joint session of the U.S. Congress on June 7, 2006, reflecting the high regard of President George Bush and his administration. In October 2006, she received the 2006 Europe Prize for her

"bravery, directness in the defense of principles, and in her addressing of the future" as well as her actions, which have strengthened the common European cultural space.[9] Vike-Freiberga will have served a limit of two terms by July 2007, when a new president will be elected by the 100 members of Latvia's Parliament.

In general, Latvia's government does not interfere in the economy except to set broad parameters and fiscal policies. There is as yet no consensus with respect to the privatization of certain large industries in which the government holds the majority or a large proportion of shares. There are plans by the government to consolidate 100 percent state ownership of the telecommunications giant Lattelekom in exchange for shares in Latvijas Mobilais Telefons (LMT), the mobile telephone corporation. In 2006, the government sold its 36 percent share of Ventspils Nafta to Vitol Group, a private consortium based in the Netherlands and specializing in oil trading and marketing services.

Latvians now have the option of suing state organs for compensation of losses incurred by their actions or inactions. The well-developed administrative court system allows for the resolution of clashes between citizens and various state bodies. People can also turn to the Constitutional Court to urge the reversal of policies or state decisions.

The Latvian civil service functions according to traditional standards of efficiency and public service and is monitored by the Civil Service Board and various other financial, control, and audit institutions. Unfortunately, its salary levels are relatively low compared with those in the private sector. A major problem is the annual 30–40 percent turnover rate of workers. As a result, many ministries are understaffed and dependent on students who leave when they obtain their degrees. In view of the labor shortage, the State Revenue Board allowed the recruitment of noncitizens in 2006.[10]

The country's military is well integrated with civilian authorities, and the president is commander in chief of the armed forces. Beginning in 2007, Latvia will change to an all-volunteer military service. The prestige of the military has grown with increased pay and financing, and its participation in Iraq and Afghanistan has provided a degree of experience in real combat. The holding of a NATO summit conference in the capital city, Riga, at the end of November 2006 raised the prestige of the armed forces even more.[11]

Electoral Process

1999	2001	2002	2003	2004	2005	2006
1.75	1.75	1.75	1.75	1.75	1.75	1.75

Latvia is a parliamentary democracy, and elections to the 100-member Parliament are held every four years. Deputies are elected proportionally from party lists in five large electoral districts. Only party members determine the ranking of names on the electoral lists, but voters have the right to rearrange this ranking in their chosen

party by adding a plus or minus sign next to the candidates' names. The governing cabinet is usually made up of individual parliamentary deputies whose seats are filled by the next candidate in line on their respective party list. Occasionally, unelected individuals can be appointed to the cabinet or even asked to be prime minister, as was the case with Andris Skele and Andris Berzins in previous elections in the 1990s.

Elections to the ninth Parliament were held on October 7, 2006, with the participation of 19 party lists and 1,027 candidates.[12] These elections reflected a new maturity in the electorate that no longer believed in a "savior party," although several parties attempted to fill this niche. The most far-reaching and significant change was the effort by some parties to circumvent spending limits by financing advertising through individual organizations under the guise of freedom of speech. The People's Party and Latvian First Party were the leaders in such initiatives, gaining many votes in the process. After several minor parties went to court to contest the legality of the elections in the hope of overturning the results, the Supreme Court concluded that the two parties (People's Party and Latvian First Party) had spent beyond the allowed legal limits but concluded that this had not influenced the final results.[13] No laws were passed with respect to third party spending and, indeed, Parliament was seriously considering lifting all restrictions on election spending in the future.

The voter participation rate, however, was significantly lower than in 2002, decreasing from 70.3 to 62.28 percent. The highest turnout was in Riga (67.21 percent) and the lowest (55.70 percent) in Latvia's eastern region of Latgale. Of the 19 contesting parties, 7 were able to overcome the 5 percent threshold to gain deputies in the Parliament.[14]

Observers from the OSCE and Office for Democratic Institutions and Human Rights visited 88 polling stations throughout Latvia. In their view, the election was "administered transparently and professionally, and the campaign took place in a competitive and pluralistic environment.... The election day process itself was conducted efficiently.... The political campaign was pluralistic and provided opportunities for all political parties and alliances to communicate their messages to the voters. The campaign was mainly conducted through the mass media with relatively few rallies or large-scale meetings." The main criticism concerned the country's noncitizens, which number over 400,000 people, or 18 percent of Latvia's total population.[15]

Among those elected, only 30 out of 100 had no prior experience in the Parliament. Nineteen deputies were currently representatives in local government councils, and 7 of these were the heads of their councils. These deputies will have to end their local mandates before moving on to serve in the Parliament. By contrast, the Parliament refused to allow Latvian European Parliament deputies from running in the elections.[16]

The perceived big winner in the elections was the People's Party, which had provided the prime minister of the eighth Parliament since December 2, 2004. The perceived big loser was the New Era Party, which was elected in 2002 with 26 seats

but this election received only 18 seats. Of the seven winning parties, only the two just mentioned were not coalitions.

Results of the October 7, 2006, Elections to the Ninth Parliament[17]

Parties or Coalitions	Share of Voters in %	Number of Deputies	Change from 2002
1. People's Party (Tautas Partija)	19.49	23	+3
2. Union of Greens and Farmers (Zalo un Zemnieku Savieniba)	16.69	18	+6
3. New Era Party (Jaunais Laiks)	16.38	18	–8
4. Harmony Center (Saskanas Centrs) (Mostly Russophone supported)	14.42	17	+17
5. Voting Union of Latvia's First Party and Latvia's Way (Latvijas Pirma Partija un Latvijas Cels)	8.59	10	Same
6. For Fatherland and Freedom (Tevzemei un Brivibai)	5.4	7	+1
7. For Human Rights in a United Latvia (Par Cilveku Tiesibam Vienota Latvija) (Mostly Russophone supported)	6.02	6	–19

Many of the extremist parties received almost no support. As stated by columnist Aivars Ozolins of the major Latvian newspaper *Diena*: "Those 'Latvian' parties that had hoped to entice voters with the inclusion of ultra-nationalist, xenophobic, anti-Semitic, or homophobic view holders in their voter lists evidently were mistaken in their offerings."[18] Three of the four parties in the governing coalition have been associated with prominent and wealthy Latvian oligarchs: The People's Party is linked with Andris Skele, the Union of Greens and Farmers with Aivars Lembergs, and the Latvian First Party with Ainars Slesers. There are many signs that these three oligarchs who have fought one another for many years have declared a truce and are now attempting to cooperate, which has made many people nervous.

Civil Society

1999	2001	2002	2003	2004	2005	2006
2.25	2.00	2.00	2.00	2.00	1.75	1.75

NGOs are regulated and defended by the Latvian Constitution, the 1992 Law on Public Organizations and Their Associations, and two new laws on public organizations passed in 2003 and 2004. The new laws required NGOs to reregister (from

April 1, 2004, to December 31, 2005), but in January 2006, over 5,000 organizations had not fulfilled the requirements of this new process and lost their official accreditation. However, 3,495 NGOs did register and have established a much more transparent and legal presence.

The years since Latvia's accession to the EU in May 2004 have been marked by turbulence in the NGO sector. Most NGOs have lost financing from foreign donors and have reoriented toward self-sustainability. At the same time, new opportunities have been created for Latvian groups through their access to EU funding, greater integration partnerships, and networking with experienced and well-funded EU organizations. The requirements and procedures for EU support, however, have created major obstacles that, to date, only a small minority of Latvian NGOs have been able to surmount. In this respect, the Latvian government has realized the importance of "seed money" and in 2006 created a program to provide up to 20 percent of project financing in order to increase the number of successful applicants for EU grants.

Local support by Latvian businesses is rather sparse and focused mostly on organizations specializing in sports and culture and rarely on those advocating more politicized issues, such as environmentalism, gender equality, and government transparency. Indeed, such NGOs as Delna (a branch of Transparency International) and Providus (which advocates civil society growth), both supported by Soros donations, have been attacked by Latvian oligarchs such as Aivars Lembergs and Ainars Slesers because of their success in promoting a more open democracy and their close watch on election expenses and "hidden" advertising. Slesers tried to introduce a resolution on January 19, 2006, to ban any monitoring of political parties by NGOs that had received foreign donations. The attacks by oligarchs have been particularly animated, with attempts to demonize George Soros and any organization receiving support from his charitable foundations.[19]

In spite of the attacks against certain NGOs by powerful politicians, the general thrust of official government policies has been much more positive and increasingly supportive in speech as well as in deed. The government process of helping to strengthen and expand NGO activities began in 2005 and continued unabated in 2006. In February 2005, the government accepted detailed long-range and mid-term national programs, specifically "the basic outlines strengthening civil society, 2005–2014," and "strengthening civil society, 2005–2009." These programs have now become the key policy priority of the minister of special issues and social integration and focus on NGO education, motivation, inclusion in decision making, and sustainability. The ministry has engaged a dozen representatives of NGOs to participate in its regular meetings discussing EU structural funds, and in June 2005, the Latvian government signed a memorandum of cooperation with NGOs. Coordination of this project has been left in the hands of the State Chancellery. On April 30, 2006, the Latvian Parliament overwhelmingly passed a declaration on the strengthening of civil society and the need to further engage NGOs in the decision-making process as "equal partners."[20]

The Latvian government also allows an 85 percent tax deduction on donations to groups that have received "public benefit status." This status is determined by the Public Benefit Committee, which comprises ministry officials and NGO representatives from the fields most closely associated with such public interest activities as welfare, health, environment, civil society, minority group integration, and sports. At the end of 2005, there were 534 NGOs that had received public benefit status out of 3,495 registered associations and 286 foundations.[21]

Latvian NGOs face other problems besides financing, such as low organizational capacity. Most groups are composed of about two dozen individuals who often lack basic training in financial, legal, administrative, and public relations skills. NGOs are dependent primarily on part-time volunteers who do not have the time or energy to plan and focus on long-term strategies. Even groups with paid staff often find themselves tied to the life of specific projects rather than having a continuous source of personnel financing.

In spite of the evident shortfalls in capacity, major efforts have been made to create 12 regional NGO centers that provide technical assistance, information, and consultative services to various locally based NGOs. Certain groups have developed strong networks within their fields of interest. Also, other cross-interest networks have created umbrella advocacy organizations, such as the Civic Alliance–Latvia, which helps to monitor government policies and defends and lobbies the interests of its members.

In 2006, certain NGOs received wide coverage in the media. The Jurmala Defense Society, with over 3,000 activists, lobbied and agitated against plans by the city of Jurmala to expand construction into formerly protected forested areas. Land in this beachfront city is extremely expensive, and various quick-profit businesses have long sought sweetheart deals with the city administration. NGOs have also introduced and won cases in the Constitutional Court.

In 2006, no group seriously threatened political or social stability in Latvia. However, several incidents created major polarization in the society. One concerned the banning of the traditional Latvian Legion's war veterans ceremony to be held at the national Freedom Monument on March 16. This action by the city of Riga was hotly debated, especially because Soviet war veterans have been allowed in the past to celebrate their various remembrance events in front of the Soviet-built Victory Memorial in Riga.[22]

Once again, controversy surrounded the celebration of Gay Pride Day in Riga in July. A parade permit was not issued by the city of Riga because of the seeming difficulty in providing police protection. Nevertheless, gays and their supporters assembled in a Riga hotel and were pelted with various objects, including excrement.[23] This violent reaction received worldwide publicity. In the wake of this controversy, the Latvian Parliament hurried to amend the Constitution to state explicitly that marriage was to be allowed only between a man and a woman.

Various ethnic groups have created their respective cultural and advocacy organizations. Most recently, the Latvian government has expended much effort to provide support systems for Roma. On March 24, 2006, an Arab cultural center

was established, the first in the Baltic states. Perhaps an index of a certain measure of success of Latvian NGOs has been their invitation by several post-Soviet states, including Georgia, to provide advice on strengthening civil society.

Independent Media

1999	2001	2002	2003	2004	2005	2006	2007
1.75	1.75	1.75	1.75	1.50	1.50	1.50	1.50

The Latvian Constitution (Article 100) guarantees freedom of speech; freedom to obtain, keep, and disseminate information; and freedom to proclaim one's opinions. Censorship is forbidden. Sections 91 and 127 of the Latvian criminal code (adopted in 1999)—which carried prison time and severe fines for spreading false information about deputy candidates or defaming state representatives—were challenged successfully in the Constitutional Court in October 2003 by the newspaper *Diena*. With the concurrence of the Parliament in January 2004, criminal liability for the defamation of state officials has now been effectively removed. In June 2003, the Constitutional Court also repealed a law requiring that 75 percent of broadcasting in any 24-hour period be in the Latvian language. This repeal means that the language of broadcasting will be determined solely by market considerations.

A new controversy developed in 2006 over the demand by state institutions that media should reveal their news sources. In March, a court determined that the newspaper *Neatkariga Rita Avize* did not have to reveal its sources to the Corruption Prevention and Combating Bureau (KNAB).[24] In September, however, another court required Latvian State Television (LTV) to reveal its sources in the police criminal investigation of the oligarch Aivars Lembergs.[25] LTV has decided not to comply, whatever the consequences. Additionally, the state finance police were able to obtain a judge's permission to tap the conversations of a prominent LTV news journalist, which were later revealed to the media. The judge in question received a reprimand, and several policemen are being investigated.[26]

Except for these new obstacles, Latvian media are free to disseminate information and views, limited only by libel considerations and the pressures of the market. Investigative journalists are free to pursue various sensitive topics, including government waste and corruption. The mass media generally enjoy editorial independence, although certain news items may be difficult to obtain from government sources. The leading newspapers readily publish a broad range of opinions from specialists and NGOs. Many newspapers are available free of charge on the Internet, and several papers are distributed without charge.

Internet use is increasing rapidly. In the summer of 2006, 44 percent of people from 15 to 74 years of age had accessed the Internet during the previous six months, and 37 percent had done so in the previous seven days. The Latvian Central Statistics Bureau concluded at the end of 2006 that 42 percent of households were

connected to the Internet and 22 percent had a broadband connection.[27] Latvia has established a special governmental ministry to deal with "e-affairs" in order to further the expansion of broadband access across the country. The government plans to spend 130 million lats (US$246.7 million) for expanding information technology to all schools by 2013.

Viewers in Latvia can choose between state-subsidized and privately owned television and radio as well as Latvian- and Russian-language media. LTV1 and LTV7 are public TV stations. PBK is a Baltic-wide Russian-language station based in Riga.

About one-third of viewers rely on satellite and cable reception. Russophones, in particular, tune in to programs from neighboring Russia. Each viewer in Latvia over the age of four spent almost four hours daily in front of the television in December 2006.[28]

While public TV has a minor share of the total television audience (14.9 percent) and in 2006 survived several crises of financing, programming, and personnel clashes, it can still claim some of the most watched TV programs. A major clash occurred over financing the independently produced and most watched weekly public affairs program, *Kas Notiek Latvija* (*What Is Happening in Latvia*), created by Janis Domburs. The prolonged shutout created public pressure to resume the program's broadcast. Latvia's leading intellectuals came to Domburs's support, and the issue was finally resolved.[29]

In contrast with public television, public radio is the clear leader in the field. Latvijas Radio with its four different services claimed 46.2 percent of the total audience in spring of 2006.[30]

In 2006, a new free-distribution daily paper, *5 Min,* catapulted to the top in terms of readership. The paper is published by the daily *Diena* in both Russian and Latvian editions with similar content, which could potentially lead to a convergence of the media's two linguistic spheres. The other daily newspapers retained their traditional standing. The most popular Latvian papers were *Diena*, *Latvijas Avize*, *Neatkariga Rita Avize,* and *Vakara Zinas*. Russophones preferred *Vesti Segodnya*, *Chas*, and *Telegraf*. A new freely distributed Riga city paper, *Vidzemes Priekspilsetas Vestis,* was started in 2006 to fill the daily niche abandoned by *Rigas Balss*, which became a weekly.

The largest shareholder in *Diena* is the Bonnier Group of Sweden. In the Russian media, *Vesti Segodnya* and *Komersant Baltic* are owned by Riga residents Andrey Kozolv and his mother. Other publishers of the Russian press include local Russophones Aleksey Sheinin and Valery Belokon. Belokon also owns 30 percent of TV5 and recently purchased the U.K.-based Blackpool Football Club.

The Bonnier Group, besides controlling the newspaper *Diena*, has interests in one-third of Latvian regional newspapers, the only business daily in the Latvian language (*Dienas Bizness*), and the Baltic News Service. It also controls large printing facilities and one of the largest media distribution and subscription companies. Narvessen, a Scandinavian company, controls 60 percent of Latvia's retail publication outlets, having bought out hundreds of independent booths.

Of some concern to media independence and pluralism is the dominant presence of Ventspils Nafta (VN), a joint stock holding company specializing in the oil transit and terminal business, with additional interests in real estate, shipping, hotels, sports clubs, and other areas. Its subsidiary Mediju Nams controls three major daily newspapers: *Neatkariga Rita Avize*, *Rigas Balss*, and the racy tabloid *Vakara Zinas*. It also publishes several journals and weeklies, and its former subsidiary has bought a controlling stake in another daily paper, *Latvijas Avize*. The chief representative of the VN conglomerate has for many years been Aivars Lembergs, mayor of the city of Ventspils and main financial supporter of the Union of Greens and Farmers. The 2006 sale of Ventspils Nafta shares owned by Latvia's government to Vitol, a multinational hydrocarbon company based in the Netherlands with US$80 billion in revenue in 2005, could lead to changes in the conglomerate's structure and power and perhaps the sale of VN media holdings.[31]

Foreign multinationals control the two largest TV broadcasting channels in Latvia. The Swedish Modern Times Group (MTG) owns 100 percent of TV3 and 3+. MTG is almost entirely a communications corporation, albeit with recently acquired interests in gaming and betting establishments. MTG controls the largest commercial radio network in Northern Europe, including Star FM in Latvia. The MTG 2005 CEO report states, "Our footprint increased to a record new level of over 360 million people in 21 countries, which is the second largest geographic broadcast footprint in Europe."[32]

The other major foreign owner is Polsat, a Polish media company that controls 60 percent of Latvijas Neatkariga Televizija (LTN) and Radio SWH, SWH+, and SWH Rock. Polsat also has controlling interests in TV4 in Lithuania and TV11 in Estonia. Polsat was founded in 1992 by Zygmunt Solorz-Zak, a then 35-year-old Polish entrepreneur. In 2006, he was listed by *Forbes* magazine, in its 2006 global billionaires tally, as the 382nd wealthiest person in the world with an estimated net worth of over US$2 billion. According to the English-language *Warsaw Voice* of June 26, 2003, "Solorz-Zak has been in business since the start of the 1980s. His first company was active in transporting packages from Germany to Poland and selling cheap Eastern European cars. In the early 1990s, he invested in the media. The Polsat television station, in which Solorz-Zak holds 98 percent of the stock, began broadcasting from the Netherlands December 5, 1992," before it was allowed to do so in Poland. Latvia has no law limiting foreign ownership in the media. This may create problems in the future. Certain world media conglomerates, such as Rupert Murdoch's News Corporation and the Germany-based Axel Springer and Bertelsmann, are reportedly interested in acquiring Baltic media sources.

Journalists in Latvia have almost no protection. Their unions are weak, and remuneration is low: 200 to 300 lats (US$365 to US$546) per month. Consequently, there is a large turnover in reporters (who shift mostly to private PR firms) and a high share of young, inexperienced journalists who have neither the time nor the skills for major investigative initiatives. In spite of such issues, the media are the most trusted institutions in Latvia. As well, there is tremendous competition to enter journalism schools. In Latvia, there is still a certain glamour associated with this

profession that has faded in most Western countries. In its Press Freedom Index in October 2006, Reporters Without Borders rated Latvia highly, placing the country in the 10–13 position out of 168 countries surveyed (Latvia shared this ranking with Hungary, Slovenia, and Portugal).

Local Democratic Governance

1999	2001	2002	2003	2004	2005	2006	2007
n/a	n/a	n/a	n/a	n/a	2.50	2.50	2.50

In contrast with Estonia and Lithuania, Latvia has a Constitution that does not include the principles and rights of local governments, which has been one of the constant demands of the Union of Latvia's Self-Governments (Latvijas Pasvaldibu Savieniba, a voluntary organ representing 525 of 553 local governments in Latvia). Nevertheless, Latvia has several laws that apply to municipalities, particularly the Law on Local Governments, passed on May 19, 1994, and amended over 10 times. The 553 local governments in Latvia are responsible for a broad array of functions and services, including primary and secondary education, most social assistance (except pensions and family care benefits), health care, water supply and sewage, county roads, solid waste collection and disposal, and about one-fifth of all housing in Latvia to which they have legal title. The processes of governance vary according to the size of the municipality, but all are based on fundamental democratic foundations, such as open council and committee meetings and minutes, public access to deputies and the executive, procedures for review of complaints and suggestions, public discussions, and audited annual reports or reviews of budget spending and assets. Citizens also have recourse to municipal elections every four years. Elections are free and democratic, with a turnout of 52.85 percent at the most recent local elections on March 2, 2005.

The Law on Administrative Procedure, in force since February 1, 2004, provides another element of local security against arbitrary government actions. Most important, this law allows people to dispute government actions through the administrative court system. Local media, mostly weeklies, also provide input and discussion on municipal activities. The relative satisfaction with local governments has decreased from 52.4 percent in January 2005 to 43.1 percent in January 2006.[33] Riga is clearly the most economically favored area in Latvia, with an unemployment rate below 4 percent (compared with 25–30 percent in the Latgale districts), and it produces two-thirds of Latvia's gross national product (with about one-third of the country's population). Indeed, the other four regions generate relatively little economic value: Kurzeme, 11 percent; Vidzeme, 10 percent; Zemgale, 8 percent; and Latgale, 4 percent. Latgale is the region with the greatest poverty and highest rate of unemployment.

In the last decade, many attempts have been made at the national level to redraw municipal boundaries, but only minimal voluntary changes have ensued.

Once again, this issue will be on the Parliament's agenda, but the Union of Greens and Farmers is opposed to any forced redrawing of boundaries, while the People's Party sees no other alternative. This issue may divide the current party coalition in the ninth Parliament. The Union of Latvia's Self-Governments has also voted against mandatory territorial reform. Some accommodation has been made by altering the squeezing of the existing 553 municipalities into 167 to 170 viable units instead of the originally planned 120 units, based on a minimum population of 4,000. As yet, 73 percent of local governments have populations below 2,000. The aim is to have these reforms completed by the next municipal elections in March 2009.[34]

In 2006, municipalities, especially Riga and Jurmala, generated major news. The banning of the Riga Gay Pride Day parade in July, the controversy over the possible sale of Riga city heating structures to a French consortium, the fight over control of gambling establishments, the chaos of Riga city purchasing practices, and the various discovered sweetheart deals with Riga city property all generated discontent in different sectors of the society. The "saga" of changes to the Jurmala city development plan continued unabated with disclosures of bribes, personnel changes, and heightened public participation and petitions. In other areas of Latvia, such as Saka and Roja, housing built illegally on protected seaside dunes was ordered to be demolished, with conflicts continuing over who would pay for the demolition.

The Union of Latvia's Self-Governments noted that 10 years ago the local priority problem was lack of financing, 5 years ago it was the lack of governance know-how, and currently the biggest problem is "bureaucratization," although the other problems still remain. With the increased number of laws, explosion of supervisory bodies, and need for detailed accountability, much time is devoted to paperwork. Not surprisingly, the Union of Latvia's Self-Governments has demanded a decrease in laws and regulations and greater responsibility placed in the hands of local deputies.[35] In sum, the quality of local governments is quite variable, as is their capacity and ability to fulfill all required jurisdictional duties. Great hope has been placed on the billions of euros that are planned to be disbursed by various EU programs between 2007 and 2013 to raise the level of Latvian municipal development.

Judicial Framework and Independence

1999	2001	2002	2003	2004	2005	2006
2.00	2.00	2.00	2.25	2.00	1.75	1.75

Latvia's Constitution provides protection for fundamental political, civil, and human rights, and on the whole, these are respected by authorities and the general population. Latvians are guaranteed equality before the law, but not all Latvians have equal access to justice in practice. Over 80 percent of litigants in civil cases act without the help of lawyers, but state legal aid is made available in all criminal cases.

The State Human Rights Bureau is a watchdog institution that helps individuals resolve problems at the state and private enterprise levels. It initiates court cases and often supports indigent litigants in civil cases. The bureau was slated to be expanded by January 2007 and undertake ombudsman functions, but by the end of 2006, the Parliament had not yet begun to provide funding of an estimated 1.3 million lats (US$2.47million) or chosen a chief ombudsman.[36]

The state is also held accountable by the Latvian administrative court system and by the EU and its various legal and other institutions. Administrative courts adjudicate disputes and conflicts between the population and national or local public servants, including policemen. State bodies and state workers can be fined or asked for restitution of lost assets as a result of state actions or inactions.

The European Court of Human Rights (ECHR) also considers cases after they have wound their way through the Latvian court system. Several of the successful litigations against Latvia have sensitized the administration and court judges to fundamental civil rights under the EU. For example, in May 2006 the ECHR judged that a Latvian who had received "inhuman treatment" in a police isolation cell should receive 7,000 euros (US$ 9,954) as compensation.[37] The Latvian judicial system is consistently rated as untrustworthy by the population. Part of the problem rests with the continued overload of the system. Judges are overburdened and often do not have the time or sometimes the specialized background to write quality decisions in an understandable fashion. Some judges are also perceived as corrupt. In 2006, two senior judges who had also served during the Communist period were arrested for corruption. Other judges were dismissed or reprimanded in 2006 for careless work and untenable decisions.

In September 2005, Latvia had 436 judges, 75 percent of whom were women. These judges are distributed among 42 courts: 35 are local and city courts of first instance, 6 are regional courts that receive appeals but may also be courts of first instance, and there is 1 Supreme Court with three divisions—civil, criminal, and administrative. In 2005, the courts dealt with 41,696 first-instance civil cases. Over 42.8 percent of these were handled within three months, and only 8.4 percent required longer than a year. In criminal instances, the courts seem to be slowly dealing with the accumulated backlog of cases. Thus, in 2005 there were 10,656 new cases, but 11,549 were concluded. Of these, 62.8 percent were taken care of within 3 months and 30 percent in the next 3 to 12 months.[38]

According to recent statistics, Latvia has a relatively high but decreasing rate of incarceration—there are 292 prisoners per 100,000 of the population, compared with Ireland (72) and Finland (75), but lower than the rates found in Russia (610) and Estonia (333). In June 2006, there were 6,676 prisoners in 15 institutions, a significant drop from the 7,796 in 2005 and 10,070 in 1998. Among inmates, only 5.6 percent were women, and 2.7 percent were juveniles under the age of 18.[39] Additionally, one-tenth are HIV infected, and one-third have been active narcotic consumers or alcoholics. The vast majority have been diagnosed with psychological problems. One-third of first-time prisoners are returned behind bars within a few years.[40] Another third of the prison population is composed of people awaiting

trial, accentuating the reluctance of the justice system to rely on bail and the fear that arrestees will vanish beyond state borders. Only 43.4 percent of prisoners were incarcerated for the first time, indicating a high proportion of repeat criminality, which is about average for Europe (57 percent).[41]

Latvian prisons are a century old and have primitive facilities. The Ministry of Justice has planned to rebuild and modernize all prisons between 2006 and 2014 at a cost of 52 million lats (US$98.7million). The State Human Rights Bureau complained that not enough is being done to provide education, employment, and fitness training in prison facilities. Prisoners most often complain about censorship of correspondence, lack of lighting or ventilation, overcrowding, and lack of toilet facilities separate from living areas.[42] At the same time, drugs, knives, and mobile phones are widespread phenomena, contrary to prison rules. Prison guards and service personnel number about 3,000. Their low pay, scheduled for an increase in 2007, has created staff shortages and affected the quality of recruits. The State Probation Board, created in 2005, now attempts to help criminals integrate into society. In 2005, out of 2,500 released from prison, 700 were provided apartments and work by this service.[43]

The Latvian Constitutional Court is trusted more than other courts. The seven justices are appointed for a single term of 10 years by three separate institutions: Appointments can be nominated by a minimum of 10 parliamentary deputies, two by the cabinet, and two by the Supreme Court "plenary" of about 50 justices. In 2006, four judges, including the current chair, Aivars Endzins, were scheduled to retire. One justice, Ilma Cepane, after retirement in July, was elected as a Parliament deputy in October with the New Era Party. The turnover of over half of the existing justices may introduce new directions in this court. Indeed, the appointment of judges to the Constitutional Court became very controversial and politicized in December, when the governing coalition appointed several individuals with less than stellar judicial backgrounds.

Corruption

1999	2001	2002	2003	2004	2005	2006	2007
3.50	3.50	3.75	3.50	3.50	3.50	3.25	

There are indications that Latvia has moved significantly toward openness and accountability as a result of more active interference by the KNAB and pressure from various international organizations and the EU. Although corruption in Latvia is still a major concern, it may be that the tide has turned.

The KNAB initiated criminal charges for corruption against 50 people in 2005, compared with 29 a year earlier.[44] And publicity given to corrupt practices was particularly noteworthy in 2006. Telephone conversations connected with the attempted bribery of a Jurmala city deputy to vote for the "right" mayor were taped by the KNAB and publicized by the leading Latvian TV program *De Facto* under

the title "Jurmalgeita." Two of Latvia's oligarchs, Andris Skele and Ainars Slesers, were parties to the conversations, but they have not as yet been prosecuted. This year, one senior judge was dismissed by the Parliament, sending a signal to the judiciary. Two other senior court judges were caught accepting bribes given by a sworn executor. All three were arrested, creating shock waves throughout the justice system. Another oligarch, Aivars Lembergs, is being prosecuted for wide-scale corruption connected with Swiss firms. A pharmaceutical businessman, Vladimirs Labaznikovs, was finally sentenced to two years in prison (on appeal) for a large-scale corruption attempt after receiving a suspended sentence in his first court process.[45] Indeed, the media have covered regular stories on charges of corruption against police chiefs, state revenue directors, lawyers, and bureaucrats. In the "Kempmayer" affair, the sophisticated attempt by a group to obtain control over Latvia's shares of the mobile telephone company (LMT), worth about US$150 million, through a fraudulent series of shell corporations was negated by a Swedish arbitration court. A headline in *Latvijas Avize* captures the new trend: *bigger fish are starting to get caught.*[46]

A poll of 1,000 state officials revealed that 35 percent feel corruption in the last few years has increased; 31 percent believe it has not changed; and 21 percent claim that it has improved. The areas of greatest corruption risk were seen to be in real estate dealings, medicine, licenses and permits, traffic police, public procurements, and customs. The least amount of corruption was felt to be found in passport procedures, education, and job placement processes. The greatest trust in fighting corruption was given to the KNAB (73 percent). Other successful corruption-fighting institutions were seen to be the media, procuracy, state revenue service, and NGOs. Politicians, on the other hand, were quoted as obstacles to this fight. One-tenth of the officials polled claimed they had received offers of illegal payments or bribes, and 77 percent of them were willing to provide information in cases of perceived corruption, although 41 percent would do so only anonymously.[47]

The KNAB has been successful in monitoring political party overspending. Following the municipal elections of March 2005, it charged 11 parties with exceeding spending limits. Unfortunately, in the campaign for the national elections of October 7, 2006, several political parties used specially created NGOs to make an end run around the limitation rules. This third-party advertising appeared to be quite effective but could lead to future election financing chaos unless the loophole is resolved.

A 2005 joint study—BEEPS (Business Environment and Enterprise Performance Survey)—of 27 countries [which included managers and owners of more than 20,000 firms], developed jointly by the World Bank and European Bank for Reconstruction and Development has found a much more benign situation in Latvia than in most new EU states with respect to corruption. According to survey responses by Latvian businesspeople, a smaller number indicated corruption as a problem than in most of the other states studied. More important, a comparison with a similar study in 2002, with respect to Latvia, points to a significant decrease in corruption perception.[48] Several NGOs provide a watchdog function against

corruption, such as Delna, a branch of Transparency International, which has been the most active and visible. According to the head of the KNAB, Aleksejs Loskutovs, the biggest achievement of his organization has been increasing the public's understanding of corruption risks and its willingness to report corrupt practices.

Valts Kalnins, Latvia's greatest specialist on corruption and editor of the semiannual report on corruption, *C*[2], summarized his views on the Latvian situation: "In general, Latvia is slowly becoming similar to several Western European states, where the civil service and court systems are relatively noncorrupt but politics is corrupt. Improvements are occurring in the justice environment and in the state bureaucracy, but in the political arena I do not see any visible improvements." In his view, if the KNAB becomes a greater threat to political corruption than at present, it will receive a "counterblow." The activities of the bureau could conceivably be limited through public relations efforts and judicial actions.[49] Indeed, Prime Minister Aigars Kalvitis has attempted several times to punish Loskutovs. However, the formerly easy ride for Soviet-educated corrupt oligarchs will be checked by a growing public consciousness and a new generation of young people steeped in Western values.

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Lithuania

by Aneta Piasecka

Capital: Vilnius
Population: 3.5 million
GDP/capita: US$14,340
Ethnic Groups: Lithuanian (83.4%), Polish (6.7%), Russian (6.3%), other or unspecified (3.6%)

The economic and social data on this page were taken from the following sources:

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Nations in Transit Ratings and Averaged Scores

	1999	2001	2002	2003	2004	2005	2006	2007
Electoral Process	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75
Civil Society	2.00	1.75	1.50	1.50	1.50	1.50	1.50	1.75
Independent Media	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75
Governance*	2.50	2.50	2.50	2.50	2.50	n/a	n/a	n/a
National Democratic Governance	n/a	n/a	n/a	n/a	n/a	2.50	2.50	2.50
Local Democratic Governance	n/a	n/a	n/a	n/a	n/a	2.50	2.50	2.50
Judicial Framework and Independence	2.00	1.75	2.00	1.75	1.75	1.75	1.50	1.75
Corruption	3.75	3.75	3.75	3.50	3.50	3.75	4.00	4.00
Democracy Score	2.29	2.21	2.21	2.13	2.13	2.21	2.21	2.29

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

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

Executive Summary

Lithuania enjoys a democratic system of government, political stability, and respect for the rule of law. Political rights and civil liberties are well established and protected. Power transfers are smooth, and viable political parties function at all levels of governance. In 2004, Lithuania joined NATO and the European Union (EU). Major political forces and the public strongly supported these integration processes, and aspiration for EU membership drove the country's sweeping political, economic, and administrative reforms.

The country owes much of its successful transition to a growing civil sector and independent media. Since 1990, Lithuania has had 14 government administrations and has established a functioning market economy thanks to large-scale privatization, business deregulation, and liberalization of foreign trade. With strong macro positions, the country remains one of the fastest-growing economies in the region. Lithuania's judicial framework has been overhauled. Corruption, however, remains a serious concern.

Since mid-July 2006, Lithuania has been governed by the first ever minority government, led by Social Democrat Gediminas Kirkilas. The stability of the previous ruling Social Democrat–led coalition was continuously threatened by internal confrontations, battles for influence, and conflict-of-interest scandals. In May 2006, Lithuania's ruling four-party coalition collapsed and the government resigned following a prolonged political crisis and the withdrawal of the Social Liberals and the Labor Party into the opposition. In early summer, the Lithuanian Social Democratic Party and the National Farmers' Union teamed with the Liberal-Center Union and the newly formed Civil Democracy Party and created a new ruling minority coalition. It has 58 members in the 141-seat Parliament. Parliamentarians on both sides of the political spectrum supported the minority government in an attempt to give Lithuania a new political start.

In 2006, the Constitutional Court passed several groundbreaking rulings on the Law on Courts and the Statute of the Supreme Court. As a result, the Council of Judges (the main executive body of the Lithuanian judiciary) was reformed by removing governmental appointees, and court precedents became a source of law in Lithuania. The media managed to withstand attempts from the lawmakers to limit press freedom through restrictions on reporting and the expression of opinion.

National Democratic Governance. In 2006, the State Security Department, Lithuania's main security service, was shattered by a chain of scandals that provoked debates over the agency's working principles, personnel politics, leakage of information, and fuzzy boundaries of its parliamentary oversight. Lithuania's bureaucratic apparatus continued to grow inexorably, raising concerns over the

flawed internal management and increased spending of government institutions. In 2006, the Parliament adopted a long debated code of ethics for politicians. The usefulness and effectiveness of the code are widely questioned, as it lacks leverage to involve the public in monitoring politician conduct and effective sanctions for ethics violations. The takeover of Lithuania's most prized industrial asset, the Mažeikių Nafta oil refinery, by Polish concern PKN Orlen is under way. In September, Russia cut off crude oil deliveries to Lithuania, which intensified dismay at Russia's growing assertiveness in energy affairs. In 2006, Lithuania missed the inflation target set for its accession into the Eurozone, which was consequently postponed. *Lithuania's rating for national democratic governance remains at 2.50.*

Electoral Process. Lithuania entered 2006 with a mounting political crisis that precipitated the collapse of the ruling center-left coalition. The fallout started in April when Social Liberals' leader Artūras Paulauskas was ousted from his post as parliamentary Speaker in a no-confidence vote and Social Liberals pulled out of the coalition. In May, the cabinet resigned after the Labor Party, confronted with internal squabbling and official charges of faulty party bookkeeping and tax evasion, withdrew from the government. After failed talks over a broad-based coalition, the Lithuanian Social Democratic Party, the National Farmers' Union, the Civil Democracy Party, and the Liberal-Center Union formed a ruling minority coalition. With support from the Conservatives, Lithuania's largest center-right force, the appointment of the 14th administration on July 18 ended Lithuania's three-month cabinet crisis. In late 2006, the Parliament approved in the first reading legislative amendments that would prohibit businesses from donating to political parties and that ban political advertising on radio and television. *The country's rating for electoral process remains at 1.75.*

Civil Society. Several new center-right public policy groups have taken a proactive stance on a variety of topical issues and have strengthened independent policy advocacy in the past few years. Yet public awareness and support of civil society remain low. In recent years, less than a fifth of the population has participated in nongovernmental organizations (NGOs) or civil movements, and only one in four working individuals uses the existing income tax deduction to support nonprofits. Moreover, most of these donations go to underfunded municipal-run institutions such as schools. A lack of interest and confidence in NGOs, low public outreach of civil society groups, and their unstable financial basis are the most common reasons for nonparticipation. Beginning in 2006, Lithuania's NGOs are required to pay a 15 percent tax on commercial proceeds that exceed an established level. *Lithuania's rating for civil society worsens from 1.50 to 1.75 owing to a lack of visible changes in public perceptions and low support of the nongovernmental sector.*

Independent Media. In mid-2006, a new Law on Public Information was passed. Proposals from lawmakers included prohibiting filming or photographing private property without owner authorization and restricting the expression of subjective

opinion. Yet in response to severe criticism from journalists and publishers, these provisions were softened significantly. The year witnessed continued consolidation of media ownership among a few influential business groups. Some worry that these processes might affect media coverage, quality, and independence. Public confidence in the media now stands at 50 percent of the population, a marked drop from several years ago. Another rising trend in 2006 was a significant expansion of Internet news portals and usage. By mid-2006, the number of Internet subscribers and household connections had doubled. Still, only a third of Lithuanian households had access to the Internet in July 2006, and a wide gap remained between urban and rural access. *The rating for independent media stays at 1.75 as the media withstood attempts to tighten legislative restrictions on reporting and the expression of opinion.*

Local Democratic Governance. Debates on the introduction of direct mayoral elections intensified in the run-up to the local government elections scheduled for February 2007. Yet the lack of political consensus to allow unaffiliated, nonparty mayoral candidates hampered the legislative process. Likewise, a bill to legitimize elections through single-mandate constituencies and a proportional party-list ballot was postponed until after the elections. The operation of local government lacks transparency and openness, and only a third of the population trusts local authorities, according to polls. Misuse of municipal funds is widespread, mainly because of flawed financial management and ineffective internal auditing procedures. The Parliament started debates on constitutional amendments that will task the National Audit Office with the oversight of local government budgets and assets. *Lithuania's rating for local democratic governance remains at 2.50.*

Judicial Framework and Independence. In 2006, a chain of controversial cases involving judge appointments intensified public debate on weaknesses in Lithuania's judiciary. Amid these discussions, the Constitutional Court found that over 30 provisions of the Law on Courts and the Statute of the Supreme Court contradicted the country's Constitution. As a result, the Council of Judges, which plays a decisive role in the judge appointment process, was recomposed by eliminating politicians and government officials. In March 2006, the Constitutional Court passed another watershed ruling making court precedents a source of law in Lithuania. In 2006, public criticism over the work of notaries soared as the press reported on disturbing problems in notary offices, including long lines, a disregard for small clients, and high fees. Courts continue to rank among the least trusted institutions, mainly because of the insularity of the system, corruption, and lengthy trials. In recent years, independent civil groups have sounded the alarm at growing violations in the respect for private life, the rights of vulnerable groups, and ethnic intolerance in Lithuania. Complaints regarding equal opportunities have multiplied since the legal framework against discrimination was strengthened in 2005. Crime and court statistics show that recent criminal law reform has not been as effective as expected. The pace of criminal proceedings has not accelerated, custodial sentences have

multiplied, and the average length of custodial sentences and imprisonment has increased. *Lithuania's judicial framework and independence rating falls from 1.50 to 1.75 owing to recurrent problems in the country's legal system, a lack of demonstrable improvement from the recent civil and criminal law reform, and the persistent public mistrust of courts.*

Corruption. Corruption remains a serious problem, mainly because of the slow implementation of effective anticorruption programs. The exposure and investigation of conflict-of-interest allegations have become more open, but implications of political corruption continue regularly to surface. To address this, the new anticorruption agenda focuses on revising political party financing and lobbying legislation and improving allocation procedures for EU structural funds. In 2006, Lithuanian prosecutors brought charges against the embattled Labor Party over fraudulent party bookkeeping, tax evasion, and influence peddling. According to polls, people's worst personal experience with administrative corruption concerns land planning and customs procedures, construction permits, health care services, and land ownership restitution. *There is greater openness in exposing, investigating, and discussing conflict-of-interest allegations among authorities but there is also little follow-through and an overall feeling in the country that the anticorruption process is not working effectively. Accordingly, Lithuania's rating for corruption remains at 4.00.*

Outlook for 2007. Local government elections are scheduled to take place on February 25, 2007. Though much debated, the legitimizing of direct mayoral elections and municipal representation through single-mandate constituencies in addition to the existing proportional party-list ballot is unlikely. In 2007, public attention will continue to focus on the functioning of the new ruling coalition and minority government. The Parliament is likely to tighten party funding and political campaign laws. Securing crude oil supplies to Mažeikių Nafta following the takeover of the refinery by Polish PKN Orlen and disruption in oil deliveries from Russia will be one of the main economic security concerns for the country.

Main Report

National Democratic Governance

1999	2001	2002	2003	2004	2005	2006	2007
n/a	n/a	n/a	n/a	n/a	2.50	2.50	2.50

Lithuania has a democratic government with a functioning system of checks and balances. The state is a parliamentary republic in which the president nominates and, with the Parliament's endorsement, appoints the prime minister and approves the composition of the cabinet.

Lithuania's Parliament operates in an open manner, and all legislative documents and records, including laws, bills, plenary debates, and committee commentaries, are posted on the Internet. Public policy and interest groups may take part in the political process through policy advocacy, advising, and lobbying. Yet draft legislation is not always readily available to the public. Executive authorities often propose bills or adopt new regulations without prior notice or public scrutiny, though they are required by law to announce policy proposals via the Internet. In practice, most bills, especially administrative and regulatory documents, originate in the government.

In recent years, the legislative process has been distracted by numerous ad hoc commissions to investigate conflict-of-interest allegations against top officials, and during its first two years, the current Parliament established a dozen interim commissions. In most cases, such investigations were lengthy and used as a tool for political battling, resulting in public skepticism about their effectiveness.[1] In November 2006, the Constitutional Court passed a ruling that limited the powers of interim commissions, which came amid a parliamentary investigation of the embattled State Security Department (SSD), Lithuania's main security agency, and its controversial oversight of security and law enforcement matters.

In 2006, a chain of scandals shattered the SSD. In August 2006, Vytautas Pociūnas, a security officer and adviser to the Lithuanian consulate general in Grodno, Belarus, mysteriously died during a business trip. Previously, Pociūnas headed the SSD's national economic and energy security office. The story provoked suspicion over the operation of Lithuania's security services and politicization of SSD personnel and intensified discussions about the influence of Russia and Belarus. The department came under attack again in September after SSD officials detained editor and publisher of the *Laisvas Laikraštis* newspaper, Aurimas Drižius, for unlawful possession and dissemination of classified information. This incident sparked a major backlash from the president, members of Parliament, and journalists who decried it as a violation of press freedom. Drižius was released shortly, but concerns remained about an evolving crisis and classified information leaks in Lithuania's security agency.

An ad hoc parliamentary investigation concluded in December that the SSD faced leadership and personnel management problems and that the agency's director general, Arvydas Pocius, was not competent to head the department. Pocius resigned shortly after the Parliament endorsed these conclusions. While political analysts criticized the investigation as being shallow and politically motivated, the Constitutional Court's ruling of November 2006 stated that interim parliamentary commissions may not be tasked with the investigation or assessment of decisions of heads of state institutions concerning the professional careers of their subordinates.[2]

The Lithuanian executive branch is less transparent than the legislature. The government often provides limited public access to information on regulatory proposals, arguing that the cabinet's position is not finalized in the drafting process. Beginning in August 2006, cabinet sessions are broadcast live on the Internet. To enhance transparency, since July 2005 government and municipal resolutions, decrees, and other legal acts have come into effect on the day of their signing after being posted on the Internet rather than waiting until publication in the official gazette.

In September 2006, the Parliament adopted a code of ethics for politicians, which applies to state office holders and parliamentary party leadership. The effectiveness of the code is widely questioned for many reasons. The document was stalled in the Parliament for several years and underwent numerous revisions. Also, a lack of public interest prompted critics to argue that the code needed some leverage to engage Lithuanian society in monitoring the conduct of politicians. As suggested by President Valdas Adamkus, local government councils will form ethics commissions made up of council members and community representatives. The lack of sanctions for ethics violations is another major weakness of the code, but institutional Web sites and the official gazette will be able to post announcements to penalize serious offenders.

The civil service comprises four categories: career civil servants, political appointees, heads of institutions, and acting or temporary civil servants. The number of civil servants rose from 18,000 in 1997 to 25,300 in 2006 and continues to grow.[3] Over the past 18 months alone, it has grown by 3,600. The EU has been a popular argument to boost the bureaucratic apparatus. Despite a large number of vacancies (4,700 in July 2006)[4] with wages allocated to them, about 500 new positions requiring an additional LTL10 million (US$3.6 million) were opened in the governmental branch in 2005 to meet the growing EU membership workload. The existing vacancies, it is argued, are low paid and low skilled, while new positions are required for qualified specialists. Yet experts attribute these disproportions to flawed internal management of government institutions. The bureaucratic apparatus absorbs roughly one-tenth of total government spending.[5] Meanwhile, the government is confronted with threats from firemen to stage a nationwide strike over funding shortages. Managerial problems and politics have led to a fire station staffing crisis, and similar problems plague the police.

The quality of public administration is expected to be enhanced as the electronic management of public services increases steadily. Basic public services handled via the Internet in Lithuania stood at 68 percent in April 2006, up from 50 percent in 2004.[6] The rate of business-designated government services was significantly higher than that of services for private individuals. Also, there was a large gap between the supply of e-government services for individuals (60 percent in 2005) and their actual use (15 percent). In the business sector, this gap was much smaller (80 percent and 75 percent, respectively). Fully digital public services stood at 40 percent in April 2006,[7] while most government institutions continued to offer application forms or blanks online, but the electronic supply of services was not possible. The most advanced e-government services include income declaration, social payments, customs declaration and reporting, and employment services.

The National Audit Office has improved its performance in recent years and has regularly reported on the misuse of state assets and budgetary assignments. The 2005 inspections showed that almost a third of audited state institutions lacked administrative capacities and sufficient internal audit. More than half of 100 audited budgetary institutions accounting for more than 80 percent of total budget spending received serious remarks on mismanagement.[8] National audits are conducted on a routine basis; the findings are public and accepted by audited institutions.

The military is entirely under civilian control. The run-up and accession to NATO in 2004 improved the military's administration and transparency. Security services routinely provide information and are quite visible to the public, although at times political observers and the media seem insufficiently informed to make consistent judgments about events and investigations.

In December 2006, the Parliament adopted a law publicly opening KGB archives except for the documents of those who confessed to collaborating with the Soviet special services.[9] These amendments revoked a controversial 2005 law that banned public access to special documents stored for 70 years. Meanwhile, debates on lustration bills, which caused much controversy and dispute in the Parliament for the past two years, were postponed once again. These bills were initiated after the European Court of Human Rights judged in two rulings (in 2004 and 2005) that employment restrictions on former KGB collaborators working in private companies violated their human rights.[10]

Key issues on the 2006 policy agenda included the sale of Lithuania's most prized industrial asset, the Mažeikių Nafta oil refinery,[11] and the country's expected accession to the Eurozone and adoption of the euro. In June, the Lithuanian government signed an agreement with Poland's PKN Orlen for the sale of a 30.66 percent stake in the Mažeikių Nafta refinery. This agreement followed PKN Orlen's deal with Russia's bankrupt Yukos to buy a 53.7 percent stake in Mažeikių Nafta. In September, the Lithuanian refinery was cut off from pipeline crude oil deliveries from the Russian state-owned Transneft, the main supplier of oil to Mažeikių Nafta. Transneft claimed there was a pipeline breakdown, but in Lithuania it was decried as retribution by Russia for being shut out of the refinery's recent sale. It was feared that the disruption in oil deliveries would affect the outcome of the refinery's

sale, especially as oil supplies from Russia seem to have been cut on a permanent basis. The transactions were finalized successfully in mid-December after reliable oil delivery was secured through an import terminal in the Baltic Sea. PKN Orlen, which has become the largest processor of crude in Central and Eastern Europe, paid a total of US$2.344 billion for Mažeikių Nafta. Transneft's move intensified dismay in the Baltic states at Russia's growing assertiveness in energy affairs.

In May 2006, the European Commission issued a negative recommendation on Lithuania's accession to the Eurozone after an announcement in March that Lithuania's annual inflation rate failed to meet the Maastricht convergence criterion by a scant 0.1 percentage point.[12] Lithuania had satisfied the inflation target for six consecutive years up until 2006. This move by the European Commission sharpened discussions that admission to the Eurozone is determined by political rather than economic considerations. Lithuania is now set to adopt the euro no earlier than 2009.

Lithuania's labor market has increasingly faced a shortfall in qualified workers due to escalating migration flows since the country's accession into the EU. According to a recent survey, about 40,000 people emigrated from Lithuania in 2004 and 2005 each. From 2001 through 2005, a total of 126,000 people left the country, some 70,000 unofficially.[13]

Electoral Process

1999	2001	2002	2003	2004	2005	2006	2007
1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75

For the first time in its 16 years of independence, Lithuania has a minority government. In summer 2006, the Lithuanian Social Democratic Party (LSDP), the National Farmers' Union (NFU), the Civil Democracy Party (CDP), and the Liberal-Center Union (LCU) formed a ruling center-left coalition which had 58 members in the 141-seat Parliament in late 2006. Major players on both the Left and the Right supported the minority government in an attempt to bring stability to Lithuania's fractured political arena.

The previous four-party ruling coalition comprising the LSDP, Social Liberals, Labor Party, and NFU collapsed on June 1 after months of crisis and political intrigue. Many clashing interests and grave conflict-of-interest scandals around coalition leaders had provoked a series of major confrontations within the ruling coalition. Its stability was questioned persistently, and an upset balance of powers indicated the cabinet could not act strategically and was dragging its feet on reforms. The LSDP and the Labor Party fought for influence, the latter disgruntled with its disproportionately lower weight in the government despite having the greatest number of seats in the Parliament among the four coalition partners.

Finally, in April the ruling coalition began to disintegrate after Social Liberals' leader Artūras Paulauskas lost his post as parliamentary Speaker in a no-confidence

vote, initiated by right-wing opposition forces over the so-called scandal of privileges[14] in the Parliament's chancellery. This move was unexpectedly backed by the Labor Party, which sought to realign the balance of forces in its favor and increase its overall influence in the government. The Social Liberals pulled out of the ruling coalition and the government, followed by the Labor Party after prosecutors opened an investigation into financial misdealing by party leadership. Following the withdrawal of Laborite ministers, Prime Minister Algirdas Brazauskas abruptly stepped down, stating he did not want to accept responsibility for putting together a new government.

The new minority government was formed in mid-July after the LSDP and the Conservatives failed to arrive at a broad-based coalition, with the Conservatives pledging "silent" support[15] (that is, abstention from voting) for the new ruling bloc. The LSDP, with only 26 parliamentary seats, retained the prime minister position and received six ministerial posts, thus remaining the driving force in Lithuania's new ruling coalition government. The NFU received three ministerial posts, and the LCU and the CDP received two each. In exchange for its support of the new government, the Conservatives received several influential parliamentary posts, including leadership of the Audit, European Affairs, and Health Care Committees; the Anticorruption Commission; and deputy chair of the Parliament.

Political old-timer and Social Democrat Gediminas Kirkilas was appointed prime minister. Kirkilas is widely acknowledged as the LSDP's public relations and ideological expert, who stands out among party fellows with his consistent Western orientation. Unlike the previous administration, the newly formed cabinet is composed mainly of political appointees, including the prime minister himself, rather than technocrats. Analysts note that the Kirkilas administration is not likely to undertake groundbreaking reforms but at least will not be any worse than the previous one. Also, Kirkilas's appointment as prime minister is expected to bring in leadership changes within the LSDP.

The political crisis resulted in a shift of power in the Parliament. The former members of the ruling coalition, the Labor Party and Social Liberals, went into the opposition. The Labor Party, a young populist force and the largest parliamentary party with the highest popularity rankings until recently, underwent a split. Several members of Parliament who had left the Labor Party, including newly elected parliamentary Speaker Viktoras Muntianas, teamed with the low-level Citizens' Union and formed the CDP. The Laborite faction in the Parliament decreased to 26 members, down from 41 seats after the 2004 elections. The Laborites' misfortunes started when Lithuanian prosecutors brought charges against the party and its controversial leader, Russian-born business tycoon, ex-parliamentarian, and former economy minister Viktor Uspaskich, for faulty bookkeeping and tax evasion.

The parliamentary opposition remains weak and polarized despite its recent growth in size (84 members total) and fairly broad statutory powers. The Conservatives, the largest right-of-center party, moved to the top of the popularity ranking in 2006, thanks largely to the diving ratings of the Labor Party and the Conservatives' active stance during the political crisis.[16] After a split in the LCU,

opponents of party chair Vilnius mayor Artūras Zuokas founded the Lithuanian Liberal Movement in February 2006 and formed a 37-seat opposition coalition with the Conservatives.

Politicians and observers widely agree that the present Parliament is the worst in the post-independence history of Lithuania. Continuous scandals, splits, and party shifts have distracted lawmakers and paralyzed important legislative debates. Early legislative elections are unlikely, as a majority of lawmakers would oppose them, and with unstable voter preferences, it is also unclear whether early elections would change the Parliament's composition. The newly formed ruling coalition is expected to survive at least until the upcoming local government elections in February 2007, which will reveal whether a radical shift of political power is possible. If so, a turn toward early parliamentary elections might be likely.

Elections in Lithuania are free and fair, and public confidence in the electoral process is secure. Yet the Parliament and political parties remain the most unpopular public institutions, supported by a steady 10 and 5 percent of the population, respectively.[17] (Ex-president Valdas Adamkus remains the most favored political figure in Lithuania.)[18] Passive public engagement in political life is reflected by low party membership and voter turnout; some 3 percent of Lithuanian citizens belong to political parties,[19] and the current Parliament was elected on a record low voter turnout of 44.3 percent.

Observers attribute such attitudes to the society's growing alienation from the political process. A research study on the status of Lithuania's civil society presented by the Civil Society Institute in December 2006 concluded that one of the main reasons for the political passivity is the public's lack of confidence in its collective power and the lack of a tradition of engaging in political and public life.[20] In November 2006, the Parliament approved a conceptual framework for Internet voting, which is expected to facilitate the election process and increase voter turnout. In 2006, there were 37 registered political parties[21] but only about 25 active players on the political scene. The membership requirement for political parties was lowered to 1,000 people in 2004. Several parties fail to meet this requirement but continue to exist owing to costly reorganization and liquidation procedures.

The Parliament has increasingly tightened electoral and campaign laws over the past three years. Legislative amendments prohibiting businesses from donating to political parties and banning political advertising on radio and television passed the first reading in November 2006. Reportedly, radio and television advertising absorbs the bulk of campaign funds, so the proposed prohibition is expected to reduce political costs, corruption, and illegitimate party spending. If corporate donations are banned, political parties will be allowed to receive donations from private individuals not in excess of LTL37,500 annually (approximately US$13,640). In late 2005, politicians were banned from using gifts, public events, concerts, and so forth as campaign tools. Despite these prohibitions and tightened control on donations and advertising, campaign funding contains serious flaws, and the mechanisms for ensuring compliance and transparency are inadequate.

Civil Society

1999	2001	2002	2003	2004	2005	2006	2007
2.00	1.75	1.50	1.50	1.50	1.50	1.50	1.75

The rights of the civil society sector are well established and protected in Lithuania. The number of NGOs has risen in recent years, but public awareness and involvement in civil society initiatives remain low. The legislative framework governing NGOs has been overhauled and does not pose serious barriers to their proper functioning. Lithuanian NGOs have significantly enhanced their organizational and managerial capacities, but constituency building and public outreach are weak. NGOs commonly have permanent staffs but lack properly functioning boards of directors.

The past few years have seen the establishment of several center-right public policy groups. In June 2006, Piliečių Santalka, an informal network of citizens and civil organizations promoting civil society, was established. The network's focus areas are public administration, courts, and self-government. The Civil Society Institute and the Human Rights Monitoring Institute were founded by the Open Society Fund–Lithuania in 2003 and 2004, respectively. All of these groups are still delineating their activities but have already gained recognition thanks to their active stance on public policy issues. As one illustration, in a series of public initiatives in 2005 and 2006, several dozen NGOs demanded more transparency in EU funding allocation and offered their assistance in the monitoring process, but the government disregarded this initiative.

Lithuanian society remains poorly organized. Although the number of NGOs grew from 9,250 in 1999 to 16,250 in 2005,[22] the proportion of the population participating in their activities remained almost unchanged. According to a 2005 survey from the Civil Society Institute, one-fifth of the population belonged to NGOs or participated in civil movements over the past six years. Sports and leisure groups have the largest membership (3.5 percent), while a mere 2.6 percent belong to educational and cultural organizations, 2.5 percent to youth groups, 2.2 percent to religious organizations, and 1.7 percent to health clubs. People with higher education are the most organized (29 percent).[23]

The most common reasons for nonparticipation are a lack of interest and confidence in NGOs plus their low public outreach and weak financial condition. Civil society organizations remain largely unknown to the general public, as they stay rather closed, have weak public relations, and fail to develop a wider range of activity or increase membership. In *Undiscovered Power: Map of the Civil Society in Lithuania*, released by the Civil Society Institute in December 2006, the authors conclude that "Lithuanian society is suffering from the syndrome of impotence.... The most severe civil disability that hinders the development of civic initiatives in Lithuania is the society's prevailing disbelief that citizens' collective action can make a difference or help achieve significant outcomes."[24] Additionally, Lithuania lacks a strong tradition of volunteerism and charitable giving. Until recently, volunteerism

was also discouraged by regulations, which were eased a few years ago but still place excessive bureaucratic constraints on volunteer work.

Most NGOs are registered in larger cities, but regional organizations constitute the bulk of functioning agencies, with sports and leisure groups dominating. The past few years saw a massive proliferation of organized village communities. Their number soared from 80 in 2000 to 800 in 2003 and 1,000 in 2004. This trend was spurred largely by EU structural funds, as indicated by surveyed local communities.[25] Some communities formalized in order to apply for ongoing rural Internet projects. (Only about half of community organizations are connected to the Internet.) Yet research shows that growing community awareness and joint efforts to address local community concerns gave rise to these numbers. Many communities were mobilized to renovate crumbling school buildings and other decaying infrastructure. Village communities have reportedly good relationships with local authorities, and in recent years, urban communities have increasingly mobilized on local land-planning issues. On a number of occasions, both formal and informal local groups have intervened in official decisions where private construction sites allegedly violated public interests.

Ethnic communities have active cultural and political organizations. There are 119 women's organizations, according to the Women's Information Center.[26] No prominent extremist groups are active in Lithuania today. The charitable activities of religious communities include care for the elderly, orphans, and disabled.

Starting in 2006, Lithuanian nonprofits are required to pay a 15 percent profit tax on commercial proceeds exceeding an established level (approximately US$9,000), and companies can donate up to 40 percent of their annual taxable profits to NGOs. Most lack permanent sources of income and sufficient fund-raising capabilities, but they may bid for government contracts. This practice is rather uncommon owing to a complex administrative process. Since 2003, Lithuanian taxpayers have been able to donate up to 2 percent of their income tax to private or public nonprofit entities. Yet some worry that voluntary giving is discouraged because philanthropy may now be associated with compulsory taxes. Furthermore, there is room for narrow interests to abuse the 2 percent option, as by the creation of fictitious organizations to take advantage of income tax deductions.

The 2 percent option, meant originally to boost civil society, goes mostly to underfunded municipal institutions and schools. In 2006, a total of 38 percent of the "2 percent" donations were transferred to municipal organizations, 28 percent to associations, 13 percent to public institutions,[27] 8 percent to charity and sponsorship funds, and 5 percent to state-run budgetary institutions. The number of donors rose only slightly, from 370,000 in 2005 to 400,000 in 2006.[28] Only 27 percent of the working population used the income tax deduction to support civil initiatives. A survey conducted by TNS Gallup in August–September 2006 showed that half of the population knew about the 2 percent income tax deduction, while a third appeared to be unaware of it.[29]

Legislation on nonprofits was overhauled in 2004. The previous distinction between associations and societal organizations was dropped, simplifying the

regulation of NGOs. The change, which affected most of Lithuania's 15,000 nonprofits, helped establish equal legal conditions and a clearer regulatory environment for NGOs. Nonprofit associations may now generate profit, and charitable and sponsorship funds no longer have to hire paid administrators, but the use of property and funds is regulated more strictly.

Citizens and noncitizen workers are free to form and join trade unions. Although unions claim a relatively small share of the workforce (about 15 percent),[30] they enjoy wide powers and rights by law and are quite influential. Large-scale labor migration to fill a decreasing labor pool may further bolster their influence. Together with employers and the government, unions make recommendations on national labor policy. By law, unions sign collective agreements with employers on behalf of all employees, and the 2003 labor code requires all employers to comply. Members of a union's elected governing body may not be dismissed or penalized by their employers without the union's approval. The Lithuanian Confederation of Trade Unions, the Lithuanian Labor Federation, and the Employees Union are coalitions of labor groups.

Business associations and trade unions are the most active and influential NGO players in the policy-making arena through advocacy, advising, and lobbying, and the media are quite receptive to public policy groups as reliable sources of information. However, government cooperation and consultation with NGOs has not yet been fully established. In 2006, there were only 13 registered lobbyists in Lithuania.[31] Observers note that such negligible formal lobbying activity may be attributed to extensive informal representation of interest groups and legislative corruption. In current law, the concept of lobbying is applied quite broadly and includes any paid or unpaid actions of individuals or legal entities aimed at influencing legislative processes.[32] Thus, lobbying regulations can be applied to any publicly aired opinions on legislation or policy research. NGOs worry that because Lithuanian law does not regulate policy advocacy per se, and the boundaries between paid lobbying and advocacy are quite fuzzy, public policy groups actively expressing their opinions are being discredited and disrupted.

Lithuania's education system is generally free of political influence, but school administrations are reportedly under pressure to pander to local authorities. The private education market has been evolving steadily over the past decade. There are 21 private secondary schools, and 12 of the country's 28 higher education colleges and 6 of the 21 universities are private. Yet private schools account for a negligible 2.5 percent of all educational institutions.[33]

Independent Media

1999	2001	2002	2003	2004	2005	2006	[illegible]
1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75

Press freedom is well established and protected in Lithuania. Media outlets are privately owned, with the exception of the state-owned Lithuanian Radio and Television (LRT). The past few years have witnessed an increased concentration of media ownership. Another significant trend is the rapid growth of Internet usage and online media.

In July 2006, a new Law on Public Information was adopted.[34] The legislation was surrounded by controversy, as lawmakers aimed to prohibit the filming or photographing of private property without owner permission. Journalists and publishers severely criticized this provision, claiming it would bring endless court cases and ruin investigative journalism. As a result, the provision was softened and now states that private property may not be filmed or photographed without owner permission unless there are grounds to believe that the collected information will document law violations. Although the new legislation does place a certain restriction on journalists, it is expected to be treated in a media-friendly way. This is particularly relevant taking into account media's heightened role in investigating, exposing and discussing allegations of corruption.

In recent years, acquisitions of leading media outlets by domestic businesses have concentrated media ownership among a few influential business groups and minimized foreign ownership in Lithuanian television. Achema Group is now the most active player in the Lithuanian media market and owns the national daily *Lietuvos Žinios*; the fourth largest national commercial television station, Baltijos TV; popular radio stations RC2 and Radiocentras (the latter owns several other radio stations and announced in March 2006 that it was planning more acquisitions); and two publishing houses.

Other media giants are set to exploit the growing popularity of Internet media. Lithuania's leading private equity concern, MG Baltic, owner of the national broadcaster LNK, launched a news portal, www.alfa.lt, in August and is actively penetrating the publishing market. The Lietuvos Rytas company, owner of the largest national daily, *Lietuvos Rytas*, and a production company, Spaudos Televizija, which sells TV programs to other national broadcasters (LTV and TV3), has supplemented its newspaper's Web site with a news portal format. Lietuvos Rytas is also seeking permission to purchase a 34 percent stake in *15 Minučių*, a free daily newspaper launched in September 2005 and distributed successfully in Vilnius and Kaunas. In March 2006, *15 Minučių* was taken over by the Scandinavian media company Schibsted Baltics, which has a controlling stake in a publishing group issuing several popular Lithuanian journals. Lithuania has no sector-specific regulation of media ownership concentration, but competition law sets a general limit at 40 percent of the market share.

In recent years, public confidence in the media has fallen dramatically, and only half of Lithuanian society reportedly trusts the media.[35] Observers note that this may be related to increased penetration of industrial capital into the media market and the trend toward media ownership concentration. Some worry that these processes might affect media coverage, quality, and independence. Media publications and reports commissioned by political or business interests as a public relations tool have attracted heightened public attention; according to a 2005 opinion poll, 40 percent of the population could decipher hidden PR articles and reports—and as a result, half of this percentage lost respect for (and trust in) media outlets.[36]

The popularity of and competition among Internet news portals is growing rapidly. Lithuania's leading Internet news portal, www.delfi.lt, has increased its writing staff and in-house production and is followed in popularity by www.one.lt and www.takas.lt.[37] Other news portals that offer analysis and serious commentary are www.balsas.lt, www.lrytas.lt, and www.bernardinai.lt. Experts agree that Internet media are set to play an important role in enhancing media objectivity and credibility. According to 2003 legal regulations, online media are subject to self-regulation, which is performed by the same independent supervisory institutions in charge of the press, radio, and television. Proposals to write specific regulations for online media have so far failed.

The media in Lithuania are editorially independent and free of government interference. There are five national daily newspapers: *Lietuvos Rytas* (with a reported circulation of approximately 70,000), *Vakaro Žinios* (66,000), *Respublika* (38,000), *Kauno Diena* (38,000), and *Lietuvos Žinios* (20,000). Currently, a total of 340 newspapers and 418 journals are published in Lithuania.[38] The newspaper distribution system is privately owned.

The television market comprises 30 commercial stations and 1 public service television, Lithuanian Television, broadcasting two national programs, LTV1 and LTV2.[39] Out of four national broadcasters, the leading operators are TV3, owned by the Scandinavian Modern Times media group, and LNK, owned by MG Baltic. These two channels captured 26 and 21 percent of viewers, respectively, according to September 2006 data. LTV and Baltijos TV follow with 15 and 9 percent, respectively.[40] In the spring, six television broadcasters and two rebroadcasters won licenses for digital television broadcasting. Lithuania's largest cities will be able to watch digital TV by the end of 2007.[41] The country's mobile telephone providers are already offering mobile TV broadcasting services. In April, the Lithuanian Radio and Television Commission banned cable TV from rebroadcasting the state-run Belarusian television channel owing to disinformation and antidemocratic propaganda. This controversial move was widely criticized as a violation of free media and annulled by a court order in October.

There are 48 radio stations in Lithuania, of which 10 commercial stations and 1 public broadcaster (with 3 stations, LR1, LR2, and LR3) operate nationwide, 7 regionally, and 30 locally.[42] The state-run Lithuanian Radio has the largest audience (21 percent in 2006); other popular stations are Lietus (13 percent), M-1 (11 percent), Russkoje Radio Baltija (10 percent), Pūkas (9 percent), and

Radio-centras (6.5 percent).[43] The largest commercial radio stations are owned by four major groups, three of which are locally owned. So far, radio has been dominated by small local shareholders, but it is increasingly attracting large industries and other commercial interests.

Use of the Internet is growing rapidly in Lithuania; in 2005 alone, the number of Web sites increased from 319 to 707 and the average time users spend online went up from 6 to 11 hours.[44] By mid-2006, the number of Internet subscribers had doubled to 1.44 million, according to the Information Society Development Committee 2006.[45] The European Commission reports[46] that every third person in Lithuania uses the Internet on a regular basis (at least once a week). Home connection to the Internet also doubled over the past year, with 32 percent of households connected to the Internet in July 2006, up from 2.3 percent in 2000. Yet a wide gap between urban and rural connectivity exists; 40 percent of urban households used the Internet, compared with 18 percent of rural households.[47] The ongoing state-run rural Internet project is expected to help bridge this gap. Costly Internet services, inadequate Internet content, and a lack of home computers are the main reasons it is not used more widely.

Lithuanian media are self-regulated but supervised by the Commission of the Ethics of Journalists and Publishers, composed of media association members and public leaders, and the Office of the Inspector of Journalists' Ethics.[48] The Lithuanian Radio and Television Commission regulates the activities of commercial broadcasters and participates in forming national media policy. It consists of 12 members, 1 designated by the president, 3 by the Parliament, and the rest by NGOs. The commission is financed by a percentage of broadcaster advertising proceeds in order to maintain media independence from government and political groups. The government exerts some pressure on the national broadcaster, LRT, through budgetary control.

In early 2006, the Parliament abandoned the idea of financing public radio and television via a universal subscriber fee, a provision that was first envisaged in legislation five years ago but never implemented. Private television operators had complained that LRT, with 75 percent of its budget provided by the state, was allowed to sell advertising, but in December 2006, the Constitutional Court ruled that this did not contradict the Constitution. The same ruling also stated that the Constitution allows the priority right of LRT to acquire new radio frequencies.[49] The maximum airtime for advertising on public radio and television is set at 15 percent of daily broadcasting.

Publications can be closed and journalists penalized only by court order. According to the Lithuanian criminal code, libel or false information defaming a person can result in a fine, two years in prison, or two years of penitentiary labor. In recent years, few journalists have been convicted of such crimes. Notably, the media have obtained greater protection from the Supreme Court, which has drawn on the jurisprudence of the European Court of Human Rights, stating that criticism may be more rigorous for political figures than for private individuals. Since 2005, the Office of the Prosecutor General, which investigates similar cases, has refused to institute proceedings over slander against public figures.

Local Democratic Governance

1999	2001	2002	2003	2004	2005	2006	2007
n/a	n/a	n/a	n/a	n/a	2.50	2.50	[illegible]

In the run-up to local government elections in February 2007, Lithuanian society witnessed intensified political debate on the issue of direct mayoral elections. At present, mayors are elected by municipal councils, whose members in turn are chosen in general elections through a proportional party-list ballot. Executive powers are vested in the municipal council and administration, which is led by a director appointed by the municipal council at the suggestion of the mayor. This model was introduced in 2003 to comply with the constitutional principle of separation of representative and executive authorities.

Constitutional amendments stipulating direct mayoral elections stalled in the Parliament in 2006, but in September, parliamentary factions upheld a proposal from the LSDP to introduce direct mayoral elections without changing the Constitution. According to the proposed amendments to the Law on the Election of Local Government Councils, mayors would be elected through a separate ballot out of party candidates to municipal councils, and subsequently municipal councils would have to approve, by a simple majority of votes, the mayors chosen by the voters. In cases where such an approval failed, mayors would be elected from municipal council members through a secret vote of the municipal council.

Observers and political opponents severely criticized the proposed amendments as being unconstitutional and antidemocratic. First, the municipal council is the only elected local government institution, according to the Constitution. Second, the proposed model would not allow local communities to elect as mayors persons unaffiliated with any political party, a system that political leadership seems to oppose for fear that it would "shake the foundations of today's political elite" and cause it to "relinquish its hold of self-government," according to observers.[50] Third, the right of municipal councils to question the will of the voters is seen as antidemocratic. While these proposals were withheld, the ruling forces postponed until the 2007 parliamentary session a bill from the opposition to legitimize mixed municipal elections through single-mandate constituencies in addition to the existing proportional party-list ballot. This system would allow nonparty candidates to run for municipal councils.

Lithuania has one level of local government, which encompasses 60 municipalities led by elected councils and 10 regional administrations governed by central appointees. The responsibilities of local government include municipal development, primary and secondary education, primary health care, environmental protection, social assistance, and public utilities. In certain areas such as land planning, health care, and education, both central and local authorities are involved. Ambiguities in power divisions have impeded decentralization, the distribution of fiscal allocations for municipalities, and transparent and accountable governance at the municipal level. From time to time, political parties propose abolishing regional

administrations, especially before elections. However, regional governors remain influential political officials, so the removal of the regional tier of governance is unlikely.

In December 2006, the Parliament rejected a bill to ban members of Parliament from running for municipal council seats. According to the existing law, parliamentarians may not serve concurrently on municipal councils, but they are allowed to lead their parties in local government elections. To decrease electoral fraud, the Parliament amended the Law on the Election of Local Government Councils to eliminate voting by mail except for those in detention, the military services, and health care professions.[51] A total of 3.5 percent of the electorate voted by mail during the 2002 local government elections and 7.6 percent during the 2004 parliamentary elections.[52]

Pursuant to a January 2005 ruling of the Constitutional Court,[53] permanent residents of Lithuania should be able to vote and run for municipal councils in the upcoming municipal elections. Yet amendments to the Law on Political Parties allowing residents to join parties have been pending before the Parliament since January 2005. The current municipal councils were elected in December 2002, with 22 parties sharing 1,560 council seats for four years.[54] Municipal elections are universal and free.

Polls show that only a third of the population trusts local government, and this statistic has remained stable for the past six years.[55] A survey commissioned by the Civil Society Institute shows that a majority realize the importance of self-government and want community affairs to be tackled by local institutions, but people also admit they are in no position to influence decisions adopted by local authorities. Civil Society Institute experts conclude that "self-government in Lithuania obviously lacks content."[56] Additionally, the operation of local government lacks transparency. Legal acts by municipal councils are rarely available on the Internet, and decisions are not known to the public until their enactment. Cooperation with local constituencies revolves mostly around land-planning issues. Polling data cited by the Special Investigation Bureau (SIB) and TNS Gallup suggest that municipal officeholders dealing with routine applications receive the largest bribes from businesspeople.[57]

Municipal governments generally lack funds to meet their obligations, owing mainly to mismanagement and an expanding sphere of authority. Misuse of funds is widespread. In some municipalities, administrative expenses tied to social allowances accounted for as much as 12 percent of the budget.[58] Many municipal administrations were found to have flawed financial management and inadequate or ineffective internal auditing procedures. Beginning in 2005, local government authorities were banned from using social allocations from the central government to finance other needs and required to return unused funds. Some worry that this restriction will bar local authorities from solving social problems independently.

Internal audit procedures in local government, which are supposed to be conducted by council-appointed auditors, are ineffective. In 2006, the National Audit Office conducted a sample external review of financial and performance

audits in local governments, which showed that only a third of revised audits applied appropriate quality control procedures.[59] Constitutional amendments to task the National Audit Office with auditing local government budgets and overseeing the management of municipal assets were debated in the Parliament throughout 2006.

The bulk of municipal revenues comes from the central government, with changes negotiated between municipalities and the central government and approved by the Parliament. The proportion of central budget subsidies in total municipal revenues has been shrinking in recent years. In 2006, it stood at 50 percent, down from 58 percent in 2004.[60] The remaining portion of municipal proceeds is collected from personal income tax and local charges and dues. Revenue volumes differ markedly across municipalities and are equalized according to specific projected expenditures. Municipalities with a higher rate of revenue growth are required to transfer part of these funds to the state budget. Obviously, this discourages municipalities from raising more income and limits their capacities to finance independent functions.

Judicial Framework and Independence

1999	2001	2002	2003	2004	2005	2006	2007
2.00	1.75	2.00	1.75	1.75	1.75	1.50	1.75

In 2006, the Constitutional Court passed a series of groundbreaking changes in the legislation governing the court system. These rulings came out amid intense public discussions over the weaknesses of Lithuania's judiciary, specifically the flawed appointment procedures for judges and a lack of political will for institutional reform. As a result, the Constitutional Court's rulings initiated a significant reform of the Council of Judges, the main executive institution of the Lithuanian judiciary that provides recommendations to the president on the appointment, promotion, transfer, or dismissal of judges.

In May, the Constitutional Court ruled that nearly 30 provisions of the Law on Courts and the Statute of the Supreme Court were in contradiction of the Constitution.[61] Specifically, the Court voided legal provisions stipulating that the Council of Judges consists not only of judges, but also of representatives delegated by the president, the Parliament, and the Ministry of Justice (with the chair of the Supreme Court automatically becoming council chairperson). Given the decisive role of the council in the appointment of judges, its previous composition was prone to political pressure. In the amended Law on Courts, the powers of the Supreme Court chair were narrowed and a new Council of Judges was elected. Politicians and government officials were removed from the council, which is expected to minimize political pressure on the courts.

The president nominates, and the Parliament approves, the chair and judges to the Supreme Court and the court of appeals. The president also appoints district

court judges. Unlike judges and chairs of other courts, those on the Supreme Court are appointed and dismissed at the recommendation of the chair of the Supreme Court rather than the Council of Judges. Experts charge that this increases judges' dependence on the chair of the Supreme Court. Recurrent scandals around the appointment of judges highlighted the lack of procedural transparency and confirmed that the president and Parliament have up to now played a symbolic role in the process.

Starting from June 2006, prosecutors and attorneys will no longer be appointed as judges without examination. This loophole was opened by a 2004 bill seeking to tackle the shortage of judges and was widely used. In 2005, 47 judges were appointed, as many as 39 of these without any examination.[62] In March 2006, the Constitutional Court passed another watershed ruling stating that courts of the same tier are bound by the same precedents, and lower-tier courts are bound by precedents set by higher-tier courts. Court precedents must be accessible to the public. It remains to be seen what impact this major decision will have on judicial practice in Lithuania. Obviously, it is expected to reinforce the constitutional maxims of the rule of law, justice, and equality before the court.

The presumption of innocence and the right to a fair and public hearing are guaranteed by law in Lithuania. Legal aid provision was finalized in May 2005. Yet the right to a fair trial is undermined by poor legal representation in court and lengthy criminal investigations and hearings. There is a critically low level of public trust in the courts, standing at less than one-fifth of the population.[63] Lower-tier courts are trusted the least, and statistics show that a very small percentage of verdicts is appealed. The high level of independence of the Lithuanian judiciary is not properly counterbalanced by public accountability. The insularity of the court system, length of trials, judge bias in favor of the prosecution, and corruption explain the ingrained public mistrust of the court system. Independent trial observations conducted by the Human Rights Monitoring Institute in 2005 through 2006 in four cities and regions of the country showed that courts were often biased against the defense, clearly favored evidence collected during pretrial investigations, and often disregarded evidence produced in the courtroom.[64]

Shortcomings in court administration and case assignment add to the weakness of the court system. In the lowest tier, where most cases are tried, three judges now share one assistant. Because of a high workload, high responsibility, and relatively low pay, numerous vacancies in the lower-tier courts have been reported. Judges and court chairs perform administrative functions, which not only impairs their performance, but raises doubts about the level of transparency in judges' case assignments and independence.

Pursuant to a September 2006 ruling of the Constitutional Court,[65] Lithuanian courts will be obligated to announce the reasoning of court decisions during the announcement of final judgments. Changing or otherwise correcting the reasoning afterward will be prohibited. The Constitutional Court passed this ruling in response to an inquiry from a group of lawmakers who questioned the Supreme Court acquittal of impeached ex-president Rolandas Paksas for disclosing state

secrets; the Court announced the reasoning for this controversial verdict two weeks after its adoption.

In 2006, public criticism over the work of notaries public soared as the press reported on "discrimination"[66] in notary offices. Long lines, a disregard for small clients, and high fees were mentioned as the biggest problems. The establishment of notary offices on a territorial basis and the existing ceiling on the number of notary offices also raised doubts. To address this, the Ministry of Justice extended notary office hours, simplified real estate transaction procedures, and lowered fees for such transactions starting from 2007.

Public outrage over the inefficiency of the court bailiffs system peaked in recent years, where polls had shown that only 6 percent of the population trusted bailiffs.[67] Citizens complained that bailiffs, who act collectively as a private institution, abused their authority in the recovery of debts and fines. Questionable tactics, protracted fine imposition and payment, and disproportionately large fees for services were cited as problems. In 2005, rules on the enforcement of court judgments were refined and the costs of recovering small amounts were limited. As a result, the protection of creditors' interests and implementation of court judgments have improved.

Human rights protection has received increased attention recently with the establishment of active public policy groups (the Human Rights Monitoring Institute and Civil Society Institute). In an overview of human rights released in May 2006, the Human Rights Monitoring Institute documented severe violations of international human rights standards in Lithuania in 2005.[68] Most of the violations concerned respect for private life, freedom of speech, and the rights of vulnerable groups. In particular, the act of publicly releasing private telephone conversations taped during investigations and misusing personal identification data were routine practices. The level of domestic violence against women and children remained high. In October, a monitoring report on children's rights in residential care and educational establishments launched by the Human Rights Monitoring Institute together with five coalition partners disclosed numerous violations of basic rights and freedoms of children and long-standing systemic problems in institutional care.

Public policy groups have increasingly sounded the alarm at growing ethnic intolerance in Lithuania. An opinion poll carried out in late 2005 by the Civil Society Institute and a Lithuanian-British market research and public opinion company Baltijos Tyrimai revealed that the public's biased attitudes toward fellow citizens of other ethnicities and cultures, especially Roma, Jews, and immigrants, have soared since 1990.[69] Experts have criticized the media for contributing to the atmosphere of hostility for minority groups and the political elite for failing to react to instances of intolerance. Intolerance for convicted, addicted, alcoholic, and HIV-positive persons is also on the rise. Lithuania's treatment of ethnic minorities was highlighted in a 2006 report from the European Commission Against Racism and Intolerance.[70]

Complaints regarding equal opportunities have multiplied in the past two years as the legal framework against discrimination has been strengthened and the public's awareness of rights and opportunities has increased. In 2005, to conform

with EU law, the equal opportunities ombudsman's mandate was extended to include discrimination by gender, age, sexual orientation, disability, racial or ethnic origin, and religion. As a result, the number of complaints reached 128 in 2005 and 130 in 2006.[71] Reportedly, the most frequent complaints concern discrimination related to sex, age, ethnicity, and disability. In most cases, complaints are in the labor, government, and commercial sectors.

The parliamentary Office of the Ombudsman has won praise for its active, swift, and credible performance in protecting human rights in recent years. Citizens increasingly report rights violations, and in 2006, the most frequent complaints again concerned land ownership and restitution issues, arbitrary arrests, illegally prolonged detention, and unsatisfactory detention conditions.[72] People also complained about government failures to protect the environment and about health care violations.

Lithuania's legislative and judicial framework has been overhauled in recent years. A code on civil procedure, in force since 2003, significantly eased civil legal proceedings. The new penal procedure code was tailored to secure faster investigations and trials, and judges are now more involved in the pretrial stage of investigation. The new penal code was designed to loosen criminal penalties and to broaden the application of alternatives to custodial sentences. Notably, criminal penalties in Lithuania were among the strictest and the number of prisoners among the highest in Europe.[73] The new penalty execution code removed some excessive restrictions on the rights and liberties of convicts and improved the mechanism for filing and investigating their complaints.

Yet criminal law reform has not been as effective as was expected, as 2003 and 2004 crime statistics show. While reported crime increased owing to a new method of documenting offenses, the percentage of investigated crimes dropped. Criminal court proceedings have not been sped up, nor has the average time spent in detention and prison decreased. Since the court reform began, custodial sentences have been passed more often, especially on juveniles, and the average period of custodial sentences and imprisonment has increased. Admittedly, the number of prisoners decreased twofold over the past two years and stood at 7,000 in mid-2006.[74] Overall, experts conclude that Lithuania's judges and judicial practices are overly resistant to modern approaches in criminology and change in general.

Corruption

1999	2001	2002	2003	2004	2005	2006	2007
3.75	3.75	3.75	3.50	3.50	3.75	4.00	4.00

In the wake of ratifying the United Nations Convention Against Corruption by the Lithuanian Parliament in December 2006, international experts concluded that corruption remains a serious problem in Lithuania, showing weaknesses, inefficiencies, and loopholes in the judicial and government bureaucracy. Public perception

of corruption is high, and an openness to exposing and investigating conflict-of-interest allegations among authorities has increased. Yet, it is widely acknowledged that the anti-corruption process is ineffective as there is little follow-through to numerous measures envisaged in the official anti-corruption framework and political corruption allegations.

Lithuania's legislative framework for combating corruption consists of numerous laws and a national anticorruption campaign. The Special Investigation Bureau (SIB), an independent institution established in 1997, is in charge of official corruption investigation and prevention activities. Corruption risk analysis of legal acts and state institutions is the main instrument of corruption prevention efforts. In recent years, the SIB has conducted an average of 100 anticorruption impact assessment analyses annually. Statistics show that the number of analyzed laws has increased threefold over the past years, while that of secondary legislation has decreased.[75] The SIB submits on average 35 recommendations for the improvement of internal institutional management and administrative procedures after the completion of a corruption risk assessment in a government institution. Recommendations from the SIB are generally well accepted and implemented. In 2005, corruption risk assessments were conducted in three ministries and seven municipalities.

The 2006–2008 Action Plan for the National Anticorruption Campaign envisages revising the framework governing political party financing and regulation, lobbying legislation and licensing regulations, and installing anticorruption programs in institutions administering EU structural funds. Allegations of misappropriating EU funds and suspicions of political corruption continue to surface regularly. As an illustration, in 2006 two Social Liberal members of the State Gaming Control Commission were suspected of voting in favor of a casino in exchange for party financial support.

In 2006, corruption scandals persisted around the embattled Labor Party and its founder, Viktor Uspaskich, who stepped down as parliamentarian and economic minister on ethics violations in 2005. In the summer, Lithuanian prosecutors brought charges against the Labor Party for fraudulent party bookkeeping and tax evasion. The party is suspected of submitting false data on its income, profits, and assets to the State Tax Inspectorate and the Supreme Electoral Commission. These allegations surfaced during a pretrial investigation on misappropriation of EU funds and influence peddling that was started three years ago. Prosecutors discovered the Labor Party's "cooked" books, which showed unlawful payments not only to members of the party, but to parliamentarians of other parties. Prosecutors questioned several party members during the probe and carried out searches at party headquarters. These crimes could result in a fine, restriction, or termination of the party's activities. In May 2006, in the wake of the scandal, Uspaskich left for Russia and resigned as Labor Party leader. In September, an international warrant was issued for Uspaskich, and the former politician asked Russia for political asylum.

Corruption allegations and libel cases continued to dog Vilnius mayor and LCU leader Artūras Zuokas after an interim parliamentary commission probing

into possible corruption in the Vilnius municipality affirmed in late 2005 that the mayor had received regular payments from a well-known business group in exchange for favorable decisions by the Vilnius City council. Despite that, Zuokas remained in his position until the February 2007 municipal council elections.

Executive and legislative bodies operate under audit and investigation rules. There are strict limitations on the participation of government officials and civil servants in economic life. The legislation on reconciling public and private interests in state service prohibits conflicts of interest and requires financial disclosure by politicians, CEOs, and their spouses. In 2005, the obligation to declare private interests was extended to chairpersons and deputy chairpersons of political parties who do not hold any official positions in state service. Also, instead of annual declarations, civil servants and politicians now submit private interest declarations when they take office or assume leadership in political parties and are required to notify the Supreme Official Ethics Commission of any changes in public and private interests. Declarations are posted on the commission's Web site, yet incomplete interest declarations are still a problem. The failure to withdraw from decision making, which may cause conflicts of interest, is the most frequent ethics violation.

Persons reporting cases of corruption receive general legal protections. Accepting or demanding a bribe is punishable by barring offenders from certain professional positions and by imprisonment for three to eight years. Punishment for abuse of official power includes fines, denial of the right to hold certain positions, and imprisonment for four to six years. State servants may be dismissed for abusing official power and ethics violations and can be punished by a three-year prohibition from state service.

In Transparency International's 2006 Corruption Perceptions Index, Lithuania maintained its score of 4.8 out of a possible 10 (least corrupt) among other countries with serious corruption problems.[76] Public perception and tolerance of corruption is high in Lithuania. A majority of Lithuanians believe the level of corruption has grown since 2000, according to the survey Lithuania's Corruption Map 2005.[77] Health care institutions, police, the Parliament, and the courts are seen as the most corrupt institutions. Most Lithuanians consider bribes an effective tool and are ready to use them if needed. The survey shows that half of the population gave bribes from 2000 to 2005 and 26 percent gave bribes in 2005 alone. Paradoxically, although half of the population purports never to have given bribes, an overwhelming majority think that corruption is deeply entrenched.

Such perceptions can be explained by a wide and extensive airing of corruption allegations in the media, the main source of information upon which people base their opinions about corruption. Asked about their personal experience, people mentioned land planning, customs procedures, construction permits, health care services, criminal court cases, fire prevention requirements, and land restitution as the most corrupt official procedures.[78] In 2006, medical workers were allowed, after a one-year ban, to accept gifts from patients or their relatives during and after treatment.

In 2006, a series of scandals surfaced among the leadership of several Lithuanian universities involving flagrant bonuses, trips, and other misuses of financial resources, which sparked public debates about the autonomy of higher education. Corruption is also pervasive in Lithuania's extensive regulatory system. Since direct state participation in the economy has been minimized through large-scale privatization, including infrastructure, the regulatory system is the chief way the state intervenes in the economy, which includes setting quality standards, requiring numerous permits and inspections, prescribing a mandatory minimum wage, regulating energy prices, and so forth. Many see this as excessive regulation. According to a recent survey by the World Bank and Economic Bank for Reconstruction and Development, the scope of unofficial payments by firms dealing with regulatory agencies and payments to obtain government contracts has tripled since 2002.[79] Businesses indicated that bribery had become much more frequent in licensing, fire and building inspections, environmental inspections, and occupational health and safety inspections. Despite this, the perception of corruption as a problem in doing business and time spent in dealing with regulatory authorities have reportedly decreased.

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Macedonia

by Zhidas Daskalovski

Capital:	Skopje
Population:	2.0 million
GDP/capita:	US$7,268
Ethnic Groups:	Macedonian (64.2%), Albanian (25.2%), Turkish (3.9%), Roma (2.7%), Serb (1.8%), other (2.2%)

The economic and social data on this page were taken from the following sources:

GDP/capita, Population: *Transition Report 2006: Finance in Transition* (London, UK: European Bank for Re-construction and Development, 2006).

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Nations in Transit Ratings and Averaged Scores

	1999	2001	2002	2003	2004	2005	2006	2007
Electoral Process	3.50	3.75	4.50	3.50	3.50	3.00	3.25	3.25
Civil Society	3.50	3.75	4.00	3.75	3.25	3.25	3.25	3.25
Independent Media	3.75	3.75	3.75	4.00	4.25	4.25	4.25	4.25
Governance*	3.00	3.75	4.25	4.50	4.00	n/a	n/a	n/a
National Democratic Governance	n/a	n/a	n/a	n/a	n/a	4.00	3.75	3.75
Local Democratic Governance	n/a	n/a	n/a	n/a	n/a	4.00	3.75	3.75
Judicial Framework and Independence	4.25	4.25	4.75	4.50	4.00	3.75	3.75	3.75
Corruption	5.00	5.00	5.50	5.50	5.00	5.00	4.75	4.75
Democracy Score	3.83	4.04	4.46	4.29	4.00	3.89	3.82	3.82

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

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

Executive Summary

Modern Macedonia came into existence in 1945 as one of the six constituent republics of the Socialist Federal Republic of Yugoslavia. When Yugoslavia disintegrated in 1991, Macedonia declared independence on November 21, 1991, and today is a democratic multiparty state. In contrast with other former Yugoslav republics, Macedonia enjoyed a broadly uncontested and comparatively peaceful transition to independence. However, full international recognition was delayed by Greek objections to the new state being called Macedonia, and admission to the United Nations was blocked until April 1993, when it took place under the interim designation "Former Yugoslav Republic of Macedonia." Although the reference to the country's Yugoslav past was to be used exclusively within the UN as a result of Greek pressure, other international institutions have also used the interim reference.

Besides the "name issue," interethnic relations and the question of minority rights were at the forefront of the domestic political agenda during the country's democratization period. Macedonia is a multiethnic state with a population of around two million. Macedonians constitute 64 percent of the total population, while Albanians are the biggest minority with 25 percent. During the 1990s, Macedonian political elites clashed with their ethnic Albanian counterparts over the basic concept of the state. Following the warlike crisis in the first half of 2001 and the signing of the Ohrid Framework Agreement, Macedonia made a number of amendments to the 1991 Constitution that clarified the position of national minorities in the legal system, preserving territorial integrity and sovereignty.

During 2006, the national elections held in July were a major event. The European Union (EU) made further progress in Macedonia's integration process a condition of the regular conduct of parliamentary elections. Yet during the first half of the election campaign, there were a number of violent incidents, including attacks on campaign offices, fights among party activists, and nonfatal shooting incidents. Most of these occurred in the northwest of the country and involved the ethnic Albanian parties Democratic Union for Integration (DUI) and the Democratic Party of Albanians (DPA). Clashes between party members or supporters during the election campaign provoked the EU and United States again to call on party leadership to send a clear signal to their membership to refrain from the use of force.

In the end, the elections were peaceful and fair, and international observers said that they "largely met international standards." The electoral coalition led by the Internal Macedonian Revolutionary Organization–Democratic Party for Macedonian National Unity (VMRO-DPMNE) secured 32.3 percent of the vote and 45 seats in the new Parliament. On the other hand, the Together for Macedonia coalition led by the Social Democratic Alliance of Macedonia (SDSM) won just 23.2

percent and 32 members of Parliament (MPs). After much wrangling about the DUI's inclusion in the new coalition government, with the DPA objecting strongly, a new government was formed led by Premier Nikola Gruevski and including the VMRO-DPMNE, DPA, the New Social Democratic Party, the Democratic Renewal of Macedonia, the Party for European Future, and the Liberal Party.

Since the 2001 conflict, the level of security in Macedonia has gradually improved, and police presence is now ensured throughout the country. Since many police patrols are ethnically mixed, the trust of minority communities has further improved in 2006. The EU police mission EUPOL Proxima ended in December 2005. The implementation of police reform at the local level continued to be supported, first by an EU police advisory team until June 2006 and then by a Community Assistance for Reconstruction, Development and Stabilisation (CARDS)-funded project. With the exception of a number of localities in the former crisis areas (for instance, Kondovo and Saraj), where police activities require a considerable level of sensitivity, the government's authority extends over the full territory of the country. However, the question remains how to collect illegal weapons still circulating within Macedonia.

National Democratic Governance. All Macedonian political parties share the view that Macedonia should become a member of the EU and NATO. There is a strong consensus among political groups and citizens that market democracy should be the basis of the country's political system. It is widely understood that political moderation and ethnic tolerance are important to Macedonian politics. The national political system is currently free from such threats to stability as insurgency or war. In 2006, the government led by the SDSM, as well as the one led by the VMRO-DPMNE after the elections, continued the EU-related reforms, particularly in the judiciary and the police. Both governments continued to address a key concern of the Ohrid Agreement, the underrepresentation of Macedonian Albanians in public administration (and public enterprises). The agreement established equal and just representation in public administration at national and local levels as the highest priority, and it is a key reform in the public sector, where minority groups and especially Albanians from Macedonia have been underrepresented. In 2006, the process of recruiting qualified minority members continued, and the new government pledged €2.5 million (US$3.4 million) for this purpose in 2007, three times the amount spent in 2005 and 2006. In all state institutions, 81 percent of employees are Macedonians, 13 percent are Albanians, 2 are percent Serbs, 1.4 percent are Turks, and 0.6 percent are Roma and Vlachs. *Macedonia's rating for national democratic governance remains at 3.75.*

Electoral Process. According to the law, national elections in Macedonia are to be conducted every four years. In 2006, Macedonia improved the electoral system acting upon recommendations by the EU and the Organization for Security and Cooperation in Europe/Office for Democratic Institutions and Human Rights (OSCE/ODIHR). Achieving political consensus, a comprehensive reform of the

electoral code was enacted by the Parliament in March. There is a fully professional State Election Commission now in place, and the participation of civil servants in electoral administration has been increased. In parallel, the criminal code was changed to strengthen sanctions for election-related crimes. Further strengthening the message, this year the judiciary sentenced a number of people for election tampering during the local elections in 2005. International observers said that the elections "largely met international standards." Turnout was 56.1 percent of registered voters, a decline from the 73.4 turnout in the 2002 elections. The electoral coalition led by the VMRO-DPMNE won, obtaining 32.3 percent of the vote and 45 seats in the new Parliament. Compared with the local elections held in 2005, the national vote in 2006 experienced fewer election irregularities, which nonetheless included proxy voting, political violence, the presence of unauthorized personnel at polling stations, and voter intimidation. *Macedonia's electoral process rating remains at 3.25.*

Civil Society. In the last 16 years, the number and scope of nongovernmental organizations (NGOs) in Macedonia have risen dramatically. Yet although Macedonian civil society boasts over 5,500 NGOs by some estimates, the civil sector continues to lack capacities and consistent funding. Many deal with significant societal, political, and economic issues. In 2006, the active involvement of NGOs in public policy making and reforms increased. A number of think tanks gained a higher profile by offering policy analyses and making proposals for new legislation or amending existing ones. Under the 1998 Law on Citizen Associations and Foundations, NGOs are registered as civic organizations. In 2002, the local Open Society Institute Foundation, the Macedonian Center for Intercultural Cooperation, a number of experts, and several smaller NGOs initiated a process of debating the law and locating the problematic aspects. Yet amendments to the law have not yet been approved, as some are seen as problematic for the development of the sector. Foreign donors are increasingly leaving the western Balkans region and Macedonia, which has left many NGOs in peril. Macedonian civil society has yet to attain the critical mass needed to become a serious actor at either the national or the local level. *Macedonia's rating for civil society remains at 3.25.*

Independent Media. While in 2005 the government ignored cries to amend the criminal code and the criminal character of libel, legislation abolishing imprisonment as a punishment for defamation and libel was adopted in May 2006. Yet the fines system put in its place might be an obstacle to independent and free journalism if fines are excessive and imposed. In the fall of 2006, Macedonia began implementing the Law on Free Access to Information. It is yet to be seen whether this law will significantly improve the work of journalists. The Macedonian public enjoys a diverse selection of print and electronic sources of information at both national and local levels, representing a range of political viewpoints. A few television stations are considered to be politically influenced since the owners of these outlets are also presidents of political parties. Society enjoys open access to

the Internet, with a diverse range of sites and viewpoints, although penetration is remarkably low. *Macedonia's rating for independent media remains at 4.25.*

Local Democratic Governance. Since the 2001 Ohrid Framework Agreement, Macedonia has engaged in a decentralization effort, committing itself to devolve responsibilities of the central government to local government units. Decentralization also includes transferring tax collection and reallocation responsibilities to the local level. The law sets limits on the central government's authority and outlines new possibilities for free association of municipalities. The process of decentralization as envisaged by the Law on Financing the Local Self-Government Units is to evolve in two phases, the first initiated in July 2005. Since 2006, municipalities are now financed from own-revenue sources, government grants, and loans. Moreover, the municipalities are now responsible for setting tax rates and municipal fees specified by the Law on Property Taxes. In addition to these revenues, the Law on Financing the Local Self-Government Units envisages a number of grants provided for municipalities from the central budget. The law also allows municipalities to borrow additional funds in the capital markets, if approved by the Ministry of Finance. Outstanding issues include the need for budget monitoring by citizens' groups at the subnational level and resolution to excessive local government debt. *Macedonia's rating for local democratic governance remains at 3.75.*

Judicial Framework and Independence. While the Macedonian legal framework provides for the protection of fundamental political, civil, and human rights and equality before the law, in 2006 the government concentrated efforts on judicial reform. Budgetary resources to the judiciary increased slightly from 2005. A law was passed to found the Academy for Training of Judges and Prosecutors, and candidates for a basic court will have to complete a training course at the new academy. The Law on Mediation was adopted in May to lower the backlog of unsolved cases, and 60 mediators were appointed. In May, several new laws were passed, including the Law on the Courts, Law on the Judicial Council, Law on Misdemeanors, and Law on Administrative Disputes. Despite these reform efforts, inefficiency of the judiciary remained a major problem in 2006. There are hundreds of thousands of untried cases. The courts are burdened with administrative work and are also expected to deal with a high number of misdemeanors as well as adjudicated cases that require enforcement. Out of five judgments against Macedonia before the European Court of Human Rights in 2006, four noted violations related to the length of judiciary proceedings. *Macedonia's rating for judicial framework and independence remains at 3.75.*

Corruption. Given that few cases of corruption have actually been resolved in the 16 years since independence, it is clear that the Macedonian public has "internalized" and "normalized" official corruption. For experts and citizens alike, the perception is that corruption remains widespread and is holding back economic development and weakening social cohesion. In 2006, corruption was reported in the prison

system, health care, courts, the education system, the committee responsible for restitution, and even the electric company. Every third citizen had to pay a bribe to obtain services, reported a survey by the Institute for Sociological, Political, and Legal Studies. A number of high-profile cases of corruption were reported by the media, if not legally sentenced. In the fall, the new government initiated a campaign against illegal construction projects by the "urban mafia." In fact, strengthening the fight against corruption is a primary goal of the government. *Owing to the fact that no progress has been made in tackling the issue despite the political will to do so, Macedonia's rating for corruption remains at 4.75.*

Outlook for 2007. The new government has begun a thorough reform in the economic sphere. In hopes of obtaining a date for EU membership negotiations, the reform process is expected to continue in 2007, further harmonizing Macedonian legislation with EU law. The EU accession process is expected to further consolidate political stability. Ethnic relations are not expected to be affected by the resolution of the status of Kosovo. A key issue for 2007 will be to see if the second phase of the decentralization process will start in July as planned.

Main Report

National Democratic Governance

1999	2001	2002	2003	2004	2005	2006	2007
n/a	n/a	n/a	n/a	n/a	4.00	3.75	3.75

Modern Macedonia came into existence in 1945 as one of the six constituent republics of the Socialist Federal Republic of Yugoslavia. When Yugoslavia disintegrated in 1991, Macedonia declared independence on November 21, 1991, and today is a democratic multiparty state. Power is divided among the three branches of government: the Parliament, the executive (the government with the president and premier), and the judiciary (Supreme Court, Constitutional Court, and public prosecutor).

The unicameral Parliament is composed of between 120 and 140 members elected by direct, universal suffrage. All parliaments prior to the current one have had 120 members. According to the electoral laws adopted in June 2002 (the Law on Election of Members of Parliament of 2002, the Law on the Voter List, and the Law on Election Districts), MPs are elected for a four-year term in six electoral districts. Each district has about 290,000 voters and elects 20 members by proportional representation. Citizens vote for an electoral list, and seats are distributed on a proportional basis, according to the D'Hondt formula. The nomination lists may be submitted by parties, coalitions of parties, or groups of at least 500 voters. Each list of candidates may contain no more than 70% of either sex.

Pursuant to Article 88 of the Constitution, executive power is vested in the government, which is responsible for the organization and coordination of all state administrative bodies. It initiates draft legislation, oversees the operation of state institutions, and executes laws and regulations adopted by the Parliament. In the last 15 years, the governments have been formed by a coalition of parties, typically a major Macedonian and Macedonian Albanian party and a smaller Macedonian party as a junior coalition partner. Although the president has the legal duty to nominate candidates, the Parliament appoints the premier, who is the head of government and selected by the party or coalition that gains a majority of seats in the Parliament. The current government is led by Premier Nikola Gruevski and includes the Internal Macedonian Revolutionary Organization–Democratic Party for Macedonian National Unity (VMRO-DPMNE), the Democratic Party of Albanians (DPA), the New Social Democratic Party (NSDP), Democratic Renewal of Macedonia (DOM), the Party for European Future (PEI), and the Liberal Party.[1]

The Macedonian political system is semipresidential, akin to the French model. By law, the president represents Macedonia at home and abroad and is the commander-in-chief of the armed forces. The president may veto legislation adopted

by the Parliament with a simple majority. However, this veto power is quite limited, and the Parliament can vote on the same law again within 30 days. If the law in question is approved again by a two-thirds majority, the president must sign the decree into law. Since the president is elected by direct ballot and has a term of five years, with the right to one reelection, the personality of the president has a great impact on the position's actual power.

Kiro Gligorov, acting as "father of the nation" from 1991 to 1999, set the trend for strong presidents, with the late Boris Trajkovski and the current president, Branko Crvenkovski, following his example. It is widely believed that in 2006 President Crvenkovski played a principal role in the ouster of the Social Democrats leader, Vlado Buchkovski, and inaugurating Radmila Shekjerinska as the new party chief in the fall. The president has the authority to appoint and recall ambassadors of Macedonia abroad. In 2006, President Crvenkovski coordinated the removal of the Macedonian ambassadors to the United Kingdom and United States.[2] The reason given was that both ambassadors had meddled in local politics by commenting on the rift in the Social Democratic Alliance of Macedonia (SDSM).

The Constitutional Court plays a dominant role within the Macedonian judiciary. The Court oversees major acts of the Parliament and cabinet, having the power to annul legislation or decrees that are found to violate the Constitution. The Judicial Council similarly provides oversight of the court system and judges. The Parliament appoints council members as well as Constitutional Court judges and the public prosecutor through a system of double majority voting, which requires a majority of the votes of MPs who are members of minority ethnic groups.

Although Macedonia is a parliamentary democracy, in practice the government strongly dominates the assembly by introducing laws for adoption or amendment. Still, mitigating factors prevent the concentration of power in cases where a political party or coalition wins control of both the legislature and the executive. First of all, the strong figure of the president works to balance the dominant tendency of the premier. This functions well when the president and the premier do not belong to the same party, as the president's authority significantly influences the politics of the party in power. Second, the Macedonian political system features a government composed of a multiethnic coalition. Governing requires advanced interpersonal skills and accommodation, which in turn necessitates much political maneuvering and compromise, making the concentration of power impracticable.

Macedonia is a multiethnic state with a population of around two million. Macedonians constitute 64 percent of the total population, while Albanians are the biggest minority with 25 percent. As elsewhere in Eastern Europe, Macedonia's reforms in the last 15 years have been focused on two issues—state building and setting up the legal base for a functioning market economy.[3] Problems consolidating Macedonia's democracy have been related to its interethnic relations. During the 1990s, Macedonian political elites clashed with their ethnic Albanian counterparts over the basic concept of the state.

Various elements in the Constitution, census, laws on education, local self-government, public display of national minority symbols, and the ethnic makeup

of the police, army, and public administration were all contested by Macedonian Albanians during this period. With a major segment of the population challenging the very foundations of the state, Macedonia, before the 2001 Ohrid Framework Agreement and the subsequent adoption of the amendments to the 1991 Constitution, could not consolidate its democracy.

While Macedonians have insisted on a unitary nation-state, Macedonian Albanians have refused to be considered an ethnic minority and have advocated for official binationalism. Starting with the early 1990s, reforms were enacted and improvements were made, albeit quite slowly, resulting in a rise in civil society participation by Macedonian Albanians. Similarly, in 2000, amendments to the Law on Higher Education were passed allowing private education in languages other than Macedonian, while a European-financed trilingual (Albanian, English, and Macedonian) university was opened in 2001.

Although Macedonia recognized the rights of national minorities and promoted pluralism in the media, native-language education, minority civil society organizations, and interethnic power sharing in the national government, living standards sank as unemployment soared. Under such circumstances, the political transformation was formulated as a zero-sum game, pitting ethnic Albanian grievances against Macedonian fears for "their" country's security and integrity. Armed conflict erupted between Albanian rebels and government forces in 2001 but was ended quickly through an EU- and U.S.-mediated agreement, signed in August of that year.

The Ohrid accord envisioned a series of political and constitutional reforms that address ethnic Albanian demands for equal standing. Consequently, the amendments to the 1991 Constitution based on this agreement clarified the rights of national minorities, especially ethnic Albanians. The major provisions include amending the preamble to the Constitution, instituting double majority voting in the Parliament, increasing the representation of ethnic Albanians in the police force, and stipulating the use of the Albanian language in official proceedings. Other provisions stipulate fulfilling many of the demands raised by Macedonian Albanians throughout the 1990s and introduce a substantial degree of municipal decentralization, equitable representation in the public administration of minority communities, and confidence-building measures to overcome the immediate consequences of the 2001 conflict.

Since then, the general security level has gradually improved, and police presence is now ensured all over the country. Many police patrols are ethnically mixed, which further improves the trust of minority communities in 2006.[4] The EU police mission EUPOL Proxima ended in December 2005. The implementation of police reform at the local level continued to be supported by an EU police advisory team until June 2006, then was taken over by a CARDS-funded project. With the exception of a number of localities in the former crisis areas, where police activities require a considerable level of sensitivity, the government's authority extends over the full territory of the country. However, questions remain about how to collect illegal weapons still circulating within Macedonia.

According to the Constitution, the army and the police are under civilian control. The National Security and Defense Concept, adopted in 2003, coordinates security in cases of crisis. Under the Law on Internal Affairs, the Ministry of the Interior is responsible for the internal security of the state. The ministry has a Bureau for Public Security, which includes the Department of Police, the border police, the criminal police, and the Directorate for Security and Counterintelligence. A major step in the reform of the police and a key priority of the European Partnership Agreement was the adoption of the new Law on the Police in October 2006.[5]

Reform continued throughout the year in the Ministry of Defense and the army, driven by the prospect of Macedonia's membership in NATO, and is due to be completed by the end of 2007. In September, the new government adopted a national program for NATO membership. The reform also takes into account the objectives of the Ohrid Framework Agreement to achieve equitable representation of individuals from minority communities in the civil service. According to the Constitution, the president is the commander-in-chief of the armed forces, while a civilian minister of defense oversees all security- and defense-related activities.

To ensure the government fulfills its obligations under the Ohrid Agreement, the EU made Macedonia's further integration into Europe conditional on full implementation of the agreement. The EU had already signed a Stabilization and Association Agreement (SAA) with Macedonia—the first signed with any government in the region—in April 2001. In 2006, Macedonia made progress in the implementation of the SAA, although not yet meeting all its obligations under this agreement. The two main exceptions are telecommunications liberalization and the protection of intellectual property, but the new government has announced that it will liberalize the telecommunications market.[6]

On December 17, 2005, the European Council granted the status of "candidate country to the [former Yugoslav] Republic of Macedonia," and the government passed a draft National Program for the Adoption of the Acquis in March 2006. Despite the country's status, Macedonian citizens need visas to travel to EU member states. In July 2006, the European Commission submitted a proposal to the council to negotiate visa facilitation and readmission agreements with Macedonia. The European Commission preaccession financial assistance to Macedonia amounted to €43.6 million (US$59.6 million) in 2006.

All Macedonia's political parties share the view that Macedonia should become a member of the EU and NATO. There is a strong consensus among political groups and citizens that market democracy should be the basis of the country's political system. Promotion of ethnic diversity, political moderation, and tolerance is widely understood as being important to Macedonian politics. The national political system is currently free from such threats to stability as insurgency or war.

Before the Ohrid accords were implemented, members of minority groups, especially Albanians from Macedonia, were underrepresented in the public sector. According to available data from the 1990s, Albanians filled only some 7 percent of positions. In 2006, the process of recruiting qualified minority members continued, and the new government pledged €2.5 million (US$3.4 million) for this purpose in

2007, three times more than in 2005 and 2006.[7] The numbers are steadily improving. In all state institutions, 81 percent of employees are Macedonians, 13 percent are Albanians, 2 percent are Serbs, 1.4 percent are Turks, and 0.6 percent are Roma and Vlachs.[8] In some institutions, such as the Ministries of Education, Economy, and Local Government, the percentage of ethnic Albanian employees corresponds to the population's share in the Macedonian census.

By law, Macedonian citizens and the media have access to legislators and the legislative process, and parliamentary sessions are open to the public. Yet in practice, few citizens visit sessions of the Parliament at either the local or national level. In 2006, the new parliamentary president put into force an internal rule adopted but ignored by the previous Speaker of the Parliament to prevent citizens from visiting the Parliament while it is in session.[9] In early October, a conflict between the MPs Menduh Thachi from DPA and Dzhevat Ademi from DUI prompted other MPs to insist that their bodyguards enter the parliament. The speaker of the parliament forbid access to all citizens to prevent incidents. Although the measure was temporary, citizen involvement in Macedonian political culture is low in general. NGOs have not been engaged in budget oversight, and local governance is a largely unchecked endeavor. The media raise many issues that are rarely taken up by civic organizations and citizens' groups.

Although the Constitution states that freedom of information is a fundamental human right, this has not ensured citizen access to public information. Macedonia adopted freedom of information legislation in January 2006 and was the last country in southeast Europe to do so. Prepared and debated since 2003, the law was given a positive verdict by the Council of Europe, and it is hoped that it will solve many of the nation's government transparency issues, including budget monitoring. All public institutions are obliged to answer information requests within 30 to 40 days or pay fines of 20,000–50,000 Macedonian denars (€300–€850, or US$410–US$1,161). Yet implementation of the law, overseen by the quickly trained, independent Committee for Free Access to Information, has not been a smooth affair.[10] Once implementation began, few citizens showed interest in this new legal opportunity to obtain needed information.[11] A number of public institutions were not aware of the new law or refused to give the requested information.[12] Moreover, many public institutions did not nominate a person responsible for answering information requests by citizens.[13]

Electoral Process

1999	2001	2002	2003	2004	2005	2006	2007
3.50	3.75	4.50	3.50	3.50	3.00	3.25	3.25

Macedonia has universal and equal suffrage, with regular, free, and fair elections conducted by secret ballot. Moreover, the electoral system is free of significant

barriers to political organization and registration, and ethnic and other minority groups have sufficient opportunities to participate in the political process. In the years since independence, the electoral system has been multiparty-based, with the public engaged in the political life of the country. Power has rotated among different party coalitions representing competing interests and policy options. The field of political contenders is generally free from domination by power groups, such as the military, foreign powers, totalitarian parties, regional hierarchies, and/or economic oligarchies.

In 2006, Macedonia improved the electoral system acting upon recommendations by the EU and the OSCE/ODIHR. In order to achieve political consensus, a comprehensive reform of the electoral code was enacted by the Parliament in March. There is a fully professional State Election Commission now in place, and the participation of civil servants in electoral administration has been increased. In parallel, the criminal code was changed to strengthen sanctions for election-related crimes. This year, the judiciary sentenced a number of people for election tampering during the local elections in 2005, further strengthening the message.

The 120 deputies in the Parliament are elected by proportional representation from six electoral districts, 20 deputies to be allocated from each district. Parties or electoral coalitions nominate a list of candidates for each district that they contest. Votes are cast for a list rather than for individual candidates, and the number of candidates elected from a party's list in each district depends on their share of the vote. There is no minimum threshold that parties must reach in order to achieve representation in the Parliament. At the 2006 parliamentary elections, the State Election Commission approved 33 electoral lists, with 11 parties or coalitions putting forward lists in all six districts.

International observers said that the election held on July 5, 2006, "largely met international standards," although there was some violence during the campaign as well as a few irregularities on polling day, including ballot stuffing, family voting, and voter intimidation. More serious were the violent incidents during the election campaign, mainly involving the two principal ethnic Albanian parties, the Democratic Union for Integration (DUI) and the DPA. The Office of the Public Prosecutor initiated procedures for 11 criminal acts during the pre-election period and investigations of 8 cases of electoral fraud as a result of police reports.

On the day of the election, the State Election Commission reported that turnout was 56.1 percent of registered voters. The electoral coalition led by the VMRO-DPMNE, For a Better Macedonia, consisted of 14 parties representing ethnic Macedonians, Vlachs, Turks, Bosniaks, and Roma. The coalition secured 32.3 percent of the vote and 45 seats in the new Parliament. On the other hand, the Together for Macedonia coalition led by the SDSM won just 23.2 percent of the vote and has 32 MPs. The State Election Commission ordered voting to be repeated in 29 polling stations on July 19, 2006, after Macedonia's Supreme Court annulled the initial vote in these areas. The rerun saw the VMRO-DPMNE pick up an extra seat at the expense of the DUI.

The coalition Democratic Union for Integration-Party for Democratic Prosperity (DUI–PDP) won 12.2 percent of the vote, giving it 17 seats in the new Parliament. The opposition DPA won 11 seats, or 7.5 percent of the vote. Four other parties entered the Parliament: the NSDP, led by Tito Petkovski, formerly one of the main politicians of the SDSM, winning 7 seats; VMRO-Narodna, led by Ljubcho Georgievski, the longtime leader of VMRO-DPMNE, winning 6 seats; and the DOM and PEI, each with 1 seat. The DOM was formed in January 2006 by Liljana Popovska, a former official of the Liberal Democratic Party (not to be confused with the Liberal Party, which is different), while the PEI is led by Fiat Canoski and derives most of its support from ethnic Macedonian Muslims in the Struga region of southwest Macedonia. According to the OSCE, the most recent presidential elections held in April 2004 were free and fair, generally complied with international standards, and experienced a relatively small number of election irregularities, such as proxy voting, political violence, the presence of unauthorized personnel at polling stations, and voter intimidation.

The elections in 2006 brought changes in the composition of the government and in the Parliament. The new government coalition is led by the VMRO-DPMNE and includes the DPA as the main coalition partner together with a number of smaller parties. This coalition holds 63 seats in the Parliament. The Albanian party DUI won the votes of the Albanian population, but it was not invited to participate in the new right-oriented government, leading to a lack of political dialogue and hindering the progress of democratic reforms in the country.

Civil Society

1999	2001	2002	2003	2004	2005	2006	2007
3.50	3.75	4.00	3.75	3.25	3.25	3.25	3.25

During the Communist era, when Macedonia was part of the Yugoslav federation, the country's civil society was suppressed. Established citizens' institutions like the Association of Women of Macedonia or the Association of Youth of Macedonia could not in fact be characterized as nongovernmental institutions. In the 1980s, during the period of liberalization, Macedonia witnessed the rise of civic groups, movements, and associations, and following independence, opportunities for the development of civil society became real. Now, the state confirms by law the rights of the independent civic sector.

In the last 16 years, the number and scope of NGOs in Macedonia have risen dramatically. Many deal with significant societal, political, and economic issues. In 2006, the active involvement of NGOs in public policy making and reforms has grown. A number of think tanks have gained a higher profile by offering policy analyses and making proposals for new legislation or amending existing ones. The government adopted a strategy for cooperation with civil society in June.

In principle, the legal framework for civil society is free of excessive state pressures and bureaucracy.

Under the 1998 Law on Citizen Associations and Foundations, NGOs are registered as civic organizations. The law prohibits NGOs as well as trade and professional organizations, employer and employee unions, interest groups, and foundations from being involved in direct economic activities. In 2002, the local Open Society Institute Foundation (FOSIM), the Macedonian Center for Intercultural Cooperation (MCMS), a number of experts, and smaller NGOs initiated a process of debating the law and locating problematic aspects. Amendments to the law were to be debated in the Parliament in November but were postponed until early 2007.[14] Not all of the changes are supported by the civil sector, since the new government altered the civil society's proposed amendments in a significant way.

As reported by the media[15] and representatives of FOSIM,[16] some of the amendments would allow "concerned citizens" or the public prosecutor to intervene in and even close NGOs that fail to follow their own statutes. Another problematic amendment states that employees of NGOs are prohibited from serving in the executive organs of their given organization. These and other similar amendments further complicate the development of the NGO sector in Macedonia. For many NGOs, it is natural for persons working in the organization to make managerial decisions, something the amendments prohibit.

Although the government respects the right to form and join civil society organizations, including free trade unions, it is hardly receptive to policy advocacy by interest groups, policy research centers, and other nonprofit organizations. Government officials rarely engage civil society groups by inviting them to comment on and influence pending policies or legislation. Think tanks like the Center for Research and Policy Making and the Economic Policy Research Institute have commented on governmental policies and offered improvements on draft versions of specific laws. The reports and training they provide are founded on solid, evidence-based research and analyses. In 2006, the think tank sector grew in both numbers and quality of products. The media, on the other hand, are more accessible to civil society groups and serve as independent sources of information and commentary, thus contributing positively to the country's civic life.

Currently, the development of NGO activities is hampered mainly by a lack of resources. Beginning in 1999, there was a boom in the sector based on availability of funds, and at the time there were some 5,500 NGOs estimated in the country.[17] Various international donors supported the NGO sector, each with its own agenda often not coordinated with local needs and NGO demands. The donors have taken a top-down approach, offering funding to local organizations only if their programs and projects match the priorities established by the funders in Washington or Brussels, for example. Increasingly, these foreign donors have left the western Balkans region and Macedonia, leaving many NGOs in peril.

The remaining big grants are managed by the biggest local organizations. To a certain extent, this complicates fund-raising for local NGOs that do not have

good relations with the biggest organizations, which are now strong grant makers. Key NGOs such as FOSIM and MCMS dominate the activities and funding of local civil society organizations. Groups representing a range of special interests—women's issues, physically impaired persons, ethnic minorities, and gay and lesbian—receive most of the attention and funding, whether local or international. Other groups are left to their own devices.

In fact, few civil society groups are financially viable in the long term. Although a new law was enacted in April 2006 providing tax incentives for local or foreign donors, local philanthropy and volunteerism are almost nonexistent, while the participation of religious groups in charitable activities is minimal. Allocations to NGOs from the state budget are nontransparent, and the biggest recipient is typically the Trade Union Federation of Macedonia.[18] By giving funds to the trade unions, the government aims to implement market-driven reforms.

Apart from the trade unionists, who in 2006 received 2 million denars from the state budget (about €32,800, or US$44,818), the Association of the Veterans of World War II, the Association of Women, the Children's Parliament, and the Student Association also received the largest grants. All together, 101 NGOs received grants from the state in 2006, some better known to the public than others. While the trade unions' influence has been on the wane, religious organizations are a significant part of civil society. Both the Macedonian Orthodox Church and the Islamic religious community strongly influence societal views on various issues, mainly promoting conservative attitudes.

In 2006, big scandals hit two visible NGOs, Transparency International and the Macedonian branch of the Helsinki Committee. In early November, four members of the Helsinki Committee management board resigned, accusing the organization's president of undemocratic administration.[19] In September and October, a conflict of ideas and procedures erupted in the local office of Transparency International (TI)—the executive director, Sladjana Taseva, and new board president, Sasho Ordanovski, exchanged accusations of corruption. The TI regional director, Miklos Marshall, visited Macedonia to investigate the affair, but no solution was found and the office's license to operate under the TI name was revoked.[20]

Macedonian civil society has yet to attain the critical mass needed to become a serious actor at either the national or local level. Instead of relying on funds on a per project basis, local NGOs would be better served if core funding in key sectors were available. Macedonian civil society groups also lack sufficient organizational capacity to sustain their work. Most NGOs are poorly managed, lack professionalism and communication skills, and have few experienced practitioners or trainers. Today, Macedonian society is free of excessive influence by extremist groups. In fact, there are no visibly active organizations, private militias, or vigilante groups advocating racist or xenophobic agendas or threatening the country's transition to democracy. The Macedonian education system is free of political influence and propaganda.

Independent Media

1999	2001	2002	2003	2004	2005	2006	2007
3.75	3.75	3.75	4.00	4.25	4.25	4.25	4.25

On May 16, 2006, the Parliament adopted legislation abolishing imprisonment as a punishment for defamation and libel. The amendments to the criminal code, which introduced a system of fines, were induced by continuous domestic and international pressure. An international conference on best practices in decriminalizing defamation held in February in the capital, Skopje, which was organized by the local Association of Journalists and the Macedonian Institute for Media and supported by the OSCE, was an important stage in the advocacy process. The then minister of justice, Meri Mladenovska, opened the conference and was instrumental in drafting the changes and arguing for the need to adopt more progressive laws.

Yet the new system might be an obstacle to independent and free journalism if the fines are excessive and imposed erratically. From January to June, the local NGO All for Fair Trials identified and monitored 26 criminal cases launched against journalists for defamation and libel, a total of 58 trial hearings in front of three main courts. This NGO recommends the transfer of cases in this category to the civil arena. The publication of their final report was planned for December but was not produced owing to a lack of funding.[21]

According to the group's coordinator, Marijana Netkovska, fines are often unjustifiably high, jeopardizing the financial position and even the existence of certain media, and "the criminal code needs to clearly set the legal limitations of the penalties that can be applied in these cases."[22] As this NGO explained, in 90 percent of monitored cases, the criminal proceedings are initiated by public officials. This official retaliation to media criticism has stifled the development of public monitoring mechanisms in the country.

As in previous years, the continued lack of freedom of information legislation had not only limited the media's ability to undertake investigative reporting and fully inform the public, but, by limiting the factual information available, also contributed to the tendency to prosecute journalists for defamation. Along with changes to the criminal code, Macedonia began implementing the Law on Free Access to Information in the fall of 2006. Expectations are high, but it has yet to be seen whether the new law will significantly improve the work of journalists.

The new Law on Broadcasting, enacted on November 29, 2005, provides for greater independence of the media regulatory body, the Broadcasting Council. According to the latest European Commission report on Macedonia, the law is largely in line with European media standards and the audiovisual acquis, including the Television Without Frontiers Directive. This law allows for public funding of satellite broadcasting services in the languages of the minority communities through Macedonian Radio Television, the public broadcasting organization of Macedonia. However, the issue of strengthening the mechanisms to ensure the economic independence of the media remains to be addressed.

The law allows Macedonian Public Television to broadcast commercials and compete for marketing revenues with private media. This is seen as one of the main obstacles to the financial viability of private broadcasters. On the other hand, Macedonian Public Television witnessed a turbulent period in 2006 when the company was hit by a general strike and demands by employees for payment of back wages. Only a thorough implementation of the law and regular collection of citizen fees for the Public Broadcasting Company will secure its funding and raise standards.

As elsewhere, in Macedonia the Broadcasting Council is responsible for regulating electronic media. The council grants licenses to media outlets and oversees compliance to regulations and established standards. National licenses given to broadcasters ensure they reach bigger audiences and earn more money. The struggle of private broadcasters to obtain a license to broadcast throughout the country has led electronic outlets to flirt with political parties in power. To insure impartiality, the procedure for selecting the members of the regulatory body should be depoliticized with the implementation of the new Law on Broadcasting. This would lead to a more competitive licensing system and diminish political influence in the electronic media.

The Macedonian public enjoys a diverse selection of print and electronic sources of information at both national and local levels, representing a range of political viewpoints. The distribution of privately controlled newspapers and the media's editorial independence and news-gathering functions are free of direct government interference. In the broadcast media arena, hundreds of private outlets compete making the commercial sector overcrowded.

A few television stations are considered to be politically influenced since the owners of these outlets are also presidents of political parties. A1 Television is owned by Velija Ramkovski, leader of the newly established Party for Economic Renewal, and Sitel TV is owned by Goran Ivanov, the son of Ljubisav Ivanov, president of the Socialist Party. Channel 5 is owned by Emil Stojmenov, son of Boris Stojmenov, leader of the VMRO-Vistinska party. The owner of Telma TV is Makpetrol, a large oil distribution company, while an ethnic Albanian businessman, Vebi Velija, owns the fifth station, Alsat TV. Since 2004, the country's three best-selling newspapers, *Utrinski Vesnik*, *Vest*, and *Dnevnik*, have been owned by the German media giant Westdeutsche Allgemeine Zeitung (WAZ).

In principle, Article 16 of the Constitution, adopted in 2004, guarantees freedom of speech and access to information. Macedonian journalists and media outlets are able to form their own professional associations, the Association of Journalists and the Macedonian Institute for Media being particularly active. The 2006 World Press Freedom Index by Reporters Without Borders ranked Macedonia 46th out of 168 nations, three places below its 2005 ranking but still seven places higher than the United States and even better than the EU states Poland and Romania.

In March 2006, the daily newspaper *Vreme* reported that several journalists from various media houses were working for the PR firm Fabrika without the consent of their newsrooms. According to the paper, the undercover spin doctors prepared public speeches for ruling Social Democrat ministers, as well as questions

and answers for press conferences. Although other media outlets did not widely report on the Fabrika affair, the issue was a serious breach of journalistic ethics.

Macedonian society enjoys open access to the Internet, with a diverse range of sites and viewpoints. Estimates of Internet use vary significantly but hover around 20 percent, which is remarkably low for European standards.[23] Access to all sites is unrestricted, and registration of new sites is simple.[24] Still, official use of the Internet could be improved. Macedonian courts, for example, are not connected to the Internet, do not have official Web sites, and do not allow citizens to search court archives digitally. Government sites are poorly updated, and the Ministry of Agriculture, Agency of Youth and Sport, and other bodies do not even maintain Web sites.

Local Democratic Governance

1999	2001	2002	2003	2004	2005	2006	2007
n/a	n/a	n/a	n/a	n/a	4.00	3.75	3.75

Since the 2001 Ohrid Framework Agreement, which ended the conflict between ethnic Albanian irregulars and the security forces through legal and political reforms, Macedonia has engaged in a thorough decentralization effort, committing itself to devolve responsibilities of the central government to local government units. The Ohrid Agreement also set out a strategic agenda concerning equal representation of different ethnic groups in public life and local self-governance.

In the decentralization process, the government has worked to correct the functional deficiencies of municipalities and enhance their capacity to create sustainable economic development through independently collected local revenues. The responsibility for collecting taxes and allocating funds to public services has been transferred to the local level. The new Law on Financing the Local Self-Government Units sets limits on the central government's authority and outlines new possibilities for the free association of municipalities.

Despite the shortcomings and complexities, Macedonia's local decentralization plan is on track. Yet the process is not perfect, and coordination between central and local governments is often poor. Although the central government announced an action against owners of illegally constructed buildings, few local governments responded to the call to demolish such structures, since this is costly and unpopular. Moreover, while the central government plans to increase the level of investment, local municipalities complain that it refuses to amend the law so that state-owned land can be given to local units. Local authorities claim they can better attract investors if they have the power to directly negotiate the sale of land in their municipality instead of waiting for the central government to approve such deals. Overall, there are problems concerning the lack of knowledge and skills needed to cope with the reform process and new responsibilities at the local level.

One of the most difficult issues is how to stimulate meaningful participation by citizens in local government decision making and the accountability of local authorities. Budget monitoring, for example, is not on the agenda of citizens' groups, and municipalities are not cooperative in allowing the supervision of budgets at the subnational level. The Macedonian budgetary process is largely unaffected by input from civil society, and budget preparation is not discussed outside the government or submitted to prior external review by NGOs or academics. Although lawmakers have envisioned a number of mechanisms for internal and external control over the financial work of local governments, there is no explicit legal provision that involves the NGO sector in budget monitoring at the subnational level. Owing to bad management, political influences, and so forth, many Macedonian municipalities have run up huge public debts, which although illegal are nevertheless tolerated by the central government.

As stated in its July 2005 Plan for Resolving Municipal Debt, the central government planned to encourage individual municipalities to negotiate individual debt relief with their creditors but would refrain from providing significant relief from the government budget. (An exception was made for expropriation debt, where the government agreed to distribute the outstanding balance from the former municipal equalization fund to municipalities on the basis of their outstanding liabilities.)[25] To oversee the process, the government created a working group consisting of representatives of the Ministry of Foreign Affairs, the Ministry of Local Government, the Ministry of Infrastructure, and the Association of Local Government Units (ZELS). ZELS's interests in the working group are being represented by the mayor of Kochani municipality, Ljubomir Janev. Possible debt payment scenarios have been prepared by experts of the Make Decentralization Work Project, financed by the U.S. Agency for International Development; such scenarios include "settling the municipal debts and an initiative for a law on municipal insolvency."[26]

The Macedonian Constitution defines municipalities as the basic unit of local government and establishes general principles for the organization, function, and financing of local governments, with details to be elaborated in subsequent legislation. The 1995 Law of Local Government provides for an elected council and a directly elected mayor, who is responsible for administrative operations. Although the 1995 law identified an impressive range of local government competences, before the 2004 reforms, local units exercised few of them owing to poor statutory drafting and the central government's austerity regime.[27]

In line with the 2001 Ohrid Agreement, the functions of local governments include the management and financing of primary and secondary education, nursing homes, orphanages, preschools, and some health care. However, there is an "explicit recognition that full responsibility for these social sector functions will be phased in over a number of years, with the local government unit first assuming responsibility for the operation and maintenance of infrastructure, and only later for personnel."[28] To prevent the potential mismanagement of resources at the local level, a number of stringent conditions must be met before individual local authorities can assume their new responsibilities.

Thus, the process of decentralization as envisaged by the Law on Financing the Local Self-Government Units is to evolve in two phases, the first initiated in July 2005. The second phase will begin upon the fulfillment of certain conditions. These include having adequate staff, showing solid financial management results for at least 24 months (verifiable by the Ministry of Finance), and incurring no debt exceeding ordinary terms. Those kindergartens and homes for the elderly, schools, museums and other cultural institutions, and primary health care institutions that meet these conditions will start to receive block transfers for salaries of personnel.[29]

Municipalities are currently financed from own-revenue sources, government grants, and loans. The own-revenue sources include property, inheritance, and gift taxes, sales taxes on real estate and rights, and municipal fees. Moreover, the municipalities are now responsible for setting tax rates and municipal fees, with maximum and minimum limits specified by the Law on Property Taxes. Other local revenues include the 3 percent share of the personal income tax paid by local residents. In addition to these revenues, the Law on Financing the Local Self-Government Units envisages a number of grants for municipalities from the central budget and also allows municipalities to borrow funds in the capital markets, if approved by the Ministry of Finance.

A formula for distributing the municipal portion of the value-added tax was adopted by the government and sets aside 2 percent in a reserve to be made available to municipalities that are unable to meet their obligations. Of the remainder, Skopje was allocated 10 percent in 2006. Of this, 40 percent was assigned to the metropolitan government. The balance was assigned to the 10 constituent municipalities on the basis of population (60 percent), land area (27 percent), and number of settlements (13 percent). The remaining 90 percent was allocated to nonmetropolitan municipalities on the same proportional bases.[30]

Macedonian citizens elect municipal officials by secret ballot in direct local elections. These are held regularly (in principle every four years) and are subject to independent monitoring and oversight. Multiple candidates participate in local elections and in local government bodies. Democratically elected local authorities exercise their powers freely and autonomously and will have the resources and capacity needed to fulfill their responsibilities with the help of anticipated reforms.

Judicial Framework and Independence

1999	2001	2002	2003	2004	2005	2006	2007
4.25	4.25	4.75	4.50	4.00	3.75	3.75	

For Macedonia, improving the independence and efficiency of the judiciary remains a major challenge. In 2005, the Constitution and legal framework were amended to allow for the implementation of judiciary reforms, and these continued in 2006, including a slight increase in budgetary resources. A law was passed to found the Academy for Training of Judges and Prosecutors in February, and in November

the EU announced the launch of a 1.1 million (US$1.5 million) project to help set up the academy, which is expected to boost the knowledge and skills of the country's judges, prosecutors, court staff, and legal associates. The project, managed by the European Agency for Reconstruction, is the second phase of an EU-funded program to create the judicial training institute.[31] Candidates for a basic court will have to complete a training course at the new academy. Action was taken to apply legal justice to combat fraud. In the fall, the new government initiated a campaign against illegal construction projects by the "urban mafia,"[32] who build without paying fees to local government units. Flats have been sold to more than one person or to nonexistent persons. The manager of the construction company Fikom, Nikola Nikolikj, was suspected of defrauding citizens in the amount of €3 million (US$4.1 million); charges were brought against him.[33]

The Law on Mediation was adopted in May with hopes that it will lower the backlog of unsolved cases. Sixty mediators were appointed, and the law entered into force in November 2006. In May, new legislation on the courts, the Judicial Council, misdemeanors, and administrative disputes was passed, although the Law on the Judicial Council was the only one to enter into force in 2006.

Once in force in 2007, the Law on the Courts will create a fourth court of appeals and special court departments in five basic courts to deal with cases of organized crime. Additionally, a new administrative court will be established as the first instance for judicial review of administrative decisions, removing the burden of hearing administrative disputes from the Supreme Court. It is expected that the Law on Misdemeanors and Law on Administrative Disputes will also help reduce the backlog of pending cases. Administrative disputes used to be solved by an ad hoc government committee. The Law on Enforcement of Civil Judgments adopted in 2005 entered into force in May 2006. Previously, new enforcement agents had to take exams and obtain licenses. It should be noted that equal representation for minority communities in the selection of judges, prosecutors, and the Judicial Council has been enshrined in the new laws.

Despite these reform efforts, inefficiency in the judiciary remained a major problem in 2006. There remained hundreds of thousands of untried cases. The courts are burdened with administrative work and also deal with a high number of misdemeanor cases and cases that were already adjudicated but require law enforcement. Out of five judgments against Macedonia by the European Court of Human Rights in 2006, four noted violations related to the length of judiciary proceedings. While in March 2005 the total number of pending cases was 730,700, in 2006 the number was 937,756.[34] In the Bitola Basic Court, there were 69,000 unsolved cases and only 40,000 solved in 2006. During the same time period, there were 44,000 unsolved cases in the Tetovo Basic Court and 43,649 in the Ohrid Basic Court.

The judiciary's insufficient infrastructure, inadequate equipment, and lack of resources are also serious problems. At the Kichevo Basic Court, there is no airconditioning, and work during the summer months is difficult. This court also lacks computers and courtrooms and has only five courtrooms for a total of 17 judges.[35] The court in Kavadarci is heavily in debt, owing 1.2 million denars

(€200,000, or US$273,280) to the newspaper *Makedonski Poshti*. The Gostivar Basic Court has a debt of some 1.5 million denars, while the Ohrid Basic Court lacks an archive.

In October 2006, the government made an abrupt dismissal of the former public prosecutor, Aleksandar Prcevski, two years before his mandate ended. The ruling VMRO–DPMNE had demanded his replacement, citing inefficiency and unprofessional behavior. Deputies representing the ruling parties passed the motion unanimously, while those from opposition parties boycotted the vote. Under the 2005 constitutional changes, decisions to dismiss prosecutors may be taken only by a newly formed independent body, the Council of Public Prosecutors. However, the council has not been set up as of yet, owing to delays in the adoption of certain new laws. The new government sacked Prcevski using the old laws and citing alleged "unprofessional work and poor results." Thus the legality of the dismissal is not clear. Many experts commented that his dismissal was politically motivated and did not follow due procedures.

Corruption

1999	2001	2002	2003	2004	2005	2006	
5.00	5.00	5.50	5.50	5.00	5.00	4.75	4.75

At the end of August 2006, Premier Nikola Gruevski made an inaugural speech in the Parliament outlining the priorities of the new government, including strengthening the fight against corruption. One of the electoral promises of his party was the establishment of a new body, the Agency for Combating Corruption and Organized Crime. This agency will be empowered to seize assets and property and even ban people linked to corruption or organized crime from pursuing political activity.

Given that few cases of corruption have actually been resolved in the 16 years since independence, it is clear that the Macedonian public has internalized and normalized official corruption. For experts and citizens alike, the perception is that corruption remains widespread, holding back economic development and weakening social cohesion. International reports and surveys indicate that corruption in Macedonia is a serious and widespread problem that affects many aspects of social, political, and economic life despite the intensification of efforts to fight it and increased awareness of its negative impact on the country. Transparency International's Corruption Perceptions Index 2006 places Macedonia 105th in the world, better only than Albania, which ranks 111th among the southeast European countries.[36]

Procedures for public procurement have been particularly prone to corrupt behavior. Although the new Law on Free Access to Information is now in place, it is difficult to imagine that it will curb all unnecessary spending by central and local authorities. The new government has promoted a concept of salary caps for

managers of public institutions and limited the procurement of new "luxury items" such as cars and furniture. Although cars and new office furniture are standard for many managers, many public institutions in Macedonia at both central and local levels have very old equipment or lack even that while mayors, directors, and managers invest funds into items such as expensive cars and furniture to be used only by them.

In 2006, corruption was reported in the prison system, health care, courts, education system, the committee responsible for restitution, and even the electric company.[37] In the health sector, every third citizen had to pay a bribe to obtain services, reported a survey by the Institute for Sociological, Political, and Legal Studies.[38] In the education sector, counterfeit diplomas were found from the State University in Tetovo. In prisons, inmates who could afford to bribe guards were given better conditions and access to forbidden items such as cigarettes, cell phones, and even drugs. In the judiciary, Albanian judges were deemed corrupt for not applying the law and deliberately prolonging process resolution in a number of cases such as the ones involving the companies Makedonija Tabak and Makedonka Jeans. Although a number of high-profile corruption cases were reported by the media, none was punished.

In violation of existing zoning laws, a huge condominium is being constructed on the riverfront in the Skopje city park, adjacent to the main football stadium, despite objections from the Agency for Protection of Architectural Heritage (the Skopje mayor has a majority share in the construction company).[39] Another widely known case of corruption in 2006 involved a sheep breeder from Tetovo region who received €727,000 (US$993,373) from the Ministry of Defense for putative damages inflicted on his herd by army helicopters during the 2001 conflict.[40]

The State Anticorruption Commission continued in 2006 to monitor the implementation of the Program for Prevention and Repression of Corruption. Misdemeanor proceedings have been initiated against 30 MPs for not submitting their asset declarations as stipulated by the Law on Prevention of Corruption.[41]

In 2006, the liberalization of the telecommunications market still encountered problems. Macedonia should have achieved alignment with the EU acquis regarding electronic communications in April 2005; "all the basic starting conditions for liberalization and harmonization had to be in place by then, such as cost accounting and/or tariff transparency, [publishing an] interconnection reference offer (interconnection completely available on nondiscriminatory conditions), carrier selection and preselection, and fixed number portability."[42] The opening of this market has been frustrated by a lack of commitment at the governmental level, which has led to delays in adopting liberalization measures.

In fact, by not liberalizing markets, the government has actually helped private monopolies or duopolies in important sectors, such as telecommunications, the oil and gasoline industry, and air travel. Macedonia's market economy is further impeded by slow and cumbersome administrative procedures, shortcomings in the judiciary, and limited progress in land and property registration.

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1 The acronyms are given in the Macedonian language.

2 "Jordanovski Otide Kurban [Jordanovski Is Gone]," *Vest,* October 21, 2006.

3 Jon Elster, Claus Offe, and Ulrich K. Preuss, *Institutional Design in Post-Communist Societies: Rebuilding the Ship at Sea*, Cambridge, Cambridge University Press, 1998.

4 See, for example, the UNDP report *SALW Survey—Assessing Demand for SALW in FYR Macedonia.*

5 The law was passed on October 30, 2006. The opposition Democratic Union for Integration, Party for Democratic Prosperity, and Liberal Democratic Party were against the law and boycotted the vote, while the fraction of the Social Democrats supporting the new party leader, Radmila Shekjerinska, abstained from voting.

6 See, for example, "Deneska Tender za Nov Mobilen Operator [Today a Tender for New Mobile Phones Operator Is Being Issued]," *Vest,* October 30, 2006; and "Startuva Trkata za Tret Mobilen [The Race for a Third Operator of Mobile Phones Begins]," Kanal 5, October 30, 2006, on the tender for a new operator for mobile telecommunications; and "Makedonski Telekomunikacii v Godina kje ima Konkurencija [The Macedonian Telecom Will Have Competition Next Year]," *Vreme*, November 11, 2006.

7 *Dnevnik*, "Pravichnata Zastapenost e pod 20 Posto [Equitable Representation Is Lower than 20 Percent]," November 11, 2006.

8 *Vreme,* "Najmalku Albanci vo Kabinetot na Crvenkovski i vo MANU [Lowest Number of Albanians in the Cabinet of Crvenkovski and MANU]," November 11, 2006.

9 *Vreme*, "Pratenicite Izolirani od Gragjanite [The MPs Isolated from the Citizens]," October 24, 2006; or *Vreme*, "Sobranieto pod Zasileno Obezbeduvanje [The Parliament Under Heavy Security]," October 21, 2006.

10 "Komisijata za Pristap do Informacii Pozatvorena i od Vladata [The Committee for Free Access to Information Is More Close-Minded than the Government]," *Vreme,* August 7, 2006; A1 News, "Pochnuva Primenata na Zakonot za Sloboden Pristap do Informacii [The Law on Free Access to Information Begins Implementation]," September 1, 2006.

11 Kanal 5, "Mal Interes na Gragjanite za Koristenje na Zakonot za Sloboden Pristap do Informacii [Low Interest Among Citizens to Use the New Law on Free Access to Information]," September 28, 2006.

12 *Vreme,* "Informaciite Kje Dojdat Po Eden Mesec [The Information Will be Given in One Month]," September 2, 2006,

13 *Vreme,* "Najmalku 36 Institucii bez Sluzhbenici za Pomosh na Gragjanite [At Least 36 Institutions Do Not Have Persons That Should Help the Citizens (in Providing Requested Information)]," September 28, 2006.

14 "Stegi za Nevladinite [Constraints for the NGOs]," Forum Plus, November 3, 2006. The law was actually debated on February 28 and the amendments adopted on March 9, 2007. See http://www.pravo.org.mk/download.asp?ID=2&sID=924 and http://www.pravo.org.mk/news.asp?ID=81.

15 Ibid.

16 Communication with FOSIM officials by the author.

17 Harry Blair et al., *Assessment of the Macedonian Civil Society*, Arlington, USAID, 2003, p. 11.

18 *Vreme*, "Finansiranje na Zdruzhenija i Fondacii od Budzhetot-Koj mu Dava Pari na NVO Sektorot [Financing of Associations and Foundations from the Budget—Who Gives Money to the NGO Sector]," July 30, 2006.

19 *Vreme*, "Biljana Vankovska za Sluchuvanjata vo Helsinshski Komitet [Biljana Vankovska on the Latest Developments in the Helsinki Committee]," November 11, 2006.

20 *Utrinski Vesnik*, "Marshal: Morav da i Stavam Kraj na Sapunicara vo Transparentnost [Marshall: I Had to Put an End to the Soap Opera in Transparency]," October 16, 2006; and *Utrinski Vesnik*, "Berlin i ja Odzede Akreditacijata na Transparentnost [Berlin Revoked the Accreditation of Transparency]," October 16, 2006.

21 Information from Trajche Pelivanov, president of the NGO All for Fair Trials.

22 OSCE Feature, "OSCE Mission to Skopje Supports Continuing Efforts to Liberalize Media Landscape," August 8, 2006,

23 See, for example, A1 News, "Ishtvan Pap: Makedonija Mozhe da Stane Silikonska Dolina na Balkanot [Ishtvan Pap: Macedonia Could Become a Silicon Valley of the Balkans], November 4, 2006, http://www.a1.com.mk/vesti/default.asp?VestID=69830, or the percentages in http://www.internetworldstats.com/eu/mk.htm.

24 Each new Internet site with an .mk domain is registered with MARNET (Macedonian Academic Research Network) through a simple registration form and by paying a fee of €10 (US$13.66). Each subsequent year, the fee is €5(US$6.83). MARNET is an organizational unit within the Ss. Cyril and Methodius University and is endorsed by the Ministry of Science. More information may be obtained at dns.marnet.net.mk/index.php.

25 In the event, the government distributed the surplus on a per capita basis, as subsequently agreed with ZELS.

26 ZELS Newsletter April 2006, p. 9.

27 Robert W. Rafuse Jr., *Why Fiscal Decentralization in Macedonia?*, USAID Local Government Reform Project, Skopje, 2001, p. 1, http://www1.worldbank.org/wbiep/decentralization/ecalib/macedonia.pdf.

28 The wide range of municipal responsibilities is listed in the provisions of Article 22 of the Law for Local Self-Government, including urban planning and zoning arrangements; environmental and nature protection; local economic development; communal activities; cultural development, in accordance with the national program for culture; sports and recreation; social care and child protection; foundations of education institutions, financing and managing primary and secondary schools in cooperation with the central government; organization of transport and food supplement for students and housing in students' homes; health care—managing the system of public health organizations and primary health care; undertaking measures for protection and rescue of citizens and material goods in case of destruction in war, natural disasters and other accidents; fire protection provided by local fire units; and supervision over activities that come from the municipality's responsibilities and other matters determined by law.

29 Article 46 of the Law on Financing rhe Local Self-Government Units. It seems that a case-by-case approach is envisioned.

30 *Uredba za Metodologija za Raspredelba na Prihodite od Danokot na Dodadena Vrednost po Opshtini za 2005 godina* (Ordinance on the Methodology for the Distribution of the Income from the Value Added Tax for 2005), passed by the government at a session held on June 30, 2005,

31 http://www.ear.europa.eu/publications/main/EAR-PressRelease-formerYugoslavRepublicof-Macedonia-06112006.htm.

32 See, for example, the interview with Minister for Transport and Communication Mile Janakievski for Radio Free Europe, the Macedonian edition, November 5, 2006.

33 A1 News, "Nikoj Ne znae Kolku Pari se Ukradeni vo FIKOM [No One Knows How Much Money Was Stolen in FIKOM]," September 16, 2006.

34 *Vreme*, "Ni Gragjanite ni Sudovite ne Mozhat Da Stignat do Pravdata [Neither the Citizens nor the Courts Can Get Justice]," November 11, 2006; EU Commission progress report on the Former Yugoslav Republic of Macedonia, November 8, 2006, p. 44.

35 *Vreme*, "Ni Gragjanite ni Sudovite ne Mozhat Da Stignat do Pravdata [Neither the Citizens nor the Courts Can Get Justice]," November 11, 2006.

36 See http://www.transparency.org/news_room/in_focus/cpi_2006/cpi_table.

37 Kanal 5, "Korupcija vo Zatvorite [Corruption in Prisons]," September 6, 2006; Macedonian Information Agency news, "Zdravstvoto Seriozno Zagrozeno od Korupcija, Istrazhuvanje na Centarot za Gragjanski Komunikacii [The Health Care System Is Seriously Threatened by Corruption, a Research by the Center for Civic Communication]" August 31, 2006; A1 News, "Del od Shtipskite Sudii Neazhurni i Korumpirani [A Number of the Shtip Court Judges Are Bad Workers and Corrupt]," November 1, 2006; interview with Minister for Education Sulejman Rushiti for Radio Free Europe, the Macedonian edition, October 22, 2006; *Utrinski Vesnik*, "So Sebe Nosam 500 Falsifikuvani Diplomi od Tetovskiot Univerzitet [I Carry 500 Illegal Diplomas Issued by the Tetovo University]," October 16, 2006; *Dnevnik*, "Ponishteni Skandaloznite Reshenija od 'Skopsko Bachilo'[The Scandalous Decisions Regarding the 'Skopje Bachilo' Canellerd]," November 11, 2006; "Dogovorot so Feni e Shkolski Primer na Korupcija [The Contract with Feni Is a Textbook Case of a Corruption]" November 11, 2006.

38 *Dnevnik*, "Sekoj Tret Gragjanin Dal Mito [Every Third Citizen Paid a Bribe]," July 12, 2006.

39 See, for example, *Vest*, "Ministerot Bara Ponishtuvanje na Dozvolata za Luksuzniot Hotel vo Gradski Park [The Minister Asks for Canceling the Permit for a Luxurious Hotel in the City Park]," November 11, 2006.

40 See, for example, A1 News, "Manevski i Taseva Iznenadeni od Odlukata za 'Bachilo' [Manevski and Taseva Surprised by the Decision Concerning 'Bachilo']," September 19, 2006; or *Vreme*, "Sluchajot 'Bachilo" Zatvoren, Dzhemaili si gi Zadrzha Parite [The Case 'Bachilo' Is Closed—Dzhemaili Keeps His Money]," September 19, 2006.

41 EU Commission progress report on the Former Yugoslav Republic of Macedonia, November 8, 2006, p. 46.

42 The Stabilization and Association Agreement stipulates that the "Former Yugoslav Republic of Macedonia shall align its legislation with the telecommunications acquis, as it was in 2001 (usually referred to as the '1998 acquis'), by April 1, 2005."

Moldova

by Nicu Popescu and George Dura

Capital: Chisinau
Population: 3.4 million
GDP/capita: US$1,903
Ethnic Groups: Moldovan/Romanian (78.2%), Ukrainian (8.4%), Russian (5.8%), Gagauz (4.4%), Bulgarian (1.9%), other (1.3%)

The economic and social data on this page were taken from the following sources:

GDP/capita, Population: *Transition Report 2006: Finance in Transition* (London, UK: European Bank for Re-construction and Development, 2006).

Ethnic Groups: *CIA World Fact Book 2007* (Washington, D.C.: Central Intelligence Agency, 2007).

Nations in Transit Ratings and Averaged Scores

	1999	2001	2002	2003	2004	2005	2006	2007
Electoral Process	3.25	3.25	3.50	3.75	4.00	4.00	3.75	3.75
Civil Society	3.75	3.75	4.00	3.75	4.00	4.00	4.00	3.75
Independent Media	4.00	4.25	4.50	4.75	5.00	5.00	5.00	5.25
Governance*	4.50	4.50	4.75	5.25	5.50	n/a	n/a	n/a
National Democratic Governance	n/a	n/a	n/a	n/a	n/a	5.75	5.75	5.75
Local Democratic Governance	n/a	n/a	n/a	n/a	n/a	5.75	5.75	5.75
Judicial Framework and Independence	4.00	4.00	4.00	4.50	4.50	4.75	4.50	4.50
Corruption	6.00	6.00	6.25	6.25	6.25	6.25	6.00	6.00
Democracy Score	4.25	4.29	4.50	4.71	4.88	5.07	4.96	4.96

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

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

Executive Summary

Moldova's transition is stagnating. A relative champion of post-Soviet, democratic reforms in the 1990s, Moldova has lost ground since 2001, when the Party of Moldovan Communists (PCM) came into power. Moldova remains a country with significant levels of political pluralism, but existing elements of democracy in the country are neither consolidated nor guaranteed to last. Moldova remains the poorest nation in Europe, and it has a secessionist conflict with the region of Transnistria in the east, which is supported by Russia. Against such a background, Moldova has also failed to accelerate political and economic reforms.

Moldova's development is equivocal. On the one hand, the country's declared desire to join the European Union (EU) has failed to trigger significant democratization of Moldovan political life. On the other hand, Moldova has avoided joining the post-Soviet trend of outright authoritarianism that has characterized developments in the last year in practically all post-Soviet states, with the exception of Ukraine and Georgia. In other words, Moldova's democracy is neither improving nor significantly worsening. The situation could develop either way, and external factors play a central role in Moldova's future. The unresolved conflict in Transnistria, Russia's more assertive policy in the post-Soviet space, and Moldova's unsolved economic problems could lead to heightened authoritarianism in Moldova's political life. Alternatively, greater EU and U.S. support for Moldova, coupled with greater domestic commitment to democratization and the rule of law, could help Moldova advance its European integration aspirations and escape the worsening trends that mark the post-Soviet region.

In 2006, Moldova again failed to make a European choice in its domestic policies. Despite the government's heavy pro-European rhetoric, Moldova's progress has been modest at best. The ruling party failed to advance political reforms and fight corruption to an extent that would hurt its dominance of the political and economic life of the country. The opposition remained weak and (increasingly) divided, and the media remained controlled or under the influence of a few political forces. Law enforcement agencies were apparently used by the ruling party to further strengthen its political position. There was also an unprecedented number of arrests of public figures—including a banker, an opposition politician (and businessman), and an employee of an independent TV station—which raised questions about the rule of law. Some improvements in media legislation have not been substantiated by real change thus far. Unfavorable trends inside Moldova have been matched by a difficult external situation. Russia has applied external economic pressure on Moldova by raising gas prices and introducing an embargo on Moldovan wine, which severely damaged Moldova's already weak economy. Russia has also

continued to entrench its position in the secessionist region of Transnistria. The European Union's engagement with Moldova remained relatively limited, as the EU was consumed by internal developments and energy discussions with Russia.

National Democratic Governance. In 2006, Moldova's political scene did not evolve much, despite the fact that the 2005 elections resulted in a weakened PCM. President Vladimir Voronin continued to exercise his authority without any effective checks and balances, while parts of the opposition were effectively co-opted by the PCM and some opposition coalitions continued gradually to disintegrate. Moldova signed an Individual Partnership Action Plan with NATO and continued the implementation of a European Neighborhood Policy Action Plan with the EU, with rather modest results. Russia increased economic pressure on Moldova by doubling gas prices and imposing an embargo on wine, Moldova's most important export. *Moldova's national democratic governance score remains at 5.75, reflecting the incapacity of both the government and the opposition to build on the momentum for democratization created by the elections of 2005 and the rapprochement with the European Union.*

Electoral Process. Despite substantial reforms to the electoral code in 2005, the reform process slowed considerably in 2006. Substantial recommendations by the Council of Europe and the Organization for Security and Cooperation in Europe (OSCE) for reform of the electoral system were ignored. In July 2006, a law seeking to fine-tune the electoral code was passed, and modifications were enacted on existing provisions such as the registration of voters, the drawing up of voter lists, the electoral budget, campaign advertising, the introduction of a blank vote, and so forth. Further, two elections were held in Moldova. First, the election for the governor of the Autonomous Region of Gagauzia took place on December 3 and was won in a run-off vote on December 17 by Mihail Formuzal, the main opposition candidate. Despite irregularities during the campaign and on polling day, the second-round elections were considered an improvement. Unrecognized elections for the so-called president of the secessionist Moldovan region of Transnistria were also held on December 10 and were won for the fourth time in a row by Igor Smirnov, who has remained in power since the secession of Transnistria in 1990. The international community did not recognize the outcome of the elections, which were considered illegitimate. *The electoral code was reformed, but not sufficiently to prepare the ground for the local elections in 2007. In addition, the two regional elections in Moldova witnessed irregularities (Gagauzia) and in the secessionist region of Transnistria was illegitimate. Therefore, the score for electoral process remains unchanged at 3.75.*

Civil Society. Civil society in Moldova is weak. Most nongovernmental organizations (NGOs) would not be sustainable without foreign financial support. But state institutions do not restrict NGO activity and were increasingly open to NGOs in 2006. The Parliament led efforts by state institutions to cooperate with NGOs

and undertook a commitment to give NGOs the possibility to comment on all draft legislation discussed by the legislature. The Ministry of Foreign Affairs institutionalized cooperation with NGOs, while the government declared its intention to strengthen partnership with civil society groups. The government also encouraged friendly NGOs but has been particularly interventionist in the functioning of trade unions. *Moldova's score for civil society development improves from 4.00 to 3.75 owing to greater openness of state institutions toward NGOs and increasing cooperation between the two.*

Independent Media. Despite previous commitments to the opposition and the international community, the government failed to improve the media situation in Moldova. In 2006, the Parliament adopted a new broadcasting code that was generally hailed as being in line with democratic standards by civil society groups, the media, the opposition, the OSCE, and Council of Europe. However, the first steps in implementing the new code have shown that the government is unlikely to act in the spirit of the law. A second event that marked the development of the media in 2006 was the arrest in September of the sales manager of PRO TV, a leading independent TV station popular in the capital of Chisinau. The event underscored a qualitatively new type of open and public pressure on a media outlet that aired critical footage on the minister of the interior. The PRO TV employee was released after a few days, but the incident pointed to an unprecedented level of pressure on a media outlet. Furthermore, in December 2006 the Chisinau authorities decided to privatize Radio Antena C and Euro TV, two municipal media outlets previously critical of the government. Protesting Radio Antena C journalists were ousted from the radio station by the police, and the station itself was taken off the air for a few weeks. It was widely expected that the two media outlets would pass under the control of government-supported owners. *The independent media rating worsens from 5.00 to 5.25 owing to government-inspired pressure on the media and decreasing levels of pluralism.*

Local Democratic Governance. Democracy at the local level is one of the weakest links in Moldova's democratic transformation. The local authorities remain under the effective political and financial control of the central government. This control has only intensified since the PCM came to power in 2001. In 2006, the government designed (with EU support) a strategy to create six regions for economic development in Moldova, which could improve local democracy and economic development in the future. There was a reform aimed at decentralizing the capital, Chisinau, by taking powers away from the general mayor and creating posts of elected district mayors in Chisinau. Despite being a measure aimed at decentralization, it was most probably designed to undermine any future power basis of the Chisinau mayor in a city where the PCM cannot count on a majority of votes. *Moldova's local democracy situation has neither improved nor worsened in 2006; therefore the local democratic governance rating remains unchanged at 5.75.*

Judicial Framework and Independence. Moldova's legal framework provides for a two-tiered court system, where the independence of the judiciary is ensured in principle. A reform of the judiciary has been under way since the parliamentary elections in 2005. There are, for instance, plans to make the Constitutional Court the highest court of appeal. However, the reform of the judiciary so far has failed to address a series of practical problems ranging from judiciary overload, to lack of sufficient office space and qualified personnel, to low salaries. Most problems stem from insufficient financial resources allocated from the state budget and have repercussions on the quality of judgments and their implementation as well as on the independence of judges. However, it is hoped that the establishment of the National Justice Institute, agreed upon in June 2006, will bring more quality to the judiciary process through the training of judges and prosecutors. The detention conditions in Moldova remain degrading and in many instances inhumane, and although the domestic political class is becoming aware of Moldova's poor track record in this area, steps undertaken to address the situation are insufficient and without results thus far. *The Moldovan authorities are intent on reforming the judiciary, but often through rather timid or controversial steps. The government is coping with the problem of insufficient resources allocated to the judiciary and a bleak track record in respecting the human rights of detainees. In view of the above, Moldova's rating for judicial framework and independence remains unchanged at 4.50.*

Corruption. Since the fight against corruption became a top priority for the Moldovan government after the 2005 parliamentary elections, an Action Plan for the Implementation of the National Strategy on the Prevention and Fight Against Corruption for the year 2006 was adopted. The Action Plan is being implemented with the support of Moldovan civil society and the international community. A number of Moldovan NGOs formed the Anticorruption Alliance and are cooperating with the Center for the Fight Against Corruption and Economic Crime (CFCEC) in eradicating the phenomenon of corruption. The progress made in Moldova is reflected in the country's improved score on Transparency International's Corruption Perceptions Index for 2006. The powers and resources of the CFCEC and other institutions and bodies involved in the fight against corruption have been increasingly strengthened, raising some concern in Moldovan society that this may lead to abuse of power and that these bodies and agencies may exceed their prerogatives. For instance, the CFCEC has been tasked to elaborate a methodology that will be used in reviewing the "corruptibility" of legal and legislative acts. In addition, owing to a series of controversial high-level investigations and arrests, there were indications that the CFCEC is not entirely free of political influence. A variety of opinion polls showed that public administration and the health care system still remain prone to corruption and that public tolerance of corruption is a major impediment in the fight against it. *The Moldovan authorities made considerable efforts throughout 2006 to elaborate an anticorruption legal framework but had less success implementing anticorruption measures involving civil society and the international community. Despite these efforts, however, many structural problems*

within the public administration and the society as a whole persist, and the results remain modest. Therefore, Moldova's rating for corruption remains unchanged at 6.00.

Outlook for 2007. Trends for 2007 will be marked by preparations for a post-Voronin era, in view of the president's expected withdrawal from politics in early 2009 after spending two terms in office. The political elite will be mostly concerned and consumed with infighting rather than reform. At the same time, the external situation is likely to deteriorate. Transnistria's separatism will further consolidate with Russian support. Moldova's economic prospects will remain uncertain. The country's partnership with the EU and the United States will not be enough to offset these negative tendencies, and Moldovan frustration with the West is likely to grow. Certainly, Moldova's failure to accelerate reforms will be a source of heightened Western skepticism toward a government that only mimics reforms and whose commitment to reforms and democratization is doubtful.

Main Report

National Democratic Governance

1999	2001	2002	2003	2004	2005	2006	2007
n/a	n/a	n/a	n/a	n/a	5.75	5.75	5.75

Moldova's political system can be characterized as a nonconsolidated democracy with certain levels of political pluralism, but with a strong and centralizing government. According to its Constitution, which was reformed in 2000, Moldova is a parliamentary republic. However, real power has been increasingly centralized in the hands of President Vladimir Voronin, his entourage, and the governing Party of Moldovan Communists (PCM), which came into power in 2001. In 2005, during elections that were generally free and fair, the PCM had its mandate reconfirmed. The centralizing tendencies of President Voronin are exacerbated by a weak and often co-opted opposition, specifically the Democratic Party and the Christian-Democratic People's Party, which have been acting as de facto allies of the PCM on most important political issues.

Moldova's greatest political problem is that there are few effective checks and balances on the power of Voronin and the governing party. After being in power for six years, the governing party has penetrated and politicized most public institutions, including the judiciary, law enforcement agencies, legislature, and local authorities. To a large extent, the PCM has become omnipresent in all public institutions, which makes it difficult to speak about effective checks and balances on the power of the ruling party.

There is a consensus among Moldovan political and societal groups on democracy as the basis of the country's political system. The government is stable and enjoys genuine popular support. Despite some authoritarian tendencies, the government is not repressive. It manipulates rather than violates the existing democratic framework, achieving a certain stability through co-option of important societal, political, and economic actors rather than through coercion or outright abuses of human rights. The government has been increasingly, though slowly, opening toward greater participation of civil society in decision making. Moldova is one of some 60 countries in the world with a Law on Access to Information, adopted in 2000. All parliamentary sessions are broadcast live on TV and on radio. Transcripts of these sessions, as well as draft laws, are also posted on the Internet as part of an effort to consult with citizens. However, at the end of December 2006, the members of PCM and the Christian-Democratic People's Party voted to suspend these practices, which is likely to lead to decreased transparency in the work of the Parliament. In the economy, the government has been pursuing generally liberal policies, not without some success.

The lack of separation of powers is one of Moldova's main problems when assessing its level of democratic development. The executive, legislative, and judiciary are all dominated by the presidency. The legislature rubber-stamps laws proposed by the executive, and it often lacks the capacity to effectively control the executive. The executive itself is mainly subordinated to President Voronin rather than the Parliament, despite the fact that under its Constitution, Moldova is a parliamentary republic. Effectively, the presidency is the country's ultimate institution, making decisions on the most important laws and governmental appointments. It also controls the military and law enforcement agencies. Yet the Constitution provides for democratic control of the security sector, and there is effective civilian control of the security agencies. The Minister of Defense is a civilian. And in May 2006, Moldova signed an Individual Partnership Action Plan (IPAP) with NATO, aimed inter alia at enhancing democratic control of the security institutions.

The role of some law enforcement agencies in Moldova has been controversial. In particular, the Ministry of the Interior and the Center for the Fight Against Corruption and Economic Crime (CFCEC) are subordinated directly to the president. There is no effective oversight of their activities. Police methods are often brutal, corruption and torture are widespread, and there have been allegations that these two institutions undertake actions that are not in line with the neutral role of law enforcement agencies. During 2006, these two institutions were involved in a proliferation of controversial arrests in Moldova. In February, Victor Turcanu, director of Victoriabank, one of the country's largest private banks, was arrested and briefly jailed. It was alleged that the CFCEC took sides in a conflict among Victoriabank shareholders.[1] In September, the Moldovan police arrested Vitalie Braghis, an employee of PRO TV, one of the most popular private channels in the capital, Chisinau, after the station aired investigations into corruption in the Ministry of the Interior and Minister Gheorghe Papuc's allegedly fake university diplomas. The minister neither confirmed nor denied these allegations. In late September, Eduard Musuc, chair of the opposition Social-Democratic Party and a businessman, was placed in custody for alleged embezzlement.[2] These arrests were quite controversial, as they allegedly aimed to undermine critics of the current government or advance some private economic interests close to the government.

Moldova's political developments in 2006 were a continuation of the trends set in motion after the national elections in March 2005. At that time, parts of the opposition, namely the Christian-Democratic People's Party, were co-opted into supporting the government. The other biggest opposition group, the Democratic Moldova Bloc, has been in a state of gradual disintegration after its defeat in the 2005 elections. This disintegration has continued into 2006 to an extent that the current opposition is in total disarray, inside and outside the Parliament. Instead of a large united bloc in the Parliament, the opposition consists today of small groups of independent deputies and opposition factions that are more often in conflict with one another more than opposing the government.

External relations played a significant role in developments in Moldova in 2006. The country's relationship with Russia has been deteriorating, and economic pressures were used on a grand scale against Moldova during the year. On January 1, Russia stopped gas supplies to Moldova and Ukraine (resumed 3 days later in the latter case). In Moldova, Russian gas supplies did not resume until after 10 days, accompanied by a doubling in the price of gas from US$80 to US$160 per 1,000 cubic meters.

In March, Moldova and Ukraine, with the support of the EU and its Border Assistance Mission on the Moldova-Ukraine border, enforced a new border regime for the separatist region of Transnistria, which has been importing and exporting goods through Ukraine. According to the border regime, Transnistrian companies cannot export goods from the region without registering in Moldova and obtaining customs documentation from the legitimate Moldovan authorities. Russia, which supports the separatist region, opposed the new border regime and in retaliation imposed a ban on the sale of Moldovan (and Georgian) wines in Russia at the end of March—both countries are members of GUAM Organization for Democracy and Economic Development. Before the ban, Moldova supplied more than half of the wines sold on the Russian market, and Russia was the main export destination for Moldovan wines. The ban has prompted the government to revise its economic growth forecast downward from 6.5 to 4 percent growth.[3] The wine ban has had important spillover effects on the transportation, packaging, bottling, advertising, and banking sectors.

Moldova's relationship with the European Union advanced in 2006. The country continued to implement an Action Plan, under the auspices of the European Neighborhood Policy, which should bring Moldova's economic and political systems closer to EU standards. The EU has been involved in conflict resolution in Transnistria, offered Moldova the possibility to start talks on a visa facilitation deal, and has enabled access of Moldovan goods to the EU market under a system of trade preferences (called GSP+).

Over the course of the year, there was little progress toward solving the separatist conflict in Transnistria. The new customs regime enforced in March 2006 weakened the separatist authorities but also increased their reliance and dependence on Russia. The latter has been supporting Transnistria more openly. In September, Transnistria held a referendum on joining the Russian Federation in which 97 percent of those polled were reported to have voted in favor, even though the preconditions for a free and fair vote do not exist in Transnistria because of the authoritarian nature of the region's political regime. Moldova, Ukraine, the EU, the United States, and the OSCE all denounced the poll. Transnistria also announced its intention to harmonize legislation with Russia and introduce the Russian ruble as a currency, which would open the way for Transnistria to become a de facto Russian exclave like Kaliningrad.

Electoral Process

1999	2001	2002	2003	2004	2005	2006	2007
3.25	3.25	3.50	3.75	4.00	4.00	3.75	3.75

Moldova has been a parliamentary republic since the 2000 reform of its Constitution, which states that the Parliament elects both the prime minister and the president. Despite the fact that the president is no longer elected by popular vote, the current president, Vladimir Voronin, has succeeded in retaining a sizable influence over the executive in his previous (2001–2005) and present (2005–2009) mandates. This control is due to the fact that Voronin is the uncontested leader of the Party of Moldovan Communists—the ruling party since 2001—and a clear majority of the PCM exists in the Parliament. Hence, in practice, the Moldovan political system more closely resembles a semi-presidential system, in which the president defines the government's priorities and the parliamentary agenda.

After the 2005 elections of Moldova's 101-seat unicameral Parliament, and following a power-sharing deal between the PCM and the parliamentary opposition, the Moldovan executive amended the electoral code on July 22, 2005. The most significant outcome was the reform of the Central Election Commission to allow for increased representation of the opposition. The threshold for entry into the Parliament was lowered from 6 to 4 percent, increasing the effective parliamentary representation of smaller political parties.

However, in 2006 the pace of reform slowed down, with no significant changes to the electoral code. A number of recommendations by the Council of Europe's Venice Commission regarding parliamentary elections were consistently ignored, despite calls from Moldovan civil society to proceed with the reform of the electoral system. For instance, Moldovan authorities resisted repeated calls to introduce multiple constituencies in the country, which currently comprises only one electoral constituency. This would make the deputies more accountable to their voters and would mean that one deputy would be elected per constituency and would be answerable to the people living in that constituency. This would open the way for the increased representation of national minorities in the Parliament. Currently, a political party that makes it into the Parliament is able to appoint its parliamentarians. This leads to situations where business leaders can, for instance, buy their way into the Parliament in order to enjoy parliamentary immunity. In addition, members of Parliament are shielded by their party factions from popular scrutiny and a punitive vote in the next elections.

In July 2006, the Moldovan Parliament adopted a law that approved a series of Council of Europe and OSCE recommendations on the reform of its electoral code. The law was approved by all parties represented in the Parliament and was drafted jointly with a respected Moldovan NGO, the Association for Participatory Democracy. The law did not overhaul the existing electoral code but rather sought to fine-tune it with new or revised provisions inter alia concerning voter

registration, the drawing up of voter lists, electoral budgets, campaign advertising, the presence of police at polling stations, accreditation of election observers, the introduction of a blank vote, and other issues.[4] However, the new law ignores the Council of Europe's recommendation regarding a change to the rules on lifting parliamentary immunity for deputies.

In addition, Moldovan authorities have not accepted that the declaration of income of persons holding public office should include the income of adult family members. Further, Moldovan authorities have not considered any of the joint recommendations on local elections proposed by the Venice Commission and the OSCE Office for Democratic Institutions and Human Rights. This raises concern that the local elections, due to take place in 2007, will produce the same irregularities as the 2003 elections. The most visible electoral reform introduced in 2006 was the authorization for a weekly, 90-minute political debate on national television in which candidates across the entire political spectrum are entitled to participate.

Moldova witnessed two electoral events in 2006. Elections for the *bashkan* (governor) of the Autonomous Region of Gagauzia in southern Moldova took place on December 3, 2006. The electoral campaign started in October, and only four independent candidates registered: then-governor Gheorghe Tabunscic, the incumbent; Mihail Formuzal, mayor of Ciadir-Lunga; Nicolae Dudoglo, mayor of Comrat; and the deputy prosecutor general of Moldova, Alexander Stoianogolo. The incumbent, Governor Tabunscic, had the support of the central authorities in Chisinau, the ruling PCM, whereas Mihail Formuzal was considered the main opposition candidate.

On December 3 during the first round of elections for the Autonomous Region of Gagauzia governor 82,000 Gagauz voters went to the polls. Surprisingly, the main opposition candidate, Mihail Formuzal, gathered the most votes (33.94 percent) and faced Comrat mayor Nicolae Dudoglo (31.45 percent) in the second round. Despite the avowed support of the PCM for the incumbent Tabunscic, he came in third (24.07 percent). The OSCE report on the conduct of the first round pointed out that although elections were held in a calm manner and there was significant improvement in voting procedures compared with those of previous elections in Gagauzia, campaign opportunities were not the same for all candidates. In particular, the incumbent governor made use of the administrative resources of the region and had preferential access to the media. Also, a number of shortcomings and irregularities were observed on polling day, and the voting lists were inaccurately drawn up.

In the second round of elections held on December 17, Mihail Formuzal, by far the favorite to win the contest at this stage, gathered 56.2 percent of the votes and was officially proclaimed governor of the Autonomous Region of Gagauzia on December 23. The second round saw an improvement compared with the first round, and only very minor irregularities were observed on polling day. The governor of the Autonomous Region of Gagauzia is also a member of the Moldovan government by presidential decree, as stipulated by the Law on the Special Status of the Autonomous Region of Gagauzia.

The OSCE Mission in Moldova concluded after the first round that "there remain serious inconsistencies in the Gagauz Law on Bashkan Elections, which fails to provide a clear framework for the registration of candidates and does not ensure the formation of impartial election bodies."[5] A significant fact is that—unlike in all previous elections since 1994—the opposition candidate in this case won the elections. Previously, the candidate supported by the central authorities in Chisinau was virtually certain of victory, and the elections were subject to strong interference from the central authorities, essentially through positive media coverage and the use of administrative resources for electoral purposes. Owing to this unprecedented situation, voter turnout in the second round was 62.8 percent, up by 20 percent in comparison with previous elections held in the Autonomous Region of Gagauzia.

Another 2006 electoral event was the unrecognized elections of the unrecognized president of the secessionist Moldovan region of Transnistria, which took place on December 10. Igor Smirnov, the uncontested "president" of the region since 1990, won the elections for the fourth time in a row with 82.4 percent of the vote and will remain at the helm of Transnistria for another five-year term. In the elections, Smirnov faced opposition from three other candidates: Nadejda Bondarenco, chairwoman of the Communist Party (8.1 percent of votes); Andrei Sofanov, editor in chief of the newspaper *Novaia Gazeta* (3.9 percent); and Piotr Tomaili, a businessman and independent candidate (2.1 percent). Out of an estimated population of 550,000 in the Transnistrian region, a total of 394,000 voters went to the polls. The turnout was 66.1 percent (257,810 voters), and 263 polling stations were available.

The international community, in particular the United States, the EU, the OSCE, and neighboring Ukraine, did not recognize the outcome of the elections, considering them to be illegitimate. Despite this, a number of election monitors went to the Transnistrian region, mainly from Russia and Ukraine, and included a group of deputies from the Russian Parliament, led by the deputy chairman of the Russian Duma, Serghei Baburin.

Civil Society

1999	2001	2002	2003	2004	2005	2006
3.75	3.75	4.00	3.75	4.00	4.00	4.00

Civil society in Moldova is weak. Despite a fairly high number of registered NGOs (3,720 in late 2006),[6] few are active and functioning. By the estimate of one of the biggest foreign donors in Moldova, only 150 to 200 NGOs are active in the country.[7] The state generally protects the rights of the independent civil sector. Registration is relatively easy, and there is no excessive bureaucratic pressure on NGOs. The main problem for NGOs is a lack of resources for institutional development. The low number of active NGOs is due primarily to the lack of a tradition of civic activism in Moldova, as well as the comparatively negligible support that NGOs receive

from private donors in Moldova. Few businesspeople support civil society, and even the low level of domestic support goes mainly into charity rather than activities with greater political salience. Foreign donors remain by far the biggest financial supporters of civil society in Moldova.

Moldovan civil society is hardly vibrant or active. On the one hand, civil society has relatively benign conditions for development. Moldovan society is largely free of extremist or intolerant organizations or groups. There are no groups advocating violence, no private militias, vigilante groups, or active racist or extremist organizations, and no groups that aim at undermining stability and democratic developments in the country. The government, while not being very open to civil society, is not active in countering it, either. On the other hand, Moldovan civil society remains largely locked into an inertia of passivity and institutional weakness.

In 2006, cooperation between governmental institutions and NGOs improved and developed. In the previous year, a number of state institutions, primarily the Parliament and the Ministry of Foreign Affairs, declared their intention to institutionalize cooperation with civil society, and at the end of 2005, the Parliament adopted a Concept of Cooperation with Civil Society, which was developed together with the Information Bureau of the Council of Europe in Chisinau.[8]

Under this framework of cooperation, NGOs have the possibility to provide direct input in the legislative process in a number of ways. First, expert councils of civil society activists have been created to advise parliamentary commissions. Second, the Parliament publishes on its Web site all draft laws, and NGOs have 15 days to provide feedback.[9] The Parliament is obliged to inform NGOs which suggestions were accepted or not. Third, the framework provides for the possibility of *ad hoc* meetings and hearings on concrete issues where the Parliament receives input from NGOs. Certainly, this kind of cooperation is not without problems. Many deputies and parliamentary staff treat this cooperation as an obligation they undertook in the face of international pressure rather than as a possibility to improve legislation. However, as the practice continues to expand, it can have an important socializing effect.

In April, the government and civil society groups held a conference on how to improve cooperation, and a working group was created to design ways to do so.[10] So far, the results have not been visible, but the prime minister has publicly committed to involve civil society in the decision-making process. The Foreign Ministry has thus far been the most open governmental institution and has held regular meetings between high-level ministry officials and independent experts working on foreign policy issues. During these meetings, the Foreign Ministry and civil society activists have exchanged ideas on current issues in foreign policy. The Foreign Ministry has also been developing a Strategy of Information and Communication on European Integration with the help of the NGO Eurasia Foundation. The same NGO, in cooperation with the Foreign Ministry, is working on the opening of European Information Centers in two Moldovan towns, Cahul and Balti. Moreover, in order to support NGOs, the Ministry of Justice has opened a telephone hotline where existing and potential NGOs can receive advice on the creation, registration,

and functioning of NGOs. While such projects are small, they indicate increasing openness to civil society and a growing understanding that NGOs can provide helpful feedback and support for Moldova's European integration efforts.

However, the positive trend of cooperation between civil society and public institutions has not been the rule. Access to information from most public institutions is still highly problematic in Moldova, despite a 2000 Law on Access to Information stating that public institutions should provide citizens with information within 15 days of a request, if the information is not classified. Acces-Info, an NGO campaign for transparency and access to information, found that in 2006, only 9 percent of town halls, 24 percent of local police offices, and 25 percent of courts responded to requests for information. In the capital, Chisinau, public institutions have been more open, with 82 percent of ministries and state agencies providing required information.[11] As the Speaker of the Moldovan Parliament noted, "There is a deficit of culture of access to information, both at the level of public authorities and among citizens."[12]

Formally, the state does respect the right to form trade unions. However, the government supports one large trade union (Solidaritatea) against the more representative and more independent National Confederation of Trade Unions of Moldova (CSRM). There have been instances where public employees were pressured to join the pro-government trade union. For example, in January 2006 the employees of the National Library of Moldova were pressed to join the government-supported Solidaritatea trade union instead of the CSRM.[13] The CSRM has complained to the International Labor Organization about such practices.[14] This is one of many instances when the government has interfered in the activities of trade unions.

Independent Media

1999	2001	2002	2003	2004	2005	2006	2007
4.00	4.25	4.50	4.75	5.00	5.00	5.00	5.25

Moldovan legislation guarantees freedom of expression and editorial independence and prohibits censorship in the media. The legislative framework ensuring media freedom is provided by the Constitution, the 1994 Law on Media, the 2002 Law on the Public National Broadcaster, and a 2006 broadcasting code. In 2004, Moldova decriminalized libel and is expected to impose a ceiling on the maximum amount that may be claimed for slander. However, despite existing legal and operational guarantees for independent media, the state of mass media in Moldova has been quite problematic.

The government exercises some control over the media, particularly TV and radio. This creates an uneven playing field for political forces in the country and decreases the level of political pluralism in Moldovan media. Freedom of the press and pluralism in the media diminished visibly after 2001, with the PCM in power. Freedom House's *Freedom of the Press* survey downgraded Moldova's rating for press

freedom from "Partly Free" to "Not Free" in 2004, and the situation persisted throughout 2006, in which Moldova was ranked 141 out of 194 nations. Reporters Without Borders' 2006 Press Freedom Index ranked Moldova 85 out of 168 states, ahead of all other post-Soviet countries except for the Baltic states.[15] However, Moldova's position in the index in 2006 was worse than in 2005.

The most widely circulated newspapers in Moldova are the Russian-language *Komsomolskaya Pravda*, *Argumenty i Fakty*, *Nezavisimaia Moldova*, and *Moldavskie Vedomosti*; and the Romanian-language *Flux*, *Timpul*, *Jurnal de Chisinau*, *Moldova Suverana*, *Ziarul de Garda*, and *Saptamana*. Important regional newspapers are *Cuvantul*, *Observatorul de Nord*, and *Unghiul*. The major radio stations are Radio National, Radio Antena C, and the regional Vocea Basarabiei, as well as a number of FM music stations. In August 2006, the BBC was launched in FM with broadcasting in English, Romanian, Russian, and Ukrainian and special news programs for Moldova. Popular television networks with national coverage are Moldova 1, Pervyi Kanal v Moldove (Russian channel), and TVR 1 (Romanian channel). Important television stations that cover only parts of Moldova (mainly Chisinau) are Euro TV, PRO TV, and DTV. The Russian-language independent (but pro-government) channel NIT has extended its coverage to most of the country.

The distribution of print media is state controlled, but private newspapers are not discriminated against. Access to Moldovan media in Transnistria is restricted, but there are no restrictions on use of the Internet. Access to the Internet has been growing but still remains relatively low, with 10 percent of households having computers at home and only 28 percent having access to computers at work.[16]

Generally, there is some level of pluralism in Moldova's print media. Newspapers provide a variety of views, even if most media outlets are dependent on political or economic sponsors, but interference in editorial policy from owners is widespread. There is significantly less pluralism in TV. The public TV broadcaster Moldova 1 works as a government channel and is far from providing balanced news. The situation is better in Chisinau, where more local TV channels and radio stations are available and provide a greater sample of views.

An important event in the development of independent media in Moldova was the adoption of a new broadcasting code on July 27, 2006.[17] The code is considered favorable to media freedom and independence and a significant improvement on previous legislation in the field.[18] The draft code adopted in 2006 implemented all major recommendations put forward by the OSCE and the Council of Europe and numerous recommendations offered by civil society groups in Moldova.[19] Many of these recommendations were implemented after the first reading in the Parliament.

The most important elements of the code are as follows. First, the procedure for appointing the Broadcasting Coordinating Council (CCA), the regulatory authority for broadcasting, has been designed to create a more professional, independent, and less politicized CCA with greater participation by civil society. The CCA comprises nine members and is approved by a three-fifths majority in the Parliament (61 out of 101 deputies), which in theory gives the opposition a

deciding stake in the process. CCA members are to be approved at the proposal of NGOs, trade unions, associations of media owners, and representatives of religious organizations. A third of the CCA members will change on a rotating basis every two years, and they cannot be removed while in office (unless they do not fit some restrictions on potential members of CCA specified in the law).

Second, the rules on licensing were simplified and made more transparent. Third, the TV and radio public broadcasters (Moldova 1 and Radio National) are to have a supervisory board similar to that of Radio Television Kosovo, considered by the Council of Europe to be one of the best models for such an authority. The supervisory board will also be appointed by a three-fifths majority in the Parliament. In addition to these major improvements, the code introduced many others in the financing of public broadcasters, retransmission rules, local and regional public broadcasters, and the introduction of the principle of proportionality of sanctions. Likewise, many of the initial restrictions and ambiguous formulations in the law were eliminated on recommendations from the OSCE and Council of Europe.

Yet two problems stand out in the aftermath of the adoption of the new broadcasting code. First is its implementation. Many of the provisions on the creation of the CCA or the supervisory authority at the public broadcaster can be circumvented if the ruling party shares membership in these bodies with the opposition in exchange for the missing votes necessary to attain a three-fifths majority. This in fact happened in October 2006, when the ruling PCM and the Christian-Democratic People's Party distributed the CCA places among themselves. Most independent media organizations and opposition deputies criticized the nontransparent way in which the members of the CCA were selected.[20] The second problem is that the new broadcasting code opened the way for the privatization of Euro TV and Radio Antena C, previously owned by the Chisinau municipality and often critical of the government. This indeed occurred in December 2006, when Chisinau authorities decided to privatize Radio Antena C and Euro TV. Protesting Radio Antena C journalists were ousted from the radio station by the police, and the station itself was taken off the air for a few weeks. It was widely expected that the two media outlets would come under the control of government-supported owners as a result of this unfair privatization.

The independent media scene in Moldova has also been clouded by the September 7 arrest of Ghenadie Braghis, sales director at PRO TV, for allegedly taking a bribe. But the arrest came in the aftermath of a series of reports and journalistic investigations by PRO TV that revealed that Minister of the Interior Gheorghe Papuc allegedly has fake university diplomas, as well as information on irregularities in the management of the ministry and misbehavior by the police.[21] A statement by the most important Moldovan media NGOs claimed that the arrest of Braghis was meant to "intimidate" PRO TV and the media at large.[22] Immediately after the arrest, instead of being intimidated, PRO TV reacted with even more criticism of the Ministry of the Interior. Virtually all opposition politicians strongly condemned the actions of the Ministry of the Interior.[23] A few days after the arrest, Braghis was released. But in early October, it was announced that the criminal case against him

was reopened. The issue of PRO TV constituted so far the most public affront of the independent media in Moldova. As a result, the TV station has stopped investigating the Ministry of the Interior and has become less critical of government officials.

Local Democratic Governance

1999	2001	2002	2003	2004	2005	2006	2007
n/a	n/a	n/a	n/a	n/a	5.75	5.75	5.75

Moldova's legislation, including the Constitution and the Law on Local Public Administration, provides the framework for local democratic governance. Citizens have the right to choose their local leaders on the basis of universal, equal, and direct suffrage by secret ballot. Mayors are elected directly by citizens, while local councillors are chosen according to a proportional voting system. Traditionally, voting procedures have been held regularly and considered free. Moldova is divided into 32 districts (*raions*), and district chairmen are appointed by the government.

The practical state of Moldovan democracy at the local level has been in a negative trend since the PCM came to power. There has been a tendency to deprive local authorities from certain powers in favor of the central government. On October 16, 2003, the Law on Local Public Finances was adopted and took effect January 1, 2004. One of the provisions of the law abolished the previous practice of dividing value-added tax between the central government and the local authorities. With the new law, local authorities were deprived of this source of income, thus becoming even more dependent on the central government for grants. Consequently, some experts claim that 85–90 percent of decisions on funding priorities at the local level are made by the central government's district (*raion*) executives rather than the local authorities.[24]

The central government abuses this position, distributing funds to local authorities in a biased manner depending on their relationship with the PCM. Lora Grosu, an opposition parliamentarian, says the "financial support from the state budget depends on how many votes the ruling party gets in any given town."[25] And Lucia Candu, a public policy expert from Moldova, claims that "after 15 years of reform, the local governments still rely heavily on transfers from upper tiers of government, which limits local autonomy significantly. Often, local revenues raised within the boundaries of the locality are insufficient to cover even the administrative expenses of the mayor's office."[26]

In a 2006 proposed Concept for a Strategy of Fiscal Decentralization, the Coalition for Fiscal Decentralization, an advocacy group, identified a number of key problems that financially constrain the development of local democratic governance.[27] First, there is an unclear division of competences among various levels of public administration, which often leads to the duplication of competences and conflicts among various institutions. Second, local authorities do not have enough

tax income to cover local needs. This problem results from Moldova's large gap in economic development between cities and villages. The economies at local levels are often just subsistence economies.[28] The government aggravates this situation by delegating local authorities with competences without providing sufficient financial support to honor them. According to data from the Ministry of the Economy, the local budgets are chronically underfinanced. In Chisinau, the budget covers only 86.3 percent of local needs, in Balti 81.4 percent, while more than half of Moldova's 32 districts have transfers from the central authorities that cover less than 50 percent of their budgetary needs.[29] Third, the system of transferring grants and allocating resources to local authorities is inefficient and makes it unattractive for local authorities to create better conditions for business development. Most potential tax revenues, in any event, go to the central government; thus local authorities have little to gain from being more business-friendly.

Because the existing situation contributes little toward effective governance or local economic development, the government in 2006 prepared a number of reforms of the local public administration. First, in June it created a Ministry of Local Public Administration with the objective to develop local administration.[30] Second, the government presented a draft Law on Regional Development that would create six regions for economic development (north, center, south, Gagauzia, the Chisinau area, and Transnistria).[31] These regions would be superimposed on the existing 32 *raions*. This reform was launched with support from the EU under a project aimed at supporting regional development–implementing bodies.[32] Its goal is to create more financially powerful regions in which resources for regional development would be allocated more effectively. This necessity stems from the fact that the 32 Moldovan *raions* are too fragmented and small to be viable economically.

Despite positioning itself to undertake reforms of the local authorities, the government remains highly interventionist in local affairs. As mentioned previously, in Gagauzia the central government has shown bias in local elections. But the most important development has been the continuing assertion of control by the PCM of the Chisinau municipality. The previous mayor, Serafim Urecheanu, left office to become a member of Parliament and was followed by a new interim mayor, Vasile Ursu. In 2005, four rounds of elections were held, but because of the low turnout none was considered valid. Throughout 2006, there was a significant rapprochement between the interim mayor and the PCM, leading to the ruling party's de facto political control of the Chisinau authorities. Many local councillors in the Chisinau legislature complained that in contravention of decentralization laws, the mayor was following priorities set by the president instead of the municipal council.[33]

Another issue related to Chisinau was the launch of a reform of the Chisinau municipality. The Parliament passed a draft law that would lead to the creation of district mayors in Chisinau's five districts, all elected directly by voters.[34] This would significantly decrease the influence of the mayor of Chisinau, who could find himself in conflict or competition with the district mayors. The reform could be a useful step toward decentralization. However, critics of the reform claim that the PCM

was motivated by a desire to weaken any future mayor in a city where the party has the lowest popularity in the country and cannot expect to win an election.[35] Thus the reform was aimed not at genuine decentralization, but at ensuring greater dominance by the PCM of political life in Chisinau and beyond.

Judicial Framework and Independence

1999	2001	2002	2003	2004	2005	2006	[illegible]7
4.00	4.00	4.00	4.50	4.50	4.75	4.50	[illegible]0

The 1994 Constitution of the Republic of Moldova puts in place a legal framework that upholds democracy, the rule of law, and the respect of human rights. The Constitution provides for a two-tiered legal framework consisting of lower courts and courts of appeals, thereby ensuring the right to appeal a judicial decision. In addition, there is a Supreme Court of Justice whose main role is to ensure the uniform interpretation and correct application of legislative provisions by all judicial bodies. Finally, there is a Constitutional Court, which can rule only on the constitutionality of acts. In principle, the Constitution has put in place a system that upholds the separation of powers between the judiciary and the executive branches and should be able to ensure the independence and impartiality of the judiciary.

In practice, this is not the case, despite the process of reform launched following the parliamentary elections of March 2005. Further reforms are needed to ensure the effective respect of human rights, including minority rights, and the independence of the judiciary. The precarious state of the judiciary engenders a low level of trust among the Moldovan population. According to an opinion poll conducted in 2006, only 31 percent of Moldovan citizens declared that they trust the judiciary.[36] A reform of the Constitution is under way to make the Constitutional Court the country's highest court of appeal. By adding a second tier of appeal, Moldovan authorities hope to reduce the comparatively high number of applications brought by Moldovan citizens to the European Court of Human Rights (ECHR) in Strasbourg.

The judiciary is coping with many practical problems, such as a considerable yearly increase in cases not matched by an increase in the number of judges and auxiliary personnel. In addition, there currently exists a backlog of 70,000 judicial decisions that have not yet been carried out. On average, judicial decisions are implemented in 40 percent of cases.[37] This backlog has resulted as much from a lack of human resources as from the "poor quality of the judicial decisions."[38] Insufficient office space is another major obstacle.

Many of the judiciary's problems are due to a lack of sufficient funds allocated from the state budget, jeopardizing the necessary conditions to ensure a qualitative judicial process. In Moldova, there is no principle of financial autonomy for the judiciary, and as a result, it is up to civil servants from the Ministry of Finance to decide on the justice system's financial needs. In 2006, the judiciary accounted

for only 0.41 percent of state budget expenditures.[39] This circumstance can have repercussions on the independence of judges, whose salaries are comparatively low. Judges of the court of first instance earn 120 euros per month, their colleagues from the court of appeals earn 166 euros, and judges sitting on the Supreme Court of Justice earn 213 euros (US$280).[40] Another serious problem is the lack of access to information technologies, lack of equipment, and lack of a central database listing previous court cases.

In June 2006, Moldova took a major step toward ensuring the independence of the judiciary and the quality of the judicial process by adopting the Law on the Establishment of the National Justice Institute.[41] The main aim of the institute is to provide training for judges and prosecutors through seminars and courses. The initiative for the institute was advanced by the Association of Moldovan Judges, along with the Council of Europe, and was approved by the government, which will finance this public institution. The institute will also rely for financial support on international donors, NGOs, and international institutions.[42] The National Justice Institute is expected to be in operation by September 2007.

In 2006, a much debated law was introduced that financially penalizes individuals whose actions lead to a condemnation of (and compensation by) the Moldovan state in judgments handed down by the ECHR in Strasbourg. In other words, judges whose decisions result in a subsequent condemnation by the ECHR may under the new law be forced to compensate the Moldovan state for the financial losses incurred as a result of an ECHR judgment.[43] The law is controversial in that it may undermine judges' willingness and ability to make independent judicial decisions.

The lack of transparency in recruiting Moldovan judges has often been criticized. In 2006, as part of the country's judicial reform, the Superior Council of Magistrates organized for the first time in its history "an open competition for vacancies for judges and vice presidents of certain instances."[44]

Finally, owing to Moldova's efforts to increase integration with the EU, a greater role has been bestowed on the Ministry of Justice in the framework of the implementation of the EU-Moldova Action Plan. To ensure legislative harmonization, the Ministry of Justice has been tasked by the Moldovan government to set up a center for the adjustment of Moldovan legislation to EU legislation, including the review and editing of existing and future normative acts.[45]

Although Moldova has incorporated many of the recommendations of the Reporting Committee Against Torture of the Council of Europe in its criminal code and criminal procedural laws, detainees under preventive arrest and prison inmates are still subject to inhumane treatment by guards and law enforcement personnel under either the Ministry of the Interior or the Ministry of Justice. Conditions of detention are degrading and amount to a violation of the most basic human rights: Personal hygiene is not ensured, cells are overcrowded, food is inadequate and insufficient, there is a lack of access to medical treatment, and inmates are regularly subjected to mistreatment and other physical abuse by guards. A case in point: "The state of Moldova was fined by the ECHR in the amount of 21,000 euros

payable to Mr. Corsacov, who was subject to inhuman detention conditions and torture during police custody."[46] These deplorable conditions may in part explain why Moldova is still monitored by the Council of Europe a record-breaking twelve years after its accession to that institution.

To address this situation, Moldovan authorities set up the Committee for Complaints in February 2006, in accordance with the new criminal procedural code adopted by the Moldovan Parliament, whose aim is to impartially examine the complaints of inmates against prison guards, institutions of detention in general, and law enforcement agency personnel.[47] However, the committee center is not accessible to all detainees, which is very worrying considering that "50 percent of detainees consider that they are kept in very harsh and unbearable conditions."[48] It is encouraging to note that the *Annual Report of the Center for the Protection of Human Rights in Moldova* was debated in the Moldovan Parliament, and recommendations[49] were forwarded to the detention institutions and to the Ministry of Justice to prevent cases of torture and inhumane treatment and to improve the conditions of detention. These steps show an increased awareness by Moldovan lawmakers in these issues, but not necessarily an improvement of the detention conditions in the short term.

Corruption

1999	2001	2002	2003	2004	2005	2006
6.00	6.00	6.25	6.25	6.25	6.25	6.00

The fight against corruption has become a top priority for the Moldovan government since the parliamentary elections of March 2005. The first step was the elaboration of an adequate legal framework to tackle corruption. On December 29, 2005, the Moldovan Parliament adopted the Action Plan for the Implementation of the National Strategy on the Prevention and Fight Against Corruption for 2006. The Action Plan includes provisions on the prevention of corruption and ensuring greater transparency in the public administration and was elaborated with the support of NGOs, the Stability Pact Anticorruption Initiative, and Council of Europe experts.

In addition, the fight against corruption in Moldova has received increasing international attention. For instance, the country's anticorruption campaign is high on the domestic political agenda of the EU-Moldova Action Plan, which was signed in February 2005 and contains provisions to combat corruption. The domestic legal framework for the fight against corruption is supplemented by a number of international initiatives. The Council of Europe's Group of States Against Corruption (GRECO) closely monitors Moldova's anticorruption efforts, provides expertise, and formulates recommendations for improving the legal framework. The Council of Europe supports Moldova's anticorruption efforts through the PACO-Moldova project[50] and the MOLICO project. The European Commission is financially

supporting the MOLICO project, which began in August 2006[51] and will last until 2009. The 3.5 million euros allocated to the project ensure the implementation of Moldova's anticorruption strategy through annual Action Plans.

The Stability Pact Anticorruption Initiative also recommends the adoption of a series of measures, most of which were implemented by the Moldovan government as of July 31, 2006. According to the initiative's measures, Moldovan authorities were required to ratify the Additional Protocol to the Criminal Convention Against Corruption and the UN Convention Against Corruption by the end of 2006.[52]

These domestic and international programs and initiatives have the positive effect of raising awareness and improving the perception of the problem of corruption in Moldova. According to Transparency International's Corruption Perceptions Index,[53] Moldova's score improved from 2.9 in 2005 to 3.2 in 2006, making it the best score in the Commonwealth of Independent States.

A central element of the fight against corruption has been the involvement of civil society with the approval of Moldovan authorities; this has made the anticorruption measures more effective and has conferred more legitimacy on the campaign. On January 10, 2006, the Anticorruption Alliance (ACA) was created to bring together more than a dozen NGOs, and on January 13, a cooperation agreement was signed between the ACA and the Center for the Fight Against Corruption and Economic Crime (CFCEC). The cooperation agreement provides for the joint implementation of anticorruption measures by both the ACA and the CFCEC.

Along with civil society, the main institutions and bodies leading the fight against corruption are the CFCEC, the Ministry of the Interior and its law enforcement agencies, and the Office of the Anticorruption Prosecutor within the Office of the Prosecutor General. Their role was continuously strengthened and their competences more clearly delimited throughout 2006. The CFCEC especially has been endowed with far-reaching powers of investigation, arrest, and prosecution, but all parties have received increasing financial means to carry out their tasks.

However, the methods and priorities of these institutions and agencies are coming under scrutiny as Moldovan citizens begin to review the extensive powers accorded them and question their independence. The high-level investigations and arrests by the CFCEC in 2006 (for instance, the director of Victoriabank, Victor Turcanu; the sales manager of PRO TV, Vitalie Braghis; the leader of the Social-Democratic Party, Eduard Musuc; and the leader of Ravnopravie (a political party focused on the interests of the Russian-speaking population in Moldova), Valeri Klimenko) are described by the independent press in Chisinau as being politically motivated. In other words, the CFCEC is often accused of carrying out political orders to target those whose (economic) activities are detrimental to the political or economic interests of members of the ruling party. In addition, the CFCEC is accused of showcasing an excessive display of force in the presence of the media and the press when conducting busts or arrests. Further, both the CFCEC and the Office of the Prosecutor General are viewed as focusing too much on and punishing too harshly cases of petty corruption instead of investigating larger cases of corruption more effectively.

On August 28, 2006, the Moldovan government approved a decision to review legislation with an eye toward its potential for corruptibility. The review will establish whether new acts are in accordance with national and international anticorruption standards. The review also aims to establish whether any acts could potentially encourage the phenomenon of corruption. The CFCEC will be responsible for elaborating the methodology for this legislation review.

Notwithstanding the improving legal framework, international initiatives and support, and allocation of financial resources and high-level support from President Voronin himself[54] (who considers the fight against corruption a top priority), actual results in curbing corruption have been slow in coming and have not been commensurate with the effort and means deployed. On July 8, 2006, Voronin criticized the ineffective Action Plan for the Implementation of the National Strategy on the Prevention and Fight Against Corruption and expressed concern at the level of corruption within public institutions. This observation is duly reflected in an opinion poll by the Institute for Public Policy in Moldova, where 73.4 percent of respondents declared that they are "not very satisfied" to "not at all satisfied" with the way in which the authorities tackle the fight against corruption.[55]

According to the most recent data available from the Moldovan government, "During 2005 and the first five months of 2006, 525 corruption crimes were registered,"[56] of which over 40 percent were committed by officials from the public administration (both local and national), the customs service, police, and taxation and registration authorities. A total of 49 cases (or 9.33 percent) of corruption involved officials from medical institutions. A 2006 opinion poll by the Council of Europe and the CFCEC confirmed these findings: Moldovans perceive the customs authorities, the police, judges and prosecutors, doctors, and medical staff as being very prone to corruption.[57]

The Moldovan health care system remains a fertile ground for bribes. On September 6, 2006, Transparency International Moldova released the results of an opinion poll on corruption in the health care system: 153 million lei (US$11.6 million) were paid in bribes in the 12 months that the survey covered. Of those surveyed, 36 percent stated that they had paid bribes to doctors and medical staff, and 34 percent of those affirmed that they were forced to pay a bribe in order to receive treatment.[58]

Although the high level of public tolerance for corruption has been declining steadily in Moldova, it is still viewed as a major impediment to an effective anticorruption campaign. In an opinion poll carried out by the Institute for Public Policy in Moldova, only 4.7 percent of respondents declared that corruption is a primary concern in their daily lives.[59] Such a low level of public concern, coupled with the problems described earlier that are inherent to the early stages of setting up an adequate anticorruption framework (despite international assistance), has so far yielded only modest results in the country's fight against corruption.

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Montenegro

by Lisa McLean

Capital: Podgorica
Population: 684,736
GDP/capita: US$3,800
Ethnic Groups: Montenegrin (43.0%), Serb (32.0%), Bosniak (8.0%), Albanian (5.0%), other (12.0%)

The economic and social data on this page were taken from the following sources:

GDP/capita, Population: *Transition Report 2006: Finance in Transition* (London, UK: European Bank for Re-construction and Development, 2006).

Ethnic Groups: *CIA World Fact Book 2007* (Washington, D.C.: Central Intelligence Agency, 2007).

Nations in Transit Ratings and Averaged Scores

	Yugoslavia				Montenegro			
	1999	2001	2002	2003	2004	2005	2006	2007
Electoral Process	5.50	4.75	3.75	3.75	3.50	3.25	3.50	3.50
Civil Society	5.25	4.00	3.00	2.75	2.75	2.50	3.00	3.00
Independent Media	5.75	4.50	3.50	3.25	3.25	3.25	3.25	3.50
Governance*	5.50	5.25	4.25	4.25	4.00	n/a	n/a	n/a
National Democratic Governance	n/a	n/a	n/a	n/a	n/a	4.50	4.50	4.50
Local Democratic Governance	n/a	n/a	n/a	n/a	n/a	3.50	3.50	3.25
Judicial Framework and Independence	5.75	5.50	4.25	4.25	4.25	4.25	4.25	4.25
Corruption	6.25	6.25	5.25	5.00	5.25	5.25	5.25	5.50
Democracy Score	5.67	5.04	4.00	3.88	3.83	3.79	3.89	3.93

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

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

Executive Summary

For Montenegro, 2006 was the year for reestablishing state independence for the first time since 1918. As part of that process, Montenegro joined the Organization for Security and Cooperation in Europe (OSCE), the United Nations, Partnership for Peace, and a number of other international bodies as a sovereign country.

For the government, it was also the year for regaining a majority in the Parliament to lead the consolidation of the state and its Euro-Atlantic integration in the coming four years. The long-serving leader of Montenegro, Milo Đukanović, withdrew from the position of prime minister but remained at the helm of the ruling Democratic Party of Socialists (DPS). For the opposition, 2006 was a year of losses and of reorganization of power within its bloc. A new political force—Movement for Changes (PzP)—gained seats in the Parliament and will compete with the traditional parties for leadership of the opposition.

The newly elected Parliament started to use its new rules of procedure and to concentrate on becoming a more effective body, while directly elected mayors took the helm in all 21 municipalities, promising to focus on the problems of all citizens. With the country preoccupied by the referendum, establishing the new state and republic, and local elections, not much progress was made on the substance of Montenegro's political freedoms, although it cannot be denied that the momentous events of 2006 took place without any instability. The people spoke on the issue of state status, are ready to move on, and have high expectations for their political leaders and the new state. The inaction over the last year is unlikely to continue in the years to come, as Montenegrins seek change and an improvement in their standard of living.

National Democratic Governance. In 2006, Montenegro held the long-awaited referendum on state status and became an independent sovereign country with its June declaration of independence, which transpired without any instability. The government created the Ministry of Defense and adopted a national security strategy that saw Montenegro become a member of NATO's Partnership for Peace in December. In the autumn, parliamentary elections ushered in a new government dominated by the DPS, which had ruled since the first multiparty elections in December 1990. The Parliament adopted and began to apply new rules of procedure that open up the chance for it to exercise oversight of the executive. Work began on a new Constitution, although not much progress had been made by the end of the year. For opposition forces, it was a difficult year. The pro-union forces tacitly accepted the outcome of the referendum despite suspicions about irregularities. The parliamentary elections saw the entrance on the political scene of a new opposition

political party, the PzP, and a rearrangement of the traditional opposition bloc. Distrust and divisions between governing and opposition parties dominated 2006 and filtered down to the population. *While significant outstanding issues were resolved at long last, there was little change to the governance processes. Thus Montenegro's rating for national democratic governance remains at 4.50.*

Electoral Process. The electoral framework in Montenegro remained unchanged in 2006. There were no significant barriers to political organizing, ethnic minorities participate in elections and win seats, and public engagement in politics is high, as witnessed by a referendum turnout of 86.5 percent and an election turnout of 71.7 percent. Likewise, there were high levels of party membership, and domestic and international monitoring organizations judged the elections to be free and fair, by and large. Still, accusations of unfairness in elections persisted because of a basic distrust between the governing parties and their opponents, untimely and threatening actions on the part of public officials, and a lack of confidence that the election process will ever produce a rotation of power. The heavy international involvement in the referendum encouraged a certain degree of responsibility within the opposition related to complaints. But lawmakers have ignored the repeated recommendations of the OSCE Office for Democratic Institutions and Human Rights (ODIHR), which are unlikely to mitigate the distrust factor but could improve respect for the law and international practice. *While Montenegrins learned about the nonpartisan management of an election process from the example of the Slovak president of the Republic Referendum Commission, the familiar piecemeal application of the law and ill-advised actions of public figures in the absence of an international authority during the parliamentary elections and unwillingness to address the OSCE's long-standing recommendations demonstrated that there was no real change in electoral management practices in 2006. Thus Montenegro's electoral process rating remains at 3.50.*

Civil Society. Because of infighting and competition among nongovernmental organizations (NGOs) and the large number of entities that use the liberal Law on NGOs to avoid paying taxes, the NGO sector continues to struggle for respect and influence. In 2006, a growing core of strong and recognized NGOs strengthened their reputations in watchdog activities, public policy research and advocacy, and civic education. Groups monitoring the Law on Free Access to Information and the Law on Conflict of Interest have been especially effective in 2006. Still, these groups continue to be dependent on foreign funding without clear prospects for long-term self-sustainability, and advocacy efforts fail when the NGO agenda clashes with the government agenda. Furthermore, the dominance of the referendum and parliamentary elections left a sparse advocacy agenda for NGOs. In the coming year, as the government adopts many key strategies, such as the strategy for sustainable development and Montenegro's Spatial Plan, the opportunity for NGOs to build respect and effect change should increase. But NGOs will also need to address some fundamental problems regarding the weakness of the public funding systems,

volunteerism and philanthropy, and the NGO legal framework. *While watchdog NGOs, in particular, forced the government to take notice, the domination of the referendum and elections left little room for real improvements in this sector. As a result, Montenegro's civil society remains at 3.00.*

Independent Media. While Montenegrins enjoy a diverse choice of print and broadcast media and all media in Montenegro made a concerted effort to be balanced in advance of the referendum, the natural tendency of the media is to value the activities of the authorities over other events in society rather than to evaluate the newsworthiness of daily events or to engage in real investigative reporting. There continue to be problems in the transformation of the former state-owned television station into a genuine public broadcaster. As the most available broadcaster in Montenegro, it was criticized in the aftermath of the referendum for unseemly exultation over the referendum results, when it is charged as a public service media with representing the opinions of both sides, and it demonstrated biases in the run-up to the parliamentary elections. *The lack of commitment to genuine transformation of the state-owned television into a public service station causes Montenegro's independent media rating to worsen in 2006 from 3.25 to 3.50.*

Local Democratic Governance. In 2006, local elections were held in 14 municipalities, and now a directly elected mayor governs in all 21 municipalities. Polarization between the opposed political blocs appeared to lessen with agreements in several municipalities, and the long-opposed DPS and Socialist People's Party even formally created a coalition government in one municipality. The general sense is that the directly elected mayors feel a greater responsibility to the citizens of the respective municipality and that the desired goal of depoliticization at the local level may be strengthened in the coming year. Still, individual municipalities operate with limited funding and are burdened by bloated bureaucracies with limited administrative or financial capacities. *Because of the election in every municipality of a mayor with direct responsibility to the citizens, Montenegro's local democratic governance rating improves from 3.50 to 3.25.*

Judicial Framework and Independence. The court system was heavily criticized by the domestic and international public in 2006. Internationally, concern focused on the method of electing judges, which allows political interference and threatens the independence of the judicial system. The election of judges will be the subject of significant debate in advance of a new Constitution, and the solution to the problem will be a key signal to the international community about the strength of Montenegro's commitment to create an independent judiciary that can combat crime and corruption. In the meantime, both the state prosecutor and ombudsman produced and sent to the Parliament their second annual reports on the judiciary's work. The Parliament adopted the Law on Judicial Education and increased the budgets of the court system and the state prosecutor by more than 50 percent. *Owing to continued*

accusations of political influence on the judiciary and the lack of any significant results, Montenegro's judicial framework and independence rating remains at 4.25.

Corruption. In 2006, there was little progress in the effort to combat corruption. After 13 months, the government adopted an Action Plan to implement the 2005 strategy against corruption and organized crime. Although a number of charges were pressed against high-level managers of public-owned companies, few cases actually entered court procedure, and no verdicts have been rendered. Parts of the government, especially the Agency for Economic Restructuring and Foreign Investment, came under heavy criticism for failing to comply with the Law on Free Access to Information. The Parliament failed once again to rectify grave shortcomings in the Law on Conflict of Interest, demonstrating a lack of political commitment to the fight against corruption. Still, amendments to the Law on Public Procurement that should promote transparency in the process and introduce monetary fines are a positive legislative step. *Given the limited amount of effort made by the Parliament and government to address one of the most challenging problems for Montenegro's political development, Montenegro's corruption rating falls from 5.25 to 5.50.*

Outlook for 2007. The major focus at the beginning of the year will be on Montenegro's new Constitution, where the questions of judicial independence, parliamentary oversight of the executive, civilian control of the military, and a number of other issues will be addressed. A particularly important issue in the Constitution will be the definition of the new state as a multiethnic, multiconfessional state. Addressing this issue may raise ethnic tensions, or political forces may find the maturity to define appropriate solutions that respect society's diversities and build trust. As such, the process of adopting the Constitution, which will require a two-thirds majority in the Parliament or a referendum, will be a significant test of the ability of Montenegro's political forces to overcome their divisions and mutual mistrust. The government will continue to push ahead on its Euro-Atlantic integration and, if serious about this goal, should introduce a raft of legislation to the Parliament and begin to implement these laws. Major items on the agenda for 2007 are the strategy for sustainable development, Montenegro's Spatial Plan, and a strategy for developing roadway infrastructure. In addition, the government intends to adopt a plan for the final privatization of state-owned companies, including the electric company, airline, and airports. For Montenegro, 2007 will be a crossroads—either it speeds ahead with its development or it stalls because of a lack of political will to change some of the fundamental traditions in Montenegrin society.

Main Report

National Democratic Governance

1999	2001	2002	2003	2004	2005	2006	2007
Yugoslavia				n/a	4.50	4.50	4.50

For Montenegro, the issue of state status dominated the 2006 agenda and had an impact on improvements in the area of national democratic governance. While major changes were made to the essential definition of Montenegro as a legal entity, secondary changes to the details of democratic governance stalled.

The May 21 referendum, in which 55.5 percent of the population voted for an independent Montenegro, brought about a complete change to the country's defined national democratic governance structure. With the declaration of independence proclaimed on June 3, Montenegro became a sovereign country, bringing to an end the institutions at the level of the State Union of Serbia and Montenegro—namely, the Council of Ministers and the State Union Parliament—and leaving a legal vacuum. In the second half of 2006, Montenegro moved quickly to address this by holding new parliamentary elections for a Constituent Assembly and convening a parliamentary committee to develop a new Constitution in mid-November.

The year began with European Union (EU)–mediated multiparty negotiations on the legal framework for holding a referendum, followed by a 75-day campaign. The referendum outcome and declaration of independence led to an active period of international recognition and admittance into international organizations, like the OSCE and the United Nations, and establishing diplomatic relations. The autumn witnessed regular parliamentary elections and local elections in 14 of 21 municipalities, followed by the establishment of a government and passage of the 2007 budget. Thus it was a year of significant accomplishments for Montenegro in terms of resolving the long-standing question of its state status and of renewing in elections the legitimacy of the Parliament's mandate and, as a consequence, the government's mandate.

Despite the distractions caused by these momentous decisions, both the outgoing and incoming governments made significant progress on European and Euro-Atlantic integration, managing to conclude negotiations on the Stabilization and Association Agreement and to sign onto NATO's Partnership for Peace program before the end of the year. Furthermore, the government managed to maintain macroeconomic stability, increase fiscal revenues by 20 percent more than planned,[1] record 6.5 percent real gross domestic product growth,[2] attract more than 40 percent of planned investment, end the year with single-digit inflation of 1.7 percent, decrease unemployment, and stabilize the banking sector.[3]

The establishment of an independent state left Montenegro in legal limbo in many respects. With the June 3 declaration of independence and Decision on the Proclamation of Independence of the Republic of Montenegro, Montenegro took on regulations in effect under the State Union of Serbia and Montenegro until the adoption of its own regulations, insofar as "they are not in conflict with the legal order and interests of the Republic of Montenegro."[4] It also began to establish the procedures for assuming matters that had so far been administered by the institutions of the State Union of Serbia and Montenegro.[5] Thus the 1992 Constitution that defines Montenegro as a republic within the Federal Republic of Yugoslavia remains in force, while the 2003 Constitutional Charter of the State Union is no longer valid, although some of its provisions might apply if "not in conflict" with Montenegro's legal order and interests.

The new Parliament began the process of drafting a new Constitution by establishing a multiparty, ad hoc Committee for Constitutional Affairs on November 10. But at its first sitting on November 20, the Parliament immediately suspended work when opposition parties refused to participate until the Constitutional Court ruled on their two petitions against laws[6] related to the adoption of the new Constitution. The opposition argued that the 1992 Constitution had already established a method for changing the Constitution (Articles 117–119), which meant these laws contravened the existing Constitution.

The Constitutional Court stated in its December 6 decision that "independence and the change of Montenegro's state status does not prescribe changing the Constitution by the procedures to date, but instead proposing a new, first Constitution of an independent state through procedures that the constituent authorities of that state issue. In conformity with the discontinuity of the state status, a process of discontinuity for the Constitution of Montenegro was also brought about.... The cessation of the status of Montenegro as a member republic factually has come to an end as well as the legal basis for implementing those provisions."[7] The opposition's reaction to the Court's decision was that the Court effectively ruled that the Montenegrin Constitution no longer exists. The decision highlighted for both sides the urgency of adopting a new Constitution, which requires either a two-thirds majority in the Parliament or a majority in a referendum, as ruled by the Constitutional Court.

Despite the historic and divisive decisions of 2006, Montenegro did demonstrate the stability of its governing system. While the international community fretted over the potential for chaos in Montenegro or neighboring countries because of Montenegro's state status decision, the country managed to agree on a legal framework and hold a referendum free of violent incidents whose outcome the international community immediately recognized.

Throughout this process, opposition parties threw up roadblocks to prevent a referendum, or at least to provoke a delay. Although not easy, the mediation of the EU—through its appointee, Slovak diplomat Miroslav Lajčák—managed to surmount the obstacles leading to the passage of the Law on Referendum on State-Legal Status of the Republic of Montenegro with 80 percent of the votes in the

Parliament and the unanimous Decision on Calling the Republic Referendum on State-Legal Status of the Republic of Montenegro.[8] The referendum campaign and vote were held in a peaceful atmosphere; the various incidents of vote buying, legal problems with the voter registries, and referendum complaints were handled by the Office of the Supreme State Prosecutor, the courts, and, when necessary, behind-the-scenes mediation on the part of EU representatives.

In the aftermath of the referendum, the Bloc for the No, comprising the Socialist People's Party, the Serbian People's Party, the People's Party, and the Democratic Party of Serbs, refused to acknowledge the results. Reportedly, some opposition parties in the coalition said they would "consider the position of the European Union that announced that the referendum is a finished issue in Montenegro because it does not want to ruin its hard efforts to build an image as a European party."[9] Any claims of an illegitimate referendum outcome were put aside as all opposition parties engaged in the parliamentary election campaign that followed. The stability of the governing system was demonstrated further in the September 10 parliamentary and local elections, which took place in a peaceful atmosphere and returned the ruling parties—the Democratic Party of Socialists (DPS) and the Social Democratic Party of Montenegro (SDP)—to power with another absolute majority of parliamentary seats.

In 2006, the executive continued as the dominant branch of government, with the legislative and judicial branches remaining weak, underfunded, and understaffed. The European Commission continued to point to the weakness of Montenegro's administrative capacity as a major obstacle to European integration. The government continued to develop measures to address the limited professionalization of the civil service, but the visible effects were negligible in 2006.

The Assembly of the Republic of Montenegro (Parliament) focused on legislation necessary for holding a referendum, creating a new state, managing the state, and meeting international commitments. Beyond that, the Parliament adopted in July new rules of procedure with the support of a wide range of political parties that should "assist the role of the opposition and streamline parliamentary work."[10] Parliamentary sittings in November and December suggested that the intention of the new rules to move legislative discussion from the politically charged arena of the plenary sitting to the more deliberative arena of committees was having some effect.[11] In addition, the governing parties allowed opposition members of Parliament (MPs) to assume the chair of two committees, including the important Budget, Economy, and Finance Committee; the new rules also provide for deputy chairs that come from the bloc opposing the chair.

Still, the old habits of both governing and opposition parties did not disappear overnight. The ruling parties repeatedly scheduled urgent parliamentary sittings for specious reasons in order to satisfy the executive's last-minute political priorities,[12] and in an effort to enforce party discipline, they even demanded repeated open votes in two cases where the original vote did not go in favor of the government. Meanwhile, the opposition did not give up its practice of using parliamentary plenary sittings to communicate directly with voters on the immediate political debates of

the moment. But with the new parliamentary mandate, several opposition parties addressed concrete legislation on the agenda to make their larger political points.

The September parliamentary elections introduced a reconfigured opposition bloc. The core of the bloc continues with 34 mandates (or 42 percent of the seats) but includes a new party, Movement for Changes (PzP), with 11 mandates and a new balance of forces within the traditional Serbian bloc of the Socialist People's Party, Serbian People's Party, People's Party, and Democratic Serb Party. The new opposition bloc is eager to use the instruments of control provided in the new rules of procedure and even urge that these instruments be codified into the new Constitution. But several of these instruments require approval of a parliamentary majority, which the opposition alone does not possess. The Parliament's best tool for exercising executive oversight may turn out to be the special session for MP questions of government and a special prime minister hour that must be held once every two months.

Therefore, a continuing problem for Montenegrin governance is the significant dominance of the executive branch and its representatives in the Parliament who campaigned on a slogan of reaching out to all Montenegrins and healing the divisions. By the end of 2006, there was little noticeable proof of this extended hand of friendship from the governing parties, with the important exception of the withdrawal from power of the politically divisive prime minister, Milo Đukanović, who had been the focus of the opposition's wrath in both the referendum and parliamentary election campaigns. While many argued that Đukanović's continued presence on the political scene as party leader meant that he would exercise power from the shadows, even the opposition welcomed the appointment of former minister of justice Želko Šturanović as prime minister. The new cabinet was a mix of new and old faces and will have the job of healing divisions and building trust with the opposition.

But the ruling parties are unlikely to accomplish this if the government does not provide opportunities for the opposition to be involved in the policy debate. Similarly, the opposition needs to participate responsibly in the policy process and use its control powers in the public interest, not as a way to settle scores with current and former members of government.

In regard to democratic and civilian oversight of the military and security services, the changing state status of Montenegro left much of this framework "under construction." On June 21, the Montenegrin government established the Ministry of Defense, named the prime minister as minister of defense until the elections, and adopted a national security strategy. On August 11, President Filip Vujanović named the chiefs of the general staff, and work began to fulfill the conditions of membership in NATO's Partnership for Peace. Boro Vučinić, a civilian, became minister of defense. The president signed the Partnership for Peace membership agreement on December 14, a step that should assist greatly in establishing democratic control of the armed services. In the meantime, the government and Parliament still need to adopt the army doctrine, defense strategy, and Laws on the Army and on Defense.

Electoral Process

1999	2001	2002	2003	2004	2005	2006	2007
Yugoslavia				3.50	3.25	3.50	3.50

On May 21, 2006, Montenegro held a referendum on state status. The OSCE concluded that the referendum provided Montenegrin citizens "with a genuine opportunity to determine the future course of Montenegro as an independent state."[13] Of all elections in Montenegro's multiparty system, it was probably one of the best run owing largely to the involvement of the international community. Negotiations for the *lex specialis* governing the referendum took a month and a half and required an EU-appointed mediator. In an effort to prevent a boycott of the referendum by State Union preservation advocates, a great deal of energy was put into taking the demands of the opposition seriously and incorporating them into the legislation. Nonetheless, in accepting EU mediation, the government also insisted on full respect for Montenegro's institutional and legal framework and on dialogue within the institutions.

Based on opposition demands, special provisions were put into legislation on the use of state resources in the campaign, and a special parliamentary committee was established to monitor state resources. Similarly, "relevant European organizations" appointed the head of the Republican Referendum Commission (RRC), Slovak diplomat František Lipka, who would cast a vote only in the event of a tie between the otherwise evenly split commission. Despite the pro-union bloc's effort to dictate media coverage by public and private outlets, it succeeded only in establishing a parliamentary committee to monitor the media and discuss complaints. The big stumbling block in the negotiations was the majority required to win the referendum. The government had announced that it would go no higher than 41 percent of registered voters, while the union bloc said it would accept nothing less than 50 percent of registered voters, so the EU imposed a requirement that 55 percent of those voting must vote in favor for the question of Montenegro's independence to carry.

This solution caused consternation inside the independence bloc because it essentially gave the pro-union bloc a 10 percent head start, valued the "no" vote more than the "yes" vote, and left a "gray zone" in the event that "yes" got more than 50 percent but less than 55 percent. While contrary to the concept of one-man-one-vote, the imposed solution took away the incentive to boycott the election and, in fact, encouraged both sides to maximize their respective turnouts. In the end, the law was adopted with the votes of 60 MPs from 6 of 10 parties in the Parliament, and all parties supported the referendum date and question.

Each side in the 75-day campaign was given €1 million (US$1,282,050), which was used to buy broadcast advertising, billboards, leaflets, T-shirts, and other promotional materials; to hold rallies; and to pay for general campaign expenses, such as staff and travel. On March 10, all media signed a code of conduct in the pre-referendum period that was expected to protect independent editorial policy,

prevent hate speech, and promote independent, objective, fair, and balanced reporting on all parties involved.[14] The Public Service TV and Radio (RTCG) and all private television and radio stations set up debates between representatives of both sides on issues that would be impacted by the state status vote (that is, the economy, armed forces, European integration, and minority rights). In general, there was media diversity, and "actors of both political options got to present their positions in the media. Bias toward either option in any media did not go beyond the boundaries of editorial freedom.... In transmitting the position of 'yes' and 'no,' the space given to the independence positions surpassed that given to the union position in all of the main news programs."[15]

The independence bloc's campaign focused on assertions that nothing would change in the country's relations with Serbia and that an independent Montenegro would in general proceed faster toward Euro-Atlantic integration and economic growth. With the governing parties in the independence bloc, the government's largesse was in full swing in the run-up to the referendum, providing subsidized credits for housing and small- and medium-sized enterprises, livestock premiums, and salary increases for police, customs, and other state employees.

The opposition bloc, or "no" campaign, focused on the negative consequences of independence for Montenegro, including severed ties to health care, education, and family in Serbia and the prospect of the new state becoming the private fiefdom of a few rich business owners. As the EU suspended Stabilization and Association Agreement negotiations with Serbia and Montenegro at the beginning of May for lack of cooperation with the International Criminal Tribunal for the former Yugoslavia, the union bloc found it hard to convince people that Euro-Atlantic integration was likely to proceed faster in union with Serbia. A large part of the campaign, reflected in the main slogan "There Are Enough of Us to Say No," was an attempt to encourage the "no" voter to have confidence in the bloc's ability to win. To promote that confidence, the "no" campaign focused on campaign monitoring rather than promoting its state status option. For example, the "no" bloc set up legal and media monitoring teams in each town for any voters who wished to report instances of vote buying, efforts to manipulate the voter registries, or to put pressure on voters, especially on those working in the public sector.[16]

The "no" campaign issued regular accusations of pressure and vote buying. On March 24, the union bloc even managed to find and release publicly videotaped proof of vote buying by the ruling DPS. The tape showed individuals offering to pay a €1,500 (US$1,923) electric bill for a "yes" vote at an illegally taped private meeting. Stories immediately emerged about a setup, and in a surprisingly quick court procedure, two DPS activists were convicted and sentenced to 8 and 10 months in prison for offering to pay a bill in exchange for a vote, while the alleged videographer was sentenced to 10 months in prison.

By far the most serious incident during the campaign was the April 21 arrest of an opposition member of the RRC for falsifying voters' requests to be placed on the registry. Allegedly, the RRC member cut corners by forging the signatures of valid voters. The opposition and EU representatives were furious at the arrest of such a

high-level member of the referendum administration. The opposition walked out of the RRC, and the referendum process appeared to be in jeopardy until the police released the member and behind-the-scenes discussions calmed the atmosphere.

As the voter registration period drew to a close, the opposition complained about irregularities on the registries and demanded access to police records of identity cards for comparison. In a highly irregular move that contravened Montenegrin laws governing privacy, a few members of the RRC and international observers were given access to the police records and the opposition was able to reassure itself of the veracity of the voter registries. Still, right up until the announcement of the official results, the pro-union bloc complained repeatedly of vote buying, pressure, and manipulation of the voter registries, which the governing parties claimed was an attempt by the union bloc to establish an alibi for their eventual demise in the referendum.

In the aftermath of the vote, the opposition refused to accept the "yes" result. With the winning side gaining 2,046 more votes than the 55 percent needed, opposition parties alleged ballot box stuffing and double voting in the eastern municipalities of Plav and Rožaje, where they said turnout spiked in the hours just before the polls closed and where they had fewer representatives at polling places. The opposition submitted 241 complaints related to 187 polling stations, most of which the RRC rejected or sent to the Office of the Supreme State Prosecutor. The margin of victory was the equivalent of three polling stations, and it is estimated that some 16,000 diasporic persons returned home to cast their votes. But there is no doubt that the margin of victory was above 50 percent and that the "yes" side obtained almost 46,000 more votes than the "no."

May 21, 2006, Referendum

Results

Registered Voters		484,718
Number of Voters Voting		419,240
Number of Valid Votes		415,663
Option	**Number of Votes**	**Percentage of Valid Votes**
Yes	230,661	55.5
No	185,002	45.5

Source: Republic Referendum Commission, May 31, 2006.

Not all of the positive experiences of the internationally supervised referendum were replicated in the autumn elections. On July 11, the president called parliamentary elections for September 10, along with elections for 13 of 21 municipal assemblies, 13 of 21 mayors, and 2 city assemblies. In addition, the mayor of Žabljak called an extraordinary election for the Žabljak Municipal Assembly for the same day.[17] When the votes had been counted and the results announced, the OSCE/ODIHR judged these elections as "largely in line with OSCE commitments

and other international standards for democratic elections, although a number of reappearing challenges remain to be addressed."[18]

In the rush to hold elections to capitalize on the referendum victory, the ad hoc parliamentary committee set up in June to incorporate OSCE recommendations into the election legislation had barely begun to work before elections were called.[19] The election law was subsequently changed on July 27, a practice not in keeping with international standards. Ruling and opposition parties justified their actions by arguing that the changes were only minor ones.

Next, the prime minister and minister of finance announced that the competing parties would not receive state campaign financing, as prescribed by the Law on Political Party Financing, because budgeted funds had been spent on the referendum campaign. After many public complaints, the government set aside 10 percent of the funds that political parties were entitled to receive in advance of the election, and each of the 12 competing lists got €12,000 (US$15,384).[20] It was never made clear whether the rest of the €2 million (US$2,564,103) was distributed to parties that gained seats in the elections. At the same time, only one party—the ruling DPS—submitted a report on its income and expenses; this was posted on the Republican Election Commission's Web site, as prescribed by the Law on Political Party Financing.[21] Thus, in the end, neither the government nor competing parties felt the need to respect the law.

Additionally, the public service media stated it would offer coverage and debates to parliamentary and nonparliamentary parties on a proportional basis relative to party strengths. While the public media's effort to filter out lesser-known parties with little chance of gaining votes should be considered a public service, media guidelines contravened provisions in the Law on Election of Councillors and MPs and the Law on Radio Diffusion that provide for equal coverage and participation during the preelection period.[22] Another problem with the public service media's coverage of the campaign was that it took most of its "political" content out of the main news program and deposited it into a special post–nightly news broadcast.[23] The Association of Young Journalists (AYJ) concluded that in both August and the first 10 days of September, "the public service's main news program reported much more on the authorities than other political subjects and in a dominantly positive context."[24]

The campaign was generally calm, a result of the summer period and the parties' limited resources. On a positive note, there were few complaints about voter registries for the first time, and when the election results were announced, no party refused to accept the result. Still, accusations of vote buying, pressure, and intimidation of voters did not disappear from the scene. In one case, the Port of Bar terminated its contract with the PzP candidate for mayor in the municipality of Bar, claiming that the contract had expired in early 2004. The PzP candidate claimed that his dismissal was punishment, and the OSCE/ODIHR noted that "questions remain about the timing of the decision."[25] In another interestingly timed event, the police questioned PzP leader Nebojša Medojević about tax evasion based on an anonymous tip three days before the election.[26]

In its final report, the OSCE/ODIHR's 33 recommendations echoed those previously stated over the nine years in which the body has monitored elections in Montenegro. In particular, the ODIHR recommended full respect for all laws related to elections, that candidates not also be members of election commissions, and the elimination of the long-standing Montenegrin practice of allowing political parties to distribute seats on their lists.[27] In the September parliamentary elections, there were 12 coalitions and parties competing for 81 seats. With a turnout of 71.7 percent, the results were as follows:

September 10, 2006, Parliamentary Elections

Results	
Registered Voters	484,430
Number of Voters Voting	345,757
Number of Valid Votes	338,835

Election List	Previous Number of Mandates	Number of Votes	Percentage of Votes	Number of Mandates
Coalition for European Montenegro—DPS-SDP	38	164,737	48.6	41
Serbian List	4	49,730	14.7	12
Socialist People's Party–People's Party– Democratic Serb Party Coalition	26	47,683	14.1	11
Movement for Changes	—	44,483	13.1	11
Liberals and Bosnian Party	1	12,748	3.8	3
Democratic Alliance in Montenegro—Party of Democratic Prosperity	1	4,373	1.3	1
Democratic Union of Albanians	1	3,693	1.1	1
Albanian Alternative	—	2,656	0.8	1

Source: Republic Election Commission, September 25, 2006, www.rik.cg.yu.

Civil Society

1999	2001	2002	2003	2004	2005	2006	2007
Yugoslavia				2.75	2.50	3.00	3.00

NGO legislation in Montenegro continues to be among the most liberal—and the most abused—in the region. Registration of an NGO requires the names of

five individuals and a Montenegrin address. The 1999 Law on NGOs defines no reasons for denying registration and gives few details about revoking registration. Given the extremely liberal provisions of the law, Montenegro has more than 3,600 registered NGOs, with 20 to 40 new organizations registering every month.[28] An overwhelming majority of them either do not function or are small businesses, such as cafés, taxi companies, consulting firms, schools for foreign language instruction, and kindergartens.[29] No more than 200 NGOs can be considered part of the genuine civil society category, and the vast majority are concentrated in Montenegro's capital, Podgorica.

The Law on NGOs defines few regulations for groups, but laws coming from the Ministry of Finance regulate their income and expenses. Registered groups are eligible for a wide range of tax breaks, including exemption from paying value-added tax on their services, profit tax, real estate tax, and property tax. However, as is the case with every employer in Montenegro, NGOs are burdened with heavy taxes on salaries. An NGO that pays an employee €100 (US$128) must give an additional €65 (US$83) for taxes and benefits, while on €1,000 (US$1,282), the taxes and benefits add up to €1,005 (US$1,288).[30] NGOs are hard-pressed to raise that kind of money for salaries and, like others in Montenegro, are tempted to lie about actual earnings. Only a handful of NGOs submit financial reports to the government as required by law, and an even smaller number commission annual audits. In 2007, the Ministry of Finance plans to introduce a flat tax on income and reduce the tax level over several years, which will help the NGO sector as well as the business and public sectors. But pension and health contributions will continue to be a burden for all sectors.

Montenegro continues to develop a core of established civil society organizations focused on watchdog activities, public policy research and advocacy, and education. The most active public policy research organizations are in the field of economics and business and have close ties to the government. In the past year, the Montenegrin Business Alliance lobbied actively and successfully for reducing the income tax and introducing a flat tax, while the Institute for Strategic Studies and Prognosis produced extensive statistics that are used by international organizations like the World Bank and the United Nations Development Programme. Other NGOs have not been as successful in their public policy advocacy because their issues—such as changing legislation on elections, NGOs, gambling, and conflict of interest—were not government priorities. Thus these NGOs demonstrated a certain weakness in their ability to influence government. Admittedly, NGOs were faced with a government focused on delivering independence, a renewed majority in the Parliament, economic development, and establishing a new state in 2006. It would be hard for any group to be heard through that cacophony.

The most successful watchdog organizations in 2006 were those dealing with the Law on Free Access to Information. Two NGOs in particular have flooded every branch of the government with requests for information and have issued regular report cards on the best and worst ministries and other governmental bodies in responding to and respecting the law. Over time, these efforts have helped to improve

government compliance somewhat. However, this type of oversight needs to continue, since respect for the law remains poor, especially in the Agency for Privatization and Economic Restructuring. NGOs are also active in monitoring the Law on Conflict of Interest, urban planning, disability rights, consumer protection, citizen participation in local government decision making, NGO–local government cooperation, and respect for the public service broadcasting legislation. And, of course, several NGOs were active this year in monitoring the referendum, the elections, and media behavior during these two events.

A third group of NGOs is involved in civic education activities on such topics as the referendum, European integration, democracy and human rights, and ecology. In many cases, organizations from all categories are included in government working groups or councils where they comment on public policies and legislation. Still, a number of NGOs have found that commentary and agreement in the public arena of a council or working group is soon reversed when the policy or legislation is returned to the inner halls of government. As a result, NGOs often feel that their participation in these councils is a governmental effort to satisfy international organizations instead of evidence that the government values them and their opinions. According to the Center for the Development of Nongovernmental Organizations, "The work and scope of government bodies where NGOs are included most often are judged to meet sporadically, to not function well, and to be limited in scope."[31]

In general, NGOs are dependent primarily on international donations, which have declined in the last year. NGOs do not collect membership fees because few are membership-based organizations and because there is no tradition of membership fees in Montenegro. A few NGOs are able to sell their services or publications, but this type of income is minimal. The government sets aside some funds for groups. Part of this money is a direct line item in the republic budget that is distributed through the Parliament, and part is money given through the Ministry of Culture and Ministry of Tourism. Local governments also provide funds to NGOs.

The process for distributing parliamentary funds is subject to great controversy. NGOs eligible for funding are those that deal with human rights, democracy, civil sector development, European integration, social activities, ecology, culture, and education. A parliamentary commission made up of MPs publishes a competition every year to select those that will receive funding, but there are no defined criteria for decision making. In many cases, the commission provides much less than the requested amount without any clear indication of what part of the project the commission wishes to fund. Finally, there is no system to monitor the expenditure of funds or any requirement to submit a report.

In 2006, the media criticized the commission for giving funds to two organizations whose leaders were DPS candidates for municipal councillors and found other instances of NGO connections with ruling parties. After years of constant controversy and discord between civil society and the government, a coalition of the most active NGOs—Cooperation Toward the Goal—was formed in August 2006 to address three fundamental problems: 1) the lack of a formal agreement between

the government and NGOs on methods of cooperation; 2) the lack of an NGO code of conduct; and 3) the lack of a clear structure for financing NGOs from public funds. The coalition succeeded in enlisting over 120 NGOs as members and finished final drafts for an NGO-government cooperation strategy, a system for financing NGOs from public funds, and an NGO code of conduct. These documents are to be approved at a national NGO conference in spring 2007, but full implementation of some measures may require government or parliamentary action to change laws or sublaws.

Civil society in Montenegro remains weak because it is underfunded, and a "long-term sustainability strategy was nonexistent for most of the NGOs interviewed."[32] In addition, NGOs have not yet gained the respect of the public at large or the government. This lack of respect comes from the small-business misuse of the NGO label, the attempt by parties (both governing and opposition) to use NGOs for their own goals in a nontransparent way, and the specific negative actions of a few NGOs that discredit the whole community. A study of Montenegrin print media in 2005 showed that they used state employees the most (25 percent) as resources for information, followed by politicians (19 percent) and NGO representatives (10 percent).[33] Without wider respect for its role and work, the NGO sector has found it difficult to have any influence. Nonetheless, in the last year the watchdog efforts of some NGOs have gained the begrudging attention of the government and admiration of the populace. In the public policy and education spheres, a cadre of NGOs has begun to exhibit the potential for influence, a positive trend that is likely to expand to other organizations across the NGO sector in 2007.

Independent Media

1999	2001	2002	2003	2004	2005	2006	2007
Yugoslavia				3.25	3.25	3.25	3.50

Montenegro has a vibrant independent media scene. In addition to two public service TV channels, there are six private TV stations (two with nationwide coverage), one public service radio station, many local public service and private radio stations, several local public service TV stations, four national daily newspapers, and a number of weeklies and monthly magazines. There is also an independent news agency and one Internet service provider. Distribution of newspapers is privately controlled. Although there is no legislation on media concentration, ownership of private media was generally well distributed in 2006.

There are three professional journalist associations and an association of broadcasters. The Montenegrin Media Institute, created with international assistance, supports the professional development of journalism and journalistic standards in Montenegro. Although the 2003 criminal code abolished prison sentences for insult, slander, and libel, penalties range from €5,000 to €10,000 (US$6,700 to

US$12,820), which is quite high for individual journalists. Nonpayment of fines can result in prison time.

In 2006, the previously defunct Journalists' Self-Regulatory Body was revived, membership on its council was expanded to include a more representative sample of Montenegrin media organizations, and its statutes were revised. Two media monitoring organizations provided detailed reports to the council each week on potential cases of journalistic misconduct in both the print and electronic media. In the run-up to the referendum, the self-regulatory council assessed that the Montenegrin media behaved in a generally correct and professional fashion. Despite some progress in the field, the Journalists' Self-Regulatory Body is still seen as relatively weak and does not incorporate all major print and broadcast media in Montenegro, reducing its influence.[34]

There is a diversity of opinion and political viewpoints among the print media. The largest-circulation daily tends to be the most neutral and was commended in the run-up to the referendum for its balanced coverage.[35] The second largest daily opposes the governing parties, and in the run-up to the referendum it favored continued union with Serbia. The state-owned newspaper is obliged to publish press statements received from any political subject or responsible NGO. In its own reporting, this public service daily favors the government or is neutral. In the period before the parliamentary elections, it was criticized for "strongly promoting" the DPS-SDP coalition and "strongly criticizing" the PzP.[36] Finally, the lowest-circulation daily functions as a press agent for the governing parties and their priorities.

Radio and television news broadcasts are neutral or favorable toward the government. Especially in the run-up to the September elections, the public service television station increased its favorable coverage of the government. The opposition point of view also received airtime and was portrayed in a neutral fashion. However, coverage of the opposition was by no means comparable to coverage of the ruling parties and its government and parliamentary leaders.

In fact, there is a strange phenomenon in Montenegrin broadcast media, particularly in public service media, where news editors arrange broadcasts to begin not with the news of the day, but rather with what the president, speaker of the Parliament, prime minister, and/or ministers did or said. In some cases, significant front-page headlines in the daily newspapers do not even make it onto the nightly news. Thus public service media conduct themselves more as the broadcasters of public servants than as servants of the public and its interests. Other private television stations follow the example of public service television, although to a lesser extent.

A new practice developed during the August and September campaign season. Opposition parties took to buying time on private television stations to broadcast talk shows, "debates," and interviews with favorable candidates. The paid nature of these broadcasts was clearly indicated, and there was no apparent violation of the law. But the practice is a worrisome commentary on the state of independent journalism and media in Montenegro. Since opposition parties believe that the news is a one-sided advertisement for the governing parties, they have no choice but to buy their own news. Unfortunately, this news was a one-sided conversation with the

opposition side of the spectrum. In both cases, citizens were denied the opportunity of actual, informed discussions between those of opposed viewpoints. But no one can deny that the public has many opportunities in broadcast and print media to find those viewpoints.

The fact is that both private and public television stations have limited resources. One of the reasons that government coverage dominates the evening news broadcasts (and that statements of opposition parties are given only by the news reader) is that none of the stations have enough cameras or staff to cover all the events in a day. Similarly, stations have taken money to broadcast opposition party programs because they have a limited broadcasting range, limited audience, limited number of advertisers, and, as a consequence, limited income. Radio stations also suffer from limited resources. In contrast, the two largest-circulation dailies do not have this problem and do a brisk business of advertising and distribution.

Investigative journalism in Montenegro is limited for a number of reasons. First, it is difficult to get access to information and reliable facts. Second, few people are willing to go on the record, which diminishes the impact of reporting. Finally, and most important, investigative pieces sometimes result in anonymous threats, lawsuits, or personal verbal attacks in public, although there were no cases of physical assaults on investigative journalists in 2006.

The most preoccupying media development in 2006 was the stalled transformation of the former state television into a public broadcaster. Although the Law on Public Broadcasting of 2003 looked good on paper and was praised by the international community, it has not worked in practice, and the RTCG is still under political control. The RTCG Council and Managing Board have not demonstrated the power or will to make significant changes, and they have violated the Law on Public Broadcasting without any consequences. For example, the RTCG Council has not adopted or made public an RTCG financial report since 2004, and it does not publish reports about its work, as required by law. Its sessions are closed to the public more often than not. The council president attended a preelection political event and sat in the front row, and two council members are government appointees on the boards of public institutions, which is against the spirit of the Law on Public Broadcasting.[37]

The election of RTCG Council members itself was a problem throughout the year. In February, representatives of the NGO sector and journalist associations accused two nominees of having misused the law by creating NGOs simply to nominate themselves to the council. While both nominees denied the charges and noted that the legal regulations had been respected, one argued that "no one was bothered when other individuals, who were reproached for conflicts of interest, previous and ongoing connections with political parties or other power centers, were elected to the council."[38] When the issue came up for a vote in the Parliament in April, an MP suggested that the vote on the nominations be delayed so that MPs "would not make a mistake while things in the professional journalist associations and the nongovernmental sector had yet to crystallize,"[39] which led the two nominees to quietly withdraw their names.

At the end of the year, the NGO sector nominated its representative to the RTCG Council. The Parliament rejected the nomination, stating that the individual was close to one of the opposition parties and would essentially represent that party on the council. The NGO community was outraged and claimed that the law gives the Parliament the right to confirm appointments to the council, not to reject nominees. It is clear that something must change to remove political influence from public service broadcasting, whether that be simply a greater respect for the law or actual changes in the law.

Local Democratic Governance

1999	2001	2002	2003	2004	2005	2006	2007
Yugoslavia				n/a	3.50	3.50	3.25

A significant step in the decentralization process began in July 2003 with the passage of the Law on Local Self-Government, Law on the Election of Mayor, and Law on Local Self-Government Financing. Now, each of the 21 municipal governments adopts its own budget and plans for development, construction, urban planning, capital improvement, and environmental development. Among other things, municipal governments take care of social welfare, child welfare, sports and recreation facilities, libraries, communal services, and public transport. Most municipalities, especially those in the north, function with limited financial resources and bloated bureaucracies.

Citizens are permitted by law to participate in local government in numerous ways, including public debates, local referendums, and local elections. Citizens elect their representatives every four years; in 2006, elections occurred in more than 10 municipalities. Under the new laws, there is direct election for municipal mayors, while councillors are elected according to a municipal-wide proportional representation system. On September 10, 13 new mayors and 14 municipal assemblies were elected, so that each of Montenegro's 21 municipalities now has a directly elected mayor. In addition, provisions in the 2005 Law on the Capital City of Podgorica regarding city municipalities within Podgorica and city assemblies went into effect with the September 10 election of city assemblies in Tuzi and Golubovci.

When all the votes had been counted and governing coalitions were established, opposition parties continued to fully control power in 3 municipalities, while the government fully controlled power in 13 municipalities and held the powerful mayoral position in another 4. In a historic agreement reached in late December, the municipality of Kolašin saw the formation of a coalition between the long-opposed DPS and the Socialist People's Party. The experience of previous years caused all parties to put up serious mayoral candidates, and the new crop of mayors appears to be committed to delivering improved services to citizens. Similarly, the political parties have managed to overcome party divisions, and in municipalities with divided governments, there appear to be none of the decision-making obstructions seen

previously in the northern tourist municipality of Žabljak, where local government did not function for nearly two years and there were four elections.

Part of this newfound cooperation comes from an amendment to the Law on Local Self-Government passed in 2005, which transfers the power of appointing the city manager from the municipal assembly to the mayor. Provisions giving the city manager responsibility for appointing the rest of the city administration remained unchanged, as did the provision allowing the mayor to dissolve the assembly if it did not make decisions within its sphere of responsibilities. Heavily criticized at the time by the opposition, the amendment, which "practically put 80 percent of the authority in the hands of the mayor,"[40] may have contributed to responsible politics in 2006.

The Law on Local Self-Government also provides for citizen initiatives, community and municipal referendums, and citizens' assemblies to provide public input in local decision making. As an example, several municipalities concentrated on developing their urban plans in 2006, providing regular and vigorous public debates. All municipalities have public Web sites; many are only tourist sites, but several of the more developed municipalities provide up-to-date details about local public services, municipal budget, taxes, and contact information.

In the 2006 turnover of power, the new administrations in some municipalities found that their predecessors had left large debts—a sign of local mismanagement and a lack of state government budget control. The State Audit Institution, established in April 2004, has control over municipal budgets, and in 2006 it audited the final accounts of Nikšić for 2004 and Danilovgrad for 2005. Still, the State Audit Institution had a staff of only 19 people in 2006, which will make it hard to control more municipal budgets.[41] In the past, opposition municipalities have used local government as a source of employment for party sympathizers—in these cases, the staff salaries are a drain on the budget, and the municipality has few skilled employees. However, there is no guarantee that the new DPS-led governments will be more responsible in their hiring practices since there is no tradition of recruitment based on merit and experience.

A draft 2007 budget for one of the better-off municipalities in the poorer, northern part of the country demonstrates the dilemma of municipal independence in Montenegro. While one-third of Bijelo Polje's municipal income will come from local taxes and fees, more than half of it will come from budget transfers from the Equalization Fund, which is a fund in the national budget for support to the poorer municipalities that have less ability to raise revenue. Then, almost a quarter of that income will be used to pay salaries and other employee benefits, and only one-third will be used for capital investments.[42] At that rate, development in even a relatively prosperous municipality will take time.

In 2006, the Parliament approved the Law on Communal Taxes, which goes into effect on January 1, 2007. The need for this law came about when large companies complained of being charged exorbitant local taxes by some municipalities. For example, the Electric Company of Montenegro had to make a compulsory payment of €560,000 (US$717,949) in the municipality of Budva in 2006.[43]

Thus the law gives parameters for how much tax municipalities can charge. Unless other funds are found to replace the lost revenue from the big companies or unless spending decisions change, municipalities may find themselves strapped for cash in 2007.

Despite these challenges, the new class of mayors from both opposition and ruling parties exhibits a greater sense of responsibility. Opposition mayors no longer refuse to meet with or stand next to a government official from the ruling parties. They clearly understand that they can be more effective mayors if they find a way to cooperate with the national level of governance. Equally, the governing candidates were chosen for their professional management skills. Both sides understand that citizens closely follow municipal management and will harshly judge those who do not deliver. Still, the municipalities have much work ahead to strengthen their administrative capacities, financial management, and public procurement practices.[44]

Judicial Framework and Independence

1999	2001	2002	2003	2004	2005	2006	2007
Yugoslavia				4.25	4.25	4.25	4.25

The 1992 Constitution guarantees fundamental political, civil, and human rights, including freedom of expression, religion, association, and business and property rights, which are respected by the state. But as noted earlier, the referendum and declaration of independence created a legal vacuum in applying the Constitution. Therefore, the quick adoption of the Constitution in 2007 will be quite important.

Based on the 2002 Law on Courts, there are 15 basic courts for crimes with a maximum sentence of 10 years, 2 high courts for more serious crimes and for appeals from the basic courts, 2 commercial courts, an administrative court, an appellate court that hears high court appeals when the latter operates as a first instance court, the Supreme Court, which deals with questions of law referred to it, and the Constitutional Court.[45] There are 225 judges working in this court system. In addition, there are 85 prosecutors assigned to the various courts and 1 prosecutor and 1 deputy prosecutor for organized crime.[46]

For the second year in a row (and as required by law), the Office of the Supreme State Prosecutor submitted an annual report to the Parliament on its activities in 2005. In the 2004 and 2005 reports, the Office of the Supreme State Prosecutor criticized the courts for their lengthy investigations and trials, poor decisions, and inadequate sentences. Despite improved relations and communications with the police in the pre-arrest process, the report notes that 47 percent of the 4,933 requests for investigations remained unresolved by the end of 2005: "The data on the number of unresolved investigations leads to the conclusion that in 2005 the courts were behind schedule, even though there were 10.8 percent fewer unresolved investigations compared with 2004. Investigations require quick and efficient processing

because from that depends the quality of the gathered evidence and the outcome of the case."[47]

Likewise, the 2005 *Report of the Ombudsman* noted that 42 percent of complaints related to the length of the judicial process and nonenforcement of court decisions.[48] International institutions monitoring Montenegro, such as the Council of Europe and the EU, have consistently pointed to the weak judicial system as a key obstacle to Montenegro's reform process. A December 2006 poll showed that 51 percent of Montenegrins do not think the courts are independent, 45 percent believe that courts are biased, and 78 percent do not think that court procedures are completed in a reasonable period. Also, only one-third think the work of the courts is public, while another 35 percent think it is not public.[49] On December 28, when the only suspect in the 2004 murder of a *Dan* journalist was released after the court ruled the prosecutor had not proved the case against the suspect, the reputation of the court system fell even further. Correct or incorrect, the long-awaited conclusion of this two-year trial was a disappointment to many.[50] After the dust settled, the public was left wondering whether it is the courts, the prosecutors, or the police who are at fault. The prosecution has appealed the decision to the high court.

The president of the Supreme Court has campaigned hard to increase the salaries of judges and others working in the court system. He has also sought greater authority for the judiciary over its budget and hiring processes and wants that authority codified in the new Constitution. However, many argue that the judicial leadership has failed to convince budget officials, the Parliament, or the general public that it deserves this increased authority and responsibility. In 2006, the judiciary did little to address the concerns raised earlier; most often, it reacted to criticism with loud denunciations rather than corrective action. Despite the criticisms, the presidents of the various courts proposed the dismissal of only two judges for "unskilled and unscrupulous" work in 2006. Subsequently, the Administrative Office, which supports the Judicial Council, failed to send the paperwork to the Parliament within the 90-day deadline. While the office took full responsibility for the mistake, it "insisted that the deadline was not obligatory according to its interpretation of the Law on Courts." A great public furor ensued over this incident, focusing on the court system's lack of professionalism and seriousness.

The Administrative Office experienced other problems in 2006. After a year of operation, the office had not yet defined its organizational structure so that it could begin hiring based on a competitive system.[51] As a result, those currently working in this new institution were not chosen with regard to clearly defined skills and responsibilities. In December, the recently fired accountant of the Administrative Office was arrested for embezzling €190,000 (US$243,590). As the investigation progressed, four more people, including the director of the Administrative Office and a judge, were implicated in the scandal.[52]

The mandate of the Judicial Council expired at the beginning of December 2006. This body (made up of six judges, two law faculty professors, and two well known legal experts) nominates and dismisses judges, and the Parliament confirms the decisions. Equally, the Parliament confirms the nominees of the courts, the law

faculty, and the Lawyers Association, but in December it failed to vote on the nominees for the new Judicial Council. In this process, no effort was made to enlighten the public or the Parliament about the merits of the nominated candidates. There were no stated criteria, and nominating meetings were not open to the public. Thus the body in charge of nominating and requesting the dismissal of the entire judiciary failed in 2006 to create public confidence with professional and transparent procedures.

In fact, the most controversial debate on the new Constitution—outside of the emotional discussions over official language, the church, and state symbols—already centers on the procedure for electing judges. Domestic and international experts argue that the Parliament's involvement politicizes the appointment and dismissal process and needs to be eliminated. Some experts argue that the appointment process should be left solely to the Judicial Council. But since this body is made up of people from a very tight circle, there is concern that it cannot police itself and needs some form of outside control.

A bright spot in the judiciary is the administrative court. Tasked with protecting citizens' rights and adjudicating responsibilities in administrative matters, the administrative court's seven judges continued for the second year in a row to clear away cases. It received 1,628 new cases and issued 1,618 decisions, as well as some 9,000 decisions made on the voters list during the referendum and election periods. It resolved almost 2,400 other cases that were left over from earlier years, and it left 1,458 cases unresolved at year's end. The president of the administrative court noted that the "work of the state and local administrations has many illegalities in both implementing processes and substantive regulations.... Of all the cases decided, half of the administrative acts were annulled or repealed...."[53]

A number of the administrative court's decisions related to the state's response (or lack thereof) to requests for information in line with the Law on Free Access to Information, which went into effect on December 20, 2005.[54] The most recent World Bank report notes the importance of the administrative court in strengthening state institutions through its decisions. This same report also notes that the Montenegrin government needs to "strengthen the capacity of the administrative court to render decisions on a timely basis to preserve the integrity of the system. To that end, the staffing resources (either judges or judicial support) should be expanded to help clear the backlog of cases and to keep up with the flow of new cases that come in."[55]

Confidence in the court system is quite low largely because of the length of court procedures and also because no large cases of corruption or organized crime have ever resulted in a conviction. In 2006, the Law on Judicial Education was adopted and should begin to function in 2007. In addition, the 2007 state budget increased funding for the Office of the Supreme State Prosecutor by 54 percent and by 51 percent for the court system.[56] These measures could be a sign that judicial reform will soon become a priority.

Corruption

1999	2001	2002	2003	2004	2005	2006	2007
Yugoslavia				5.25	5.25	5.25	5.50

The European Commission *Progress Report on Montenegro* covering the period from September 2005 to October 2006 again noted that Montenegro's weak administrative infrastructure in the executive, legislative, and judicial branches, as well as at the municipal government level, leaves a large scope for corruption: "Much remains to be done [to upgrade the administrative capacity], notably in the areas of transparency and accountability, financial control, public procurement, and budget management as well as management of public assets and licensing procedures." The report also notes that "the causes of corruption are related to shortcomings in the transition process and the frequent abuse of administrative procedures. The overall legal and administrative framework for the management of public assets contains loopholes that allow corrupt activities to take place."[57]

The best example of a loophole that permits corruption is the long-criticized Law on Conflict of Interest passed in March 2005 that, while prohibiting members of government, judges, and high-level prosecutors from being part of an economic entity owned by the state or local government, introduced amendments that allow all other public officials to serve one economic entity "in exceptional circumstances." At the time of the amendments, the MPs argued that because of their low salaries, they needed to be allowed to participate on one board of a public company. Since adopting the law, the basic MP monthly salary has increased by €200 (US$256) to approximately €650 (US$833), which varies depending on years of service and education. Members of boards of directors of public companies are paid as much as €1,500 (US$1,923) per month to serve on the board. Thus, a governing MP could earn €650 plus €1,500, or €2,150/month (US$2,756), while opposition MPs who do not have the privilege of serving on such boards (since board membership is part of the governing parties' coalition agreement) are paid only the MP salary. In 2006, high-level directors of three large, state-owned companies were charged with abusing their positions and causing financial damage to the country. At a hearing of the basic court on one of the cases, a member of Parliament—receiving between €250 and €1,500 (US$321 and US$1,923) per month as a member of the board of directors—claimed to know nothing about disputed contracts because he had not attended the board meetings where the contracts were approved. Consequently, criticism has mounted against board members of public companies who serve for their own private benefit (that is, for a monthly stipend) rather than to protect the public's assets.[58]

Nonetheless, when a new Law on Conflict of Interest, which had been fully vetted by the Council of Europe, came before the Parliament in July, it failed to get the support of a majority of MPs because it "so obviously violated the Constitution and gave the Commission to Determine Conflict of Interest much more authority

than belonged to it," especially in terms of financial sanctions for violations of the law.[59] The international community expressed its disappointment that a chance had been missed to define more clearly the meaning of conflict of interest and to strengthen the sanction provisions.[60] Given that the only current sanction is the publication of a violator's name or a request for charges sent to the prosecutor, a number of opposition MPs from the last mandate did not feel sufficiently compelled to file a report of income and assets with the Commission to Determine Conflict of Interest.

On the positive side, the president of the commission, Slobodan Leković, noted that "this law has allowed, for the first time, the building of a database on public officials and their property situation, to issue decisions, to begin procedures, and to name public officials who violate the law."[61] At the end of the year, the commission announced that it would "begin procedures against" the 38 MPs (47 percent) and "a large number of councillors" who had been required to declare their income and assets 15 days after assuming office but had not done so even after three months.[62] In addition, the commission sent four cases to the supreme state prosecutor against an MP, a deputy minister, a municipal vice president, and the director of a public company for earning income in an unlawful way. Three of these cases resulted from 51 requests for determination of conflict of interest submitted by the Network for Affirmation of the NGO Sector (MANS). Although the MANS did not agree with many of the issued decisions, its continued requests for opinions pressured the commission to apply the law, and conflicts of interest were established in nine cases. Publicity from those cases—and a desire to avoid negative publicity for themselves—also led six public servants to address the commission to issue an opinion on whether they were in fact involved in a conflict of interest.[63]

With the passage of the new Law on Public Procurement on July 10, a simpler method and process for public procurement was introduced that should make the system more effective, efficient, and transparent. The new law should also make the process simpler and more secure for the bidder, because the body issuing the tender must now establish in advance objective criteria for evaluating bids, and bids can be filed electronically with less paperwork. For the first time, the new law introduces financial penalties for legal violations.[64] It is still too early to evaluate the law's effect on public procurement in Montenegro, but, similar to the situation in 2005, in 2006 the Public Procurement Commission received 108 complaints and adopted decisions in 41 cases, canceling the tenders and ordering a repeat of the procurement process in more than half of the cases.[65]

In late 2005, the public acquired a new tool to train the spotlight on corruption—namely, the Law on Free Access to Information. In 2006, two NGOs, the Association of Young Journalists (AYJ) and the MANS, were especially active in insisting on implementation of this law. From the day it went into force on December 20, 2005, both organizations flooded every government institution with requests for information and issued regular report cards throughout 2006 on the best and worst public bodies in responding to and respecting the law.

From December 20, 2005, until December 31, 2006, the MANS submitted 2,724 requests for free access to information and received 2,634 responses, of which 1,348 (51 percent) were the result of the first request, 533 (20 percent) were the result of a repeated request, 278 (11 percent) were the result of a complaint, and 400 (15 percent) were the result of a repeated complaint. In 2006, the MANS filed 384 appeals to the administrative court, and in a number of cases, the court ruled in the NGO's favor. But the court only nullified the decisions to deny access made by a public institution, whereupon the request had to be resubmitted. The MANS found that when one of its requests was resubmitted, the institution—in particular, the Agency for Economic Restructuring and Foreign Investment—gave the same reason for denying access that the court had earlier nullified.[66]

In fact, the MANS and the AYJ both point to that agency as one of the most difficult when trying to access public information. The agency has claimed that most of the privatization contracts are business secrets. When the administrative court ruled that the MANS should be allowed to see the contracts, restrictions were placed on how the organization could access the information: It was not allowed to take paper and pen into the agency or to use any instrument to photograph or tape the documents.[67]

At a November 30 press conference, the AYJ said that the biggest problem with implementing the law in government institutions was the silence of the administration and disrespect for deadlines. Of the 140 requests filed in November, the AYJ received no answer in 45 cases. Because of dissatisfaction with the answers, the AYJ filed four complaints and three charges and resubmitted two requests. The AYJ identifies the key problems as nonimplementation of the penalty provisions, lack of clarity about who determines the method of accessing information (that is, the requester or the state organ), and the imprecise definition of the procedure's costs. Because of lack of education within the state administration, "exceptions are incorrectly and negatively interpreted so that even banal things such as data on personnel and use of budget funds regarding housing benefits are under the veil of secrecy."[68]

In 2006, although the police brought a number of charges for corruption against managers of state companies, no cases ended in conviction or jail sentences. Most of the charges have not resulted in trials and are still in the investigation stage. The police and state prosecutors blame the judges for drawing out the investigation and procedures, the MANS has blamed the supreme state prosecutor for failing to bring charges, and many note that the Parliament's failure to put on its agenda requests from the prosecutor to remove the immunity of a number of MPs and a minister contributes to a culture of impunity.

This endless cycle of blame exhibits a fundamental problem in the struggle against corruption—the unwillingness to assume responsibility for this important issue. Public officials accept criticism from the international community and express a commitment to eliminate corruption, but the responsible institutions do not appear to be working together to fulfill these promises. In fact, the fight against corruption and organized crime has been more than five years in the making. It began with the January 2001 creation of the Anticorruption Initiative Agency,

whose name was changed to the Directorate for Anticorruption Initiative under the authority of the Ministry of Finance in March 2003.[69]

In July 2005, the government adopted the strategy against corruption and organized crime. Over a year later, in August 2006, the government adopted an Action Plan for implementation of this strategy that provided for the establishment of a national commission for monitoring implementation of the Action Plan and a parliamentary committee as part of the 76 goals and 323 defined measures that are to be undertaken by the end of 2008. A June international conference to discuss the draft Action Plan preceded its adoption, which "a majority of the state institutions that must work to implement the program, as well as representatives of the private sector, did not attend."[70] Montenegro's commitment to the fight against corruption is sure to be tested in 2007 as the country makes a push for EU membership. A more concerted effort on the part of the government, court system, prosecutor, police, Parliament, and public will be necessary for real progress to be made in this field.

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1 Bulletin of the Ministry of Finance, July–September 2006, Podgorica, Ministry of Finance, November 6, 2006, p. 6.

2 Bulletin of the Ministry of Finance, October–December 2006, Podgorica, Ministry of Finance, February 16, 2007, p. 6.

3 "Pozitivni efekti na standard još neopipljivi," [Positive Effects on Standards Are Still Not Noticeable], *MINA Business*, January 6, 2007.

4 "Decision on Proclamation of Independence of Republic of Montenegro," Podgorica, Assembly of the Republic of Montenegro, June 3, 2006, paragraph 4.

5 In addition to assuming responsibility for defense and foreign policy, Montenegro needs to establish its laws on quality infrastructure, such as laws on accreditation, on standardization, on measurements, on technical requirements, and on conformity assessment of products. Source: *Montenegro 2006 Progress Report*, Brussels, Commission of the European Communities, November 8, 2006, p. 23.

6 Petitions were filed against the July 2006 Law on a Constituent Assembly and the October 2006 Law on the Procedure for Proposing and Adopting a New Constitution.

7 Nedeljko Rudović, "Nakon referenduma većina se pita," [After the Referendum a Majority Ask], *Vijesti*, December 7, 2006.

8 The decision established the date and question for the referendum.

9 "SNP će uvažiti stav EU," [SNP Will Respect the Position of the EU), MINA News Agency, May 30, 2006.

10 *Montenegro 2006 Progress Report,* Brussels, Commission of the European Communities, November 8, 2006, p. 7.

11 For example, the Committee for Budget, Economy, and Finance held two five-hour sessions on the 2007 budget and even invited NGOs to participate in the debate and offer their commentary—a first in Montenegro.

12 One case is particularly notable: the rushed Law on Amnesty that reduced all but the most serious prison sentences by 25 percent in advance of September parliamentary elections and, according to some, because of a prereferendum promise made to prisoners to get them to vote "yes."

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14 "Političari izbrisani," [Politicians Erased], MINA News Agency, March 11, 2006.

15 *Final Monitoring Report: Media on Independence in the Last 8 Months,* Podgorica, Association of Young Journalists, June 27, 2006, p. 1.

16 "Prijave za sve koji podmićuju," [Charges Against All Who Bribe], MINA News Agency, March 7, 2006; and "I lokalni mediji pod prismotrom," [Even Local Media Under Surveillance], MINA News Agency, March 9, 2006.

17 Since Žabljak began to implement the new local government laws with the extraordinary elections in 2004, the responsibility of calling the elections to the municipal assembly belong to the mayor and not the president. The election in the 13 municipalities that were to have their first direct election for mayor were called by the president. In all, there were 14 municipal assembly elections of which one was called by the Žabljak mayor. Everything else was called by the Montenegrin president.

18 Republic of Montenegro Parliamentary Elections 10 September 2006, *OSCE/ODIHR Election Observation Mission Final Report,* Warsaw, OSCE/ODIHR, December 28, 2006, p. 1.

19 The OSCE/ODIHR has long recommended changes in the way mandates on the list are allocated in order to respect the will of the people. It has also urged changes to the homebound voting process that has undermined confidence in the election process because of the large number who use this method and to the ballot control coupon process that permits a member of the polling board to touch a voter's ballot after it has been marked.

20 Nedeljko Rudović, "Svakom po 12.000 eura," [€12,000 for Each], August 23, 2006.

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22 Media Monitoring TV Stations—Main News Programs, Podgorica, Association of Young Journalists, August 2006, pp. 6–9.

23 Media Monitoring TV Stations—Main News Programs, Podgorica, Association of Young Journalists, September 2006, p. 7.

24 Media Monitoring TV Stations—Main News Programs, Podgorica, Association of Young Journalists, August 2006 and September 2006, pp. 7–8.

25 Republic of Montenegro Parliamentary Elections 10 September 2006, *OSCE/ODIHR Election Observation Mission Final Report,* Warsaw, OSCE/ODIHR, December 28, 2006, p. 11.

26 Ibid.

27 Ibid., pp. 21–23.

28 M. Milosević, "Osnuj NVO pa izbjegni porez," [Establish an NGO To Avoid Taxes], *Vijesti*, September 14, 2006.

29 Many small businesses register as NGOs because the profit of economic activities of NGOs currently is tax-exempt as long as it does not exceed €4,000 (US$5,128) and is used to further the statutory goals of the organization.

30 "I NVO bi više zapošaljavale," [Even NGOs Would Hire More People], *Vijesti*, August 5, 2006.

31 *Godišnji izvještaj o odnosu vlade i nevladinih organizacija u Crnoj Gori*, [Annual Report on Relations Between Government and Nongovernmental Organizations in Montenegro], Podgorica, Center for the Development of Nongovernmental Organizations, March 2005, p. 7.

32 *Assessment of Development Results, Evaluation of UNDP's Contribution: Montenegro*, New York, United Nations Development Programme, September 2006, p. 16.

33 *Ko informiše gradjane Crne Gore?* [Who Informs the Citizens of Montenegro], Podgorica, Montenegrin Media Institute, January 2006, pp. 5–7.

34 The second largest circulation daily, *Dan*, with an antigovernment editorial policy refuses to take part in any self-regulation effort.

35 *Final Monitoring Report: Media on Independence in the Last 8 Months*, Podgorica, Association of Young Journalists, June 27, 2006, p. 1.

36 Media Monitoring Print Media, Podgorica, Association of Young Journalists, September 2006, p. 6.

37 Interview with Boris Darmanović, President, Association of Young Journalists, January 26, 2007; and "Već dvije godine ne podnose račun," [For Two Years Already No Financial Report Submitted], *Vijesti*, January 13, 2007.

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Poland

by Andrzej Krajewski

Capital:	Warsaw
Population:	38.3 million
GDP/capita:	US$13,996
Ethnic Groups:	Polish (96.7%), German (0.4%), Belarusian (0.1%), Ukrainian (0.1%), other and unspecified (2.7%)

The economic and social data on this page were taken from the following sources:

GDP/capita, Population: *Transition Report 2006: Finance in Transition* (London, UK: European Bank for Reconstruction and Development, 2006).

Ethnic Groups: *CIA World Fact Book 2007* (Washington, D.C.: Central Intelligence Agency, 2007).

Nations in Transit Ratings and Averaged Scores

	1999	2001	2002	2003	2004	2005	2006	2007
Electoral Process	1.25	1.25	1.25	1.50	1.50	1.75	1.75	2.00
Civil Society	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.50
Independent Media	1.50	1.50	1.50	1.75	1.75	1.50	1.75	2.25
Governance*	1.75	1.75	2.00	2.00	2.00	n/a	n/a	n/a
National Democratic Governance	n/a	n/a	n/a	n/a	n/a	2.50	2.75	3.25
Local Democratic Governance	n/a	n/a	n/a	n/a	n/a	2.00	2.00	2.25
Judicial Framework and Independence	1.50	1.50	1.50	1.50	1.50	2.00	2.25	2.25
Corruption	2.25	2.25	2.25	2.50	2.50	3.00	3.25	3.00
Democracy Score	1.58	1.58	1.63	1.75	1.75	2.00	2.14	2.36

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

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

Executive Summary

As promised by the winners of the 2005 elections, 2006 was a year of great political change in Poland. After breaking a preelection pledge to form a coalition with the Civic Platform (PO), the Law and Justice Party (PiS) began its rule alone, then formed a parliamentary coalition and coalition government with the populist Self-Defense League (Samoobrona) and the nationalist League of Polish Families (LPR), then changed the prime minister, broke up the coalition (throwing out Samoobrona), and formed it again—all in ten months' time.

The two leading figures in Polish politics in 2006 were twin brothers: President Lech Kaczyński and Prime Minister Jarosław Kaczyński. Under their leadership, the country started to look inward, taking revenge on the beneficiaries of Communism. Poland's current political system was born in 1989 with a peaceful, "Solidarity"-driven, negotiated break from Communism, but according to the PiS, all the ills of the last 16 years—weak governance, political patronage in the non-nationalized part of the economy, and widespread corruption in everyday life and at the highest levels of politics—are rooted in those origins.

The new government made a show of talking about a stronger state of solidarity, better care for the weak and unemployed, and more independence in foreign relations. Liberals from the rival PO were blamed for all the shortcomings of early capitalism, yet the economy ran high—over 5 percent of the gross national product. The immigration of one million Poles to Great Britain, Ireland, and Sweden, which opened their job markets to the European Union (EU) newcomers in 2004, proved to be a mixed blessing: The high unemployment rate in Poland dropped below 15 percent, but doctors, engineers, and educated workers in many trades disappeared.

After more than a decade of moving Poland toward the West, symbolized by the country joining NATO in March 1999 and becoming a member of the EU in May 2004, the reverse process began: Plans for voting on the European Constitution were abandoned, others for a referendum on accepting the euro were announced, and relations with important neighbors (such as Russia and Germany) worsened significantly. Relations with Ukraine are still good but are less intensive since the Polish government began its inward orientation; with a weakened international position, Poland becomes a less attractive partner for Ukraine.

National Democratic Governance. Poland was required to pass high standards of national democratic governance when it joined the EU in May 2004, but since the 2005 elections, the tide appears to have turned in the opposite direction (even though the elections confirmed the stability of the country's parliamentary democracy). The new government let it be known that it cares more about centralization and strengthening the state than self-government and civil society. The civil service

corps was dissolved, giving way to the "state cadres reserve" formed from obedient functionaries. The privatization of industry, which provides thousands of politically attractive positions in 1,600 treasury-owned enterprises, was slowed down. The hunt for Communist-era agents from a stolen list of 160,000 names was replaced with new lustration of over 400,000 employees from the public sector, including media. The president decided which names among former military intelligence agents to disclose to the public. Instead of 561 deputies of regional councils, 16 regional government representatives will have the final word in the division of large EU subsidies devoted to regional projects. According to recent changes in the law, the selection of regional projects for funding will be subject to regional government scrutiny, which can overturn decisions made by local self-governments. This is a firm step toward centralization, but technically speaking it gives more power to the minister of the interior (the governors' supervisor) than to the prime minister. *Owing to the tendency to concentrate power in the executive branch, which is dominating the political process, Poland's national democratic governance rating worsens from 2.75 to 3.25.*

Electoral Process. The elections of 2005 and 2006 were judged fair and democratic and were based on a well-grounded system of proportional representation and party lists in the lower chamber of the Parliament, majority vote in the Senate, and proportional representation in local councils. A campaign in 2005 to change the electoral system into a majority system of one-mandate districts produced no results. The pre-2005 election promise by the PiS and PO to form a coalition was not fulfilled, deepening political divisions among post-Solidarity parties. In 2006, the local election legislation was changed just before the beginning of the campaign in order to promote the formation of electoral coalitions. This change was criticized for favoring the ruling coalition but paradoxically gave more advantage to opposition parties. *Recognizing the stability of the electoral system but also the last-minute changes in the electoral legislation, Poland's rating for electoral process worsens from 1.75 to 2.00.*

Civil Society. Civil society has been thriving in Poland since 1989. It is active and widespread, with 45,000 associations and 7,000 foundations composed of two main traditions: the Solidarity-led fight for political independence and the Catholic Church's inspired care for the less fortunate. With the government openly hostile to the idea of civil society, it will be even harder for its proponents to progress to the next step: organizing to protect particular interests and increasing the number of watchdog organizations aimed at safeguarding general civil rights, such as press freedom, consumer rights, and voter rights. *Government efforts to curtail civil society and civil freedoms lead to a worsening of Poland's civil society rating from 1.25 to 1.50.*

Independent Media. The year was mixed for Polish media, which have a strong tradition of independence going back much further than the Communist period.

The print media are private with the exception of the daily *Rzeczpospolita* (48 percent state-owned); among electronic media, public radio and television maintain the strongest positions. The new Axel Springer–owned *Dziennik,* strengthened competition among dailies. Investigative journalists have had successes in uncovering political corruption and sex scandals among top politicians. However, journalists are poorly organized and therefore more prone to political and business pressure. The new government was quick and aggressive in taking over the public media and giving preferential treatment to the extreme Catholic media conglomerate led by Father Tadeusz Rydzyk in Torun. *Owing to the government's forced change in leadership of public television and radio based on political criteria and the mounting purge of journalists who started their careers in the Communist era, the rating for independent media worsens from 1.75 to 2.25.*

Local Democratic Governance. Local self-government, reinstalled after the end of Communism in 1989, gave a chance to thousands of local enthusiasts to govern and improve their "local motherlands." Keen to receive funds from state- and EU-supported programs, some of these local leaders achieved notable successes. Party politics plays a much smaller role at the lowest level of government, and independent candidates have a better chance to rally voter support. For many young people, self-government has been a means to learn about and participate in politics and governance. After losing in the 2006 local elections to regional councils, the ruling PiS government took away the councils' prerogative to distribute EU funds. *Owing to the centralization drive, the rating for local democratic governance worsens from 2.00 to 2.25.*

Judicial Framework and Independence. In 2006, there were finally winds of change in the legal system, which had steadily been the weakest part of the Polish administration. The government introduced 24-hour courts for petty crimes, weekend prisons to ease overcrowding, increased computerization, and audio and video recording of court proceedings. However, prosecutors still remain under the tight control of the government, with the minister of justice also serving as prosecutor general, and the executive is highly critical of the independence of the judiciary, especially the Constitutional Tribunal. *The lack of respect for the judiciary as a whole offsets positive changes; therefore Poland's rating for judicial framework and independence remains at 2.25.*

Corruption. In 2006, measured perceptions of corruption in Poland showed improvement for the first time since 2000. Nine percent of Poles confirmed that they gave a bribe, which is a significant drop from 15 percent in 2005. The most corrupt sector is still health care. Corruption scandals were also revealed in professional soccer and the military draft. The new government organized the Central Anticorruption Agency, which is devoted solely to eradicating corruption from the top down. *Owing to a variety of new anticorruption measures and investigations, Poland's corruption rating improves from 3.25 to 3.00.*

Outlook for 2007. The proper use of EU funds will best demonstrate the quality of central and local administration in Poland. The bumpy PiS-led coalition will probably continue despite its instability from political fights among the three coalition partners. The new Law on Lustration may bring to light a new list of former Communist collaborators active in public life, including those in the media, but it also may fail in the Constitutional Tribunal, causing a storm in politics. Foreign policy will be a tough challenge for the Kaczyński brothers, considering: the conflict with Russia over the ban on Polish meat exports, US plans to launch a missile defense system from Poland, cold relations with Germany over compensation suits for German citizens at the European Court of Human Rights, and the loss of special ties with Ukraine because of Poland's current inward orientation.

Main Report

National Democratic Governance

1999	2001	2002	2003	2004	2005	2006
n/a	n/a	n/a	n/a	n/a	2.50	2.75

Poland is a parliamentary democracy. Its Constitution, adopted by national referendum in 1997, provides a balance among executive, legislative, and judicial powers. Broad changes to the national law were introduced before May 1, 2004, in order to meet the requirements for EU membership. In 2006, the Constitution was changed to accommodate the European warranty law, which allows for the deportation of Polish nationals who break laws abroad on condition that the same crimes are punishable under Polish law; this restriction does not apply in cases of genocide, crimes against humanity, or war crimes.

The government is confirmed by a majority of the 460-member Sejm (lower house of Parliament). Both chambers of Parliament—the Sejm and the Senate—work on new legislation and must agree on it, with the president then signing or vetoing it. The president's veto may be overridden by a two-thirds majority of the Sejm. The president may also send legislation to the Constitutional Tribunal, whose 15 members are elected by the Sejm for a single nine-year term. In 2006, six Tribunal judges were elected, and the president chose a new chief justice from two candidates proposed by the Tribunal judges. The Constitutional Tribunal can declare laws or parts of them unconstitutional; its decisions are final and obligatory. The Parliament can form investigative commissions and impeach the president.

In the parliamentary elections of autumn 2005, the Law and Justice Party (PiS) won 27 percent of the popular vote, followed by the Civic Platform (PO) with 24 percent. The PiS first created a minority government with Prime Minister Kazimierz Marcinkiewicz, whose cabinet was easily approved, but it had to shop for support among other parties: the populist Self-Defense League (Samoobrona) and the right-wing League of Polish Families (LPR). In February 2006, the PiS signed a parliamentary agreement with these parties, and they formed a government coalition. In July 2006, the PiS replaced Marcinkiewicz as prime minister with Jarosław Kaczyński, the twin brother of President Lech Kaczyński.

In Poland, the most powerful political office is the prime minister, who can be recalled only by a constructive vote of no confidence. The president plays a more ceremonial role, but personality does count. Lech Wałęsa (1990–1995) greatly influenced the choice of ministers of defense, the interior, and foreign affairs. His successor, Aleksander Kwaśniewski, who held the office for a decade (1995–2005), was more active abroad, gathering support for Poland's NATO membership in 1999 and joining the EU in 2004. During the 2004 Orange Revolution in neighboring Ukraine, he brought together two rival candidates and EU envoys in roundtable

talks to solve the crisis over rigged presidential elections, which was his most spectacular action in international politics. (In 2006, Kwaśniewski tried to organize similar roundtable talks among the Castro regime and members of the opposition in Cuba, but without success.) Lech Kaczyński, elected president in 2005, has been less active on both fronts.

In October 2005, Lech Kaczyński from the PiS became Kwaśniewski's successor with 54 percent of the popular vote, beating out Donald Tusk from the PO. As a result of the parliamentary and presidential elections, Poland's political pendulum swung significantly to the right. The PiS's calls to replace the "rotten" Third Republic compelled enough voter support for the PiS to rule. The public's opinion of the brothers' first year was verified in November 2006 during local elections, in which voters chose party-supported candidates for local councils as well as mayors of municipalities. The opposition won in the cities of Warsaw, Gdańsk, Cracow, Wrocław, Szczecin.

All legislation is published in the *Official Gazette* and on the Sejm, Senate, and president's Web sites, which offer a great deal more information than the obligatory *Bulletin of Public Information.* The proceedings of the Sejm and parliamentary investigative commissions are broadcast live on public television. There is access to a significant part of government, self-government, and other public documents thanks to the Law on Freedom of Information adopted in 2001. However, the law did not replace other acts dealing with this topic; therefore much data, including information on recipients of EU agricultural subsidies, are still not accessible to the public.[1]

All members of Parliament (MPs) and government officials must declare their property annually. The media analyze these reports (posted on the Internet) with great scrutiny, but only in one case has a well-known politician had to explain the origins of his wealth. With over 500 officers, the Central Anticorruption Agency (CAA), formed in June 2006, is empowered to fight corruption at the highest levels by acting undercover and performing investigative and control functions. One of its duties is to review the property statements of politicians and officials.

Right after the local elections held on November 12, 2006, the president decided the fate of the Law on Lustration, which was amended during the summer after a long and bitter fight in both chambers of Parliament and in the media. Under the old law, passed in 1997, all public representatives, high-ranking government officials, and attorneys must declare if they had worked for Communist-era secret police or intelligence. Those who hid this information were punished with a 10-year ban on public service after trials in the lustration court initiated by the public interest prosecutor. These procedures often took years and were criticized as too lenient.

The law was changed to allow the Institute of National Remembrance (IPN) to replace the lustration court. Furthermore, the public interest prosecutor will cease to exist, and IPN files of all public officials and journalists will be opened. According to Thomas Hammarberg, human rights representative of the Council of Europe, the new law has such flaws that it should be rewritten.[2] President Kaczyński signed the law but promised to introduce a quick bill of IPN-prepared amendments

that will eliminate the Information Sources Register listing Communist secret police informants. The opposition declared to fight it anyway in the Constitutional Tribunal; its verdict may start the issue all over again.

The Law on Lustration debate was ignited by the January 2005 disclosure by *Rzeczpospolita* journalist Bronisław Wildstein of a list containing some 160,000 names of Communist-era secret police agents and their victims. Opponents of the secret police files disclosure claimed that the Wildstein list caused the suffering of innocent people accused on the basis of incomplete and possibly mischievous police records. Some of the listed persons have sued Wildstein and the IPN in civil cases. In one instance, the court found the IPN not responsible for the Wildstein list, but other cases are still pending.

Both the PO and PiS, two post-Solidarity parties, wanted to disclose these "skeletons in the closet" to stop "wild lustration" by Wildstein followers, who posted the list online. Several groups spoke out against publication of the list, including left-wing parties, the influential daily *Gazeta Wyborcza,* human rights defenders, and a few bishops. Almost every week until the end of 2006, new names of former agents appeared in the media, including that of Andrzej Grajewski, former head of the IPN Advisory Council, who was accused of cooperating with the military intelligence service (Wojskowe Służby Informacyjne–WSI) after 1989. Grajewski denied the accusations.

On the local self-government front, as a result of recent changes in law, the selection of regional projects for funding will now be the subject of regional government scrutiny, which can overturn the decisions of local self-governments. This is a firm step toward centralization but technically speaking gives more power to the minister of the interior (the governors' supervisor) than to the prime minister.

The Supreme Chamber of Control (NIK) audits all government institutions. Its head is nominated by the Sejm and approved by the Senate for a six-year term, which keeps the office somewhat immune from political influence. Since 2001, the head of the NIK, Mirosław Sekuła, who was elected by the center-right Solidarity Election Action coalition, has been auditing the two subsequent left-wing governments. His term ends in 2007, which means that the government will have a politically friendly auditor. The chamber audits institutional legality, efficacy, economic sense, and diligence at all levels of the central administration, Polish National Bank, and state and local administration. Leszek Balcerowicz, head of the Polish National Bank and author of the "shock therapy" measures to the Polish economy in the early 1990s, will be replaced by an individual to be nominated by the president in early 2007. The original choice, economics professor Jan Sulmicki, resigned after two days, causing deep confusion at the Presidential Palace.

The early 1990s goal of creating a depoliticized, high-quality corps of civil servants working for all government agencies has not been fulfilled. Although the National School of Public Administration has been educating professional civil servants for 15 years, every government during that time has avoided organizing contests for general director positions in its various ministries and replacing lower-ranking posts with political dependents. In autumn 2006, Kaczynski's government

declared the end of "political hypocrisy" and replaced the civil service corps with a state cadres reserve of its own.

The Polish economy now generally comprises private corporations, but after 17 years of privatization, the state still holds shares in 1,641 companies and owns 38 percent of Poland's territory.[3] With every change of government, new individuals take over management of the biggest state companies, such as the national postal service, national airports, the Powszechna Kasa Oszczędności bank and Bank Gospodarstwa Krajowego, national copper mines and mills, and the national oil company (Orlen). In 2006, all faced changes at the top levels.

In 2006, Lew Rywin, the country's top film producer, served prison time for the biggest bribery scandal in post-Communist Poland. Rywin had approached Adam Michnik, editor of the leading *Gazeta Wyborcza*, in 2002 offering US$17 million bribe in return for changing the broadcasting law in favor of the media holding company Agora. In 2005, he was sentenced to two years in prison but served only six weeks and was released owing to poor health. In the autumn, after losing an extra appeal in the Supreme Court and following the change in government, Rywin was back in prison—the only conviction in an affair that devastated Poland's political landscape in 2003. The scandal led to the transfer of the prime minister office from Leszek Miller to Marek Belka a year later, right after Poland joined the EU, and laid the groundwork for the PiS victory in the 2005 parliamentary elections. In November 2006, after serving half of his sentence, Lew Rywin was released from jail.

One of the first tasks of the new government was the reorganization of the military intelligence service WSI, the only part of the intelligence services not professionally vetted after 1989. The WSI was accused of concealing the identities of its pre-1989 agents and post-1989 activities that extended far beyond its mandate, including spying on, taping, and spreading false rumors about the party of Lech and Jarosław Kaczyński in the early 1990s. These abuses of power were infamously documented by Colonel Jan Lesiak, the police officer in charge of these actions.

The shining success of the Sejm's investigative commissions started to dim in 2006 with the failure of the Investigative Commission to Study State Organs' Inaccuracies in the Process of Transformation of Certain Banks (Bank Commission) to call Polish National Bank president Leszek Balcerowicz to testify. When Balcerowicz refused, the commission interrogated his wife, an economist, and soon the Constitutional Tribunal found the commission's prerogatives too vague to act at all. The Bank Commission has been the fourth investigative commission in the Parliament. The success of the first, set up to untangle the "Rywingate" affair, paved the way for the formation of two others: an investigation into the dubious arrest of the CEO of the national oil company, Orlen, and another concerning the privatization of the national insurance company, Powszechny Zakład Ubezpieczeń (PZU). Both commissions continued to work until September 2005, focusing on the Democratic Left Alliance's (SLD) misuse of the secret police and abuse of ministerial powers (in the Orlen case) and the inability of different governments to privatize the national insurer (in the PZU case).[4]

In 2006, an investigation was conducted by a European Parliament delegation into the existence of U.S. Central Intelligence Agency secret prisons in Poland, used for the torture of suspected terrorists. The investigation was met with resistance by authorities and opposition alike.

Electoral Process

1999	2001	2002	2003	2004	2005	2006
1.25	1.25	1.25	1.50	1.50	1.75	1.75

Controversial changes were made to the Polish electoral legislation in advance of the 2006 local elections. These changes included allowing minority parties in electoral coalitions to transfer seats to stronger partners, provided the coalitions pass the 10 percent threshold (15 percent in regional councils)—not to be confused with the 8 percent threshold mentioned later, which is different. The law was challenged in the Constitutional Tribunal as being introduced too hastily (only seven days of *vacatio legis*) and for lacking sufficient public hearings, which had been curtailed abruptly in the Parliament on "technical grounds." The Court, acting under pressure to either push through the changes or cancel the elections, allowed the changes; however, three judges (including the Court chief justice) wrote dissenting opinions.

In January, another change in the electoral legislation allowed for the nonorganization of elections in Warsaw, whose mayor, Lech Kaczyński, resigned from the post at the last possible moment before being sworn in as Poland's new president.

Poland's multiparty parliamentary system with proportional representation was introduced in 1993. The electoral thresholds are 5 percent for parties and 8 percent for coalitions. Before these thresholds were introduced, there were over a dozen political parties in the Parliament and seven in the ruling coalition. Thresholds do not apply to national minorities. In practice, this means that the German minority traditionally wins two seats in the Sejm, although their voting power is less than 0.5 percent.[5] The Sejm has 460 members elected for four-year terms. The Senate has 100 members elected by majority vote on a provincial basis, also for four-year terms. The electoral system is considered free and fair; international monitors have not been present during elections, even though no legal barriers prohibit their observation. The Supreme Court electoral protest system works well.

The 2005 elections for Parliament and president changed the ruling party, which has been the pattern since the first elections in 1989 that ended Communist rule. The Democratic Left Alliance (SLD), which won 41 percent in 2001, lost badly four years later, gaining only 11 percent and 55 seats in the Sejm. But in 2001, after four years in power, the Solidarity Election Action (AWS) won no mandates at all. However, the new parties that formed out of it—the PO, PiS, and LPR—were successful in electing candidates. Only Freedom Union—the party that created the first non-Communist government in 1989 and a political partner of the

AWS—failed to gain Sejm seats in both the 2001 and 2005 elections, seemingly ending its prospects on the political scene.

A steady decline in voter turnout has been marring the election process in Poland since the beginning of the Third Republic in 1989. In the 2004 elections to the European Parliament, with only a 21 percent turnout, the winners were the PO with 24 percent, followed by the LPR (16 percent), the PiS (13 percent), and Samoobrona (11 percent). The pro-European, economically liberal, and socially conservative PO was sure to take power in 2005. However, the big winner in the 2005 elections was the PiS, receiving 27 percent of the popular vote, which gave it 155 seats in the Sejm. The PO received 24 percent and 133 seats. The 2005 elections produced much deeper political change than anticipated and were proclaimed as the origins of the Fourth Republic, replacing the so-called rotten Third Republic.

In 2006, there was debate over the free flow of money in presidential elections and the lack of oversight by the State Electoral Commission. In monitoring presidential campaign finances, the Stefan Batory Foundation and the Institute of Public Affairs found several inaccuracies in documents presented by the campaign committees of Lech Kaczyński, Donald Tusk, and Andrzej Lepper. The commission accepted explanations from committee representatives who argued that the costs of presidential and parliamentary campaigns were impossible to divide, which means that the presidential campaign was financed partially from taxpayer funds.[6]

Civil Society

1999	2001	2002	2003	2004	2005	2006
1.25	1.25	1.25	1.25	1.25	1.25	1.25

Freedom of association is secured in Article 58 of the Polish Constitution and the Law on Associations. The only prohibitions are on those groups promoting Nazism, Fascism, and Communist ideology, racial and national hatred, secret membership, or the use of power to overthrow the authorities. Although freedom of assembly and demonstration is assured by Article 57, it was the most abused right in 2005.

Poland's civil society is based on the traditions of the Solidarity trade union and other anti-Communist opposition movements of the 1970s and 1980s, as well as social activity by the religiously dominant Catholic Church. Frequent changes of government in the 1990s helped to establish civil society structures: foundations, think tanks, and analytical centers in which the current opposition is maintained until the political pendulum repositions its members back within the official mainstream. Since 2004, the Law on Public Benefit Activities and Volunteering has given nongovernmental organizations (NGOs) the option to register as "public benefit organizations," allowing tax breaks and 1 percent personal income tax donations but also stricter rules on salaries and an obligatory annual audit.

Over 45,000 associations and 7,000 foundations are registered as active in sports, recreation, tourism, hobbies, culture and art, education, social help, and health protection. More than 60,000 people work in the third sector, which also includes 1 million volunteers. The main sources of financing are member dues, self-government donations, donations from private persons, and funding from institutions.[7] Major donors are the Polish American Freedom Foundation, Stefan Batory Foundation, Agora Foundation, and Kronenberg Foundation.[8]

The most well-known charity action is the annual first New Year's Sunday telethon of the Great Holiday Help Orchestra. In 2006, 120,000 young volunteers made 29 million zlotys (US$9.7 million) from street collections and auctions, and the proceeds went to purchase medical equipment for handicapped children.[9]

Polish Humanitarian Action (PHA), which collects money for natural disaster victims abroad, was established in the early 1990s by charity activist Janina Ochojska as repayment for help that Poland received from the West during the martial law period a decade earlier. PHA helps victims of natural disasters and armed conflicts in Chechnya, Palestine, Iraq, Sri Lanka, and other countries. It also helps poor children and refugees in Poland.[10] The biggest charity organization in Poland is Caritas, which feeds the poor and shelters the homeless on behalf of the Catholic Church.

With the Constitutional Tribunal's 2005 ruling that organizers of gatherings need only notify local authorities of public events instead of asking for a permit, administrative restrictions on gay and lesbian parades were no longer applied. In June in Warsaw and in November in Poznan, under heavy police protection, gay marches took place peacefully, but in general 2006 was not a peaceful year for this most controversial civic society group in Poland. The year started with a voice of support from the European Parliament in Brussels, which criticized the 2005 bans against gay and lesbian marches in Poland and appealed to EU governments to fight intolerance against sexual minorities. The Polish response came the following month in a declaration in Prague by President Lech Kaczyński that any legalization of homosexual partnerships is "unthinkable" in Poland, so there is no need to veto it, as did the Czech president. "I would love to do the same," declared Kaczyński, earning criticism even from usually supportive columnists.[11]

"I am frightened by the acceptance of homophobic behavior by the Polish government," wrote Terry Davies, secretary general of the Council of Europe, referring to the case of Mirosław Sielatycki, head of the Teachers Qualifications Improvement Center, who was fired for publishing a textbook dealing with citizens' rights and the education of youth. The book was prepared by the Council of Europe and translated into 17 languages. Designed for teachers, not students, it advised inviting gay and lesbian organization representatives to teach a lesson devoted to sexual minorities. The minister of education, who also heads the LPR party, found the textbook passage to be a "promotion of homosexuality."

"I have asked Polish authorities for an explanation of this decision, because being a member of the Council of Europe means that you accept all the values of it and not choose only what you would like," wrote Davies, warning that the case of Mirosław Sielatycki may go all the way to the European Court of Human

Rights (ECHR). Lawyers from the International Helsinki Federation for Human Rights have supported the case.[12] The Polish Ministry of Education denied European funds for the Campaign Against Homophobia, which organized a summer camp for thirty students from Poland, Estonia, and Spain to discuss gender issues in 2005, but in 2006 the minister declared this to be "immoral."

In another rights dispute, two politicians from Poznan agreed in court to declare that in 2004 they "did not equate and did not want to equate homosexuality to pedophilia, zoophilia, and necrophilia." Two journalists from the popular Talk FM radio openly declared their sexual orientation. The Council of Europe human rights representative, Thomas Hammarberg, declared that Poland is obliged to establish a special office for supporting equal rights for all people, regardless of gender or sexual orientation.

The trade union movement has good standing in Poland thanks to the tradition of Solidarity, but it is only a shadow of its former strength, when 10 million employees belonged to it in 1981. The All-Poland Alliance of Trade Unions has about 1.5 million members; Solidarity has fewer than 1 million. The majority of these are from state-owned factories, steel mills, mines, railways, and budget-funded health care and education facilities. In 2006, strikes broke out in the public health system and among postal, railway, and mine workers. Private business owners tried to keep trade unions away. The supermarkets had the most success in union bashing. However, with the help of union organizers, especially from Solidarity, union cells were set up in some of them. There was no success in efforts to organize private media.

Independent Media

1999	2001	2002	2003	2004	2005	2006	2007
1.50	1.50	1.50	1.75	1.75	1.50	1.75	2.25

At the end of 2006, Deputy Prime Minister Roman Giertych proposed new media legislation that included media courts, speedy procedures, and fines up to 1,000 times the minimum wage (about US$300,000). This proposal came in the aftermath of a highly publicized sex scandal in which the party of another deputy prime minister (Andrzej Lepper) was accused of a number of its members hiring women for sex in its offices. Giertych had his own reason for the proposal: The media accused a junior partner in his party (Młodzież Wszechpolska) of tolerating Nazi gestures and hate speech. The war over the media, proclaimed by PiS leader Jarosław Kaczyński at the beginning of 2006, was thus concluded with an action by Kaczyński's allies.

In Reporters Without Borders' 2006 yearly worldwide Press Freedom Index, Poland was ranked 58, the last among EU countries but not far behind the United States in 53rd place. Among the reasons for Poland's low ranking, the Paris-based

NGO mentioned "censorship enhancing political climate, politicians' frequent attacks on media, legal action against the German weekly *Tageszeitung* for ridiculing the Polish president, and the fact that in 2005, Poland was the only country in the EU where a journalist was serving a prison sentence for his writings".[13]

In Poland, the importance of free media is well understood by those whose great-grandfathers' writings were censored by czarists before 1918; whose grandfathers were publishing illegal papers under Nazi occupation; and whose fathers printed and distributed illegal, uncensored books and newspapers in the People's Poland of the 1970s and 1980s. It is no surprise, then, that according to the Polish Constitution, the state "shall ensure freedom of the press and other means of social communication."[14] However, other legal acts still contain traces of authoritarian rule that endanger this basic freedom.

Article 133 of the penal code mandates up to three years' imprisonment for persons who "publicly insult the Polish nation or the state"; however, the statute has not been used recently. A new direct threat to freedom of speech was aroused when amendments to the vetting legislation were passed in 2006. The new crime of "insulting the Polish nation" was added to the penal code, which now states, "Anyone publicly insulting the Polish nation or participating in or organizing Nazi or Communist crimes may be punished with up to three years in jail." Wojciech Sadurski, a leading law professor at Warsaw University, commented, "This way an introduction of the new, radical, and nonsense curb of freedom of speech was done quietly, without any public debate," describing the new statute as "the revival of censorship."[15]

Libeling the president is punishable by up to three years in jail (Article 135§2). The year-long case of a homeless man prosecuted for calling policemen "the president's henchmen" concluded in a Warsaw court in December 2006 without punishment. Libeling MPs or government ministers is punishable by up to two years in jail (Article 226§3) and libeling other public officials by one year (Article 226§1). However, in October 2006 the Constitutional Tribunal found this article to be unconstitutional in certain circumstances where officials are libeled while fulfilling official duties.

Libel suits against media professionals are common, but those found guilty are usually only fined. In 2005, one journalist was close to serving three months in jail for libeling a local official, but he left prison after two days, released by order of the Constitutional Tribunal, which accepted the motion based on his case.[16] Ruling in a case on Article 212 of the penal code, which penalizes defamation in the media with up to two years in prison, the Tribunal found the article to be in accordance with the Constitution; however, three judges, including the chief justice, wrote dissenting opinions. They pointed out that the truth of questioned statements protects the journalist against the defamation charge only if it safeguards "a socially protected interest." Therefore only the reverse should be proved, so the clause is unconstitutional.

The requirement of truth concerning both facts and opinions is against the verdict of the ECHR in Strasbourg, which states it is impossible to fulfill this

requirement for opinions, therefore it infringes upon the freedom to express them.[17] Other legal dangers to press freedom include court gag orders based on the "securing the motion" article in the civic procedures code (Article 730), prosecutors' enforced publication of corrections, and the authorization of interviews (the last two stipulated in the 22-year-old Law on the Press).

In the beginning of 2006, Prime Minister (and PiS party leader) Jarosław Kaczyński stated that there was "no free media" in Poland because all were part of "the deal." He described this circumstance as a supposed secret understanding among politicians, businesspeople, former secret police, and Mafia. He also called on journalists to fight for freedom against media owners, to "re-Polonize the media," and to set up a special parliamentary commission to investigate "breaks in media freedom and the society's right to fair information on the years 1990–2006." The Press Publishers Chamber answered the attack with a statement warning that "unproved charges, dim threats, and insulting talk" lead to curbs in press freedom.[18]

At the same time, criticism of President Lech Kaczyński by *Sukces* monthly writer Manuela Gretkowska led to an unprecedented act of censorship in March 2006: In 90,000 copies of *Sukces*, the page with an antipresident satire was removed at the request of the owner, millionaire Zbigniew Jakubas, who was frightened by a letter from the Office of the President criticizing a previous antipresident satire by the same author.

In early 2006, the authorities announced the proposed formation of a National Media Monitoring Institute as well as plans to introduce a new Law on Electronic Media to replace the one from 1992, a new Law on Public Media, amendments to the Law on the Press, and plans to strengthen legal protection for minors against violence and pornography in the media. These plans were heavily criticized by the opposition and the media, and none were implemented until the end of the year. However, a change in the media did occur: All state-owned media (that is, the national press agency PAP, *Rzeczpospolita*, and public television and radio) were forced to receive new bosses. The most important position heading public television (TVP) was given to Bronisław Wildstein.

One of the aims of the National Media Monitoring Institute—that is, uncovering journalists who cooperated with Communist secret services—was advanced by the TVP program *Special Mission* and leaks in other media, disclosing a dozen well-known names (only one journalist confirmed the accusations). This "wild lustration" of media professionals raised calls for the vetting of all journalists born before 1972, which is scheduled to occur in 2007 on the basis of the amended Law on Lustration. Another part of the original media plan, if approved by the Sejm, may introduce backdoor, "moral" censorship by pushing controversial topics to late-night broadcasts or mandating that newspapers be wrapped in plastic bags and placed on the top shelves of kiosks and supermarkets.

Despite these dangers, the Polish media landscape was vibrant in 2006. Two major newspapers, *Gazeta Wyborcza* (circulation 443,000 copies; owner the Polish Agora) and *Rzeczpospolita* (150,000 copies; sold in 2006 to the British investment fund Mecom along with all Orkla Media titles), got a strong new competitor,

Dziennik Polska Europa Świat (240,000 copies; owner Axel Springer, in short *Dziennik*), in April 2006. Outlets with the largest circulations are the tabloids: *Fakt* (508,000 copies; owner Axel Springer) and *Super Express* (198,000 copies; owner Bonnier, with Polish capital). In March 2006, after only three months of publishing, Agora closed its own daily tabloid, *Nowy Dzień*. Polskapresse (owner Passauer Neue Presse) announced the launch of a new daily beginning in 2007.

There are three major opinion weeklies: the left-wing *Polityka* (166,000 copies; owned by a journalist co-op), the centrist *Newsweek* Polish edition (132,000 copies; owner Axel Springer), and the right-wing *Wprost* (138,000 copies; owner Agencja Reklamowa Wprost). The 2005 newcomer *Ozon*, a conservative Catholic weekly, sold only 32,000 copies and ceased to print in June 2006. On the other hand, the religious weekly *Gość Niedzielny*, published by the Catholic Church in Katowice, started to sell more than *Newsweek* (137,000 copies).

At the beginning of 2006, *Nasz Dziennik*, a conservative nationalist daily, together with Radio Maryja and Trwam TV founded by Father Tadeusz Rydzyk (a nationalist, right-wing media evangelist with political ambitions), became a government outlet. Officials were interviewed there in a friendly, nonconfrontational style, and the parliamentary coalition agreement signing ceremony was covered exclusively by Father Rydzyk's media, which prompted a protest by the heads of the other outlets, including public radio and television, and PAP.[19] Prime Minister Jarosław Kaczyński took part in Radio Maryja's 15th anniversary celebrations, thanking its listeners, who are called "mohair berets"—usually older, less educated, fundamentalist Catholics and the most faithful PiS voters.

The Catholic liberal *Tygodnik Powszechny* (29,000 copies) has a strong intellectual reputation from the past as the only independent (though censored) paper of Communist Poland. *Przekrój*, published by Edipresse (67,000 copies), used to be the authority in cultural matters but has changed its format to appeal to the younger generation. The private Polish weekly *Nie* (99,000 copies), run by Jerzy Urban, spokesman for former president Wojciech Jaruzelski, is anticlerical, left-wing, and often provocative.[20] Two English weeklies (*Warsaw Voice* and *Warsaw Business Journal*) and a Russian weekly are published in the capital.

Besides these leading titles, there are hundreds of other dailies, weeklies, and monthlies on all topics published countrywide. The local press is also vibrant and produces more than 3,000 titles, but media concentration has become a real threat. The major media companies already dominating Warsaw-based and regional press include Axel Springer, Agora, Mecom (the new owner of Orkla Media), and Polskapresse (Passauer Neue Presse). Media acquisitions appear to be on the rise: News Corporation, owned by Rupert Murdoch, bought 24.5 percent of TV Puls and requested that National Broadcasting Council (Krajowa Rada Radiofonii i Telewizji—KRRiT) allow changes to the religious format of the station.

Poland is one of the few countries in Europe where media cross-ownership has not been regulated, and as a result, Axel Springer signed a contract to buy 25.1 percent of Polsat TV. Because Springer already owns the biggest tabloid, *Fakt*, one of three opinion dailies (*Dziennik*), and the opinion weekly *Newsweek Polska* and

also wants to buy Radio Wawa, the deal has to be approved by the competition authority. Polsat is planning to be publicly traded in 2008. Press distribution is provided evenly by the state-owned Ruch and private Kolporter companies. The privatization of Ruch began at the end of 2006 and should be completed in two years. The Press Publishers Chamber organized a consortium of major publishers willing to buy Ruch, which may happen in 2007.

The Polish electronic media have less freedom than their print counterparts and are controlled by the KRRiT, a body elected by the Parliament and the president. Before the 2005 elections, the KRRiT was composed almost completely of left-wing nominees. The new, right-wing government reduced the KRRiT from nine to five members (two nominated by the Sejm, one by the Senate, and two by the president, who also picks the chairperson). The new KRRiT members also had political ties, this time to the Right. Three months later, the Constitutional Tribunal ruled that the president could not nominate the head of the KRRiT; the law was corrected, and the same head was elected. After getting organized, the new KRRiT started to watch electronic media with a new vigor. Soon, Radio TOK FM was reprimanded for a listeners' call-in program in which a poem ridiculing the president was read; another program made fun of a listener discussing sex before marriage. Private Polsat TV was fined 500,000 zlotys (€130,000, US$175,000) for ridiculing a handicapped girl, Magda Buczek, on Radio Maryja.

The 2006 purge of the public television's top leadership based on political criteria raised serious concerns. TVP has a dominant position with viewers and advertising markets with its 3 terrestrial channels (TVP1, TVP2, and TVP3, together with 16 local branches) and 3 satellite channels (TVP Polonia, TVP Kultura, and TVP Sport). This strong position comes at the price of high commercialization and political influence on programming, formerly from the Left but now from the Right since the new leadership was installed. Monitoring TVP's two main newscasts and local news in five cities before the local elections in November, the Stefan Batory Foundation reported preferential treatment for PiS mayoral candidates in Warsaw and Gdańsk. TVP responded that the heavier right-wing presence compensates for the previous leftist orientation of public television.[21]

Two-thirds of TVP's income comes from advertising, the rest from broadcasting fees paid by about 50 percent of Polish households and about 5 percent of businesses. Increasingly commercialized, TVP in prime time looks exactly like its private competitors: movies, soap operas, and talk shows. Education and high-culture programs as well as award-winning documentaries are shown either in the afternoon or late at night. TVP's main private competitors include Polsat and TVN, the Canal+ cable channel owned by UPC, and Father Rydzyk's Trwam TV, a religious satellite channel broadcasting from Torun.[22]

Among radio stations, the public Polskie Radio—with 6 Warsaw-based channels and 17 local radio stations—has a strong position, but private competitors Radio ZET and Radio RMF FM are the leaders in audience and advertising revenues. Radio Maryja, broadcasting since 1991 and founded by Father Rydzyk,

has played an important role in gathering support for right-wing political parties (originally the LPR and then the PiS).

Fifty percent of Polish households have a computer and use the Internet, which is uncensored in Poland. Offensive remarks are rarely blocked, and operators claim not to be responsible for them. Child pornography is the only prosecuted Web offense. Naukowa Akademicka Sieć Komputerowa (NASK), an academic institution, keeps a registry of sites, but there are no address restrictions. Almost all printing media have their own Web sites, and the number of personal Web sites and blogs has grown rapidly.

With the strong presence of print and electronic media and the advance of online publications, there is no clear estimate of how many journalists are working in the media sector, but the minimum count is about 20,000. Only a few hundred of these are members of trade unions (the Journalists Syndicate and a branch of Solidarity), and only a few thousand journalists, mostly older professionals, are members of the Polish Journalists Association and Republic of Poland Journalists Association. They maintain ethical codes and lobby for new press legislation and changes in the penal code, but their voice and authority are weak.

With PiS attacks against the press, the political divisions between media and journalists have become deeper and more visible. On the weakening left-wing and center-left side, there are the private TV channels TVN, TVN24, and Polsat; and the opinion weekly *Polityka* and the biggest daily, *Gazeta Wyborcza*. On the right-wing and center-right sides are the public media (TVP and Polish Radio); the new daily *Dziennik* (a direct competitor of *Gazeta*), the third-biggest daily, *Rzeczpospolita*, the tabloid *Fakt*, and the weekly *Wprost*. The majority of Polish journalists work without a collective agreement or wage bargaining, and publishers keep their salaries secret. Strikes and other union actions—enjoyed by colleagues working for the same media companies in France, Germany, and the Nordic countries—are unheard of in Poland.

Local Democratic Governance

1999	2001	2002	2003	2004	2005	2006
n/a	n/a	n/a	n/a	n/a	2.00	2.00

Over 67 percent of local councillors—elected to two levels of local councils (*gmina* and *powiat*, or town councils) and 16 regional (*voivodship*) assemblies in the 2006 local elections—have no party affiliation. The strongest party representation is the peasant Polskie Stronnictwo Ludowe, with 10 percent, then the PiS with 9.6 percent, the PO with 5.9 percent, the Left and Democrats Party (LiD) with 4 percent, Samoobrona with 2.4 percent, and the LPR with 0.7 percent. Among the regional councils, the PO and the LiD were stronger in the more affluent western part of Poland, and the PiS was stronger in the poorer east and south. At the regional level,

Samoobrona and the LPR, allies of the ruling PiS, have lost two-thirds of their voters since the 2002 local elections.

Self-government traditions are strong in Poland. This is especially true in the west and south, where more than a century ago, in the absence of a Polish state, local authorities worked with Catholic and Protestant clergy to maintain Polish schools and nurture Polish customs in choirs, folk dance, gymnastics groups, fire brigades, and credit unions. One of the first acts of the Solidarity government after 1989 was the restoration of local self-governance by re-creating the approximately 2,500 *gminas* (Poland's basic territorial divisions) that were canceled in the 1950s. Ninety thousand local officials were transferred from the state administration to local governments. In 1998, the number of regions was reduced from 49 to 16, and 314 counties and 65 cities with equal status were added.

According to the Constitution, local government is a permanent feature of the state based on the principles of subsidiarity. The powers and independence of local authorities are protected by the courts, and there is a presumption that *gmina* competences extend to all matters not reserved for other institutions of central administration. Local authorities are responsible for education, social welfare, local roads, health care, public transport, water and sewage systems, local culture, public order, and security. Municipalities are responsible for a majority of these tasks. Regional accounting chambers are responsible for auditing local authorities.

Local representatives are elected every four years. As a result of Poland's joining the EU in 2004, citizens of other EU states are eligible to participate in the elections. In 2006, a Czech citizen was one of the local candidates in Warsaw's Ursynów neighborhood. Mayors of cities and towns are elected directly, as are members of local, county, and regional councils. County members elect the heads of *powiats*, and members of regional assemblies elect the heads of the *voivods*. In the 16 *voivods*, elected heads (marshals) must cooperate with government-nominated *voievodas*, the national authority representatives outside Warsaw. They have the legal power to control *gmina* resolutions by suspending them within 30 days if they contradict the law. Appeals to *voivod* decisions are filed with the regional administrative courts.

In 2006, the PiS empowered *voievodas* with veto power over the decisions of regional assemblies, where the opposition PO has a majority of deputies. Prime Minister Jarosław Kaczyński, who was against this change, announced that he would ask *voievodas* to abstain from using the law and in extreme cases take decisions himself. In that event, the prerogatives of 16 regional assemblies with a total of 561 locally elected deputies would be transferred to a single central government head. So much for local democracy.

The 1990 Law on Local Government introduced referendums as a tool of direct democracy. They are used to decide such issues as voluntary taxation for public purposes and the dismissal of the council before its term. The motion to conduct a referendum must be supported by at least 10 percent of the voters, and a referendum is valid only with a minimum of 30 percent of voters participating. This has proved to be an empty option: In the majority of referendums, usually organized to

recall local elected officials, the turnout has been too low to make them valid. Voter turnout in the 2006 local elections was surprisingly high at 46 percent.

Polish law limits the power of local government to levy taxes. Municipalities are allowed to collect taxes on farms, properties, forests, pet registrations, and transportation. New taxes can be organized only via a referendum. Personal and corporate income taxes account for 75 percent of local government income. There is also a mechanism to redistribute taxes from richer to poorer local governments.

The central government is supposed to consult local governments on every bill that may add costs to their budgets. However, the time given for consultation to the Common Commission of the Government and the Territorial Self-Government is often extremely short, and cost estimates are vague. Local self-governments must consult citizens on certain decisions, such as seeking opinions from environmental organizations when granting building licenses. In Warsaw, this measure allowed environmental groups to block many development plans.

The 2006 local elections caused a power shift in the most important race in Warsaw. The capital was ruled from 2002 until the end of 2005 by Lech Kaczyński (now president of Poland), then by his acting successor, and then for the final three months before the elections by the most popular politician in Poland, former prime minister Kazimierz Marcinkiewicz. He, however, lost by 6 percent to the PO candidate, similar to the results in the Kaczyński–Tusk presidential race. In many cities, like Katowice, Cracow, and Gdańsk, the incumbent mayors won easily, no matter what their political affiliation (some of them, as in Wrocław and Gdynia, by over 80 percent of the votes). There were shifts of power from right-wing to center-oriented politicians in Szczecin and Białystok, but in general, political affiliations in these elections were less important than the candidates' past record and personality.

Judicial Framework and Independence

1999	2001	2002	2003	2004	2005	2006	2007
1.50	1.50	1.50	1.50	1.50	2.00	2.25	2.25

As stated in the Constitution, the judiciary has full independence from the executive and legislative branches of government. The court system consists of the Supreme Court, 310 district courts, 43 regional courts, 11 appeals courts, garrison and provincial military courts, 14 regional administrative courts, and the main administrative court. The Tribunal of State is elected by the lower chamber of Parliament to determine constitutional violations by the highest officials. The Constitutional Tribunal analyzes the conformity of Polish and international laws to the Polish Constitution, adjudicates disputes of authority between central state bodies, and recognizes the temporary incapacity of the president to perform his or her office. Decisions of the Court are final and are applied directly after being published in the *Official Gazette*. Constitutional Tribunal judges are elected by the Sejm for a single nine-year term. In 2006, six vacancies were filled (all proposed

by the ruling coalition), including the head of the Court, who is nominated by the president from two candidates proposed by the Court judges.

PiS politicians originally criticized the Constitutional Tribunal as a political opposition to their power, but they softened their tone after several restrained decisions and the change of 6 out of 15 Tribunal members. Tribunal judges partly annulled the last-minute decision to end the term of the KRRiT but did not find that abruptly ending the term of the constitutional body was against the Constitution. Also, introducing "election coalition lists" for parties the week before the election was found to be constitutional, albeit with three dissenting voices. Official bodies sometimes passively resist Tribunal verdicts by not fulfilling them at all or by fulfilling them only after significant delays. This was the case in such matters as freeing rents in private apartments and the state taking responsibility for mistakes in administrative decisions.[23]

In general, judges are appointed by the president after being nominated by a majority of the National Judicial Council. The council is part of the Office of the President and was supposed to receive an independent budget starting in 2007, but changes proposed by the PiS may delay it until 2010. The president also wants to oblige the council to lustrate the courts and make efforts to unify sentencing, but judges call these motions "unconstitutional and aimed at short-term objectives."[24] Polish judges are independent; they cannot be members of political parties or trade unions and cannot perform any public functions that might jeopardize their independence. They must be at least 29 years of age (27 for junior judges), and there is no prerequisite of performing earlier work as prosecutors or lawyers. Judges cannot be arbitrarily dismissed or removed.

Polish courts suffer from inefficiency caused by lengthy proceedings and temporary arrests. By the end of 2005, the ECHR had accepted 51 cases brought by Polish citizens against the country; no violations of the law were found in 12 of the cases. Poles frequently appeal to the ECHR: In 2006, there were 4,470 Polish applications lodged, 3,990 cases "allocated to a decision body," and 5,816 "inadmissible" cases. At the end of 2006, about 5,100 cases from Poland were pending, representing 5.7 percent of all 89,900 cases from the 46 countries of the Council of Europe to come before the Court.[25]

In 2006, the Supreme Court took a dangerous position that undermined the direct application of ECHR verdicts in Poland. The case concerned Janusz Podbielski, a Polish craftsman whom a local municipality did not pay for construction work. Podbielski won his case in Strasbourg against the too high fee the Polish court demanded from him in a civil suit, but the Polish Supreme Court refused to renew the case. (In civil suits the fee is obligatory; only in special circumstances might the court give a break to the petitioner.) Podbielski has taken the case back to the ECHR.[26]

The computerization of court protocols, begun in the late 1990s, has made significant progress but is still far from being completed. The next steps include recording court procedures on audio and video discs. In 2006, there were 800 sets

of equipment installed, and 4,000 more will be installed in 2007. All recordings will be archived.[27]

Prosecutors are held in low esteem since they are considered part of the judiciary. In fact, however, they are under the control of the executive branch. According to experts, as long as the minister of justice automatically becomes the prosecutor general, there is no chance for autonomous, nonpolitically motivated work by prosecutors, who are under the almost military command of their superiors. Prosecutors themselves express different opinions—only 12 percent say that their superiors put pressure on them.

According to the penal procedures code, prosecutors have three months to present an indictment to the court. In practice, that period is three to four times longer. Prosecutors do not have terms of office but, rather, may be advanced or removed at any time, which happens on a wide scale every four years. The majority have origins in Communist Poland. The left-wing government of Leszek Miller proposed a bill that would have authorized the prime minister to nominate the prosecutor general and instituted four-to-six-year terms for regional and district prosecutors, but the bill failed in the Parliament. The current right-wing cabinet of Prime Minister Jarosław Kaczyński keeps prosecutors firmly in its hands. The result is that prosecutors are easily swayed by political winds, slowing down or accelerating work on individual cases according to their superiors' expectations.

The government kept its promise to introduce 24-hour courts for petty crimes such as pickpocketing, football fan offenses, minor assaults, and so on. Offenders must be accused in 48 hours, and the court has the next 24 hours to sentence them. The new law will go into effect in March 2007. Also in 2007, weekend prisons will be introduced for those serving six months or less. This measure will allow the system to keep twice as many prisoners in the same prison wards, which are now overcrowded. In 2006, there were almost 90,000 prisoners in Poland, while the capacity of prisons was set at 72,000. The minimum standard of three square meters per prisoner has not been maintained since 2003. Under the new measure, 27,000 inmates should be eligible for weekend prisons.[28]

Corruption

1999	2001	2002	2003	2004	2005	2006	2007
2.25	2.25	2.25	2.50	2.50	3.00	3.25	3.00

The Corruption Barometer, an annual public opinion poll run by the Stefan Batory Foundation, shows that in 2006, for the first time, less than 10 percent of Poles confessed to having given a bribe. For the last six years, the figure has hovered between 14 and 17 percent. Also for the first time, doctors, not politicians, were at the top of the list of bribe takers, yet politicians still came in second.[29] Typically, doctors distinguish between flowers or a bottle of good alcohol handed them by a happy

patient and cash given before or after treatment. The first is a "farewell gift," which Polish doctors have accepted for decades; the second is a bribe. Very low wages in the public health care sector not only require workers to take multiple jobs, but compel them to demand money from patients for hospitalizations and surgeries.

According to the Ministry of Health, the value of yearly bribes in the sector is about 6 billion złotys (US$2 billion). The ministry opened a secure telephone hotline to report cases of corruption; it also plans, with the help of the Central Anticorruption Agency established in mid-2006, to use agents to hand out "secret bribes." Grażyna Kopińska, head of the Stefan Batory Foundation anticorruption program, says the hotline is not enough.[30] Other areas filled with corruption are the annual army draft, where getting an "unfit" health grade requires a bribe of between 2,000 and 4,000 zlotys (US$600 and $1,200), and traffic offenses, where drunk driving and smaller violations may be fixed with bribes of from 100 to 2,000 zlotys (US$35–$706) paid to traffic police. Beginning in 2006, policemen caught taking bribes are stripped of their special pension privileges.

A bribery scheme involving Polish soccer tournaments started in 2005 and gained momentum in 2006. "There is hardly any soccer club from the first and second league whose name has not been mentioned in the corruption context," said Robert Tomankiewicz, the prosecutor from Wrocław who has been investigating football corruption cases all over Poland. In this investigation, 56 soccer judges and club functionaries were charged, and 4 of them were arrested. The investigation has reached to the top of the Polish Football Union, and only Poland's successful bid to host the 2012 Union of European Football Associations cup (with Ukraine) stopped further charges.[31]

After the 2006 "good behavior" release of Lew Rywin, who served only half of his two-year sentence, other top corruption prisoners during the year were former SLD deputy Andrzej Pęczak and lobbyist Marek Dochnal. This series of left-wing corruption affairs started back in 2003, with the investigation of Rywin's corruption proposal to Agora. In the other scandals, Dochnal paid Pęczak to pave the way to then prime minister Leszek Miller and other officials whom he wanted to lobby for privatization deals in the energy sector.

According to Transparency International's Corruption Perceptions Index (CPI), Poland is still the most corrupt country in the EU, but the situation has been improving. The CPI for Poland in 2005 was 3.4, while in 2006 it rose to 3.7. Poland was ranked 61 among 163 countries in 2005 and 70 in 2006. This positive change in the perception of corruption in Poland was a result of a number of actions: the formation of the CAA, arrests of high-ranking Ministry of Finance officials with Mafia connections, arrests of corrupt SLD politicians, and the extradition motion for Edward Mazur. A U.S. businessman of Polish descent, Mazur was involved in the 2001 murder of Polish police commander Marek Papała and is being held in a Chicago jail.

Still, changes need to occur closer to home, in small and medium-size towns in Poland where local deals with public prosecutors, judges, politicians, and business people are plentiful. Transparency International recommendations for lowering the

corruption level in Poland include one-mandate election precincts, responsibility taken by government officials for wrong decisions and delays in the decision-making process, legal definitions for conflicts of interest, anticorruption procedures in central and local governments, better quality of laws, and an increase in the transparency of administration and public institutions through the full implementation of the 2001 Law on Freedom of Information.[32]

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Romania

by Alina Mungiu-Pippidi

Capital:	Bucharest
Population:	21.7 million
GDP/capita:	US$9,165
Ethnic Groups:	Romanian (89.5%), Hungarian (6.6%), Roma (2.5%), Ukrainian (0.3%), German (0.3%), Russian (0.2%), Turkish (0.2%), other (0.4%)

The economic and social data on this page were taken from the following sources:

GDP/capita, Population: *Transition Report 2006: Finance in Transition* (London, UK: European Bank for Re-construction and Development, 2006).

Ethnic Groups: *CIA World Fact Book 2007* (Washington, D.C.: Central Intelligence Agency, 2007).

Nations in Transit Ratings and Averaged Scores

	1999	2001	2002	2003	2004	2005	2006	2007
Electoral Process	2.75	3.00	3.00	2.75	2.75	2.75	2.75	2.75
Civil Society	3.00	3.00	3.00	2.75	2.50	2.25	2.25	2.25
Independent Media	3.50	3.50	3.50	3.75	3.75	4.00	4.00	3.75
Governance*	3.50	3.75	3.75	3.75	3.75	n/a	n/a	n/a
National Democratic Governance	n/a	n/a	n/a	n/a	n/a	3.50	3.50	3.50
Local Democratic Governance	n/a	n/a	n/a	n/a	n/a	3.00	3.00	3.00
Judicial Framework and Independence	4.25	4.25	4.25	4.25	4.25	4.00	4.00	3.75
Corruption	4.25	4.50	4.75	4.50	4.50	4.25	4.25	4.00
Democracy Score	3.54	3.67	3.71	3.63	3.58	3.39	3.39	3.29

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

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

Executive Summary

Since its 1989 "entangled revolution,"[1] Romania's politics can be roughly divided into two phases. The first, democratization, followed the only "revolution" in Central and Eastern Europe that did not bring about a victory of anti-Communists in the subsequent elections. Ion Iliescu, a former Communist leader, and his populist National Salvation Front, which campaigned with slogans against party politics and Western capitalism, won an overwhelming victory after free but unfair elections in May 1990. The second phase, democratic consolidation, began with Iliescu's peaceful departure from power in 1996 after losing the elections to a coalition of anti-Communists and deserters from his own party. His return to the presidency in 2000 did not change Romania's steady course toward European Union (EU) accession. In 2006, Romania steadily pursued and met its EU integration deadlines. While many saw Romania's forthcoming EU membership (beginning in 2007) as "an end of history," Romanian public opinion proved to be the most supportive of EU integration out of all European countries. Postponement of the country's EU membership would have been perceived as a disaster and entailed a serious electoral cost.

National Democratic Governance. The Romanian government was relatively stable in 2006, despite continuous squabbles within the government coalition, which achieved its main objective—EU integration from January 1, 2007. The Conservative Party's departure from the governing coalition at the end of the year deprived the government of the small, mostly theoretical majority it enjoyed in the Parliament. *Romania's national democratic governance rating remains at 3.50.*

Electoral Process. Despite President Traian Basescu's appeal for early elections, they were not held in 2006. Opinion polls continued to show a larger majority of the coalition Truth and Justice than what the party actually held in parliamentary seats. Romania improved the Law on Political Parties and Electoral Campaign Financing to introduce better control mechanisms and passed legislation for the first European elections, set for 2007, on the basis of national lists. *Owing to a lack of substantial improvements, Romania's electoral process rating remains at 2.75.*

Civil Society. From political integrity to the environment, Romanian civil society continued to advocate effectively on various policy issues in 2006. Pending EU integration, however, with both its challenges and opportunities for civil society development, exposed the insufficient diversification of nongovernmental organization (NGO) income sources in Romania and therefore the vulnerability of the sector. Civil society had also to withstand virulent attacks from politicians

and attempts to create a "fake" or counter–civil society by major political players, a challenge that persists. *Romania's civil society rating remains at 2.25.*

Independent Media. In a year that otherwise saw an extremely lively and often unaccountable media, concentration of media ownership accelerated in 2006. Despite this concentration of traditional media, new media have developed impressively in 2006, drawing on a variety of sources and overall increasing the pluralism of media sources in Romania. A spokesperson for Romania's main secret service revealed that some agents serve as journalists, triggering a serious crisis of confidence. The criminal code was amended to decriminalize libel, and ongoing lawsuits were effectively ended owing to this legal development, only to have the Constitutional Court later reverse the amendment and recriminalize libel. *As criticism of the government and president appeared openly throughout the country's print and electronic media, Romania's independent media rating improves from 4.00 to 3.75.*

Local Democratic Governance. A comprehensive legal package was passed in 2006 that aims at providing more coherence and effectiveness to decentralization and civil service legislation. The national mechanism to distribute and administer regional EU funds, which seemed certain to empower mostly the subnational tier of government, also received finishing touches. New legislation prohibiting political migration, a problem since the 2004 local elections when more than a third of mayors left their original parties, became active in summer 2006. *Romania's local democratic governance rating remains at 3.00.*

Judicial Framework and Independence. With Justice Minister Monica Macovei's reform attempts praised by EU authorities and criticized by opposition parties and some of civil society, 2006 by granting temporary release requests of hard-sought defendants facing corruption charges and by opposing the government policy to make judges more accountable. *As judges appear to have gained more independence from the government, Romania's judicial framework and independence rating improves from 4.00 to 3.75.*

Corruption. Corruption remains a problem in Romania, both with top officials and at the grassroots level, including universities. Anticorruption efforts, however, appear more effective than ever. Those charged by Romania's Anticorruption Prosecuting Department included a deputy prime minister of the current government, a former prime minister, several members of Parliament (MPs) and government officials, and an entire local council, among others. This same office has secured hundreds of convictions. *Owing to the growing effectiveness of anticorruption reforms, Romania's corruption rating improves from 4.25 to 4.00.*

Outlook for 2007. Once Romania attains its main political objective (EU accession), the potential for political unrest, as evidenced in the push for early elections and the government coalition conflicts in 2006, will become more likely in 2007.

Substantial adjustment to EU standards and coping with integration will create a challenging environment for the government. Although the government of Prime Minister Calin Popescu Tariceanu lacks a majority in the Parliament, only European Parliament elections are scheduled in 2007. With low administrative capacity, it seems likely that EU funds earmarked for 2007 will not be spent and that Romania's membership contribution to the EU budget will surpass the amount of funds it receives. The lack of a majority in the Parliament may stall the passage of legislation remaining for Romania's EU integration. This may lead to activating a safeguard clause in the Romania-EU accession treaty, blocking the recognition of Romania's judicial rulings in the European Union.

Main Report

National Democratic Governance

1999	2001	2002	2003	2004	2005	2006
n/a	n/a	n/a	n/a	n/a	3.50	3.50

Two distinct political dynamics manifested in Romania in 2006. On the one side, the frail government coalition and its dominant member, Truth and Justice (TJ, itself a coalition), entered a process of slow disintegration both in the Parliament, where government bills met opposition from coalition members, and in the media, where bickering nourished daily tabloid talk shows. On the other side, a government further weakened by this process struggled throughout the year to meet tough EU entry conditions upheld by the European Commission (EC). Prime Minister Calin Popescu Tariceanu's majority survived by only a few seats, including the non-aligned group of ethnic minorities, and met frequent gridlocks, especially with its highly sensitive anticorruption legislation.

Despite Justice Minister Monica Macovei's efforts and endorsement by the EC, anticorruption legislation met constant difficulties in the Romanian Parliament, leading to a much milder version than that anticipated by the EC and the government. The monitoring reports of the EC[2] described in great detail the further steps needed in Romania's preparation for EU accession. These reports guided most of the government's activity, first in asking the commission to clearly state the entry date as January 2007, then in implementing their suggested steps and winning support from the Parliament. Gaining support from EU member states in ratifying Romania's accession treaty (signed in 2005) also required intense diplomatic work. Yet the government met both objectives by the end of 2006.

The government was continually hindered in 2006 by its inability to summon a majority in the Parliament, which shifted in favor back and forth between the government and the opposition throughout the year. Maintained by only a few seats, the government coalition majority lacked discipline and, on many occasions, collapsed. Furthermore, absenteeism made gaining the absolute majority required by a number of laws difficult to impossible. In addition to these overarching problems, the two small government coalition members, the Conservative Party (CP) and the Hungarian Alliance (DAHR), went against the coalition on a number of important votes, in both the committees and the plenum.

Frequent squabbles occurred within TJ itself, the main government member. This internal conflict has its origins in a dispute over calling for early elections in 2005 or 2006. According to opinion polls, a solid majority, 40–50 percent, supported TJ throughout 2005 and 2006, considerably more than the 34 percent of seats held by the party in the Parliament. The two members of the TJ coalition, the National Liberal Party (NPL) and the Democratic Party (DP), differed on how to

establish a majority. President Traian Basescu frequently denounced cooperation with the CP as "immoral" and the compromises needed to keep the government coalition going as "unacceptable."

Although no longer head of the DP—according to the Constitution, the president, once elected, may no longer serve as a party member—Basescu was endorsed by the Democrats. The NPL opposed early elections, fearing that Tariceanu would not regain his position as prime minister. Tariceanu enjoys a good relationship with the CP, the party led by media mogul Dan Voiculescu. The CP (formerly the Humanist Party) consistently stands below the electoral threshold in polls, but through negotiations it entered the last two government coalitions. The CP deputy prime minister in the Tariceanu government, George Copos, resigned under pressure in 2006 when he was charged with tax evasion by the Anticorruption Prosecuting Department (DNA). The party head, Voiculescu, then sought to replace Copos himself, but he ultimately decided to pull out from the government in December 2006, blaming President Basescu's alleged persecution of the CP.

The DAHR and NPL expressed similar discontent with Basescu. By the end of 2006, the DAHR, which defected on numerous anticorruption bill votes, also confronted serious judicial problems. Deputy Prime Minister Marko Bela, head of the DAHR, found himself under investigation for an alleged bribe[3] which involved DAHR communications minister Zsolt Nagy, as well. Corruption investigations also involved prominent DAHR MP and businessman Attila Verestoy. Dinu Patriciu, the NPL's richest member and a close friend of Prime Minister Tariceanu, faced charges on several counts in 2006 after years of investigation. He sued the government for damaging the image of his oil business, Rompetrol, a former state company. Prime Minister Tariceanu's interventions on his behalf stirred major reciprocal accusations of tampering with justice. This unprecedented wave of charges against top officials, which did not spare the president's party, placed Basescu in an unpopular position with political parties. Furthermore, many perceived Basescu as the main supporter of Minister Macovei, who with EU approval encouraged prosecutors to end the immunity of high officials from anticorruption investigations.

Romania's political stability came under threat throughout 2006. In May, a no-confidence vote provoked by the opposition had Prime Minister Tariceanu and the liberals worried, and rumors circulated regarding a secret deal between the opposition and the DP. The EC intervened, as the vote was scheduled immediately following the release of their report, signaling that the government should work on accession during the summer rather than shift their attention to early elections. The no-confidence bill fell in the end.

In June, the NPL minister of defense, acting in coordination with the prime minister and without prior discussion with TJ, proposed before the Supreme Defense Council (Romania's constitutional decision body in defense matters) that Romania remove its troops from Iraq. The proposal stunned the pro-American Basescu, who was scheduled to visit U.S. president Bush within a few days' time. The vote divided the liberals, with finance and foreign affairs ministers siding with the president. The political situation grew worse in the following days, with the

NPL sanctioning its dissenting ministers and the president pushing for the minister of defense to step down. The minister of defense filed complaints against the president's chief aide, Adriana Saftoiu, and an opposition MP. Despite being cleared in the end, Defense Minister Teodor Atanasiu received his suspension from Basescu, resigned in October, and was later replaced by a Democrat, Sorin Frunzaverde.

The frailty of Romania's civilian control over the military was demonstrated in July 2006. Omar Hayssam, the Romanian-Syrian businessman charged with kidnapping three Romanian journalists in Iraq the previous year, filed for release from prison where he awaited trial, claiming to suffer from terminal cancer. Despite feeble medical evidence, the court granted his release without enacting a follow-up surveillance mechanism. Hayssam, at one time considered a threat to national security, left the country practically unhindered, leaving behind scores of unanswered questions.

President Basescu responded by asking for the resignations of the three heads of the secret services. The president also sacked Prosecutor General Ilie Botos. The parliamentary committee for defense sided with those who resigned and criticized the president, but they did not reverse their decisions to resign. The Parliament, except for the DP (the president's party), also flatly refused to allow the interim leadership to run the secret services until new legislation was passed. The opposition parties and the NPL feared that Basescu would show favoritism in proposing nominations for the vacated jobs. The constitutional right to appoint heads of service lies with the president, but the Parliament must approve the president's nominations. In this case, lacking support from the Parliament, Basescu made a deal with the opposition and appointed one of his advisers and a member of the opposition Social Democratic Party (SDP).

The executive chaired the creation of new, comprehensive security legislation beginning in 2005. The first hearings went poorly, both in the Parliament and in the Supreme Defense Council, and the drafts were classified despite 2003 legislation providing for transparency in policy making. Public objections led to the declassification of the drafts, but mistrust remained high. Civil society and the Ministry of Justice contested articles in the draft written by the secret services. For example, the current legislation draft preserves the right of the secret services to own businesses and introduces the right, in certain cases, to tap phones without a warrant. The secret services have also reportedly provided cover for their agents as journalists, an unpopular practice with the media. The NPL blamed the controversy over the bill on President Basescu and his close ties with the secret services. The government presented a separate draft, which provided for a reduction in the number of secret services. The government and the president's office worked out a conciliatory draft over the summer but did not attain final approval.

The Council for Screening the Archives of the Securitate (CNSAS) provides another source of discontent between the president and political parties. Following Basescu's orders, since 2005 most archives have been transferred to the civilian authority from the secret services. The Supreme Defense Council also ruled that files of politicians, previously classified on grounds of national security, should

become available to the CNSAS for screening. Suspicions persist that the security services handpick what to give to the CNSAS, even if only a tenth of such files have been declassified so far. Furthermore, a politically appointed board representing all parties in the Parliament runs the CNSAS, stirring suspicion that some decisions are negotiated or voted according to political instruction.

Amid media skepticism, the CNSAS disclosed a number of politicians in 2006. Former SDP justice minister Rodica Stanoiu, who was declared an informant, immediately resigned from her party and joined the CP. The NPL also suffered losses as new information revealed the unpopular past of a number of its politicians. The government sent the Parliament a proposal to improve the current legislation, which had stalled by the end of 2006. The chief merit of the proposal is that it tries to reduce the latitude of the CNSAS board to interpret evidence. Current legislation requires the board to pass a verdict on "political police" on a case-by-case interpretation of individual acts. Therefore, receiving a salary from the Securitate or having served as an informant does not automatically lead to a finding of guilt by the CNSAS. The government draft replaces "guilty of political police" with "Securitate collaborator" and proposes a number of steps to differentiate within this status. As the proposal would make it more difficult for political appointees in the CNSAS to shield their own parties, the government struggles to find the needed majority for its approval.

In 2006, former president Emil Constantinescu reiterated his allegations that current president Basescu worked as an informant and in the foreign service of the Securitate while a trade representative in the 1980s. The CNSAS claimed that no file exists for the president. It made similar claims in November 2006 when the NPL's nominee for Romania's EC member, Varujan Vosganian, faced similar accusations by a former Securitate defector. Despite the lack of evidence, Vosganian had to step down. Public mistrust remains high as informants who worked for the external service continue to receive protection from the secret services.

Political relations deteriorated between Romanians and Hungarians in 2006. The Law on Minorities, which was presented by the DAHR and introduced institutions of self-government for the Romanian–Hungarian community, stalled in discussions with the DAHR's coalition partners. The Szecklers Council for Autonomy, a more radical Hungarian group, took advantage of the situation to reintroduce its proposal of territorial self-government for Hungarians living in the Szecklers[4] counties, which account for roughly half of the Hungarians in Romania (the remainder are spread over more ethnically mixed areas). The DAHR, which holds a long-standing monopoly of Romanian-Hungarian representation, did not want to appear less radical than its contenders and endorsed the proposal. This provoked nationalist reactions from some Romanian parties, which denounced the move as a threat to the constitutional order. The Szecklers Council announced its intention to organize a referendum of inhabitants in those counties on the issue. The DAHR, despite its remarkable achievements, including several positions in the central and local governments, has long advocated ethnofederalism. Further complicating the matter, most DAHR leaders have served in the government for

several years with both the Left and the Right, according to Romania's organic power-sharing model. Some have accumulated personal fortunes during their years in politics. Traditionally a pro-EU party, the DAHR often found itself opposing the anticorruption legislation proposed by its own government and required by the EU in 2006.[5]

DAHR leaders also control the funds for the Hungarian community coming from both the Romanian and the Hungarian governments, money frequently channeled through their individual foundations, which angers other Hungarian groups and weakens their position vis-à-vis these more radical challengers. This internal competition, combined with the Romanian parties' lack of negotiating skills, led to a serious escalation over the territorial autonomy of the Szecklers. President Basescu flew to the region for a popular local feast and shook hands with autonomist leaders to alleviate public fears of imminent violence. While Romanian nationalists sought to outlaw the potential referendum and Hungarian leaders oscillated between radical and moderate positions, Basescu tried to position himself as the authoritative arbiter, which the Constitution demands of the president in such situations.

Electoral Process

1999	2001	2002	2003	2004	2005	2006
2.75	3.00	3.00	2.75	2.75	2.75	2.75

Despite the president's wish for early elections, none were held in 2006. In June, the Romanian Parliament adopted the Law on Political Parties and Electoral Campaign Financing, promoted by the Ministry of Justice as part of its anticorruption strategy and initiated largely by the civil society group Pro Democracy Association. The law improved existing regulations by pushing for implementation of the existing framework. The new bill transfers some control over party funding from the audit court to a specialized institution—the Permanent Electoral Authority—and introduces supplementary transparency elements. Yet no guarantee of implementation exists, nor is there any certainty that civil society monitoring would not remain far more effective than official monitoring. The current bill also includes a provision that political parties with a greater number of women elected in the Parliament will receive supplementary funds from the government. The funding of parties remains mixed from public and private sources.

The two chambers of the Romanian Parliament created a joint committee to improve the legislative framework for general, local, presidential, and European Parliament elections. On October 19, 2006, the joint committee scheduled elections for the European Parliament, as Romania's EU accession treaty specifies that these must be held in 2007. Romania has 35 seats in the European Parliament according to the EU Nice treaty. Elections will take place at the end of spring 2007 on a proportional system based on national lists, with the usual 5 percent threshold (the rest distributed by the D'Hondt method).

Romania has a proportional electoral system with a 5 percent electoral threshold, which many blame for the political corruption that has led civil society actors as well as nearly all political parties to develop their own pet projects in electoral reform. Voters based in Romania (as Romanians abroad may also vote in special voting sections organized in their countries of residence) will identify themselves with only a voter ID card in the 2007 European Parliament elections. Previous identification methods opened the way to minor fraud in the 2004 elections, in which individuals could easily remove the stamp indicating they had voted, opening the door to multiple voting. Although voter ID cards were printed years ago, not all voters received them.

Parties must present 200,000 supporting signatures to enter electoral competitions; 100,000 signatures are required for independent candidates. The bill also eliminated other sources of fraud, such as special voting sections in Romania (train stations, airports, and so on). Parties will enjoy equal and free advertising time on public media. The parliamentary committee will also need to improve the functioning of the Permanent Electoral Authority and decide on the next legislative and presidential elections. Several propositions exist to change the current voting lists in favor of variants of majority or mixed systems, which would allow for more personal accountability. Lists remain highly unpopular with Romanian civil society and voters. Many of the latter do not know their county representatives in the national Parliament.

The popularity of political parties evolved little in 2006. TJ, despite internal bickering, remains highly popular with over 40 percent of voters, mainly because of its success on EU integration. The opposition SDP, plagued by internal scandals and the inability to rid itself of corrupt "local barons," remains at roughly 20 percent popularity, mostly among rural voters. The Greater Romania Party faces a challenge with the New Generation Party, led by right-wing populist Gigi Becali. According to polls, Becali's party has 5–6 percent of voter support and might enter the Parliament in the next elections. President Basescu remains the most popular politician, and Monica Macovei is the most popular minister. The reliability of polls, which are paid for by political parties, continued to decline in 2006.

Civil Society

1999	2001	2002	2003	2004	2005	2006	2007
3.00	3.00	3.00	2.75	2.50	2.25	2.25	2.25

Most Romanians, known for their Euro-enthusiasm, see the forthcoming EU integration as great news, but not so for Romania's civil society. In 2006, concern grew that civil society funding, which in Romania comes mostly from institutional rather than business sources, might dry up after 2007. The experience of other EU-integrated Central European countries has not painted an encouraging picture in this respect. The Romanian Civil Society Development Foundation, originally

established to distribute EU funds to NGOs, lobbied throughout 2006 for the continuation of special funds. EU assistance does not cover NGOs directly but goes to farming and development projects, while NGOs receive indirect assistance through large funds that cover various consultancy costs.

Preaccession programs, however, did benefit NGOs in Romania. Many social organizations have developed from local EU PHARE funds by taking over tasks from local governments, especially in the fields of child protection and education. Most of the concern, therefore, gravitates around NGOs that fulfill various watchdog roles. Some, including the Media Monitoring Agency, Romanian Training Institute, and Local Development and Partnership Foundation, initiated the European Funds Transparency Coalition, whose goals include monitoring the spending of these funds in Romania, promoting citizen participation in prioritizing projects financed from European funds, and increasing the transparency and public awareness of these projects.

Problematically, these organizations also bid for European funds, creating a situation where public authorities encounter these NGOs in their double capacity as both controllers and applicants. The Romanian chapter of Transparency International, for instance, bids for projects funded by the EU and managed by institutions that it monitors, such as the DNA or the Superior Council of Magistrates. The institutions themselves often make the decision on which bids to accept.

The much publicized 2 percent income tax deduction for NGOs had a smaller than expected impact on the financing of the third sector. On average, Romanians earned about 300 euros (US$400) gross per month in 2006, with a flat income tax of 16 percent. To raise US$10,000, an NGO must appeal to tens of thousands of people, a cost that runs the risk of outmatching the benefits.

The Romanian Coalition for a Clean Parliament (CPC), an NGO alliance initiated during the 2004 elections, announced its decision to monitor the elections for the European Parliament, using the same methodology as in 2004. All main Romanian political parties (SDP, NPL, and DP) announced they would cooperate with civil society in the effort to present a "clean" list of candidates with credible records. The CPC also lobbied intensely and assisted the Ministry of Justice in creating an official body to oversee asset statements and conflicts of interest among dignitaries, magistrates, and top civil servants. This project followed the model of the U.S. Office of Ethics and met considerable opposition in the Parliament. Other NGOs, notably the Romanian Open Society Foundation, initially sided with MPs, claiming that the project breached certain human rights, but later came to the side of the CPC by declaring the modified bill too weak to create an effective control body. Since the success of the CPC in 2004, parties have openly courted civil society leaders or organizations to gain their support and have created new NGOs mimicking the main civil society organizations. As obtaining EU funds requires cooperation with the government, there is a real danger that Romania's small civil society could become co-opted in the coming years.

In 2006, an ad hoc alliance of NGOs and intellectuals asked President Basescu to issue an official condemnation of Communism. Basescu turned to a committee

of historians and former dissidents chaired by Vladimir Tismaneanu, a Washington, D.C.-based political scientist, to produce a report highlighting the crimes of the Communist regime. Romania does not have a lustration law banning Communist collaborators from political positions, only a stalled draft bill. The condemnation of Communism drew considerable opposition from political parties with ties to the old regime. During Basescu's speech on December 19 in the Parliament, the opposition Greater Romania Party staged a protest, crying out, "Thieves...you are unworthy of Ceausescu (Romania's dictator, 1965–1989)," and so forth.

Unions play only a minor role in Romania, as leaders frequently receive seats in the Parliament on various party electoral lists. Despite organizing frequent strikes for wage increases, Romanian unions fall short of providing a genuine, autonomous civil society. Many union leaders gained their positions in the early 1990s. Cartel Alfa, which includes education unions, is a slightly stronger form of union and threatened a months-long strike to increase the education budget (Romania devotes the smallest share of gross domestic product among all EU member states to education). Cartel Alfa has also campaigned with broader civil society and takes part in many civic oriented coalitions, such as Coalition for a Clean European Parliament. In 2004, the Romanian government created a consultative body to allow direct meetings between NGOs, ministers, and the prime minister. Although not very active, the body has proved instrumental in prompting negotiations on laws where civil society disagreed with the government.

New NGOs became clearly visible in 2006. For example, Ad-Astra, a network of top researchers based in Romanian universities and abroad that promotes standards of quality in higher education and research, has quickly become a consulting source for the media on education issues. The group has also sued key state universities to force the publication of university employee salaries. Romania's universities complain of underfunding, but administrators sometimes earn 10 times more than their colleagues by abusing their institutional autonomy.[6] Corruption in universities is widespread, and students may buy dissertations from specialized Internet sites.

Independent Media

1999	2001	2002	2003	2004	2005	2006	2007
3.50	3.50	3.50	3.75	3.75	4.00	4.00	

In 2006, there was much discussion over the alleged role of the Romanian secret service in the country's independent media. An official spokesperson for the Romanian Information Service (SRI), the main domestic secret service, admitted to an investigative journalist that the SRI had provided cover for several agents as journalists. Former SRI heads rushed to either confirm or dispute this testimony:[7] One claimed that the practice did not exist during President Emil Constantinescu's regime; another claimed that other Romanian secret services maintain even greater

numbers of undercover agents than the SRI. After the CNSAS gained numerous Securitate files, these revelations fed a widespread conspiracy theory that most of the press takes part in the propaganda and disinformation structure run by the secret services in cooperation with Mafia networks built on the Russian model. Civic Media, an NGO set up by journalists at the Bucharest based daily *Ziua* who confessed to serving as informants, put pressure on the CNSAS to disclose other Securitate informants.[8] The situation was further complicated by anti-Semitic attacks from Civic Media members against Vladimir Tismaneanu, appointed in 2006 as head of the Presidential Commission for the Study of the Communist Dictatorship in Romania. Tismaneanu, a professor at the University of Maryland, was labeled "Agent Volodea," although the CNSAS fully cleared him of all allegations of cooperation with the Securitate.

The issue of collaboration in Romanian media remains quite ambiguous. Although legal protections require the blacking out of names of collaborators in Securitate files, individuals reviewing the files have still been able to identify those who spied on them and have made public disclosures. And Ceausescu's top propaganda activists continue to be active in the media, promoting the same national Communist line of the past. Current covert agents pose an even greater problem, as the law does not require their disclosure. In fact, many journalists suspect, despite a lack of evidence, that only those Securitate informants who quit after 1989 have been disclosed. Covert agents and retired agents working in the media might explain why Romanian media owners insist on appointing unknown journalists to executive positions.

Furthermore, Romanian media are heavily editorialized and frequently run stories without sources, publish innuendo, or stage wild campaigns on issues that would traditionally not make news in other professional media. Headlines differ considerably, according to the agenda of the owners. In such an environment, significant room exists for covert agents to gain influence, spread diversions, or manipulate the public agenda.

At the end of October 2006, the Cluj prosecutor arrested a group of Transylvanian journalists (including the reputable journalist Liviu Man) as well as former secret service agents for an alleged blackmail attempt. Those who denounced the group claimed they were blackmailed with disclosure and negative coverage unless they bought advertising. When the suspects were denied bail, their lawyer declared that his clients were victims of the local Mafia and struggled to move the trial to a more neutral location.

Additionally, concentration in media ownership continued to increase in Romania in 2006. Controversial businessman Sorin Ovidiu Vantu took over significant "independent" media outlets by acquiring the daily *Cotidianul*, a weekly, the investigative magazine *Academia Catavencu*, and a radio station—these outlets are additions to his influential television channel, the all-news Realitatea. Vantu also started his own news agency, Newsin, and a business TV channel. While not known to interfere openly in the editorial freedom of his journalists, Vantu took a political stand against President Basescu during the year.

Vantu and other media owners benefit from Romania's lack of antitrust regulations. In 2006, Adrian Sarbu bought the daily *Gandul* and is already owner of a significant share of ProTV (a Central Media Enterprise venture), a string of radio stations, the main news agency (Mediafax), and a sports daily. Dan Voiculescu, CP head and the third oligarch in the media landscape, owns two TV channels, a daily, and a financial weekly. Voiculescu transferred control of his media holdings to his daughter, Camelia, when entering mainstream politics; currently, a full and separate editorial team works solely on news concerning him and his party.[9] When one of his editorialists expressed disgust after the CNSAS exposed Voiculescu as an informant in 2006, Camelia sent a statement to Antena 1, the top evening news television station and the family's main outlet, denouncing their collaboration and threatening the editor for not censoring his piece.

Together, these three owners enjoy more than two-thirds of the TV political news market. The situation is more balanced in print media, where the three share influence with Dinu Patriciu, the oil tycoon who bought the daily *Adevarul*. The Swiss publishing company, Ringier, is the fifth largest company in the market and owns the best-selling tabloid, *Libertatea*, and the second most popular mainstream daily, *Evenimentul*, as well as a sports daily.[10] Although the public is concerned about media concentration in the hands of tycoons, investigations into media tax evasion, and other fraud, the media appear to be free. Widespread media criticism of the government and especially the president persists, with talk shows dedicated to bashing the president, sometimes in vulgar and violent terms. Basescu called a number of talk shows to argue with his critics in 2006, an unprecedented practice. Disinformation wars rage continually in the media, but the patient viewer or reader can find credible information alongside misinformation.

The best-selling daily has a circulation of 100,000 copies in a country with over eight million households, and the cumulative circulation of the six best-selling dailies barely amounts to 300,000. Romanians increasingly spend time watching television, particularly reality shows or live broadcasts depicting celebrity lives. Glossy monthlies sell well, while weekly circulations struggle below 30,000. Few of the Romanian print media turn a profit, news outlets least of all. By contrast, Internet media do well. News sites such as Hotnews.ro and sites maintained by the main newspapers enjoyed over two million visitors in September 2006 alone, topping Internet consumption.

In July 2006, amendments to the criminal code decriminalized libel. All criminal lawsuits were automatically dropped. However, critics attacked these decriminalization efforts as unconstitutional, which brought the issue before the Constitutional Court. In December the Constitutional Court reversed the amendments and decided to recriminalize libel, arguing that the right of a person to maintain his or her image is constitutional. The issue might be revisited with the passage of a brand-new criminal code, expected in 2007.

Two cases of open censorship occurred in 2006. In March, Romanian police in Tirgu Mures County confiscated the entire circulation of the Hungarian-language newspaper *Európai Idő*. The newspaper carried the self-government 12-points

program of the Szecklers Council for Autonomy and a text asking for the creation of an independent Szecklers republic. The police later apologized. In another case, the Romanian Ministry of Foreign Affairs asked an Internet provider to shut down a Web site with critical content and aggressive language directed toward the minister and his staff—the site also contained libelous content mixed with links to the ministry's official documents. The Internet provider complied.

The modification of the Law on Public Television, introduced nearly a year ago, continues to move slowly through the Parliament. The law does not greatly improve the statute of the politically battered public station. If it passes, the responsibilities of the chairman of the board and director general will be separate, but the law will likely have no impact on the main problems facing public TV, the most daunting being that the Parliament continues to approve the yearly report of the president director general and also appoints the board.

Local Democratic Governance

1999	2001	2002	2003	2004	2005	2006	2007
n/a	n/a	n/a	n/a	n/a	3.00	3.00	

There were some legislative improvements in local governance in Romania in 2006. The government passed a "decentralization package" that amended several existing pieces of legislation. Negotiated with locally elected parliamentary groups and civil society representatives, the new laws were adopted by the Parliament in July 2006. The package aims to allow greater local autonomy by reforming the intergovernmental transfers system, decentralizing civil service management, and limiting the possibility for state intervention (via the agency of prefect) in local authority functions.

The first laws adopted were the Law on Local Public Finance and the Law on Civil Servants, amending the civil service statute. Timetables and procedures were drawn up to decentralize responsibilities and resource management, including finances. The amended Law on Civil Servants aims to improve career structures and procedures for recruiting high-level civil servants and to depoliticize the service. Additionally, Law 249 on local elected representatives prohibits political migration among parties. Despite questions about the package's constitutionality, the Parliament passed the law and its enforcement began in the summer of 2006.

Migration from opposition parties to government parties remained a problem in 2006. By the end of the year, about a third of Romania's mayors had switched from their 2004 electoral parties. Majorities in local and regional assemblies also shifted continuously. The new law prohibiting migration does not, however, touch MPs, who are similarly prone to migrate.

Administrative performance remains insufficient in Romania, and measures taken by the Tariceanu government did not bring significant improvements.

Presented as a key issue for liberals, property restitution (of agricultural land and real estate), which now enjoys a complete legal framework, stalled owing to poor implementation. By the end of 2006, less than one-third of the claims filed by former owners dispossessed by the Communist regime had received any attention, and mayors continue to hold significant sway over the process. All administrative deadlines passed during the year, yet no sanctions were issued for ineffectiveness in implementing the law. The government may revise legislation again to include harsh sanctions for administrations that do not meet the deadlines. It remains unclear, however, who would implement the sanctions: Many property owners have won their court cases, but local authorities have been slow or unresponsive in implementing the rulings.

While legal decentralization in Romania progressed in 2006, the consequences of poor implementation of past decentralization efforts became increasingly visible. Seen as a panacea for all administration ills, the decentralization process has not included a comprehensive evaluation of tasks already transferred to local governments in the recent past. School-related controversies demonstrated the lack of local government management skills. In fall 2006, hundreds of schools failed to open on the scheduled opening day, and still more remained unheated well into the cold season despite a funding transfer to the local authorities in charge. School directors complain that town and city halls, many of which do not have designated education departments, have control over the budget.

In general, capacity and quality are lacking in local governance administration in Romania. In some less developed counties, cross-party alliances of county councillors act as local oligarchies. Since heads of county councils approve most European funds in their regional meetings, they have considerable say over approved projects, overruling the evaluation of the government and civil society experts. In one of its corruption files, the DNA has investigated an entire local council and is preparing indictments for each councillor who voted to prejudice the local budget in favor of a private business. Nevertheless, the incoming European funds, managed primarily at the regional and county levels, generate significant empowerment among all subnational authorities. A complete organizational plan for spending European funds at local and national levels is expected after 2007.

Judicial Framework and Independence

1999	2001	2002	2003	2004	2005	2006
4.25	4.25	4.25	4.25	4.25	4.00	4.00

During 2006, improvements continued in the Romanian judicial system based on 2004 reform legislation, but built-in problems also continued to show. The complicated dual system created by the Romanian legislation is subject to frequent gridlock. Romania followed the Latin European model of a self-governing

judiciary, establishing an independent body—the Superior Council of Magistrates (SCM)—elected by magistrates. The judicial administration used the lack of conflict-of-interest regulations to get itself elected into the first SCM. The Constitutional Court required only that the president and deputy president of this body step down from their administrative positions, although each subsequent EU report has recommended that SCM members choose between their controller and administrative positions.

With the SCM in control of judge recruitment and advancement, as well as providing a check on most legislation, the Ministry of Justice can influence policy only through legislation and logistical support for courts and prosecutors. Consequently, the ministry and the SCM bitterly disputed the appointment of heads of courts, the former asking for an open and transparent competition while the latter preferred direct appointments. The September 2006 regular report of the EC praised the efforts of Justice Minister Monica Macovei and criticized the SCM, stating, "Five of the 14 elected SCM members continue to face a potential conflict of interest in inspection matters as they hold leading positions in courts or prosecution offices."[11] Some internal rules have been adopted, however, that prevent council members from voting in disciplinary matters that affect their court or prosecution office.

The report also states, "The SCM has not yet addressed the issue that unethical behavior by individual members of the SCM negatively affects the reputation of the Council as a collective body." This criticism focuses on the decision of the SCM to keep within its ranks a Supreme Court judge who served as an informant of the Securitate. The CNSAS slowly processes magistrates and in this case issued three contradictory rulings. The Ministry of Justice went to court to ensure the enforcement of the statute of the magistrates' law in this case. The law prohibits anyone found guilty of acting as "political police" from taking the position of magistrate, yet the lengthy contestation process and judicial appeal of CNSAS decisions has ensured that magistrates remain in position, also as a result of collaboration with the Securitate. The EC further criticized the control capacity of the SCM. Fewer than 10 magistrates received disciplinary sanctions in 2005, despite the SCM having full powers of inspection. The commission recommended that new inspectors should be recruited according to new procedures in order to reduce the number of vacancies and to increase the regional representation among inspectors.

Corruption and malpractice within the ranks of magistrates is widely denied. The main association of magistrates protested against newly introduced legal provisions making judges financially accountable for mistakes they make in their rulings, perhaps owing to the frequency of judicial errors. Romania's judicial procedures accept all appeals as a ground rule, and with each case reviewed twice, the sentence often reverses on the basis of the same evidence. A large number of cases go to the Supreme Court, which has a backlog of nearly two years (an improvement from the previous year). Distrust in the judiciary remains high. Lawyers split into various associations and bars, which compete in the legal market with the aim of forming a monopoly. Court support staff create part of the problem, as they receive low pay

and poor training, but in 2006 they went on strike for a wage increase, which they eventually obtained.

On the positive side, steps have been taken to ensure a more consistent interpretation and application of the law. Also, more objective criteria have been provided for the promotion of judges and prosecutors. Much work remains, however, to implement these measures. Consistent interpretation and application of the law at all levels of the courts throughout the country have not yet been fully achieved, though steps have been taken. A case documentation and management software system is operational in 152 of Romania's 237 courts and in 40 of its 235 prosecutor offices. Since July 2006, all courts and prosecuting offices have had online access to legislation and case law. In May 2006, the Parliament adopted the Law on Mediation, which provides for a system of alternative dispute resolution. The Ministry of Justice, SCM practicing judges and prosecutors, lawyers, and foreign experts began a fundamental review of the civil code and criminal code as well as both procedural codes.

Justice reform receives mixed support among judges, who as a rule consider low pay and poor working conditions their main problems. Senior magistrates, however, receive higher salaries than ministers in Romania. The two prosecutors general each earn more than the president of Romania. Appointed in September 2006, the new prosecutor general, Laura Codruta Kovesi, is expected to address the serious managerial shortcomings of the judiciary, such as the uneven distribution of workloads, lack of proper training, and inability to collect statistics.

Corruption

1999	2001	2002	2003	2004	2005	2006
4.25	4.50	4.75	4.50	4.50	4.25	4.25

The main anticorruption prosecuting agency, the DNA, had a good year despite a rocky start. In February 2006, when the government ordinance restructuring the agency sought approval in the Parliament, opposition parties DAHR and CP tried to strip it of its powers and independence. President Basescu eventually struck a compromise, but the parties did not achieve their aim, as they wanted the SCM rather than the minister of justice to nominate the anticorruption prosecutor general, who is appointed by the president. A change in the law would have opened the door to the removal of Daniel Morar, the prosecutor general appointed a year ago who managed to charge top officials from all political parties represented in the Parliament.

European Commissioner for Justice, Freedom, and Security Affairs Franco Frattini warned against such a move, and despite several parties pushing legal proposals on the matter, the process of revising the nomination mechanism did not progress much by the end of 2006. As the EC stated in its September 2006 report:

"In the Parliament there has also been an attempt to change the nomination procedure for both the Prosecutor General of Romania and the Head of the National Anti-Corruption Directorate, which would bring additional legal and institutional uncertainty to the anticorruption framework."

The quantity and quality of nonpartisan investigations into allegations of high-level corruption continued to increase in 2006. Since Morar's appointment in the fall of 2005, the DNA managed to charge over 1,000 defendants (including 7 MPs, 2 ministers and a deputy minister, several magistrates, and dozens of employees in law enforcement agencies) and secured over 400 convictions. In the summer alone, the DNA indicted 7 people on charges of high-level corruption, including 4 politicians from the ruling coalition, 2 from the opposition, and 1 high-profile businessperson. From March to September 2006, the DNA indicted a total of 199 suspects, and the courts issued initial convictions against 87 defendants and 82 final convictions in cases initiated by the DNA. The EC report praised the DNA, stating, "The qualitative improvement of DNA's investigations has continued as is demonstrated by the reopening of cases, which had been closed under the previous management team, and by the launch of new investigations into long-standing public procurement scandals." In September 2006, the DNA and the internal affairs anticorruption unit of the Home Ministry mounted an undercover operation that led to the arrest of 30 customs officers working at the main Romanian airport, as well as various other public officials, underlining the cooperation established between both anticorruption bodies.

At the end of 2006, the DNA indicted the DP mayor of Arad, a relative of President Basescu, and the head of the DP in the city of Constanta. They charged Dinu Patriciu, the closest political friend of the prime minister and main sponsor of the NPL, as well as one deputy prime minister from the CP, and they indicted another from the DAHR. These prosecutions brought important political retaliations. By the end of 2006, Minister Macovei faced a no-confidence motion, but the fear of having Romania's EU entry postponed prevented the CP from asking for a vote in December 2006.[12] Owing to the release of these high-level figures on bail, the public fears that the court system does not have the integrity to sentence influential people.

The political will to fight corruption is spread unevenly within Romania's government. By secret vote, the Parliament denied prosecutors a search warrant for former prime minister Adrian Nastase's residence in the spring for fear of creating a precedent. They also managed to radically reduce the effectiveness of the proposed National Integrity Agency during the passage of the draft law through the Chamber of Deputies. The EC authoritatively endorsed the National Integrity Agency (ANI) project, with the commissioners of enlargement and justice writing personal letters to party heads to ask support for its passage in the Parliament, an unprecedented gesture. The judicial committee of the Chamber of Deputies nevertheless stripped the would-be agency of all its powers, and the plenum endorsed their version. In the form voted by the chamber, the agency will no longer be able to control assets, only declarations of assets, becoming simply a whistle-blower. It will be no longer

independent, but subordinated to the Parliament itself, although MPs remain a top target for the ANI. Romanian civil society lost its two observer seats.

The initial project also provided that the agency would send the results of its investigations in the form of an administrative ruling to the superior of the investigated official for either dismissal or other sanctions. Currently, Romania's dignitaries and top civil servants are investigated on the basis of a 1996 law that asks whistle-blowers to bring full proof. With such a complicated mechanism, investigations have not been finalized since 1996, and fewer than 10 have been initiated. Meanwhile, two NGOs, the Institute for Public Policies and the Center for Legal Resources, monitored existing control bodies addressing incompatibilities between public office and other positions and found their effectiveness to be low to nonexistent. Having an agency simply to defer cases to these bodies therefore seems pointless. Romania's constitutional article stating that "wealth is presumed licit" lays the burden of proof on prosecutors. Macovei's project, while allowing appeals in the administrative court for defendants, pushed sanctions in the administrative area to avoid an unconstitutional finding for the law. The Constitutional Court ruled in a particular case (Dan Ioan Popescu) that the 1996 law breached the Constitution, ending any hope of judicial pursuit of undue wealth.

The bill passed with 251 votes (5 against and 1 abstention). TJ MPs voted for it alongside the Social-Democrats in the opposition and other smaller-party MPs—that is, alongside those who had "altered" the draft law. After the vote from the chamber, the bill went to the Senate, the decision-making chamber. Despite unprecedented support from the EC and the Romanian media, it seems unlikely that the bill will gain strength in the Senate. Politicians argue in their defense that no EU member country has such an agency. In fact, other control mechanisms ensure that politicians stay clean in the EU, where conflicts of interest or undue gain are regulated in other pieces of legislation.

Romania ranked "strong" on anticorruption policy at the Global Integrity Index yearly evaluation, receiving praise as one of the countries enjoying the best anticorruption arsenal in the world.[13] Domestic polls show that people still expect this arsenal to deliver more corruption culprits.

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1 Nestor Ratesh, *Romania: The Entangled Revolution*, Boulder, Colo.: Praeger Publishers, 1991.

2 Published in both Romanian and English on www.europa.info and www.euroactiv.ro.

3 This relatively unknown publisher transferred about 30,000 euros (US$45,000) as an advance. Royalties are generally small in Romania, poetry books like Mr. Marko's receiving about 300 euros (US$400) in total. The best-sold books do not manage to make authors more than a few thousand dollars, as the readers' market is poor.

4 The Szecklers were originally a different ethnic group with their own language based on a Turkish dialect. The Szecklerland, in the internal arch of the Romanian Carpathians (the region where Bram Stoker set his *Dracula*), is currently inhabited in large proportion by Hungarians, and the borders between the two groups have gradually become fuzzy. On Szecklers, see the recent Austrian-Hungarian historian Paul Lendvai, *Die Ungarn*, München: C. Bertelsmann, 1999.

5 The vote on anticorruption legislation is monitored at committee level by civil society. See coverage in Romanian media on votes by Hungarian MPs: Ioana Lupea, "Ipocriziile UDMR," [DAHR Hypocrisy], *Evenimentul Zilei*, September 11, 2006, http://www.hotnews.ro/articol_55767-Ipocriziile-UDMR-de-Ioana-Lupea.htm; Bety Blagu, "Castrarea ANI poate activa clauza de salvgardare," [Castration of ANI Can Activate Safeguard Clause], HotNews.ro, December 20, 2006, http://www.hotnews.ro/articol_62270-Castrarea-ANI-poate-activa-clauza-de-salvgardare.htm; L. Parvu, "Deputatii din Comisia Juridica au macelarit proiectul ANI," [MPs of Judicial Committee Massacred ANI's Project], HotNews.ro, October 12, 2006, http://www.hotnews.ro/articol_57853-Deputatii-din-Comisia-Juridica-au-macelarit-proiectul-ANI.htm.

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8 "Operatiunea Vicoi curate la Ziua," [Clean Voices Operation at Ziua], for confessions of top management, http://www.ziua.net/display.php?id=204361&data=2006-07-28, July 28, 2006.

9 Remus Radu, Cristian Sutu, "Cum isi face Voiculescu stirile despre el insusi," [How Voiculescu Produces Reporting in Himself], *Cotidianul*, 10/25/2006, http://www.cotidianul.ro/index.php?id=7594&art=19373&cHash=e768579a67.

10 According to BRAT, Romania's official circulation auditor, www.brat.ro.

11 See previous year NIT Romania on this issue.

12 According to the statement of motion's author, Sergiu Andon, a CP MP, to this author.

13 See http://www.globalintegrity.org/reports/2006/romania/index.cfm.

Russia

by Robert W. Orttung

Capital:	Moscow
Population:	144.9 million
GDP/capita:	US$10,825
Ethnic Groups:	Russian (79.8%), Tatar (3.8%), Ukrainian (2.0%), Bashkir (1.2%), Chuvash (1.1%), other or unspecified (12.1%)

The economic and social data on this page were taken from the following sources:

GDP/capita, Population: *Transition Report 2006: Finance in Transition* (London, UK: European Bank for Re-construction and Development, 2006).

Ethnic Groups: *CIA World Fact Book 2007* (Washington, D.C.: Central Intelligence Agency, 2007).

Nations in Transit Ratings and Averaged Scores

	1999	2001	2002	2003	2004	2005	2006	2007
Electoral Process	4.00	4.25	4.50	4.75	5.50	6.00	6.25	6.50
Civil Society	3.75	4.00	4.00	4.25	4.50	4.75	5.00	5.25
Independent Media	4.75	5.25	5.50	5.50	5.75	6.00	6.00	6.25
Governance*	4.50	5.00	5.25	5.00	5.25	n/a	n/a	n/a
National Democratic Governance	n/a	n/a	n/a	n/a	n/a	5.75	6.00	6.00
Local Democratic Governance	n/a	n/a	n/a	n/a	n/a	5.75	5.75	5.75
Judicial Framework and Independence	4.25	4.50	4.75	4.50	4.75	5.25	5.25	5.25
Corruption	6.25	6.25	6.00	5.75	5.75	5.75	6.00	6.00
Democracy Score	4.58	4.88	5.00	4.96	5.25	5.61	5.75	5.86

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

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

Executive Summary

During President Vladimir Putin's six years in office, the Russian state has consistently cracked down on citizens' political freedoms while expanding its role in the economy. Key problems such as the instability in the North Caucasus remain unresolved even though Russian forces have killed many of the Chechen terrorists and begun reconstruction of Grozny. Putin's policies are a reaction to the lawlessness and crime that was rampant during the Yeltsin era. However, by reversing some of Yeltsin's signal achievements, such as establishing a more pluralistic media, Putin has not managed to put in place political institutions that are accountable to the people. In fact, his administration is relying increasingly on nationalist appeals, which have encouraged ethnic violence in Russian society.

Putin's political system continued to evolve according to Kremlin preferences during 2006. The new Law on Nongovernmental Organizations created an atmosphere of intimidation for much of civil society. The range of views in the media continued to shrink. Electoral law reform further reduced opposition chances. Corruption remained rampant, showing that Russia's elected leader has little control over the vast bureaucracy that is only theoretically subordinate to him. In Chechnya, Ramzan Kadyrov, frequently criticized for the use of torture and violence, gained more power, allowing him to run the republic with increasing autonomy.

National Democratic Governance. Although benefiting from extensive economic growth and outwardly stable, Russia's political system faces many questions as President Putin's term comes to an end and political actors focus on the succession of power. The Kremlin continued to assert greater control over the country's economic assets. The state cracked down on ethnic Georgians as part of the larger conflict with Georgia. The unresolved conflict in Chechnya and increased powers for the Federal Security Service in fighting terrorism raised concerns about the protection of civil liberties. *State reliance on nationalist appeals portends extensive problems for the future, but the situation did not deteriorate noticeably. Accordingly, Russia's rating for national democratic governance remains at 6.00.*

Electoral Process. The authorities continued to fine-tune the electoral system in order to ensure victory for favored parties while reducing the representation of the opposition. In regional elections, overseers were able to remove inconvenient parties. The Kremlin also moved to create a two-party system, with United Russia and Just Russia, hoping to redefine the political landscape so that key parties will be loyal to the current incumbents. Space for the opposition continued to shrink. *As the authorities continue to seek greater control, leaving little to chance, Russia's rating for electoral process worsens from 6.25 to 6.50.*

Civil Society. Russia launched 2006 with a new law placing onerous new reporting requirements on nongovernmental organizations (NGOs). The first to be affected were foreign organizations working in Russia, which had to devote extensive resources to meeting the requirements of the law. Signaling the limits for domestic groups, the authorities shut down the Russian-Chechen Friendship Society in October. As the state cracks down, Russian society is producing a growing wave of xenophobia and intolerance, with deadly conflict in Kondopoga and a multiethnic Moscow market indicating the most virulent expressions of the underlying tensions. *The new legislation on NGOs clearly shows that the state has little interest in promoting freedom of assembly among Russian citizens, creating instead a climate of fear and intimidation that bodes ill for the future: As a result, Russia's rating for civil society deteriorates from 5.00 to 5.25.*

Independent Media. In 2006, constraints on the media tightened. There is little diversity of views on television or in the key national newspapers. A Kremlin-friendly company purchased *Kommersant* and replaced the editor. The murder of Anna Politkovskaya silenced one of Russia's most fearless investigative reporters. The authorities are increasingly using the courts to exert pressure on journalists, and recent legislation imposes stiff penalties for slandering bureaucrats. The Kremlin is now examining ways to exert greater control over the Internet, which remains an island of freedom in the media world, though the increased censorship suggests this could be short-lived. *Owing to the buyout of* Kommersant, *the killing of Politkovskaya, and the increased pressure for greater censorship on the Internet, Russia's rating for independent media worsens from 6.00 to 6.25.*

Local Democratic Governance. There is intense pressure now to end mayoral elections, just as gubernatorial elections were canceled in 2004. Most local governments still lack the funding necessary to fulfill their responsibilities, particularly in education and health care. At the same time, powerful regional leaders like Tatarstan's Mintimer Shaimiev have returned to asserting the primacy of regional laws over federal law. Shaimiev has forced Putin to sign a power-sharing treaty, reversing the Kremlin's previous policy against them. In this case, the Kremlin is making concessions to an authoritarian Muslim leader, seeking to purchase stability. Where the Kremlin feels stronger, as in Nenets and Khakasiya, it is using the judicial system against governors who do not toe the federal line. *The year 2006 was largely one of waiting until the anticipated resumption of local government reforms scheduled for 2009, safely after the 2008 presidential elections. Therefore Russia's rating for local democratic governance remains at 5.75.*

Judicial Framework and Independence. Russia scores very poorly on ratings of judicial independence. The state uses the courts to protect its strategic interests and political goals. Many Russians believe that they cannot get justice in Russian courts and appeal to the European Court of Human Rights, where they typically win. While Russia is quick to pay the fines assessed against it, the country has been

slow to reform the conditions that caused the problems in the first place. Prosecutors and investigators have been slow in adapting to the heightened requirements of convincing juries and instead have stepped up pressure to abolish jury trials. *Though state interference for political and economic reasons continues to limit the independence of the courts, the procedures of the courts are improving. Therefore Russia's rating for judicial framework and independence remains unchanged at 5.25.*

Corruption. The Russian government has made little effort to launch a real anticorruption campaign. There have been a few crackdowns in the law enforcement agencies, but the amount of work needed is extensive. In a handful of cases, brave individuals have made a difference, such as Andrei Kozlov, Russia's top bank regulator, who was assassinated in September for his efforts to shut down banks involved in money laundering. While the Kremlin cracks down on the media and civil society, the clout of the bureaucracy has been growing in an environment of reduced accountability. At the same time, an ever increasing share of the budget is being classified. *Owing to little real effort to improve accountability, which is not possible given the crackdown on the media and civil society, Russia's rating for corruption remains at 6.00.*

Outlook for 2007. In 2007, attention will focus on the December State Duma elections that will set the stage for the 2008 presidential elections. The Kremlin expects that its apparent control of the political system will ensure a victory for the current authorities and a smooth transition. Potential shocks could come from unintended, and uncontrollable, consequences of the Kremlin's support for nationalism and its ongoing failure to resolve conflicts in the North Caucasus. Russia's heavy reliance on energy exports and increasing state control of the economy could also prove problematic.

Main Report

National Democratic Governance

1999	2001	2002	2003	2004	2005	2006	2007
n/a	n/a	n/a	n/a	n/a	5.75	6.00	6.00

While the Russian Constitution enshrines the principles of democracy, the trend line for practices has drifted in an authoritarian direction. Decision-making power is increasingly concentrated in the presidential administration, which is difficult for ordinary citizens to access but often seems to work in favor of powerful private interests. Nevertheless, President Vladimir Putin retains high levels of personal popularity because, in the general Russian view, he has managed to stabilize the Russian political system during an era of extensive economic growth that has somewhat improved the living standards of ordinary citizens.

Bureaucrats who control the state are expanding its formal role in the economy, though often for their own political or personal benefit. This expansion is taking place in the most lucrative sectors of the economy. Industries affected include the energy sector, military-industrial complex, transportation (aviation, shipping, railroads, and road construction), nuclear power, mining, and car manufacturing, creating extensive new grounds for corruption.[1] For example, on November 9, 2006, President Putin named Defense Minister Sergei Ivanov to head the newly created United Aircraft Company, which brings all of Russia's civilian and military aircraft producers under one roof. State managers control 75 percent of the equity in the new company.

The Russian political system seems stable in the short term, with no obvious extra-systemic opposition groups poised to make trouble. However, this stability is subject to a number of unanswered questions. The most important is the presidential succession in 2008. While Putin has clearly stated that he will step down at the end of his second term, he has also dropped hints that he will continue to play an undefined role in the political system after his constitutional term ends.[2] How he would interact with the next leader remains unclear. Fearing potential instability, and currying favor with the current incumbent, many political leaders have suggested that Putin find a way to remain in office, either by transforming Russia into a parliamentary democracy or by merging with Belarus to create a new country. There appears to be little consensus around the idea of simply allowing the voters to decide after a campaign among a variety of candidates. Individuals who have announced that they are running for president, such as former prime minister Mikhail Kasyanov and chess champion Garry Kasparov, face intimidation at each stop of their regional campaigns.

Ethnic conflicts provide another source of instability. The state-orchestrated campaign against ethnic Georgians, which resulted in the closure of dozens of

Georgian businesses and the deportation of more than a thousand Georgians in the first part of October, signaled to Russian nationalists throughout the country the government's implicit approval for attacks on Georgians and other groups from the Caucasus. The crackdown, timed to coincide with Russia's conflict with Georgia, also demonstrates that the law enforcement and court systems are political tools to be deployed when convenient.[3] Such nationalist appeals are easy to make but very hard to control. Conflict between Slavic and Caucasian groups in Kondopoga, including murder and pogroms, have already demonstrated the ferocity of unleashed tensions.[4]

Chechnya is also a source of instability, particularly as the Kremlin hands greater power to Chechen prime minister Ramzan Kadyrov. In an April interview with *The New York Times* several months before she was murdered, Anna Politkovskaya said that she had evidence of torture in Chechnya by Kadyrov's police, including one witness who had been tortured by Kadyrov himself.[5] Kadyrov has denied such allegations. Nevertheless, the violence is spreading outside of Chechnya's borders into the rest of the North Caucasus.[6] In June, Amnesty International recorded evidence of disappearances in Ingushetia, a problem that had once been concentrated in Chechnya.[7] Attacks are common in Dagestan as well. Observers also point out that the conflict has lasted so long that a new generation of fighters has joined the ranks of the Chechen rebels.[8] Terrorist groups are now able to self-finance their activities through racketeering and can build powerful explosives with very few resources.

The Russian legislature remains a reliable handmaiden of the executive branch. In fact, Duma deputies frequently announce harsh bills cracking down on democratic freedoms, allowing the Kremlin to win international plaudits by rejecting the bills as too extreme. Recent examples of this strategy have occurred in the area of NGOs, counterterrorism, and local government. Respected independent deputy Vladimir Ryzhkov estimates that there are currently five liberals in the Duma and predicts that they will all be eliminated after the 2007 elections, when all candidates will be elected on the basis of party lists.[9]

On March 6, the president signed legislation that hands the Federal Security Service (FSB) extensive new powers in fighting terrorism.[10] Because the FSB controls the National Antiterrorist Committee, it now has the authority to give orders to all other state agencies. Critics fear that the wording of many of the passages in the legislation are so vague that they can be used against civil society. For example, the new law bans "establishing or operating any organizations whose goals or actions aim to promote, justify, or support terrorism or crime." A court must determine which organizations can be sanctioned at the recommendation of the Office of the Procurator General.[11] The new law permits the secret services to tap telephones and monitor electronic communications in a geographic area where counterterrorist operations are under way. While all Western democracies have also adopted counterterrorism laws that give extensive powers to their intelligence agencies, they did so in the context of political systems that provide a degree of accountability not found in Russia today. Nevertheless, the Russian public generally supports Putin's law enforcement measures.

Electoral Process

1999	2001	2002	2003	2004	2005	2006
4.00	4.25	4.50	4.75	5.50	6.00	6.25

Russian citizens do not have the ability to choose their leaders in fair elections. Russian elections are largely managed from above, and the population can pick only from candidates already approved by the authorities. In 2006, Russia implemented a new law by which it holds all regional elections for the year on the second Sunday either in March or in October.[12] In the elections held in 2006, the opposition complained about the lack of a level playing field. In the March elections, the courts intervened by barring the Rodina political party from competing in seven of the eight regions where elections were held.[13] Dmitri Rogozin, Rodina's party leader at the time, had fallen out of favor with the Kremlin. By the October elections, the party had replaced its leaders with more compliant figures and did not face such registration problems. Nevertheless, individual regional leaders continued to block specific parties for a variety of local reasons. Accordingly, the liberal Yabloko was removed from the Karelia elections in October. Additionally, Yabloko officials complained that the election commissions were biased, citing the example of Sverdlovsk Oblast, where United Russia put up numerous billboards with no sanctions, while Yabloko was reprimanded for posting a few handbills.[14]

In preparation for the 2007 parliamentary and 2008 presidential elections, the authorities continued to fine-tune the country's electoral laws with the aim of protecting their own power and limiting the chances of the opposition to win significant representation.[15] In the summer, new legislation removed the ability of Russian voters to choose "Against All" on their ballots, one of the few recommendations submitted by the Organization for Security and Cooperation in Europe (OSCE) that were implemented by Russia.[16] While this option does not exist on the ballots of most developed democracies, Russian voters have used "Against All" to protest against elections that provide no real choice among candidates. An election is declared invalid if "Against All" wins the most votes. Usually, a high percentage of voters choose "Against All" when the authorities intervene extensively in the electoral process. On October 8, when nine regions elected legislators without the "Against All" option, the number of invalid ballots increased and voter turnout fell in some regions, according to Central Electoral Commission head Aleksandr Veshnyakov.[17]

Other legislative changes provide additional checks on the opposition. On July 13, Putin signed a law that strips legislators of their seats if they change parties and prohibits party members from appearing on the list of another party during elections. These provisions aimed at weakening opposition parties by preventing them from setting up informal blocs. Parties like Yabloko and the Union of Right Forces (SPS) had sought to form informal alliances this way after previous legislative amendments banned the formation of blocs.[18] Yabloko and the SPS have failed to put forward popular programs and have little support among the population. On

the positive side, such legislation might eventually induce the opposition to form a united party that will have broader appeal.

Additionally, the authorities abolished minimum turnout requirements for Russian elections (50 percent for presidential elections, 25 percent for Duma elections, and 20 percent for regional elections). Such requirements do not exist in most democracies but were considered important in Russia. In the past, the opposition sometimes sought to use this turnout provision to annul election results by calling for a boycott of the polls. New legislation also bans negative information about candidates in television ads, a restriction that will likely be used to prevent challengers from criticizing incumbents. A law on extremism bans anyone declared an "extremist" from running for office. This feature could be used against any candidate the authorities find inconvenient.[19] On December 12, the authorities searched the offices of self-declared presidential candidate/chess champion Garry Kasparov, seeking extremist materials.[20]

Authorities are working to consolidate and control the political landscape essentially by establishing a two-party system in which both parties support the current regime. In addition to United Russia, the predominant pro-Kremlin party, President Putin has given his blessing to a new center-left alliance, Just Russia, which draws on Federation Council Speaker Sergei Mironov's Russian Party of Life, Rodina, and the Pensioners' Party. The idea behind this project is to siphon off votes from the Communist Party and provide Russia with "a second leg" when the "first leg (United Russia) goes numb", in Kremlin strategist Vladislav Surkov's formulation.[21] In the October regional elections, United Russia won approximately 244 seats in regional legislatures, while the three-party Just Russia alliance won a total of 49 seats. The main challenge to United Russia, the Kremlin hopes, will not be from the opposition, but from another party that supports the authorities as much as United Russia does.

In previous years, Russia has adopted laws that make it tougher for parties to secure registration, requiring them to have at least 50,000 members overall and 500 members in at least half of the regions. By the end of 2006, the Justice Ministry's Federal Registration Service had registered 32 parties, turning down at least 16 applicants.[22] However, the Federal Registration Service said that only 17 of these met legal requirements at year's end and the rest would be disbanded. When the list came out, observers cried foul: Some of the parties that were approved had little real activity (Peace and Unity Party, Greens, and Social Justice Party), while others that were not registered have much greater representation, including Viktor Tyulkin's Russian Communist Workers Party or former prime minister Mikhail Kasyanov's National Democratic Union. Eduard Limonov's National Bolshevik Party, also not registered, has been officially banned in Russia. Parties that fail to secure registration must either redefine themselves as public organizations or disband by the end of the year.

There is no serious opposition party in Russia, and opposition candidates have little opportunity to present alternative policies or ideas, much less replace the existing authorities. Voter turnout is dropping as the electorate becomes disgusted with

the increasing unfairness of elections at all levels, and particularly biased election commissions, law enforcement agencies, and courts, which ignore United Russia's violations. Few citizens are interested in joining political parties. The most recent legislative and presidential elections were deemed free but not fair by international monitors.

Civil Society

1999	2001	2002	2003	2004	2005	2006	2007
3.75	4.00	4.00	4.25	4.50	4.75	5.00	

At the beginning of 2006, Russia adopted new legislation that imposes extensive reporting requirements on NGOs and, in some ways, intimidates them from becoming involved in politically sensitive activities that go against the Kremlin. Putin has repeatedly stated his opposition to the funding of "political activities" by foreign governments, but he has never made it clear exactly what he opposes, forcing groups to guess just what they can and cannot do. Most human rights groups in Russia have funding from foreign sources.

Civil society had some successes during the year, such as a victorious campaign to free driver Oleg Shcherbinsky (accused of being responsible for the death of a governor traveling in a speeding motorcade) and a successful effort to influence plans for constructing a pipeline near Lake Baikal. Over time, Russia has developed many small, local groups that unite people around common interests. Advocates for right-hand-drive cars are particularly vocal, fearing that government regulation will make their vehicles illegal. Nevertheless, in 2006 the setbacks to civil society were more visible than the advances.

Under the new NGO legislation Putin signed at the beginning of the year, foreign organizations working in Russia had to reregister by October 18. Each of the groups had to collect extensive documentation—the Moscow branch of the Heritage Foundation, for example, submitted a file with 200 pages, including approval for opening a Moscow office from all of its original founders.[23] Some organizations, like Human Rights Watch, were initially denied registration and had to suspend activities temporarily until being registered a few weeks later. The Russian Justice Initiative, an NGO registered in the Netherlands that helps victims of human rights abuses in the North Caucasus take their cases to the European Court of Human Rights (ECHR), was denied registration twice in 2006.[24] Much of the information required from NGOs is standard in any democracy, such as financial reports on the groups' activities. Generally, once foreign and Russian groups presented the necessary paperwork, they were quickly registered. By the end of the year, the Federal Registration Service had registered 189 representations and branches of foreign NGOs in Russia and was considering applications from 12 more.[25] Before the law went into effect, 500 foreign NGOs had been operating in Russia. Many groups disbanded because they found the registration procedure too

complex.[26] As a result, Lyudmila Alekseyeva, head of the Moscow Helsinki Group, called the new NGO law a "strangling cord for civil society, with the foreign NGOs the first to go."[27]

The law requires that groups must submit lists of their planned activities for the next year by December 31. Submitting plans will give the authorities the ability to block projects they do not support, particularly those addressing Chechnya, the human rights situation in the military, and discrimination against various groups of the population.[28] Allison Gill, head of the Human Rights Watch Moscow office, called the requirement to submit a list of planned activities in advance the "most disturbing" provision of the new law.[29]

The authorities have already closed one domestic NGO. On October 13, a Nizhny Novgorod court shut the Russian-Chechen Friendship Society, which published a newsletter monitoring human rights in Chechnya.[30] The court based its ruling on a law that forbids a person convicted of "extremist" activities from heading an organization. Executive Director Stanislav Dmitrievsky was convicted of such extremist activities in February for publishing articles by Chechen separatist leaders. Beyond attacking NGOs, Western newspapers have reported that Russian authorities have revived the Soviet practice of using psychiatry against people whose views do not hew to the mainstream.[31]

Russia's society has produced a growing wave of ethnic nationalism and intolerance. During the year, there were 520 racist attacks in the country, including 54 murders, according to Sova, a group that tracks ultra-nationalist activity in Russia.[32] About 62 percent of Russians believe it is necessary to restrict certain ethnicities to their respective parts of the country, up from 42 percent two years ago, while only 24 percent oppose such a move, according to a Public Opinion Fund poll.[33] The August 21 bomb blast in Moscow's multiethnic Cherkizov market that killed 10 and wounded approximately 50, mostly Uzbeks, Tajiks, Chinese, and Vietnamese, marked an escalation in the preparation of attacks against immigrants. The bombing was much more sophisticated than more typical expressions of ethnic violence, such as skinheads beating dark-skinned people on the street.[34] The normally quiet northwestern republic of Karelia also attracted attention. After men from Azerbaijan and Chechnya killed two ethnic Russians in a bar fight in Kondopoga, young men in the city burned the bar and attacked homes and businesses owned by migrants from the Caucasus on the night of September 2. Many ethnic minorities fled that night, and the event received extensive national attention.[35] Lev Gudkov, a researcher at the Levada Center who has conducted extensive work on Russian attitudes, described Russia as being in a "pre-pogrom" condition, with a dramatic rise in xenophobia since the second Chechen war began in 1999.[36]

Many of the country's nationalists feel that Putin's policies and statements regarding Georgia and the North Caucasus support their actions against non-Russians. On May 4, Amnesty International released a report declaring that racism in Russia is "out of control" and that the authorities were not doing enough to stop it.[37] Amendments to the law on extremism were not helpful since they use the term in vague ways. The first attempt to implement the provisions came from

senior environmental official Oleg Mitvol, who sought to label a construction firm "extremist" because it resisted his attempts at inspection.[38] State Duma member Vladimir Ryzhkov noted that Russia's current anti-extremist legislation will do little to reduce the rising number of hate crimes committed in Russia.[39]

A law passed on December 5 now requires Russia's president to appoint the president of the Russian Academy of Sciences after the individual has been elected by the General Assembly (a group within the Academy). Critics claim that this provision could end the academy's independence.[40] Although it was always dependent on the federal budget, the academy had retained autonomy over management and spending.[41] Observers suggested that the move was economically motivated since the academy owns numerous pieces of lucrative real estate. The ultimate impact of this reform on the academy's funding priorities is not yet clear.

The basic goal of Russian state policy is to centralize philanthropy so that the government will have greater control over it.[42] Putin established the Public Chamber, whose task is to coordinate NGO activities and channel funding to state-approved organizations. In its first grants competition, the chamber handed out 250 million rubles (US$9.6 million) to 617 NGOs, but there were no well-known human rights groups among the recipients.[43] Most did not bother to apply, fearing they had no chance of winning. At the end of the year, the chamber handed out nearly 473 million rubles (US$18.2 million) to 1,054 organizations.[44] Though its members like to take on important issues, such as nationalism or hazing in the military, the Public Chamber has little effect on existing reality, according to an unsigned commentary in the Web site gazeta.ru.[45] Chamber members appear frequently on television, but the same broadcasters rarely show members of independent groups, such as Memorial or the Moscow Helsinki Group, indicating that the chamber is replacing grassroots groups with officials more closely tied to the state machine. The chamber manages to address specific problems, like the issues faced by home owners in the village of Butovo, but not the underlying problem of insecure property rights.

Private giving in Russia now totals US$1.5 billion a year, a great advance over the US$1 million of 1992, according to Charities Aid Foundation.[46] In December, the state Duma passed a bill on endowments for charities and NGOs in the first of three readings. If ultimately approved as a law, this new legislation could provide a stronger basis for philanthropy. However, like the Public Chamber, Russian philanthropists generally avoid political and human rights issues, particularly following the closure of Mikhail Khodorkovsky's Open Russia. Most Russian businessmen now finance only those activities approved by the authorities, fearing that by taking the initiative to support political and human rights issues, they will end up in prison like Khodorkovsky.

Independent Media[47]

1999	2001	2002	2003	2004	2005	2006	2007
4.75	5.25	5.50	5.50	5.75	6.00	6.00	6.25

Since coming to power, the Putin administration has systematically cracked down on Russian media freedoms. After asserting control over the main nationwide television networks in 2003, the authorities have now taken over the most important non-state-controlled newspapers. They have signaled that the regional media and Internet are next. In its Press Freedom Index 2006, Reporters Without Borders ranked Russia 147 of the 168 countries it examined.[48] Nine journalists died on the job, according to the Glasnost Defense Foundation. The most taboo topics are privileges and corruption among the elite, including criticisms of Putin, his ties with business, the Putin-era oligarchs, Chechnya, and the law enforcement agencies' poor performance in countering terrorism, as in the case of Beslan.[49]

The assassination of investigative journalist Anna Politkovskaya on October 7 drew international attention to Russia's increasingly constrained media. Politkovskaya frequently criticized the kidnappings, torture, and murders carried out by the pro-Kremlin leadership in Chechnya and the excesses of Russian troops in the region. Thirteen journalists have been killed since Putin came to power, and there have been no convictions in any of the cases.[50] Russia is the third most dangerous country in the world for journalists, following Iraq and Algeria, according to the Committee to Protect Journalists.

There is little diversity among news sources, as most have fallen under state control. The four most important national networks devote about 90 percent of their political news time to covering the activities of the authorities, almost invariably in positive or neutral terms, according to monitoring performed by the Center for Journalism in Extreme Circumstances in March 2006.[51] These broadcasters devoted 4 percent or less of their political coverage to the opposition, and such broadcasts were generally negative.

With the sale of *Kommersant* this year, Kremlin-friendly companies have now taken over the main newspapers in Russia that provided a non-state point of view. At the end of August, Alisher Usmanov, owner of numerous steel companies and president of Gazprominvestholding, a subsidiary of Gazprom, purchased the paper. Usmanov is thought to be close to Dmitri Medvedev, the presidential contender who is also the chairman of Gazprom's board of directors.[52] Typically, newspapers purchased by Gazprom move away from hard-hitting news coverage in favor of content suitable for tabloids. Already the editor and several key journalists from *Kommersant* have left. The newspaper closed its opinion section at the end of the year. However, the situation is not completely bleak. Publications such as *Novaya gazeta*, *Expert*, and *Vedomosti* (published by *The Wall Street Journal*, *Financial Times*, and *Moscow Times*) provide some analysis. Likewise, *Ekho Moskvy*, which is owned by Gazprom, continues to provide critical analysis.

Regional and local publications are generally beholden to regional and local governments for subsidies and therefore take care not to offend their political sponsors.[53] Such governments spend millions of dollars a year on these publications.[54] Many in the media refuse to publish critical articles because they are interested in helping the authorities promote a positive image of their region. Nevertheless, there are examples of excellent publications and journalists working in the regions. For example, the newspaper *Vechernyi Krasnotur'insk*, edited by Natalya Kalinina, was the first to report on the hazing that Private Andrei Sychov suffered during his military service. After *Vechernyi Krasnotur'insk* began reporting this story, the national media picked up the cause, and Sychov's mistreatment became a major scandal in Russia, shining an unwelcome light on the military's failure to reform, according to an article on the regional media by Maria Eismont.[55] In the cities of Berdsk and Khanty-Mansiisk, journalists have left their newspapers to set up independent publications when their owners refused to publish important investigative articles.[56]

The authorities are increasingly using the courts to exert pressure on journalists. Boris Stomakhin was sentenced to five years in prison on November 20 for articles about Chechnya, with the court citing bogus ethnic incitement charges. The Union of Journalists' Igor Yakovenko said that his organization receives about 10 complaints a month from journalists under pressure.[57] Russian legislation now contains many prohibitions against slandering or insulting the authorities. On July 28, the president signed legislation that makes slandering a government official in the performance of his duties an act of "extremism," exposing the offending journalist to the possibility of a long jail sentence.[58] Critics argue, however, that the definition of extremism is so vague that it can be used to silence opposition politicians and the press. With ever greater frequency, the courts are deciding defamation cases against journalists in favor of bureaucrats. In the 1990s, there were fewer than 10 such criminal cases. Now the number is as high as 45 per year, according to the World Association of Newspapers.[59] In advanced democracies, civil, not criminal, courts deal with such cases.

Having gained control of the traditional media, the authorities are now taking aim at the Internet, which remains an island of free speech with important non-state news sites like gazeta.ru, lenta.ru, and newru.com. Seven percent of the population use the Internet every day, while 22 percent have access to it at least once a month.[60] The Kremlin fears that this medium could serve as an effective organizer for potential revolutionaries and therefore has sought to exert greater control over Russian Internet service providers.

Blogs in Russia create an online forum for civil society. Many Russian blogs appear on www.livejournal.com. A scandal occurred when the Web site's American owner sold the rights to service the Cyrillic portion of the site to a company owned by oligarch Aleksandr Mamut and his associates. Many of the bloggers feared that the sale portended a coming crackdown on the content of the site because Anton Nosik, a well-known liberal who threatened to remove nationalist and fascist blogs, was a member of the new team. Nevertheless, the site remains popular, and bloggers

like Ilya Yashin, leader of Yabloko's youth movement, have used it to organize thousands to participate in street protests.[61]

For its part, the Kremlin began more formal censorship of the Internet this year, cracking down, for example, on sites that reproduced the Danish cartoons depicting the prophet Muhammed. The site gazeta.ru received an official warning; a second such warning would force it to shut down. The Ivanovo-based Kursiv site, which lampooned Putin's efforts to increase birthrates by dubbing him the "phallic symbol of Russia," was immediately shut down and the editor fined 20,000 rubles (US$770). In the past, this site has exposed corruption in Ivanovo, and this investigative work may have been the real reason for the crackdown.

Interior Minister Rashid Nurgaliev and Procurator General Yury Chaika told the Duma on November 15 that the state needed to take effective action to stop the spread of extremist propaganda on the Internet, suggesting greater legal controls. Russian nationalists used the Internet to gather participants for the "Russian March" on November 4, and the authorities have launched an investigation.[62] Even human rights campaigners complain that some sites have posted appeals to kill people of other nationalities.

The authorities are not the only problem for the media. Journalists often take money for positive coverage, and the practice seems to be getting worse according to a journalist for the *St. Petersburg Times*.[63]

Local Democratic Governance

1999	2001	2002	2003	2004	2005	2006
n/a	n/a	n/a	n/a	n/a	5.75	5.75

Although the Russian Constitution formally declares the independence of local government, in practice municipalities are closely constrained by regional and federal authorities. Currently, local government is in a state of limbo. The federal government passed a reform law in 2003 that was supposed to be put into practice by 2006, but full implementation for some regions has been postponed until 2009. Observers criticize the reform for centralizing power, but they also note that adopting a set of reforms and then postponing its implementation leaves the federal system without clear direction. Regions that have tried to implement the legislation have had difficulty hiring staff for the new levels of municipal government created.[64]

Current legislation allows Russian cities to either elect their mayors directly or to have the city council elect a mayor from among its ranks and appoint a city manager to handle city administration. In some cities, such as Petrozavodsk, city council members have gone on hunger strikes to protect direct mayoral elections.[65] Increasingly, however, cities are opting to eliminate direct elections because allowing the local legislature to appoint officials seems to make the system more controllable. Some federal legislators have sought to reinforce this tendency. On October 20, 2006, United Russia party members introduced federal legislation that would allow

governors to abolish mayoral elections in regional capitals. The bill also sought to give the governors the right to transfer some mayoral powers and city funding to the regional level. However, discussion of the law was postponed indefinitely on November 7.[66]

Where they are held, mayoral elections still bring surprises, showing that some elements of grassroots democracy remain strong. In October, Viktor Tarkhov of the Russian Party of Life won the Samara mayoral election, beating incumbent Giorgii Limanskii, who was backed by United Russia. Of course, both candidates had the support of pro-government parties. However, the election demonstrated that the United Russia label was not enough to save incumbents who have worn out their welcome with the public. The Samara example could serve as a model for other cities seeking to preserve elections.

Russia's crime problem has also limited local democracy. In the Far Eastern city of Dalnegorsk, mayoral elections had to be postponed until spring 2007 after a runoff set for October 22 could not be held when the candidates withdrew following the murder of former mayor and prominent candidate Dmitri Fotyanov. There are strong political and criminal links in the region due to the large profits made from illegal logging and sales to the Japanese market.

The 2004 law giving the president the right to appoint regional leaders appears not to have been as effective as the Kremlin hoped it would be at restricting the powers of the governors. In most cases, Putin has simply reappointed incumbent governors. Tatarstan president Mintimer Shaimiev told a November meeting of the United Russia Tatarstan branch that federal legislation should not necessarily have priority over regional laws.[67] The main thrust of Putin's federal reforms has been to assert the supremacy of federal law. On November 8, Tatarstan became the only region in Russia to reach agreement with Putin on a power-sharing plan, which was awaiting approval by both houses of the Russian legislature at the end of the year. The treaty gives Tatarstan the rights to increased revenue from its mineral resources and allows the republic to declare Tatar an official language. If the treaty is ratified, federal passports for the republic's citizens will have Tatar-language inserts, and future republican presidents must speak Tatar.[68] Until this concession, Putin's policy had been to abolish the Yeltsin-era power-sharing treaties and force the regions to bring their legislation in line with federal norms. Shaimiev is a strong regional leader at the head of a Muslim region, and Putin fears the instability that could result from removing him.

Similarly, on October 5 Putin nominated Bashkortostan's president Murtaza Rakhimov for another term in office. Rakhimov has served since 1993 and has been repeatedly accused of rights violations and organizing the local economy to the benefit of his own family. Shaimiev and Rakhimov consistently deliver strong electoral support for Kremlin candidates in federal elections and are expected to do so again in the 2007–2008 electoral cycle. Independent local government is essentially nonexistent in both republics.

In some cases, the Kremlin has sought to use the judicial system to pressure governors. On May 24, federal authorities arrested Nenets governor Aleksei Barinov,

who was the last governor to win a direct popular election before Putin's 2004 reform went into effect and the first to be detained while in office. Some observers suggested that he had run afoul of the federal authorities in a dispute over oil.[69] Additionally, on July 25 Khakasiya governor Aleksei Lebed was charged with abusing office for allegedly spending money intended for the local university on his personal vacation. These charges seem selective since they are aimed at removing figures the Kremlin finds inconvenient.[70] Barinov and Lebed began to face legal trouble after their regions refused to comply with Federation Council chairman Sergei Mironov's demand that they replace their representatives to the federal Parliament's upper chamber.

City leaders have also come under pressure. Volgograd mayor Yevgenii Ishchenko was temporarily removed from office at the end of June so that the oblast procurator could complete an investigation into Ishchenko's alleged wrongdoing in office. Observers in Volgograd have described Ishchenko's situation as driven by his conflict with the governor and the United Russia party.

Russia's local governments are also in financial trouble. According to an Audit Chamber report, 98 percent of Russian municipalities are running budgetary deficits.[71] Typically, the local governments have a wide range of responsibilities, including health care and education services, but lack an adequate tax base to fund their efforts. Governors have frequently used new legislation in Russia to strip localities of their status as towns, thereby depriving them of the ability to control their own budgets, according to a report by the Public Chamber's Vyacheslav Glazychev.[72]

Judicial Framework and Independence

1999	2001	2002	2003	2004	2005	2006	2007
4.25	4.50	4.75	4.50	4.75	5.25	5.25	5.25

Russia's Constitution and legislation provide protections for political, civil, and human rights, but practices in the judicial system frequently fall short of these ideals. Representatives of the state are often above the law and have great advantages compared with individual citizens. Thus, while processes for resolving commercial disputes have become more reliable, the state still intervenes where it has a strategic interest. Such problems are likely to get worse, because the Kremlin "has been engaged in a gradual re-nationalization of key sectors of the economy with little regard to the rule of law," according to Richard N. Dean of Baker & McKenzie LLP, an international law firm.

Part of the judiciary's problem was poorly paid judges who were vulnerable to pressure from above and extensive bribery. In recent years, Russia has increased judges' salaries to levels comparable to salaries in the private sector.[73] In November, legislation was introduced in the Duma requiring judges to declare their income and property.[74] Similar reforms have been successful in Romania. However, in Russia the results have yet to be seen. In 2006, Russia's ranking in the World Economic

Forum's Global Competitiveness Index dropped because Russian companies are concerned about the "independence of the judicial system and justice as such." Russia's judicial independence ranked 110 out of 125 countries because it is "time-consuming, unpredictable, and a cost burden to enterprises." Additionally, the Russian state plans to move the Constitutional Court from Moscow to St. Petersburg, which would lower its status. Some of the judges have expressed their displeasure at making the move.

The situation with property rights is "extremely poor and worsening," dropping from 88 in 2004 to 114 in 2006, according to the Global Competitiveness Index. In November, when the United States and Russia reached agreement on Russia's World Trade Organization accession, Russia agreed to take steps to improve its record in protecting property rights to address the major piracy and counterfeiting industries in the country. That month, the procurator general filed a case against a Perm Krai school director for allegedly using pirated copies of Microsoft's Windows software on school computers. The case was misdirected, however, because it went after an educational user of such programs rather than the organized crime groups that distribute the illegal copies. Even Microsoft sought to distance itself from the prosecution and did not seek compensation.

Many Russian citizens feel that they cannot get justice within the Russian court system and appeal to the European Court of Human Rights. Russians filed 10,583 of the more than 45,000 cases with the ECHR in 2005 and 12,000 cases in 2006, 20 percent of the total.[75] The Russian state typically loses the cases brought against it (winning only 10 of 362 cases between 2002 and mid-2006) and promptly pays the relatively small fines that the ECHR imposes. In the case of *Ilascu v. Russia*, however, Russia has failed to comply with the judgment, as the secretary-general of the Council of Europe noted on December 9.[76] Among the 46 members of the council, only Russia has yet to ratify the 14th additional Protocol of the European Convention on Human Rights. The protocol will improve the operation of the ECHR and must be ratified by all members before it comes into force.

Despite this formal compliance with the international court, the government usually does not make an effort to change whatever structural situation led to the violation in the first place. On July 27, the ECHR found Colonel General Aleksandr Baranov, commander of Russian military forces in the North Caucasus, responsible for the disappearance and presumed death of Khadzhi-Murat Yandiev, a prisoner detained in Chechnya. The decision was the first to hold Russia responsible for a disappearance in Chechnya and may open the way for more prosecutions. The organization Memorial estimates that as many as 5,000 have vanished during the second Chechen war and notes that this problem is not being solved. In October, the ECHR ordered Russia to register the Salvation Army, which it promptly did after previous Russian court decisions had denied the group official status, claiming that it was seeking to overthrow the state.

In addition to the problems faced by the Russian Justice Initiative noted earlier, at least one other group that assists Russians in taking cases to international courts had difficulty carrying out its work. In July, the Federal Tax Service ordered the

Center for Assistance in International Defense (www.prison.org/help/ngo/doc015.htm) to pay 4.5 million rubles (US$167,000) in back taxes and penalties for allegedly failing to pay income tax on grants received from 2002 to 2004.[77] The founder of the organization is Karina Moskalenko, one of the lawyers defending jailed magnate Mikhail Khodorkovsky. With funding from the Ford Foundation, the MacArthur Foundation, the National Endowment for Democracy, and the OSCE, the group had won 9 cases at the time the penalty was assessed and had 250 cases pending.[78]

Russian juries are much more likely than judges to find defendants not guilty and as such are one of the few components in the Russian legal system to take seriously the notion of "innocent until proven guilty." Judges acquit in 3.6 percent of cases, while juries do so about 17 percent of the time.[79] Juries in Dagestan, for example, have acquitted people accused of planting bombs and assassinating the republic's information minister. Frequently, juries acquit because of poor investigative and trial work by prosecutors and are open to the argument that the people on trial had no connection to the crime they are accused of committing. Often investigators use illegal methods to gather evidence, which then cannot be admitted into court. Sometimes the investigators rely exclusively on confessions which may have been obtained under torture, causing people to falsely admit to committing crimes. In other cases, witnesses are intimidated into not testifying, as was the case in the trial of Aleksandr Sivyakov, accused of scandalously hazing the conscript Andrei Sychov.[80] Reform is unlikely anytime soon. Yury Chaika, appointed procurator general in June, has said that any changes would have to be "careful and balanced."[81]

Still, these jury acquittals show that it is possible to get a fair trial and that some judges and juries take their responsibilities more seriously than do prosecutors. The acquittals have led many Russian politicians to call for banning jury trials, claiming that they allow too many criminals to go free. With no principle of double jeopardy, Russian court verdicts can be overturned and the trial repeated until the prosecutors find a jury willing to convict. In 2005, the Supreme Court reversed acquittals in 46 percent of cases where they occurred.[82] There were 600 jury trials in a system that tried 1.1 million criminal cases.

The courts are still subject to political manipulation. Driver Oleg Shcherbinsky was initially convicted for not moving his car out of the way fast enough to allow Altai Governor Mikhail Yevdokimov's speeding motorcade to pass. The governor died in the subsequent accident. However, when drivers' associations across Russia began protesting this injustice, an appeals court quickly overturned the ruling. The conviction was seen by the country's leadership as a political liability that, if left in place, might have given the opposition a concrete event around which to organize.

Russia has made some advances in its incarceration practices. On April 17, Putin signed a law stripping the Federal Security Service of its pretrial detention centers. These centers are now part of the country's penitentiary system, which is administered by the Justice Ministry. This step brings Russia into accordance with the guidelines of the Parliamentary Assembly of the Council of Europe and fulfills the obligations Russia committed to when it joined the Council of Europe in 1996.[83]

There were 871,700 people (convicted and under investigation) in Russian prisons as of January 1, 2007.[84] This number rose by 39,000 over the first six months of 2006. In 2005, the courts let 2,000 people go free because there was no evidence that they had committed crimes. No one is held responsible for detaining these people needlessly, according to Federal Penal Service director Yury Kalinin. While the prison system had been liberalizing until 2005, new rules adopted that year increased restrictions, according to prison activists, who say that prisoners are now treated more harshly.[85] A report from Amnesty International said that Russian NGOs had found more than 100 cases of torture in 11 regions. The survey did not include the North Caucasus, where the problem is reportedly worse.[86]

Corruption

1999	2001	2002	2003	2004	2005	2006	2007
6.25	6.25	6.00	5.75	5.75	5.75	6.00	6.00

In September, Putin admitted that the lack of progress against corruption was one of the great failings of his administration. Transparency International's 2006 Corruption Perceptions Index gave Russia a score of 2.5 on its scale of 0 to 10, with 0 being most corrupt. This number was slightly better than last year's 2.4, ranking Russia 121 out of the 163 countries on its list.[87]

Russia did take several formal steps to address the problem. In 2006, the country ratified the UN Convention Against Corruption, which it had signed in 2003,[88] and the Council of Europe Criminal Law Convention on Corruption, signed in 1999.[89] In September, Procurator General Yury Chaika announced that he had set up a special subdivision in his agency to catch bribe solicitors among the country's high-ranking officials.[90] At the same time, much of the population is implicated in corrupt transactions, as at least one-third of wages are handed out in envelopes to avoid tax payments.[91] This practice takes place even in state agencies. Against this background, most Russians accept corruption as inevitable.[92]

The government has not implemented effective anticorruption policies. Shortly after Putin's annual address to the Federal Assembly (both houses of Parliament: the State Duma and Federation Council) in May, the Kremlin fired nearly a dozen high-ranking officials in the Federal Security Service, Office of the Prosecutor General, Interior Ministry, and customs agency, and Federation Council chairman Sergei Mironov recommended the dismissal of four members of the upper house. Beyond the few individuals involved, however, this campaign did not seem to go anywhere.

Some compared the 2006 arrests with the 2003 campaign against police corruption dubbed "Werewolves in Uniform," which was also more show than substance. A head of the Internal Security Department at the Emergency Situations Ministry and six police officers of the elite Criminal Investigations Directorate who figured in that case received sentences from 15 to 20 years' imprisonment in 2006.[93]

While this case attracted considerable media attention, Transparency International's Yelena Panfilova did not see these sentences as a trend.

Some authentic efforts to deal with corruption resulted in tragedy. The assassination of Andrei Kozlov, Russia's top bank regulator, on September 13 turned attention to the extensive corruption in Russia's murky banking system.[94] Kozlov was one of the highest-ranking officials to be killed in the Putin administration. Russia has an extensive problem with money laundering, which feeds bribery, tax evasion, drug traffickers, and terrorism. After the murder, Putin ordered the creation of a task force to address crime in the banking system. It will for the first time include police and prosecutors in addition to bank regulators. Kozlov had been making some progress, denying the applications of 343 banks from 1,270 that sought to continue their operations. He was closing about two banks a month, creating a large number of enemies. Before his death, he said that he would next focus on corruption in the central bank itself, where the problem is allegedly rife within regional branches. The assassination demonstrates that certain elements in Russia's power structure act as a law unto themselves.

Part of the problem is the expansion of Russia's bureaucracy. The number of bureaucrats grew by 115,200 to reach 1,577,200 at the end of 2006, according to Rosstat, the state statistical agency. Most of the new positions (127,000) were in the regional divisions of federal executive branch agencies.[95] In the draft 2007 budget, state spending on the maintenance of the administration is expected to rise 50 percent to 821 billion rubles (US$32 billion).[96] Efforts to reduce corruption by paying bureaucrats higher salaries have not worked. "In the past two years, salaries of state servants have grown radically, but so have corruption levels," according to Igor Nikolaev, director of the Russian auditing company FBK's Strategic Analysis Department.[97]

The absolute amount of bribes has increased in recent years as the size of the economy has grown, according to research by the World Bank and the Indem think tank in Russia. These trends occurred despite a number of policies that Russia put in place to address corruption during Putin's term. Reducing licensing requirements and cutting tax rates did not lead to fewer bribes in these areas. Explanations include inconsistent implementation of reforms and decreasing accountability due to more restrictions on the media and civil society.[98] In particular, the World Bank study found a significant increase in bribery surrounding government procurement and licensing.

Indeed, state procurement is one of the "most complicated and corrupt" spheres of the Russian economy, according to First Deputy Prime Minister Dmitri Medvedev. This year, the state is expected to make 800 billion rubles (US$31 billion) in purchases.[99] A major problem is *otkat,* where the winner of a state contract gives a percentage back to the bureaucrat who helped make the deal possible. One Siberian firm singled out by Deputy Economic Development and Trade Minister Andrei Sharonov paid a 16 percent kickback.

The amount of transparency in the public sphere is shrinking. An increasing share of the Russian budget is being classified, according to experts at the Institute

for the Economy in Transition. In 2005, 41.4 percent of the budget was classified, and that amount was expected to rise even higher in the following years.[100] For example, the section of the Russian budget relating to mass media contains 11.2 percent of secret articles, raising questions about why this information is not made public.

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Serbia

by Slobodan Markovich

Capital:	Belgrade
Population:	7.5 million (excludes Kosovo)
GDP/capita:	US$3,117
Ethnic Groups:	Serb (82.9%), Hungarian (3.9%), Bosniak (1.8%), Roma (1.4%), Yugoslav (1.1%), other or unspecified (8.9%)

The economic and social data on this page were taken from the following sources:

GDP/capita: *Transition Report 2006: Finance in Transition* (London, UK: European Bank for Reconstruction and Development, 2006).

Population, Ethnic Groups: *Population. 2002 Census of Population, Households and Dwellings* (Belgrade: Statistical Office of the Republic of Serbia, February 2003).[1]

Nations in Transit Ratings and Averaged Scores

	Yugoslavia				Serbia			
	1999	2001	2002	2003	2004	2005	2006	2007
Electoral Process	5.50	4.75	3.75	3.75	3.50	3.25	3.25	3.25
Civil Society	5.25	4.00	3.00	2.75	2.75	2.75	2.75	2.75
Independent Media	5.75	4.50	3.50	3.25	3.50	3.25	3.25	3.50
Governance*	5.50	5.25	4.25	4.25	4.00	n/a	n/a	n/a
National Democratic Governance	n/a	n/a	n/a	n/a	n/a	4.00	4.00	3.75
Local Democratic Governance	n/a	n/a	n/a	n/a	n/a	3.75	3.75	3.75
Judicial Framework and Independence	5.75	5.50	4.25	4.25	4.25	4.25	4.25	4.25
Corruption	6.25	6.25	5.25	5.00	5.00	5.00	4.75	4.50
Democracy Score	5.67	5.04	4.00	3.88	[illegible]83	3.75	3.71	3.68

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

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

In *Nations in Transit 2007*, Freedom House provides separate ratings for Serbia and Kosovo in order to provide a clearer picture of processes and conditions in the different administrative areas. Doing so does not indicate a position on the part of Freedom House on Kosovo's future status

Executive Summary

Serbia's democratic transition began much later than that of most other post-Communist countries. When the Socialist Federal Republic of Yugoslavia (SFRY), a multinational federation of 6 republics broke apart in 1991, Serbia and Montenegro formed the Federal Republic of Yugoslavia (FRY) in 1992. Replacing the FRY in February 2003, the two states signed the Belgrade Agreement to form the State Union of Serbia and Montenegro, a highly decentralized but joint state under a deal brokered by the European Union (EU). During the 1990s, Serbia was under the authoritarian rule of Slobodan Milosevic, who was tried by the International Criminal Tribunal for the Former Yugoslavia (ICTY) in The Hague for genocide, war crimes, and human rights abuses committed in Croatia, Bosnia and Herzegovina, and Kosovo between 1991 and 1999. Following the fall of the Milosevic regime in 2000, Serbia's democratization slowly resulted from elections won by the opposition and massive protests that forced the regime to accept the election results. The transition was negotiated, with some members of the old regime supporting the opposition for the price of political protection. The legacy of the populist and nationalist Milosevic regime left deep ruts that continue to shape Serbia's political landscape.

In political terms, 2006 was the most difficult year for Serbia since the democratic revolution of 2000. Serbia struggled with five very substantial problems over the course of the year: the resolution of the status of the State Union of Serbia and Montenegro; efforts to enact a new Constitution in Serbia; international efforts to define the final status of Kosovo; cooperation with the ICTY and the question of ICTY-indicted General Ratko Mladic; and status of negotiations with the European Union (EU) on the Stabilization and Association Agreement (SAA). Following the positive outcome of the independence referendum in Montenegro in June, Serbia became independent and the State Union was dissolved. After six years of various democratic governments in promising a new Constitution, finally, in October 2006, albeit amid controversy, the new Constitution of the Republic of Serbia was accepted. From 2004 through 2006, the country's two most popular political parties—Serbian Radical Party (SRS) and the pro-reformist Democratic Party (DS)—have been in opposition, creating a paradox of the Serbian political scene. The center-right minority government of Vojislav Kostunica's DSS was able to survive through 2006 with the support of parliamentarians from the Socialist Party of Serbia (SPS), the party formerly headed by Slobodan Milosevic. The country's least contested developments in 2006 were achieved in the economic sector. The overall conclusion of the annual report of the International Monetary Fund was that "Serbia has made significant economic progress since 2000." Output increased by 40 percent from 2000 to 2006.[2]

National Democratic Governance. Serbia peacefully weathered several challenges to national democratic governance in 2006. Montenegro voted in June in favor of independence. The Serbian government's formula for Kosovo—"more than autonomy, but less than independence"—has not been in resonance with the ideas of most Contact Group members. Because it is the responsibility of the government to ensure full cooperation with the ICTY, Carla Del Ponte, chief prosecutor of the ICTY, voiced accusations that Serbia was not cooperating in 2006 when it failed to present war criminal suspect General Ratko Mladic (or anyone else)—whether by voluntary surrender or by arrest—to The Hague tribunal. This issue damaged Serbia's coming to terms with past crimes and stalled EU accession negotiations. Consequently, negotiations on the SAA with the EU were frozen in May and not resumed by the end of 2006. Serbia's NATO integration was also questioned, but the country became a member of the Partnership for Peace in November 2006.

After years of failed efforts, Serbia finally accepted a new Constitution in a referendum organized on October 28 and 29 and promulgated it on November 8, 2006. It represents an improvement over the Constitution of 1990 that was enacted by the regime of Slobodan Milosevic. The new Constitution and its provisions were the result of political compromise of the major political parties, achieved behind closed doors and without any public debate. This prompted some political parties and nongovernmental organizations (NGOs) to organize an anti-referendum campaign. Some provisions in the field of the judiciary raised EU concerns, but overall its acceptance represents a significant improvement in comparison with the previous Constitution. *Serbia's national democratic governance rating improves from 4.00 to 3.75 as state institutions continued to function during a very difficult year; meriting special commendation for the peaceful resolution of several major challenges, including acceptance of a new Constitution, a referendum in which Montenegro chose independence and the State Union was dissolved, a change in the government, and negotiations for holding parliamentary elections.*

Electoral Process. The most important electoral event in 2006 was the two-day referendum on the new Constitution. Most foreign observers had no significant complaints, but control over voting was lower than in the previous parliamentary elections. Another important accomplishment was the successful negotiation on the date of the next parliamentary elections, which were scheduled for January 21, 2007. They were organized in accordance with the new electoral law that enabled better representation of women and national minorities and in an atmosphere with less tension than the previous elections in 2003. In the Parliament, two disputed cases over replacing parliamentarians occurred. *Despite some ballot box disputes during the constitutional referendum, an overall clarity of process in accord with the new electoral law holds Serbia's electoral process rating at 3.25.*

Civil Society. No legislation on NGOs was enacted in 2006, an ombudsperson was still not appointed, trade unions remained insignificant actors, and only universities were able to pursue important reforms that should adjust Serbia's educa-

tional system to the Bologna process. Some NGOs joined the four political parties boycotting the referendum and actively campaigned against the new Constitution, provoked by its content and the lack of public debate during the referendum process. Critics suggest this may have a detrimental effect on the level of support for their work in Serbia. Yet civil society remains the strongest category in Serbia. *Serbia's civil society rating remains at 2.75.*

Independent Media. The Republic Broadcasting Agency allocated national frequencies in April 2006 in a process burdened with many procedural shortcomings and arbitrary decisions. BK TV was banned in a spectacular nighttime police action on April 26. The Law on Broadcasting was amended in October. These changes were criticized for their lack of public debate and procedural errors. The process of transforming the Radio Television of Serbia into a public service broadcaster is a step forward, but the appointment procedure for board members was contested. Overall, 2006 saw effort to implement important regulations on the distribution of frequencies and to end chaos in the digital media arena, but this effort itself proved to be somewhat chaotic. *Owing to the year's lost opportunities for improvement, Serbia's independent media rating worsens slightly from 3.25 to 3.50.*

Local Democratic Governance. The new Constitution has not laid groundwork for the regionalization of Serbia. Instead, the country remains administratively divided into very small municipal units. The northern province of Vojvodina retains some level of legislative and financial autonomy. A new Law on Financing Local Self-Government was enacted in July 2006 to diversify sources of income and provide greater financial autonomy to municipalities. Minority rights have a much higher priority in the new Constitution, which is expected to enable better implementation on the local level. *Although expectations are raised for future improvement pending results from the newly passed financing law and constitutional support for minority rights, Serbia's local democratic governance rating remains at 3.75.*

Judicial Framework and Independence. It is doubtful whether the new High Judicial Council, stipulated in the new Constitution and scheduled for appointment in 2007, will be able to sufficiently guarantee an independent judiciary. The Constitutional Court became nonfunctioning on October 10 when its president was retired and a new one was not appointed. This situation will continue into 2007 and has left a very dangerous vacuum with no ongoing evaluation of the constitutionality of government decisions. *Although new constitutional provisions raise concern for future judicial independence, Serbia's judicial framework and independence rating remains at 4.25.*

Corruption. Corruption remains a serious problem in Serbia. In 2006, the Serbian government issued charges of tax evasion against high-profile oligarch Bogoljub Karic. The motive behind the charge remains unclear: some view it as evidence that

the government is cracking down on corruption and others view it as politically motivated because during 2006 Karic became more politically active and popular. High state officials, including judges, were prosecuted for corruption, and action taken against "the bankruptcy mafia" was the first significant state act to reduce corruption in the privatization of formerly state-owned property. New forms for justifying campaign collections and expenditures by political parties are a welcome step. *Owing to the number and effectiveness of anticorruption efforts conducted by the government, Serbia's corruption rating improves from 4.75 to 4.50.*

Outlook for 2007. Owing to Serbia's relatively stable economic situation the victory of pro-democratic parties in January 2007 is anticipated and, although some experts disagree, a new government is likely to be formed from the ranks of the Democratic Party, the Democratic Party of Serbia, and G17plus. The new government will continue to be committed to Euro-Atlantic integration. The leaders of the Democratic Party have promised that solving the question of ICTY indicted General Mladic will be their top priority. This could lead to an acceleration of Serbia's negotiations with both the EU and NATO. The resolution of the status of Kosovo could create tensions among future coalition partners but is not likely to destabilize the situation in Serbia in the long run. However, it could influence the outcome of the presidential elections that will take place in the second half of 2007. In the economy, further gross domestic product (GDP) growth is expected.

Main Report

National Democratic Governance

1999	2001	2002	2003	2004	2005	2006	2007
Yugoslavia				n/a	4.00	4.00	3.75

Replacing the Federal Republic of Yugoslavia, the State Union of Serbia and Montenegro was created on February 4, 2003, which kept Serbia and Montenegro together in a highly decentralized but confederation of two states under a deal brokered by the European Union (EU). Although both sides signed the Belgrade Agreement, the Union did not resolve mutual tensions between the national entities. This formation provided very few joint competences (limited mostly to foreign affairs and defense) but without a common currency or common market. The Belgrade Agreement and Constitutional Charter provided for the withdrawal of either state (or both) from the union following the expiration of a three-year period and a referendum. In 2005 Montenegro's prime minister, Milo Djukanovic, gave voice to public interest in holding a referendum on whether it would remain in the State Union or seek independence. Under pressure from the EU, the dates of the referendum were postponed several times.

Serbia's mainstream political parties showed a strong motivation to preserve the State Union owing to the large Serb population living in Montenegro. The November 2003 census showed 32 percent declared Serbs in comparison with 9.3 percent in 1991 and 3.3 percent in 1981. No ethnic groups in Montenegro had an absolute majority although Montenegrins now represent 43.2 percent of the population. In Montenegro's capital, Podgorica, ethnic Serbs rose from 8 percent in 1991 to 25 percent in 2003. Those who identified themselves as Serbs were strongly in favor of preserving the State Union and voted for pro-unionist parties in the 1998 and 2002 elections.[3] The fact that there were almost 200,000 Serbs in Montenegro encouraged many political groups and parties in Serbia to campaign strongly for the preservation of the State Union. Pro-unionists received support from Serbian citizens of Montenegrin origin, who set up several associations to support State Union preservation. Support also came from the Democratic Party of Serbia and its president, Vojislav Kostunica, and the Serbian Radical Party, while the Democratic Party was also pro-unionist, although with less enthusiasm.

Tensions had begun to rise since June 2005, when the Serbian prime minister took the list of residents of Serbia with Montenegrin citizenship to Brussels to show that their numbers were higher than 260,000. Each citizen of the State Union also had citizenship in one of its constituent republics, so the fact that 260,000 inhabitants of Serbia had Montenegrin citizenship would not have legal consequences as long as the State Union existed. However, with its disappearance, these 260,000 would be deprived of certain rights in Serbia, such as working in state

bodies. Belgrade demanded that they should be given the right to vote in Montenegro. However, one of the leading parties of the governing coalition in Serbia, G17plus, insisted that an independent Montenegro was a much better solution for Serbia, since a dysfunctional State Union would slow down the pace of reforms and Euro-Atlantic integration.

Although residents of Serbia with Montenegrin citizenship did not get the right to vote in the Montenegrin referendum, there still were several thousand who were officially registered as residents in Montenegro with voting rights there. Therefore, in Serbia many steps were taken by the government and pro-unionist associations to influence those Montenegrins living in Serbia with a right to vote in Montenegro to vote in favor of the State Union. The minister of education warned that around 10,000 Montenegrin students studying in Serbia would lose their tuition in the case of independence and would later have to pay much higher tuition fees.[4]

Finally, the referendum was held on May 21, 2006, and 55.5 percent voted in favor of Montenegro's independence, just 0.5 percent more than was necessary according to the Law on Referendum. Serbia recognized the new state on June 15, 2006, and the two countries began to cooperate. President Boris Tadic was the first Serbian official to congratulate Montenegro for its independence on June 3 and was the first head of state to visit Montenegro as an independent country on June 27. As stipulated previously by the Constitutional Charter of the State Union, Serbia inherited the international legal identity of Serbia and Montenegro.

Serbia's Constitution, in force until 2006, was enacted in March 1990 by the Serbian Parliament before the first multiparty elections in December 1990 and was accepted by members of Parliament (MPs) elected during Socialism. In order to pass the new Constitution, pro-democratic elites had to make a compromise to satisfy the provision for a two-thirds majority in the Parliament, reaching a consensus with two parties from the era of Slobodan Milosevic—the leading opposition Serbian Radical Party and the various factions of the Socialist Party of Serbia. These two parties constitute more than 40 percent of all MPs. Without their support, there could be no sufficient majority in the Parliament. Originally, there were two proposals for a new Constitution: one prepared by the Serbian government and another prepared by the president.

The Serbian Radical Party argued that Kosovo should be as strongly connected to Serbia in the new Constitution as possible. The statement "The Province of Kosovo and Metohia is an integral part of the territory of Serbia" was included in the preamble of the Constitution.[5] From this definition follows constitutional obligations of all state bodies to "uphold and protect the state interests of Serbia in Kosovo and Metohia in all internal and foreign political relations." Even more important is the stipulation that the president of Serbia during inauguration must give the following oath: "I do solemnly swear that I will devote all my efforts to preserve the sovereignty and integrity of the territory of the Republic of Serbia, including Kosovo and Metohia as its constituent part" (Article 114). As a result, the president is now constitutionally obliged not to sign any agreement that would recognize Serbia's loss of sovereignty over Kosovo.

The new Constitution has brought significant advancements over the 1990 document but has also raised serious objections from the European Commission, some political parties and NGOs. Human and minority freedoms and rights are covered by 64 articles, or almost one-third of the Constitution, which promotes equal opportunities in terms of gender (Article 15), bans any discrimination and introduces the concept of affirmative action (Article 23, Section 3), encourages diversity (Article 47), permits conscientious objection (Article 45), and provides freedom of access to information (Article 51). A new provision introduces a constitutional appeal (Article 170) as a final means to protect human and minority rights.

Serbia is defined as a market economy. New constitutional articles in this area promote entrepreneurship and consumer rights and allow foreign citizens to own property. It is important to note that the new Constitution finally eliminates so-called social property, a peculiar form of state property without clear ownership instituted by Yugoslav Marxists in the 1950s.

The positions of the Parliament, government, and president have not changed substantially in comparison with the previous Constitution, but a new body—defender of citizens, or ombudsperson—was established in Article 138 of the new document. In terms of the army, Article 141 allows for democratic and civil control. This is a soft Constitution with regard to the procedures for how it can be changed. For the majority of articles and future amendments, a two-thirds majority vote by MPs is the only requirement (Article 203). This could be very important in the process of harmonizing Serbia with the EU's *acquis communautaire*.

A coalition of some political parties and NGOs criticized the contents of the new Constitution and the referendum process. The lack of public debate and "behind closed doors" nature of the document's drafting raised serious objections from NGOs and prominent intellectuals. Several provisions raised controversy, especially the preamble. Article 1 was also heavily criticized for stipulating that "the Republic of Serbia is a state of Serbian people and all citizens who live in it...." Some experts considered this a step backward from the 1990 Constitution, which mentions only "citizens." Other criticisms include the level of autonomy of the northern Serbian Autonomous Province of Vojvodina and the absence of a European clause enabling the priority of EU regulations over national laws.

Even so, the EU has made an overall positive assessment of the new Serbian Constitution, stating, "The adoption of a new Constitution is a welcome development." Still, the EU had some objections, especially "the lack of objective mechanisms free of political influence to appoint, promote, and dismiss judges and prosecutors; the political party's control over parliamentary mandates; the scope of territorial decentralization; and the ambiguous relationship between domestic law and international law."[6] Overall, the new Constitution is undoubtedly a step forward and contains more liberal provisions than the previous Constitution.

Serbian democratic leaders insisted during the anti-Milosevic political campaign in 2000 that as soon as a democratic government had been established in Serbia, the Kosovo question would be resolved in Serbia's interests. In the meantime, with minor exceptions, Serbian politicians have not prepared the electorate for the

possible independence of Kosovo and have become prisoners of their own promises from 2000.

However, the international community attempted to resolve this question in 2006 by organizing negotiations between Belgrade and Pristina supervised by the UN. The Serbian negotiation team adopted guidelines for its future work entitled Platform of the State Negotiation Team on the Future Status of Kosovo and Metohia, adopted on January 5, 2006. It obliges the negotiation team to advocate "essential autonomy within Serbia and the State Union of Serbia and Montenegro." In Prime Minister Kostunica's address to the National Assembly of Serbia on September 12, 2006, he placed Kosovo at the top of the political agenda and affirmed that the Democratic Party of Serbia would oppose any solution that separated Kosovo from Serbia. Other Serbian parliamentary political parties agreed with that position. Public opinion polls, however, such as those by polling company Strategic Marketing suggest that citizens were more concerned with issues such as economic-well-being than the status of Kosovo.

All mainstream political parties insisted on the official Kosovo formula of "more than autonomy, but less than independence," and in this sense 2006 did not bring significant changes to the dominant political discourse, although the media were much more realistic than politicians. In particular, the moderately pro-government *Politika* took a more balanced and analytical position. Citizens also seem to be more realistic than politicians. A series of polls conducted by Strategic Marketing in the first seven months of 2006 demonstrated that about one-quarter of Serbia's citizens considered full integration with Serbia as the best solution for the future status of Kosovo, one-third considered autonomy the best solution, around 22 percent favored the division of Kosovo, around 4 percent supported independence with cantonization, and around 6 percent advocated full independence. However, when asked what would be the most realistic outcome, citizens gave the following assessments: 7 percent predicted full integration with Serbia, 16 percent said an autonomous Kosovo, 22 percent said autonomy within Serbia, 28 percent said full independence for Kosovo, and 12 percent said independence with cantonization.[7]

Negotiations on the final status of Kosovo began in Vienna on February 20, 2006, under the auspices of UN envoy and former president of Finland Martti Ahtisaari. Several rounds of negotiations failed to produce any clear results by September 2006, or, as the EU progress report noted, "limited progress has been achieved."[8] Remarks made by Ahtisaari linking ethnic cleansing in Kosovo under Serbia's Milosevic regime with the unlikelihood of it remaining under control of Belgrade, radicalized officials in Belgrade. Prime Minister Kostunica said on August 29 that the Serbian government and the entire Serbian negotiating team will "systematically and daily implement a diplomatic action in order to acquaint all important international factors with the grave prejudices that Martti Ahtisaari has about the Serbian people."[9] By the end of 2006, the Serbian government maintained that it would not accept Kosovo's independence, even with UN approval. The dissatisfaction of Western governments with the position of the Serbian negotiation team

was voiced clearly in an address by the outgoing British ambassador in Serbia at the beginning of September, stating, "To date, the negotiating team from Belgrade has not demonstrated that it has a genuine will to see Kosovo's problem resolved."[10]

There was much enthusiasm in Serbia regarding the Stabilization and Association Agreement with the EU, which the government began negotiating on October 10, 2005, and expected to be completed in 2006. The negotiations initially progressed very quickly but were colored by the lack of cooperation with the International Criminal Tribunal for the Former Yugoslavia. The report of Chief Prosecutor Carla Del Ponte was anticipated in Belgrade, and indeed it was quite unfavorable. Del Ponte stated on May 3 that the Serbian prime minister had "deceived" her, and she called the search for General Mladic by Serbian authorities "unprofessional," claiming they had known only 10 days earlier of Mladic's exact location and that he was in Belgrade.[11]

Consequently, the European Commission decided to postpone negotiations with Serbia on May 3, 2006, owing to Serbia's non-cooperation with the ICTY, and negotiations have remained on hold subsequently. European Commissioner Olli Rehn did acknowledge that the negotiations had progressed very well and that the Belgrade team was well prepared in a technical sense. However, in addition to non-cooperation with the ICTY, he expressed dissatisfaction with the reform of the Serbian security services, particularly military intelligence services. After the announcement of the suspension of talks, Serbian vice premier Miroljub Labus, who was in charge of EU integration, resigned, stating, "The Serbian government has promised something as a government, and they have failed. I had to react to this."[12] His resignation led to a split in his G17plus party, from which Minister of Finance Mladjan Dinkic fully benefited by taking control of the party and becoming its president. Dinkic decided on May 13 to stay in the government but announced that ministers from G17plus would resign on October 1, should negotiations with the EU not be renewed by that time.

By the end of 2006 the EU had not renewed negotiations on the SAA. In this sense, 2006 was another lost year for Serbia in terms of EU integration. Still, the country continued to receive pre-accession financial assistance from the EU during the year amounting to €167 million (US$224.6 million).

After the end of the State Union, the National Council for Cooperation with the ICTY became a Serbian body, which significantly improved cooperation regarding waivers for witnesses and access to documents. However, the agency failed to achieve the most important task of locating and arresting ICTY-indicted General Mladic. Later, in July, the Serbian government adopted the Action Plan on Cooperation with the ICTY. By the end of the year, six persons located in Serbia were wanted by the ICTY, yet the Serbian government failed to hand them over to The Hague tribunal.

Serbian cooperation with the ICTY was impacted by two events in March 2006. A former leader of Croatian Serbs, Milan Babic, committed suicide in his cell in The Hague on March 6. Five days later, Slobodan Milosevic died in a prison cell of The Hague tribunal. Milosevic's party, lawyers, and some media presented

his death as a result of poisoning by The Hague tribunal, a theory that was rejected by the autopsy and toxicology tests conducted by a group of Western doctors and supervised by doctors from Russia and Serbia. Thousands of people gathered for his burial in Pozarevac, his home town, and his commemoration in Belgrade.

Insufficient cooperation with the ICTY also blocked Serbia's prospects to become a member of the Partnership for Peace. Thus, Serbia and Bosnia and Herzegovina remained the only two countries from the western Balkans outside of the Partnership for Peace. Efforts made by the Serbian Ministries of Defense and Foreign Affairs, and particularly by the president, proved to be successful, and Serbia (backed at the last moment by the United States) was invited together with Bosnia and Herzegovina and Montenegro to join the Partnership for Peace at the NATO summit in Riga on November 29, 2006.

Cohabitation between President Tadic and Prime Minister Kostunica continued during 2006. With appointments to the Serbian negotiation team on Kosovo consisting of advisers and close associates of the president and prime minister, the space for open conflicts was reduced and the impression of satisfactory cohabitation was maintained.

Serbia's greatest advancements in 2006 were in the economic sector. The European Bank for Reconstruction and Development estimated that Serbia's GDP growth in 2006 would reach 6.7 percent, which would give Serbia the highest GDP growth of any country in Southeast Europe.[13] For the first time during transition, inflation was below 10 percent in 2006. The level of foreign direct investments reached a record US$4 billion during the year, almost triple that of 2005.[14] However, this was achieved partially by an exchange rate strongly in favor of Serbia's domestic currency, the dinar. The level of employment increased from September 2005 to April 2006 by 2 percent, or 53,360 jobs.

On December 19, 2006, the Serbian minister of trade signed the Central European Free Trade Agreement (CEFTA) in Bucharest. This serves as a preparatory phase that should make the economies of the western Balkans more competitive in the EU market. However, this agreement must be ratified by the Serbian Parliament. Influential tobacco factories in Serbia, in particular Philip Morris, protested CEFTA since it would violate conditions agreed upon with the Serbian government when the companies bought local factories.[15]

Electoral Process

1999	2001	2002	2003	2004	2005	2006	2007
Yugoslavia				3.50	3.25	3.25	3.25

The most important electoral event in 2006 was the constitutional referendum and negotiations on the date of new parliamentary elections. The 1990 Constitution was a hard Constitution in terms of the rules for changing it. A two-thirds majority

of all MPs was required, as was a referendum with a 50 percent majority of registered voters. The latter requirement has been a particularly difficult provision and is one of the reasons the enactment of a new Constitution had been such a difficult task since 2000. Three votes for the election of the Serbian president failed in 2002 and 2003 because of this requirement. Registered voters include up to 20 percent of those who live abroad and have not reregistered to vote abroad, and a significant number have changed addresses and not reregistered in their new municipalities. In reality, the provision for 50 percent of voters means more than two-thirds of those who can vote. There has also been a lack of consensus between pro-democratic parties and parties of the former regime and among pro-democratic parties themselves.

In the 2003 elections, the leader of the Democratic Party of Serbia, Vojislav Kostunica, made the enactment of a new Constitution his chief promise. Kostunica prepared a draft of the new Constitution within several weeks of potentially losing his parliamentary majority when G17plus threatened to step down and demanded renewed EU negotiations as a precondition for their continued participation in the government. It had to be proposed by September 2006, since the October 1 resignation of his coalition partner had previously been announced.

In order for the Constitution to be passed, 50 percent of registered voters was needed in order for the referendum to be considered valid. Given that Kosovo is administered by the UN, it was highly unlikely that Kosovar Albanians would vote. Since Albanian voters were already erased from the lists of registered voters during the presidential elections in 2004, this was repeated during the constitutional referendum, but Kosovo Serbs (some 100,00 people) remained on the lists of registered voters.

The draft Constitution got plebiscitary support in the Parliament. All 242 MPs who were present at the session voted in favor of it, and only 2 MPs refused to take part in the vote. The referendum was held on October 28 and 29. Turnout was low on the first day (17 percent) and high on the second day (38 percent)—in the end 55 percent of registered voters voted, and 53 percent voted in favor of the draft Constitution.

One opposition party, the Liberal-Democratic Party, was the most vocal element of the anti-referendum coalition and made numerous objections. There were complaints that in some polling places voters were allowed to vote also on behalf of their absent relatives, and technical procedures were not respected in several places.[16] The leading Serbian NGO for monitoring elections, the Center for Free Elections and Democracy (CeSID), observed some of the polling stations and noted a few irregularities. According to their assessment, these irregularities were minor and could not have affected the final result.[17] A delegation of Council of Europe observers concluded that the referendum was "in general, conducted with due respect for Serbia's democratic commitments to the Council of Europe."[18] EU High Representative for the Common Foreign and Security Policy Javier Solana congratulated Serbia on October 30 "for the orderly conduct of the referendum."[19]

After the successful referendum for the ratification of the new Constitution, the enactment of a constitutional Law for the Implementation of the Constitution was required. Since a two-thirds majority was needed for this, as well, the Serbian Radical Party forced other parties to accept provisions that would effectively bar any parliamentary elections in 2006. Finally, a compromise was reached. The Law for the Implementation of the Constitution was accepted on November 10 with 210 votes in favor and 22 against, and President Tadic called parliamentary elections for January 21, 2007.

During 2006, the disputed practice of enforcing "enveloped resignations" occurred in the Serbian Parliament. As shown in the following chart, 30 MPs were in different parliamentary groups at the end of the Serbian National Assembly's tenure in November 2006 as compared with January 2004; however, support for the government dropped by only 2 MPs. This means that some MPs were allowed to change their parliamentary groups and parties provided they continued to support the government. Those who wished to leave their parties to join opposition ranks were not allowed to do so. This was achieved through decisions by the Administrative Committee of Parliament that were almost always made to protect the necessary majority in favor of the governing coalition. For instance, when nine MPs left the Serbian Renewal Movement, they kept their mandates since they continued to support the government.

Parliamentary Group	Situation in January 2004	Situation at the End of 2006
Governing Coalition		
Democratic Party of Serbia	53	53
G17plus	34	31
Serbian Renewal Movement and New Serbia	22	0
New Serbia and Independent MPs 9 + 9	0	17
Not belonging to any parliamentary group	0	6
Supporter of the Governing Coalition		
Socialist Party of Serbia	22	22
TOTAL of Pro-Government Votes	131	129
Opposition		
Serbian Radical Party	82	80
Democratic Party—Boris Tadic	37	34
Not belonging to any parliamentary group	0	7
TOTAL	119	121

On May 16, 2006, the Administrative Committee unanimously decided that the mandates of two MPs from G17plus, Ksenija Milivojevic and Goran Paunovic, had been terminated by their resignation. However, these two MPs had signed the so-called enveloped resignations to their party when they became MPs. These instruments were signed by virtually all MPs after their election to the Parliament and were kept by party leadership to be opened in just such cases. The legality of such "resignations" was dubious considering that the Serbian Constitutional Court had decided on May 27, 2003, that mandates belonged to MPs and not to their parties.[20] In response, the involved political parties claimed that the MPs voluntarily signed resignations and therefore were not protected by the decision of the Constitutional Court. This was a very peculiar interpretation of the Court's decision. (The new Constitution allows parties to take mandates from dissenting MPs in the future.) On a related note, the Democratic Party continued its boycott of Parliament in response to the Administrative Committee decision allowing two deputies from Bosniak minority parties to keep their mandates after leaving the Democratic Party.

According to Media Gallup International, the Serbian Radical Party reached an unprecedented 40 percent level of support in May 2006.[21] Its level of support dropped to 35 percent in September, while the leading party of the Democratic bloc, the Democratic Party, had 23 percent. Results from CeSID from the same period demonstrated the same level of support for both parties at around 30 percent. Support for the Democratic Party of Serbia was slightly over 10 percent.[22]

The next parliamentary elections were scheduled for January 21, 2007. Elections are held according to legislation amended in February 2004 and are proportional with a minimal threshold of 5 percent. Parties of national minorities have no threshold and can win an MP with 0.4 percent of votes. Amendments to the legislation require all parties to have 30 percent women on their electoral lists, although parties are not obliged to follow an equal percentage when appointing MPs from those same lists. The Serbian Parliament had only 12 percent women, or 30 MPs, from 2003 to 2006. The only party that had significant representation of women was G17plus with 32 percent, while there were some parties without a single female MP.

Civil Society

1999	2001	2002	2003	2004	2005	2006
Yugoslavia				2.75	2.75	2.75

Serbia does not yet have a law on NGOs. Instead, provisions of the Socialist Yugoslav Law on Associations of Citizens and Political Organizations from July 1990 are still used as a legal framework. This is considered by many NGOs and international organizations to be intentional neglect by the government. Serbia is the only former Yugoslav state without an NGO law. The draft Law on Associations

from November 2005 was not enacted by the Serbian Parliament until the end of its tenure in November 2006.

The total number of NGOs in Serbia was estimated to be around 25,000 in 2006, but a number of active NGOs could not be properly assessed. Half of these associations deal with sports.[23] A survey by CeSID from April 2005 revealed that 11 percent of Serbian citizens could identify with NGOs, but only one-quarter of those respondents were active members. This means that only up to 3 percent of Serbians participate actively in NGOs. In spite of this, the civil sector has been quite visible and active in Serbia.

NGOs throughout Serbia were active in 2006. One of the most divisive and visible events within civil society during the year was the campaign to boycott the constitutional referendum. Twenty NGOs came together to support the boycott of the constitutional referendum believing that it was the result of too much compromise of democratic guarantees. Reasons cited for the boycott included the behind-closed-doors nature of the Constitution's drafting, which occurred without any public debate, and also by the concessions pro-democratic parties made to the Serbian Radical Party. On October 13, the 20 NGOs sent an open letter to the chief of the OSCE mission in Serbia, Hans Ola Urstad, protesting that the OSCE did not support the boycott of the referendum.

A Serbian expert on civil society, Professor Vukasin Pavlovic, stated that he thinks the prospects for civil society development in Serbia are enormous but expressed concern that the boycott may have been a mistake and could decrease the already low public support for NGOs.[24] A survey conducted by the Center for Political Studies and Public Opinion Research demonstrated that in 2003 and 2004, only 24 percent of the Serbian population had a favorable opinion of NGOs, while twice as many citizens had a negative opinion.[25] A survey conducted by CeSID in April 2005 indicated that around 50 percent of respondents had no confidence in NGOs and trade unions and only 9 percent had full confidence in them, while 25 percent had partial confidence.[26] Of all civic organizations, the Serbian Orthodox Church has traditionally been the most popular and has the best reputation. In August 2006, around half of the country's population (47.8 percent) had the highest confidence in the church as an institution, compared with 22 percent who had the highest confidence in the president and only 5 percent who had the highest confidence in the government.[27]

During 2006, several racially motivated incidents and demonstrations of extremism took place in which there were attacks against the Roma, and other ethnic minorities. The most notorious was on October 14 in Cacak, where Borac football fans wore Ku Klux Klan hoods at their stadium and shouted Nazi slogans at a black player from Zimbabwe. The reaction of the police was quick and efficient. Eight perpetrators were detained, 19 were interrogated by the local police, and all local political parties and the mayor condemned the incident.[28] However, the government reacted less clearly during the year in response to other demonstrations of extremism. In November 2005 at the Faculty of Philosophy in Novi Sad a violent interruption of a book-review took place. It was organized by the Serbian branch

of neo-Nazi international association Stormfront White Nationalist Community headed by Goran Davidovic, who is nicknamed führer. In December 2005, 15 members of the Serbian Stormfront were detained.[29] Legal epilogue took place in November 2006 when Davidovic was sentenced to one year in prison, and four more members of Stormfront were sentenced to shorter terms while nine members were sentenced to a suspended sentence.[30]

Trade unions did not take any significant action during 2006, and their influence remains low. The CeSID survey demonstrated that only 3 percent of respondents perceived themselves as active members of trade unions. A relatively high level of unemployment (real unemployment in Serbia is around 30 percent) is an unfavorable background for the work of trade unions, since the number of job seekers is extremely high. From September 2001 to April 2006, the general level of employment decreased by 7 percent. In the public sector, the decrease was much higher at 31 percent.[31]

A new law enacted in August 2005 was implemented in 2006 in the field of higher education. All state faculties have reformed their curriculums to accommodate the Bologna process, including the European credit transfer system. A new system of higher education with bachelor's, master's, and PhD degrees has been implemented. Some private faculties implemented this system even earlier. Almost all studies have one-semester courses, and new, more modern, and fairer criteria for assessing students are also to be implemented.

However, state and private universities have come to debate how to transfer old diplomas into the new degrees. The most disputed issue was whether holders of diplomas of former "basic studies" should be automatically given master's degrees since their studies lasted four to five years. In November 2006, student protests began at the Faculty of Philosophy of the University of Belgrade and spread to other faculties. Students rebelled against tuitions that are very high in comparison with average salaries. There was a clear political tendency within this movement prompted by difficult social conditions. One of the posters read, "Why should we care about a visa-free regime with Europe if we cannot afford to travel?"

Although the Law on the Civic Defender (ombudsperson) was enacted in September 2005, an ombudsperson at the national level had not yet been appointed by the end of 2006. The new Constitution introduced the ombudsperson as a constitutional category, so the first Serbian ombudsperson can be expected in 2007. Municipalities have an option to appoint municipal ombudspersons, which some of them have done. The first civic defender of the city of Belgrade was appointed in September 2006. In Vojvodina, the Office of the Ombudsperson has existed since September 2003 with an ombudsperson and four deputies.

The right to own property is not adequately regulated, since Serbia is the only ex-Communist country in the Balkans that has not enacted legislation on restitution of property nationalized during Communism. Several drafts of this law have been prepared, and most democratic parties promised to enact a law during the parliamentary election campaigns in 2000 and 2003.[32] Citizens had a deadline to register their nationalized property until June 30, 2006. Those citizens who had not

registered property by this date would automatically lose their right to restitution once the new law was enacted. It is questionable if this provision is constitutionally sound, and associations for property rights have initiated proceedings before the Constitutional Court of Serbia. Associations for property rights were very active in 2006 and were given much better publicity by media than previously.

Restitution has been initiated in at least one sector. In May 2006, the Serbian Parliament enacted the Law on Restitution of Property of Churches and Religious Communities, which came into effect on October 1, 2006. It allows religious communities to reclaim property nationalized after 1945. Restitution has priority; however in cases where that is impossible, compensation will be implemented. This law stipulates that a Directorate for Restitution will be established.[33]

The Law on Exoneration was enacted in April 2006 to exonerate persons who were executed or deprived of freedom for ideological reasons after April 1941.[34] The first decisions on exonerations were brought in November 2006.

Independent Media

1999	2001	2002	2003	2004	2005	2006
Y u g o s l a v i a				3.50	3.25	3.25

On April 19, 2006, the Republic Broadcasting Agency (RBA) ruled on the distribution of national frequencies in Serbia. This was an effort to regulate existing chaos in the digital media arena. The RBA estimated that there were 755 broadcasters in Serbia in 2006 and allocated national frequencies to the following five stations and television groups: Avala, B92, Happy TV and TV Kosava, TV Pink, and FOX TV. Two national frequencies automatically belong to the first and second channels of the Radio Television of Serbia (RTS). This decision produced an outburst of protests. Two of these television stations did not have any programs in Serbia before the tender (Avala and FOX TV); one is known for commercial content (TV Pink); and one is known for broadcasting erotic movies (TV Kosava). The minister of information, Dragan Kojadinovic, called the decision "scandalous," but the government refused to question the RBA. Both the Independent Association of Journalists of Serbia and the Association of Journalists of Serbia condemned the decision as violating the public interest. The Organization for Security and Cooperation in Europe (OSCE) qualified the whole process conducted by the RBA as "plagued by fundamental weaknesses, deliberate disregard of the law, and arbitrary decision making."[35]

The main loser in this competition was BK TV, owned by Serbian tycoon Bogoljub Karic (recipient of the only license to operate mobile telephones during the Milosevic era), who in February left Serbia to avoid arrest on charges of massive tax evasion. BK TV was banned from broadcasting in April on charges that it misused its frequencies to propagate the political interests of its owner. No independent

analyst has challenged these allegations, but some condemned how the BK TV frequency was shut down by special police forces in a spectacular nighttime action on April 26.

RTS has remained the most watched outlet, followed by Pink. RTS prime-time news attracted 17 percent of viewers in November 2006, compared with 8 percent for B92 and 6.6 percent for Pink.[36] In 2006, liberal B92 reached the highest number of viewers in its history owing to the decision to broadcast the *Big Brother* show. This has, however, challenged the channel's reputation among the liberal intelligentsia. TV stations remain the most influential mass media, as 91 percent of the population watches television daily compared with 62 percent who listen to radio and 29 percent who read newspapers every day and only 5 percent of the population who read magazines every day.[37] National radio frequencies were also allocated by the RBA to the following stations: B92, Radio Index, Radio S, Radio Fokus, and Roadstar Radio. Allocation of the national frequency to Radio Index has been seen by many as a conflict of interest since several members of the RBA had been previously associated with Radio Index.

In terms of print media, tabloids still have the highest circulation. They are headed by the soft tabloid, pro-government *Vecernje Novosti* and idependent *Blic,* followed by the hard-core tabloids *Kurir* and *Press.* In the field of quality dailies, the moderately pro-government *Politika* is without competition, while the liberal *Danas*, the provincial Novi Sad *Dnevnik*, and *Privredni Pregled* (an economic paper) have much smaller circulations. All leading newspapers are private with the exception of *Politika* and *Vecernje Novosti.* Privatization of *Vecernje Novosti* was supposed to be resolved during 2006. This leading tabloid was bought by several private companies unknown to the Serbian general public. The leading quality weeklies have remained the conservative *NIN* and liberal *Vreme.*

In July 2006, the Law on Broadcasting was amended by the Parliament, but the president used his right of veto. However, the Parliament voted in favor of the amendments again, and the president was constitutionally obliged to accept them on October 2. These amendments were criticized by the OSCE for their lack of public debate.

According to SEEMO, the situation for journalists in Serbia is worsening due to an increased number of attacks. There were a number of threats and incidents throughout 2006. Several incidents took place during the funeral of Slobodan Milosevic.[38] One example was when the premises of TV station SOS were demolished by fans of the Red Star football team on April 11.

Many analysts, journalists, and associations have criticized the transformation of RTS and Radio Television Novi Sad, which became Public Service Broadcasters on January 1, 2006. The appointment of RTS board members was particularly disputed by journalists' associations, which objected to the fact that they were not consulted before the appointment. Taking a broader view, the EU progress report characterized the outlet transformations as one of "the latest positive developments." Reporters Without Borders ranked Serbia 48 out of 168 countries surveyed in their 2006 index, up from 65th place in the 2005 index.[39]

Local Democratic Governance

1999	2001	2002	2003	2004	2005	2006	[illegible]
Yugoslavia				n/a	3.75	3.75	3.75

Contrary to promises made by pro-democratic parties, regions have not become a constitutional category. Vojvodina's level of autonomy has also remained the same as in the previous (Milosevic-era) Constitution, contrary to the aspirations of many local NGOs and several regional political parties that advocated for much higher autonomy. The most vocal advocate was the League of Social-Democrats of Vojvodina, which was occasionally supported by the Democratic Party.[40] The Serbian Radical Party is strong in Vojvodina and has a mayor in its capital, Novi Sad and this party opposes any additional competences for Vojvodina.

Moreover, the minister of finance and leader of G17plus, Mladjan Dinkic, decisively opposed any effort by Vojvodina to have direct taxes under its jurisdiction. The Democratic Party was the only party in the Parliament that advocated greater autonomy, and it succeeded in securing much higher finances for Vojvodina. Article 184 of the new Constitution of Serbia guarantees that the budget of the Autonomous Province of Vojvodina "shall amount to at least 7 percent in relation to the budget of the Republic of Serbia." Reaching a form of compromise, Vojvodina will have the same competences but will receive a much higher level of funding from the state budget. This has not satisfied local pro-autonomy parties but has been fully accepted by the Democratic Party.

Seven articles of the new Constitution cover minority rights. They introduce national minority councils as bodies for the promotion of collective rights of national minorities (Article 75), promote affirmative action in this field (Article 76) and active tolerance (Article 81), and guarantee that employees in state organs and public services reflect the ethnic composition of Serbia. They also ban forceful assimilation (Article 78) and promote specific minority rights (Article 79). The new Constitution permits ties and cooperation with co-nationals outside of Serbia. It also guarantees the right of minorities to use their language in court proceedings and with other state bodies (Article 199). The new constitutional provisions may be a sound foundation for better implementation of minority rights in municipalities where national minorities live.

The new Constitution introduced a disputed provision that states, "The Municipal Assembly shall decide on the election of municipal executive bodies, in accordance with the Law and the Statute" (Article 191, item 4). This means that mayors will be appointed by the Municipal Assembly and not elected through direct elections, as previously. This provision will give political parties greater control over the work of mayors. The previous practice had occasionally led to the total blockade of municipalities in cases where the majority in a local assembly and a mayor came from different political groups. The government took advantage of this situation and enforced many local referendums in 2005 and 2006 for the recall of those mayors who were not from the

ruling coalition. In most of these cases, a coalition of two ruling parties, the Democratic Party of Serbia and New Serbia, was in a position to recall a local mayor and then go on to win elections for the next mayor.

In legal terms, municipalities are governed in accordance with the Law on Local Self-Government enacted in 2002. This law includes the most relevant European standards and ensures wide competences for local municipalities similar to those in other European countries. However, the administrative system of Serbia is still rather centralized, and municipalities need to address ministries in Belgrade for various permissions. Owing to the nature of the system, many competences envisaged by the law have still not been given to local municipalities. The Serbian governments since 2000 have adopted a step-by-step approach in transferring competences to local municipalities.

Still, an important legal framework has been achieved for the better financing of municipalities. In 2005, a draft law was prepared by the Ministries of Finance and Education with the support of the Standing Conferences of Towns and Municipalities (SCTM). This law was enacted by the Parliament in July 2006 as the Law on Financing Local Self-Government. It gives greater financial autonomy to municipalities and provides them with their own sources of income. A detailed analysis of the situation regarding local self-government in Serbia has been prepared by the Fund for an Open Society. It recommends, among other things, the urgent adoption of the Law on Property by Local Self-Government and regulations that would allow greater financial autonomy to municipalities by providing serious sources of income.[41]

Judicial Framework and Independence

1999	2001	2002	2003	2004	2005	2006
Yugoslavia				4.25	4.25	4.25

Serbia's new Constitution has redefined significant elements of the judicial framework. An important change is that the tenure of judges is no longer unlimited. Every judge must now be elected for a period of three years by the Parliament on the proposal of the High Judicial Council. At the end of the first tenure, the High Judicial Council may appoint the individual to be a permanent judge of the same or a higher court (Article 147). The High Judicial Council is an 11-person body with 3 ex-officio members and 8 members appointed by the Parliament, of whom 6 must be judges, 1 a lawyer, and 1 a law faculty professor (Article 153). The High Judicial Council is defined as "an independent and autonomous body that shall provide for and guarantee the independence and autonomy of courts and judges" (Article 153). It is questionable whether a body selected from government officials and its parliamentary majority can be independent and autonomous. The EU progress report alluded to this when it stipulated that "the new Constitution presents some areas of concern, notably the

lack of objective mechanisms free of political influence to appoint, promote, and dismiss judges and prosecutors."[42]

The Constitutional Court of Serbia, a nine-person body, has been very nearly obstructed since 2005 when the court president, Slobodan Vucetic, warned that the Court had only six judges and every decision would need a total majority vote. According to the Constitution of 1990, the head of state was in charge of nominations and the Parliament was in charge of confirmations. Since the parliamentary majority and the president belonged to different political parties, this made the process difficult. Out of two nominations made by President Tadic, the Parliament accepted only one in November 2005. In October 2006, the president of the Court had to retire owing to age and had earlier announced that the Court would be without its president and with only five judges after October 10.[43]

This incapacitated the Court, which could not be in session without its president. Since the Parliament worked until November 10, Serbia found itself in a position where the old Constitutional Court could not have sessions and the new one could be appointed only after the parliamentary elections in late January 2007. This left the country de facto without an operative Constitutional Court for several months, which means there was no judicial authority that could evaluate whether certain government acts were constitutional during that period.

In January 2006, the Department for the Suppression of General Organized Crime was established. However, an important element of the new strategy—the witness protection program—was challenged. The body of Zoran Vukojevic Vuk, a protected witness in the court proceedings against the suspected murderers of Serbian prime minister Zoran Djindjic, was found on June 3, 2006. A day earlier, a member of the so-called Zemun gang was killed. The Zemun Gang was the leading narcotics gang in Serbia until 2003 and was involved in the murder of Prime Minister Djindjic. According to the Law on Witness Protection, a protected witness can accept or refuse physical protection by the state. Vukojevic refused it and was killed, which revealed a deficiency in the current law and police effectiveness at protecting him irrespective of his decision to forego their program. A notable moment in the trial was the resignation of judge Marko Kljajevic in September 2006. After cutting all ties with other colleagues at the Special Court for a month, Kljajevic resigned with the explanation that the "pressure" that others were placing on him was too much for him to bear. This four year trial case was not resolved by the end of 2006.

The new criminal procedure code was accepted in 2006 and will come fully into effect on June 1, 2007, although several articles were implemented immediately. The code strengthens the role of the prosecutor in the investigative phase, and police have more powers in criminal proceedings. Prosecution of organized crime received special attention. Now the temporary seizure of assets, revenues, and properties is allowed.[44]

Corruption

1999	2001	2002	2003	2004	2005	2006	2007
Yugoslavia				5.00	5.00	4.75	4.50

The most important action in the field of anticorruption was an effort conducted by the state to analyze operations of Mobtel, the leading Serbian mobile communications operator. Ownership of this company was in dispute since 2000; Bogoljub Karic, Serbian tycoon and president of Mobtel, and the Serbian state both claimed to have majority shares. In June 2004, a government committee concluded that state shares should be 58.76 percent of the company. However, BK Trade, Karic's company, officially had a 51 percent holding. During 2004, serious allegations appeared that Karic used so-called connected companies run by his daughters to manipulate figures on the profit of Mobtel. He presented the company as being without any profit, so although the state had at least 49 percent of the shares, it received no income from the company at all.[45] This dispute with the state was prompted by the political ambitions of Karic, who had established his own party, the Movement of Forces of Serbia, with an eye on becoming prime minister. The Karic case has been seen as the government getting serious about corruption, which is commendable. However, there are questions as to the political motivation behind the decisions, given Karic's new political movement, which was gaining power until the government took decisive measures.

On December 29, 2005, Mobtel lost its mobile operator license, which was followed by a police raid of Mobtel premises. On January 4, 2006, the Department for the Suppression of General Organized Crime began its investigation into Mobtel business activities. Karic himself was interrogated by the tax authority on February 1 and fled the country soon afterward. Weekly *Vreme* claimed that the state bodies had evidence since 2002 on illegal activities and massive tax evasion by Karic but took no action.[46] Criminal charges were brought against 19 persons, including Karic and 3 of his brothers, for tax evasion amounting to €115 million (US$154.7 million). After Karic fled, an Interpol warrant was issued on February 24. All of the brothers became fugitives and were believed to be in Russia, and the location of Sreten Karic, one of the brothers, was confirmed by Interpol in Moscow.[47]

The state suspended permission for mobile operations to Mobtel, which Karic at the last moment sold to Austrian businessman Martin Schlaf. Telekom Austria bought private banks debt of Mobtel to become a major shareholder and then founded a new company, Mobi 3. Taking control of the matter, the state made a deal with Martin Schlaf, and then Mobi 3 was offered for sale through a tender. On July 31, the Norwegian mobile operator Telenor bought the company for €1.513 billion (US$2.034 billion), of which 76 percent belonged to the Serbian state and the rest by previous agreement to Telecom Austria and Martin Schlaf. The Serbian government was delighted by the unexpectedly high price offered by Telenor, and the tender was considered to be very transparent. On November 7, Telecom Austria

was licensed to be the third mobile operator in Serbia for €320 million (US$430.3 million). In this way, a potential crisis in the field of mobile telephony, one of the main sources of corruption in Serbia, was settled successfully. However, some argue that the legally-disputable way in which Mobtel was taken by the state may produce court proceedings in Serbia and before international tribunals.

Another important police action took place when the vice governor of the National Bank of Serbia, Dejan Simic, was detained on January 12, having been accused of receiving a bribe amounting to €100,000 (US$135,910) from the director of the Socialist Party of Serbia, Vladan Zagradjanin (also detained). They were released from detention 80 days later. The Belgrade District Court refused to accept charges against Simic and asked the district attorney to correct the charges in October, but nothing had happened by the end of 2006.[48]

The government undertook other efforts against economic criminals in 2006. On April 13, the Administrative Committee of Parliament and then the Parliament suspended the immunity of Goran Kljajevic, president of the Belgrade Commercial Court, and another judge of the same court. Charges were pressed against seven others, beginning state action against "the bankruptcy mafia," a group reportedly behind intentional efforts to decrease the value of various companies by proclaiming their bankruptcy and then selling them for far below their market value. The Parliament also suspended the immunity of a judge of the Smederevska Palanka Communal Court on July 14, 2006, and the deputy public prosecutor of Serbia, Milorad Cvijovic, on October 8, 2006. Cvijovic was also accused as an accomplice in a bankruptcy mafia affair.

The Anticorruption Council was marginalized in 2006 by several overstatements made by its president, Verica Barac. It has lost its original capacity through the resignations of its most prominent members and also through intentional neglect by the government.

Transparency International–Serbia had serious objections to the Law on Party Financing. However, the agency welcomed the step taken in November 2006 by the Ministry of Finance to introduce new forms for political parties to justify amounts collected and spent during election campaigns. Now all political parties will be obliged not only to report total amounts spent, but also to itemize all expenses exceeding €75 (US$102). This measure is supposed to provide much more credible information on how parties spend money collected after the parliamentary elections in January 2007.

Serbia has made a significant advance in Transparency International's Corruption Perceptions Index over the past six years. In 2000, Serbia had an index of 1.3, which ranked it next to last among all nations surveyed. In 2005, Serbia's ranking was 2.8; and for 2006, it was 3.0. The president of Transparency International–Serbia, Dr. Vladimir Goati, concluded that the level of corruption in Serbia had been decreasing, though at a slow pace.[49]

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37 "Istrazivanje trzista i citanosti stampanih medija na teritoriji Srbije: Sta cita Srbija? [A Survey on Popularity of Printed Media in Serbia: What Does Serbia Read?]," conducted for IREX, presented on December 27, 2006, in Media Centre, Belgrade.

38 For more details, please see: http://www.ifex.org/en/content/view/full/76639/.

39 Worldwide Press Freedom Index, press release, October 23, 2006, http://www.rsf.org/rubrique.php3?id_rubrique=639.

40 Also sometimes spelled Voivodina.

41 *Monitoring of the Process of Europeanization of Social, Political, Economic and Legal Space of Serbia*, Belgrade: Fund for an Open Society, September 1, 2006, pp. 135–150.

42 *Serbia 2006 Progress Report*, Brussels: Commission of the European Communities, November 8, 2006, p. 6.

43 Interview of the president of the Constitutional Court, Slobodan Vucetic, given to B92 on September 19, 2006, for their info-show Poligraf, http://www.b92.net/info/emisije/poligraf.php?yyyy=2006&mm=09&nav_id=212446.

44 Criminal procedure code, *The Official Gazette of the Republic of Serbia*, no. 46, May 25, 2006.

45 See weekly *Evropa*, no. 13, July 8, 2004.

46 Tamara Skrozza, "Poslovanje, utaje, prijave i pokrivanja," *Vreme*, no. 788, February 9, 2006.

47 "Interpol potvrdio da je Sreten Karic u Rusiji [Interpol Confirmed that Sreten Karic Is in Russia]," *Glas Javnosti*, March 16, 2006.

48 *Kurir*, January 10, 2007.

49 "Indeks korupcije u Srbiji 3,0" [Corruption index in Serbia 3.0], B92 news for November 6, 2006: http://www.b92.net/info/vesti/index.php?yyyy=2006&mm=11&dd=06&nav_category=12&nav_id=218751&fs=1.

Slovakia

by Grigorij Mesežnikov, Miroslav Kollár, and Michal Vašečka

Capital: Bratislava
Population: 5.4 million
GDP/capita: US$6,483
Ethnic Groups: Slovak (85.8%), Hungarian (9.7%), Roma (1.7%), Ruthenian/Ukrainian (1.0%), other and unspecified (1.8%)

The economic and social data on this page were taken from the following sources:

GDP/capita, Population: *Transition Report 2006: Finance in Transition* (London, UK: European Bank for Re-construction and Development, 2006).

Ethnic Groups: *CIA World Fact Book 2007* (Washington, D.C.: Central Intelligence Agency, 2007).

Nations in Transit Ratings and Averaged Scores

	1999	2001	2002	2003	2004	2005	2006	2007
Electoral Process	2.50	2.25	1.75	1.50	1.50	1.25	1.25	1.50
Civil Society	2.25	2.00	1.75	1.50	1.25	1.25	1.25	1.50
Independent Media	2.25	2.00	2.00	2.00	2.25	2.25	2.25	2.25
Governance*	3.00	2.75	2.25	2.25	2.25	n/a	n/a	n/a
National Democratic Governance	n/a	n/a	n/a	n/a	n/a	2.00	2.00	2.25
Local Democratic Governance	n/a	n/a	n/a	n/a	n/a	2.25	2.00	2.00
Judicial Framework and Independence	2.50	2.25	2.00	2.00	2.00	2.00	2.00	2.25
Corruption	3.75	3.75	3.25	3.25	3.25	3.00	3.00	3.25
Democracy Score	2.71	2.50	2.17	2.08	2.08	2.00	1.96	2.14

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

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

Executive Summary

After the collapse of the Communist regime in 1989, Slovakia embarked on a long and complicated path of transition to democracy. The principal milestones included systemic changes within the former Czechoslovakia between 1990 and 1992, the emergence of independent Slovakia in January 1993, a struggle to preserve the country's democratic political regime under nationalist and populist forces between 1994 and 1998, the elimination of authoritarian deformations, and pro-democratic and pro-market reforms implemented between 1998 and 2006. Following its accession to the Organization for Economic Cooperation and Development (2000), World Trade Organization (1995), European Union (EU, 2004), and NATO (2004), Slovakia may be considered a country with consolidated democracy and a functioning market economy.

In 2006, Slovakia saw, in effect, three changes in government. In February, the center-right ruling coalition—the Slovak Democratic and Christian Union—Democratic Party, the Party of Hungarian Coalition, and the Christian Democratic Movement, supported by independent deputies and members of the Alliance of New Citizens—broke up owing to an internal conflict. In early parliamentary elections held in June, three parties previously in the opposition—Direction-Social Democracy (Smer-SD), the Slovak National Party (SNS), and the People's Party-Movement for a Democratic Slovakia (ĽS-HZDS)—gained a majority in the Parliament and in July formed a new coalition government led by Smer chairman Robert Fico. The problem-free change in government complied with the country's Constitution and legal system and confirmed the overall stability and consolidated condition of the country's constitutional system.

The makeup of the new ruling coalition and the new administration's program manifesto stirred vivid debates, both in Slovakia and abroad. The greatest furor concerned the alliance between Smer-SD, which declares itself a modern European social democratic party, with the SNS, which is widely perceived as a radically nationalistic party. Another concern was the return to power of the ĽS-HZDS, as the HZDS and SNS had established a regime of nonliberal democracy in Slovakia between 1994 and 1998. The fact that Smer-SD, which openly criticized reforms implemented by the center-right administration of Mikuláš Dzurinda, decided to team up with the SNS and ĽS-HZDS questions whether Slovakia's developments in the previous period are sustainable and whether the country will continue along the course of reform.

After its inauguration, the Fico-led administration declared it would honor commitments ensuing from Slovakia's membership in the EU and NATO; it also reconfirmed the plan to adopt the euro at the beginning of 2009, which requires unconditional compliance with so-called Maastricht criteria in public finance.

Compared with its predecessor, though, the new administration has different socioeconomic priorities. Smer-SD has labeled the approved government program as "social democratic" and stated its objective to improve the socioeconomic situation of socially weaker groups in the population. The key concern is whether the Fico government has the ability to back up its statements with a viable economic policy that continues previously positive macroeconomic trends, such as stable gross domestic product (GDP) growth, inflow of foreign investments, controlled inflation, and declining unemployment.

National Democratic Governance. The system of power division in Slovakia remained stable and functional in 2006. All relevant political players abided by the basic procedural consensus, mutual relations among constitutional institutions remained cooperative, and all political conflicts were resolved within the framework set by the Constitution and other laws. The change in government following the 2006 parliamentary elections was free of any problems. On the other hand, owing to the previous ruling coalition's breakup and preparation of early elections, the Parliament's lawmaking capacity declined in the first half of 2006; after the inauguration of the new legislative assembly, the number of laws passed declined even further. Throughout 2006, the Constitutional Court's makeup was incomplete, which hindered its function; making matters worse, its chairman resigned in October. When electing candidates to the vacated justice posts, the new Parliament in some cases favored candidates' political loyalty over expertise and moral integrity. During the first several months in power, the new ruling coalition showed an interest in excessive power concentration not seen since 1998, mostly through appointments to leading positions in government and public institutions and measures that sought to strengthen the government's position compared with independent regulatory organs. After the elections, representation of opposition parties was eliminated from some parliamentary committees. Participation of the nationalistic SNS in government has had a directly negative impact on interethnic relations, particularly Slovak-Hungarian. *Owing to the nonconsensual measures taken by the new Fico-led administration to consolidate its legislative and executive power, Slovakia's rating for national democratic governance worsens from 2.00 to 2.25.*

Electoral Process. In June 2006, Slovakia held early parliamentary elections that were considered free and democratic. The currently valid electoral legislation adopted in 2004 provided adequate conditions for fair competition. On the downside, the elections confirmed the trend in declining voter participation, which was the lowest since the fall of the Communist regime. The previously ruling center-right parties failed to gain enough voter support to remain in power. The election results paved the way for the formation of a new ruling coalition comprising Smer-SD, the SNS, and the ĽS-HZDS, which declared an intention to change the previous course of socioeconomic reforms. The decision of "social democratic" Smer-SD to form a government with the SNS, which is widely considered a radical nationalist party, provoked a negative reaction from the Party of European Socialists, which

suspended Smer-SD's membership. Municipal elections were held in December 2006. Overall, democratic political forces lost a chance to continue their reform policies in 2006. *For the reasons above, Slovakia's rating for electoral process worsens from 1.25 to 1.50.*

Civil Society. Civil society in Slovakia is vibrant and considered to be one of the most dynamic among Central and Eastern European countries. Slovak nongovernmental organizations (NGOs) did not go through major structural or legislative changes in 2006, but the favorable atmosphere and good relations with the government enjoyed in previous years has disappeared under the new administration, which demonstrated illiberal pressure against NGOs. The legal and regulatory environment for civil society is free of excessive state pressures, but the attitude of the current administration to civil society indicates a low level of trust toward NGOs, particularly those dealing with human rights and protection of the environment, which were declared ineligible to benefit from the 2 percent tax assignation. In addition, some state officials used hostile rhetoric toward NGOs. The new government announced that it would change the previously favorable taxation policies for NGOs. The third sector has a well-developed infrastructure, training, and research base, and activities by some groups in the democratization process of other countries continued in 2006. Trade unions are free; however, they are perceived negatively by much of the population. The education system is free of political influence and ideological propaganda. *Owing to worrying signs from the new administration that could complicate the long-term sustainability of NGOs, Slovakia's rating for civil society worsens from 1.25 to 1.50.*

Independent Media. The performance of Slovak media and journalists in 2006 was free of open intervention by state power. The only exception was a telephone call where the new prime minister, Robert Fico, tried to instruct the news department of the public Slovak Television (STV) on how an official visit abroad should be covered. However, as of the end of 2006 there had been no change in the way STV covered government activities. The greatest problem remains Slovakia's unsatisfactory media legislation: In the print media field, the Law on the Press has been in force for 40 years, and the legal status of the state news agency TASR remains unresolved. In the broadcast media field, the government is hesitant to adopt the necessary legislation to tackle the transition to digital television broadcasting. Additionally, 2006 showed that strengthening the supervisory organs of public service broadcasters without appointing professionally skilled and politically independent members may be counterproductive. *The country's rating for independent media in 2006 remains unchanged at 2.25.*

Local Democratic Governance. The public administration reform carried out between 2001 and 2005 continued to show results in 2006, particularly through fiscal decentralization and the development of local democracy. As a direct result, Slovakia has become a decentralized state with a relatively effective and profes-

sionally prepared public administration. On the other hand, the development of self-governance saw a certain legislative stagnation in 2006, although the new administration in its program manifesto pledged specifically to extend the powers of regional self-governments. In municipal elections in December 2006, voters elected their representatives to local and municipal councils as well as the mayors of towns and communities. *Owing to the absence of substantial changes either positive or negative, the country's rating for local democratic governance remains unchanged at 2.00.*

Judicial Framework and Independence. Despite some positive advancements in Slovakia's judiciary through 2006, other more serious developments occured that worsened its independence. On the positive side, the new criminal code enhancing efficiency and equitableness in the country's judicial system began to show results. An amendment to the Slovak Constitution approved in February 2006 gave the ombudsman power to file motions with the Constitutional Court. On the negative side, the new ruling coalition appointed a controversial justice minister who does not hide his negative position on the judicial reforms implemented by the previous administration. Shortly after his inauguration, he removed several court chairmen without stating satisfactory reasons, casting doubts over the Justice Ministry's commitment to judicial independence. To fill the vacancies, the new ruling coalition in the Parliament demonstrated a preference for appointing politically loyal candidates, casting doubt about those candidates' independence if appointed by the president. The new justice minister also is in conflict with the Supreme Court chairman, which may inject additional tensions between the government and judicial institutions and jeopardize the cooperative relations between the executive and the judiciary. Throughout 2006, the Constitutional Court's performance was limited as a result of its incomplete makeup. *Owing to conflicts within the judicial system caused by the new justice minister as well as political pressure on the composition of the Constitutional Court during 2006, Slovakia's rating for judicial framework and independence worsens from 2.00 to 2.25.*

Corruption. Corruption ranks among the most pressing social problems in Slovakia. Owing to a number of legislative and administrative measures adopted in recent years, combating corruption and clientelism began to show some positive trends However, apart from an amendment to the Law on the Supreme Bureau of Supervision in April that extended the agency's inspection powers, the government did not adopt any relevant anticorruption legislation in 2006 and in fact took steps that may reverse recent progress. The new administration's position on the anticorruption campaign remains unclear, as it has neither adopted any specific anticorruption policy nor declared any concrete program aimed at combating corruption. In 2006, the Ministry of Justice led by the new justice minister launched a systematic campaign to abolish the special court and Office of the Special Attorney, a source of serious concern because these two offices have become effective tools in the campaign against corruption and organized crime. Motives for the fight to dismantle them remain unclear. The new prime minister's support

of the Ministry of Agriculture's state secretary, who created a conflict of interest in agricultural subsidies, indicates that the new administration underrates the issue, despite the prime minister's earlier vocal criticisms of the previous administration's clientelist practices. *Owing to stalled legislative efforts, unclear intentions by the new administration in the fight against corruption, and the persistence of open clientelism, Slovakia's rating for corruption worsens from 3.00 to 3.25.*

Outlook for 2007. In 2007, the new ruling coalition of Smer-SD–SNS–ĽS-HZDS will focus on implementing measures in the new administration's program manifesto. Their common leitmotif will likely be to revise the previous administration's philosophy in certain areas (such as privatization, welfare and pension systems, and health care) to emphasize elements of "social solidarity." At the same time, the new government is likely to remain pragmatic and cautious regarding the country's compliance with criteria for joining the Euro-zone. Generally speaking, the coalition's performance will be strongly determined by the dominant position of the largest ruling party, Smer-SD, although minor internal conflicts caused by the smaller ĽS-HZDS and SNS cannot be ruled out. Participation of the SNS in the government will likely continue to complicate the new administration's international position and negatively affect the general atmosphere within Slovak society.

Main Report

National Democratic Governance

1999	2001	2002	2003	2004	2005	2006
n/a	n/a	n/a	n/a	n/a	2.00	2.00

The Slovak Republic is a stable democracy with a generally effective system of governmental checks and balances. The cabinet reports to the legislative assembly, which has the right to recall it. The president can veto laws adopted by the Parliament; in order to pass vetoed legislation, the Parliament is required to subsequently muster a qualified majority. The Constitutional Court acts as an independent judicial body protecting the Constitution. Citizens enjoy direct participation in the political process through elections and political party activities.

The Slovak Constitution guarantees the right to free retrieval, collection, and dissemination of information. In 2000, the Parliament passed the Law on Free Access to Information, which stipulated conditions for gathering information by citizens on activities of the state administration and self-governance organs.

More than 90 percent of Slovakia's GDP is produced by the private sector. Since 1998, the government's drive toward liberalization, in policy and practice, has been the chief development trend within Slovakia's economy. In 2006, the new cabinet, led by Direction-Social Democracy (Smer-SD) party chairman Robert Fico, decided to halt the privatization of remaining state property and place greater emphasis on government regulation of some economic sectors, which has not strengthened free market mechanisms in Slovakia's national economy.

Since the collapse of the Communist regime in 1989, Slovakia has not seen any violent attempts to usurp political power, and all political players respect the fundamental rules of parliamentary democracy. However, between 1993 and 1998 a coalition of authoritarian and nationalistic parties attempted an illiberal, undemocratic concentration of political power. Since the return of democratic forces in 1998, the execution of power on all levels has not departed from the basic constitutional framework.

After the Christian Democratic Movement (KDH) left the ruling coalition in February 2006 over the cabinet's position on adopting the Treaty on Conscientious Objection between Slovakia and the Vatican, the Mikuláš Dzurinda administration, which had lacked a formal majority in the Parliament since the beginning of 2004, effectively lost leverage to put through its legislative proposals. (The treaty should introduce special protections for workers based on religious belief, an issue that polarized conservative Christian politicians represented by the KDH and the liberals and moderate Christians represented by the Slovak Democratic and Christian Union-Democratic Party [SDKÚ-DS].) Immediately afterward, the

assembly passed a constitutional law that shortened its own electoral term and called early parliamentary elections for June 2006 (regular elections were originally scheduled for September 2006). Based on the election results, a new ruling coalition of Smer-SD, the Slovak National Party (SNS), and the People's Party-Movement for a Democratic Slovakia (ĽS-HZDS) was formed. The change in government took place in compliance with the Constitution and other laws, and the stability of government institutions was not jeopardized.

During the election campaign, the SNS, which became part of the new government after the 2006 parliamentary elections, officially called for outlawing the governmental Party of Hungarian Coalition (SMK). Although the SNS has not reiterated its demand since the elections, it continued verbal attacks against the SMK. Individual ruling parties, particularly Smer-SD, began to concentrate power in their hands immediately after forming the new government in July 2006. In terms of cabinet members, Smer-SD's position is stronger than the ratio of parliamentary seats would justify, which makes it the dominant ruling party. For the first time since 1998, the opposition parties are not represented in the leadership of parliamentary committees.

The new ruling coalition has worked to adopt legislative measures aimed at strengthening the government's position in statutory organs of regulatory bodies and public institutions, which has provoked concerns about their future independence. Since its inauguration, the new administration has made extensive personnel changes at most ministries and other central state administration organs. The majority of these changes were politically motivated and place persons loyal to ruling parties in executive posts. Some of the appointees lack the necessary expertise, which may negatively affect some government institutions.

Government authority is solid and indisputable throughout Slovakia, and domestic political development is free from displays of dominance by the military, foreign powers, or other power groups. The country's stability has not been threatened by internal military conflicts or insurgencies, and currently there is no danger of such conflicts. Political party activities within the armed forces and other state institutions are forbidden. In September 2006, the government appointed a new director of the National Security Bureau (NBÚ) with a long professional history in the arms industry, an unusual appointment given that major arms companies are subjected to security screenings by the NBÚ. This appointment provoked anxiety that the NBÚ might issue decisions favoring certain business groups.

The National Council (Parliament) is a sovereign representative body, the sole legislative and constituent assembly, and autonomous from the executive. It has sufficient resources and capacities for the creation and enactment of bills, as well as adequate control powers. Parliamentarians frequently interpellate cabinet members and exercise oversight of state and public institutions. The breakup of the previous ruling coalition reduced the Parliament's lawmaking capacity, which showed in the declining number of laws approved in 2006. The outgoing Parliament adopted 550 laws and amendments and ratified 135 international treaties between 2002 and 2006. During the same period, the president vetoed 60 laws, 52 of which were

passed following further deliberation. Yet between July and November 2006, the assembly passed only 9 laws, including amendments to existing laws.

Parliamentary deliberations are open to the public and media (except for closed sessions on confidential matters, such as intelligence and secret service issues). Public representatives may be present during deliberations of parliamentary committees if invited by their members. The entire legislative process (including verbatim wording of legislative bills and the results of assembly votes) is recorded and made available to the public via the Parliament's Web site.

All state agencies are subject to control by the Supreme Bureau of Supervision (NKÚ), which regularly publishes violations of laws and bylaws and orders the offending agencies to remedy their deficiencies. The Parliament elects the NKÚ chairman and vice chairmen for seven-year terms. Though funded by the state budget, the NKÚ is free from political influence. In April 2006, the Parliament approved an amendment to the Law on the Supreme Bureau of Supervision that extended its powers, including the ability to carry out full-fledged inspections in all organs of regional and local self-governance. In 2006, there were no attempts to politically restrict or influence the NKÚ's supervisory roles or question its findings.

The reform of the armed forces implemented during the past decade has introduced civilian controls that are in line with NATO, which Slovakia joined in 2004. Judicial oversight of the military and security services is effective, and the Slovak army uses a system of martial prosecution with martial courts. The Parliament approves the military and security services budget, and spending is supervised by the Parliamentary Defense and Security Committee. Deputies, media, and the general public may access information on the activities of the military and security services, but certain types of information are considered classified. The cabinet informs the public about its activities through special public affairs units at the Ministry of Defense, Ministry of the Interior, and Slovak Intelligence Service.

Electoral Process

1999	2001	2002	2003	2004	2005	2006
2.50	2.25	1.75	1.50	1.50	1.25	1.25

The authority of the Slovak government is based on freely exercised universal suffrage. Since the Communist regime's collapse in 1989, Slovakia has held six parliamentary elections (1990, 1992, 1994, 1998, 2002, and 2006), five municipal elections (1990, 1994, 1998, 2002, and 2006), two regional elections (2001 and 2005), two presidential elections (1999 and 2004), and one election to the European Parliament (2004). International and domestic election monitors declared all of these elections free and fair.

The legislative framework provides for free and democratic competition, equal campaigning, fair voting, and the transparent scrutiny of votes. Election

regulations fully provide for political system development, sufficient stability of the party system, and independence of political parties from the state. They also create favorable conditions for political parties to perform their traditional functions: mobilizing public participation in democratic processes, mediating between civil society and the state, representing interests of groups in the society (including national minorities), and recruiting political elites for support within legislative and executive functions.

In Slovakia, elections represent the only relevant tool for power organs to earn their legitimacy. Generally speaking, organized interest groups respect this principle; however, some have attempted to influence policy-making processes, building on their close ties with political parties. In 2006, for instance, the Confederation of Trade Unions (KOZ), the country's largest union, concluded an agreement on pre-election and post-election cooperation with Smer-SD and subsequently tried to sway its members to support the party in elections. Representatives of the Catholic Church called on believers to support political parties that promote Christian principles in their policy while refusing to name any concrete party. There were no other reported cases of organized interest groups, armed forces, or foreign powers attempting to influence voter decisions before the 2006 parliamentary elections.

Parliamentary elections are based on a proportional system that stipulates the following thresholds to qualify: 5 percent for single running parties, 7 percent for coalitions of two or three parties, and 10 percent for coalitions of four or more parties. The electoral rules in Slovakia also include a system of preferential votes. A candidate who receives more than 3 percent of preferential votes of a party (voters can select a maximum of four "preference boxes" on the ballot) is treated preferentially in the allocation of mandates. Elections to the European Parliament use a proportional system. The minimum quorum to qualify for the assembly is 5 percent of the popular vote, which applies to both individual parties and party coalitions. Elections to local and regional self-governments use a modified majority electoral model. Slovakia's president, regional governors, and mayors are elected using a majority model with two rounds.

In 2005, the Parliament passed the Law on Political Parties, which requires a party to submit a petition of 10,000 citizen signatures to register for parliamentary elections. The Law on Elections to the National Council of the Slovak Republic, passed in 2004, introduced a deposit of 500,000 koruna (about US$16,000), which is refunded to all parties that receive at least 3 percent of the popular vote; other parties' deposits are forfeited to the state budget. In 2006, 42 parties reregistered with the Ministry of the Interior.

The results of parliamentary elections held in June 2006*

Political party	Share of the popular vote (%)	Number of seats in parliament
Smer-SD	29.14	50
SDKÚ-DS	18.35	31
SNS	11.73	20
SMK	11.68	20
ĽS-HZDS	8.79	15
KDH	8.31	14
KSS	3.88	0
SF	3.47	0

* The table shows results of parties gaining over 3.0 percent of the popular vote.
Source: Statistical Office of the Slovak republic.

The Supreme Court is entitled to dissolve political parties whose statutes, program, or activities violate the Constitution, constitutional laws, or international treaties. Motions to dissolve a political party must be filed by the attorney general. In March 2006, the Supreme Court ordered the dissolution of the Slovak Community-National Party, the first political party to be dissolved in Slovakia since 1989. This neo-Fascist and neo-Nazi party was registered in June 2005, and in October of that year, Slovakia's attorney general submitted a proposal to dissolve it. In its program (which had not been officially submitted at registration), the party advocated removing Slovakia's democratic system of government and suppressing human and minority rights and openly promulgated racial discrimination. To justify its ruling, the Supreme Court observed that an article in the party's program titled "Corporative State" advocated restricting suffrage, which contradicted the Constitution. The verdict was welcomed by all relevant political parties as well as the general public, particularly by representatives of NGOs that specialize in human rights protection.

On June 17, 2006, Slovakia held early parliamentary elections. During the campaign, some of the key issues among party programs included governmental reforms; government policies regarding the economy, health and welfare system, education, and regional development; post-election coalition strategies; identity issues such as ethnic nationalism vs. democratic and minority rights; and the dispute between religious conservatism and secular liberalism.

The elections brought a resounding victory to Smer-SD, the leading opposition party and the only relevant left-oriented formation, a triumphant comeback for the radical nationalist SNS, relatively solid results for center-right parties (SDKÚ-DS, KDH, and SMK), a further decline of the ĽS-HZDS, and an obvious defeat of the Communist Party of Slovakia and "alternative" center-right party Free Forum, which both remained just short of the qualifying threshold.

The election results led to a new ruling coalition comprising parties formerly with the opposition (Smer-SD–SNS–ĽS-HZDS). The new coalition currently controls 85 out of 150 seats in the Parliament, which gives it a comfortable majority and provides necessary stability. The decision of Smer-SD to form a government with the nationalist SNS provoked harsh criticism by the Party of European Socialists (PES), which unites Socialist and social democratic parties from EU member states. The PES prohibits its member parties from cooperating with far-right, extremist, and nationalistic parties; Smer-SD became a PES member in 2005. In October 2006, the PES suspended Smer-SD's membership until July 2007; however, the decision has not affected Smer-SD's cooperation with the SNS.

All parliamentary parties have functioning structures at the national, regional, and local levels and are represented in regional and local self-governments. Currently, five Slovak parties are represented in the European Parliament. While three SDKÚ-DS, three KDH, and two SMK deputies are members of the European People's Party-European Democrats faction, and three Smer-SD deputies are members of the PES faction, three deputies for the ĽS-HZDS are not members of any faction.

Although citizens are quite active in Slovakia's political life, there has been an overall decline in voter participation. Traditionally, the highest turnout is recorded in parliamentary elections (84.4 percent in 1992, 75.6 percent in 1994, 84.2 percent in 1998, 70.1 percent in 2002, and 54.7 percent in 2006). Unlike the period from 1998 to 2002, in 2006 NGOs did not pursue any mobilization activities aimed at stimulating voter participation. The turnout in 2006 represented the lowest voter participation in parliamentary elections since 1990. Turnout was relatively high in the first direct presidential elections in May 1999 (73.9 percent in the first round and 75.5 percent in the second). In 2004, the presidential elections recorded turnout of 47.9 percent (first round) and 43.5 percent (second round).

Municipal and regional elections typically show lower voter turnout than national elections. In municipal elections, turnout was 63.8 percent in 1990, 52.2 percent in 1994, 54.0 percent in 1998, 49.5 percent in 2002, and 47.7 percent in 2006. In regional elections, voter turnout was 26.0 percent and 22.6 percent (first and second round, respectively) in 2001 and 18.0 percent and 11.0 percent (first and second round, respectively) in 2005, the lowest turnout in Slovakia's modern history. Turnout of only 17 percent was recorded in the first elections to the European Parliament in 2004.

There are a number of reasons for the gradually declining voter participation. These include the changed character of conflicts polarizing Slovak society compared with the situation in the 1990s, social pessimism among a significant share of the population that leads to electoral absenteeism, disenchantment over the direction of society's development, certain "election fatigue" factors caused by frequent elections, citizens' underrating the importance of their participation in administering public affairs, insufficient public awareness of the role and activities of elected officials, and declining intensity in political party campaigning.

Nationwide, there is a relatively low level of public participation and membership in political parties, about 5 percent according to estimates. The party with the

largest membership is the ĽS-HZDS (nearly 45,000 members), followed by the KDH (20,000 members) and Smer-SD (15,000 members); other parliamentary parties have between 5,000 and 13,000 members.[1]

Ethnic minorities encounter no institutional obstacles to participating in political processes. About 15 percent of Slovak citizens belong to various ethnic minorities. Ethnic Hungarians form the largest ethnic minority, making up nearly 10 percent of the total population.[2] Traditionally, ethnic Hungarians have a high rate of political mobilization; as a result, this minority is represented effectively, mainly through the SMK. This party has been in government for almost eight years and has had a strong influence over the country's general social development. The SMK also enjoys a solid position in some regional and local self-governance organs, especially in regions with a higher concentration of ethnic Hungarians.

By contrast, the Roma minority is not sufficiently represented. This is due to the ethnic group's low social status and inadequate education, a virtual absence of political leaders, and the inability of "majority" mainstream political parties to cooperate with Roma organizations. No Roma political parties have gained a foothold in executive or legislative organs at the national or regional level. Representatives of Roma origin operate in local self-governance organs, especially in villages and towns with a high concentration of Roma citizens. The only registered political party that represents interests of the Roma ethnic minority—namely, the Romany Initiative of Slovakia—is struggling with a lack of credibility among the Roma themselves. Its position is complicated by past conflicts among Roma leaders. So far, "majority" or mainstream parties have not made any relevant attempts to include Roma leaders on their candidate lists in order to pursue their political agenda and subsequently increase support among Roma voters.

Civil Society

1999	2001	2002	2003	2004	2005	2006	2007
2.25	2.00	1.75	1.50	1.25	1.25	1.25	1.50

The state administration in Slovakia respects the independent civil sector, and for years there has been mutual cooperation between governmental and nongovernmental organizations, though this cooperation was put into doubt with some of the proposals of the new government. In 2006, many NGOs struggled with the effects of the withdrawal of foreign donors, but in many aspects the situation strengthened their ability to organize their activities more effectively, and the sector's process of standardization and professionalization continued.

Slovakia's civil society is vibrant and dynamic. Data on Slovak NGOs is recorded in several places, including the Statistical Office of the Slovak Republic, the Ministry of the Interior, and the Ministry of Culture. In November 2005, the Ministry of the Interior listed 22,619 organizations that could be considered

NGOs in a broad sense. Of these, 21,133 (93.4 percent) were civil associations (societies, clubs, associations, movements, trade unions, international NGOs, and various sports clubs), 275 (1.2 percent) were foundations, 612 (2.8 percent) were noninvestment funds, and 599 (2.7 percent) were nonprofit organizations.

The image of NGOs in public opinion is prevailingly positive, with organizations involved in social and charity services being the most popular. National minorities are represented by cultural and civic organizations, with most of these representing the Hungarian minority (9.8 percent of the total population). The number of Roma organizations is much lower, and majority population organizations are represented at 20 times the rate of Roma groups. Religious groups in Slovakia (Roman and Greek Catholics, Lutherans, Orthodox, Calvinists, and Jews) play the most significant and visible role in charitable activities. Women's organizations are estimated at more than 120 and are becoming more visible and influential by the year.

Openly extremist and racist organizations are not registered by the Ministry of the Interior, but they do operate illegally. During 2006, the Slovak police continued systematic surveillance of neo-Nazi and right-wing extremist groups and took preventive actions against them. Public discourse on far-right extremism, nationalism, and racism continued to be very intense in 2006.

The legal and regulatory environment for civil society is free of excessive state pressure and increasingly also of unnecessary bureaucracy. The NGO sector operates under legal norms adopted after 1989, and registration is easy. The basic legislative framework for NGOs is provided by the Constitution and guarantees freedom of expression (Article 29), freedom of assembly (Article 28), and freedom of association (Articles 29 and 37). Both legal entities and private persons may establish nonprofit organizations, which are then required to work for the fulfillment of the purposes for which they were established. The Ministry of the Interior acts not only as the NGO registry, but also as the supervising institution.

NGO access to important government information is satisfactory thanks to the Internet; there are Web sites for the Ministry of the Interior, Ministry of Finance, Statistical Office, and several service organizations in the civil sector. Tax policies work in favor of nonprofit activities, and in several fields NGO taxation is easier than in the business sector. NGOs are exempt from paying gift and income taxes. However, the new coalition government announced in 2006 a plan to change these favorable tax conditions owing to alleged misuse by some NGOs. By changing the tax conditions the government targeted human rights and environmental NGOs for punishment. In an openly illiberal justification of the motion, some politicians of the ruling coalition reminded these NGOs that they were involved in partisan activities in the past (referring to the period when civic organizations advocated for change from Mečiarism to democracy). After several years, the code of the nonprofit law is still not ready to be submitted to the government.

Slovakia's civil sector has a well-developed infrastructure, training, and research base and is generally well stabilized. NGO technical resources are satisfactory, comparable to equipment available in the state sector, yet inferior to those in the

business sector. Numerous NGOs provide training for the third sector, and there are many informal coalitions and networks in Slovakia based on issue or need. Information services for NGOs are provided by the Internet portal ChangeNet and print magazine *Efekt*.

EU membership and funding and intensified cooperation with the business sector brought changes to Slovak civil society in 2006. Public and private assistance from Western democracies has also been instrumental in developing the country's vital civil society, at least up until 2004. More recently, some NGOs have focused on attracting more money from local businesses. In 2006, the overall professionalization of the NGO sector was accompanied by a decrease in funding for advocacy and watchdog activities. Although different EU funds are available for NGOs, many groups struggled to survive in 2006, as grants are paid when activities and projects are completed. The prevailing opinion among Slovak NGOs is that the European Commission does not have a sustainable model for supporting civil society activities. Increasingly, a number of Slovak NGOs subsidize their work through profits from their own activities and membership fees.

In Slovakia, individual taxpayers and businesses may contribute 2 percent of their income tax for public beneficiary purposes (Law on Income Taxes No. 561/2001). Although these funds alone are insufficient to sustain all segments of Slovak civil society, tax contributions have begun to be an important part of many NGO budgets. However, the new government announced cuts in corporate tax contributions from 2 percent to 0.5 percent, claiming these funds had been misused in the past. In fall 2006, NGOs campaigned to maintain the current tax contribution levels, and this pressure prevented the new administration from making the cuts.

In December 2005, the Parliament canceled corporate tax benefits to NGOs that work in environmental protection and human rights. The amendment also bars tax contributions of smaller than 100 koruna (US$4.00) for citizens and 250 koruna (US$10.00) for corporations. The previous state administration was open toward NGOs and used their expertise successfully. The new government, however, has shown signs of distrust, accusing NGOs of nontransparent spending as well as ideological and political partisanship.

Slovak civil society has a broad publishing and research base, thanks to the country's public policy institutes. NGO and government cooperation in foreign policy and democracy-building efforts continued in 2006, focused mainly on the western Balkans, Ukraine, Belarus, and Afghanistan. Slovak NGOs received significant media coverage from both public and private media, predominantly positive. For grassroots organizations, cooperation with the media is more difficult than for well-established think tanks and watchdog groups.

Slovak trade unions are allowed to operate freely, yet the KOZ represented fewer than 490,000 employees in 2006, with membership shrinking annually. The image of trade unions is predominantly negative in all segments of the population owing to KOZ involvement in politics and the working style of union leaders.

The country's education system is free of political influence and propaganda. The Ministry of Education, working with experts, is systematically renewing school curriculums. These changes are aimed not only at overcoming the legacy of the Communist regime, but also at introducing modern and more universal views on Slovakia's history and social development.

Independent Media

1999	2001	2002	2003	2004	2005	2006	2007
2.25	2.00	2.00	2.00	2.25	2.25	2.25	2.25

In Slovakia, freedom of speech is protected by the Constitution as well as by the obsolete Law on the Press from 1966. Article 26 of the Constitution outlaws censorship and guarantees the right to information. At the same time, it stipulates that while publication of printed matter is not subject to permission, broadcast media may require a government license.

In 2006, the Parliament amended laws regulating public service broadcasters STV and Slovak Radio (SRo). Among other changes, the amendments lowered the required quorum for electing general directors from a two-thirds qualified majority to a simple majority of all members of supervisory organs, namely the STV Council and the Radio Council; also, it banned members of supervisory organs from running for general director.

Slovak journalists are protected from victimization by state and nonstate actors. In 2006, no Slovak journalist was sentenced for professional activities. On the other hand, opportunities for investigative journalists are limited from a financial point of view and lack the support of editors. The legal system is free of provisions that would punish journalists for "irresponsible" coverage of government organs. However, in December 2005 an amendment to the criminal code was adopted that bans journalists from using concealed cameras or recording devices.

Journalists and editors are only partly free from interference by the government and private owners. The dependence of public service broadcasters on political power was formally reduced by 2004 amendments to STV and SRo legislation. Yet how this "increased independence" shows in everyday editorial practice depends primarily on their directors and supervisory organs. The power to elect and remove the broadcasters' directors was recently transferred from the Parliament to respective supervisory organs whose members are appointed by the Parliament. In 2006, there was no overt attempt by the government to influence public service broadcasters; the only exception was Prime Minister Robert Fico's telephone call to the STV editor in chief to influence the content of the main news program.[3]

Journalists with private media are exposed to various pressures from owners, and there is no professional organization to collectively represent journalists in negotiations with media owners. Another problem is insufficient transparency in

media ownership. In the run-up to the 2006 parliamentary elections, there were no flagrant attempts by the media to influence the electoral process, which is an improvement over past elections, when private media served the ambitions of certain political parties.[4]

The range of information provided by Slovak media is quite broad, and they rank among the country's most trustworthy institutions. Public service broadcasters boast the highest credibility ratings—trusted by three in four Slovak citizens. In previous years, the print media market has gained a relatively stable profile. The largest daily in terms of circulation is the tabloid *Nový Čas*, followed by the sports tabloid *Šport* and two serious dailies, *Sme* and *Pravda*. The rest of the print market is filled by an economic daily, *Hospodárske Noviny*; a recently founded popular daily, *Plus Jeden Deň*; and a network of regional papers. The television market continues to be dominated by the private TV Markíza, followed by STV 1, the private TV Joj, STV 2, and the private news television station TA 3. Slovakia's television market is very specific, as almost 20 percent of Slovak citizens regularly watch Czech and Hungarian TV stations.[5]

In 2006, Slovensko 1, the first frequency of the public SRo, definitively lost its position as top station to the private Rádio Expres. While Slovensko 1 continues to struggle with declining ratings, it is chased by a handful of other strong private stations—namely, Fun Rádio, Rádio Okey, Jemné melódie (Soft Melodies), and Rádio FM, which is another frequency of the public SRo.

Owing to economic factors and the licensing policy of the Council for Broadcasting and Retransmission, the market regulator, the basic trend in the country's radio market is to strengthen the national networks at the expense of regional and local broadcasters, which in recent years has led to the folding of several smaller independent radio stations. Since many local periodicals and television stations depend on local self-governments or commercial companies controlled by them, this further aggravates the problem of independence and plurality of information provided by local and regional media, which may have negative implications for the future transparency of municipal politics.

All widely influential media in Slovakia are privately owned. The only exceptions are STV and SRo, which are controlled by councils appointed by the Parliament, and the state news agency TASR. In 2006, the concentration of print media ownership in the hands of strong publishing houses continued. The press repeatedly reported on cross-ownership or multiple ownership in the broadcasting market, which is illegal according to Slovak law. The second largest private TV station (TV Joj) and the only news TV station in Slovakia (TA 3) belong to the same owner-investor; at the end of 2006, the two were joined by TV Ring, which specializes in telephonic games. Unfortunately, owing to imperfect legislation regulating the transparency of media ownership, these ties are still "assumed" rather than provable.

While advertising revenues for Slovak television and print media have increased and are flourishing, radio advertising is stagnant and decreasing. Both public service broadcasters are underfinanced, which prevents them from performing their

mandated tasks or reaching a substantial proportion of the Slovak population. Toward the end of 2006, the Ministry of Culture finished drafting a new bill on television and radio license fees that is expected to tackle the problem of financing public service broadcasters from public sources. In print media, the retail distribution of the periodical press is controlled by private companies, but public and private subscription-based distribution continues to be dominated by Slovak Post, a state enterprise. This does not negatively affect the free flow of information or fundamentally infringe on free competition.

Journalists, publishers, and private broadcast media owners in Slovakia have their own professional organizations, but their influence is marginal. Prior to the parliamentary elections for five new members of the STV Council, the Slovak Syndicate of Journalists (SSN), which unites approximately three-quarters of Slovak journalists, proposed candidates, but none were elected. Most Slovak publishers are members of the Association of Periodical Press Publishers (ZVPT), while private television and radio broadcasters are organized in the Association of Independent Radio and Television Stations. Despite the 2006 efforts to revitalize the Press Council, an ethics and standards watchdog body established by the SSN and the ZVPT, its reputation and effectiveness are considered poor in professional circles.

Access to the Internet is unimpeded in Slovakia. The number of users grows annually, while the cost of Internet connection declines steadily. Coverage of Slovakia's territory by broadband Internet is increasing dramatically, thereby closing the "digital gap" between residents of the capital, Bratislava, and the rest of the country. According to a survey released by Eurostat in summer 2006, Slovakia was at the bottom of the 25 European Union member states in terms of Internet penetration, as only 27 percent of households were connected and only 11 percent used broadband connections. However, this situation began to improve rapidly in the second half of 2006 after the country's two mobile telephone operators began to provide broadband mobile Internet connections. Additionally, the government implemented Internet for Education, a project designed to facilitate access to the Internet for all young people 15 to 25 years old (approximately 40,000 potential users) by providing state subsidies (US$9.00) for Internet connection per person per month for a period of two years.

Local Democratic Governance

1999	2001	2002	2003	2004	2005	2006	
n/a	n/a	n/a	n/a	n/a	2.25	2.00	2.00

The Slovak Constitution and other applicable laws provide an adequate framework for self-governance at the regional and local levels, with a dual system of public administration—state administration (organs of executive power) and self-governments (elected bodies). There are three levels of elected bodies: central (Parliament),

regional (regional assemblies), and local (municipal councils). Public administration is based on the principle of "subsidiarity," or keeping public administration functions with smaller units when no major advantage exists for transferring them to larger ones.

The establishment of state and self-governance institutions is subject to laws passed by the Parliament. However, local self-governments may initiate pro bono nonstate organizations that focus on aiding local development, such as agencies, associations, funds, and so forth. To communicate with government institutions and present their priorities, self-governments use various associations, such as the Association of Slovak Towns and Villages, the Union of Slovak Towns, and the Association of Regional Capitals K-8.

As part of public administration reform, a massive block of powers was transferred from central government organs to local and regional self-governance bodies. These bodies now address issues in education, health care, social affairs, transportation, and the environment. In order for local and regional self-governments to perform their delegated powers, the central government provided them with necessary funding through fiscal decentralization—in other words, the right to collect so-called local taxes. In the case of municipalities, this is the real estate tax; for regional self-governments, this is the motor vehicle tax.

In 2004, the government began distributing revenues generated by income tax between local and regional self-governments. Thanks to fiscal decentralization, the overall income of local and regional self-governments in 2005 increased by 6.3 billion koruna (US$245 million) compared with the figure for 2004. According to estimates by the Ministry of Finance from November 2006, the combined income of self-governance organs was expected to grow by 3.5 billion koruna (US$136 million) in 2006.

Government institutions and self-governance organs cooperate in tackling local and regional problems, and in 2006 no overt conflicts occurred. Several years ago, the cabinet established the Government Council for Public Administration as an advisory body in public administration issues, with representatives of central and local state administration organs, regional and local self-governments, associations of towns and villages, regional assemblies, and academic experts. The council specializes in analyzing the implemented decentralization measures and assessing the potential impact of proposed legislation. The council's chairman is the interior minister, and detailed information on council deliberations is published on the Ministry of the Interior's Web site.

The new administration's program manifesto pays little attention to local democracy and self-governance. The cabinet's goals in this area are vague, but the administration intends to carry out an audit to increase the efficiency of administrative services. While the program manifesto does not refer to decentralization as the main objective, it touches on delegating certain powers in the public service field to local and regional self-governance organs.

The incoming administration promised to extend the executive powers of regional self-governments to pursue development policies in their respective

territories. It also pledged not to increase the current number of public or central state administration organs. While its program manifesto features a formulation on "carrying out an institutional reform," it fails to specify concrete measures. The main factor affecting local democracy and decentralization is the country's basic political framework. The current ruling parties—Smer-SD, SNS, and ĽS-HZDS—opposed all public administration reforms implemented by the two previous administrations between 2001 and 2005.

The Constitution and relevant laws allow citizens to exercise their right to suffrage at regional and local levels. Representatives of self-governments (deputies of municipal councils and regional assemblies, mayors of villages and towns, and regional governors) are elected in direct, free, and democratic competitions, which are open to political party candidates as well as independent candidates. Elections to local and regional self-governments are held every four years and are open to independent observers. Candidates represent a broad spectrum of opinions, and political parties play an important role in local elections. In 2006, the public broadcasters provided political parties and individual candidates with advertising time on a commercial basis, but few candidates used this form of campaigning.

Since 1994, the Constitutional Court has adjudicated 104 violations of electoral legislation during municipal elections; in 11 cases, it proclaimed the election results null and void. In 2006, the Constitutional Court nullified the results of mayoral by-elections in the Bratislava district of Petržalka, reasoning that the leading candidate had campaigned illegally on election day. Apart from elections, local and regional levels of self-governance give citizens a chance to take a much more active part in the administration of public affairs. Direct public participation in decision-making processes is regulated by the Law on the Municipal System of Government and the Law on Self-Governance of Higher Territorial Units.

Most local self-governments applauded the extension of their executive powers through decentralization, but not all were prepared to perform the duties delegated to them. This deficiency may be partly remedied by mutual cooperation between local self-governments and NGOs in tackling concrete problems and implementing projects of local and regional development. A number of NGOs have abundant experience cooperating with local self-governments. Local administrative skills have been improved through participation in various development projects co-financed from EU funds.

The level of public participation in regional and local politics is similar to that in national politics; in the case of women and ethnic minorities (especially Roma), the rate of participation is higher locally than at the national level. In 2006, independent media at the central and regional levels paid closer attention to problems of local democracy, self-governance, and regional development. They published articles on the performance of self-governance bodies, activities of political players at the local level, and a variety of local disputes and scandals. Undoubtedly, the main reason for shifting the media spotlight to these issues was the upcoming local elections (scheduled for December 2006).

Regional and local self-governments do not have the power to pass laws, but they can pass bylaws and regulations that apply exclusively to them. Self-governance bodies may turn to the courts to enforce their decisions. Should the state administration interfere unconstitutionally with local matters, self-governments may appeal to the Constitutional Court. The law allows self-governments to form associations with other domestic and foreign self-governance institutions in order to assert their interests and tackle local problems. Self-governance organs, especially regions and larger municipalities, frequently cooperate with partners from abroad, particularly from neighboring countries. In May 2006, the Parliament passed a law on the public administration's information system to integrate all local, municipal, and regional self-governments.

The Parliament also passed an amendment to the Law on the Supreme Bureau of Supervision that extended its control powers over public administration organs. Self-governments are subject to internal as well as external supervision. Internal control is entrusted to chief controllers who are appointed for six-year terms. Externally, the NKÚ controls all funds expended by self-government organs and supervises the financial management of legal entities established by self-government organs.

Meetings of local and regional self-governance bodies are held regularly and are open to the public; the results of their deliberations are posted on public notice boards, via the media, and increasingly on the Internet. When gathering information on the activities and performance of self-governance bodies, journalists frequently refer to the Law on Free Access to Information. In 2006, no cases surfaced of direct pressure on journalists who report on regional and local problems. Similarly, there were no direct attempts by illegitimate groups to influence self-governance bodies.

Judicial Framework and Independence

1999	2001	2002	2003	2004	2005	2006
2.50	2.25	2.00	2.00	2.00	2.00	2.00

The Slovak Constitution, Bill of Fundamental Rights and Freedoms, and other laws provide a framework for the protection of human rights. The implementation and exercise of political rights is regulated by the Law on Political Parties and various election laws. The Constitutional Court accepts complaints regarding violations of human rights and also issues verdicts. An extensive 2001 amendment introduced a public defender of rights, or ombudsman, and the Parliament elected the first public defender in 2002. In February 2006, the Parliament approved an amendment allowing the ombudsman to appeal to the Constitutional Court to examine the constitutional conformity of laws and other legal norms if their further application may violate citizens' fundamental rights and freedoms.

As a member of the Council of Europe, Slovakia is part of the European system of human rights protection and has also ratified all important international human rights documents. Citizens may turn to the European Court of Human Rights (ECHR) if they believe their rights have been violated and Slovak judicial institutions have been unable to take action or provide a remedy. In 2006, the ECHR issued several rulings in favor of Slovak citizens. Most frequently, these cases involved drawn-out proceedings that violated citizens' constitutional right to a lawsuit without unnecessary delays.

One case concerning freedom of speech was filed by Martin Klein, a journalist sentenced in 2000 by a Slovak court to pay a fine of 15,000 koruna (US$582) or spend one month in prison for alleged defamation in an article published in 1997. In fact, Klein's article criticized Catholic archbishop Ján Sokol for his statements regarding the film *The People vs. Larry Flynt* and noted his collaboration with the Communist regime's secret police. After he had been sentenced by the Slovak court, Klein sued the Slovak Republic before the ECHR, which found in Klein's favor.

The Constitutional Court is an independent and unrestricted element of the judicial system, and its verdicts are legally binding. The right to appeal to the Constitutional Court regarding the unconstitutionality of laws, government regulations, and other legal rules applied by the public administration rests with parliamentary deputies (at least 30 are required to launch an appeal), the president, the cabinet, courts of justice, the attorney general, and (since 2006) the ombudsman for human rights; in certain cases, self-governments also enjoy this right. Citizens are free to turn to the Constitutional Court if they believe their constitutional rights have been violated by a state organ. In 2006, there were no attempts to use administrative or political pressure on the Constitutional Court to influence its deliberations or verdicts, and all institutions respected rulings issued by the Court. Since 2004, the Constitutional Court has been incomplete owing to Parliament's inability to elect a sufficient number of candidates for vacated posts, thus preventing the president from appointing the constitutionally stipulated number of 13 justices. While at the beginning of 2006 the Constitutional Court lacked 2 justices, the October 2006 resignation of Court chairman Ján Mazák increased the number to 3. The incomplete makeup of the Court and lack of a chairman have hindered its function. Furthermore, in 2007, 9 justices are envisaged to complete their respective terms on the Court.

In fall 2006, the new Parliament began to deal with the issue of electing candidates to the vacated posts. Their selection provoked serious misgivings and indicated government exertion of political pressure to create a new composition of the court that would be favorable for the ruling coalition. The assembly refused to elect some candidates with impressive professional backgrounds but supported others with unsatisfactory qualifications, problematic pasts, and unclear ties to special interest groups. In several cases, the new ruling coalition preferred politically loyal candidates, casting doubts as to their independence if appointed by the president.

The Constitution guarantees all citizens equality before the law regardless of sex, race, skin color, language, religion, political preference, nationality or ethnicity,

property status, or other categories. However, women and other groups are inadequately represented in public posts. In 2005, Slovakia's police force investigated 121 criminal offenses that were motivated by racial, ethnic, or other forms of intolerance; 82 of them were cleared. Some of the worst crimes have been investigated by the police and their perpetrators have been brought to justice, but in many other cases, the assailants have not been apprehended or punished. Despite concentrated effort by the police, the murderers of Daniel Tupý, a university student who was stabbed to death in Bratislava in November 2005, are still at large. According to eyewitnesses, the assailants were members of the neo-Nazi underworld.

In its program manifesto, the new administration pledged to "combat permanently all forms of racial, ethnic, religious, and political intolerance" and campaign against "discrimination, racism, anti-Semitism, xenophobia, extreme nationalism, and chauvinism and promote the truth about the Holocaust." Nevertheless, participation of the nationalist SNS as a ruling party from 1994 to 1998 has led to the government's unaccommodating and suppressive policies toward ethnic minorities, particularly the Hungarian minority. By joining the EU in 2004, the Slovak Republic undertook all related human rights obligations, including enforcement of equal treatment principles. To comply with European Council Guideline No. 2000/43, the Parliament in May 2004 passed the Law on Equal Treatment and Protection Against Discrimination, also known as the Law on Antidiscrimination. Throughout 2006 the law was valid, but without a positive discrimination/affirmative action provision, which had been abolished by the Counstitiutional Court.

Slovakia's Constitution guarantees the presumption of innocence, and the state is obliged to provide a defender to every person facing a criminal prosecution if the accused cannot afford one. Investigation of criminal offenses in Slovakia is conducted under a prosecutor's supervision. An accused person can be detained and arrested only if a judge has issued a written warrant. International conventions and other legal acts banning torture and maltreatment form an integral part of Slovakia's legal system. No cases of torture or other maltreatment of prisoners or detainees were reported in Slovakia in 2006. In March 2006, the Parliament passed a law regarding execution of punishment that regulates prison conditions in compliance with EU standards.

In 2005, the Parliament passed a new penal code and code of penal procedure. The most serious and socially dangerous crimes are considered those against life and health, followed by crimes against freedom, human dignity, family, and youth; the third category includes property and economic crimes, while crimes against the government dropped from the top to the bottom. Punishments for verbal offenses remained—for instance, defamation of the nation, race, and political and religious opinions, including denial of the Holocaust.

Slovakia has a three-level judicial system—the Supreme Court, 8 regional courts, and 45 district courts—administered jointly by the president, Parliament, Ministry of Justice, Judicial Council, and Supreme Court. The president appoints judges acting on proposals from the Judicial Council, which is the principal organ of self-governance within the judiciary. The Ministry of Justice appoints the chairmen and vice chairmen of particular courts.

Since his inauguration, the new justice minister, Štefan Harabin, has removed several court chairmen without satisfactory explanations. Although Harabin did not go beyond his legal powers, his method of removing court chairmen provoked harsh criticism among judges and legal experts who charged that his actions contradicted the principle of judicial independence. The critics suggested that Harabin's decisions were guided by political motives and grudges carried over from his time as chairman of the Slovak Supreme Court. The justice minister has also had conflicts with Milan Karabín, current chairman of the Slovak Supreme Court, and he has insisted on complete abolition of the special court, whose basic purpose is to combat corruption and organized crime.

International monitors have confirmed that the Slovak judiciary is independent to a satisfactory degree. However, the public's sense of legal safety continued to be impaired by the courts' inefficiency, which is exacerbated by an overwhelming and slow-moving backlog of cases. Public trust in the courts is also undermined by a common belief that the judiciary is plagued by corruption.

Corruption

1999	2001	2002	2003	2004	2005	2006	2007
3.75	3.75	3.25	3.25	3.25	3.00	3.00	3.25

Corruption ranks among the most pressing social problems in Slovakia. Between 2002 and 2006, the previous administration took a number of legislative and administrative steps, including adopting an anticorruption policy and incorporating it into the government's program manifesto; establishing the special court and Office of the Special Attorney; adopting a constitutional Law on Conflict of Interest; extending the supervisory powers of the NKÚ; increasing transparency of the public procurement process; improving the Corporate Register and enhancing its availability to the general public; improving the performance of judicial management; adopting the legislation on labor in the public interest; strengthening supervision over regional and local self-governance organs; enhancing general awareness of the courts' activities; and increasing the number of exposed corruption cases.

The constitutional Law on Conflict of Interest bans the president, cabinet members, Constitutional Court justices, and other top officials from pursuing any business activities, receiving pay for brokering deals between the government and private entities or corporations, or receiving income generated by a side job or contract that exceeds the minimum wage. Civil and public service laws precisely circumscribe the process for selecting, appointing, supervising, and remunerating civil servants. Other bills have sought to introduce the principle of zero tolerance for corruption among notaries and marshals, compulsory disclosure for customs officers, protection of whistle-blowers in the workplace and witnesses in court cases, and the post of controller in bodies of local and regional self-governance.

However, the intensity of legislative activities aimed at combating corruption declined in 2006. The only anticorruption legislation was an amendment to the Law on the Supreme Bureau of Supervision approved in April 2006 that extended its supervisory powers with respect to regional and local self-governments. The new administration's program manifesto paid very little attention to the corruption issue. The document did not define combating corruption as a priority, and anticorruption measures form only a marginal part of it.

Most of the manifesto's anticorruption measures are formulated too vaguely; perhaps the most concrete is a declared intention to continue the practice of publishing court rulings. The new administration refused to incorporate a single measure proposed by *Anticorruption Minimum*, a document published before the 2006 parliamentary elections by Transparency International–Slovakia. The document proposed to restrict privileges of constitutional officials, improve oversight on conflicts of interests, increase transparency of political party financing, reduce the degree of corporatism within society, abolish bureaucratic obstacles in applying for various citizen documents, and increase transparency in administering EU funds and allocating subsidies. Since the 2006 parliamentary elections, the Anticorruption Department within the Office of the Government has been leaderless and undermanned; consequently, it pursues virtually no activity at present.

In the second half of 2006, the public became concerned about the new justice minister's efforts to abolish the special court and Office of the Special Attorney, which were established in 2005 to increase the efficiency of combating corruption and organized crime. Preservation of the special court was actively advocated by representatives of leading NGOs, reputable legal experts, and leaders of opposition political parties.

Additionally, the new administration's efforts to increase the degree of government regulation in certain economic sectors threatens to make clientelism and corruption more prevalent. For example, after the elections a number of co-owners or top managers of various private companies were appointed to important state administration positions, including those of ministers and state secretaries.

All Slovak institutions financed from public funds are subject to the supervisory authority of the NKÚ. Although top officials of the NKÚ are elected by the Parliament, this agency is fully independent from any political pressure when exercising its powers and performing its duties. Its findings are made public via the media and the Internet and often become the focus of vivid public debate. A number of independent NGOs are very active in fighting corruption and promoting transparency and accountability in public life, including Transparency International–Slovakia, the Alliance for Transparency and Corruption Combat, the Alliance to Stop Conflicts of Interest, and Fair Play Alliance. There were no attempts by the state or private individuals to hinder the activities of these groups or intimidate their activists in 2006. According to Transparency International's 2006 Corruption Perceptions Index, Slovakia's score of 4.7 represents an improvement over the country's 2005 score of 4.3.[6]

The police encourage citizens with information on corrupt civil servants or a personal experience of corruption to participate in exposing concrete cases. As of October 31, 2006, the police investigated 292 corruption-related crimes (for instance, giving or accepting bribes and indirect corruption), dismissing 167 of them; 16 persons were convicted.[7]

In March 2006, the special court sentenced Ladislav Gál, former head of the Regional Land Registry in Trnava, to seven years in prison for accepting a bribe of 2.6 million koruna (US$101,000). In November 2006, the special court began the case of Čadca mayor Jozef Pohančeník, who was indicted on charges of corruption. Pohančeník reportedly requested a bribe worth 1.5 million koruna (US$58,000) from a private construction company working for the city in return for a promise that the city council would pay for the delivered project on time.

The Slovak media widely and freely report on corruption and clientelism scandals involving public figures, helping to increase public sensitivity to these crimes. The most infamous case of exposed clientelism in 2006 involved Marián Záhumenský (Smer-SD), state secretary at the Ministry of Agriculture. Soon after his inauguration, Záhumenský initiated a change in official conditions for allocating subsidies to agricultural firms. As a direct result of the change, a company he co-owned obtained an additional 4.4 million koruna (about US$170,000) in subsidies. Although Záhumenský's actions apparently constituted a violation of the Law on Conflict of Interest, he refused to resign (Prime Minister Robert Fico clearly backed Záhumenský). Only after the media reported that Secretary Záhumenský had taken part in a taxpayer-funded hunt and killed an expensive trophy deer did he decide to resign.

Corruption is a frequent issue of public debate in Slovakia, and in opinion polls it trails only living standards, unemployment, and health care as the most pressing social problem. According to a survey conducted by FOCUS polling agency in March 2006, most citizens believe that excessive corruption exists in health care (63 percent), while others perceive it within the judiciary (47 percent), ministries (45 percent), police (39 percent), business (34 percent), customs offices (30 percent), local self-governing authorities (28 percent), regional self-governing authorities (27 percent), education (27 percent), and district and regional state offices (26 percent).[8]

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1 Mesežnikov, G. and O. Gyárfášová, *Slovakia Country Report Based on Research and Dialogue with Political Parties,* Stockholm, International Institute for Democracy and Electoral Assistance, 2006, http://www.idea.int/parties.

2 *Sčítanie obyvateľov, domov a bytov 2001,* [Population and Housing Census 2001], http://www.staristics.sk/webdata/slov/scitanie/namj.htm.

3 "Fico volal do STV, čo má vysielať," [Fico Called to STV to Advise What It Should Broadcast], *Sme,* October 6, 2006.

4 A classic example is Pavol Rusko, owner of TV Markíza, who founded the Alliance of a New Citizen and with the help of TV Markíza qualified to join the Parliament in 2002; later, he became vice chairman of the Parliament and minister of the economy. For more details on the Rusko case, please see previous years' reports.

5 Http://medialne.etrend.sk/vsetky-media/grafy-a-tabulky.php. (web portal)

6 Http://www.transparency.org/policy_research/surveys_indices/cpi/2006.

7 Sičáková-Beblavá, E. "Transparentnosť a korupcia," [Transparency and Corruption], in Kollár, M., G. Mesežnikov, and M. Bútora (eds), *Slovensko 2006: Súhrnná správa o stave spoločnosti,* [Slovakia 2006: A Global Report on the State of Society], Bratislava, Institute for Public Affairs, 2007, p. 662.

8 *Percepcia korupcie na Slovensku. Prieskum verejnej mienky pre Transparency International Slovensko. Marec 2006,* [Perception of Corruption in Slovakia. Public Opinion poll for Transparency International Slovensko. March 2006], http://www.transparency.sk/prieskumy/060424_perce.pdf.

Slovenia

by Andraž Teršek

Capital: Ljubljana
Population: 2.0 million
GDP/capita: US$22,384
Ethnic Groups: Slovene (83.1%), Serb (2.0%), Croat (1.8%), Bosniak (1.1%), other or unspecified (12%)

The economic and social data on this page were taken from the following sources:

GDP/capita, Population: *Transition Report 2006: Finance in Transition* (London, UK: European Bank for Re-construction and Development, 2006).

Ethnic Groups: *CIA World Fact Book 2007* (Washington, D.C.: Central Intelligence Agency, 2007).

Nations in Transit Ratings and Averaged Scores

	1999	2001	2002	2003	2004	2005	2006	2007
Electoral Process	2.00	1.75	1.75	1.50	1.50	1.50	1.50	1.50
Civil Society	1.75	1.75	1.50	1.50	1.50	1.75	1.75	2.00
Independent Media	1.75	1.75	1.75	1.75	1.75	1.50	1.75	2.00
Governance*	2.25	2.50	2.25	2.25	2.00	n/a	n/a	n/a
National Democratic Governance	n/a	n/a	n/a	n/a	n/a	2.00	2.00	2.00
Local Democratic Governance	n/a	n/a	n/a	n/a	n/a	1.50	1.50	1.50
Judicial Framework and Independence	1.50	1.50	1.75	1.75	1.75	1.50	1.50	1.50
Corruption	2.00	2.00	2.00	2.00	2.00	2.00	2.25	2.25
Democracy Score	1.88	1.88	1.83	1.79	1.75	1.68	1.75	1.82

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

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

Executive Summary

In a period of substantial political change in Central and Eastern Europe, and entering the last decade of the twentieth century, the first free and democratic elections were held in Slovenia in 1990. One year later, the country declared its independence from Yugoslavia. This was an outcome of national (political and civil) consensus, affirmed with referendum results. In the subsequent 16 years of independence, Slovenia consolidated itself as a constitutional democracy and economically stable country. Membership in the Council of Europe and respect for the case law of the European Court of Human Rights are important elements of Slovenia's constitutional identity. It joined the European Union (EU) and NATO in 2004 with decisive voter support, again expressed by referendum. In January 2007, the Slovenian tolar was replaced by the euro, and Slovenia became a member of the euro area as the first new EU member state. In general, the country's democratic institutions are consolidated, but some institutional and regulatory details require additional improvement. The influence of the state and ruling coalitions on the economy remains substantial. The influence of political elites is still especially strong in the financial sector of the economy, in infrastructure, telecommunications, and energy. Foreign investment in the country remains relatively low.

The ruling coalition that came to power in the 2004 elections is entering the second half of its mandate. Comprising mostly right-wing political parties: Slovene Democratic Party (SDP), Slovene People's Party, New Slovenia-Christian People's Party, in short, New Slovenia, and Democratic Party of Slovene Pensioners, the coalition spent the first two years absorbed in the takeover process. Not surprisingly, it began exercising its power over the economy by replacing numerous CEOs of state-owned or partially state-owned companies. The coalition also proposed a new management strategy for the public broadcaster Radio Television Slovenia (RTS), the most influential media organization in the country, and adopted the Law on Radio Television Slovenia.

In 2005, trade unions organized mass demonstrations against a government-sponsored economic reform, including the attempt to introduce a flat tax that could, according to the trade unions, seriously jeopardize the social status of workers. In 2006, the minister of labor, family, and social affairs was removed from office, partly as a result of these and other problems. His proposal that women should have to pay for exercising their right to abortion was especially criticized as being unnecessary, as the number of abortions is decreasing in Slovenia.

In 2006, the president and prime minister were in dispute about foreign policy and their institutional relationship. At the end of the year, local elections were held. Voter turnout decreased, more independent candidates were elected, the strongest

coalition party won the largest proportion of council members elected, and in Ljubljana (Slovenia's capital) the independent mayoral candidate, a successful businessman, won decisively. The "erased" of Slovenia—residents who are legally nonexistent, having been erased from the public registry after independence—internationalized their problem and asked EU institutions for assistance. Problems of intolerance and hate speech arose from the conflict between villagers of Ambrus and a certain Roma family residing there. The state apparatus responded unconvincingly, overstepping the limits of legality and constitutionality. The appointment of new judges to the Constitutional Court was initiated.

National Democratic Governance. The Slovenian Constitution established the country as a constitutional democracy based on the rule of law and sets out the separation of powers between legislative, judicial, and executive authority with a system of checks and balances. The legislative and executive branches are closely connected owing to the government's majority in the Parliament, and the ruling coalition often persists in holding a majority in parliamentary supervisory bodies. The regulatory and financial structure enables the government to act relatively undisturbed. The Constitutional Court monitors the legality and constitutionality of government and parliamentary decisions. The actions of authorities are open to public and media scrutiny. The most frequent criticisms of the government concern slowness and excessive formalism of the administrative apparatus. Citizens can participate in the political process. The government's influence over the economy remains substantial. A number of incidents occurred on the as yet undetermined border with Croatia, though without serious violence. *Slovenia's national democratic governance rating remains at 2.00.*

Electoral Process. Government authority in Slovenia is periodically relegitimized through fair general elections by equal and secret ballot. The quality of the political process is ensured by electoral legislation and practice, notably: establishing equality of all candidates in election campaigns, the fair functioning of election procedures, and fair vote tabulation. The active and passive right to vote is legally guaranteed for every citizen over the age of 18. The legal criteria for establishing a political party and competing in elections are not strict. Access to broadcast and print media is divided among competing candidates and parties. The functioning of political parties is subject to public oversight and scrutiny. The Constitutional Court can forbid a political party from operating if it violates the Constitution. The political opposition is institutionalized and has the means to critically influence the governing coalition and communicate with the public. Voter turnout decreased slightly in the 2006 local elections. Over the last few years, the use of referendums has increased in Slovenia. *Owing to the stable nature of the electoral process, including referendums, a slightly decreased turnout at local elections, and a show of public fatigue over party politics by electing more independent candidates, the rating for electoral process remains at 1.50.*

Civil Society. The Slovenian Constitution guarantees the freedom of association and right to peaceful assembly and public meeting. Slovenia's civil society is vibrant, but the involvement of registered associations in public affairs is generally low. Only about one-third of the population is actively involved in public affairs, and voter turnout for referendums is generally low. The legal and regulatory environment for civil society remains free of excessive state pressure. The voice of civil society is much weaker in the media than that of political parties. A constitutional right to join trade unions is respected. Forty-two religious communities are registered in Slovenia. To date, the construction of a mosque in Ljubljana has not started, and the problem of the "erased" individuals also remains unsettled. The question of gay and lesbian couples is being partly resolved by the Registration of a Same-Sex Civil Partnership Act. A Roma family from the Dolenjska region was removed from a village by police and relocated on the request of villagers, becoming a national problem that was handled poorly by the state. *Owing to the forced relocation of the Roma family and the legally questionable response by state authorities, Slovenia's civil society rating worsens from 1.75 to 2.00.*

Independent Media. The Slovenian Constitution protects freedom of the press and other media. The Law on Access to Information of a Public Nature enables access to all public information. The Slovenian Association of Journalists is an active element of the civil society. There are three major daily newspapers with a long history and two major television organizations. At the local level, there are numerous radio and television stations. RTS is a state-owned institution, while the commercial POP TV and local radio and television stations are privately owned. Print media are also privately owned. Media ownership is moderately interlocked, which may lead to excessive concentration. Slovenian media enjoy sound legal protections, and the penalties applied by courts for irresponsible journalism are not excessive. Journalists still face occasional victimization by powerful figures, mostly from the political and economic spheres. The media are not completely free of interference by the government and private owners. The Roman Catholic Church controls an influential radio station and a weekly newspaper, and changes at RTS indicate the influence of the Catholic Church on programming since the last elections. The Italian and Hungarian national minorities are assured special programming on RTS in their native languages. *Owing to indications of increasing interference by political, private, and state actors in editorial independence and news-gathering functions, Slovenia's independent media rating worsens from 1.75 to 2.00.*

Local Democratic Governance. Local self-government and the general right to participate in the administration of public affairs are provided by the Constitution. The principles and rules of democratic local government are enshrined in legislation and largely respected in practice. The government has not yet decided how to form regions, as allowed by and anticipated in the Constitution. Local authorities are substantially free to design and adopt institutions, processes, and rules of governance reflecting local needs and interests and to pass and enforce laws within

the legal framework of local government competences. They are autonomous in setting their budgets and allocating resources and have the right to judicial remedy to protect their powers and autonomy. But they are also subject to standards of disclosure, oversight, and accountability. The number of local radio and television stations has increased. Local elections are free and fair and were held at the end of 2006. Voter turnout in Slovenia's 210 municipalities showed a 14 percent decrease compared with the 2002 local elections. Voters elected more independent candidates. The strongest parliamentary party, the SDP, won the largest proportion of council members. In Ljubljana, the independent mayoral candidate, a successful businessman, won decisively. His list of candidates also gained a majority of seats in the municipal council. *Slovenia's rating for local democratic governance remains at 1.50.*

Judicial Framework and Independence. The Constitutional Court's competences are relatively broad, and it is boldly determined to control the constitutionality of its binding decisions. But it faces the problem of being overloaded, and some highly important rulings have not yet been enforced. The reform of the penal code has been effective. The most important constitutional principles and legal rules are generally, but still not entirely, assured in practice. Judges are appointed in a fair and unbiased manner. They must rule in a fair and impartial manner, and their judgments must be free from political influence. Nevertheless, the executive branch still has some influence on the appointment of the presidents of local and district courts, higher courts, and the Supreme Court. Some rulings have not been enforced effectively. Recently, judges' salaries became the subject of a controversial public debate. Extensive delays in judicial process persist and remain the key problem for the judicial system. The number of judgments from the European Court of Human Rights against Slovenia for failing to adjudicate within a reasonable time frame is, not surprisingly, on the rise. The government responded by recently adopting the Law on Protection of the Right to a Trial Without Undue Delay. *Owing to few concrete steps toward improvements, Slovenia's rating for judicial framework and independence remains at 1.50.*

Corruption. In 2004, with the adoption of the Law on Prevention of Corruption, Slovenia ushered in the most important government anticorruption initiative to date. The law requires the disclosure of all relevant financial data by those in the public sphere and prohibits conflicts of interest. The Commission for the Prevention of Corruption, with a largely preventive role, appears to be an effective enforcer of this law, particularly among politicians. The commission's main task is to ensure that officials do not abuse their public office for private business gain and report their assets. Names of those who do not comply are disclosed to the media, who aid public anticorruption efforts in this regard. The commission lacks investigative jurisdiction. In 2004, the new ruling coalition tried to shut down the commission and transfer its competences to a special parliamentary body. The Constitutional Court decided that the new draft bill was unconstitutional, and the commission

continued its work. The economy is not free from excessive state involvement; the participation of government officials in Slovenia's economic life is substantial, and some of the most important institutions have yet to be privatized. *Slovenia's rating for corruption remains at 2.25.*

Outlook for 2007. The state authorities' poor resolution of the problem of relocating one particular Roma family will probably influence public perception of tolerance and equality before the law in Slovenia and will also count as an important precedent concerning legal boundaries of police work. The government's commitment to independent media will be tested by the work of the parliamentary-elected civil society nominees to the council of the RTS and by any politically influenced consequences to journalistic criticism. The government's ability to establish fruitful dialogue with trade unions will be important for further civil society development in 2007, particularly given the announced economic reforms and the possibility of more mass demonstrations. The next generation of appointed judges to the Constitutional Court will influence the authority of the institution and the identity of Slovenian constitutional democracy. Presidential elections in 2007 could introduce a new president and change the political influence of that office.

Main Report

National Democratic Governance

1999	2001	2002	2003	2004	2005	2006	2007
n/a	n/a	n/a	n/a	n/a	2.00	2.00	2.00

The Slovenian Constitution established Slovenia as a democratic state based on the rule of law. It does so on an impressive level that exceeds "minimal European standards" as determined by the European Convention on Human Rights. The Constitution sets out the separation of powers between legislative, judicial, and executive authority with a system of checks and balances. The legislative and executive branches are closely connected because the government (as a coalition of parliamentary parties) has a majority in the Parliament. Only rarely do parliamentary deputies in a ruling coalition refuse to vote as the coalition party leaders direct.

A special problem for democracy appears when the ruling coalition persists in holding a majority in parliamentary supervisory bodies or rejects opposition proposals for more rigorous scrutiny of the government or legislative proposals simply by outvoting them. Slovenian legislation allows for special investigative commissions within the Parliament that oversee the activities of the government, the armed forces, police, and intelligence agencies. These commissions are not always efficient and are often unable to resist political influence. They are more efficient and impartial if coalition party members are not in the majority. But when they are, partisanship hinders the search for political consensus, better legislation, and the constitutionality of legislation. The regulatory and financial structures enable the government to act relatively undisturbed.

The Constitutional Court monitors the legality and constitutionality of government and parliamentary decisions, and the Parliament can demand a no-confidence vote for the government. Deputies may demand explanations from ministers and other government officials (cabinet members regularly answer these questions), and there have been several parliamentary debates and disciplinary votes regarding the performance of ministers.

The public and the media are assured access to information about government actions. Citizens can make critical evaluations of the government via the media, through petitions (including via the Internet), referendum proposals, public meetings, and so forth. As may be expected, larger and more significant groups, such as trade unions, are more successful in placing pressure on the government.[1] In general, the administrative apparatus functions legally and democratically. The most frequent criticisms concern its slowness, excessive formalism, and exaggerated bureaucracy and red tape. There have been many examples of patronizing attitudes from state authorities, unrealized promises, and failure to respect the will of the

people as clearly expressed by referendum, but these aspects of everyday politics remain within the average boundaries of political acceptability.[2]

The legal foundations of Slovenia's "constitutional democracy" provide instruments and mechanisms for citizens to participate in the political process. The actions of the legislative and executive authorities are open to public scrutiny, except in special justified circumstances. But even in such cases, the accepted decisions or relevant documents usually become public soon thereafter. Regarding the transparency of government activities, Article 39 of the Constitution assures not only freedom of expression, but also the right to access public information by citizens and the media. The Law on Access to Information of a Public Nature regulates this right even more broadly than would have been envisaged by a literal interpretation of the Constitution. The information commissioner, who supervises access to public information and the protection of personal data, has been quite successful so far, and there must be necessary or persuasive grounds for any exceptions to this rule.[3]

The actions of the armed forces, police, and intelligence agencies are subject to legal and political control by judicial authorities, free media, and the public. The most effective controls on financing and operations remain in the hands of the executive branch and the Parliament. Nevertheless, there remain problems in the unwillingness of these institutions to recognize their own mistakes and unlawful deeds and to assure impartial and independent investigations. From this point of view, it is also reasonable to be critical of the judiciary, which is quick to be satisfied with assertions that actions and investigations are correct, lawful, and objective.[4]

The government's influence over the economy remains substantial, and it is an important shareholder in some of Slovenia's largest and most important companies. The governing coalition has the decisive word when appointing and dismissing high-ranking management, supervisory board members, and key decision makers in these companies. During 2006, changes in several successful companies were met with significant public outcry, regardless of the business results. Some members of the ruling coalition participate on the supervisory boards or other bodies of several companies. Such appointments are usually made public, and the government tries to justify them on the basis of "sound business reasons." Citizens typically do not believe these reasons, but they consider them as the "spoils of war," the inevitable result of political changes after elections.[5]

Political parties and citizens both give a largely positive evaluation of democracy as the most suitable form of leadership. Occasionally, democracy is compared with state socialism in reference to social security, health care, employment, or general living standards. Nevertheless, these comments are far from representing serious appeals for reestablishing the former political system.[6] The country's governmental system has achieved and maintains stability without coercion, violence, or other substantial abuse of basic constitutional rights and liberties. Occasionally, public demonstrations or acts of civil disobedience appear, mostly as an attempt to influence the government's social policy. Such actions are predominantly nonviolent,

and the response by law-and-order forces is for the most part democratically and constitutionally acceptable. Legal and political differences and conflicts are generally resolved peacefully and without violence. The government's authority extends over the full territory of the country.

In the middle of 2006, a number of incidents occurred on the border with Croatia, particularly in the villages and border crossings of Hotiza and Sečovlje. In essence, they represented a continuation of the political dialogue on the as yet undetermined border between the neighboring states following their independence 15 years ago. This inflaming of passions and political provocation did not lead to serious violence or armed conflict. Both states have emphasized the importance of following a policy of tolerance, cooperation, and diplomacy.

Over the last year, tensions appeared between Prime Minister Janez Janša and President Janez Drnovšek, concerning mutual accusations of ignorance, unwillingness to engage in dialogue, failure to change foreign policy, disputes on who benefited more from the Sudanese government's release of Tomo Križnar (Drnovšek special envoy for Darfur who was imprisoned in Sudan), and Drnovšek's demand for more financial resources for his office. At first the prime minister received slightly higher support from the public.[7] Drnovšek was far more active internationally (concerning Darfur) than domestically. But just before Christmas, he intervened emotionally in the issue of the Roma community, while the prime minister permitted some politically and legally questionable actions to be taken by the relevant authorities.

Electoral Process

1999	2001	2002	2003	2004	2005	2006	2007
2.00	1.75	1.75	1.50	1.50	1.50	1.50	1.50

Government authority in Slovenia is legitimized by the Constitution and through fair general elections by equal and secret ballot. The quality of the political process is also ensured by electoral legislation and practice, establishing the legal foundations for equality of all candidates in election campaigns, the fair functioning of election procedures, and fair vote counting. The active and passive right to vote is legally guaranteed for every citizen over the age of 18. The legal criteria for establishing a political party and competing in elections are not strict. A total of 200 signatures is required to establish a political party. Parliamentary parties enjoy direct access to the electoral process, while nonparliamentary parties and independent candidates require 50 signatures from eight electoral districts. Access to television media (public and commercial) and press attention is divided among competing candidates and parties.

The Constitutional Court can forbid a political party from operating if its program or function contravenes the Constitution.[8] The pluralism of political parties

and interest groups is established in principle and fact in Slovenia. The functioning of political parties is subject to public oversight and scrutiny. Political opposition is institutionalized and has the means to critically influence the governing coalition and to communicate with the public. Occasionally, the political opposition seeks public support for greater participation in the work of the governing coalition, supervisory parliamentary commissions and investigative bodies, and supervisory boards of major companies.

In total, there are 38 political parties registered in Slovenia, 6 of which are parliamentary parties.[9] The level of party membership is relatively low, but social scientists emphasize that a high level of party membership is not an essential criterion in defining the degree of democracy.[10] Voter turnout at elections and referendums seems to be of more importance to democracy and the legitimacy of the political system and government. The turnout in Slovenia is comparable to that in other European countries and ranges from 58 percent to 72 percent at elections (the exception being at the European Parliament elections, with only 28 percent turnout) and from 25 percent to 35 percent at referendums. Another exception was the referendum on Slovenian membership in the EU and NATO, with a 60 percent turnout (89 percent voted in favor of EU membership and 66 percent in favor of NATO membership).

The means for rotating political elites and democratic changes in government are legally and institutionally assured. The last parliamentary elections affirmed this when what was previously the largest opposition party, the Slovene Democratic Party (SDP), won and formed a governing coalition with another two parties previously in the opposition: the Slovene People's Party (SLS) and New Slovenia Party. Slovenia's citizens enjoy clear political freedom and are not pressured by military, economic, traditional, or power elite groups. The country is also not endangered by any foreign military or other group or state. Previous parliamentary, presidential, local, and European elections have received positive evaluations from domestic and foreign commentators and observers in terms of their democratic and legal nature as well as fairness. It should be noted that parliamentary party programs do not differ substantially as far as basic domestic and foreign policy are concerned.

The Italian and Hungarian minorities in Slovenia are guaranteed one parliamentary deputy each by the Constitution. The 2002 national census records Hungarians at 0.32 percent and Italians are 0.11 percent of the total population. Members of these two communities have a double right to vote, as they can elect their representatives in the Parliament and also vote for all other deputies. Both deputies also have a double right to vote in the Parliament because they enjoy the general right to vote and special right to veto decisions that specifically concern rights or interests of their national communities. The Constitution also provides the Roma ethnic community in Slovenia with special status and requires the government to regulate this status with special legislation. This has yet to be introduced and in fact represents an unconstitutional situation. The Hungarian national community has guaranteed places on the municipal councils of 5 municipalities, while the

Italian national community enjoys the same right in 3 municipalities. The Roma community has deputies on municipal councils in 19 municipalities. Hungarian and Italian languages are considered the second official languages and as such are equal to the Slovenian language in territories where Hungarian and Italian national communities traditionally live. Members of these two communities can freely organize and assemble in order to exercise their right to fulfill cultural, sport, economical, or general national interests.

Local elections were organized at the end of 2006,[11] but voter turnout was lower than in the previous local polls in 2002. The elections were also characterized by increased support for independent candidates, which could be seen as voter fatigue with political parties and everyday politics as well as aspirations for a more effective decision-making process at the local level. Once again, political populism as a method of communication with the media and the public before election day, achieved the best election results.[12] Just before the elections, the Constitutional Court annulled changes in the Law on Local Elections, which had introduced a substantially higher signature threshold as a condition for independent and non-party candidates to register in local elections.[13]

Over the last few years, the use of referendums has increased in Slovenia as a means either to delegate decision making to voters or to attempt to force the government to reach particular decisions. A specific problem with the use of referendums, in contrast with their democratic and legitimate function, was exemplified by the referendum on the Technical Statute for the Realization of Constitutional Court Decision, which demanded that the government provide official confirmation on temporary or full-time residence in Slovenia for a number of so-called erased people. In this case, the referendum was used primarily to stir up voters and polarize their views. An important error was also likely made by the Constitutional Court in its quick decision that the implementation and reasonableness of such a referendum could not have any legal effect (i.e., a referendum could not override the Court Decision) and therefore could only result in the expression of a political viewpoint with no constitutional relevance.

Over the past year, the pressure to organize referendums calmed somewhat, but some unrealized referendum proposals lingered. Most legal experts condoned the attempt to make preliminary consulting referendums nonbinding on the Parliament and to increase the number of citizen signatures needed to initiate legislative referendums. Though the law states that the government must legally implement referendum results within two years, a nearly three-year-old referendum decision that shops must close on Sundays remained unenforced in 2006. The government waited two years before claiming that no legal obligation to implement the voters' will existed, thus also avoiding implementing the Constitutional Court decision concerning this referendum.

Civil Society

1999	2001	2002	2003	2004	2005	2006	2007
1.75	1.75	1.50	1.50	1.50	1.75	1.75	2.00

The Slovenian Constitution (Article 42 and others) guarantees the freedom of association and the right to peaceful assembly and public meeting. Legal restrictions on these rights are permissible only where so required for national security or public safety and for protection against the spread of infectious diseases. Professional members of the defense forces and the police cannot hold membership in political parties. Statistical data suggests that Slovenia's civil society is vibrant; there are 20,360 associations registered, and the number is increasing every year.[14]

Yet civil society was much more vibrant in Slovenia before 1990. Sociologists consider this an unsurprising outcome of the changes in social life and the political process following independence.[15] But even if the number of registered civil society associations is high, their involvement in public affairs is generally low. If most of the population is active in at least one civil society organization (sports, local firefighting forces, trade unions, or other nonpolitical interest groups), only about one-third is actively interested in public affairs. This can also be monitored by looking at the referendum vote turnout, which is generally low. The legal and regulatory environment for civil society remains free of excessive state pressure, and the registration process is uncomplicated.[16]

Societies, religious groups, private funds, and organizations established for ecological, humanitarian, and other nonprofit purposes do not pay taxes on income (including donations, fees, gifts, and so forth). At the same time, the legislation does not provide tax relief on donations to nongovernmental organizations (NGOs). The media remain the most receptive to civil society groups as a reliable source of information and commentary; however, the voice of civil society is much weaker in the media than that of political parties.[17]

NGOs are dissatisfied with the dialogue between civil society and the state or with the level of government response. This includes responses to proposals for state funding of projects or to amend legislation in fields where specific knowledge or skills should be taken into account (that is, law, economy, sports, and the like). There is a constitutional right to join trade unions, which is respected in everyday politics. Nevertheless, in November 2006 Prime Minister Janša asked the minister of labor, family, and social affairs, Janez Drobnič, to resign from office, in part because of his evident failure to communicate with trade unions and social partners. Marjeta Cotman was subsequently appointed to the position.[18]

Forty-two religious communities are registered in Slovenia.[19] The Islamic community still appears underprivileged among these groups, particularly in comparison with the Roman Catholic Church, despite being the second largest religious community in Slovenia. After more than three decades of trying, a resolution by the Ljubljana Municipal Council, and a decision by the Constitutional Court, to date no concrete action has been taken to start construction of a mosque

in Ljubljana. In everyday life, the Islamic community is still forced to exercise its religious rights in converted apartments, basements, and sports facilities.[20]

In general, civil society in Slovenia is rather passive politically. It is activated only occasionally and partially, in connection with issues or problems that either concern a particular group or appeal to the general public as a widespread problem.[21] Problems concerning Roma, Muslims, or the "erased" in Slovenia represent typical examples of such issues. These specific issues reveal an intolerant, populist, nationalist, and emotional side to Slovenia's general public rather than a concern for resolving social problems or discrimination.

The unsettled problem of the "erased" of Slovenia concerns the group of people from the former Yugoslav republics who had temporary or full-time residence in Slovenia before the country announced its independence. They did not apply for Slovenian citizenship, nor did they take steps to renew their temporary resident status. As a result, they were "erased" from the public administration registry and became legally nonexistent. One part of this group decided to internationalize the problem through personal contacts with European institutions and visits to Brussels.

The question of gay and lesbian couples has been partly resolved with the Registration of a Same-Sex Civil Partnership Act, passed by the Parliament in June 2005.[22] Though legalizing same-sex partnerships, the law does not ensure the same rights (that is, social security, health care, pension security, inheritance, and so forth) accorded heterosexual couples, nor does it give same-sex couples the right to marry. Gay and lesbian groups have registered their dissatisfaction with the law.[23]

In the second half of 2006, there was a collective outburst among villagers in Ambrus in the Dolenjska region concerning the Roma family Strojan, which lives at the edge of this village. Residents complained about and accused the Strojan family of criminal acts, including vandalism of private property and endangering a source of drinking water. The community's anger peaked when a member of the Strojan family allegedly attacked a villager, who had to be hospitalized. The villagers demanded that the family be removed immediately. They also criticized the state for not assuming its law enforcement duties over the past decade. Both sides threatened the use of violence.

The government ordered the police to remove the family from the village and accommodate it in the former refugee center in Postojna. Each government proposal for relocating the Strojan family was blocked by concerned members of the public. Residents of all the potential new locations organized public guards to watch over and block the possible transport of the family into their neighborhood. A major incident between the police and villagers occurred in which several people were hurt. Politicians quarreled over the issue, with the human rights ombudsman and a section of civil society responding critically to defend the state.[24]

In the popular television program *Piramida*, a parliamentary deputy from the Slovene National Party (SNS), Zmago Jelinčič, employed "hate speech" against Roma but received the support of 73 percent of viewers. It was unclear whether the public reacted to the specific "record" of the Strojan family or was clearly expressing

a general intolerance against Roma. The problem remained unsettled as the Strojan family was moved to another empty residence owned by the Ministry of Defense as a temporary solution.[25] Just before Christmas, authorities dismantled the Strojans' illegal residence without giving them time to pack their belongings. The villagers of Ambrus then prevented the location of mobile homes sent by President Drnovšek as a substitute residence.

Independent Media

1999	2001	2002	2003	2004	2005	2006	2007
1.75	1.75	1.75	1.75	1.75	1.50	1.75	2.00

Article 39 of the Slovenian Constitution protects freedom of the press and other media. Since the Law on Access to Information of a Public Nature came into force in 2003, it has been easier for journalists to demand access to all information that is or should be public. The Law on the Media, passed in 2001, has strengthened their "public watchdog" role and the potential for investigative journalism.

Journalists and media can form their own professional associations, and the Slovenian Association of Journalists is an active element of civil society. There are three major daily newspapers with a long history in Slovenia: *Delo*, *Dnevnik*, and *Vecer*. The other major papers are the business daily *Finance*, the regional daily *Primorske Novice*, two sports dailies, and two daily tabloids, *Slovenske Novice* and *Direkt*.

Two major broadcasters, Radio Television Slovenia (RTS) and the commercial network POP TV (owned by Central European Media Enterprises), provide news programming. Competition between RTS and POP TV seems to have a positive effect. At the local level, there are more than 60 radio stations and 24 television stations. RTS is a state-owned institution, while the commercial POP TV and local radio and television stations are privately owned. Print media are also privately owned, but the state-controlled Pension Management Fund and Compensation Fund own a substantial portion of shares in some publishing companies. Media ownership is moderately interlocked, which may lead to excessive concentration.[26]

The media enjoy sound legal protections in Slovenia. Penalties applied by the courts for irresponsible journalism are not excessive, and the amount of damages that can be awarded in civil cases for irresponsible journalism or libel does not endanger the existence of any (commercial or other) media.[27] A greater problem concerns judicial decisions where value judgments or critical opinions are considered to be "assertions of categorical and unproven facts"[28] or cases where individuals recognized themselves in a literary work and were too quickly awarded damages for violation of their right to "protection of good name and reputation."[29] The newspaper *Direkt* was launched in 2005 with the advertising slogan "No mercy!" which is a very fair illustration of its editorial policy. On the one hand, this newspaper

scrutinizes individuals with social influence and power, but on the other, it often violates individual rights.

Occasionally, journalists face victimization by powerful figures, mostly from the political and economical spheres. The case of Miro Petek, an investigative reporter who was badly beaten in 2001, remains a mystery in terms of determining who perpetrated or ordered the attack. The media's editorial independence and news-gathering functions are not completely free of indirect interference by the government and private media owners (some commentators claim the existence of direct influence). Newspaper distribution is privately controlled, but publishing companies are not satisfied with the level of competition in this area; only one company specializes in newspaper distribution.

In practice, the rights and responsibilities of the domestic media are divided between the editor in chief and the managing board. The managing board is responsible for business functions, while the editor in chief is responsible for editorial policy. Any interference from the managing board in editorial policy is considered illegitimate in theory, but this is not always the case in practice. It appears the ruling coalition has an influence over the newspaper *Delo*, which has the highest sales and a good reputation, and a major influence over the publicly-owned RTS. Several respected journalists at *Delo* were replaced after the formation of the new government.[30] One RTS journalist has been penalized for being too critical of members of the ruling coalition. Recently, the respected veteran journalist Vida Petrovčič was suspended for commenting critically on a particular action taken by Minister of Finance Andrej Bajuk.[31]

The Roman Catholic Church often complains that the media landscape is unbalanced and lacks diversity. On the other hand, the Catholic Church controls an influential radio station, Radio Ognjisce, and a weekly newspaper, *Druzina*. Changes in the personnel structure of the RTS program council and programming changes (such as replacing sports coverage with religious ceremonies) indicate the influence of the Roman Catholic Church on RTS since the last elections. The Italian and Hungarian national minorities are assured special programming on RTS in their native languages. The Law on Radio Television Slovenia mandates the establishment of a special third television channel to cover parliamentary sessions.

The financial viability of private media is subject to market forces. The coalition manifesto of the governing parties anticipates the creation of a special fund for the "pluralization of media."[32] It remains unclear how the fund will function, but some predict that it would assure additional financial resources to media that are closer to the current parliamentary coalition but are unsuccessful in the market.

Slovenian's society enjoys freedom of access to the Internet. Approximately 50 percent of households have access, and 50 percent of those aged 10 to 74 use the Internet regularly. Competition among different Internet providers has grown stronger, and state-owned Telekom Slovenije no longer dictates market conditions. Many forums are open for the expression of diverse opinions, and the popularity and profusion of blogs increase daily. So far, the government has made no serious attempts to control or restrict Internet content or access.

Local Democratic Governance

1999	2001	2002	2003	2004	2005	2006	2007
n/a	n/a	n/a	n/a	n/a	1.50	1.50	

Local self-government in Slovenia is provided for by Article 138 of the Constitution, and the general right to participate in the administration of public affairs is set out in Article 44. The former article concerns the rights and responsibilities of local authorities in relation to the government, while the latter concerns the negative and positive obligations of the state to ensure the exercise of the constitutional right to participate in the governance of public affairs. The principles and rules of democratic local government are enshrined in legislation (the Law on Local Self-Government, 1993) and are largely respected in practice. The aim of these constitutional principles and rules is to partially decentralize government powers. According to the Constitution, municipalities have the right to form regional associations but have not yet exercised this right. More precisely, the government has not yet decided how to form regions or how many of them should be formed, nor has it set out the institutional preconditions.

Local authorities are substantially free to design and adopt institutions, processes, and rules of governance reflecting local needs and interests. The central authorities mostly respect local authority decision-making capabilities and autonomy. Local authorities are free to pass and enforce laws within the legal framework of local government competences. Municipalities have the right to judicial remedy to protect their powers and autonomy. Local authorities are subject to clear and consistent standards of disclosure, oversight, and accountability, and they are autonomous in setting their budgets and allocating resources.

Citizens, businesses, and other groups are invited to participate in public debates on local issues. Individuals and civil society groups are free to submit petitions, organize demonstrations, or initiate other activities that influence local decision making. However, even though the central authorities consult local government in decision-making processes from time to time, they can make decisions against the express will of the local level. Some municipalities, for example, were established despite local referendums mounted in opposition. On the other hand, local governments are not always receptive to the ideas of civil society groups.

Legally, municipalities should have at least 5,000 inhabitants. If economic, geographic, historical, or other rational reasons exist, municipalities may have fewer inhabitants. Yet the reality is that nearly half of all Slovenian municipalities have fewer than 5,000 inhabitants. Local governments regularly receive financial support from the state and combine it with their own resources. Municipalities are empowered to set staff salaries but must keep them within the overall legal framework of the public sector. They are also free to define staff size and organization. Recruitment is based primarily on merit and experience. In general, the services provided by the local government are sufficient, but smaller municipalities have serious problems in finding sufficient financial resources to provide quality services. Nevertheless,

small-size municipalities are still being established, and there are already a total of 210 municipalities. There are compelling reasons to believe that local authorities are free from the domination of power groups, even if in some cases (such as city planning) considerable pressure comes from business lobby groups.

The media freely report on the activities and views of local civic groups, the private business sector, and other NGOs in regard to local government policy. Local radio and television stations, which have increased in number the last few years, play an important role in covering the activities of local populations and local government policy. Local elections, which are held every four years, are free and fair. Mayors and members of municipal councils are elected directly by a majority of votes. According to the Law on Local Elections (amended in 2002), foreigners with permanent resident status have the right to vote in local elections. Candidates may compete in local elections either with the support of members of Parliament or with the voters' support.

When the Slovenian legislature changed the Law on Local Elections at the end of 2005, it significantly increased the number of qualifying signatures for independent and nonparty-list candidates from 15 signatures to 2 percent of all voters in one election district (but not more than 2,500 signatures). This prescribed number of signatures would be even higher than the number of votes that independent candidates and nonparty-list candidates would need to gain a mandate in some election districts. In 2006, the Constitutional Court decided that this statute was unconstitutional.[33]

Slovenian local elections were held at the end of October 2006.[34] Voter turnout in the country's 210 municipalities was 58 percent in the first round and 53 percent in the second round. A second round is held in municipalities where none of the mayoral candidates gain a majority of votes in the first round. This was a 14 percent decrease in turnout compared with the 2002 local elections (which drew 72 percent of voters to the polls).[35] Voters elected 67 nonparty or independent candidates, which is more than in the 2002 elections. Three mayors came from nonparliamentary parties. These facts could be interpreted as an expression of voter fatigue with political parties and the nature of everyday politics.

The government coalition party SLS won the largest proportion of mayors, despite being only fourth in the number of elected municipal council members. The strongest parliamentary and coalition party, the SDP, won the largest proportion of council members elected (16.75 percent). The largest opposition party, Liberal Democracy of Slovenia, came in second (14.95 percent). The parliamentary coalition parties together won 38 percent of the vote, and parliamentary opposition parties won 29 percent of all votes. Only 8 women were elected as mayors, while 721 female candidates were elected as council members, compared with 2,625 male candidates.

In Slovenia's capital, Ljubljana, the independent mayoral candidate Zoran Janković, a successful businessman, won decisively in the first round with 63 percent of the votes. His list of candidates also gained a majority of seats on the municipal council (23 out of 45 seats). Local elections are not dominated by

economic oligarchies, but the elections revealed what seems to be voters' belief that a local authority could be more efficient if administered along the lines of managing a successful company. Political populism produced positive results.[36] Personal attacks made against strong candidates near election day appear to have elicited voter sympathy and winning votes for those candidates.

Judicial Framework and Independence

1999	2001	2002	2003	2004	2005	2006	2007
1.50	1.50	1.75	1.75	1.75	1.50	1.50	1.50

The Slovenian Constitution protects fundamental political, civil, and human rights. Freedom of expression, association, conscience, and religion, as well as business and property rights, are legally protected often to a higher degree than is mandated in the European Convention on Human Rights and other international treaties. Fundamental and constitutional rights are also assured in practice, even if not always entirely as required by the Constitution or determined by jurisprudence or the practice of the Constitutional Court.

The "doctrine of positive obligations" (*erga omnes*, or *Drittwirkung* in German), meaning the government's protection of fundamental and constitutional rights, is a part of constitutional lawmaking. Equality before the law is assured in the Constitution and in practice, either directly by statutes or by constitutional lawmaking. In cases where equality before the law or fundamental rights and liberties are violated, citizens can appeal to the Constitutional Court. The principle of positive discrimination is considered an element of equality before the law.[37]

The Constitutional Court is an independent body regarded as professional and impartial in its interpretation of the Constitution and the protection of fundamental rights and liberties. The Court's competences are relatively broad, given its position as the highest institutional protector of the Constitution and constitutionality itself. Legally, the Court is a powerful institution, and it is quite determined to boldly control the constitutionality of the decisions and activities of the Parliament, government, public administration, judiciary, and will of the people expressed by referendums or other forms of direct democracy.

Nevertheless, the Constitutional Court faces the problem of being overloaded. Some constitutional scholars have prepared various proposals to significantly relieve the Court, and a new draft law that would bring this about is before the Parliament. Some highly important Court rulings have not been enforced yet, as the Parliament has not amended the statutes subject to the Court's rulings.[38] For instance, the Court passed three decisions on the government's treatment of the "erased," dubbing it unconstitutional, but these decisions have yet to be honored. Respect for and enforcement of Constitutional Court decisions within Slovenia's political culture are low.

Reform of the Slovenian penal code has been effective, and the presumption of innocence is assured by the Constitution and respected by authorities. Procedural rights are upheld and judges acquit if there is a lack of evidence. Sometimes this is misunderstood by journalists who seem to forget that once we lived in a different system, where procedural rights had little or no value. Now, however, procedural rights such as safeguarding rule of law, and fairness, are of elemental importance for the rule of law. If there is a lack of evidence and a criminal must be acquitted, it is not a problem of procedural technicality. Rather, it is often the correct result of the burden of evidence (perhaps owing to a problem of the quality of work of the police or prosecutors, when collecting evidence, interrogating, investigating, or writing the indictment). Slovenia's Constitution, legislation, and legal practices assure access to a fair and public trial and an independent public defender, who may be appointed pro bono if necessary. The legal system guarantees the independence of prosecutors. The Slovenian judiciary employs a continental system of jury trials (a combination of professional judge and nonprofessional jurors).

Suspects and prisoners are protected from arbitrary arrest, searches without warrants, detention without trial, torture, and abuse. Nevertheless, extensive delays in judicial process persist, and this remains the key problem for the judicial system (as it is in other EU countries). The current ruling coalition and judicial authorities have promised to make reducing delays a priority. Approximately 300 Slovenian claims have been filed with the European Court of Human Rights on the basis of failure to adjudicate within a reasonable time frame, and the number of judgments from Strasbourg against Slovenia is, not surprisingly, on the rise.

Judges are appointed in a fair and unbiased manner; they are nominated by the Judicial Council and elected by the Parliament. Judicial training is intense in both theory and practice, and candidates are expected to pass the bar exam after graduating from a faculty of law and completing two years of legal practice. After passing the bar exam, candidates must have at least three years of experience to be elected to a judicial position (and four years of practice to become an advocate). Once a candidate is elected, the office is permanent, according to Article 129 of the Constitution.

Judges must rule in a fair and impartial manner, and their judgments must be free from political influence. Nevertheless, the executive branch still has some influence on the appointment of the presidents of local and district courts, higher courts, and the Supreme Court. During 2006, judges' salaries became the subject of a very controversial public debate involving politicians, judges, lawyers, and the public, after the minister of public administration, Gregor Virant, introduced a draft amendment to the Law on Civil Service that was seen by judges as a move to lower their salaries. The unwillingness of and lack of incentive for the younger generation of lawyers to become ordinary court judges remains an important problem. High workloads and low salaries are considered to be the main reasons.

Before the local elections in fall 2006, three Supreme Court judges publicly gave their support to a mayoral candidate in Ljubljana, who also had the support of the SDP, a leading parliamentary party. One of the three gave a public explanation,

outlining his understanding of the ethical code for the judiciary. Most legal experts who expressed a view on the matter agreed that this act did not create a positive public impression of the impartiality and autonomy of the judiciary and emphasized the importance of such public impressions.

Another problem for the judiciary is the lack of willingness among ordinary judges to answer constitutional questions or to file requests for such questions to be answered by the Constitutional Court. This may be seen as a consequence of the country's totalitarian legal history, orthodox legal tradition, and positivist and dogmatic legal logic.

Corruption

1999	2001	2002	2003	2004	2005	2006	2007
2.00	2.00	2.00	2.00	2.00	2.00	2.25	2.25

Corruption allegations are quite significant in Slovenian political life and led to the right-wing ruling coalition's victory in the 2004 elections. In October of that year, the Law on Prevention of Corruption was adopted, and this seemed to usher in the most important government anticorruption initiative to date. The law requires the disclosure of all relevant financial data by those in the public sphere and prohibits conflicts of interest. The Commission for the Prevention of Corruption appears to be an effective enforcer of this law and, an assertive watchdog of public employees.

The commission largely plays a preventive role and consists of five members confirmed by the Parliament: two proposed by the president of the Parliament (the Speaker), one proposed by the parliamentary Commission for Mandates and Elections, one proposed by the Judiciary Council, and one proposed by the government. Public officials are obliged to report their assets to the commission and the names of those who failed to report were disclosed to the media, who aided the anticorruption effort in this regard. The commission's main task is to ensure that officials do not abuse their public office for private business gain. The commission is also tasked with elaborating the new national anticorruption strategy but lacks investigative jurisdiction.

Just after the new parliamentary coalition was formed following the 2004 elections, the opposition SNS proposed amending the Law on Prevention of Corruption in order to shut down the commission and transfer its competences to a special parliamentary body. This initiative was supported by the parties of the ruling coalition, and some indications even suggest that the initiative was de facto prepared by the government (the ruling coalition) in order to remove an instrument that would control their activities. This would mean that anticorruption policy and control over the Parliament would be executed by the Parliament (the ruling coalition in particular) without any assurance of independence and objectivity. The proposed amendment was approved by the Parliament and the Commission for

the Prevention of Corruption was shut down, but the Constitutional Court soon decided that the new draft law was unconstitutional, and the commission continued its work. Drago Kos, president of the commission and a respected public figure, is a thorn in the side of politicians and public officials and as such is one of the less popular persons in the political sphere, which a priori suggests he is executing his duties and privileges professionally and lawfully.[39]

As previously stated, the Slovenian economy is not free from excessive state involvement. Some of the most important financial institutions and corporations (such as telecommunications, energy, and infrastructure) have yet to be privatized. Furthermore, the Pension Management Fund and Compensation Fund, which are controlled by the government, own a substantial stake in a large number of the country's major companies. But in 2005, the Pension Management Fund and Compensation Fund sold 29 percent of their stock in the biggest Slovenian company, Mercator, without issuing a public share offer, and according to assessments by some economists, the shares were sold at an unusually low price. The Securities Market Agency has still to investigate the matter.

The participation of government officials in Slovenia's economic life is substantial. Deputy ministers, other government officials, members of the coalition parties, important party supporters, and ex-parliamentary deputies continue to occupy positions on the supervisory boards of numerous major companies, including the two largest Slovenian banks, Telekom Slovenije, the Slovenian Post Office, the Pension Management Fund, Slovenian Railways, the Slovenian Motorway Company, and the Port of Koper. Even if strict regulations prohibit the state from conducting business with companies owned by parliamentary deputies, high-ranking state officials occupy positions on the boards of key Slovenian companies. Sometimes the same people occupy positions on more than one supervisory board of different companies.

The Slovenian public displays a high level of intolerance for official corruption, according to public opinion surveys. The last survey shows 36 percent of citizens questioned think that corruption has increased, and only 14 percent think there is less corruption. Transparency International's 2006 Corruption Perceptions Index improved Slovenia's position by three places, moving it from 31 to 28 (out of 163 countries surveyed).[40]

Investigations and reported allegations of corruption receive extensive media coverage. Nevertheless, it appears that Slovenian anticorruption activists play a relatively insignificant role in public life. Journalists who investigate and report on corruption are discouraged (owing in part to the unsuccessful investigation into the attack on Miro Petek), even if they formally enjoy legal protection. A few years ago, the government established a special group of prosecutors investigating more complex forms of crime, but it operated for only a short period. There is an expectation that a similar group will be created in the near future. The Law on Witness Protection was passed in December 2005 and is expected to have a positive impact on the fight against corruption.

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1 In the last few years, the discussion of possible introduction of e-democracy in Slovenia increased and became serious. See Simon Delakorda, "First Attempts of Digital Democracy," *Theory and Practice* no. 3/2003, http://www.e-demokracija.si; for a review of what is already possible as e-democracy from the standpoint of public administration, see http://e-uprava.gov.si/e-uprava/edemokracija.euprava.

2 See Ivan Bernik and Samo Uhan, "How Much Dissatisfaction Can Young Democracy Bear?" and Matej Makarovič, "Political Participation in a Decade of Democratization," in Niko Toš and Ivan Bernik (eds.), *Democracy in Slovenia: First Decade,* Ljubljana, CRJMMK, Faculty for Social Science, 2002, pp. 65–87, 113–138.

3 This can be surmised from publicly accessible decisions of the commissioner and his reports. See also Senko Pličanič (ed.), *Commentary on the Act on Access to Information of a Public Nature,* Ljubljana, Institute of Public Administration at the Faculty of Law in Ljubljana, 2005; Nataša Pirc Musar, Mojca Prelesnik, and Sonja Bien, *Regulations on the Protection of Personal Data and Access to Information of a Public Nature: Introductory Remarks,* Ljubljana, GV Publishers, 2006; Nataša Pirc Musar and Simona Rodež, *Come In, Access Is Free!,* Ljubljana: Information Commisioner, 2006; and Andraž Teršek, "Doctrinal Range of the Right to Access to Public Information," *Legal Practice* no. 38/2005, p. 8.

4 See Constitutional Court Decision No. Up-555/03-41 in Up-827/04-26, where the Court annulled decisions by ordinary courts, all of them rejecting a complaint against the work of special uniformed police forces and against an investigation into their work, claiming it was not objective and impartial. When police entered the complainant's residence, the oldest member of the family died because the police officers forcing him to the ground did not respond to a warning that the man had asthma, could not breathe, and had requested medical assistance. The deceased was not even the subject of the police investigation, and the police found none of the evidence it was looking for.

5 "J'Accuse! President Accuses the Government of Trying to Subordinate Economy and Media: Is He Right?," *Mladina,* August 5, 2006. In Politbarometer's Public Opinion Survey (Center for Public Opinion), some 50 percent of citizens questioned think that politics has an increasing presence in the economy, and only 13 percent think that such presence is decreasing. See http://cjm.si/sites/cjm.si/files/File/raziskava_pb/Politbarometer%20-%20november%20 2006%20inet.pdf.

6 In Politbarometer's Public Opinion Survey (Center for Public Opinion), 51 percent of citizens questioned expressed dissatisfaction with the state of democracy in the country, but 39 percent of them are satisfied. Social situation seems worse for 55 percent of citizens questioned, and only 9 percent think it's better. Citizens are most critical in spring and in late

autumn. See http://cjm.si/sites/cjm.si/files/File/raziskava_pb/Politbarometer%20-%20novembber%202006%20inet.pdf. Social research into public opinion reveals that dissatisfaction with the evolution of democracy in Slovenia increases every year. See Niko Toš and Veljko Rus, *Values of Slovenians and Europeans,* Ljubljana, Documents of SJM Slovenian Public Opinion, 2005, pp. 306–307. On the other side, Slovenians are predominantly satisfied with their lives (pp. 24, 28–29). For an overview of responses to social issues, see chapter 2. Slovenians consider a worse social position the result of "unfair society" and not so much a result of laziness or lack of ability.

7 The prime minister received 33 percent support by public and the president 29 percent. See "Government Support Stays the Same, SDP Still Well Ahead," *E-Delo and Slovenian Press Agency*, September 22, 2006, http://www.delo.si/index.php?sv_path=41,35,160573&src=rp. According to the latest Politbarometer's Public Opinion Survey (Center for Public Opinion), 47 percent of the public supports the government and 43 percent does not. The highest general support is still given to President Drnovšek (3.22/5), with the prime minister coming second (3.18/5). See http://cjm.si/sites/cjm.si/files/File/raziskava_pb/Politbarometer%20-%20november%202006%20inet.pdf.

8 See Constitutional Court Act, *Official Gazette of the RS,* no. 15/1994, Article 68. See also ECHR Judgment in the Case of *Refah Partisi (the Welfare Party) and Others v. Turkey*, 31 July 2001 and 13 February 2003. Political parties are also forbidden from functioning as a military or armed association. See Political Parties Act, *Official Gazette of the RS,* no. 13/1998, 100/2005, Article 3. One can became a member of political party when one reaches the age of 15 (Article 6). A foreigner can become only a honorary member of a political party (Article 7).

9 See http://www.rtvslo.si/modload.php?&c_mod=static&c_menu=1092120085.

10 Niko Toš, Ivan Bernik (eds.), *Democracy in Slovenia: First Decade,* Ljubljana, CRJMMK, Faculty for Social Science, 2002, pp. 65, 74–75, 84–85. It should be mentioned that elements or propositions for higher participation in political process at the local level may have negative effects. The reasons for that may be a lack of instrumental understanding of democracy, xenophobia, egoism, particularity, and so forth. See p. 74, fn. 2. At the same time, the level of membership in political parties is not an indicator of democratic evolution and stability (p. 75).

11 See http://volitve.gov.si.

12 Vlado Miheljak, "Bookkeeping Troubles of the Left," *Dnevnik, Objektiv*, 28 October 2006, p. 9.

13 See Constitutional Court Decision no. U-I-49/06-30.

14 In 2004, there were 19.246 associations. See http://www.mnz.gov.si/si/splosno/vstopna_stran/za_drzavljane/dunz/drustva/.

15 Matej Makarovič, "Political Participation in Decade of Democratisation," in Niko Toš and Ivan Bernik (eds.), *Democracy in Slovenia: First Decade,* Ljubljana, CRJMMK, Faculty for Social Science, 2002, pp. 65–86. See also *Report of the National Workshop Civicus Civic Society Index 2003/2005 in Slovenia*, analyzing necessary and foreseen measures for strengthening the role and functioning of civil society, http://www.pic.si. See also Vlasta Jalušič, "The State as Inn, Civil Society as Cleaning the Backyard?, *Mladina*, 19 February 2001. She anticipates "discursive rotation" of Slovenian civil society; Marko Hren, "How to Sail Through the Rough Waters of NGO Management?," suggesting that key weakness of civil society are "cooperation and solidarity," not perhaps "knowledge, technical support, staff, money, or structure." He makes a presumption that government will soon realize how it could benefit from cooperation with civil society and that civil society will realize her power is in synergy and that allies must be found in economy and politics, church and secular employees. At http://www.radiostudent.si/projekti/ngo/teksti/Hren.html.

16 See http://volitve.gov.si/lv2006/index.html; http://e-uprava.gov.si/e-uprava/poslovneSituacijeSttan.euprava?dogodek.id=172.

17 Political parties and politicians are exposed daily in the media (Radio, Television, Press), regardless of what they do or say. Reporting on political life seems to become a purpose by itself. In such circumstances, politics is using media in self-promoting manner and is without constructive, responsible, and useful work that would benefit citizens, assuting itself of media attention with the use of populism, verbiage, and exciting the citizens' passions. I use the expression *political machismo* to mark this problem. See Polona Pičman Štefančič and Andraž Teršek, *Preludium of Democracy: Civil Society and Freedom of Public Communication,* Ljubljana, Manet, Faculty of Law University in Ljubljana, 2005, pp. 239, 258.

18 In the latest Politbarometer's Public Opinion Survey (Center for Public Opinion), 67 percent of the public thought that Minister Janez Drobnič should resign from office. An important aspect of this negative judgment was his attempt to lower the degree of protection of the right to an abortion as a constitutional right with the burden of payment for its exercise.

19 See http://www.uvs.gov.si/si/seznam_prijavljenih_verskih_skupnosti/.

20 See Constitutional Court Decision no. U-I-111/04-21; and for the commentary and evaluation of this decision, see Andraž Teršek "Constitutional Limits of Referendum Democracy—On the Decision of the Constitutional Court of the Republic of Slovenia U-I-111/04-21 and the 'Mosque Case,'" *REVUS-European Constitutionality Review* 5/2005.

21 That was not the case before the independence, when civil society played a very important role and was quite vibrant. In the last two centuries, civil society in Slovenia played key role as a substitute for national state and made it possible for Slovenians to keep a relatively high degree of social and political cohesion. See Niko Toš and Veljko Rus, *Values of Slovenians and Europeans,* Ljubljana, CRJMMO, Faculty for Social Science, 2005, pp. 88, 94–95 (membership in associations), international cooperation (pp. 104–105), trust in associations like church, media, and trade unions (p. 107), openness and socialization (p. 115).

22 See Official Gazette of the RS, no. 65/05, 6705.

23 See *SIQRD, Slovenian Queer Resources Directory,* Ljubljana, ŠKUC, http://www.ljudmila.org/siqrd/index.php?id=392.

24 The ombudsman stated that moving the Roma family Strojan from Ambrus to Postojna in this manner represented "the end of the rule of law" in Slovenia. See http://www.varuh-rs.si/index.php?id=106&tx_ttnews%5Btt_news%5D=1829&tx_ttnews%5BbackPid%5D=1&cHash=72e776c03f.

25 See *Dnevnik,* November 31, 2006, pp. 1–3. TV Slovenia in its public address isolated itself from deputy's expressed words and claimed he was asked not to use intolerant language and hate speech before and during the show. The program was recorded, but the clip was removed from all files of TV Slovenia the next day. See http://www.dnevnik.si/novice/slovenija/215000/. President Drnovšek made critical remarks on the deputy's public appearance and compared it to Nazism. See http://www.dnevnik.si/novice/slovenija/215396/. On special internet pages, one can get insight into commentaries on behalf of the Strojan family, chronology of some events, and some video documentation; see http://cigani-strojan.mojforum.si/. In a survey on November 17, 30 percent of citizens questioned thought the public response to the Strojan issues represented general intolerance of Slovenians against people who are different, minorities, and Romas, while 13 percent of them thought this was an isolated incident. See http://www.dnevnik.si/novice/arhiv_anket?date=2006-11-17. In a survey on November 2, 27 percent of citizens questioned answered that they did not want to have Roma for their neighbors, 4 percent did not want to have homosexuals as their neighbors, 2 percent said Jews, 44 percent drug addicts, and 23 percent said none of these groups. For general intolerance in last decade in Slovenia, see Niko Toš and Veljko Rus, *The Values of Slovenians and Europeans,* Ljubljana, CRJMMO, Faculty for Social Science, 2005, p. 112. Politbarometer's Public Opinion Survey (Center for Public Opinion) shows 44 percent of citizens questioned agree with villagers from Ambrus, who opposed the return

of Strojan family, and 42 percent did not. More than 50 percent think government did not act properly, and only 15 percent think it did. See http://cjm.si/sites/cjm.si/files/File/raziskava_pb/Politbarometer%20-%20november%202006%20inet.pdf.

26 For example, *Delo*, the largest publishing company in Slovenia, owns 20 percent of Večer, publisher of the daily newspaper by the same name; Večer, meanwhile, owns 6 percent of the Dnevnik publishing company. See Sandra Basic Hrvatin and Lenart Kucic, *Monopoly, Social Game—Dealing with Media*, Ljubljana, Maska, 2005, p. 207.

27 Damijan Pavlin, *Violations of Personal Rights with Appeals to Freedom of Speech and Press*, Ljubljana, Revus-European Constitutionality Review working paper, 2006.

28 Andraž Teršek, "Days of...Truth in Portorož?!" *Legal Practice* 13 (2006), p. 22.

29 Constitutional Court of Slovenia Decision no. Up-422/02-18.

30 Miran Lesjak, "Freedom of Written Word," *Dnevnik, Objektiv*, October 28, 2006, p. 3. Mr. Lesjak is the *Dnevnik* newspaper editor, who claims he is getting daily requests to employ journalists who have been incapable of reporting or writing objectively and professionally for other media. The editorial board at *Delo* refused to print the translation of an article published in *The New York Times* and written by Richard Bernstein that was very critical of the new government and its influence on the media after elections. See http://www. mladina. si/tednik/200632/clanek/slo-tema—ali_h_zerdin.

31 Minister Bajuk took the right to correction in his own hands during an interview with Vida Petrovčič and talked about something that had happened a day before and not immediately answering her question. Mrs Petrovčič criticized this act at a later point when being interviewed herself and was suspended. "RTV 'Pulse': Suspension That Officially Does Not Exist, Remains," http://www.direkt.si/domov/bulevar/27957/; "Vida Petrovčič Asking Bajuk," http://www.delo.si/index.php?sv_path=41,35,174039&src=csa.

32 See www.sds.si/datoteke/KP.pdf.

33 See Constitutional Court of Slovenia Decision no. U-I-49/06-30.

34 See http://volitve.gov.si.

35 In comparison with parliamentary elections in 1992, voter turnout dropped from 85 percent to 60 percent in 2004. Ali H. Žerdin, "Abstinenca," *Mladina*, November 4, 2002. Elections before independence in 1990: 81 percent; presidential elections in 1990: 83.5 percent; parliamentary elections in 1992: 85.6 percent; local elections in 1994: 61 percent; parliamentary elections in 1996; 73.7 percent; presidential elections in 1997: 68.3 percent; local elections in 1998: 58.3 percent; parliamentary elections in 2000: 70.1 percent; local elections in 2002: 72 percent; parliamentary elections in 2004: 60 percent; local elections in 2006: 58 percent.

36 Vlado Miheljak, "Bookkeeping Troubles of the Left," *Dnevnik, Objektiv*, October 28, 2006, p. 9.

37 Lovro Šturm (ed.), *Commentary of the Constitution of the Republic of Slovenia*, Ljubljana, FPDEŠ, 2002.

38 See http://www.ius-software.si/baze/lite/b/p615/2006/lite77741241t1868801144.htm?source=search; *Constitutional Court 2005 Report*, http://www.us-rs.si/media/letnoporocilo2005.pdf.

39 According to a public opinion survey conducted by the Center for Public Opinion of the Faculty for Social Science of Ljubljana University, 65 percent of those questioned who were informed about the abolition of the commission are against the proposal and 27 percent are in favor. See Politbarometer's Public Opinion Survey, October 2005, www.uvi.gov.si/slo/javno-mnenje/pdf/oktober-2005.pdf.

40 See Politbarometer Public Opinion Survey at http://cjm.si/sites/cjm.si/files/File/raziskava_pb/Politbarometer%20-%20november%202006%20inet.pdf; see Transparency International report at www.transparency.org/news_room/in_focus/cpi_2006/cpi_table; see also some comments on corruption by President Drnovšek, at http://www.mladina.si/tednik/200632/clanek/slo-tema--ali_h_zerdin.

Tajikistan

by Raissa Muhutdinova

Capital:	Dushanbe
Population:	6.5 million
GDP/capita:	US$1,314
Ethnic Groups:	Tajik (79.9%), Uzbek (15.3%), Russian (1.1%), Kyrgyz (1.1%), other (2.6%)

The economic and social data on this page were taken from the following sources:

GDP/capita, Population: *Transition Report 2006: Finance in Transition* (London, UK: European Bank for Re-construction and Development, 2006).

Ethnic Groups: *CIA World Fact Book 2007* (Washington, D.C.: Central Intelligence Agency, 2007).

Nations in Transit Ratings and Averaged Scores

	1999	2001	2002	2003	2004	2005	2006	2007
Electoral Process	5.50	5.25	5.25	5.25	5.75	6.00	6.25	6.50
Civil Society	5.25	5.00	5.00	5.00	5.00	4.75	5.00	5.00
Independent Media	5.75	5.50	5.75	5.75	5.75	6.00	6.25	6.25
Governance*	6.25	6.00	6.00	6.00	5.75	n/a	n/a	n/a
National Democratic Governance	n/a	n/a	n/a	n/a	n/a	6.00	6.25	6.25
Local Democratic Governance	n/a	n/a	n/a	n/a	n/a	5.75	5.75	5.75
Judicial Framework and Independence	5.75	5.75	5.75	5.75	5.75	5.75	5.75	5.75
Corruption	6.00	6.00	6.00	6.00	6.25	6.25	6.25	6.25
Democracy Score	5.75	5.58	5.63	5.63	5.71	5.79	5.93	5.96

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

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

Executive Summary

In 2006, Tajikistan culminated 15 years of independence and nearly a decade of societal and political peace brought about by a June 1997 accord signed in Moscow between the government and the armed opposition. The bloody civil war (1992–1997), which entailed the loss of roughly 50,000 lives, massive damage to infrastructure and the economy, and the displacement of up to one million people within and outside the country, is undoubtedly the lowest point in Tajikistan's contemporary history. On the other hand, the peace accord brokered by the United Nations, Russia, and Iran and the consequent achievement of substantial stability and macroeconomic growth are among Tajikistan's major achievements in its short history as an independent state. There remains room for progress, however. For though in the first half dozen years of its independence, some amount of political pluralism was achieved as required in the signing of the peace accord, in the past few years there has been little real progress in furthering the democratization process, political openness, and human rights.

The most important event of 2006 was the presidential election held on November 6. As was predicted by all observers, the incumbent, President Emomali Rahmonov—who changed his name to Rahmon in 2007 during the editing of this report—saw a landslide victory. Although five political parties fielded candidates in the race, the major opposition parties—Islamic Renaissance Party, Democratic Party, and Social Democratic Party—either refused to participate actively in the election or boycotted the process altogether as a sign of protest.

Resource-rich and petrol-poor, Tajikistan's rough geography has prevented the ready processing and export of a variety of commodities, and despite the improving economy, the country remains largely dependent on foreign aid and investment; and substantial increases in the latter, especially from Russia and China for infrastructural projects, were seen during 2006. However, increased attention to Central Asia, including from Western states after 9/11, though encouraging, has not come with much improvement in the capacity of government structures and the nascent civil society of Tajikistan. And though the government made some efforts in formulating a new anticorruption agency toward the end of 2006, no real progress in combating the all-encompassing scourge of corruption has been made.

National Democratic Governance. Despite semblances of political pluralism, opposition voices have been largely stymied for the past few years. Genuine political parties have not been formed, and during the November 2006 presidential election, key opposition parties refused to nominate candidates or participate actively in the election. President Rahmon has, in turn, taken his third-term victory at the polls as a mandate for a stronger presidency. He has continued to implement a de facto

patronage and clan-based policy when staffing his cabinet and various positions of power throughout the republic. The Parliament remains largely a rubber-stamp entity, with many of its members either appointed or elected through an uncompetitive semi-democratic process. Though the country remains stable and peaceful, given the lack of pluralism and improvements in the democratization process, underlying frustrations and unspoken dissent are present. *Owing to the lack of improvement in political pluralism, genuine engagement, and power sharing, Tajikistan's score for national democratic governance remains unchanged at 6.25.*

Electoral Process. The result of the November 6, 2006, presidential election was no surprise as the incumbent, President Rahmon, was well expected to be victorious and in the end reportedly took nearly 80 percent of the vote. Despite the genuine popularity of his administration (based on anecdotal evidence that his administration is associated with peace and economic development), Rahmon made sure that real rivals to his rule would not be running in the election. The Organization for Security and Cooperation in Europe (OSCE), which sent over 120 election observers to the November election, also determined that despite the peaceful nature of the poll, there were a series of violations mostly related to Tajikistan's general commitments to democracy under the OSCE 1990 Copenhagen Document. *The November 2006 presidential election lacked genuine competitive spirit, with several key parties having chosen not to participate. Though opposition candidates were given limited airspace on radio and television, the government was in near full control of the media, resulting in a disproportionate campaign opportunity for the incumbent. For these reasons, Tajikistan's rating for electoral process worsens from 6.25 to 6.50.*

Civil Society. The dynamics of civil society in Tajikistan remained unchanged during 2006. Over 2,500 nongovernmental organizations (NGOs) were thought to be registered, with less than 10 percent active in varying degrees. Furthermore, donor support for programs remained relatively constant, and the government neither allowed free rein to existing groups nor further restricted their activities. A draft law to restrict the activities of NGOs was introduced, but it had yet to be voted on by the end of 2006. *Given both the lack of progress in developing a more vibrant civil society in Tajikistan and the government's distrustful and stagnant attitude toward the activities of this sector in 2006, Tajikistan's rating for civil society remains unchanged at 5.00.*

Independent Media. During 2006, the work of independent media in Tajikistan was characterized largely by stagnation, as the government did not engage in any heavy-handed attacks on existing media outlets as in years past. At the same time, it did not allow new independent media to function. During the weeks leading up to the 2006 presidential election, the state media were used heavily as a source of campaign propaganda for the incumbent government candidate, while opposition candidates were nonetheless each given nearly an hour of airtime on radio and television. Fearing repercussions from the authorities, journalists continued

to generally practice their well-polished skills of self-censorship and avoidance of controversy. *Given the stagnant status quo of the media, where practically no outlet was banned for a long period of time and no new independent media outlets were allowed to register, Tajikistan's rating for independent media remained at 6.25.*

Local Democratic Governance. Democracy in Tajikistan did not progress in 2006, especially at the subnational province, district, city, town, and *jamoat* levels. Though overall poverty continues to fall, the country's economic growth appears primarily to aid citizens in major cities, and an increasing mostly urban-rich/rural-poor income gap has been developing. Cotton farming continues to be a de facto government policy, with thousands of farmers not having control over the types of crops they prefer to grow. Despite the supposedly "strategic" nature of the crop, cotton farmers have far worse living conditions than non-cotton farmers. *Given the lack of progress in local and democratic decision making and near nonexistent elections at the subnational levels, Tajikistan's rating for local democratic governance for 2006 remains unchanged at 5.75.*

Judicial Framework and Independence. Despite attempts to reform the judicial system, little progress has been achieved in the past few years. In its 2006 report, the UN committee overseeing the Convention Against Torture asked the government to ensure prompt and objective investigations of violations of due process, look into all instances of deaths in custody, shorten the current pretrial detention (*doznanie*), and establish an independent health examination service aside from those of the Internal Affairs and Justice Ministries. Likewise, the 2005 recommendations of the UN Special Rapporteur on Independence of Judges and Lawyers remain in place including, among other things, Tajikistan's Office of the Prosecutor must abide by international standards to promote equality of judicial powers in proceedings, for independent legal counsel to be allowed, and the discarding of confessions extracted via torture and abuse. *Given the continuing problematic and unreformed justice system and lack of access by objective international bodies (namely, the International Committee of the Red Cross) to state prisons and detention centers, Tajikistan's score in judicial framework and independence remains unchanged at 5.75.*

Corruption. Impressive macroeconomic growth (averaging about 9 percent) in the past five years, though resulting in a measurable reduction in the poverty level, has not resulted in any known or perceived reduction in the level and extent of corruption in Tajikistan. Corruption remains possibly the most pervasive problem in Tajikistan's post-Communist transition. *Given the continued entrenchment and ubiquitous nature of corruption in all aspects of public life in Tajikistan and the fact that the government's efforts in 2006 to establish a centralized anticorruption agency were not sufficient to produce real results, Tajikistan's score on corruption remains unchanged at 6.25.*

Outlook for 2007. The tenth anniversary of the Tajik peace accord will be held in June 2007. Both the government and many in the international community agree that greater emphasis must now be put on economic progress in Tajikistan—namely, investment in a variety of projects and opportunities for credit, business start-ups, and joint ventures. The year is thus likely to see substantial attention paid to the economic sphere and the signing of new multilateral and bilateral deals. Yet given the government's state of denial regarding major problems in human security, human rights, and democratization, and the international community's haphazard engagement in these sectors, a growing gap is expected. As was the case in 2006, a lag between progress in Tajikistan's macroeconomic growth and achievements for the average citizen, especially on issues of law and justice existed. This gap cannot be alleviated unless both the authorities and the international community—including financial institutions—insist on progress in democratization and human rights as preconditions to, or concurrent activities alongside, economic progress.

Main Report

National Democratic Governance

1999	2001	2002	2003	2004	2005	2006	2007
n/a	n/a	n/a	n/a	n/a	6.00	6.25	6.25

Political pluralism was alive in Tajikistan in the first years following the signing of the 1997 General Agreement on the Establishment of Peace and National Accord ("the peace accord," signed in Moscow between the Tajik government and the armed opposition) ending the 1992–1997 civil war, which resulted in 50,000 deaths. The government had allowed opposition parties and appointed close to 30 percent of high-ranking positions from among opposition figures. For all practical purposes, however, pluralism in the diversity of representation and ideas among real political parties has for the past few years been in short supply. Indeed, leading up to the November 2006 presidential election, a "shrinking space for alternative political voices"[1] was noticeable, as a reversal had already taken place in the progress made by the peace accord. Several obstacles were reimposed on dissenting voices, discouraging active political opposition.

The power base in Tajikistan comprises traditional, "patriarchal clan-based" figures relying on "patronage and consanguineal networks," which came to the fore immediately after the country gained independence from the Soviet Union.[2] As one of the victorious ex-Communists, President Emomali Rahmon—appointed head of state in 1992, and later winning three controversial elections in 1994, 1999, and 2006—has indulged in the same tradition: He has enforced a de facto policy of "Kulobization," or the appointment of trusted individuals from Kulob, the home region of the president, to key governmental positions. At the same time, other ethnic groups, such as the country's substantial Uzbek population, have been largely left out of the central government.

Tajikistan's 1994 Constitution provided for a directly elected executive, though with a broad authority to appoint and dismiss officials. Constitutional amendments adopted in 1999 created a bicameral Parliament and further increased the powers of the president by extending his term in office from five to seven years. The amendments also granted the president discretion to determine the general direction of domestic and foreign policies, establish the monetary system, and appoint diplomats and all court judges (nominated by the Council of Justice, itself a body formed under the president). In 2003, a public plebiscite (the details of which were rarely discussed in the media) overwhelmingly approved 56 additional constitutional amendments, including a formal end to state guarantees for free education and health care and an amendment allowing the president to stand for election in two additional seven-year terms as interpreted by the government.

Though the principle of separation of powers is enshrined in the Constitution, in practice the Majlisi Oli (Parliament) acts as a rubber stamp for decisions made by the executive. According to Article 27 of the Constitution, the public and members of civil society have the right to introduce new bills to the Parliament through their elected representatives and to participate as invited observers during parliamentary committee discussions on new and draft laws when the proposed legislation "requires open discussion."[3] Such a right, however, is seldom practiced by the public or encouraged by the government.

Like many of the states in the region, Tajikistan has exploited the post-9/11 environment of fear and suspicion in order to suppress the country's legitimate opposition, such as the Islamic Renaissance Party (IRP), which remains the only legal Islamist organization registered as a political party in the former Soviet Union. At one point, the government accused the IRP of indoctrinating extremism and implied a link between the IRP and the banned panregional Islamist extremist groups Hizb ut-Tahrir (Freedom Party) and Islamic Movement of Uzbekistan (IMU).[4] The IRP itself has faced an internal struggle. In August 2006, it lost its conciliatory leader, Sayed Abdullo Nuri, while disagreements remain about the party's mandate among its overtly religious and secular-minded wings. As a sign of worsening relations between the state and the IRP, the news of Nuri's death was not broadcast on state television, nor was his body allowed to be buried at the location indicated in his will: near the mausoleum of his mentor, Muhammadjon Rutamov. Rutamov, also known as Mawlavi Hindustoni, was the spiritual leader of the Islamic Movement youth group, which was banned in the 1970s.[5]

In March 2006, the leader of the Social Democratic Party (SDP), Rahmatullo Zoirov, accused the government of having imprisoned at least 1,000 political figures. He also claimed that the authorities are holding up to 500 alleged members of Hizb ut-Tahrir, imprisoned mostly on fabricated terror charges. Soon after Zoirov's comments, the prosecutor general of Tajikistan cautioned him that he could face prosecution unless he produced evidence to back up his claims.[6] Zoirov, a former adviser to the president on constitutional affairs, challenged Rahmon's eligibility to run in the November 2006 election and thus will likely continue to be sidelined by the authorities. Zoirov claims that an unconfirmed attempt on his life by poisoning was related to his political outspokenness.[7]

The year was not without its share of political violence. In January 2006, the head of the Defense Ministry's military academy, Hakimshoh Hafizov, was mysteriously assassinated. A month later, gunmen stormed a jail in the northern Sughd province, killing the prison head and freeing at least one prisoner, an act the authorities blamed on the IMU. Similar to the previous year, the authorities arrested dozens, if not hundreds, of people during 2006 on charges of membership in radical Islamist groups.[8] In May, Sadullo Marupov, an activist of the IRP in the northern town of Isfara, died while in police custody, with the police initially claiming that he had committed suicide by jumping from the third story of the detention facility. The IRP rejected the idea of Marupov's suicide, claiming that he had been physically mistreated while in custody.[9]

It has been argued that the post-Communist transition states are not facing not a lack of, but too much stability, brought about by an entrenched elite that benefits from rent seeking and economic distortions.[10] In the case of Tajikistan, the current stability is a precarious one. Poverty has been reduced, but not eradicated, and a growing income disparity is on the rise, both being destabilizing factors.[11] The drop in poverty is an effect of the trickle-down benefits from Tajikistan's impressive economic growth of recent years, owing in part to the government's prudent macroeconomic policies but also to the ongoing drug trade and massive incoming remittances, mostly from Russia.[12]

Electoral Process

1999	2001	2002	2003	2004	2005	2006	2007
5.50	5.25	5.25	5.25	5.75	6.00	6.25	6.50

The November 6, 2006, presidential election was a foregone conclusion in favor of incumbent president Emomali Rahmon, still genuinely popular among the majority of citizens, who view his administration as a stabilizing factor. In addition to seeing Tajikistan through its post-independence civil war, Rahmon has been credited with presiding over the country's significant economic recovery, average real gross domestic product growth of around 9 percent for 2001–2005, accompanied by gradual decreases in overall poverty.

Despite his overwhelming popularity, Rahmon and his highly skilled administration took no chances with the 2006 election and stacked the cards in their favor. Among other things, as early as 2003, a campaign of intimidation and arrests was launched against selected individuals. Three figures were systematically taken out, starting with Yaqub Salimov, a former close friend and colleague of the president, who together with Rahmon served as one of the commanders of the Popular Front (armed bands that sided with the former Communists during the civil war) and served later as interior minister, ambassador to Turkey, and director of the National Customs Agency. Salimov was lured to Moscow from his self-exile in the Persian Gulf and subsequently arrested, rendered to Tajikistan, and eventually tried and sentenced to 15 years in prison. Soon after, Ghaffor Mirzoyev, also a former commander of the Popular Front, later in charge of the presidential guard and director of Tajikistan's antidrug agency, was arrested in Dushanbe, tried, and sentenced to life imprisonment in July 2006. A potential presidential contender and head of the Democratic Party (DP), Mahmadruzi Iskandarov, was also snatched in Moscow in 2004 (just prior to the February 2005 parliamentary elections), extradited to Tajikistan, and later sentenced to 23 years in prison. At the same time, however, Rahmon and his aides made sure that the composition of the 2006 presidential race was large enough (five candidates) to satisfy the mostly Western critics, yet weak enough among the opposition candidates to serve as a platform for a highly predictable victory.

Days prior to the November 6 election, the outspoken leader of the SDP, Rahmatullo Zoirov, called the election "illegitimate." He further claimed that the election was not constitutionally valid since the election law was passed several months prior to adoption of Tajikistan's current Constitution in November 1994. Zoirov also criticized the composition of the country's Central Election Commission (CEC) for being politically monolithic and announced that Rahmon, who had already served two presidential terms, had no legal right to run for a third term.[13] Constitutional amendments on the terms of the presidency passed in 2003 were interpreted by the government as allowing Rahmon to serve for two additional seven-year terms. This made him eligible to run for the 2006 and the 2013 elections, thus possibly remaining in power until 2020. According to the CEC, 88.5 percent of eligible voters, equivalent to 3.2 million people, took part in the November 2006 election. To no one's surprise, Rahmon, leader of the Peoples Democratic Party (PDP), won the race with a comfortable majority, having reportedly been the choice of four out of five voters (79.3 percent).[14]

The OSCE sent nearly 120 observers to the 2006 election. According to the OSCE, the presidential election was an improvement over that in 1999, with some aspects genuinely meriting positive ratings. Given the recent violent past of Tajikistan, the calm and peaceful process of the election was welcomed. Despite the skewed nature of the political atmosphere, where the ruling candidate had overwhelming access to the media and funds, the CEC did allow a limited amount of free airtime and print space to opposition candidates (though, ironically, most parties did not use their full allotment).[15]

But the OSCE was also critical. The lack of a credible challenger to Rahmon and the incumbent's choice not to campaign resulted in a largely uncompetitive race. Furthermore, the election was criticized for its "negative voting process," where voters had to cross out all of the candidates they did not favor, rather than circling just one. In general, the election strayed from Tajikistan's commitment to democracy in the OSCE 1990 Copenhagen Document adopted by all 56 member states, including Tajikistan. According to the OSCE, Tajikistan's presidential election law is flawed by serious limitations on the rights of candidates. It also poses restrictions on free speech and expression and entails a cumbersome threshold of 5 percent of voter signatures to run in elections.

Some experts doubted the CEC's claim that the five candidates together had gathered 1.5 million signatures (over 47 percent of the electorate). The OSCE considered the 5 percent threshold to be excessive, recommending a 1 percent limit instead.[16] Though the OSCE deployed a significant number of observers, it questioned the utility of such an observation given the dubious preelection environment, where the credibility of at least two of the candidates and their respective parties running against Rahmon and the PDP were in doubt. Additionally, most of the major media outlets served the ruling candidate, with grossly insufficient, low-key coverage devoted to the four other candidates. Rahmon and the ruling PDP reportedly had access to 83 percent of coverage on the Dushanbe-based Safina television channel and 62 percent on TVT, both of which are state broadcasting

stations. More importantly, there was a near blackout in analytical and critical coverage of the election. The media were generally silent when it came to analyzing why the most prominent opposition parties—IRP, DP, and SDP—either refused to put forth their own candidates or, in the case of the latter two, formally boycotted the election.

Civil Society

1999	2001	2002	2003	2004	2005	2006	2007
5.25	5.00	5.00	5.00	5.00	4.75	5.00	5.00

In addition to the modern, Western definition of NGOs and civil society, an informal "communal" civil society has existed for centuries in Tajikistan and the rest of Central Asia. This form of civil society is based largely on "trust and solidarity networks"[17] associated with kinship ties and on the imposition of the majority will over the community. Above all it is highly traditional, and may contain elements of repression, especially toward a nonconforming minority.[18]

The *zhuz* (hordes), or extended clan networks, have acted as a focal point for traditional civil society, for the nomadic Central Asians, while the *mahalla*, or community neighborhood, has been the venue for communication, exchange of information, group volunteer work (*hashar*), and decision making for the sedentary Tajiks and Uzbeks. Elements of *mahalla* civil society also take place in the bazaar, *choikhona* (teahouse), and *masjid* (mosque) or church. As opposed to the more authoritarian state of Uzbekistan, where the *mahalla* has become a standardized tool of the government, with many observers believing that it "exploit[s] the voluntarism of the community in support of state-directed objectives,"[19] the Tajik version of the *mahalla* has remained less politicized and more in tune with genuine affairs of the local community.

In Tajikistan, as in nearly all former Soviet states, the Gorbachev era of the late 1980s, with its principles of *glasnost* (openness) and *perestroika* (restructuring), encouraged the budding of the modern civil society. Not all developments associated with freely-formed public associations were positive in nature. Some of the informal NGOs formed just prior to and immediately after independence contributed to the wrenching sociopolitical conditions (by appealing to ethnic and nationalist sentiments) that eventually led to the country's bloody civil war. Given that traumatic experience, the public has largely lost trust in the few nonstate critical voices, with dissent and political opposition equated with violence and agitation of Tajikistan's fragile peace.[20]

At the same time, Western ambitions to induce democratization and respect for human rights in Tajikistan have led to a plethora of donors with limited projects and civil society entities as beneficiaries. This scenario, in effect for the past 16 years, has had a negative effect on the evolution of civil society. The spread of more than 2,500 registered NGOs in Tajikistan may be promising only on paper

as less than 10 percent are active. Given the relatively few active NGOs specializing in human rights, women, children, the environment, judicial reform, and the like, large amounts of funding from mainly Western donors are readily available.

Yet the availability of funds for a limited number of minimally coherent and professionally functioning groups has had a highly corrupting influence. Too often, existing NGOs are "more akin to private financial enterprises than representative associational bodies that seek to impact upon public policy."[21] Many NGOs have become experts in successfully seeking funding from often naive donors, using proper buzzwords and appropriate Western-approved financial reports and narratives. Aside from glowing end-of-project reports, many NGOs deliver little of substance. This situation is exacerbated by improper or nonexistent auditing by donors, which inadvertently encourages unprofessional operations and financial mismanagement to some degree, even among the best of the local NGOs.

Yet some argue that when the modern NGO model is fitted on the traditional *mahalla*, the outcome has significantly higher chances of impact and sustainability. The resulting civil society allows citizens to shape their own institutions by "combining traditional values with Islamic teachings, the best elements of the Soviet legacy, and relevant Western and international experience."[22] In rural Tajikistan, for example, some Western groups—such as the Aga Khan–affiliated Mountain Society Development Support Program, which has formed hundreds of village organizations, and Oxfam Great Britain, which has funded the creation of community-based organizations—have successfully used the *mahalla* as a source of modern-day solutions. Still, given its many benefits, support for civil society, in both its *mahalla* and NGO formats, is not by itself a panacea for change. Real change is political; the mere focus on civil society may very well support the status quo in Tajikistan and act as "an excuse to buy time and ignore the political constraints and demands."[23]

In what appears to have been a reaction to the March 2005 events in Kyrgyzstan, wherein civil society played a major role in toppling the regime of President Akaev, the Tajik government introduced in early 2006 a law to restrict and regulate the activities of civil society organizations. According to the OSCE, the draft Law on Public Associations (not yet approved by the end of 2006) remained rather vague and suffered from various inconsistencies. Among other things, the draft law stipulates that a court decision is required to register a new organization with the rationale that this will prevent individuals associated with "terrorist" groups from joining or forming public associations.

Aside from the draft law lumping together all forms of organizations and foundations, it also required that all who wish to form an organization must register it formally with the Justice Ministry. Thus, for example, a group of individuals wanting to form a neighborhood cleanup project or parents wanting to form an informal child day care system, if asked by the authorities, must then register with the government. The draft law also forbids noncitizens from founding or joining NGOs. The OSCE has recommended that a provision stipulating the rights of the authorities to attend any and all NGO events be removed.[24] The new law is expected to be passed in 2007.

Independent Media

1999	2001	2002	2003	2004	2005	2006	2007
5.75	5.50	5.75	5.75	5.75	6.00	6.25	

Despite obvious restrictions on the independent media in Tajikistan, Reporters Without Borders' *Worldwide Press Freedom Index 2006* labeled the country's media as the least restrictive and most free among the five post-Communist Central Asian states.[25] By mid-2006, there were officially 262 newspapers, 81 magazines, 22 private television and radio stations, and 9 news agencies in Tajikistan.[26] In practice, those figures were far lower. Owing to the population's economic struggles, a deemphasis on scholarship in the post-independence era, and a quasi-authoritarian system that discourages independent coverage and often harasses opposition outlets, the number of regularly published newspapers was just over a dozen, and most were either pro-government or practiced severe self-censorship.

That said, given the international criticism of newspaper closures in Tajikistan in previous years, no papers were known to have been shut down for extended periods of time in 2006. At the same time, no known licenses were given for new independent media outlets, either. Aside from some Islamist literature belonging to the banned Hizb ut-Tahrir, there also were no known underground newspapers or other publications. This is the likely result of the population's apathy and/or overall satisfaction with the status quo, and its emphasis on stability and economic growth, rather than what many would consider as more abstract notions of human rights and freedom of expression.

The Tajik Constitution provides sufficient protections for press freedom, including freedom of speech and press, as well as the right to use information by the media; governmental censorship and prosecution for criticism are forbidden. Freedom of expression is also guaranteed by the Law on Press and Other Mass Media, which establishes liability for obliging a journalist to disseminate or to refrain from disseminating information. At the same time, the criminal code criminalizes defamation in cases where dissemination of false information offends the honor and dignity of a person and stipulates a maximum of five years' imprisonment for defaming or insulting the president of the republic.[27]

Despite the presence of adequate laws protecting the work of journalists, in practice journalism continues to be a highly restrictive profession, with state bodies threatening the activities of those daring to report on controversial topics. In November 2005, for example, the Communications Ministry initiated a court case against Somonion, one of the few independent television stations in the country, for failing to pay a license fee, resulting in the Ministry being granted permission to seize the studio's equipment in lieu of a fine of US$1,850. Though Somonion's guilt or innocence with regards to the fee arrears is unclear, it is likely that the authorities use such intimidation tactics to punish news outlets they deem undesirable. In the case of Somonion, the motivating factor in bringing the law suit likely may have

been the station's broadcasts of debates with opposition candidates in the run-up to the February 2005 parliamentary elections.

International media have also faced problems. In January 2006, the government suspended the BBC's broadcasts on the FM band in the capital city, Dushanbe. Aside from its shortwave services, which were unaffected, the BBC had been broadcasting on the FM band since 2004. The government's ruling against the BBC followed the imposition of a new law requiring all foreign media outlets with FM services to register with the Justice Ministry,[28] a process taking up to six months given the bureaucratic maze that the government forces local and international entities to go through to be registered. The government claimed that stopping BBC broadcasts was the result of the lack of a mutual agreement between Tajikistan and the United Kingdom on broadcasting each other's programs.[29]

Media outlets associated with opposition parties have been especially scrutinized. Just prior to the November 2006 presidential election, for example, the DP claimed that the publisher of its weekly paper, *Adolat* (Justice), had received a letter from the Culture Ministry to cease publication.[30] The ministry later claimed that the ban was temporary and the result of a request received from one of the DP leaders who had begun a splinter group. In addition, for three days in October 2006, the Communications Ministry ordered the blockage of five Internet sites (Centrasia, Ferghana, Arianastorm, Charogiruz, and Tajikistantimes), which it claimed undermined state policy and promoted ethnic, racial, and religious hatred. Upon criticism by international bodies, the authorities reinstated most of the said sites within days, claiming that the blockage was done for maintenance purposes.

To be fair, not all problems related to the media are the fault of the government. In general, the profession of journalism in Tajikistan (as in much of the post-Communist world) has been significantly affected, not always positively, by the economic transition toward the free market system. Many of the standard practices of journalistic integrity and avoidance of conflict of interest have not yet taken root. Journalists in Tajikistan, for example, have yet to distinguish the difference between public relations and independent journalism, with some journalists willing to cover important events only in exchange for a fee by organizers. Thus many of the stories covered by the press are paid content and can be described as lacking independent analysis and scrutiny.

Cable television, particularly in urban areas, delivers European and Russian channels, and satellite services at times offer high-quality programs (especially news) that are often not available on domestic television. Despite the availability of a variety of news sources, the public appears to be mostly passive in responding to specific events, demonstrating a withdrawal from public space. This condition is likely the result of a combination of factors, including the preoccupation of the average household with problems of daily subsistence,[31] fear of repercussions from the authorities, and sustained mass trauma from the brutal civil war that continues to discourage political activity and analysis by the population.

The country's access to international TV programming and Internet provides diversity but also opens the door for content concerns. Authorities restrict access

to extremist Islamist information sources but do not restrict pornography. Pornographic content is easily accessible, available at nearly every Internet café throughout the country, spreading rapidly, and reaching many households, including conservative villages via satellite TV. Some worry that this phenomenon may have long-term social consequences for a traditional society like Tajikistan, potentially exacerbating the already increasing incidence of violence against girls and women, especially in rural areas.

Tajikistan is a multi-ethnic state. Based on the official 2000 census of the population, 80 percent are Tajik, about 15 percent Uzbek, and 5 percent are other ethnicities.[32] The real numbers of minorities, especially the Uzbek, are likely larger than reported. There also are at least 5 percent ethnic Pamiris, which the government classifies as being Tajik, though they speak what can be categorized as three separate languages. Regardless of such a reality, the government has been using a nation-building propaganda policy of portraying the state ideal as ethnically uniform. The year 2006, for example, was named the year of the "Aryans," what the government considers to be the origins of the Tajik population. The supposed "Aryanness" of Tajikistan by default excludes non-Tajik minorities. The state media likewise place great emphasis on "Tajikness." There are schools teaching in the Uzbek language (though facing severe shortages of textbooks and trained teachers), but there is very little news or cultural programming in the Uzbek language in the newspapers, radio, and television.

Local Democratic Governance

1999	2001	2002	2003	2004	2005	2006
n/a	n/a	n/a	n/a	n/a	5.75	5.75

In 1924, when Tajikistan was initially formed (by the Bolsheviks without its northern province of Sughd) as an autonomous part of the Uzbek Soviet Socialist Republic, the population was nearly fully illiterate. To alleviate this scourge and put the country on the fast track to socialism, Soviet planners formed *likpunkti*, or centers for combating illiteracy. Given the influence of Islam among the masses, Soviet leaders also banned most public expressions of religious worship and introduced "Militant Godless Leagues," which resulted in the near disappearance of religious expressions save for occasional semi-Islamic practices and rituals.

Not all effects of the old ways were wiped out, however. The informal social institution of the *mahalla* never vanished. It even became a useful tool of the Soviet state, while at the same time preserving a private space outside official control. In the post-Communist era, the *mahalla* continues to foster communal identity and solidarity in organized activities, such as *hashar* (mobilization efforts to repair homes, build local facilities, and so forth), *touy* (weddings), and *khodaie* (the remembrance of the dead).[33]

To expand control over the whole of the USSR, Communist planners created a series of political institutions that, among other things, were responsible for social mobilization associated with socialism and modernization. This strategy led to massive economic development and initially to interethnic peace.[34] Among the institutions created were territorial and administrative units.

The Soviets modified the old system, adding new entities, and Tajikistan's post-Communist Constitution, formulated in 1994, confirmed the existing Soviet administrative divisions. Today, there are 22 cities, 47 towns, 354 villages, and 3,570 settlements in Tajikistan, and the country is divided into 4 *oblasti* (*veloyatho*, or provinces), with each province being subdivided into *rayoni* (*nohiyaho*, or districts). Three provinces (Khatlon, Sughd, and Badakhshan) technically uphold their own regional governments and elect, at least on paper, the majority of their regional parliamentarians. The capital, Dushanbe, and a series of surrounding districts are equivalent to 2 additional provinces or major regions.

The subdivision within the district is known as the *jamoat* (equivalent to the Western concept of municipality). According to the Law on Local Self-Governance in Towns and Villages, *jamoat* is the institution for "organizing public activities...autonomously and at their own discretion...directly or through their representatives."[35] *Jamoat* normally entails a number of settlements (*posiolki*) and villages (*qishloqho*). Further below the village and settlement level is typically where the semiformal entity of *mahalla* lies.

The president appoints provincial and district heads in consultation with governors and *jamoat* leaders through the heads of their respective district *hukumat* (government). Though district council members can veto appointments, they seldom do. Not surprisingly, central government political organizations, such as the ruling PDP apparatus, almost always dominate province, district, and *jamoat* bodies. Local election commissions of the 2005 parliamentary and 2006 presidential elections, for example, were composed mainly of pro-government PDP members. Patronage exercised by the national government in appointing province and district administrators discourages independent decisions and policy making.

Furthermore, owing to the central government's dominance, and ampole opportunities for rent-seeking, and the stagnant economy of outlying regions, most local administrative bodies in the provinces, districts, and especially at the *jamoat* level face serious budgetary constraints.[36] It is estimated that the overwhelming majority of taxes generated by the regional governments goes to the state, with a small amount remaining at the local level. To generate funds for its staff and community projects, *jamoats* spend an estimated two-thirds of their time collecting arbitrary property taxes, transportation duties, and other fees from the population.

About three-quarters of the population of Tajikistan live in rural areas, with agriculture constituting over one-quarter of the country's income and encompassing a little less than two-thirds of the national workforce. Of these, an estimated 400,000 are employed in the cotton sector, one of Tajikistan's main exports. Yet despite the government's repeated declaration that cotton is a "strategic" commodity, the vast majority of cotton workers live far below the poverty threshold, with cotton

farms having accumulated a debt close to US$400 million by the end of 2006. Many agricultural workers live under conditions described as "bonded labor" and "financial servitude."[37]

As such, local democratic governance for the rural population, who form the majority in Tajikistan, is in an extremely poor state or nonexistent. At times, unelected local leaders at all levels of government engage in and promote policies detrimental to the local population. In 2006, the appointed mayor of Dushanbe announced an impending and extensive reconstruction of the city, with a nontransparent plan that envisaged the forced removal of thousands of households, the sale of their properties to mostly foreign developers, and an accompanying limited consultation with and compensation of losses to those affected by the plan.[38]

However, local communities in Tajikistan do not lack "mobilizing capacities" or a tradition of volunteerism—these traits exist in the people's mostly Islamic faith and were even reinforced by 70 years of communism. The population does, however, suffer from a "loss of direction, passivity, and the absence of economic resources."[39] Reforms in local governance that would encourage increased participation and decision making, including fair elections for local leaders (at the province, district, city, town, village, and *jamoat* levels), are long overdue. Providing local decision making, including the granting of full ethnic minority rights, could also alleviate potential future sociopolitical conflicts. Despite the increased political stability in recent years, "subnational regionalism" remains a problem lurking "beneath a thin veneer of Pan-Tajik reconstruction and reconciliation."[40]

Judicial Framework and Independence

1999	2001	2002	2003	2004	2005	2006	
5.75	5.75	5.75	5.75	5.75	5.75	5.75	

In his inauguration speech following the November 2006 election, President Rahmon spoke about the necessity to develop democratic institutions, including political pluralism, religious freedom, free media, active civil society, and a capable judiciary able to ensure social justice and individual rights and freedoms.[41] The need for such reform is important: Tajikistan's justice system is currently racked with inefficiency, corruption, insufficient funds, inconsonance with international law, and inadequate skills among judges and attorneys, all contributing to the inability of the state to properly adjudicate and serve justice, especially to the economically vulnerable.[42]

Still, limited judicial reform—much of it mere window dressing—has taken place. Since independence, for example, Tajikistan's leadership has been quick to ratify a plethora of international human rights instruments, including the Convention on the Rights of the Child (ratified in 1993), Convention on the Status of Refugees (1994), Convention Against Torture (CAT, 1994), International

Covenant on Civil and Political Rights (1999), Aarhus Convention on Access to Information (2001), and various International Labor Organization conventions.[43] By being a member of international bodies such as the OSCE, the government has also promised to adhere to a series of (albeit nonbinding) documents on human rights and democratization. Furthermore, progressive modifications to domestic laws have taken place, such as the passing of laws on "deepening the process of democratization in public and political life" (1999), "enhancing the role of women in society" (1999), and the parliamentary resolution (No. 272, 2001) approving a "public education system in human rights."[44]

However, the country's actual track record dealing with refugees, children's rights, women's rights, rights of those detained, access to information, and labor rights is rather poor. And according to the UN Special Rapporteur on Independence of Judges and Lawyers, some "backward reform" has also taken place, such as the increase in powers to the prosecutor manifested in the modified constitutional Law on the Office of the Prosecutor (2005).[45] According to the Constitution, judges are independent, and interference in their activity is prohibited,[46] but 15 years after the Soviet system, the notion of separation of powers in Tajikistan has yet to be a reality. Under communism, judges and courts were subordinate to the executive branch.[47] Today, the justice system takes its cues from the centers of power and the wealthy. Judges are appointed by the executive bodies and thus have an existential and financial dependence on them, which negatively affects their objectivity. There also remains a gross inequality between the prosecutor and the defense counsel both during the investigation phase and in court. This inequality is demonstrated in the very low level of acquittals by the courts, estimated to be around 0.5 percent.[48]

The Constitution stipulates that individuals have the right to access a lawyer of their choice from the moment of their arrest.[49] In reality, one may be arrested, interrogated, tried, and sentenced to a multiyear prison term without proper, or any, legal representation. This is especially true for the large majority of people without financial recourse, as a state-appointed lawyer will seldom represent an arrested individual without additional compensation, nor will a state-appointed counsel criticize violations of due process or accusations of torture and abuse that the state security forces and courts may have committed against the accused. The problem of legal representation is far worse in remote areas of the country where lawyers, with or without pay, are rare to nonexistent.

The use of violence, abuse, ill-treatment, and torture is prevalent and routine in police stations and pretrial detention facilities, none of which are monitored by independent national or international bodies. Despite repeated appeals by some international bodies to allow independent visits to detention centers and prisons,[50] including the International Committee of the Red Cross, the government has for nearly two years prevented independent visits to its prisons. According to the government statistics, by the end of 2006, there were reportedly 957 prisoners suffering from tuberculosis, at least 87 afflicted with HIV, and 74 said to have died of various diseases during the year.[51]

There is scant record of any Tajik court ever nullifying a confession allegedly extracted via torture. Many of those ill-treated by law enforcement officials are reluctant to report their stories to the police for fear of legal mistreatment or recriminations.[52] Not surprisingly, in 2006 the UN committee overseeing the implementation of the CAT criticized Tajikistan for not providing satisfactory data and not having a proper definition of torture in its domestic law that would fully conform to CAT articles. The committee also criticized the government for not adopting legislation in line with the CAT.[53]

Encouraged and guided by international financial institutions, which have normally focused on mere macroeconomic indicators, post-Communist Tajikistan has increasingly put economic reform in front of judicial reform. In the post-9/11 world, such divergent players as the United States and China have focused on their expanding security and economic cooperation with Tajikistan. Major Western donors have avoided "sensitive" topics, such as the upholding of human rights or, in the name of combating terror and extremism, have by default abetted and encouraged the arrest and abuse of alleged religious extremists and terrorists.

A problematic judicial system, however, has ramifications in the economic sector as well. The ongoing privatization program in Tajikistan, itself a highly non-transparent and corrupt process with little judicial oversight, has benefited the already wealthy and politically well-connected, thus leading to increasingly serious levels of income disparity. Lack of rule of law enforcement also deters an increase in foreign investment.

Corruption

1999	2001	2002	2003	2004	2005	2006	2007
6.00	6.00	6.00	6.00	6.25	6.25	6.25	6.25

According to a 2004 opinion survey in Tajikistan, the highest level of public dissatisfaction (56 percent) is related to inadequate anticorruption measures.[54] Succumbing to domestic and international criticism, the government has in recent years taken some measures to combat corruption. However, the few nominal steps taken have not yielded any major results, given the country's entrenched vested interests. A 1999 presidential decree on "additional measures aimed at crime control and fighting corruption," for example, has been referred to by the state's own Strategic Research Center under the presidential apparatus as the "most ignored decree" in Tajikistan's short history of independence.[55]

In a speech in December 2004, President Rahmon cited corruption as one of Tajikistan's key internal threats, along with religious extremism, organized crime, and drug trafficking. In an attempt to show its seriousness, the government moved closer to establishing the State Financial Control and Anticorruption Agency in 2006.[56] Prior to this latest move, various government institutions, such as the

Internal Affairs Ministry, Security Ministry, tax police, customs, Military Administration and State Border Agency, and State Drug Control Agency, already had their own internal anticorruption units. Such offices, however, have had overlapping jurisdictions resulting in limited interagency cooperation.[57]

A 2006 Sweden-funded and UN-coordinated public opinion survey on corruption implemented by the government's Strategic Research Center found that the public considers the courts, local administrations, and law enforcement bodies to be the most corrupt government institutions in Tajikistan.[58] Corruption is said to be based on the two driving human features of "need" and "greed."[59] Given the country's continued economic slump and low wages, much of the prevalent corruption in Tajikistan, one could argue, is inevitable. With regard to the justice system, for example, the state is obliged to pay public advocates representing clients in criminal cases, but such payments rarely occur, nor are they sufficient when they do.[60] Law enforcement officials and judges can be intimidating and punishing or highly lenient, depending largely on the financial enticements available.

As a result, when and if a lawyer is assigned by the state to a poor client, he or she is likely to be among the least qualified, to not commit seriously to the case owing to lack of funds, and to demand money from the accused for representation and for "greasing the system" for a more favorable verdict. In nearly all criminal cases, the accused individuals may either go free or have their sentences substantially reduced if nepotistic ties are used in combination with sufficient payments to the decision makers and intermediaries. Prosecution of judicial actors on corruption is rare. Still, in 2005 two judges (from the city of Dushanbe and the Konibodom district) were sentenced to up to seven years in prison on corruption charges.[61]

Corruption in Tajikistan has produced many officials who prioratize bribery as a major part of their earnings over training or job qualifications. Allegations of corruption are prevalent among customs and tax inspectors, who are suspected of bringing in funds either by extortion or by turning a blind eye. Other prevalent corrupt practices are the purchasing of university placements, examinations, and diplomas by students.[62]

Allegations of corruption also revolve around the country's dual export commodities of cotton and aluminum, together forming some 84 percent of Tajikistan's exports. In 2006, aluminum exports alone are thought to have topped $1 billion, thanks to a combination of increased output (by 9 percent over 2005) and serendipitous global market prices. Though cotton production fell in 2006, producing a consequent fall in cotton fiber exports by 11 percent for total earnings of $129 million,[63] many local companies dealing with agronomic loans to cotton farmers continued to enrich themselves by adding to the existing debt of many hundreds of millions of dollars owed by cotton farms and farmers.

Drug trafficking is another major source of corruption. Since the overthrow of the Taliban by U.S.-led forces in late 2001, there has been a massive upsurge in the cultivation and consequent trafficking of drugs from Afghanistan into Tajikistan en route to Russia and Europe. Ninety-two percent of the world's supply of illicit

opiates, mostly in the form of heroin, originates from Afghanistan—where in 2006, over 6,000 tons of opium poppy was cultivated, a whopping 50 percent rise over 2005.[64] It is thought that Tajikistan has one of the highest rates of drug trafficking and interception in the world.

According to Transparency International's 2006 Corruption Perceptions Index, Tajikistan scored 2.2 (with a score of 10 being least corrupt) and was ranked 142 among 163 countries surveyed, sharing its ranking with two of its Central Asian neighbors (Kyrgyzstan and Turkmenistan) as well as Pakistan, Sierra Leone, and Nigeria.[65] Some observers have favored the "efficiency hypothesis" that corruption actually lubricates the squeaky wheels of bureaucracy. Many others disagree. A World Bank study provides evidence that the toleration of corruption, especially in cases of weak governance (as in Tajikistan), increases regulatory burdens by rent-seeking bureaucrats on the private activity of ordinary citizens and businesspeople, leading to various procedural delays, additional red tape, and the increased cost of capital.[66] The prevalence of income inequality, lack of accountability mechanisms in the public sector, and discouragement of popular participation in decision making undoubtedly affect the extent of the corruption problem.

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Turkmenistan

by Annette Bohr

Capital:	Ashgabat
Population:	6.5 million
GDP/capita:	US$5,326
Ethnic Groups:	Turkmen (85.0%), Uzbek (5.0%), Russian (4.0%), other (6.0%)

The economic and social data on this page were taken from the following sources:

GDP/capita, Population: *Transition Report 2006: Finance in Transition* (London, UK: European Bank for Re-construction and Development, 2006).

Ethnic Groups: *CIA World Fact Book 2007* (Washington, D.C.: Central Intelligence Agency, 2007).

Nations in Transit Ratings and Averaged Scores

	1999	2001	2002	2003	2004	2005	2006	2007
Electoral Process	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00
Civil Society	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00
Independent Media	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00
Governance*	6.75	6.75	6.75	6.75	7.00	n/a	n/a	n/a
National Democratic Governance	n/a	n/a	n/a	n/a	n/a	7.00	7.00	7.00
Local Democratic Governance	n/a	n/a	n/a	n/a	n/a	7.00	7.00	7.00
Judicial Framework and Independence	6.75	7.00	7.00	7.00	7.00	7.00	7.00	7.00
Corruption	6.00	6.25	6.25	6.25	6.25	6.50	6.75	6.75
Democracy Score	6.75	6.83	6.83	6.83	6.88	6.93	6.96	6.96

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

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

Executive Summary

On December 21, 2006, the 66-year-old president of Turkmenistan, Saparmurat Niyazov, known as "Leader of the Turkmen," died of cardiac failure, bringing to a close a long and critical chapter in the history of independent Turkmenistan. Appointed as first secretary of the Central Committee of the Turkmen Communist Party on December 21, 1985, Niyazov ruled Turkmenistan with an iron fist for 21 years to the day. In a smoothly orchestrated succession, within hours of the announcement of Niyazov's death an extraordinary session of the Security Council and the Cabinet of Ministers appointed the 49-year-old deputy prime minister and minister of health and medical industries, Gurbanguly Berdymukhammedov, as acting head of state. A mini-constitutional coup was executed by the political elite in power at the time of Niyazov's death in order to secure the placement in power of the candidate of their choice: While the Constitution clearly stated that the parliamentary chairman was to fill in as president until a new leader was elected, the current chairman, Ovezgeldy Ataev, was removed on the same day and charged with criminal activity by the Office of the Prosecutor General. On December 26, an emergency session of Turkmenistan's highest ruling body, the People's Council, rubber-stamped the laws and constitutional amendments formalizing the arrangements for a smooth transfer of power, thereby ensuring stability in the short term.

Despite the momentous changes that took place in Turkmenistan in the final days of 2006, the year was a relatively uneventful one overall, marking the continuation of practices set in motion during Niyazov's lengthy authoritarian rule. In 2006, the state promotion of the *Ruhnama* (a two-volume national code of spiritual conduct, ostensibly written by Niyazov) continued, as did regular purges of the upper and middle echelons of government. Turkmenistan's longtime prosecutor general, Gurbanbibi Atajanova, who was notorious for having denounced dozens of Turkmen officials during her nine-year tenure, was removed from office on charges of corruption, and all five of the country's regional governors were sacked for falsifying data on the winter wheat and cotton crops, precipitating reports of bread shortages and panic buying. Elections were held to village councils and to district and city councils in June and December, respectively, although the outcome of the vote had been determined beforehand through the usual preelection vetting process. Media restrictions remained firmly in place as the authorities banned local journalists from all contact with foreigners unless specifically permitted, and a correspondent for the U.S.-funded radio station Radio Liberty was reportedly beaten to death while in custody.

National Democratic Governance. In 2006, Turkmenistan was a police state in which the activities of its citizens were carefully monitored by hypertrophied security agencies and the president's private militia, whose members received favorable treatment relative to the rest of the population. President Niyazov continued to undertake regular purges of the upper and middle echelons of his government as a means of diminishing the power bases of political elites and, hence, their potential ability to become his rivals. In April, Prosecutor General Atajanova, who had gained notoriety during her nine-year tenure as a leading figure in Turkmenistan's repressive state apparatus, publicly confessed to corruption and was relieved of her duties and stripped of her state awards. A major tool used to buttress Niyazov's lavish personality cult and to create a pseudo-state ideology was the *Ruhnama* (*Book of the Soul*), which had been accorded the de facto status of a holy book on a par with the Koran.

Although the Constitution of Turkmenistan stipulated the formal existence of executive, legislative, and judicial branches, in practice only the executive branch exercised any real power. The presence of a fourth branch of power, the People's Council, which was granted the status of the country's supreme representative body, had displaced even the formal legislative authority of the country's Parliament. The Democratic Party of Turkmenistan, which declared President Niyazov its "eternal" chairman only four days before his death, on December 17, 2006, remained the only legally registered party. At an emergency session of the People's Council, which convened on December 26, 2006, the Law on Presidential Elections was passed and a date set for the presidential election. The Constitution was amended to allow the interim head of state to stand in the election and to designate the chairman of the Cabinet of Ministers (or a deputy prime minister, in the event that the president and the prime minister were the same person) as the acting head of state if the president were unable to execute his duties. The latter constitutional amendment sought to legitimize the appointment of Deputy Prime Minister Berdymukhammedov as interim president, a role that expressly belonged to the chairman of the Parliament under the old Constitution. In a smooth procedure that did not reveal any latent power struggles, 12 candidates for president were nominated, although only 6 received the requisite number of votes. Only Acting President Berdymukhammedov received the unanimous support of the People's Council, which was an excellent indicator that his victory in the February 2007 election was a foregone conclusion. *Turkmenistan's rating for national democratic governance remains unchanged at 7.00.*

Electoral Process. Electoral officials in Turkmenistan engaged widely in irregular procedures, such as stuffing ballot boxes and making door-to-door home visits during which voters were urged to cast their ballots. Pressure was exerted on all civil servants to vote, and failure to do so could lead to reprisals. On July 23, 2006, elections were held to the village and town councils, which represented the lowest level of government. Despite multiple candidacies and the use of transparent ballot boxes, there was minimal preelection campaigning, and all candidates still

represented Niyazov's Democratic Party of Turkmenistan. On December 3, 2006, elections to 40-member district and city people's councils were held for the first time since independence. Candidates were reported to have undergone the usual dual screening process by local governmental officials and officials from the Ministry of National Security. Although President Niyazov proposed on several occasions from 2001 that presidential elections be held before 2010, his proposals were invariably met with publicly staged protests by members of the People's Council, who pleaded with him to stay in office until the end of his lifetime. Consequently, the Law on Presidential Elections was passed only at the extraordinary session of the People's Council held five days after Niyazov's death, on December 26, 2006, at which time the presidential election was scheduled for February 11, 2007. At the end of 2006, no opposition parties or movements were officially registered in Turkmenistan. Unrelenting harassment by the authorities had driven the relatively small Turkmen opposition either underground or into exile. Following an announcement in late 2006 by leading members of Turkmenistan's opposition that they had agreed on a single candidate to run in Turkmenistan's upcoming presidential elections, Turkmen security agencies warned that leaders of the opposition-in-exile would be arrested on arrival at any airport in Turkmenistan should they attempt to return. *Turkmenistan's rating for electoral process remains unchanged at 7.00. The election in 2006 of city and district people's councils, while a positive development, is unlikely to result in a significant devolution of power or authority to local governments.*

Civil Society. Although civil society never thrived in Turkmenistan, steady repression by government authorities since 2002, in particular, forced those independent nongovernmental organizations (NGOs) that had managed to gain a foothold in the newly independent state to dissolve, redesignate themselves as commercial enterprises, or merge with pro-government public associations. By August 2006, the number of registered and unregistered NGOs had dwindled to fewer than 90, and even many apolitical groups, such as the National Chess Committee and the National Artisans Association, were denied state registration. The few NGOs allowed to operate in Turkmenistan were generally government-sponsored, such as the veterans and youth associations and the women's union, which was dedicated to the memory of President Niyazov's mother. Many minority religious groups remained unregistered. More important, registration had not brought the promised benefits, as registered and unregistered groups alike continued to be subject to police raids, detentions, fines, and other forms of harassment. Especially outside the capital city of Ashgabat, minority religious groups were prohibited from meeting, throwing into question the very purpose of the registration process. In December 2006, the religious freedom watchdog Forum 18 News Service reported that harassment of religious communities in Turkmenistan had eased somewhat over the past year, although no further religious communities were registered and state control of religion remained complete. *Turkmenistan's rating for civil society remains unchanged at 7.00.*

Independent Media. Claiming that only North Korea was a greater violator of press freedom, in 2006 the Paris-based NGO Reporters Without Borders ranked Turkmenistan 167th out of 168 nations in its annual worldwide Press Freedom Index. All media in Turkmenistan were controlled by the state and were devoid of independent information. Although satellite dishes were in widespread use in the capital city, cable television was banned throughout the country. The country's sole Internet provider, Turkmen Telecom, strictly controlled all access to the Internet. Blocked access to a growing number of Web sites critical of government policy coupled with high fees successfully restricted the use of the Internet to a small number of companies and international organizations. Calling it "one of the world's least connected countries," in 2006 Reporters Without Borders claimed that less than 1 percent of Turkmenistan's population was online. There were no Internet cafés in the country, and public access to the Web was limited to a handful of resource centers run by U.S.-funded organizations in Ashgabat and other major cities in the country. In March 2006, the sole remaining accredited foreign correspondent in Ashgabat, who worked for the Russian news agency ITAR-TASS, lost her accreditation as a result of covering the controversial pension reform. In May 2006, the authorities banned local journalists from all contact with foreigners unless specifically permitted. Local journalists were subject to arrest and violence. In September 2006, a correspondent for the Turkmen Service of the U.S.-sponsored Radio Free Europe/Radio Liberty, Ogulsapar Muradova, died in prison following her conviction in August on charges of illegally possessing ammunition. Although Turkmen officials maintained that she had died of natural causes, Muradova was widely believed to have suffered fatal blows to the head while in custody. *Turkmenistan's rating for independent media remains unchanged at 7.00.*

Local Democratic Governance. In 2006, executive power in Turkmenistan's five *velayats* (regions) and in the city of Ashgabat was still vested in the *hakims* (governors), who were appointed by the president to execute his instructions (elections to the 80-member *velayat*-level people's councils, which will be empowered to elect regional governors, were scheduled for December 2007). On December 3, 2006, elections were held to the largely decorative 40-member district and city people's councils (*halk maslakhaty*) for the first time in the history of independent Turkmenistan. Perhaps more significant than the creation of new local people's councils under an October 2005 constitutional amendment was the transfer of the right to appoint regional, district, and city *hakims* from the president to the respective councils, which were henceforth to elect governors from among their memberships in an open ballot, by a simple majority vote, as was already the practice for village councils. While Turkmen officials claimed that the creation of district, city, and regional people's councils was a major step toward devolving authority from the center to local organs of government, in large part by allowing local *hakims* to be elected by the councils rather than appointed by the president, local media reported in December 2006 that the president approved the nominations for governors that had been put forth by the councils, thereby greatly diminishing any decentralizing

effect. Drastic cuts in the important spheres of education, social security, and health care—including the closure of rural district hospitals—further undermined local government and had serious repercussions for the rural population in particular. Tribal identities remained strong in Turkmenistan and continued to play an important role in Turkmen society and informal local politics. *Turkmenistan's rating for local democratic governance remains unchanged at 7.00.*

Judicial Framework and Independence. The Office of the Prosecutor General dominated a legal system in which judges and lawyers played a marginal role. Although formally independent, the court system had no impact on the observance of human rights but rather acted as an important instrument of repression for the regime. Convictions were based on confessions that were sometimes extracted by forcible means, including the use of torture. In October 2006, the International Trade Committee of the European Parliament voted to stop consideration of an interim trade agreement until Turkmenistan took specific steps to improve human rights, including realigning the educational system with international standards, releasing all political prisoners, and abolishing government restrictions on travel abroad. In the same month, under an annual amnesty mandated by a 1999 law and presidential decree, the government released an estimated 10,056 inmates, bringing the number of amnestied persons since 1999 to some 250,000. In November 2006, new rules were introduced governing foreign travel for Turkmen citizens, rendering the unofficial "blacklist" obsolete. Citizens wishing to leave Turkmenistan, either temporarily or permanently, were henceforth required to show border guards and customs officials a document obtained from their local police department giving them official permission to travel abroad. Ethnic minorities—and Turkmenistan's ethnic Uzbek population in particular—were affected by discriminatory practices denying them access to most higher education and jobs in the public sector. *Turkmenistan's rating for judicial framework and independence remains unchanged at 7.00.*

Corruption. The existence of patronage networks as the basis of power in Turkmenistan has inevitably given rise to a political culture of bribery, nepotism, and embezzlement. Given their brief tenure in office owing to regular reshuffling, governors have been inclined to give low priority to solving the problems of their respective regions, preferring instead to use their short time in power to amass personal economic benefits. During October and November 2006, President Niyazov publicly removed the governors of all five of Turkmenistan's regions for falsifying data on the winter wheat and cotton crops and other "shortcomings." All five governors had reported complete fulfillment of the winter wheat sowing campaign, although in reality less than half of the targeted wheat was sown in total. While the sacking of governors was a common occurrence in Niyazov's Turkmenistan, the virtually simultaneous firing of all five regional *hakims* was without precedent. In recent years, drastic cuts in pensions, massive redundancies in government jobs, the introduction of fees for medical services, and the use

of military conscripts as a source of free labor in various sectors of the economy have all indicated that the state has been having difficulty funding its huge public sector, despite official reports of record foreign trade surpluses. Although President Niyazov sought to pin the blame for budget shortfalls on his subordinates by accusing them of mass embezzlement, a more likely explanation was the continued diversion by Niyazov of ever larger sums from gas, oil, and cotton revenues to a special presidential fund, which was located in European (primarily German) and other bank accounts. During 2006, the German Deutsche Bank came under pressure from exiled opposition groups over its holding of the accounts controlled by Niyazov, including allegations of violations of European Union (EU) banking standards on transparency. *Turkmenistan's rating for corruption remains unchanged at 6.75.*

Outlook for 2007. Despite predictions that Niyazov's sudden death would lead to internal power struggles and possible chaos given the absence of an heir apparent, the transfer of power to Deputy Prime Minister Berdymukhammedov—who had survived innumerable purges since his appointment as health minister in 1997—was swift and orderly, indicating that a succession strategy had been worked out by Niyazov's inner circle in advance. The power brokers behind the agreement to appoint Berdymukhammedov as Niyazov's successor were most likely leading figures in the country's security agencies, who formed the most influential political force in the country at the time of Niyazov's death. First and foremost among them was Akmurad Rejepov, head of the president's personal militia and the only official who had managed to retain his place in Niyazov's inner circle in recent years.

Since any serious liberalization of the political system or society could ultimately pave the way for the regime's downfall, thereby depriving it of its crucial control over gas and cotton export revenues, the new government is likely to implement only limited reforms while cutting short any attempt to create political pluralism. However, despite Berdymukhammedov's initial assertions that he will "remain committed to the political course of Saparmurat Turkmenbashi," he subsequently indicated a willingness to reverse some of Niyazov's most retrograde policies, thereby currying both domestic and international support. For example, in announcing his principal policy goals in the run-up to the February 2007 election, Berdymukhammedov pledged to extend the length of primary and higher education, broaden access to the Internet, and review agricultural policy and recent pension reforms.

While the ramifications of Niyazov's death will take time to emerge, very substantial reform is unlikely to occur as long as those who have a stake in preserving the system Niyazov created remain in power.

Main Report

National Democratic Governance

1999	2001	2002	2003	2004	2005	2006	2007
n/a	n/a	n/a	n/a	n/a	7.00	7.00	7.00

Although the Constitution of Turkmenistan stipulated the formal existence of executive, legislative, and judicial branches, in practice only the executive branch exercised any real power. The Parliament (Majlis) was transformed into a presidential appendage, and presidential decree was the usual mode of legislation. The law required all political parties to be registered with the Ministry of Justice (renamed the Ministry of Fairness in September 2003), thereby allowing the government to deny official status to groups that were critical of its policies. In December 1991, the Communist Party of Turkmenistan renamed itself the Democratic Party of Turkmenistan (DPT) and confirmed Niyazov as chairman, leaving the old Communist power structure essentially intact. On December 17, 2006, only four days before his death, President Niyazov was declared the "eternal" chairman of the DPT. Other than the DPT and the pro-government National Revival Movement, no parties or movements were legally registered in the country. The Constitution proscribed the formation of parties with a religious or nationalist orientation (Article 28). However, since the government prevented all parties other than the DPT from registering and functioning, this ban was of little relevance.

During his reorganization of political structures in 1992, President Niyazov created the People's Council (*Halk Maslakhaty*) to recall the Turkmen "national tradition" of holding tribal assemblies in order to solve society's most pressing problems. According to a constitutional amendment and constitutional Law on the People's Council, which were passed by that same body in August 2003, the council was elevated to the status of a "permanently functioning supreme representative body of popular authority." The 2,507-member People's Council consisted of the president, the members of Parliament, the chairman of the Supreme Court, the prosecutor general, the members of the Council of Ministers, the governors (*hakims*) of the five regions (*velayats*), and the *hakim* of the city of Ashgabat; people's representatives elected from each district (*etrap*); the chairpersons of officially recognized parties, the youth association, trade unions, and the women's union; the chairpersons of public organizations; representatives of the Council of Elders, which brought together nominated elders from all regions of Turkmenistan under the chairmanship of the president; the *hakims* of districts and cities; and the heads of the municipal councils of the towns and villages that were the administrative centers of the districts. The August 2003 law ascribed to the People's Council a number of legislative powers, including the passing of constitutional laws, thereby

officially displacing the Parliament as the country's primary legislative body. In reality, proposals put forward by the president at sessions of the People's Council were invariably adopted unanimously by that body, which acted to officially validate his policies.

The eighteenth convocation of the People's Council, which convened in emergency session five days after President Niyazov's death, on December 26, 2006, formalized arrangements for the transfer of power. The Law on Presidential Elections was passed, and the date for the presidential election was set. The Constitution was amended to allow the interim head of state to stand in the election and to designate the chairman of the Cabinet of Ministers (or a deputy prime minister, in the event that the president and prime minister were the same person) as acting head of state if the president were unable to execute his duties. The latter constitutional amendment sought to legitimize the appointment of Deputy Prime Minister Berdymukhammedov as interim president, a role that expressly belonged to the chairman of the Parliament under the old Constitution. In a smooth procedure that did not reveal any latent power struggles, two candidates for president were nominated from each of the country's five regions and the city of Ashgabat, although only six ultimately received the requisite number of votes (two-thirds of the membership of the People's Council). Aside from Acting President Berdymukhammedov, all candidates were lesser-known bureaucrats lacking political weight. In a scenario reminiscent of Niyazov's rule, only Berdymukhammedov received the unanimous support of the People's Council, which was an excellent indicator that his victory in the February 2007 election was a foregone conclusion.

Turkmenistan was a police state in which the activities of its citizens were carefully monitored by hypertrophied internal security agencies and the president's private militia, whose members received favorable treatment relative to the rest of the population, such as higher salaries and privileged accommodation. The Ministry of National Security (MNB) had the responsibilities held by the Committee for State Security during the Soviet period—namely, to ensure that the regime remained in power through tight control of society and by discouraging dissent. President Niyazov frequently appointed former MNB employees as deputies to leading government officials; thus, most regional governors were said to have experienced MNB personnel as their deputies.[1] All state and private enterprises were reported to have their own "curators" from the MNB who made regular, unannounced visits.[2] The Ministry of Internal Affairs directed the criminal police, who worked closely with the MNB on matters of national security. Both ministries abused the rights of individuals and enforced the government's policy of repressing political opposition.

Since the coup attempt in November 2002—when oppositionists led by Boris Shikhmuradov, a former long-serving foreign minister, sought forcibly to remove the president from power—Niyazov appeared to have relied less on the MNB while devolving greater powers to his own security service, the Presidential Guard. Consisting of some 2,000 to 3,000 former security agents whose loyalty to the president had been tested over time, the Presidential Guard was not subordinated

to any security service and carried out a wide range of functions on the personal orders of the president. Both the Presidential Guard and the MNB operated with impunity.

Officials in Niyazov's regime were appointed based on their complete loyalty and subservience to the president rather than on a system of merits. Niyazov regularly purged the upper and middle echelons of his government as a means of diminishing the power bases of political elites and, hence, their potential ability to become his rivals.[3] From 2000, Niyazov's regular reshuffling of ministers and other high-level public sector officials greatly accelerated in both intensity and scope, possibly reflecting an increasing inability to trust his officials as well as a growing sense of vulnerability.

By 2006, some 60 deputy prime ministers had been dismissed in the 15-year history of independent Turkmenistan, generally on charges of corruption. In April 2006, President Niyazov warned the chairman of the central bank that four of the former incumbents of his office were serving terms in jail, while another had become an outlaw. That same month, the prosecutor general, Gurbanbibi Atajanova, publicly confessed on state television to charges of corruption, begging tearfully not to be sent to prison. During her nine-year tenure as prosecutor general, Atajanova had gained notoriety as a leading figure in Turkmenistan's repressive state apparatus (earning herself the nickname "Iron Lady"), in particular for her role in prosecuting Niyazov's opponents in the wake of the attempted coup in November 2002.

A major tool used to buttress Niyazov's lavish personality cult and to create a pseudo-state ideology was the *Ruhnama* (*Book of the Soul*), a national code of spiritual conduct ostensibly written by Niyazov. Published in two volumes, the *Ruhnama* embodied Niyazov's personal reflections on Turkmen history and traditions as well as moral directives and was accorded the de facto status of a holy book on a par with the Koran. Imams were required to display the *Ruhnama* in mosques and to quote from it in sermons, and the country's citizens were required to study and memorize its passages. Passages from the *Ruhnama* were inscribed alongside verses from the Koran on the marble walls of Central Asia's largest mosque, which was officially inaugurated in October 2004 in Niyazov's hometown of Gipchak, outside of Ashgabat. By 2006 the *Ruhnama* had been published in more than 20 languages, including Zulu, as well as in a special Braille edition. Citizens were required to pass a written examination on the *Ruhnama*—already a fundamental part of primary and secondary school curriculums—in order to gain a place at a higher educational establishment, qualify for government employment, or even receive a driver's license. Furthermore, public sector employees were required to pass regular examinations on the country's spiritual code as a prerequisite for continued employment. In March 2006, Niyazov declared that anyone who read the book three times would have better intellect and go "straight to heaven."[4]

Electoral Process

1999	2001	2002	2003	2004	2005	2006	2007
7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00

No opposition parties or movements were officially registered in Turkmenistan. Unrelenting harassment by the authorities had driven the relatively small Turkmen opposition either underground or into exile. In September 2003, following a two-day meeting in Prague, the Czech Republic, several members of Turkmenistan's opposition parties and movements issued a communiqué announcing their decision to form the Union of Democratic Forces of Turkmenistan (UDFT). The UDFT comprised four main groups: the Republican Party of Turkmenistan, the Watan (Fatherland) Social Political Movement, the United Democratic Opposition of Turkmenistan, and the Revival Social Political Movement. Despite the issuing of another joint statement by the Republican Party and Watan in May 2006, appealing for citizens of Turkmenistan to unite and resist Niyazov's regime, the opposition-in-exile remained small, weak, poor, and prone to internal division.

In late 2006, in the immediate aftermath of President Niyazov's death, leading members of Turkmenistan's opposition publicly announced their intention to agree on a single candidate to run in Turkmenistan's upcoming presidential elections. Meeting in the Ukrainian capital of Kiev on December 25, the opposition-in-exile nominated former deputy prime minister and Turkmen central bank chairman Khudaiberdy Orazov as their presidential candidate. Turkmen security agencies immediately warned that opposition leaders would be arrested on arrival at any airport in Turkmenistan should they attempt to return.[5]

Independent Turkmenistan held its first direct presidential election in June 1992 under a new Constitution, although Niyazov had been popularly elected to the presidency by direct ballot only 20 months earlier, in October 1990. According to official results, voter participation in 1992 was 99.8 percent, with 99 percent of all votes cast in favor of Niyazov. In January 1994, a nationwide referendum overwhelmingly prolonged Niyazov's presidential mandate until 2002, exempting him from another popular election in 1997, as required by the Constitution. Following months of speculation on the introduction of a "life presidency," the Parliament approved amendments to the Constitution at the end of December 1999 that removed the maximum two-term provision, thereby enabling Niyazov to retain his presidential post until his death. Turkmenistan therefore became the first country in the Commonwealth of Independent States (CIS) to formally abandon both regularly scheduled presidential elections and popular referendums designed to extend the incumbent president's term in office.

Although President Niyazov proposed on several occasions from 2001 that presidential elections be held before 2010, his proposals were invariably met with publicly staged protests by members of the People's Council, who pleaded with him to stay in office until the end of his life. Consequently, the Law on Presidential

Elections was passed only at the extraordinary session of the People's Council held five days after Niyazov's death, on December 26, 2006, at which time presidential elections were scheduled for February 11, 2007.

The majority of the seats in the People's Council were distributed among parliamentary deputies and other governmental officials, with the result that the Turkmen population elected only a minority of its deputies. The most recent elections to the People's Council were held in April 2003 amid a near total absence of information about the candidates or their platforms. Electoral officials claimed a 99.8 percent voter turnout.

The first parliamentary elections in independent Turkmenistan took place in December 1994, when 49 candidates stood unopposed for the 50-member unicameral legislature (2 candidates contested the remaining seat). Parliamentary elections were again held in December 1999, with a declared participation of 98.9 percent of the country's electorate. Although 104 candidates stood for the 50 parliamentary seats, nearly all were members of Niyazov's ruling DPT and served the state in some official capacity. The Organization for Security and Cooperation in Europe (OSCE) declined to send a monitoring mission on the grounds that "the legislative framework is inadequate for even a minimally democratic election." In line with previous elections, the country's third parliamentary elections on December 19, 2004, were widely regarded as a purely ceremonial exercise. Although 131 candidates vied for 50 seats, all had been approved by governmental authorities prior to the elections. Candidates initially were selected by district authorities and then vetted by regional authorities before being referred to the presidential administration for final approval. All candidates were members of Turkmenistan's sole registered political party, the DPT.

During Turkmenistan's 14-year history of independent rule, electoral officials declared near 100 percent voter turnout rates for all elections and referendums. To achieve such spectacularly high participation rates, electoral officials engaged widely in irregular procedures, such as stuffing ballot boxes and making door-to-door home visits during which voters were urged to cast their ballots. Pressure was exerted on all civil servants to vote, and failure to do so could lead to reprisals.[6] Despite these undemocratic tactics to encourage voting, unprecedented voter apathy resulted in a record low turnout of only 76.88 percent for the December 2004 parliamentary elections. Authorities attributed the low participation rate to unusually cold weather conditions. The next elections to the Parliament were scheduled for December 2008.

In October 2005, the People's Council amended the Constitution to provide for the holding of direct elections to district, city, and regional councils (*halk maslakhaty*) from 2006 to 2007. On December 3, 2006, elections to 40-member district and city people's councils were held for the first time since independence, with 6,142 candidates vying for 2,640 seats. As is standard practice in Turkmenistan, electoral officials accompanied by policemen made door-to-door visits urging voters to go to the polls, and voter turnout was officially reported at 96.9 percent. Candidates underwent the usual dual screening process by local governmental

officials and officials from the MNB, according to the Institute for War & Peace Reporting.[7]

Turkmen officials claimed that the creation of district, city, and regional people's councils was intended to decentralize governmental powers and responsibilities, in large part by allowing local governors to be elected by the councils rather than appointed by the president, as was the practice hitherto. However, as was reported by local media in December 2006, the president approved the nominations for governors that had been put forth by the councils,[8] thereby greatly diminishing any decentralizing effect.

On July 23, 2006, 5,320 deputies from a field of 12,200 contenders were elected to the village and town councils (*gengeshes*), which represented the lowest level of government. Despite multiple candidacies and the use of transparent ballot boxes for the first time in Turkmenistan, there was minimal preelection campaigning, and all candidates still represented Niyazov's DPT.

Elections to regional people's councils, which will consist of 80 members, are scheduled for December 2007. Additionally, the elections of people's representatives to the national-level *Halk Maslakhaty* (one from each of the country's 60 districts) will be held in December 2008.[9]

Civil Society

1999	2001	2002	2003	2004	2005	2006
7.00	7.00	7.00	7.00	7.00	7.00	7.00

Although civil society never thrived in Turkmenistan, steady repression by government authorities since 2002 in particular forced those independent NGOs that had managed to gain a foothold in the newly independent state to dissolve, redesignate themselves as commercial enterprises, or merge with pro-government public associations. According to Counterpart Consortium, a U.S. NGO supported by the U.S. Agency for International Development, in 2000 there were approximately 200 to 300 registered and unregistered NGOs in Turkmenistan.[10] By August 2006, that number had dwindled to fewer than 90.[11] The vast majority either supported the government or received funding from the government. According to the Institute for War & Peace Reporting, even many apolitical groups, such as the National Chess Committee and the National Artisans Association, had been denied state registration.[12] There were no independent trade unions, and the successor to the Soviet-era Federation of Trade Unions remained linked to the government. Other government-organized NGOs included the veterans association, the youth association, the journalists union, and the Humanitarian Association of World Turkmen. The women's union, which was dedicated to the memory of President Niyazov's mother, was the only officially registered women's NGO.

Civil society in Turkmenistan was paralyzed by fallout from an attempted coup on November 25, 2002, when former foreign minister Boris Shikhmuradov and

his fellow oppositionists staged an effort to forcibly remove Niyazov from power as his motorcade was traveling through Ashgabat. Turkmen authorities immediately publicized the attack as a failed assassination plot, although the opposition declared that Shikhmuradov's aim was to capture Niyazov and force him to renounce power rather than to assassinate him.[13] Niyazov used the attempted coup to his advantage by incarcerating some of his major opponents, including Shikhmuradov, and implementing a series of new measures that curbed civil liberties even further. A new wave of repression and witch hunts was initiated in the aftermath of the armed endeavor, resulting in the arrest of at least 200 individuals with purported connections to the opposition, of whom approximately 60 were ultimately convicted for their alleged role in the coup attempt. Independent civil society activists became frequent targets of detention and harassment, while Turkmenistan's government-sponsored NGOs were used as part of a propaganda campaign to demonstrate support for the president. Mass meetings were held and rallies staged, with participants calling for the "people's enemies" to be put to death.

Civil society activists were repressed further in November 2003 when an unprecedented presidential decree was signed into law requiring all NGOs to register or reregister with the Ministry of Fairness or face fines, corrective labor, and possible prison sentences with the confiscation of property. As a result, many independent NGOs ceased to exist or reregistered under the safer label of "commercial enterprise." In early 2004, the Dashoguz Ecological Club and the Ecological Club Catena—two of Turkmenistan's oldest-operating NGOs—were stripped of their legal registration.[14] In a move apparently designed to assuage international criticism of Turkmenistan's human rights practices, the government published new legislation in November 2004 abolishing criminal penalties for activities undertaken by unregistered NGOs, thereby reversing the November 2003 legislation. However, as of 2006, the decriminalization of unregistered NGO activity had yet to have a significant practical impact on civil society, given the generally draconian restrictions on civic activism.

As with political parties and public associations, all religious congregations were required to register with the Ministry of Fairness to gain legal status. Before 2004, the only religions that had managed to register successfully were Sunni Islam and Russian Orthodox Christianity, although they were still subject to tight government controls. In March 2004, President Niyazov issued a decree pledging to register all religious groups regardless of creed or number. The law was amended accordingly to reduce the number of adult citizens needed to register a religious community with the Ministry of Fairness from 500 to 5. As a result of these changes, four minority religious groups managed to gain registration in 2004: Seventh-day Adventists, Baha'is, Baptists, and Hare Krishnas. In 2005, five more Protestant churches were granted registration (the Greater Grace Church, the Church of Christ, the New Apostolic Church, and the Full Gospel Pentecostal Church in Ashgabat; and the Light of the East Pentecostal Church in Dashoguz).[15] Despite this minimal progress, many minority religious groups remained unregistered, such as the Catholic, Lutheran, Jehovah's Witness, Armenian Apostolic, and Jewish communities. More

important, registration did not bring the promised benefits, as registered and unregistered groups alike continued to experience police raids, detentions, fines, and other forms of harassment. Especially outside Ashgabat, some minority religious groups were prohibited from meeting, throwing into question the very purpose of the registration process.[16]

Turkmen authorities eliminated criminal penalties for members of unregistered religious groups in May 2004. (In November 2003, Turkmenistan had tightened its Law on Religion and adopted amendments to the criminal code that imposed penalties of up to one year's imprisonment for unregistered religious activity, which had hitherto been considered an administrative offense.) The amended law stated that congregations that were not registered with the Ministry of Fairness were prohibited from proselytizing, gathering publicly, and disseminating religious materials, and violators were subject to penalties under the administrative code. In practice, however, state agencies continued to treat unregistered religious activity as a criminal offense, and some believers were given long prison sentences or sent into internal exile.[17]

In December 2006, the religious freedom watchdog Forum 18 News Service reported that harassment of religious communities in Turkmenistan had eased somewhat over the past year, although no further religious communities were registered and state control of religion remained complete.[18] Accordingly, by the end of 2006, an application lodged for state registration by the Armenian Apostolic Church in February 2006—exactly one year after the authorities destroyed the last surviving prerevolutionary Armenian Apostolic church in Turkmenistan—had yet to be processed by the Ministry of Fairness.[19]

Independent Media

1999	2001	2002	2003	2004	2005	2006	2007
7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00

Claiming that only North Korea was a greater violator of press freedom, in 2006 the Paris-based NGO Reporters Without Borders ranked Turkmenistan 167th out of 168 nations in its annual worldwide Press Freedom Index.[20] All media in Turkmenistan were controlled by the state and were devoid of independent information. President Niyazov was the formal founder of the country's 10 registered newspapers and 5 registered journals and personally appointed all editors, who were answerable to him. There was a single information agency (TDH), which had a monopoly on the information provided to Turkmenistan's mass media. Despite the blatant lack of press freedom, in October 2006 a massive book-shaped building called the House of Free Creativity was completed to house the country's press.

The three state television channels and two state radio stations functioned strictly as mouthpieces for government propaganda. A fourth television channel,

the multilingual satellite television service TV-4 Turkmenistan, broadcast programs in Turkmen and in six foreign languages: English, Chinese, Russian, French, Arabic, and Persian. TV-4, which was created in 2004 at an estimated cost of US$12 million, was a major propaganda effort undertaken to improve Turkmenistan's international image.

Foreign journalists were rarely allowed to enter the country, and those who did gain entry were closely monitored by the State Service for the Registration of Foreigners. In 2005, a correspondent for the Russian news agency ITAR-TASS was arrested, accused of espionage, and given a 15-year prison sentence before ultimately being deported to Russia.[21] In March 2006, the sole remaining accredited foreign correspondent in Ashgabat, who also worked for ITAR-TASS, lost her accreditation as a result of covering the controversial pension reform.[22]

In May 2006, the authorities banned local journalists from all contact with foreigners unless specifically permitted.[23] Local journalists were subject to arrest and violence. In September 2006, a correspondent for the Turkmen Service of the U.S.-sponsored Radio Free Europe/Radio Liberty, Ogulsapar Muradova, died in prison following her conviction in August on charges of illegally possessing ammunition. Although Turkmen officials maintained that she had died of natural causes, Muradova was widely believed to have suffered fatal blows to the head while in custody. Her death precipitated protests from a number of international human rights bodies, the OSCE, the U.S. State Department, and the French Foreign Ministry.

Cable television—which had provided access to Russian channels and acted as the country's main source of alternative information—was banned in July 2002 after Russian television broadcast footage of poverty in Turkmenistan. During the same month, Turkmenistan's Ministry of Communications halted the import of Russian newspapers and magazines, citing high airmail delivery rates. In July 2004, Turkmen authorities suspended the transmission of Russia's Radio Mayak, which was highly popular in Turkmenistan and acted as one of the last independent media sources in the country aside from a few foreign broadcasts on shortwave radio directed at Turkmen listeners. Satellite dishes were still tolerated and in widespread use in the capital city but were prohibitively expensive for the vast majority of the population.

In April 2005, the government took further steps to limit freedom of information and obstruct communication with the outside world by prohibiting the importation and circulation of all foreign print media, including those produced in neighboring countries.[24] In the same month, Turkmenistan refused to extend the licenses of international shipping firms and express couriers, arguing that the state postal service was less costly and more reliable.[25] Inhabitants of Turkmenistan received no information from government media on the regime changes that occurred in 2003–2005 in Ukraine, Georgia, and Kyrgyzstan or on the seizure of government buildings by insurgents and the subsequent shootings of unarmed civilians by government troops in the Uzbek city of Andijan in May 2005, with the result that much of the country's (particularly rural) population remained ignorant of the momentous changes occurring in other post-Soviet states.

All access to the Internet was strictly controlled by the country's sole Internet provider, Turkmen Telecom. Blocked access to a growing number of Web sites critical of government policy as well as high fees had successfully restricted use of the Internet to a small number of companies and international organizations. In 2006, Reporters Without Borders claimed that less than 1 percent of Turkmenistan's population was online. Calling it "one of the world's least connected countries," that organization cited Turkmenistan as 1 of 13 states in the world considered to be "enemies of the Internet."[26] At the end of 2006, there were no Internet cafés in the country, and public access to the Web was restricted to a handful of resource centers run by U.S.-funded organizations in Ashgabat and other major cities. However, school directors and educational authorities reportedly discouraged students and other members of the public from visiting the centers, where warnings were visibly displayed prohibiting the use of Web sites banned by the Turkmen Ministry of Communications (primarily opposition Web sites and Russian sites systematically publishing information critical of Turkmenistan).[27]

Local Democratic Governance

1999	2001	2002	2003	2004	2005	2006	2007
n/a	n/a	n/a	n/a	n/a	7.00	7.00	7.00

In 2006, executive power in Turkmenistan's five *velayats* (regions) and in the city of Ashgabat was still vested in the *hakims* (governors), who were appointed by the president to execute his instructions (elections to 80-member *velayat*-level people's councils, which will be empowered to elect regional governors, were scheduled for December 2007). On December 3, 2006, elections were held to the largely decorative 40-member district and city people's councils (*halk maslakhaty*) for the first time in the post-Soviet era. In the villages, the 1992 Constitution had provided for the replacement of local soviets by councils (*gengeshes*), whose members were directly elected for five-year terms. The 625 *gengeshes* were administered by *archins*, who were elected from among their respective memberships for three-year terms.

Perhaps more significant than the creation of new local people's councils under an October 2005 constitutional amendment was the transfer of the right to appoint regional, district, and city *hakims* from the president to the respective councils, which were henceforth to elect governors from among their memberships in an open ballot, by a simple majority vote, as was already the practice for village councils. Although in a less totalitarian state this transfer of power might have been hailed as a major step toward the devolution of authority from the center to local organs of government, in Niyazov's Turkmenistan all candidates for election to official posts were carefully vetted in a preelection screening process designed to weed out any potentially disloyal deputies.

Although the president was no longer to directly appoint regional governors, it was unclear whether or not he retained the right to dismiss them, since according

to the new phrasing of the relevant constitutional article (Article 79), "the *hakims* are representatives of the president of Turkmenistan, the head of state, in the regions, and are accountable to him."[28] (The new people's councils, by contrast, were accountable to the people.) If the president did indeed retain the power to dismiss the elected governors, then the new reform of local government would be rendered virtually meaningless. Moreover, the president was empowered to approve the nominations for governors that are put forth by the councils, thereby greatly diminishing any decentralizing effect.

In Turkmenistan, councils were charged with collecting taxes and deciding matters of local concern as well as acting as the guardians of local customs and moral standards.[29] In a practice that detrimentally affected the development of small and medium-size businesses, local authorities required both state enterprises and private firms to make regular payments toward the maintenance and improvement of cities and towns. However, private businesses were reported to bear the brunt of the costs for improvement projects, such as landscaping, asphalting, and the erection of signs.[30]

Tribal identities remained strong in Turkmenistan and continued to play an important role in Turkmen society and informal local politics. The largest tribes were the Tekke in south-central Turkmenistan (Ahal Tekke and Mary Tekke), the Ersary near the region of the Turkmenistan–Afghanistan border, the Yomud in western and northeastern Turkmenistan, and the Saryks in the southernmost corner of the country. Unlike in parts of Africa, for example, where both formal and informal tribal associations have played a significant role in political mobilization and local governance, in Turkmenistan tribalism manifested itself primarily in social practices, such as the maintenance of preferential networks, endogamy, and the persistence of dialects. Virtually all Turkmen had at least a minimal knowledge of their own tribal affiliation, which was still a relatively reliable indicator of birthplace.

However, the exit of the Russian nomenklatura following the collapse of the USSR led to a gradual resurgence of traditionally minded regional elites vying for their economic interests, which in turn prompted Niyazov to rely more and more on a policy of divide and rule with regard to tribal/regional politics. Although a sense of national identity was being promoted at the state level, *hakims* were often, although not always, members of the tribe that was dominant in their respective regions. A disproportionate number of influential positions in central and regional government tended to go to members of Niyazov's own tribe, the Ahal Tekke.

Since 2000, the government was engaged in the systematic dismantling of key areas of the public sector, effectively undermining local government in the important spheres of education, health care, and social security, with serious repercussions for the rural population in particular. The majority of children in Turkmenistan no longer had adequate access to education. In many rural schools, it was estimated that one-half of classroom time was allocated to the study of Niyazov's quasi-spiritual guide, the *Ruhnama,* and other writings devoted to furthering his personality cult. In addition, students needed to demonstrate knowledge of the *Ruhnama* in order to be admitted to higher educational

establishments. Over 12,000 teachers had been made redundant through a 2000 presidential decree, including those with degrees from foreign universities, which were no longer recognized.[31] Class sizes had increased and facilities had deteriorated as state funds earmarked for education diminished.[32] The number of student places in institutes of higher education had been reduced by nearly 75 percent, and primary and secondary education had been reduced from 11 to 9 years (a circumstance that complicated the entry of Turkmen students into foreign universities). Only those who had completed two years of work experience after leaving school were allowed to go on to higher education, and the term of higher education had been reduced to just two years. There were no graduate courses. All correspondence and evening courses had been liquidated. The steady dismantling of the education system put in doubt the ability of the next generation of Turkmen to compete successfully in the global market.

In addition to the education sector, health care services in Turkmenistan had been systematically undermined. In March 2004, 15,000 skilled health care workers (including doctors, nurses, midwives, and medical attendants) were dismissed and, in some cases, replaced by untrained military conscripts. In addition, the March "reforms" introduced fees for specialist services that had previously been free of charge, making treatment unaffordable for many patients.[33] In what could portend a public health catastrophe, in February 2005 President Niyazov announced a plan to close all hospitals outside Ashgabat, claiming that regional hospitals were "not needed." Under Niyazov's proposals, citizens in the country's regions were to visit medical diagnostic centers—which required payment for services—to obtain prescriptions and general advice, while those in need of hospitalization or specialist care were to be compelled to travel to Ashgabat.[34] Hospital closures would affect those in remote rural regions first and foremost, since both distance and the cost of travel would deprive many of the possibility of receiving both emergency and specialist medical treatment. The restrictions on movement within the country made it difficult for outside experts to determine how many hospitals had been closed since Niyazov's announcement.[35] However, by late 2006 all rural district hospitals were reported to have closed, although hospitals in district centers, which offered some specialist care, continued to operate.[36]

Judicial Framework and Independence

1999	2001	2002	2003	2004	2005	2006	2007
6.75	7.00	7.00	7.00	7.00	7.00	7.00	7.00

On May 18, 1992, Turkmenistan's Parliament adopted a new Constitution—the first Central Asian state to enact such a document after the dissolution of the USSR. The Constitution guaranteed in theory the protection of basic rights and liberties, equality under the law, and the separation of religion and state. Amendments had been made to the Constitution since its original adoption, including eliminating

the two-term limit for the president, prohibiting citizens from Turkmenistan from holding dual citizenship, and redefining the status and function of the People's Council. In 2005, the Constitution was amended to provide for the election of regional, city, and district people's councils and their governors. In late 2006, the Constitution was amended to enable a deputy prime minister to act as president in the event that the latter could not perform his duties, thereby legitimizing *post factum* the appointment of Deputy Prime Minister Berdymukhammedov to the post of interim president following Niyazov's death in late December.[37]

Unchanged since the Soviet era, the court system in Turkmenistan consisted of a Supreme Court, 6 regional courts (including 1 for the city of Ashgabat), and, at the lowest level, 61 district and city courts. In addition, the Supreme Economic Court heard all commercial disputes and cases involving conflicts between state enterprises and ministries. Because all military courts were abolished in 1997, criminal offenses committed by military personnel were tried in civilian courts under the authority of the Office of the Prosecutor General. Although formally independent, the court system had no impact on the observance of human rights but rather acted as an important instrument of repression for the regime.

The president appointed all judges for five-year terms without legislative review. The Office of the Prosecutor General dominated a legal system in which judges and lawyers played a marginal role. As in the former Soviet Union, convictions were based on confessions that were sometimes extracted by forcible means, including the use of torture and psychotropic substances.

Despite its accession to a number of international human rights agreements, which theoretically took precedence over state law, Turkmenistan had perhaps the poorest human rights record of any former Soviet republic. In addition to the OSCE, the Office of the United Nations High Commissioner for Human Rights, the U.S. Congress, and the UN General Assembly had all adopted separate resolutions condemning Niyazov's regime for its human rights violations. In October 2006, the International Trade Committee of the European Parliament voted to stop consideration of an interim trade agreement until Turkmenistan took specific steps to improve human rights, including realigning the educational system with international standards, releasing all political prisoners, and abolishing government restrictions on travel abroad.[38]

Arbitrary arrest and detention remained a widespread practice in Turkmenistan, despite laws prohibiting it. Prison riots were a relatively common occurrence, apparently provoked by inhumane conditions. The Turkmen government admitted to chronic overcrowding in cells, which led to prisoners being stifled to death in extreme summer heat. Food and water remained in short supply and prisoners were not generally provided with medical aid. Poor sanitary conditions precipitated outbreaks of cholera, tuberculosis, and other infectious diseases. Human rights organizations reported that inmates were routinely beaten and tortured. Turkmen authorities refused to grant the International Committee of the Red Cross unaccompanied access to prisons, despite a visit from the vice president of that body in June 2005 for the purpose of attempting to hash out an agreement.[39] In October

2006, under an annual amnesty mandated by a 1999 law and presidential decree, the government released an estimated 10,056 inmates, bringing the number of amnestied persons since 1999 to some 250,000.[40] Although individuals convicted of serious crimes were theoretically ineligible for amnesty, those who could pay bribes—excluding political prisoners—were generally freed, regardless of the type of crime for which they were imprisoned. Although the annual amnesties served temporarily to relieve overcrowding, prisons quickly filled up again owing to the overall high number of arrests.

In 1999, Turkmenistan became the first country in the Commonwealth of Independent States to embark upon the establishment of a visa regime inside the territory of the former USSR, by withdrawing from the so-called Bishkek accord, which had established visa-free travel for citizens of the CIS. It also required its own citizens to obtain exit visas, often at considerable expense, to travel to foreign states, including neighboring CIS countries. Although the requirement for Turkmen citizens to obtain exit visas was temporarily suspended amid much publicity in January 2002, it was restored in March 2003 in the wake of the November 2002 attempted coup. However, in January 2004 the exit visa regime for citizens of Turkmenistan was again abolished, although in its stead the government implemented a number of unofficial measures to prevent free travel, such as the drawing up of an extensive "blacklist" of citizens who were prohibited from leaving the country, the arbitrary confiscation of passports, and the closure of border checkpoints. According to the opposition Web site Gundogar.org, in November 2006 new rules were introduced governing foreign travel for Turkmen citizens, rendering the "blacklist" obsolete. Citizens wishing to leave Turkmenistan, either temporarily or permanently, were henceforth required to show border guards and customs officials a document obtained from their local police department giving them official permission to travel abroad. Such documents were reportedly not issued to, *inter alia*, applicants with criminal records, knowledge of state secrets, or contacts with international organizations such as the UN or OSCE.[41] Impediments also existed to travel within Turkmenistan, owing to frequent roadblocks, checkpoints, and document checks throughout the country, and invariably upon entering or exiting cities by automobile.

In line with other post-Soviet states, Turkmenistan accorded a de facto higher status to its titular population, ethnic Turkmen, and legitimized the adoption of policies and practices that promoted their specific interests. (According to 2003 statistics, ethnic Turkmen constituted 85 percent of Turkmenistan's population, ethnic Uzbeks 5 percent, ethnic Russians 4 percent, and other ethnic minorities the remaining 6 percent.)[42] In 2000, Turkmen was introduced as the language of instruction in all the country's schools, including in regions where ethnic Uzbeks or Kazakhs were preponderant. Higher education and jobs in the public sector were effectively closed to non-Turkmen. Senior state officials needed to demonstrate ethnic purity by tracing their Turkmen ancestry back several generations. Members of ethnic minorities were not allowed to apply for positions in the judicial system, in law enforcement and security agencies, or in financial and military organizations.

Job applicants were required to fill out a personal information form, a practice that enabled employers to deny jobs to non-Turkmen as well as to those with foreign qualifications or criminal records. In addition to fluency in Turkmen, knowledge of the *Ruhnama* was a requirement for work in the public sector, which remained the main supplier of jobs.[43]

These discriminatory practices particularly affected ethnic Uzbeks. From 2002, several thousand people, primarily ethnic Uzbeks, were forcibly relocated from the Turkmenistan-Uzbekistan border areas to desert regions in northwestern Turkmenistan. This policy presumably served the dual purpose of reducing irredentist sentiment among Uzbeks in Turkmenistan and increasing population density in scarcely populated regions of the country. Like Russian and Kazakh schools, schools with Uzbek as the primary language of instruction were gradually forced to switch over to Turkmen. Moreover, by the end of 2004 virtually all ethnic Uzbeks in high- and middle-level administrative positions in Dashoguz *velayat,* located on the Uzbek-Turkmen border, had been removed from their positions. Even in areas of Turkmenistan where ethnic Uzbeks constituted the majority of the population, they no longer served as district governors, farm chairmen, or school principals.

Corruption

1999	2001	2002	2003	2004	2005	2006	2007
6.00	6.25	6.25	6.25	6.25	6.50	6.75	6.75

In its Corruption Perceptions Index for 2006, Transparency International ranked Turkmenistan as one of the most corrupt countries in the world, giving it a score of 2.2 (with 10 "highly clean" and 0 "highly corrupt"). Only two other Eastern European/Central Asian countries ranked in its index were perceived as more corrupt than Turkmenistan: Belarus and Uzbekistan (both of which received scores of 2.1).[44]

Rather than by the rule of law, the actual dispensation of power in Turkmenistan is determined by the vast machinery of patronage that has created local constituencies and regional alliances. Political elites have traditionally built up local power bases by allocating key posts and opportunities to their loyalists. These informal networks, which have survived the demise of the Soviet system, are frequently referred to as "clans," although they are based on patron-client relationships, often with links to extended families, rather than on actual blood ties. The existence of patronage networks as the basis of power has inevitably given rise to a political culture of bribery, nepotism, and embezzlement. Significantly, senior officials in the central government as well as regional governors have direct access to state revenues, which they use to buy the loyalty of subordinates.

Turkmenistan has continued to act as an important transshipment point for illicit drugs from Afghanistan to Western Europe. According to a report on counternarcotics policy in Central Asia published by the Central Asia-Caucasus

Institute in Washington, D.C., some 25 to 30 percent of Afghan drugs are trafficked through Turkmenistan.[45] Turkmen authorities have rebuffed initiatives on cooperation to combat drug trafficking and since 2000 have refused to provide any data on drug seizures to the United Nations Office on Drugs and Crime.[46] The narcotics trade has been a significant source of income to a number of government officials, including employees of the security agencies and the border service.[47]

Although the overall turnover rate of officials in Niyazov's Turkmenistan was extremely high, senior regional officials in particular tended to remain in their positions for very short periods, generally for less than a year. Given their brief tenure in office, *hakims* were inclined to give low priority to solving the problems of their respective regions, preferring instead to use their short time in power to amass personal economic benefits. At the end of November 2006, President Niyazov publicly removed the governors of three of Turkmenistan's five regions (Lebap, Dashoguz, and Mary) for falsifying data on the winter wheat and cotton crops. Only a month earlier, at the end of October, the governors of Turkmenistan's remaining two regions (Ahal and Balkan) had been removed for similar "shortcomings." All five governors had reported complete fulfillment of the winter wheat sowing campaign, although in reality less than half of the targeted wheat was sown in total. While the sacking of governors was a common occurrence in Turkmenistan, the virtually simultaneous firing of all five regional *hakims* was without precedent. Niyazov's announcement in November that "there will not be enough bread for everyone in 2007" as a result of the agricultural crisis contributed to the panic buying and bread shortages already in evidence in many parts of the country.[48]

During the final years of Niyazov's rule, drastic cuts in pensions,[49] massive redundancies in government jobs, the introduction of fees for medical services, and the use of military conscripts as a source of free labor in various sectors of the economy all indicated that the state was having difficulty funding its huge public sector, despite official reports of record foreign trade surpluses. Although President Niyazov sought to pin the blame for budget shortfalls on his subordinates by accusing them of mass embezzlement, a more likely explanation was the continued diversion by Niyazov of ever larger sums from gas, oil, and cotton revenues to a special presidential fund, which was located in European (primarily German) and other bank accounts. The Foreign Exchange Reserve Fund, which did not form part of the state budget and was under Niyazov's personal control, was estimated to be worth US$2 billion to US$3 billion, with export revenues providing its main source of inflow.[50] In June 2006, the European Bank for Reconstruction and Development warned that funds in the Turkmen central bank—on whose behalf the German Deutsche Bank managed the accounts, were in fact controlled by Niyazov, under the "discretionary control of the president without proper regulation and transparency." Even before Niyazov's death at the end of December 2006, Deutsche Bank had come under pressure from exiled opposition groups over its holding of the accounts controlled by Niyazov, including allegations of violations of EU banking standards on transparency.[51]

A significant portion of the Foreign Exchange Reserve Fund was used to subsidize prestige construction projects commissioned by the president. By late 2006, an estimated US$3 billion had been spent since independence on such projects, including a palace of congresses and arts, an independence park, two stadiums, a national museum, a series of luxury hotels, a horse-racing center, a national theater of music and drama, a new library and exhibition center, a children's attraction park, an aquarium, a zoo, a funicular railway, and Central Asia's largest Olympic-standard indoor water sports complex. The construction of Central Asia's largest mosque, located in Niyazov's hometown of Gipchak, was estimated to have cost US$86 million. Some of Niyazov's more extravagant projects included the construction of a gigantic artificial lake in the Karakum Desert, with a planned capacity of twice that of Central Asia's entire reservoir, and a nearly 11-kilometer artificial river and water park crossing the desert capital of Ashgabat. In May 2006, work was completed on a US$21.5 million palace made of ice in Ashgabat, despite the fact that temperatures regularly reached above 40 degrees Celsius. At the end of 2006, Acting President Berdymukhammedov stated that the new Turkmen government would complete the construction projects begun under Niyazov and undertake new ones that "will improve the quality of life" of Turkmenistan's citizens.

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Ukraine

by Oleksandr Sushko and Olena Prystayko

Capital: Kyiv
Population: 47.1 million
GDP/capita: US$6,810
Ethnic Groups: Ukrainian (77.8%), Russian (17.3%), Belarusian (0.6%), Moldovan (0.5%), Crimean Tatar (0.5%), Bulgarian (0.4%), Hungarian (0.3%), Polish (0.3%), Romanian (0.3%), other (2.0%)

The economic and social data on this page were taken from the following sources:

GDP/capita, Population: *Transition Report 2006: Finance in Transition* (London, UK: European Bank for Reconstruction and Development, 2006).

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Nations in Transit Ratings and Averaged Scores

	1999	2001	2002	2003	2004	2005	2006	2007
Electoral Process	3.50	4.00	4.50	4.00	4.25	3.50	3.25	3.00
Civil Society	4.00	3.75	3.75	3.50	3.75	3.00	2.75	2.75
Independent Media	5.00	5.25	5.50	5.50	5.50	4.75	3.75	3.75
Governance*	4.75	4.75	5.00	5.00	5.25	n/a	n/a	n/a
National Democratic Governance	n/a	n/a	n/a	n/a	n/a	5.00	4.50	4.75
Local Democratic Governance	n/a	n/a	n/a	n/a	n/a	5.25	5.25	5.25
Judicial Framework and Independence	4.50	4.50	4.75	4.50	4.75	4.25	4.25	4.50
Corruption	6.00	6.00	6.00	5.75	5.75	5.75	5.75	5.75
Democracy Score	4.63	4.71	4.92	4.71	4.88	4.50	4.21	4.25

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

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

Executive Summary

After the change of regime in late 2004, Ukraine experienced dramatic challenges that posed questions about the nature of political development in the country. Since the Orange Revolution, Ukraine reconfirmed the nation's positive trend toward pluralistic democracy, human rights, and media freedom, but the transition process remains incomplete, and the efficiency of Ukraine's democratic governance is still doubtful. Since independence in 1991, Ukraine has witnessed four presidential (1991, 1994, 1999, 2004) and four parliamentary (1994, 1999, 2002, 2006) elections. Now, the third president and the fifth Parliament are in power. The Constitution, adopted in 1996, was amended in 2004, introducing in 2006 a new model of power, with a stronger role for the Parliament and decreasing the power of the president. This model remains unique in Europe, providing a "dual executive" that is dependent on both the president and the parliamentary majority. Viktor Yushchenko, the third president of Ukraine, has been in power since 2005. The new Parliament was elected in March 2006 by proportional vote, which replaces the mixed 50-50 majoritarian-proportional electoral system previously used.

Ukraine's economy is growing steadily, and the gross domestic product growth increased from 2.4 percent in 2005 to 7 percent in 2006. Real monthly wages increased from US$180 as of late 2005 to approximately US$210 as of late 2006, which slightly out paces the 11 percent inflation rate. Media freedom proved to be sufficient for the time being: No censorship or government pressure on the media was detected in 2006. However, the Ukrainian media sector still needs strengthening, restructuring, and systemic reforms. The influence of political and economic groups in the media sphere remains strong, and public television has not yet been introduced. The government of Ukraine is divided, with the parliamentary coalition representing both President Yushchenko and opposition forces. Former Yushchenko rival Viktor Yanukovych, who lost in the presidential elections of 2004, was appointed prime minister in August 2006 by a parliamentary majority. In 2006, Ukraine stayed the course toward democracy, but the country's transformation is still incomplete.

National Democratic Governance. On January 1, 2006, a new constitutional model of governance was introduced in Ukraine. Formally, the new model is closer to those in other Central and Eastern European countries and stipulates a substantially stronger role for the Parliament and government and limitations on the president's powers. At the same time, the new model introduces a risky "dual executive" approach that lacks an efficient system of checks and balances. It

also allows for a divided government preoccupied by internal fights for real power, incapable of implementing sustainable policies. The new regime has proved to be substantially more transparent and democratic than the previous one. However, stable and mature institutions ensuring the rule of law and the irreversibility of democratic changes have not yet been built. The political forces that supported the Orange Revolution in 2004 reconfirmed their credibility in the parliamentary elections of March 2006, winning a majority in the new Parliament. However, long-term intrigues surrounding the creation of the "Orange Coalition" and, finally, the shift of the Socialist Party toward an alliance with the Party of Regions led by Viktor Yanukovych opened a way for the return to power of the political group that was thrown out of government following the dramatic events of 2004. The situation in Ukraine during 2006 was complicated by the permanent fight for power between presidential and governmental branches of the executive. *The encroaching dysfunction caused by the president and prime minister being at loggerheads and the increasing unpredictability in the country's application of law have thwarted governance, so Ukraine's rating for national democratic governance worsens from 4.50 to 4.75.*

Electoral Process. The parliamentary elections took place on March 26, 2006, along with elections for local and regional councils and mayors of cities and villages. According to reports by major international observation missions, the elections were free and fair. Some Western observers considered this election as the most open and democratic in Ukraine since independence and the most fair in the whole Commonwealth of Independent States (CIS) in recent years. Electoral law amendments passed by the Parliament on March 14 provide extra compensation for election commission members, broaden the categories from which commission members can be recruited, and allow commission members to cast their ballots in the polling station where they work on election day. For the first time, national, regional, and local elections were held according to a proportional voting system, which replaces the mixed 50–50 majoritarian-proportional vote (for the Parliament) and majoritarian vote (for local and regional councils) previously used. The government did not interfere in the process: Parties enjoyed equal access to media, and no administrative barriers to political activity were detected. At the same time, some irregularities took place—namely, late openings of polling stations, overcrowding in polling stations, and missing names on voters lists. Observers indicated more irregularities during local elections, and some mayoral election results were canceled by the courts. Five political forces passed the 3 percent threshold to gain seats in the Parliament: Party of Regions (32.12 percent), Bloc of Yulia Tymoshenko (22.27 percent), Our Ukraine (13.94 percent), Socialist Party of Ukraine (5.67 percent), Communist Party of Ukraine (3.66 percent). *Owing to the free and fair nature of the March 26 parliamentary elections, Ukraine's rating for electoral process improves from 3.25 to 3.00.*

Civil Society. Ukraine's civil society continues to be an important factor in domestic politics; however, the third sector remains dependent on imperfect legislation and

foreign funds. Current authorities do not interfere by levying permanent taxes, accusing nongovernmental organizations (NGOs) of serving foreign powers, or creating additional barriers and obstacles to NGO activity. At the same time, the overall public environment surrounding NGOs is worsening, as the ruling Party of Regions expresses no positive sentiments toward civil society groups and considers them representatives of the other side of the political spectrum. Public participation in civil society is stagnating compared with the situation in the first months after the Orange Revolution, and only a few established civic councils at the executive bodies provide regular and vocal input. In November, the new minister of justice, Oleksandr Lavrynovych, announced that according to the ministry's inquiries, at least 10 percent of registered Ukrainian NGOs do not actually exist and that inquiries will continue. The Parliament failed again to provide essential improvements to outdated NGO legislation. *Ukraine's rating for civil society remains at 2.75.*

Independent Media. Media freedom in Ukraine proves to be sufficient at the national level, but the local and regional media sectors still lack restructuring and real independence. Citizens currently enjoy wide-ranging pluralism in both electronic and print media. Governmental censorship was not detected; however, there were some reports that local authorities had attempted to censor media (for instance, in Kyiv and Lugansk oblast). Nationwide television channels in most cases provided balanced news coverage; representatives of the ruling parties as well as the opposition had equal access to the media. Most nationwide media are privately owned by leading financial and industrial groups, which provides a basis for the misuse of media, especially during election campaigns, and conflicts around large business properties. Many regional and local TV channels, radio stations, and newspapers remain in the hands of state bodies and administrations. The process of public television formation has been practically blocked. The advertising market is growing slowly, which restricts the development of an independent media sector. Some new independent media projects emerged as a result of growing Western investment in Ukrainian media. Russian print media continue to have an essential stake in the Ukrainian media market. Some of these demonstrate neutral and professional journalism (for example, *Kommersant*), but most express an ideological bias. *Ukraine's rating for independent media remains at 3.75.*

Local Democratic Governance. Administrative and territorial reforms were initiated in Ukraine in 2005. Their enactment and implementation were postponed until after the 2006 parliamentary and local elections, but no progress was made to put these initiatives into practice in 2006. A draft Law on Introduction of Changes to the Constitution of Ukraine on Improvement of the System of Local Government (#3207-1) was brought before the Constitutional Court of Ukraine. Although the new government, created on the basis of the Anticrisis Coalition (members are: Party of Regions of Ukraine, Socialist Party of Ukraine and Communist Party of Ukraine), stated the need for strengthening the role of local self-government,[1] it did not propose any alternative reform strategy in this sphere. Parliamentary and

local election campaigns were held simultaneously on March 26, 2006, according to a new proportional election system. The new system consolidated the political players on the upper parliamentary level, but not yet at the local level, which prevented some local leaders who were not members of any party from taking part in the elections. This diminished the quality of the local elections. In spite of the enthusiastic initiatives of 2005, attempts to reform the local governance system did not continue in 2006. Without first eliminating the shortcomings of the existing unbalanced local governance system, the 2006 election campaigns deepened the problem with ambiguities introduced by the new election system. *Ukraine's rating for local democratic governance remains at 5.25.*

Judicial Framework and Independence. The Ukrainian Constitution's new wording did not alter the 1996 Constitution regarding fundamental political, civil, and human rights, including freedom of expression, freedom of conscience and religion, freedom of association, and business and property rights. At the beginning of 2006, the judicial system was represented with 766 general courts and around 8,000 judges. Although large, the Ukrainian judicial system is frequently inefficient; there were also examples of the misuse of judicial power in 2006. These practices are rooted in old problems of the Ukrainian judicial system, such as corruption, lack of respect for court decisions and the judicial system as a whole, lack of finances, and a nontransparent and inefficient process for appointing judges. These long-standing problems have made reforms necessary, and attempts at judicial reform were made in 2006. On March 20, President Yushchenko adopted the Action Plan for 2006 on Improvement and Providing Fair Judicial Framework in Ukraine According to the European Standards. On May 10, the National Commission within the Ministry of Justice on Strengthening Democracy and Providing Rule of Law adopted the Concept of Improvement of Judicial Framework and Providing Fair Court Proceedings in Ukraine. At the same time, these reforms were met with strong resistance by acting judges at all levels, and the proper, timely implementation of the concept is doubtful. The 2006 attempts at judicial reform did not take on a systematic and comprehensive character. Ukraine's past Soviet shortcomings remained almost unchanged, which could hamper any further attempt to reform the judicial system. *Owing to a dysfunctional, bloated, and inefficient system and the slow progress of reforms, Ukraine's rating for judicial framework and independence worsens from 4.25 to 4.50.*

Corruption. The 2006 parliamentary elections and months-long process of creating a coalition government under the new constitutional amendments placed corruption in Ukraine on the back burner, reflecting a backslide into the higher corruption rates prior to 2005. In the Ukrainian business sphere, corruption almost reached the high 2004 level, yet receiving a service in return for corrupt practices became much less certain. There were efforts to initiate anticorruption legislation in 2006, but none was systematic. The president's initiatives against corruption did not gain the necessary support of the government and the Parliament, contribut-

ing little to the fight. Likewise, little has been accomplished in the area of financial disclosure and disallowing conflicts of interest among state officials. The 2005 initiatives to divide state power and business did not gain further traction in 2006. There were attempts to strengthen the state's involvement in Ukraine's economic life aimed at reshaping property rights in favor of the state. *Owing to the backward slide in corruption to higher, pre-2005 levels, which was mitigated only slightly in 2006 by lackluster anticorruption efforts by the president and government, Ukraine's rating for corruption remains at 5.75.*

Outlook for 2007. After the democratic parliamentary elections on March 26, 2006, Ukraine entered a period of uncertainty determined by the country's unprecedented cohabitation of different political forces in power, which will affect political life during 2007. Permanent disputes between the camps of the president and the prime minister, attempts to extend the ruling coalition in the Parliament, and difficult consolidation and restructuring processes within the opposition will hamper further democratic reforms as the major efforts of political players will be concentrated on the fight for power. No regular elections are scheduled for 2007. The overall prognosis for 2007 is uncertain owing to the unpredictable effects of constitutional changes on Ukrainian politics. It is unlikely that there will be any deep and systemic reforms at national and local levels in the areas of rule of law, democratic governance, media, justice, and the like. At the same time, a reverse trend toward authoritarianism is not a realistic scenario.

Main Report

National Democratic Governance

1999	2001	2002	2003	2004	2005	2006
n/a	n/a	n/a	n/a	n/a	5.00	4.50

Beginning January 1, 2006, a new constitutionally mandated model of governance was introduced in Ukraine, following earlier constitutional amendments approved by the Parliament on December 8, 2004. Formally, the new model of governance is closer to those in other Central and Eastern European countries, stipulating a substantially stronger role for the Parliament and government and limitations on the president's powers. At the same time, the new model introduces a risky "dual executive" approach that lacks an efficient system of checks and balances. This dual executive also risks creating a divided government preoccupied by the internal fight for real power and incapable of implementing sustainable policies. Therefore, despite the fact that the new wording provides a more pluralistic and democratic model of power than what was previously enshrined in the Constitution from 1996 to 2005, the overall system of national governance may lead Ukraine further away from the principles of good governance and efficient checks and balances.

This ambivalent trend became visible during April–July 2006, when political parties failed to create a democratic and sustainable government based on a majority coalition. The political forces that supported the Orange Revolution in 2004 reconfirmed their credibility during the parliamentary election in March, securing a majority of seats in the new Parliament, but the lack of trust between President Yushchenko (leader of the Our Ukraine bloc) and former prime minister Yulia Tymoshenko (whose Bloc of Yulia Tymoshenko [BYT] took the lead among the "Orange" part of the political spectrum with 22 percent of votes) made it impossible to create a sustainable coalition despite long-term official negotiations and informal consultations.

Ultimately, the three "Orange" forces—Our Ukraine, the BYT, and the Socialist Party—signed a late June coalition agreement and stipulated the appointment of Yulia Tymoshenko as prime minister and the representative of Our Ukraine as Speaker of the Parliament. However, after unofficial talks some days later, the Socialist Party changed its position, and party head Oleksandr Moroz was appointed Speaker of the Parliament on July 6 with support from the largest faction in the Parliament, the Party of Regions. The Socialists withdrew their signatures in the coalition agreement with the BYT and Our Ukraine and created the Anticrisis Coalition together with the Donetsk-based Party of Regions and the leftist Communist Party of Ukraine. The unexpected shift of the Socialist Party toward an alliance with the Party of Regions, led by Viktor Yanukovych, opened a way for the

political group to return to power after it was thrown out of the government in the wake of the dramatic events of late 2004.

On August 4, the Parliament appointed Viktor Yanukovych, leader of the Party of Regions, as prime minister of Ukraine. Yanukovych was a rival of Yushchenko in the 2004 presidential elections, which were followed by the Orange Revolution. At that time, his team was accused of mass election fraud; however, neither Yanukovych nor any of his close allies in the matter was convicted of any charges.

Prior to the formation of the new government, the president, future prime minister, and Speaker of the Parliament signed the so-called Universal of National Unity, an informal consensus-based memorandum with a list of national policy priorities, including fast accession to the World Trade Organization, closer cooperation with NATO, and integration into the European Union. Later, the president, who initiated the document, accused his counterparts of ignoring its provisions.

With the president and prime minister belonging to different political camps, the formation of Yanukovych's government posed the challenge of "cohabitation." This was the first time that Ukraine had experienced this particular political phenomenon in the country's history, and the Constitution and existing laws provided insufficient mechanisms to deal with it. This inconsistency in national governance was clearly indicated in the different positions taken by the president and prime minister on the issue of Ukraine's eventual NATO membership. President Yushchenko urged the government to submit an application to join NATO's Membership Action Plan. However, while in Brussels in mid-September, the prime minister refused to do so, arguing that the Ukraine public was not ready for NATO membership for the time being. Currently, there is no consolidated position in Ukraine on the issue of NATO membership.

Until August 2006, Ukraine was without a functioning Constitutional Court owing to the refusal of the Parliament to swear in the members already appointed by the president and Congress of Judges, effectively preventing the Constitutional Court from forming a quorum as prescribed by law. Later, once a quorum was achieved and despite there being several cases submitted to the Court, the Constitutional Court failed to take any decision by year end.

The dual executive model urges the president to properly use the legitimate instruments of power vested in the position by the constitutional reform. The most important of these powers is the position of the president as head of the National Security and Defense Council (NSDC). The president has control over NSDC staff and a competence to issue decisions on NSDC matters that are then binding to all executive bodies. A new secretary of the NSDC, Vitaly Hayduk, was appointed in October 2006. The president also has the right to veto legislation from the Parliament and suspend acts of the Cabinet of Ministers. This right has been frequently used during conflicts with the ruling coalition. The new regime has proved to be more transparent and democratic than the regime of former president Leonid Kuchma. However, stable and mature institutions ensuring the rule of law and the irreversibility of democratic changes in Ukraine have not yet been built.

The current situation is complicated by the seemingly permanent fight for power between the presidential and governmental branches of the executive.

In 2006 Ukraine still lacked legislation mentioned in the country's Constitution but not yet adopted, such as laws on the president, the Cabinet of Ministers, the Parliament's temporary investigative and special commissions, pretrial inquiry bodies, and the Parliament's rules of procedure. Conflict around the Law on the Cabinet of Ministers (the president and government both presented their own draft versions) became a building block in a growing political crisis. The lack of clear legal provisions resulted in numerous conflicts after the Party of Regions gained control of the Cabinet of Ministers. One conflict centered on the "counterassignation" of presidential decrees: The Constitution says that some decrees should be confirmed by the prime minister's signature, but it is not clear whether the prime minister is obliged to sign decrees in every case or if he has the right to refuse.

During 2006, Ukraine showed no progress in the area of economic freedom. According to the 2006 Cato Institute report on economic freedom, Ukraine ranked 111 out of 130 countries with a score of 5.4, which is a bit worse than its rating in 2005 (5.5). Russia, Armenia, Georgia, and Azerbaijan all scored higher than Ukraine. In order to address a crisis in the grain market after the 2006 harvest, the Yanukovych government imposed severe restrictions on grain exports, which led to an evident conflict with exporters who failed to fulfill their contract obligations. The conflict was solved only after intervention by Western embassies. There is still a need to simplify the taxation system, and the government has expressed an intention to introduce new tax changes in the 2007 budget process.

The Ukrainian Parliament (Supreme Rada) is responsible for the executive (government) formation, and the current parliamentary majority (Anticrisis Coalition) is in fact in opposition to the president. President Yushchenko has lost all means to control the Parliament through administrative pressure, and his party (Our Ukraine) declared itself to be in opposition to the government after nonproductive attempts to create a "wide coalition" in August–September 2006.

Parliamentary sessions are broadcast live on the 1st Channel of the National Radio and TV channel Rada. Access to public information is regulated by the Law on Information of 1991, which is considered to be relatively good but lacks proper procedures for granting access to public documents, obtaining information from state officials, and so forth. In reality, however, access to important information is constrained by archaic bureaucratic practices.

The country's military and security services face gradual reforms and transformations. Defense Minister Anatoly Grytsenko, being an active supporter of Ukraine's membership in NATO, continued transparency and accountability reforms in line with aims fixed in the NATO-Ukraine Action Plan. The security service is less subject than other areas to public oversight reforms, and the old Soviet-minded security elite is still in place in Ukraine.

Electoral Process

1999	2001	2002	2003	2004	2005	2006	
3.50	4.00	4.50	4.00	4.25	3.50	3.25	3.00

Parliamentary elections took place in Ukraine on March 26, 2006, along with elections for local and regional councils and mayors of cities and villages. According to the reports of major international observation missions, these elections were free and fair. The environment surrounding the 2006 parliamentary elections was generally free of pressure, intimidation, or harassment against any political party or bloc or any specific parts of the electorate. Some Western observers noted that this election was the most open and democratic in Ukraine since independence and the most fair in the whole CIS in recent years.

In particular, the report of the Parliamentary Assembly of the Council of Europe (PACE) stated: "Parliamentary elections in Ukraine on 26 March 2006 were in general in line with OSCE Organization for Security and Cooperation in Europe and Council of Europe commitments as well as other international standards for democratic elections. Overall, fundamental civil and political rights were respected. This enabled voters to make an informed choice between distinct alternatives and to freely express their will on election day."[2]

The electoral law amendments passed by the Parliament on March 14, 2006, provide extra compensation for election commission members, broaden the categories from which commission members can be recruited, and allow commission members to cast their ballots in the polling station where they work on election day. Ukraine does not have a unified election code or a proper national database of voters.

The parliamentary election campaign was competitive and dynamic and was covered comprehensively by the media. This enabled parties and blocs to communicate their messages to voters. For the first time, national, regional, and local elections were held according to a proportional voting system, which replaced the mixed 50-50 majoritarian-proportional vote (for the Parliament) and majoritarian vote (for local and regional councils) previously used. Elections were administered by a three-tiered election administration consisting of the Central Election Commission, 225 District Election Commissions, and over 34,078 Precinct Election Commissions. Forty-five parties and blocs, with a total of 7,747 candidates, were registered for these elections by the Central Election Commission and reflected the entire political spectrum of Ukraine. Five political forces passed the 3 percent threshold and gained seats in the Parliament (see following table).

	Party/Bloc	% Votes	Number of Votes	Number of Seats*
1	Party of Regions	32.12	8,144,485	186
2	Bloc of Yulia Tymoshenko	22.27	5,648,345	129
3	Our Ukraine	13.94	3,536,459	81
4	Socialist Party of Ukraine	5.67	1,439,624	33
5	Communist Party of Ukraine	3.66	928,501	21
6	Bloc of Natalia Vitrenko: People's Opposition	2.93	743,125	
7	People's Bloc of Lytvyn	2.43	618,060	
8	Ukrainian People's Bloc of Kostenko and Plyushch	1.87	475,636	
9	Viche Party	1.74	443,559	
10	Civil Bloc: Pora-PRP	1.47	372,931	
11	Opposition Bloc: Ne Tak	1.01	256,836	

* Number of seats according to election results. Actual structure of the Parliament (as of November 2006) is as follows: Party of Regions, 186; Bloc of Yulia Tymoshenko, 125; Our Ukraine, 80; Socialist Party of Ukraine, 31; Communist Party of Ukraine, 21; nonfaction parliamentarians, 5. Total: 448. Note: Some MPs were fired from factions for violating regulations, which explains why these numbers differ slightly from the ones in the above table.

The government did not interfere in the election process, nor were there any detected administrative barriers to political activity. The parties enjoyed equal access to the media. At the same time, some irregularities took place—namely, late openings at polling stations, overcrowding in polling stations, and missing names on voters lists. International observers expressed concerns on these matters before the poll,[3] but not all problems were solved by election day. Observers indicated more visible irregularities during the local elections, and some of the mayoral election results were later canceled by the courts due to irregularities that took place prior or during election day.

Owing to the simultaneous elections, voters could cast up to five ballots on election day in national (parliamentary), regional (oblast councils), local (councils and mayors), and district (*raion*) elections. The PACE mission noted that holding local and regional elections on the same day as parliamentary elections had regrettably undermined the progress made in improving election efficiency and reiterated the proposal that local and regional elections be organized separately from parliamentary elections.[4]

While isolated, there were some incidents of pressure and intimidation during the campaign period. Cases of campaigning by government officials (not permitted by law) were reported, as were a small number of cases of administrative pressure. For example, employees of the Poltavagaz factory were bussed to a rally and threatened with job loss if they refused to participate. Also reported in Poltava, the director of School 29 forced teachers to campaign for the Party of Regions.[5]

The key concerns in the organization of election day were disorder at the precincts, including lines inside and in front of polling stations, especially during the first half of the day. These disruptions were caused largely by the time needed to issue ballots; with more than 40 candidates, most were extremely long (up to 80 centimeters—31.5 inches).

Regional and local elections used a proportional voting system from "closed lists," which proved to be an inefficient instrument to represent local community interests. Unreasonable politicization of local councils was evident in the first months after the elections. Owing to the lack of transparency of the party lists, a number of candidates with suspicious and even criminal pasts won seats on regional and local councils.

The parliamentary and local elections confirmed regional divisions in the political preferences of voters. For example, the Party of Regions won about 74 percent in Donetsk and the Lugansk oblasts in the east of Ukraine and only 2 percent in Ternopil and the Ivano-Frankivsk oblasts in the west. The BYT received about 44 percent in the Kyiv region (center of Ukraine) and Volyn oblast (west), but only 2.47 percent in Donetsk.

The mayoral reelections in Cherkasy, Kirovograd, and Chernihiv in November 2006 demonstrated a traditional set of irregularities and attempts to use the judiciary system for political infighting. The Kirovograd election was not completed until the end of 2006, as the city's electoral commission invalidated the earlier outcomes.

Civil Society

1999	2001	2002	2003	2004	2005	2006	2007
4.00	3.75	3.75	3.50	3.75	3.00	2.75	2.75

Ukraine's civil society is an important factor in domestic politics; however, the sector continues to be dependent on imperfect legislation and foreign funds. NGOs are still not authorized to sell services in order to support their activities, and grants and membership fees are their only legitimate sources of income. The current authorities have not created barriers to NGO activity, nor have they interfered in the third sector by levying permanent taxes or accusing NGOs of serving foreign powers. Ukrainian NGOs lack sustainable funding, which makes them dependent on grants from foreign foundations.

At the same time, the public environment surrounding NGOs is worsening, as the ruling Party of Regions has expressed no positive sentiments toward civil society groups, considering them representatives of the other side of the political spectrum. As most Ukrainian NGOs supported the Orange Revolution in 2004, the ruling party demonstrates a rather cool attitude toward the third sector. Furthermore, the government no longer makes promises to support NGOs or to improve legislation

and allocate budget funds for NGO activities. Leadership of the Cabinet of Ministers suspended the practice of inviting nongovernmental experts to attend sittings of governmental committees. Only a few civic councils at the executive bodies provide regular and vocal input.

Public participation is stagnating compared with the situation in the first months after the Orange Revolution, and central and local authorities demonstrate less interest now in cooperating with NGOs than they did in 2005. Many NGOs have campaigned actively to reveal any backsliding toward the old regime after the return of the Party of Regions to the government. Their Web sites report on the corrupt activities of officials. Groups have held public hearings on issues of social transformation, and they study the transparency and effectiveness of current policy.

In November 2006, the new minister of justice, Oleksandr Lavrynovych, announced that according to ministry inquiries, at least 10 percent of registered Ukrainian NGOs do not actually exist and that inquiries will continue. Some experts consider this information as a signal of forthcoming administrative pressure and unreasonable inquiries. The Parliament failed again in 2006 to provide essential improvements to outdated NGO legislation, and the new Parliament has yet to express interest in NGO legislation.

Some parties, political organizations, and business groups have established their own NGOs with goals that are different from those of "typical" NGOs in other countries. Over the last few years, branches of radical NGOs have been established in Ukraine that use aggressive campaign rhetoric, such as "Slavic union," "canonic orthodoxy," and so on. Some of these groups call for the territorial decomposition of Ukraine and reunification of the east and south with Russia.

The Ukraine media are receptive to civil society groups as independent and reliable sources of information. NGO experts are interviewed on a regular basis by media on different policy and public issues and are invited to participate on television and radio programs. Experts detect a negative correlation between the current state of civil society and major social and political practices in Ukraine: "The general political and sociocultural context strongly shapes societal practices, as they needed to survive in a society with a high level of corruption, disrespect for the rule of law, clientelism, an indifferent attitude of government, distrust, and intolerance. This eventually determines NGOs' advocacy practices, since organizations cannot use the legal mechanisms for protecting the interests of their stakeholders, and leads to government ignoring any propositions submitted by civil society."[6]

Ukraine's civil society remains comparatively stronger than those in other CIS states, but a current stagnation trend is evident. The positive explosive impact of the Orange Revolution is now in the past; thus the civil sector needs to find a solid ground for continuing growth in the current, relatively "peaceful" era.

Independent Media

1999	2001	2002	2003	2004	2005	2006
5.00	5.25	5.50	5.50	5.50	4.75	3.75

Media freedom in Ukraine appears to be sufficient at the national level, but the local and regional media sectors still lack restructuring and real independence. Citizens currently enjoy wide-ranging pluralism in both electronic and print media. Governmental censorship was not detected in 2006; however, there were some reports of local authorities attempting to censor media reports (for instance, in Kyiv and Lugansk oblast). In particular, in November a small-circulation local newspaper, *Vechirniy Kyiv*, produced by the Kyiv city administration, accused local authorities of censorship "by telephone."[7] A similar case was detected in August in the Lugansk Oblast State TV and Broadcasting Company when director Vitaly Garkusha issued an order to delete a sensitive political subject from the news.[8] Cases of this kind prove that state-owned media in Ukraine remain the most vulnerable to violations of basic journalistic rights.

Nationwide television channels in most cases provide more or less balanced news coverage, but some biases are present in almost all of them. This is no surprise, since representatives of ruling parties as well as the opposition have equal access to the media. According to available monitoring data, opposition leaders are frequent guests on TV.

Most nationwide media in Ukraine are privately owned by leading financial and industrial groups, which creates a basis for misuse of the media, especially during election campaigns, and conflicts around large business properties. Many regional and local TV channels, radio stations, and newspapers remain in the hands of state bodies and administrations. The process of public TV formation has all but stagnated. After the recent change of government, the Parliament appointed Eduard Prutnik as the new chief of the State Committee on TV and Radio Broadcasting. Prutnik is strongly associated with the Party of Regions, which is unlikely to conduct unbiased, democratic, and independent media policy.

Ukrainian journalists are for the most part free from pure political pressure, but sometimes they are targeted by corrupt officials and local criminals. For example, in 2006 Reporters Without Borders condemned the violent beating of Ihor Mosiyshuck, editor of the privately owned local daily *Vechirniy Vasylkiv*, by unidentified youths on a street in his hometown of Vasylkiv in August. Mosiyshuck published a series of articles claiming that members of the town council profited greatly from the privatization of municipal land. He also ran an investigative report on the desire of certain officials to reopen a controversial fuel storage depot that was closed a year ago because it emitted toxic gases.[9] Another case involved Margarita Zakora, editor of the newspaper *Dzerzhynets* published in Dniprodzerzhynsk, who has been targeted since the paper first appeared in January 2006 and gained popularity for denouncing corrupt judges, police, and local members of Parliament. Nineteen

legal complaints have been lodged against her by local figures.[10] There were no known cases of punishment of journalists as a result of their investigative activities.

The advertising market in Ukraine is growing slowly, which restricts the development of the independent media sector. Some new independent media projects emerged as a result of growing Western investment in Ukrainian outlets. Russian publications continue to have an essential stake in the Ukrainian print media market.

The Ukrainian Internet audience continued to grow in 2006, reaching eight million users (both regular and infrequent), or about 18 percent of the population. Internet media proved to be efficient mediators between politics and society. For example, the Web site Ukrainska Pravda (Ukrainian Truth), founded by Georgy Gongadze in 1999, became a self-sustaining media project with a substantial impact comparable to that of leading TV channels and newspapers. The full spectrum of political views is presented in Internet media in Ukraine.

Local Democratic Governance

1999	2001	2002	2003	2004	2005	2006
n/a	n/a	n/a	n/a	n/a	5.25	5.25

Administrative and territorial reforms were initiated in Ukraine in 2005, but their enactment and implementation were postponed until after the 2006 parliamentary and local elections. Still, 2006 did not see these initiatives put into practice. For the second time, a draft Law on Introduction of Changes to the Constitution of Ukraine on Improvement of the System of Local Government (#3207-1) was submitted to the Constitutional Court. This envisages the creation of *hromadas,* or administrative and territorial entities, which are created voluntarily by already existing self-governance entities. The efficiency of this draft law is questionable, as it could minimize the rights of inhabitants of small localities. That question may be compounded by the fact that the initiatives were not supplemented with corresponding budgetary and administration reforms.

Although the new government, created on the basis of the Anticrisis Coalition, claimed the need to strengthen the role of local self-government,[11] it did not propose any alternative reform strategies in this sphere. Despite declarations of the new government to quickly enhance regional self-governance by giving more authority to regional and local councils, the government did not present a clear strategy to implement this vision. The 2007 state budget also does not foresee any decentralization of budget relations between central and regional authorities.

Parliamentary and local elections were held simultaneously on March 26, 2006, according to a new proportional election system. The new order consolidated political players on the upper parliamentary level, but not yet at the local level. This situation prevented some local leaders who were not members of any party

from taking part in the elections and, therefore, hampered the quality of local elections overall. Additional problems related to deputies of opposition parties (BYT, Our Ukraine) who left their factions in local councils to join the leading Party of Regions. Consequently, it was proposed to implement imperative mandates for deputies of local councils.

Ukrainian local governance has a four-level administrative territorial hierarchy: the Autonomous Republic of Crimea, oblasts (24), and cities with oblast status (Kyiv and Sevastopol); raions (oblast districts) and cities with raion status; cities; and villages and townships. Each raion is divided into a number of local councils (village or small-town councils).

Local governance is represented by a dual system of authorities: state administration and a self-governance council. Heads of the executive in the oblasts and raions are appointed by the president. Top executives of cities and the heads of local councils are elected by citizens. The divisions among bodies at different levels are not precise, and some administrative bodies—such as urban communities, village councils, and township councils—are not prescribed in the Constitution. Citizens are not ensured meaningful participation in local government decision making, and regional and local authorities remain less transparent in comparison with the central government. Public participation is sometimes formal and sometimes nonexistent.

After the constitutional reform, the duality of Ukraine's regional self-governance became more evident: On the one hand, regional and local councils, elected by proportional vote, tried to push through politicized decisions (for example, the issue of NATO or use of the Russian language) that went beyond their competences; on the other hand, the strengthened Cabinet of Ministers launched attempts to gain a key role in appointing oblast and raion heads of administration, invoking a constitutional provision that states the president may appoint and dismiss those officials only by approval from the cabinet. This situation reflected the potential confrontations that can occur between the president and the Cabinet of Ministers at the local level.

Some eastern and southern regional councils with Party of Regions majorities gave a no-confidence vote to administration heads previously appointed by the president. The most vocal conflict among these happened in Kharkiv between oblast administration head Arsen Avakov (Our Ukraine) and the head of the oblast council, Vassyl Salygin (Party of Regions). The oblast council voted "no confidence" in Avakov with a two-thirds majority. This obliges the president to dismiss the governor, but that has not yet occurred. Irregularities detected during the mayoral elections and refusals by some elected mayors to start their work left a long period during which there were no newly elected mayors presiding in the oblast centers of Cherkasy, Kirovograd, and Chernihiv.

Judicial Framework and Independence

1999	2001	2002	2003	2004	2005	2006	2007
4.50	4.50	4.75	4.50	4.75	4.25	4.25	

The new Ukrainian Constitution did not change the provisions of the 1996 version concerning fundamental political, civil, and human rights, including freedom of expression, freedom of conscience and religion, freedom of association, and business and property rights. Ukraine has also ratified major international instruments protecting human rights at the global (UN) and regional European levels.

Following the appointment of the parliamentary quota of judges for the Constitutional Court in August 2006, the Constitutional Court obtained a quorum, which it had been lacking during 2005. This was the result of a compromise reached by the president and the Anticrisis Coalition of the Parliament after signing the Universal of Political Unity in August 2006. However, the amended Constitution also introduced instability and difficulties in the state's implementation of internal and foreign policy measures, which has raised cries to abolish the December 2004 constitutional changes. But by the end of the year, no political party had taken action to do so.

In Ukraine, judges of different jurisdictions in the same courts can read and apply Ukrainian law differently according to each case. Though the principle of equality before the law is one of the basics of the rule of law, so far, none of the high officials from the Kuchma years accused of corruption and misuse of office has been prosecuted.

At the beginning of 2006, there were 766 general courts and around 8,000 judges in Ukraine's judicial system. Although large, the court system is frequently inefficient. This dysfunction is rooted in old problems plaguing the judicial system, such as a lack of public respect for court decisions and the judicial system as a whole, insufficient financing of the court system, and the inefficient and nontransparent process for appointing judges.

The current system for appointing Ukrainian judges does not fully guarantee their independence. According to the Constitution, the president may appoint new judges for an initial five-year term following the recommendations of a qualification committee. All other judges, except for those on the Constitutional Court, are elected without term limits by the Parliament. Currently, this election process lacks objectivity, transparency, or qualification standards for candidates. There is also no procedure for monitoring the work of the qualification committee or any strict links between the recommendations of the committee, the decisions of the president, and parliamentary voting. Neither the president nor the Parliament is obliged to explain a particular decision in the appointment of judges.

These long-standing problems in the judicial system have necessitated reforms, and some steps were taken during 2006. On June 1, the Law on Access to Court Decisions came into force,[12] and on February 23, the Law on Implementation of the Practice of the European Court of Human Rights was adopted. On March

20, the president adopted the Action Plan for 2006 on Improvement and Providing Fair Judicial Framework in Ukraine According to European Standards. The Concept of Improvement of Judicial Framework and Providing Fair Court Proceedings in Ukraine was adopted on May 10, 2006, for a 10-year period by the National Commission within the Ministry of Justice on Strengthening Democracy and Providing Rule of Law. The concept was expected to bring the Ukrainian judicial system in line with European norms. The concept was criticized by judges, who argued that the proposed reforms were not systematic and did not eliminate all shortcomings of the existing judiciary. Additionally, the concept does not stipulate necessary constitutional amendments; therefore, proper implementation of the concept is doubtful.

In order to implement the concept, the Law on Amending the Law of Ukraine on Judicial Framework and the Law on the Status of Judges were developed. By the end of 2006, these draft laws had not been submitted to the Parliament by the president. Although judicial reform is stipulated in the agreement of the Anticrisis Coalition, the government has not played an active role in initiating it, and no comprehensive reform program has been proposed.

Corruption

1999	2001	2002	2003	2004	2005	2006	2007
6.00	6.00	6.00	5 75	5.75	5.75	5.75	5.75

Unlike the previous year, 2006 did not feature a significant campaign to fight corruption in Ukraine. The parliamentary elections and the months-long process of creating a coalition under the new constitutional amendments put anticorruption measures on the back burner; consequently, the country witnessed a backward slide into the higher corruption rates of previous years.

The Ukrainian business environment is a good illustration. After a decrease in corruption in 2005, the problem almost returned to earlier levels.[13] The average level for bribery increased significantly in 2006 to 3.4 percent of annual sales. The same indicator in 2005 reported the level at 1.4 percent and in 2004 at 6.5 percent.[14] At the same time, 63.5 percent of business representatives were not sure whether they would receive a service as a result of bribes.[15] This differs greatly from the situation in 2004, when the figure was estimated at 29.6 percent. In the 2006 Ukrainian business environment, corruption almost reached the levels of 2004, but receiving a service in return became much less certain. This phenomenon can be considered a reflection of the general instability of Ukraine's political and social life, rooted in the long pre– and post–parliamentary election periods.

Yet there were some legislative initiatives in the fight against corruption in 2006. On September 11, President Yushchenko adopted the Concept on a Way to Honesty, which envisaged a set of measures intended to reduce corruption in executive, judicial, and local self-government bodies. Simultaneously, the president

submitted to the Parliament the draft Law on Ratification of the UN Convention Against Corruption, Law on Ratification of the Council of Europe Criminal Law Convention on Corruption, and Law on Ratification of Additional Protocol to the Council of Europe Criminal Law Convention on Corruption.

In order to implement these documents, the president also submitted corresponding draft laws aiming to clarify the notion of corruption, legislative provisions, and civil society participation in fighting corruption. For example, the draft Law on Responsibility of Legal Entities for Corrupt Offenses envisages assigning responsibility for prosecuting cases of bribery to both central and local authorities. Other bills included the Law on Principles of Prevention and Countering Corruption and the Law on Amendment of Some Legislative Acts of Ukraine Concerning Responsibility for Corrupt Offenses. The Parliament endorsed the laws on accession to international treaties but returned supplementary draft laws for finalization.

Corruption remains an intractable feature of Ukrainian society. With 2006 levels rising to previous highs after some improvements in 2005, it was worrisome to see the presidential initiatives in the fight against corruption fail to gain the necessary support of the government and the Parliament. Consequently, there was little practical or real improvement in this sphere.

The president issued a decree on October 2, 2006, that brought amendments to his November 19, 2001, decree (No. 1098) concerning the rules of recruitment for governmental posts. According to the new decree, the president's secretariat, acting on the request of the president, will have the right to vet individuals applying for official positions. But little was accomplished in the area of financial disclosure and disallowing conflicts of interest among state officials. The 2005 initiatives concerning the division of state power and business were not followed up with action in 2006, and job placement procedures at central- and local-level governmental bodies still lack transparency and public accountability. In the matter of obtaining a position, professional qualifications still were not prioritized over personal or party loyalty.

Although there were no examples of authorities limiting media investigations into corruption and bribery, a tendency toward nontransparency made these types of investigations more difficult in 2006 compared with 2005. Many civil councils initiated under state bodies in 2005 have either not been formed or stopped their activity after only a few sittings. This demonstrated the low effectiveness of civil advisory councils and their generally limited impact on official decision-making and implementation processes.

In 2006, there were attempts to strengthen the state's involvement in Ukraine's economic life, aimed in particular at reshaping property rights in favor of the state. The most illustrative example here is draft Law No. 1129, amending the Law on Business Societies, which was submitted by the representative of the parliamentary majority. The bill proposed reducing the quorum for taking lawful decisions at shareholder meetings from 60 to 50 percent of votes of all eligible voters (amendments to Articles 41 and 60) for commercial enterprises where the state holds more than 50 percent of the shares. For some businesses, this legislation might come into force on the day of its publication; for others, enforcement will begin July 1,

2007. These provisions could discriminate against minor stakeholders in favor of the state, which gains almost total control over such enterprises. Once in force, this law allows for an increase in hostile takeovers and opens the way for initiating the nationalization of private enterprises.[16] Despite these arguments, the Parliament adopted the bill, but the president vetoed it.

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Uzbekistan

by Bruce Pannier

Capital:	Tashkent
Population:	26.0 million
GDP/capita:	US$2,074
Ethnic Groups:	Uzbek (80.0%), Russian (5.5%), Tajik (5.0%), Kazakh (3.0%), Karakalpak (2.5%), Tatar (1.5%), other (2.5%)

The economic and social data on this page were taken from the following sources:

GDP/capita, Population: *Transition Report 2006: Finance in Transition* (London, UK: European Bank for Reconstruction and Development, 2006).

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Nations in Transit Ratings and Averaged Scores

	1999	2001	2002	2003	2004	2005	2006	2007
Electoral Process	6.50	6.75	6.75	6.75	6.75	6.75	6.75	6.75
Civil Society	6.50	6.50	6.75	6.50	6.50	6.50	7.00	7.00
Independent Media	6.50	6.75	6.75	6.75	6.75	6.75	7.00	7.00
Governance*	6.25	6.00	6.00	6.25	6.25	n/a	n/a	n/a
National Democratic Governance	n/a	n/a	n/a	n/a	n/a	6.50	7.00	7.00
Local Democratic Governance	n/a	n/a	n/a	n/a	n/a	6.25	6.75	6.75
Judicial Framework and Independence	6.50	6.50	6.50	6.50	6.50	6.25	6.75	6.75
Corruption	6.00	6.00	6.00	6.00	6.00	6.00	6.50	6.50
Democracy Score	6.38	6.42	6.46	6.46	6.46	6.43	6.82	6.82

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

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

Executive Summary

Uzbekistan marked 15 years of independence in 2006, but in terms of basic freedoms the country is further away from democratic norms than at any period in its independent history. It continues to be one of the most authoritarian countries that emerged from the Soviet bloc. In Uzbekistan's first years of independence, the government of President Islam Karimov established its oppressive response to public dissent by violently crushing student protests in 1992 and targeting secular opposition groups. Throughout the 1990's the government sought to distance the country from Russia for economic reasons and to balance security through developing ties with Western governments. The government's Westward focus dissipated following a series of bombings from 1998–2004, but gained momentum in reaction to colored revolutions in Ukraine, Georgia, and neighboring Kyrgyzstan. In response, Karimov vowed he would never let a color revolution happen in Uzbekistan and began a crackdown on civil society and closure of political space. This was demonstrated most profoundly over the government's handling of events in the city of Andijan in 2005 where troops opened fire on demonstrators.

In 2006, the events of Andijan were revisited as the Uzbek government released a video showing some 10,000 armed, but not well disciplined demonstrators gathered in the city's streets. At the same time, the Uzbek government continued to press Kyrgyzstan to extradite a handful of refugees not granted asylum. The closure of Western nongovernmental organizations and media which began after Andijan continued for reasons that Uzbekistan's Ministry of Justice termed "violations of the country's laws". Such violations frequently were minor technicalities or trumped up charges, followed by processing through expedited and unfair trials. Domestic human rights activists were arrested and jailed, and Internet sites blocked in the government's quest to eradicate any opposition. Additionally, the government sought to replace its security and financial ties with the West by improving ties to Russia and Asian countries, including China, many of whom supported the government's heavy-handed actions at Andijan.

In late 2006, an EU delegation visited Uzbekistan to resume technical meetings with Uzbek officials regarding the extension of sanctions, which the EU imposed in November 2005 following the violence at Andijan. While these negotiations resulted in a one year extension of the weapons export ban, and a six month extension of the visa ban, little or no effective pressure was exerted on the Uzbek government to ease restrictions on society and implement democratic reforms from the West. The centralized political structure of the state continues to place exclusive powers in the hands of the executive. Leadership has not brought into practice policies and procedures that adhere to the stated Constitutional goal of establishing a democratic republic that respects human rights and protects civil liberties. And,

in practice, administrative functioning remains excessively politicized, controls over the media stifle freedom of expression, and rule of law continues to be subservient to the state.

National Democratic Governance. As it is written, Uzbekistan's 1992 Constitution preserves all basic citizen rights—speech, freedom to practice religion, public assembly, and so forth—and divides the branches of power into the executive, legislature, and the judiciary. In reality, the office of the president has all the power in the country. President Karimov exerts control over the legislative and judicial branches, and no member of the government has ever challenged his decisions. He dismisses or appoints officials as he wishes. Karimov decides all matters of state policy, both domestic and foreign. There were rarely public displays of discontent with government policy in the years following independence; and since the Andijan demonstrations and violence, there have been no significant acts of public protest against government policy. The people have no real mechanisms they can employ to force the government to be accountable. The five registered political parties in the country are all pro-presidential. There were no visible efforts by the Uzbek government during 2006 to loosen political or economic controls over the country or to stray at all from policies adopted after the Andijan events. *The Uzbek executive branch dominates all aspects of society and remains absolutely intolerant of criticism and dissent, and the people of the country have no means of affecting change. Thus the national democratic governance rating remains at 7.00.*

Electoral Process. No national elections were held in Uzbekistan in 2006. Despite previous elections having been assessed by Western organizations, such as the OSCE/Office for Democratic Institutions and Human Rights, as being well short of democratic standards, there was not even talk of any reform of the electoral system in 2006. There are five registered parties in Uzbekistan: the People's Democratic Party, Fidokorlar, Adolat, the Liberal Democratic Party, and Milli Tiklanish. All five support the president's policies, so even in parliamentary elections the voters are offered five versions of basically the same brand of politics. Several opposition parties or movements have tried in the last five years to register, without any success. As relations with the West deteriorated during 2006, there were questions whether organizations such as the OSCE will be invited to monitor the scheduled presidential elections in Uzbekistan in December 2007. It should be noted that those elections are to be held 11 months after President Karimov's seven-year mandate in office expires on January 22, 2007, and questions were raised before the end of 2006 as to whether Karimov's rule would be legitimate between the end of January and December 2007. There are concerns that the poll will be a farce and that President Karimov will either remain in office past his constitutional term limit or install a handpicked successor. A deteriorating relationship with the West provides grounds to question whether any of these countries or organizations will be able to monitor the electoral process by that time. *As no elections were held during 2006*

and no improvements made to the elections framework, the electoral process rating for Uzbekistan remains unchanged at 6.75.

Civil Society. The Uzbek government has always carefully watched the activities of any group, be it religious, political, or human rights oriented. Following the Andijan violence, authorities targeted all such groups, and in 2006 there were a number of detentions, trials, and imprisonments. Efforts to neutralize political opposition continued, with the Sunshine Uzbekistan coalition and its leadership being the biggest victim in 2006. However, members of older Uzbek parties and movements were also harassed, detained, and jailed, and some who fled the Andijan violence found shelter in neighboring Kyrgyzstan. Many NGOs, particularly those based in the West, were closed down by court order. Some leading rights activists were either jailed or fled the country. The campaign against select Islamic groups and other religions continued. *The government moved to wipe out all vestiges of possible dissent or any group that attempted to offer a view of the Andijan violence on May 13 that differed from the official version of those events. Therefore Uzbekistan's civil society rating remains at 7.00.*

Independent Media. The only media coming from within Uzbekistan that could be termed independent is Internet publishing. Even this sector faces major obstacles, and the Uzbek government continues to work to block access to sites that carry information criticizing the government and its policies. There is no independent print media, radio, or television, though some Western radio stations like the BBC and Radio Liberty continue broadcasting into Uzbekistan from outside the country. The correspondents working for such organizations face a constant risk of arrest and imprisonment. Warming ties with Russia have brought slightly better access to Russian programming (radio and television), but this is largely entertainment programming, and Russian news rarely mentions events in Uzbekistan. *The campaign against independent journalists in Uzbekistan continued in 2006. Authorities succeeded in chasing most foreign journalists out of the country, and Internet sites with information critical of the government and its policies were blocked. Thus the independent media rating for Uzbekistan remains unchanged at 7.00.*

Local Democratic Governance. Local officials in Uzbekistan are appointed on the expectation that they will carry out the policies of President Karimov's regime. The inability of local officials to deal with unexpected situations was clearly demonstrated during the Andijan violence in 2005. Lacking instructions from Tashkent, Andijan officials were ineffective in handling the unfolding crisis in and around the city. Some paid the price on May 13, 2005, when they were taken captive by the more violent elements in the crowd, and others who survived paid the price later. Even in the last half of 2006, there were dismissals of officials from Andijan who had served during the incidents of May 2005. Local officials are appointed by Tashkent, or in some cases local councils (all loyal to the president) select officials at district and city levels. *Nothing was done to improve the quality of local officials, who*

served as scapegoats for the Andijan violence in 2005 and continued to aid the harassment of human rights defenders and independent journalists throughout 2006. Accordingly, Uzbekistan's rating for local democratic governance remains unchanged at 6.75.

Judicial Framework and Independence. During 2006, the judiciary was obviously functioning as a tool to implement President Karimov's policies. The Ministry of Justice and the tax police worked to find violations by mostly Western-based NGOs working in Uzbekistan, while the court system, particularly Tashkent's civil court, shut down these organizations. Similarly, courts handed down jail sentences to some of the few remaining opponents of the government, mainly human rights activists. In the case of these activists, appellate courts did on occasion reduce sentences, though verdicts were never overturned. However, the appeals courts did not reverse the decisions that closed down foreign-based NGOs. *The guilty verdicts against NGOs, human rights activists, and anyone else who opposed the government or offered ideas contrary to those of the government demonstrated that a main purpose of the courts is to rid the country of groups and individuals the government sees as opponents or obstacles. Uzbekistan's rating for judicial framework and independence remains at 6.75.*

Corruption. The Uzbek government does not like to publicize bad news about officials, and while officials have been dismissed for incompetence, they have rarely been publicly exposed as corrupt. The country's system of government is influenced by clan ties and contains a great deal of nepotism, which makes corruption inherent. The president and his family are immune from scrutiny, but reports from opposition groups and individuals claim that they enjoy a luxurious lifestyle that most Uzbek citizens could not hope to achieve. Petty corruption is evident everywhere, from police and border guards taking bribes to local officials forcing children to work gathering the harvest and pocketing money made from their labor. *Owing to a lack of transparency and an abundance of anecdotal evidence suggesting officials are capable of doing as they please with little fear of consequences, Uzbekistan's rating for corruption remains unchanged at 6.50.*

Outlook for 2007. As 2006 ended, Western countries and organizations could do seemingly little or were simply not willing to take the steps necessary or lacked the collective will to exert effective pressure on the Uzbek government to ease restrictions on society and implement democratic reforms. At the same time, the Karimov government has made it clear that it intends to disregard criticism from democratic governments and institutions as to how the country should be ruled.[1] The Uzbek government has worked continually to close down or marginalize any independent media or unregistered political opposition groups in the country and foreign NGOs that try to help them. The fact that presidential elections will be held in late December rather than in January raises questions about the legitimacy of Karimov's government. The country's foreign policy has shifted toward the East, and political allies such as Russia and China have more of an interest in seeing the situation

in Uzbekistan remain as it is than risk any social upheaval that could accompany political or social reform. Such policies practically force domestic political opponents, both secular and religious, to radicalize their own policies, since the authorities have demonstrated they will punish peaceful protest and dissent. With all of these factors combined, the outlook for Uzbekistan in 2007 is not promising.

Main Report

National Democratic Governance

1999	2001	2002	2003	2004	2005	2006
n/a	n/a	n/a	n/a	n/a	6.50	7.00

Uzbekistan's Constitution enshrines basic freedoms, but the written document has never reflected the reality of Uzbek society. Chapter 1, Article 2, declares, "The state shall express the will of the people and serve their interests. State bodies and officials shall be accountable to the society and the citizens." This is not the case, as proved by the continued harassment of government opponents. In 2006, businessman Sanjar Umarov, a presidential hopeful, and Nadira Hidoyatova, of the Sunshine Uzbekistan coalition, were among the most visible examples of the fate of the political opposition. Sunshine Uzbekistan was formed in April 2005 when Uzbekistan and the government were receiving a good deal of attention from the international media for the country's role in the global war on terror. Sunshine Uzbekistan was never registered, but the group was able to post its statements on the Internet and sent information regularly to a list of e-mail subscribers.

After the Andijan events, Sunshine Uzbekistan was subjected to the same scrutiny and legal problems that NGOs and human rights activists faced. Umarov and Hidoyatova were both arrested for illegal financial dealings. On March 1, 2006, Hidoyatova, a 38-year-old mother of two, was convicted of money laundering and tax evasion, sentenced to 10 years' imprisonment, and ordered to pay US$230,000 in back taxes. In May, an appeals court changed her ruling to a seven-year suspended sentence with three years' probation and a fine of US$100,000. On March 6, Umarov was found guilty of creating a criminal gang, committing dangerous crimes, embezzling large sums of money, tax evasion, paying bribes, and forgery. He was sentenced to 10 years and 8 months in prison and fined US$8.3 million. His jail term was reduced in April to 7 years and 8 months.

Article 9 of the Constitution says, "Major matters of public and state life shall be submitted for a nationwide discussion and put to a direct vote of the people." But in fact, since independence in 1991, the people have never been called to help decide major matters of public and state life except for two referendums on extending President Karimov's term in office.

Article 11 states, "The principle of the separation of power between the legislative, executive, and judicial authorities shall underlie the system of state authority in the Republic of Uzbekistan." In reality, President Karimov makes all important decisions for the country. The Parliament merely formalizes the president's legislation, which has meant placing further restrictions on the right to register religious organizations, social and political groups, and media outlets. For example, a law was passed in the late 1990s requiring that all mosques have a certain

number of regular worshippers in order to be registered. The rule applies to other faiths but is understood to have been passed to provide legal precedent for closing down "underground mosques," where, at least according to Uzbek authorities, clerics were preaching radical Islam.

The judiciary hands out verdicts in keeping with the president's internal political policies. The court systems have jailed political opponents, like Umarov and Hidoyatova, and even handed down a death sentence to Erk leader Muhammad Solih (in absentia). The courts have also punished rights activists and others who have challenged the regime. And in 2006, the court system ordered the closure of foreign-based NGOs.

Electoral Process

1999	2001	2002	2003	2004	2005	2006
6.50	6.75	6.75	6.75	6.75	6.75	6.75

The authority of the Uzbek government is neither based on universal and equal suffrage nor on the will of the people as expressed by regular, free, and fair elections conducted by secret ballot. Instead, Uzbek parliamentary and presidential elections have been characterized by violations of the country's electoral laws and of accepted international practices. Genuine political competition does not exist, civic discourse is suppressed, and the population is disenfranchised from the country's political decisions.

There were no national elections in Uzbekistan in 2006, but the country is scheduled to hold presidential elections in late December 2007. Past elections have proven no more than a formal exercise. In December 1991, President Karimov easily defeated opponent Muhammad Solih, who received only 12.5 percent of the ballots cast in an election many feel was heavily rigged. President Karimov extended his term in office through a national referendum in March 1995. The next presidential election was held in January 2000, with incumbent Karimov receiving some 92 percent of the vote in a poll memorable for his opponent's announcement that he had cast his own ballot for Karimov. A referendum in January 2002 again extended Karimov's term in office until the third Sunday in December 2007, which is 11 months after Karimov's second term in office expires.

Parliamentary elections held in 1994, 1999, and 2004 featured exclusively candidates from pro-government parties or individuals known for their loyalty to Karimov's regime. No true opposition party or movement has ever been registered, though the Birlik movement again tried to register with the Ministry of Justice in late November 2006. The opposition, therefore, has no representation in the Parliament, which is essentially a rubber-stamping body that has never opposed President Karimov on any issue. Amendments to the Constitution in 2002 changed the unicameral 250-seat body into a bicameral Parliament with a 100-seat Senate

(upper house) and a 120-seat Legislative Assembly (lower house). The revision in structure did not alter the Parliament's subservience to the president.

The only significant news involving registered political parties during 2006 was the announcement that the People's Democratic Party, once the Communist Party and headed by Karimov even after independence, had lost about half its membership—down from 585,200 to 286,700—when it underwent reregistration during the summer.[2] And on November 9, Uzbek newspapers *Khalk Suzi* and *Narodnoye Slovo* published a letter from President Karimov to the Legislative Assembly that proposed constitutional changes aimed at "drastically strengthening the role and importance of political parties in the system of the country's state and social building, which will play a decisive role in efforts to overhaul and modernize the country and build its civil society."[3]

The most interesting question about electoral process in Uzbekistan is what will happen in 2007 when the country is due to hold presidential elections. President Karimov, born January 1938, has for several years been rumored to be in ill health. Constitutionally, he is limited to two terms in office, meaning he should not be able to run in the scheduled December 2007 poll. Karimov has twice extended his term in office through referendums. It is also possible that the Constitution could be altered to allow him an additional term or strike the term limit altogether, as was done in neighboring Kazakhstan. Drastic amendments to the Constitution could also void his previous two terms and give him a blank slate to run for two more terms, as was done in neighboring Kyrgyzstan and Tajikistan. Or Karimov could find a successor who could be the face of the executive branch, with Karimov actually running policy. If the last scenario unfolds, efforts to groom a popularly acceptable successor should become visible in early 2007.

Civil Society

1999	2001	2002	2003	2004	2005	2006	2007
6.50	6.50	6.75	6.50	6.50	6.50	7.00	7.00

The Uzbek government has always kept a close watch on political groups and NGOs in the country. According to Article 34 of the Constitution, "All citizens of the Republic of Uzbekistan shall have the right to form trade unions, political parties, and any other public associations, and to participate in mass movements." This is not the case in reality, as only pro-presidential political parties are registered. Protests, when they occur, are quickly broken up by police and security officers, and permission is rarely granted for parties, groups, or movements except for those with a solid history of government support to meet in municipal buildings and hotels. In recent years, police also regularly broke up meetings of opposition activists that were held in private homes and cafes.

When the Uzbek government allowed the U.S.-led coalition operating in Afghanistan to use Uzbekistan's Khanabad air base in late 2001, the government somewhat relaxed restrictions on the media and civil society. The Uzbek government gladly allowed the international media into the country to report on Uzbekistan's contribution to the global war on terror—good press for a country that is most often the subject of reports on terrorist bombings and rights abuses. That small relaxation changed after the Andijan violence in May 2005, and the government has since implemented a crackdown on all perceived dissent that has seen many foreign-based, and particularly Western-based, NGOs closed down, political opponents jailed without what some consider due process of law, and human rights activists imprisoned or forced to flee the country.

The first evidence of this new policy came in July 2005 after the Uzbek government requested that the U.S.-led coalition at the Khanabad base vacate the country by year's end. The United States was one among many voices calling for an independent international investigation into the violence in Andijan and criticizing Uzbek authorities for a disproportionate use of force against mainly peaceful protesters. By year's end, the Khanabad base was vacated, and Western broadcasting agencies—such as Radio Liberty, the BBC, the NGO-affiliated Internews, Open Society Institute, and IREX, which helps train journalists—were ordered to close.

In 2006, a trend developed in the push to expel foreign-based NGOs. The Uzbek Justice Ministry would announce that a foreign-based NGO was violating the laws of Uzbekistan and would most often bring the matter to Tashkent's civil court. The U.S.-based group Freedom House was one of the first to go through this process in 2006: In January, the civil court ordered the group's work in Uzbekistan suspended for six months for providing public Internet access without a license, administrative irregularities, and other problems. By March, all possibility of appeal was exhausted when the same court ordered the Freedom House office in Uzbekistan to be closed. Between April and September 2006, the civil court in Tashkent ordered the closures of a number of U.S.-based NGOs.[4]

In July, the Ministry of Justice accused Human Rights Watch of releasing reports and statements that contained "tendentious and biased information about the situation in the republic." The ministry demanded proof of the claims made by Human Rights Watch. Other Western-based NGOs experienced similar difficulties. Between July and September, the Ministry of Justice announced it was investigating the activities of several European-based NGOs.[5]

In October, a nominally independent Uzbek analytical group called the Fund for Regional Politics posted comments on its Web site accusing the Valley of Peace NGO, part of the Danish Refugee Council, of spying in the Fergana Valley. Bektosh Berdiyev, an expert from the Fund for Regional Politics, wrote that a number of Western NGOs in the Fergana Valley were engaged in espionage. This "fund" increasingly posts material on its Web site accusing foreign-based groups of false intentions and misdeeds and provides a basis for authorities to launch an investigation into the claims.

Rights activists in Uzbekistan faced a series of problems during 2006. Aaron Rhodes, executive director of the International Helsinki Federation for Human Rights, gave an indication of the situation in February when he described it as "an assault against human rights activity in Russia, Belarus, and Uzbekistan that is more damaging than any since the fall of Communist regimes."[6] For example, in early January Saidjahon Zaynabitdinov, director of the Andijan-based human rights group Appelyatsiya, was sentenced in a closed trial to seven years in prison. Zaynabitdinov said the violence in Andijan in May 2005 was much worse than authorities were admitting. He was arrested shortly after those events and charged with defamation and antigovernment activities. In February, Human Rights Watch reported that Zaynabitdinov was convicted of slander, undermining the constitutional order, and membership in an extremist religious group and sentenced to seven years in jail.

In mid-January, Arabboi Nodyrov, chairman of the Ezgulik rights organization in Namangan, was arrested on charges of hooliganism. Later in January, Human Rights Watch issued a press release about an attack on rights defender Rakhmatullo Alibayev. Ezgulik has continued to post material on Web sites speaking about rights abuses in Uzbekistan. Nodyrov's was only one of many cases where Ezgulik activists were harassed during 2006.

Mutabar Tojibayeva, head of the Fergana-based rights group Burning Hearts, was found guilty of "antigovernment activity and receiving money from Western governments to disrupt public order" in early March and sentenced to eight years in prison. Tojibayeva's group has also given a different version of the Andijan events from that of the government. She was arrested in October 2005 as she prepared to travel to Dublin to attend an international rights conference. Human Rights Watch issued a statement describing her trial as "puppet theater."[7] As a last example indicating the level of pressure on rights activists, Tolib Yakubov, head of the Human Rights Society of Uzbekistan, fled the country in July and received asylum in France. Yakubov and his group kept track of rights abuses in Uzbekistan and publicized these cases for years.

Religious groups, even those of the Muslim majority population, continued to face harassment and imprisonment. Uzbekistan undeniably has a problem with some Islamic groups that are clearly anti-government and who appeared in Uzbekistan about the time the secular opposition had been neutralized as any sort of political force. Some of the members of these anti-government Islamic groups claim it was the impossibility of challenging the Uzbek government through legal means that led them to join with banned groups which in some cases have used violence to try to affect change in Uzbekistan. Among the more radical, or more prone to the use of violence, was the Islamic Movement of Uzbekistan (IMU), but there were newer groups such as Jama'at (which the Uzbek government held responsible for the Bukhara and Tashkent bombings of 2004), Akromiya (allegedly responsible for the Andijan violence in May 2005), and Hizb an-Nusra, reportedly the armed wing of Hizb-ut Tahrir. The IMU did stage armed incursions into Kyrgyzstan and Uzbekistan in 1999 and 2000 and fought with security forces in

the two countries for several weeks and is on record as calling for the overthrow of the Uzbek government. The newer Jama'at and Akromiya are held responsible for violent acts in Uzbekistan but neither of the groups has ever released any public statements and only testimonies from suspects, many of whom claimed they were tortured by Uzbek security officers, link those groups to violence.

The Uzbek government identified Hizb ut-Tahrir as a threat to the state just prior to the Tashkent bombings in February 1999. Since then, hundreds if not thousands of the group's supporters have been imprisoned on charges of plotting terrorism and the overthrow of the constitutional government of Uzbekistan, despite the group's public pledge that it shuns violence to achieve its goal of creating a Central Asian caliphate. It is difficult to say how many Hizb ut-Tahrir members were arrested and jailed in 2006. Most of the information received comes through local rights organizations, such as Ezgulik, and indicates that dozens if not several hundred were tried, convicted, and imprisoned during the year.

Details about Hizb an-Nusra are sketchy, and most of the information available has come from Uzbek scholars loyal to President Karimov's regime. However, the imam of the Kara-Suu Mosque in Kyrgyzstan, Rafik Qori, said in an interview that the group does indeed exist and that some of its members had prayed in his mosque.[8] Rafik Qori was killed in August in a joint Uzbek-Kyrgyz security operation.

Imam Ruhiddin Fahruddinov, who fled to Kazakhstan in 1998, was extradited and tried for terrorism and plotting to overthrow the Uzbek government. The court ruled that Fahruddinov, an alleged member of the IMU, was guilty and sentenced him to 17 years in prison. Also, in a possibly significant move, the longtime chief mufti of Uzbekistan, Abdulrashid Bakhromov, was replaced in early August for health reasons by Usman Alemov, officially at Bakhromov's request. It was unclear if the Alemov appointment had any political motives, but Bakhromov appeared to be in good health and was a popular spiritual leader for many Muslims in Uzbekistan. Minority religious groups also faced problems during 2006, as noted by the Norway-based group Forum 18, which monitors the ability of religious groups to function. Forum 18 reported in early February that the Protestant pastor Bakhtiyar Tuichiyev was beaten and hospitalized. Tuichiyev said authorities were not interested in opening a criminal case on the attack.[9] In March, Forum 18 reported that some 40 Protestants were detained for 18 days after being found at a cafe. According to Forum 18, the group was forced to say they were holding an "unauthorized religious meeting."[10] In September, Forum 18 reported that armed police had raided a Protestant summer camp near Termez on August 24, detaining 20 members and beating some of them. Forum 18 cited one of the Protestants as saying, "A gas mask was put on me and the air supply cut off. The police swore unrestrainedly at us and forced us to confess that we had been holding an unlawful meeting." On September 12, Uzbekistan's Foreign Ministry responded to that last report, claiming that stories about police abusing "members of a sect" in the Termez area were untrue but admitting that police broke up the illegal gathering of a religious sect in the area.[11]

Other Christian groups encountered difficulties. In March, nine members of the Pentecostal Church were interrogated and fined for holding an unauthorized religious meeting.[12] In August, the regional court of Tashkent ordered activists of the Evangelical Church to pay a fine of 470,000 som (US$400) for organizing a retreat in the woods with religious studies, saying that there are designated areas for religious studies. The Ministry of Justice closed down all branches of the Jehovah's Witnesses in the Fergana Valley, leaving the congregation in the Chirchik area near Tashkent as the only one still able to function.

The Jewish community in Uzbekistan, for centuries a thriving group whose numbers have dwindled drastically since the country's independence, complained about the death of community leader Hakohen Yagudayev in February. Yagudayev was the victim of a hit-and-run driving incident, which the chairman of the Uzbek government's religious affairs committee, Shoazim Minovarov, described in February as simply an accident, not a case of anti-Semitism. In November, the U.S. State Department designated Uzbekistan as a country of "particular concern" for severe violations of religious freedom.

During 2006, minority ethnic groups in Uzbekistan were discriminated against and unable to express their opinions. On March 3, the International League for Human Rights issued a report that read, "The Government of Uzbekistan continues the Soviet-era tradition of manipulating population data by inflating the numbers of some ethnic groups (Uzbeks, Kyrgyz, Kazakhs, and Ukrainians), while grossly underreporting others (Tajiks and Turkmen)." The report stated that "even recognized ethnic groups have experienced massive closures of minority-language schools and university departments, independent minority media, NGOs, and cultural centers, as well as the destruction of books and other printed materials. Ethnic minorities continue to be disproportionately affected by the Aral Sea ecological catastrophe, leading to abnormal rates of cancer, infant mortality, and asthma, destroying the regional economy, and forcing the emigration of ethnic Turkmen, Kazakhs, and Karakalpaks to neighboring countries."[13]

Though the incident of Dadakhon Hasanov involves only one person, it merits mention in the discussion of Uzbekistan's civil society. Hasanov, a well-known poet and bard in Uzbekistan, was arrested in April and charged with insulting the honor and dignity of the president and threatening Uzbekistan's constitutional system. Hasanov wrote a song after the Andijan violence in which he described President Karimov as a "dragon" who wanted to "drink the blood of his own people."[14] Hasanov received a three-year suspended sentence in September. No observers were allowed to attend his trial. In a statement in late October, First Deputy Justice Minister Ikhtiyar Abdullayev said Uzbekistan is striving for democratic transformation in defending human rights.[15] What exactly Abdullayev meant by that statement, or why he said it at all, is still unclear.

Independent Media

1999	2001	2002	2003	2004	2005	2006	
6.50	6.75	6.75	6.75	6.75	6.75	7.00	7.00

Chapter 15, Article 67, of Uzbekistan's Constitution states, "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." In reality, the independent media in Uzbekistan have always faced enormous challenges, and the government has been fairly successful in eliminating, or at least limiting, opportunities for independent media outlets.

There have been periods when controls were relaxed slightly, notably right after U.S.-led coalition troops were allowed to use an air base in southern Uzbekistan for operations in Afghanistan. Certainly in the first months after troops arrived in late 2001, the Uzbek government informally encouraged Western media to come to the country. Major international television news channels had journalists in the Uzbek capital, Tashkent, and the southern city of Termez on the Afghan border, covering the first days of the assault in Afghanistan. The Uzbek government was pleased to receive coverage of its contribution to the U.S.-led war on terror, and Uzbek officials were eager to tell foreign journalists about Uzbekistan's struggle with terrorism since 1999. Local media, especially independent journalists, had the opportunity to work more freely since they were often in contact or on-site with these foreign journalists. But the violence in Andijan in May 2005 evaporated the tolerance the Uzbek government had earlier exhibited for the media.

Media freedom organizations provide the best indication of the current situation in Uzbekistan. Reporters Without Borders released its press freedom rankings in October 2006, and out of 168 countries on the list—1 being the best and 168 the worst—Uzbekistan was ranked 158. The Committee to Protect Journalists rated Uzbekistan one of the 10 most censored countries in the world.[16] The efforts of a few to open media outlets in Uzbekistan not only have proven futile, but have often ended with these individuals facing harassment or legal problems.

All registered print, radio, and television media are owned by the state. An editor at a state newspaper once said there was no need for a censor in Uzbekistan, as media employees have a censor in their heads. Uzbek media serve the state and its policies. One striking example relates to the presence of troops from the U.S.-led coalition at the base in Khanabad. When the troops arrived, some Uzbek newspapers carried stories about residents of the Khanabad area who said the foreign troops were a boon for local businesses. After Andijan, newspapers carried stories about the terrible noise made by planes taking off and landing and the environmental degradation caused by aircraft.

Jizzak-based independent journalist Ulughbek Khaidarov is another example of the problems independent media faced in 2006. There was an attempted attack on Khaidarov in early January, and he was later assaulted in April and June. In September, he was arrested after police found US$400 in his wallet, which they

claimed was a bribe accepted from a local factory director. Khaidarov was put in a psychiatric hospital, where his wife, Munira, was given only minutes to visit him. On September 23, Khaidarov's sister Nortoji told Radio Liberty's Uzbek service, "Munira Mustafayevna was the only one to see him on Saturday, September 23.... She says he didn't seem to be in his right mind. His eyes were unfocused. His mouth was twisted. He's lost a great deal of weight. He didn't seem to know what he was saying. He kept repeating: 'I know nothing, I know nothing,' and 'Everything's all right, everything's all right.'"[17] Khaidarov was sentenced to six years in prison on October 5 after being found guilty of extortion, but he was released in early November.

Another independent journalist from the Jizzak area also faced problems. Jamshid Karimov, the nephew of President Karimov, has for several years been not only an independent journalist, but also a human rights defender. Presumably because of his family ties, he was able to work without encountering the troubles other rights defenders and independent journalists routinely experience. In September, Jamshid Karimov disappeared after visiting his mother in a hospital. The Web site www.Fergana.ru reported on September 26 that Jamshid Karimov was himself in a psychiatric hospital.

Despite the closing of Radio Liberty by Uzbek authorities in December 2005, the harassment of Radio Liberty correspondent Nosir Zakir continued in 2006. Six months after the Andijan violence, Zakir was jailed on charges of insulting a police officer. Human rights groups and media freedom organizations said it was more likely that Zakir's reporting on the Andijan tragedy was the reason he was jailed. In August, the Committee to Protect Journalists issued a statement urging President Karimov to stop persecuting Zakir, who by that time had stopped working for Radio Liberty.[18]

Uzbek authorities also blocked access to Web sites that published material critical of the Uzbek government and its policies. On January 5, Deutsche Welle reported that free Internet cafes set up by the OSCE for journalists in Samarkand had not been open for weeks. On June 27, editors of the Web site www.dialoguz.com announced that the site was closed, even though it had started working only on June 20. In early July, Reporters Without Borders issued a press release about the closure of www.uzmetronom.com, the Web site of independent journalist Sergei Ezhkov. Ezhkov, who often wrote articles criticizing the Uzbek government, had opened the Web site in April.[19]

In mid-October, the government approved amendments to the Law on Media Registration. Utkir Jurayev, first deputy chief of the Uzbek Press and Information Agency, said, "The document provides conditions for legal guarantees on the right of all to acquire and disseminate information, the further improvement of the order of the state registration of media organizations, guarantees on the freedom of information in line with the Uzbek law, and international legal norms in the media area." The agency reports that there are more than 900 media organizations in Uzbekistan.[20] Among the changes, foreign aid for Uzbek media can be made only through a special public fund. Jurayev also indicated in late November that

there would be a registration review of media outlets, and those that do not have all necessary documents would be forced to reregister. Reregistration is an old tactic used among Central Asian governments to close down media outlets that do not support government policies. There are few if any such outlets in Uzbekistan, so it is unclear what effect this will have on Uzbek media.

Local Democratic Governance

1999	2001	2002	2003	2004	2005	2006	2007
n/a	n/a	n/a	n/a	n/a	6.25	6.75	6.75

Local officials are appointed and serve at the pleasure of the president. Such officials are selected based on their loyalty to the regime and perceived ability to carry out orders from the president. These officials walk a political tightrope. In cases where they have no clear orders, they must act in a way they believe will be approved by the president. Usually this means prohibiting antigovernment groups from publicly demonstrating or holding meetings of any sort. Andijan was an example where officials, having first allowed hundreds of demonstrators to hold a peaceful protest, had no idea what to do when on the morning of May 13, 2005, armed men stormed administrative buildings and took officials hostage. Tashkent, and more specifically Interior Minister Zakir Almatov, took charge of negotiations with the leaders of the outlaw group in Andijan and later ordered the assault on the city. Many local officials who survived the violence were sacked. In October 2006, Kobiljon Obidov, former governor of Andijan Province, was charged with helping to organize the May 13, 2005, violence in Andijan.

In mid-October 2006, President Karimov acknowledged that the reasons for the "disorder" in Andijan were the politics of local leaders. Perhaps to reinforce that point, Karimov dismissed Andijan governor Saydullo Begaliyev just before the statement and then sacked Shermet Normatov, governor of neighboring Fergana Province, a few days later.

Judicial Framework and Independence

1999	2001	2002	2003	2004	2005	2006	2007
6.50	6.50	6.50	6.50	6.50	6.25	6.75	6.75

The judicial system in Uzbekistan simply provides a facade of legality to the president's decisions, and the president appoints all judges. Those charged with serious crimes, despite constitutional guarantees to the contrary, are treated as guilty from the moment of arrest. There have been a number of cases where defendants claim they were given only limited or no access to a lawyer. Perceived enemies of the

state, both religious and secular, are arrested and sentenced by the courts. Courts regularly admit as evidence confessions made by defendants in detention centers. Human rights organizations have chronicled numerous trials in Uzbekistan where defendants recanted their confessions in the courtroom, saying they were tortured into admitting guilt or members of their families were threatened. Uzbek courts have regularly ignored such later statements and found defendants guilty. The UN special rapporteur on torture, Manfred Nowak, said in April, "There is ample evidence that both police and other security forces have been and are continuing to systematically practice torture, in particular against dissidents or people who are opponents of the regime."[21]

Members of human rights organizations, both international and local, were often able to observe high-profile trials in the late 1990s up until 2005. After the Andijan violence, many trials were closed to observers, and relatives of defendants were either not informed of trial dates or given short notice of the start of court proceedings. No one accused of terrorism, attempting to overthrow the government, slander against government officials, or, in the case of opposition figures and rights activists, tax evasion or other financial crimes has ever been acquitted of such charges. There have been no attempts to reform the judicial system in Uzbekistan, which seems to have been established for the purpose of placing enemies of the government in prison.

Corruption

1999	2001	2002	2003	2004	2005	2006
6.00	6.00	6.00	6.00	6.00	6.00	6.50

There were no publicized campaigns against corruption in Uzbekistan in 2006, but that is not surprising. Uzbekistan is a country where clans play a large role, and therefore nepotism is inevitable. Generally speaking, nearly everyone in Uzbekistan knows their relatives in neighboring villages, towns, districts, and regions. Some families are dominant and are usually represented in the local administrations. This often gives clans a regional aspect. President Karimov, for example, is from the Samarkand clan. His benefactor, the man who helped Karimov rise in the Communist Party hierarchy in Uzbekistan's days as a Soviet republic, is Ismail Jurabekov.

Now an elderly man, Jurabekov has faded from public view in the last few years after rumors he and Karimov were at odds. But numerous articles on Uzbek opposition websites in the late 1990s and 2000 indicate that Jurabekov was involved in activities outside the law. He managed to secure several prominent government posts in the 1990s, including first deputy prime minister for a brief time after independence. Another likely example of nepotism is the president's daughter Golnara, who owns nightclubs in Tashkent and appears to be well-off financially.

It is impossible to say how she came by her money, since no investigation of this apparent wealth is possible, but some have raised questions about the source of her income.

These examples from the pinnacle of power in Uzbekistan are present throughout the country on a smaller scale. It may not be surprising, then, to hear that *khokims,* in this case people who are mayors or village heads, are able to exploit local labor forces with relative impunity. One of the better-publicized examples of this was Jizzak regional mayor Ubaidulla Yamonkulov. Reports in 2006 said that on one given day, Yamonkulov "physically and verbally abused 32 farmers and forced them to sign documents surrendering their land."[22] In November, Transparency International released its annual Corruption Perceptions Index, ranking Uzbekistan 151 out of the 163 countries surveyed.

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1 In November 2006 alone, the government posted notice on its Web site that it will ignore international arbitration rulings in investment disputes, Uzbek "experts" disputed the findings of UN program on AIDS about the number of infected in Uzbekistan, and Uzbekistan's Foreign Ministry called a U.S. State Department report about religious freedoms in Uzbekistan "interference in Uzbekistan's internal affairs."

2 Interfax report, 23 August 2006.

3 Interfax, "Uzbekistan's President Proposes to Change the Constitution, in Order to Strengthen the Role of Political Parties in the Life of the Country" (Prezident Uzbekistana Predlozhil Izmenit' Konstitutsiyii, Chtoby Usilit' Rol' Politicheskikh Partii V Zhizni Strany), 9 November 2006.

4 Among them were the American Bar Association Central European and Eurasian Law Initiative, Counterpart International, CAFE (Central Asian Free Exchange), the Urban Institute, Windrock International, Crosslink Development, and Partnership in Academics and Development.

5 In July, an investigation of the Germany-based NGO the Institute for International Cooperation of the German Adult Education Association and the Holland-based NGO AIDS Foundation East-West started; in September, the Justice Ministry warned the Belgian NGO Damien Foundation Belgium about "serious violations of Uzbekistan's laws"; also in October, the tax police filed a case against the U.S.-based NGO Mercy Corps and the Indian-based NGO Missionaries of Charity, one of Mother Teresa's organizations.

6 Associated Press, 13 February 2006.

7 Human Rights Watch, "Uzbekistan: Rights Defender Sentenced in 'Puppet Theater,'" 7 March 2006.

8 RFE/RL interview with Rafik Qori at his home in Kara-Suu on May 11, 2006.

9 Forum 18, "Uzbekistan: Assault Arranged by Authorities?," 2 February 2006.

10 Forum 18, "Uzbekistan: Persecution Continues Throughout Country," 14 March 2006.

11 Interfax report, 12 September 2006.

12 Forum 18, "Uzbekistan: Persecution Continues Throughout Country," 14 March 2006.

13 International League for Human Rights, "International League for Human Rights Report to United Nations, League Challenges Uzbekistan's Official Report to UN," 3 March 2006.

14 Other lyrics said, "Don't say you haven't seen how Andijan was drowned in blood.... The victims fell like mulberries, the children's bloodied bodies were like tulips."

15 Interfax, Uzbekistan Strives for Democratic Transformations in the Field of Defending Human Rights—Ministry of Justice" (Uzbekistan stremitsya k demokraticheskim preobrazovaniyam v oblasti zashchiti prav cheloveka—Minyust), 20 October 2006.

16 Uzbekistan was also on a list of the 13 worst offenders of online censorship when Reporters Without Borders held an online protest on 7 November 2006.

17 Radio Liberty, interview with Uzbek Service, 26 September 2006.

18 Committee to Protect Journalists, "Uzbekistan: Government Continues Harassment of Independent Journalist," 2 August 2006; the report said, "Court officers raided Zakir's house in the eastern city of Namangan on July 12, seizing some property, including rugs and light bulbs, allegedly toward an $800 fine that his son had failed to pay."

19 Reporters Without Borders quoted Ezhkov as saying the blocking of his Web site was "the traditional reaction of the authorities to viewpoints that stray from official discourse."

20 Interfax, "In Uzbekistan the System for Registering Media Is Being Completed" (V Uzbekistane sovershenstvuyetsya poryadok registratsii SMI), 16 October 2006.

21 Interview with Uzbek Service, Radio Free Europe/Radio Liberty, 10 April 2006.

22 Institute for War and Peace Reporting, "Uzbek Farmer Abuse Claims," 23 September 2004, press release from the Ezgulik Human Rights Society of Uzbekistan, 14 September 2004.

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Freedom House Europe is a Hungarian nonprofit organization that strengthens democracy and supports human rights in Southeast Europe, the Newly Independent States and the greater European neighborhood. Established in 1995 and now Freedom House's European hub, Freedom House Europe works with partners throughout the region by facilitating transfers of experience in analysis, advocacy, and action on national, regional, and international levels.

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