FREEDOM HOUSE

NATIONS IN TRANSIT 2011

DEMOCRATIZATION

FROM

CENTRAL EUROPE

TO

EURASIA

NATIONS IN TRANSIT 2011

Nations in Transit 2011

Democratization from Central Europe to Eurasia

Edited by Sylvana Habdank-Kolaczkowska
and Christopher T. Walker

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This edition of Nations in Transit is dedicated
to the memory of Vitali Silitski,
who passed away on June 11, 2010,
and to the people of Belarus,
whose bravery and spirit Vitali personified.

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Contents

Acknowledgements 9

Methodology 11

Country Reports 11

Ratings and Scores 12

Checklist of Questions 13

Democracy Score 20

Ratings and Democracy Score Guidelines 21

Research Team and Data Sources 25

Nations in Transit 2011:
The Authoritarian Dead End:
The Arab Spring's Implications for the Former Soviet Union
Christopher T. Walker 27

Tables 39

Table 1. Nations in Transit 2011: Ratings and Democracy Scores Summary 39

Table 2. Electoral Process. Ratings History and Regional Breakdown 40

Table 3. Civil Society: Ratings History and Regional Breakdown 41

Table 4. Independent Media: Ratings History and Regional Breakdown 42

Table 5. National Democratic Governance Ratings History and Regional Breakdown 43

Table 6 Local Democratic Governance: Ratings History and Regional Breakdown 44

Table 7. Judicial Framework & Independence: Ratings History & Regional Breakdown 45

Table 8 Corruption: Ratings History and Regional Breakdown 46

Table 9. Democracy Score: Year-To-Year Summaries by Region 47

Table 10 Democracy Score: 2010 Rankings by Regime Type 48

Country Reports

Albania ▪ *Gledis Gjipali* 49

Armenia ▪ *Alexander Iskandaryan* 67

Azerbaijan ▪ *Magdalena Frichova Grono* 87

Belarus ▪ *Vitali Silitski and Alexei Pikulik* 107

Bosnia-Herzegovina ▪ *Jasna Jelisić* 129

Bulgaria ▪ *Daniel Smilov and Georgy Ganev* 149

Croatia ▪ *Petar Dorić* 167

Czech Republic ▪ *Jeremy Druker* 185
Estonia ▪ *Vello Pettai and Martin Mölder* 203
Georgia ▪ *David Aprasidze* 219
Hungary ▪ *Balázs Áron Kovács and Flóra Hevesi* 239
Kazakhstan ▪ *Bhavna Dave* 261
Kosovo ▪ *Ariana Qosaj-Mustafa* 283
Kyrgyzstan ▪ *Erica Marat* 301
Latvia ▪ *Juris Dreifelds* 321
Lithuania ▪ *Aneta Piasecka* 337
Macedonia ▪ *Neda Milevska-Kostova* 355
Moldova ▪ *William Crowther* 373
Montenegro ▪ *Daliborka Uljarević and Stevo Muk* 393
Poland ▪ *Krzysztof Jasiewicz* 411
Romania ▪ *Laura Stefan and Sorin Ionita* 431
Russia ▪ *Robert W. Orttung* 453
Serbia ▪ *Misha Savić* 479
Slovakia ▪ *Grigorij Mesežnikov, Miroslav Kollár, and Michal Vašečka* 501
Slovenia ▪ *Damjan Lajh* 521
Tajikistan ▪ *Payam Foroughi* 537
Turkmenistan ▪ *Annette Bohr* 557
Ukraine ▪ *Oleksandr Sushko and Olena Prystayko* 579
Uzbekistan ▪ *Bruce Pannier* 605

Freedom House Board of Trustees 625
About Freedom House 627

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Methodology

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

Country Reports

The country reports in *Nations in Transit 2011* follow an essay format that allowed the report authors to provide a broad analysis of the progress of democratic change in their country of expertise. Freedom House provided them with guidelines for ratings and a checklist of questions covering seven categories: electoral process, civil society, independent media, national democratic governance, local democratic governance, judicial framework and independence, and corruption. Starting with the 2005 edition, Freedom House introduced separate analysis and ratings for national democratic governance and local democratic governance to provide readers with more detailed and nuanced analysis of these two important subjects. Previous editions included only one governance category. The ratings for all categories reflect the consensus of Freedom House, the *Nations in Transit* advisers, and the report authors.

Each country report is organized according to the following:

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

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

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

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

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

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

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

Ratings and Scores

For all 29 countries in *Nations in Transit 2011*, Freedom House—in consultation with the report authors, a panel of academic advisers, and a group of regional expert reviewers—has provided numerical ratings in the seven categories listed above. The ratings are based on a scale of 1 to 7, with 1 representing the highest and 7 the lowest level of democratic progress.

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

The ratings process for *Nations in Transit 2011* involves four steps:

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

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

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

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 examined and for analysis of long-term developments in a particular country.

Nations in Transit 2011 Checklist of Questions

National Democratic Governance

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

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

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

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

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

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

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

Electoral Process

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

Civil Society

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

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

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

Independent Media

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

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

Local Democratic Governance

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

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

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

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

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

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

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

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

Judicial Framework and Independence

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

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

Corruption

1. Has the government implemented effective anticorruption initiatives?
2. Is the country's economy free of excessive state involvement?
3. Is the government free from excessive bureaucratic regulations, registration requirements, and other controls that increase opportunities for corruption?
4. Are there significant limitations on the participation of government officials in economic life?
5. Are there adequate laws requiring financial disclosure and disallowing conflict of interest?
6. Does the government advertise jobs and contracts?
7. Does the state enforce an effective legislative or administrative process—particularly one that is free of prejudice against one's political opponents—to prevent, investigate, and prosecute the corruption of government officials and civil servants?
8. Do 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 the 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 2011*, Freedom House once again uses the Democracy Score. Based on the Democracy Score and its scale of 1 to 7, Freedom House defined the following regime types:

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

Ratings and Democracy Score Guidelines

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

1.00–2.99 Consolidated Democracies

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

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

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

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

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

3.00–3.99 Semi-Consolidated Democracies

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

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

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

4.00–4.99 Transitional or Hybrid Regimes

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

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

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

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

5.00–5.99 Semi-Consolidated Authoritarian Regimes

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

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

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

6.00–7.00 Consolidated Authoritarian Regimes

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

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

Research Team and Data Sources

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

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

The economic and social data contained in the country header pages of the 2011 edition were taken from the World Bank's *World Development Indicators 2011* (Washington, D.C.: World Bank, April 2011).

Nations in Transit 2011:

The Authoritarian Dead End:

The Arab Spring's Implications for the Former Soviet Union

Christopher T. Walker

The recent popular uprisings in the Middle East and North Africa have exposed the fragility of the region's ostensibly stable authoritarian regimes, and brought into sharp relief these governments' inability to deliver public goods and economic prosperity to their people.

The democratic openings in Egypt and Tunisia, and the determination of ordinary people to pursue their rights in the face of violent repression in countries like Libya and Syria, have also shaken a number of commonly held assumptions about democracy and governance in general.

One particularly persistent myth is that people in certain cultures have an inherently weak desire for greater freedoms, economic opportunity, and democratic accountability, and will acquiesce to despotic rule if their most rudimentary needs are met.

Another is that authoritarian governance is a guarantor of stability. In reality, authoritarian systems steadily erode the independent institutions and safeguards that guarantee basic justice; ensure government efficiency, integrity, and responsiveness; and provide for regular, peaceful transfers of power. These regimes come to focus on enriching themselves and suppressing complaints rather than addressing underlying problems, and their intrinsic lack of transparency on the nagging issue of presidential succession makes crises almost inevitable.

Unfortunately for the world's established and aspiring democracies, authoritarian states have the same negative effects at the international level. They block human rights initiatives in international bodies, restrict international media and civil society groups, flout international law, and often attempt to control political and economic affairs in neighboring states. As in the domestic sphere, such regimes become brittle, grasping, unavoidable, and supposedly irreplaceable presences in their regions.

The revelations stemming from the recent upheaval in the Middle East raise serious questions about the former Soviet Union, which is home to a similar concentration of entrenched, nondemocratic leaders. According to the findings of *Nations in Transit 2011*, nine of the twelve non-Baltic former Soviet states were either consolidated or semi-consolidated authoritarian regimes during the calendar 2010 coverage period. Only three—Georgia, Moldova, and Ukraine—fell into more democratic categories. Viewed another way, about 225 million people, or 80 percent of the region's population, were living in authoritarian settings in 2010.

The authoritarian former Soviet states suffer from many of the institutional weaknesses found in the Middle East, including shoddy governance and the corrupt concentration of economic power in the hands of presidential families and their associates. They also exert a harmful influence beyond their borders. Russia, for example, has actively sought to stifle any democratic change on its periphery. This policy was on display in December 2010, when Russian authorities tacitly supported a savage government crackdown on the opposition in Belarus following fraudulent national elections.

The democracy scores recorded by *Nations in Transit* show that all nine countries in the authoritarian categories have grown more repressive over the past decade, and the region's autocrats seem determined to retain their monopolies on power. While their tenures have not yet reached the extraordinary lengths of those in the Middle East and North Africa, the average time since the last rotation of power in the 12 countries of the non-Baltic former Soviet Union is now just over 12 years (see graph on page 4). If not for Moldova and Ukraine, where opposition parties took power through elections within the last two years, and Kyrgyzstan, where the authoritarian president was ousted in an April 2010 revolution, the average would be even higher. The Central Asian states of Uzbekistan and Kazakhstan are still ruled by their Soviet-era leaders, while other regimes have awkwardly improvised ways to pass the baton without a true democratic contest, as with Azerbaijan's dynastic succession or the ambiguous "tandem" of Russia's Prime Minister Vladimir Putin and President Dmitri Medvedev.

The ever-growing tenures of authoritarians in the former Soviet Union—and the consequent deepening of associated institutional pathologies—has created a number of looming problems:

- First, these consolidated authoritarian systems have no mechanism for enabling a peaceful rotation of power, even if they hold stage-managed elections in a bid to maintain their legitimacy. The unresolved question of succession hangs over the septuagenarian rulers of Uzbekistan and Kazakhstan, while the comparatively youthful autocrats in Azerbaijan, Belarus, Russia, Tajikistan, and Turkmenistan present increasingly frustrated citizens with the promise of political stagnation for many years to come.
- Second, the governments in the former Soviet Union, like those in the Middle East, systematically deny space for moderate political voices

that could offer a viable alternative to existing policies and leaders. This marginalization can set societies on a dangerous cycle of extremism among government opponents and violent crackdowns by the authorities. In some cases authoritarian leaders even tacitly encourage extremism, either to combat and discredit moderates or to make a case for their own indispensability. These phenomena are of concern across much of the former Soviet Union, but particularly so in settings where extremist voices have managed to gain greater resonance, such as in Russia and Uzbekistan.

- Third, the inherent corruption and lawlessness of these opaque governance systems hobble economic opportunity and reform. Russia, for example, has made no meaningful headway in diversifying its economy and reducing its reliance on state-controlled oil and gas exports. Ongoing capital flight and shrinking levels of foreign direct investment are a testament to the arbitrary nature of business regulation and property rights in the country. Belarus's ossified, Soviet-style economy is now in an especially volatile stage of its seemingly perpetual crisis, and has survived largely on outside subsidies, particularly from Moscow. Similar stories of mismanagement of public assets, degradation of infrastructure, and dependence on a handful of nationalized but ultimately external revenue sources play out across virtually all of the authoritarian states in the region. The leaders tend to treat national wealth as their own, part of the broader pattern of narrow regime interests taking precedence over the public good.

- Finally, the corrosive effect of authoritarian governance on a country's institutions means that the longer the wait to begin a serious reform process, the more difficult and complex the reform challenge becomes. The rising hurdles include overweening security forces with lucrative economic interests and growing political power, judiciaries with fading notions of independence and professionalism, and the steady stifling of talented individuals who might otherwise serve as competent politicians, technocrats, or entrepreneurs. Nevertheless, none of the consolidated authoritarian regimes in question have signaled a willingness or capacity to undertake the reforms that would ameliorate festering problems and enable more positive outcomes for governance and development. Instead, it seems that the prevailing strategy is to tighten the screws and hope for the best, an approach fraught with obvious shortcomings given the recent experience of the Middle East and North Africa.

Limitless Terms and Controlled Succession in the Former Soviet Union

As in the Middle East, one of the common features of the governing systems in the non-Baltic former Soviet Union is infrequent rotation of power among rival political forces. Rather than allowing the reins of government to pass to the opposition through genuinely competitive elections, entrenched authoritarian leaders in the region have typically used rigged balloting to ensure their own reelection and circumvent constitutionally prescribed term limits. The reported majorities in such votes usually range from 70 percent to well over 90 percent.

Kazakhstan's President Nursultan Nazarbayev has been president since the country gained independence from the Soviet Union in 1991. A 1995 referendum extended his first five-year term through 2000, and a 1998 referendum increased future terms from five to seven years. An early election in January 1999 kept him in office through 2005, when he won yet another seven-year term. Constitutional changes in 2007 exempted Nazarbayev from term limits altogether, and in 2010 the country's rubber-stamp parliament worked to formalize Nazarbayev's lifetime status as "leader of the nation."

In **Belarus**, President Alyaksandr Lukashenka, who came to power in 1994, extended his first term through 2001 with a 1996 referendum. After winning a second term in 2001, he engineered a 2004 referendum that removed presidential term limits. Lukashenka went on to secure two additional terms in 2006 and 2010.

In **Tajikistan**, President Emomali Rahmon became head of state in 1992 amid the turmoil of a civil war, and was elected president for the first time in 1994. A constitutional change in 1999 extended the presidential term from five to seven years, and Rahmon won a new, seven-year term in an election later that year. A referendum in 2003 opened the door for him to seek two additional terms, which would allow him to remain in power until 2020. In the 2006 presidential election, he was credited with nearly 80 percent of the vote.

Islam Karimov has been president of **Uzbekistan** since independence. In 1995, a referendum extended his first five-year term until 2000, with a reported 99 percent of voters endorsing the move. He was reelected in 2000 for another five-year term, but prolonged it to seven years through a 2002 referendum. Although the constitution still states that the president is permitted to serve only two terms, Karimov ignored the rule and secured an additional seven-year term in a 2007 election.

In **Azerbaijan**, former communist leader Heydar Aliyev took power in a 1993 coup and easily won a presidential election later that year. He won a second five-year term in 1998, but as his health failed in 2003, he withdrew his candidacy for reelection and cleared the path for his son, then prime minister Ilham Aliyev, to win the presidency with nearly 77 percent of the vote. The younger Aliyev was reelected in 2008, and term limits were eliminated in a 2009 referendum.

In **Russia**, Prime Minister Vladimir Putin originally came to power when President Boris Yeltsin resigned at the end of 1999, leaving Putin as acting president and ensuring his election in 2000. After serving two four-year terms, Putin anointed Dmitri Medvedev as his successor, but he remained in power as prime minister after Medvedev won the presidency in 2008.

Turkmenistan's longtime ruler, Saparmurat Niyazov, was the sitting president upon independence in 1991, and won reelection in 1992 with nearly 100 percent of the vote. A 1994 referendum extended his term until 2002, but in 1999 the parliament voted to make him president for life. After he died in 2006, then deputy prime minister Gurbanguly Berdimuhamedow was installed as acting president in an opaque, apparently extraconstitutional process, and he won an orchestrated presidential election in 2007.

While the former Soviet Union suffers from the most acute democratic deficit of the regions covered in *Nations in Transit*, countries to the west are confronting ongoing challenges to democracy as well. Among the new European Union (EU) member states, Hungary has triggered deep concern, as the right-wing government of Prime Minister Viktor Orbán has pursued an illiberal program since taking office in early 2010. Among other steps, it has enacted extensive changes to the media framework that pose fundamental threats to free speech. Meanwhile, in the Balkans, a total of five countries suffered declines in their democracy scores due to developments in 2010.

Main Findings and Notable Trends

- **Reform-Resistant Authoritarian States:** Despite the clear and increasingly urgent need for reform, a critical mass of regimes in the former Soviet Union are effectively resistant to change. Several of these governments have never opened themselves to political competition or other elements of a democratic system in the 20 years since independence, while others—particularly Russia—have actively rolled back partial progress made in previous years.

- **Deteriorating Media Environment in All Subregions:** Declines were most numerous in the independent media category in 2010, appearing in every subregion covered in *Nations in Transit*. A total of seven countries—Belarus, Bosnia and Herzegovina, Hungary, Kosovo, Macedonia, Montenegro, and Ukraine—regressed on the media indicator. Hungary, though an EU member state and still one of the better performers in the survey, suffered the largest decline after its government pushed through restrictive new media legislation.

- **Sharp Declines in Key Countries:** Ukraine, until recently viewed as the most important example of democratic reform in the non-Baltic former Soviet Union, suffered unusually large declines in 2010. The scores fell in a total of four areas, including steep half-point reductions in the judicial framework and national democratic governance categories. Hungary also experienced declines in four areas, with half-point declines for national democratic governance and independent media.

- **Setbacks Prevailing in the Balkans:** While Croatia and Serbia continued to make gradual progress in 2010 on reforms associated with EU candidacy, five other countries in the region—Albania, Bosnia and Herzegovina, Kosovo, Macedonia, and Montenegro—suffered declines in their overall democracy scores. Such backsliding, which stemmed from a variety of stubborn obstacles to reform in these countries, is a reminder that the EU and the United States do not have the luxury of disengagement from this subregion.

Former Soviet Union

The blocking of any consequential space for alternative political voices remained a common phenomenon in this region in 2010, and while a handful of smaller countries made notable progress, the majority grew worse or maintained very poor performances.

In **Russia**, for example, the ruling party again used its dominance of state administrative resources and a variety of rigging techniques to ensure victory in regional and local elections, despite signs that its popularity was in decline. Similar electoral manipulation is expected to determine the results of upcoming December 2011 parliamentary contest as well as the March 2012 presidential vote. In fact, the only uncertainty surrounding the latter seems to entail the choice between Medvedev and Putin, which the two men have promised to resolve themselves before the campaign even begins.

Russia's democracy score declined due to deepening pressures on the judiciary and federal encroachments on local governance, as regional and local executives who once came to office through elections were replaced by appointed officials.

The setbacks in these two areas outweighed an improvement in the civil society category. Despite the ongoing pressures and obstacles imposed by the authorities, the nongovernmental sector persisted in organizing rallies to oppose local officials in Kaliningrad, defend the Khimki forest outside Moscow from development, and assert the constitutional right to freedom of assembly. In response to these efforts, police raided many organizations, confiscating computers and documents, and broke up a number of demonstrations with excessive force.

Meanwhile, the November 2010 parliamentary elections in **Azerbaijan** intensified an established pattern of blatant manipulation, leading to another overall score decline. The outcome of the balloting strongly suggested that any alternative or dissenting voices will no longer have a serious opportunity to participate in the country's politics. As both Russia and Azerbaijan confront complex choices concerning the investment and use of their massive energy wealth, the elimination of independent scrutiny and critical analysis of such decisions should be of particular concern to the citizens of these countries and the international community alike.

After courting the EU for a time and raising hopes of some degree of competition and pluralism, President Alyaksandr Lukashenka of **Belarus** won a deeply fraudulent election in December 2010 and pursued a vindictive persecution of opposition candidates and their supporters. The country's democracy score deteriorated as a result, reversing the previous year's slight upgrade.

Kazakhstan completed its chairmanship of the Organization for Security and Cooperation in Europe without making any institutional improvement in democratic accountability. In fact, additional steps were taken to insulate the president and his family from the rule of law, as the parliament moved forward with an initiative to make Nazarbayev the "leader of the nation," which among other things would provide him with lifetime immunity from investigation or prosecution.

Ukraine's improvement in *Nations in Transit* following the 2004 Orange Revolution was built on greater press freedom, competitive elections, and vibrant civil society. However, in the months after Viktor Yanukovych won the presidency in early 2010, his administration displayed hostility to progress in precisely those areas. Government pressure on television outlets led to self-censorship regarding coverage of politically sensitive topics, opposition parties encountered administrative obstacles in local elections, and civil society groups faced intimidation by the state security service. Moreover, the government pushed through legislation that reduced judicial independence, and secured the legally dubious judicial reversal of constitutional changes associated with the Orange Revolution. These developments are an indication of the vulnerability of Ukraine's democratic institutions and the need for vigilance and engagement by the EU, the United States, and the wider democratic community to prevent a wholesale reversal of recent gains.

In a contrasting example of positive change, **Moldova** earned the greatest net improvement in its democracy score of all *Nations in Transit* countries, with upgrades on electoral process, civil society, independent media, national democratic governance, and judicial framework. It also moved from the semi-authoritarian

to the hybrid/transitional regime type. The advances came as a result of reforms introduced by a coalition government elected in 2009 and successful repeat elections in 2010.

Georgia received score improvements as it began to recover from the conflict and political turmoil of previous years, which among other effects had hobbled reform efforts. Local elections held in May 2010 were seen as an improvement over earlier polls, though a number of shortcomings remained. Also during the year, lawmakers adopted controversial constitutional changes that will shift significant executive authority from the president to the prime minister. The amendments are set to take effect after the second and final term of President Mikheil Saakashvili expires, prompting speculation that he may seek to become prime minister.

Kyrgyzstan experienced a net improvement in its overall democracy score, as a popular revolt in April 2010 forced the increasingly authoritarian President Kurmanbek Bakiyev from power, and he was replaced by an interim government that oversaw the adoption of a new constitution as well as competitive parliamentary elections. However, this progress was tarnished by deadly episodes of ethnic violence, particularly against the Uzbek minority in the country's south, and the failure of the justice system to hold the perpetrators accountable.

New EU States

On the whole, the 10 new EU member states perform exceptionally well on the democracy indicators used in *Nations in Transit*. Elections are free and fair, news media generally operate without interference, and civil society is able to actively participate in policy discussions. At the same time, corruption is an ongoing problem, due in large part to cozy relations between political and business elites and an inability to achieve needed judicial reforms. Major business deals and bidding for state contracts in many new EU countries frequently lack transparency.

Events in **Hungary** in 2010 demonstrated that the positive trajectory of democratic development cannot be taken for granted, within the new EU member states in particular. Prime Minister Viktor Orbán's Fidesz party used the two-thirds parliamentary majority it won in April 2010 elections to push through a number of measures that were viewed as clear challenges to the country's system of democratic accountability. The array of changes enacted by the new government triggered declines in Hungary's scores for civil society and judicial framework, and even sharper drops in the areas of independent media and national democratic governance. The media rating fell as a result of encroachments on the independence of public-service television and radio broadcasters, and the establishment a new, government-controlled regulatory body with sweeping authority over private broadcast media, print publications, and the internet. National democratic governance declined due to the Fidesz government's assertions of political control over ostensibly independent institutions ranging from auditing agencies to the Constitutional Court. While these steps were alarming and drew widespread

attention, it is noteworthy that Hungary had already suffered a series of smaller score declines over the previous five years. Among the new EU states, only Bulgaria and Romania, which joined the bloc three years after Hungary, now receive worse overall democracy scores.

Despite Hungary's backsliding, most of the new EU member states registered improvements in 2010. **Slovakia**, for example, earned an upgrade in its overall score, as a new coalition government elected in June outperformed its predecessor in the areas of national democratic governance and judicial framework. The **Czech Republic** benefited from unusually vibrant parliamentary elections in May that broke a long-standing deadlock between the two main parties and handed sizeable blocs of seats to new parties. The issue of corruption was high on the agenda during the campaign, and the new government pledged to make the fight against graft one of its main objectives. By year's end, however, expectations had been disappointed, as the government fell short on policy implementation.

All three of the Baltic states perform soundly on *Nations in Transit* indicators, and in the recent past they have weathered challenges, sometimes significant, stemming from the global financial crisis. **Lithuania** experienced no score changes for 2010. **Latvia** earned a slight overall improvement due to well-administered parliamentary elections, but its corruption score declined as a result of a controversial reorganization process at the country's respected Corruption Prevention and Combating Bureau (KNAB). **Estonia** saw an improvement in its overall democracy score thanks to its anticorruption efforts.

Poland's democracy demonstrated its resilience in the face of a disastrous plane crash in which the president and dozens of senior military and civilian officials were killed. The vacant positions were quickly filled according to legal and constitutional requirements, including the presidency, for which an early election was held without incident. Poland's performance under such extreme circumstances highlights the drastically different paths followed by the countries of the former Soviet Union, most of which have moved away from institutional integrity and accountability, and the new EU states of Central Europe, which have built impressively stable democracies despite the legacy of decades of communist rule. It seems unlikely that the recovery would be so orderly and transparent if a similar crisis were to strike one of the authoritarian states to Poland's east.

Balkans

The EU continues to exert a demonstrably positive influence on the countries of the western Balkans, all of which are considered candidates or potential candidates for membership in the bloc. They are steadily monitored and encouraged to carry out reforms that meet EU requirements, and the threat of isolation in an area that is now surrounded by member states serves as a powerful deterrent to backsliding. However, several countries faced setbacks in 2010, indicating that continued progress is neither guaranteed nor automatic. As the EU's main powers wrestle

with their own internal challenges as well as those of the most recent entrants, they should not ignore the strategic value of the European idea—not just for the Balkans, but also for the former Soviet states along the EU's eastern border.

Both **Croatia**, an EU candidate country, and **Serbia**, an aspiring candidate, received overall score improvements for 2010, making progress in the areas of civil society and corruption. They remain tied as the best performers among the Balkans' non-EU states. Croatia's active civil society organizations are gaining influence among the public and in some decision-making processes. In 2010, increased civic participation associated with a labor law referendum and a number of locally based initiatives demonstrated a new willingness on the part of the public to become involved in civic organizations.

Montenegro experienced a decline due to pressure on media independence and the ongoing use of criminal libel suits. **Macedonia** similarly suffered a drop in its media score due to a greater number of defamation cases and larger fines against journalists. Many of these complaints were filed by politicians, judges, government officials, or competitors. In addition, an opposition media group was targeted with police raids and arrests late in the year, allegedly for financial crimes.

Kosovo's score decline due to setbacks in three areas—electoral process, media independence, and national democratic governance—after three years of overall gains. Meanwhile, **Bosnia and Herzegovina** marked its third straight year of deterioration, in this case due to problems with press freedom and the judiciary, and **Albania**'s score declined for a second year, in large part due to an ongoing political crisis linked to the disputed 2009 parliamentary elections.

Conclusion

While the collapse of the authoritarian regimes of the former Soviet Union may not be imminent, it is clear that they suffer from many of the same fatal flaws that led to the Arab revolts of 2011. These governments have suppressed legitimate opposition, hobbled the development of civil society, and otherwise monopolized political and economic life. Critically, they have also undermined the viability of independent news media, which is a keystone for the development of a democratic society.

Lacking established succession mechanisms and leaning heavily on informal, personality-based patronage networks with presidential families at their core, the region's autocracies are inherently unstable and pose risks similar to those of the former regimes in Egypt and Tunisia. Ultimately, the former Soviet states that are currently languishing under despotic rule must confront, or be confronted by, the myriad problems they have left unresolved. Any further delay will only impose a heavier burden on those who inherit the authoritarian legacy.

The democratic world clearly missed opportunities over the years in the Middle East by consistently casting its lot with the region's authoritarian leaders, and acting under the assumption that ordinary citizens in these countries were not interested

in freedom. One result of this failed approach is that instead of an orderly, negotiated, and sustainable process of reform and political opening, policymakers must now contend with tumultuous revolutions whose outcomes are by no means certain. Democratic states have an undeniable strategic interest in avoiding a similar scenario in the former Soviet Union.

The examples of the countries examined in *Nations in Transit* demonstrate both the positive effects of assistance from established democracies on the reform process, and the threats presented by neglect and the malign influence of authoritarian neighbors. To ensure long-term stability and prosperity in the region and around the world, supporters of democracy must counter authoritarian efforts to stave off change, actively encourage attempts to build democratic institutions, and maintain vigilance in countries where recent accomplishments are still vulnerable to the toxic residue of authoritarian governance.

Overview of Ratings Changes

Electoral Process

↓ 4 declines: Albania, Azerbaijan, Belarus, Kosovo

↑ 7 improvements: Czech Republic, Georgia, Kyrgyzstan, Latvia, Moldova, Poland, Slovakia

Civil Society

↓ 1 decline: Hungary

↑ 5 improvements: Croatia, Kyrgyzstan, Moldova, Russia, Serbia

Independent Media

↓ 7 declines: Belarus, Bosnia and Herzegovina, Hungary, Kosovo, Macedonia, Montenegro, Ukraine

↑ 1 improvement: Moldova

National Democratic Governance

↓ 5 declines: Albania, Bulgaria, Hungary, Kosovo, Ukraine

↑ 7 improvements: Georgia, Kyrgyzstan, Latvia, Moldova, Poland, Romania, Slovakia

Local Democratic Governance

↓ 5 declines: Albania, Armenia, Azerbaijan, Russia, Ukraine

↑ No improvements.

Judicial Framework and Independence

↓ 6 declines: Bosnia and Herzegovina, Georgia, Hungary, Kyrgyzstan, Russia, Ukraine

↑ 2 improvements: Moldova, Slovakia

Corruption

↓ 1 decline: Latvia

↑ 6 improvements: Croatia, Estonia, Georgia, Kyrgyzstan, Serbia, Slovakia

Democracy Score

↓ 12 declines: Albania, Armenia, Azerbaijan, Belarus, Bosnia and Herzegovina, Bulgaria, Hungary, Kosovo, Macedonia, Montenegro, Russia, Ukraine

↑ 11 improvements: Croatia, Czech Republic, Estonia, Georgia, Kyrgyzstan, Latvia, Moldova, Poland, Romania, Serbia, Slovakia

Christopher Walker is director of studies at Freedom House. Sylvana Habdank-Kolaczkowska, Tyler Roylance, Eliza B. Young, and Natasha Geber assisted in the preparation of this report.

Tables

Table 1. Nations in Transit 2011

Ratings and Democracy Score Summary

Country	EP	CS	IM	NGOV	LGOV	JFI	CO	DS
Albania	4.00	3.00	4.00	4.75	3.25	4.25	5.00	4.04
Armenia	5.75	3.75	6.00	5.75	5.75	5.50	5.50	5.43
Azerbaijan	7.00	5.75	6.75	6.50	6.50	6.25	6.50	6.46
Belarus	7.00	6.00	6.75	6.75	6.75	6.75	6.00	6.57
Bosnia	3.25	3.50	4.75	5.25	4.75	4.25	4.50	4.32
Bulgaria	1.75	2.50	3.75	3.50	3.00	3.00	4.00	3.07
Croatia	3.25	2.50	4.00	3.50	3.75	4.25	4.25	3.64
Czech Republic	1.25	1.75	2.50	2.75	1.75	2.00	3.25	2.18
Estonia	1.75	1.75	1.50	2.25	2.50	1.50	2.25	1.93
Georgia	5.00	3.75	4.25	5.75	5.50	5.00	4.75	4.86
Hungary	1.75	2.00	3.25	3.00	2.50	2.25	3.50	2.61
Kazakhstan	6.75	5.75	6.75	6.75	6.25	6.25	6.50	6.43
Kosovo	4.50	3.75	5.75	5.75	5.00	5.75	5.75	5.18
Kyrgyzstan	6.00	4.75	6.50	6.50	6.50	6.25	6.25	6.11
Latvia	1.75	1.75	1.75	2.25	2.25	1.75	3.50	2.14
Lithuania	1.75	1.75	1.75	2.75	2.50	1.75	3.50	2.25
Macedonia	3.25	3.25	4.50	4.00	3.75	4.00	4.00	3.82
Moldova	4.00	3.25	5.50	5.75	5.75	4.50	6.00	4.96
Montenegro	3.25	2.75	4.25	4.25	3.25	4.00	5.00	3.82
Poland	1.50	1.50	2.25	2.75	1.75	2.50	3.25	2.21
Romania	2.75	2.50	4.00	3.75	3.00	4.00	4.00	3.43
Russia	6.75	5.50	6.25	6.50	6.00	5.75	6.50	6.18
Serbia	3.25	2.25	4.00	3.75	3.50	4.50	4.25	3.64
Slovakia	1.50	1.75	3.00	2.75	2.50	2.75	3.50	2.54
Slovenia	1.50	2.00	2.25	2.00	1.50	1.75	2.50	1.93
Tajikistan	6.50	6.00	5.75	6.25	6.00	6.25	6.25	6.14
Turkmenistan	7.00	7.00	7.00	7.00	6.75	7.00	6.75	6.93
Ukraine	3.50	2.75	3.75	5.50	5.50	5.50	5.75	4.61
Uzbekistan	7.00	7.00	7.00	7.00	6.75	7.00	6.75	6.93
Average	**3.94**	**3.50**	**4.47**	**4.66**	**4.29**	**4.35**	**4.81**	**4.29**
Median	**3.25**	**3.00**	**4.25**	**4.75**	**3.75**	**4.25**	**4.75**	**4.04**

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 2011 ratings reflect the period January 1 through December 31, 2010.

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

	2002	2003	2004	2004	2006	2007	2008	2009	2010	2011	Change
New EU Members											
Bulgaria	2.00	2.00	1.75	1.75	1.75	1.75	1.75	1.75	1.75	**1.75**	
Czech Rep.	2.00	2.00	2.00	2.00	2.00	1.75	1.75	1.50	1.50	**1.25**	▲
Estonia	1.75	1.75	1.50	1.50	1.50	1.50	1.50	1.50	1.75	**1.75**	
Hungary	1.25	1.25	1.25	1.25	1.25	1.75	1.75	1.75	1.75	1.75	
Latvia	1.75	1.75	1.75	1.75	1.75	2.00	2.00	2.00	2.00	1.75	▲
Lithuania	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	
Poland	1.25	1.50	1.50	1.75	1.75	2.00	2.00	2.00	1.75	1.50	▲
Romania	3.00	2.75	2.75	2.75	2.75	2.75	2.75	2.50	2.75	2.75	
Slovakia	1.75	1.50	1.50	1.25	1.25	1.50	1.50	1.50	1.75	1.50	▲
Slovenia	1.75	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	
Average	**1.83**	**1.78**	**1.73**	**1.73**	**1.73**	**1.83**	**1.83**	**1.78**	**1.83**	**1.73**	
Median	**1.75**	**1.75**	**1.63**	**1.75**	**1.75**	**1.75**	**1.75**	**1.75**	**1.75**	**1.75**	
The Balkans											
Albania	3.75	3.75	3.75	3.75	3.50	4.00	4.00	3.75	3.75	4.00	▼
Bosnia	4.25	3.75	3.50	3.25	3.00	3.00	3.00	3.00	3.25	3.25	
Croatia	3.25	3.25	3.25	3.00	3.25	3.25	3.25	3.25	3.25	3.25	
Macedonia	4.50	3.50	3.50	3.00	3.25	3.25	3.25	3.50	3.25	3.25	
Yugoslavia	3.75	3.75	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	
Serbia	n/a	n/a	3.50	3.25	3.25	3.25	3.25	3.25	3.25	3.25	
Montenegro	n/a	n/a	3.50	3.25	3.50	3.50	3.25	3.25	3.25	3.25	
Kosovo	n/a	n/a	5.25	4.75	4.75	4.75	4.50	4.50	4.25	4.50	▼
Average	**3.90**	**3.60**	**3.75**	**3.46**	**3.50**	**3.57**	**3.50**	**3.50**	**3.46**	**3.54**	
Median	**3.75**	**3.75**	**3.50**	**3.25**	**3.25**	**3.25**	**3.25**	**3.25**	**3.25**	**3.25**	
Non-Baltic Former Soviet States											
Armenia	5.50	5.50	5.75	5.75	5.75	5.75	5.50	5.75	5.75	5.75	
Azerbaijan	5.75	5.75	6.00	6.25	6.50	6.50	6.50	6.75	6.75	7.00	▼
Belarus	6.75	6.75	6.75	7.00	7.00	7.00	7.00	6.75	6.75	7.00	▼
Georgia	5.00	5.25	5.25	4.75	4.75	4.50	4.75	5.25	5.25	5.00	▲
Kazakhstan	6.25	6.50	6.50	6.50	6.50	6.50	6.75	6.75	6.75	6.75	
Kyrgyzstan	5.75	6.00	6.00	6.00	5.75	5.75	6.00	6.00	6.25	6.00	▲
Moldova	3.50	3.75	4.00	4.00	3.75	3.75	3.75	4.00	4.25	4.00	▲
Russia	4.50	4.75	5.50	6.00	6.25	6.50	6.75	6.75	6.75	6.75	
Tajikistan	5.25	5.25	5.75	6.00	6.25	6.50	6.50	6.50	6.50	6.50	
Turkmenistan	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	
Ukraine	4.50	4.00	4.25	3.50	3.25	3.00	3.00	3.50	3.50	3.50	
Uzbekistan	6.75	6.75	6.75	6.75	6.75	6.75	7.00	7.00	7.00	7.00	
Average	**5.54**	**5.60**	**5.79**	**5.79**	**5.79**	**5.79**	**5.88**	**6.00**	**6.04**	**6.02**	
Median	**5.63**	**5.63**	**5.88**	**6.00**	**6.25**	**6.50**	**6.50**	**6.63**	**6.63**	**6.63**	

NOTES: The ratings are based on a scale of 1 to 7, with 1 representing the highest level of democratic progress and 7 the lowest. The 2011 ratings reflect the period January 1 through December 31, 2010.

Table 3. Civil Society

Ratings History and Regional Breakdown

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	Change
New EU Members											
Bulgaria	3.25	3.25	3.00	2.75	2.75	2.50	2.50	2.50	2.50	2.50	
Czech Rep.	1.75	1.50	1.50	1.50	1.50	1.50	1.25	1.50	1.75	1.75	
Estonia	2.00	2.00	2.00	2.00	2.00	2.00	1.75	1.75	1.75	1.75	
Hungary	1.25	1.25	1.25	1.25	1.25	1.50	1.50	1.75	1.75	2.00	▼
Latvia	2.00	2.00	2.00	1.75	1.75	1.75	1.75	1.75	1.75	1.75	
Lithuania	1.50	1.50	1.50	1.50	1.50	1.75	1.75	1.75	1.75	1.75	
Poland	1.25	1.25	1.25	1.25	1.25	1.50	1.25	1.50	1.50	1.50	
Romania	3.00	2.75	2.50	2.25	2.25	2.25	2.25	2.50	2.50	2.50	
Slovakia	1.75	1.50	1.25	1.25	1.25	1.50	1.50	1.75	1.75	1.75	
Slovenia	1.50	1.50	1.50	1.75	1.75	2.00	2.00	2.00	2.00	2.00	
Average	**1.93**	**1.85**	**1.78**	**1.73**	**1.73**	**1.83**	**1.75**	**1.88**	**1.90**	**1.93**	
Median	**1.75**	**1.50**	**1.50**	**1.63**	**1.63**	**1.75**	**1.75**	**1.75**	**1.75**	**1.75**	
The Balkans											
Albania	3.75	3.75	3.50	3.25	3.00	3.00	3.00	3.00	3.00	3.00	
Bosnia	4.25	4.00	3.75	3.75	3.75	3.50	3.50	3.50	3.50	3.50	
Croatia	2.75	3.00	3.00	3.00	2.75	2.75	2.75	2.75	2.75	2.50	▲
Macedonia	4.00	3.75	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	
Yugoslavia	3.00	2.75	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	
Serbia	n/a	n/a	2.75	2.75	2.75	2.75	2.75	2.75	2.50	2.25	▲
Montenegro	n/a	n/a	2.75	2.50	3.00	3.00	2.75	2.75	2.75	2.75	
Kosovo	n/a	n/a	4.25	4.00	4.25	4.25	4.00	4.00	3.75	3.75	
Average	**3.55**	**3.45**	**3.32**	**3.21**	**3.25**	**3.21**	**3.14**	**3.14**	**3.07**	**3.00**	
Median	**3.75**	**3.75**	**3.25**	**3.25**	**3.00**	**3.00**	**3.00**	**3.00**	**3.00**	**3.00**	
Non-Baltic Former Soviet States											
Armenia	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.75	3.75	3.75	
Azerbaijan	4.50	4.25	4.50	4.75	5.00	5.25	5.25	5.50	5.75	5.75	
Belarus	6.25	6.50	6.75	6.75	6.75	6.50	6.50	6.25	6.00	6.00	
Georgia	4.00	4.00	3.50	3.50	3.50	3.50	3.50	3.75	3.75	3.75	
Kazakhstan	5.50	5.50	5.50	5.50	5.75	5.75	5.50	5.50	5.75	5.75	
Kyrgyzstan	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.75	5.00	4.75	▲
Moldova	4.00	3.75	4.00	4.00	4.00	3.75	3.75	3.75	3.50	3.25	▲
Russia	4.00	4.25	4.50	4.75	5.00	5.25	5.50	5.75	5.75	5.50	▲
Tajikistan	5.00	5.00	5.00	4.75	5.00	5.00	5.50	5.75	6.00	6.00	
Turkmenistan	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	
Ukraine	3.75	3.50	3.75	3.00	2.75	2.75	2.75	2.75	2.75	2.75	
Uzbekistan	6.75	6.50	6.50	6.50	7.00	7.00	7.00	7.00	7.00	7.00	
Average	**4.90**	**4.85**	**4.92**	**4.88**	**4.98**	**4.98**	**5.02**	**5.13**	**5.17**	**5.10**	
Median	**4.50**	**4.38**	**4.50**	**4.75**	**5.00**	**5.13**	**5.38**	**5.50**	**5.75**	**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 2011 ratings reflect the period January 1 through December 31, 2010.

Table 4. Independent Media

Ratings History and Regional Breakdown

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	Change
New EU Members											
Bulgaria	3.25	3.50	3.50	3.50	3.25	3.50	3.50	3.75	3.75	3.75	
Czech Rep.	2.50	2.25	2.25	2.00	2.00	2.25	2.25	2.25	2.50	2.50	
Estonia	1.75	1.75	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	
Hungary	2.25	2.25	2.25	2.50	2.50	2.50	2.50	2.50	2.75	3.25	▼
Latvia	1.75	1.75	1.50	1.50	1.50	1.50	1.75	1.75	1.75	1.75	
Lithuania	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	
Poland	1.50	1.75	1.75	1.50	1.75	2.25	2.25	2.00	2.25	2.25	
Romania	3.50	3.75	3.75	4.00	4.00	3.75	3.75	3.75	4.00	4.00	
Slovakia	2.00	2.00	2.25	2.25	2.25	2.25	2.50	2.75	3.00	3.00	
Slovenia	1.75	1.75	1.75	1.50	1.75	2.00	2.25	2.25	2.25	2.25	
Average	**2.20**	**2.25**	**2.23**	**2.20**	**2.23**	**2.33**	**2.40**	**2.43**	**2.55**	**2.60**	
Median	**1.88**	**1.88**	**2.00**	**1.88**	**1.88**	**2.25**	**2.25**	**2.25**	**2.38**	**2.38**	
The Balkans											
Albania	4.00	4.00	3.75	4.00	3.75	3.75	3.75	3.75	4.00	4.00	
Bosnia	4.25	4.25	4.25	4.00	4.00	4.00	4.25	4.50	4.50	4.75	▼
Croatia	3.50	3.75	3.75	3.75	3.75	4.00	3.75	4.00	4.00	4.00	
Macedonia	3.75	4.00	4.25	4.25	4.25	4.25	4.25	4.25	4.25	4.50	▼
Yugoslavia	3.50	3.25	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	
Serbia	n/a	n/a	3.50	3.25	3.25	3.50	3.75	3.75	4.00	4.00	
Montenegro	n/a	n/a	3.25	3.25	3.25	3.50	3.75	3.75	4.00	4.25	▼
Kosovo	n/a	n/a	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.75	▼
Average	**3.80**	**3.85**	**4.04**	**4.00**	**3.96**	**4.07**	**4.14**	**4.21**	**4.32**	**4.46**	
Median	**3.75**	**4.00**	**3.75**	**4.00**	**3.75**	**4.00**	**3.75**	**4.00**	**4.00**	**4.25**	
Non-Baltic Former Soviet States											
Armenia	4.75	5.00	5.25	5.50	5.50	5.75	5.75	6.00	6.00	6.00	
Azerbaijan	5.50	5.50	5.75	6.00	6.00	6.25	6.25	6.75	6.75	6.75	
Belarus	6.75	6.75	6.75	6.75	6.75	6.75	6.75	6.75	6.50	6.75	
Georgia	3.75	4.00	4.00	4.25	4.25	4.00	4.25	4.25	4.25	4.25	
Kazakhstan	6.00	6.25	6.50	6.50	6.75	6.75	6.75	6.50	6.75	6.75	▼
Kyrgyzstan	5.75	6.00	6.00	5.75	5.75	5.75	6.00	6.25	6.50	6.50	
Moldova	4.50	4.75	5.00	5.00	5.00	5.25	5.50	5.75	5.75	5.50	▲
Russia	5.50	5.50	5.75	6.00	6.00	6.25	6.25	6.25	6.25	6.25	
Tajikistan	5.75	5.75	5.75	6.00	6.25	6.25	6.00	6.00	5.75	5.75	
Turkmenistan	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	
Ukraine	5.50	5.50	5.50	4.75	3.75	3.75	3.50	3.50	3.50	3.75	▼
Uzbekistan	6.75	6.75	6.75	6.75	7.00	7.00	7.00	7.00	7.00	7.00	
Average	**5.63**	**5.73**	**5.83**	**5.85**	**5.83**	**5.90**	**5.92**	**6.00**	**6.00**	**6.02**	
Median	**5.63**	**5.63**	**5.75**	**6.00**	**6.00**	**6.25**	**6.13**	**6.25**	**6.38**	**6.38**	

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 2011 ratings reflect the period January 1 through December 31, 2010.

Table 5. National Democratic Governance

Ratings History and Regional Breakdown

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	Change
	GOV	GOV	GOV	NGOV	NGOV	NGOV	NGOV	NGOV	NGOV	NGOV	
New EU Members											
Bulgaria	3.50	3.75	3.75	3.50	3.00	3.00	3.00	3.25	3.25	3.50	▼
Czech Rep.	2.25	2.25	2.25	2.50	2.50	3.00	2.75	2.75	2.75	2.75	
Estonia	2.25	2.25	2.25	2.25	2.25	2.25	2.25	2.25	2.25	2.25	
Hungary	3.00	2.50	2.50	2.00	2.00	2.25	2.25	2.50	2.50	3.00	▼
Latvia	2.25	2.25	2.25	2.25	2.00	2.00	2.00	2.50	2.50	2.25	▲
Lithuania	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.75	2.75	2.75	
Poland	2.00	2.00	2.00	2.50	2.75	3.25	3.50	3.25	3.25	2.75	▲
Romania	3.75	3.75	3.75	3.50	3.50	3.50	3.75	3.75	4.00	3.75	▲
Slovakia	2.25	2.25	2.25	2.00	2.00	2.25	2.50	2.75	3.00	2.75	▲
Slovenia	2.25	2.25	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	
Average	**2.60**	**2.58**	**2.55**	**2.50**	**2.45**	**2.60**	**2.65**	**2.78**	**2.85**	**2.78**	
Median	**2.25**	**2.25**	**2.25**	**2.38**	**2.38**	**2.38**	**2.50**	**2.75**	**2.75**	**2.75**	
The Balkans											
Albania	4.25	4.25	4.25	4.25	4.00	4.25	4.25	4.25	4.50	4.75	▼
Bosnia	5.50	5.25	5.00	4.75	4.75	4.75	5.00	5.00	5.25	5.25	
Croatia	3.50	3.75	3.75	3.50	3.50	3.50	3.25	3.50	3.50	3.50	
Macedonia	4.25	4.50	4.00	4.00	3.75	3.75	4.00	4.00	4.00	4.00	
Yugoslavia	4.25	4.25	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	
Serbia	n/a	n/a	4.00	4.00	4.00	3.75	4.00	4.00	3.75	3.75	
Montenegro	n/a	n/a	4.00	4.50	4.50	4.50	4.25	4.25	4.25	4.25	
Kosovo	n/a	n/a	6.00	5.75	5.75	5.75	5.50	5.25	5.50	5.75	▼
Average	**4.35**	**4.40**	**4.43**	**4.39**	**4.32**	**4.32**	**4.32**	**4.32**	**4.39**	**4.46**	
Median	**4.25**	**4.25**	**4.00**	**4.25**	**4.00**	**4.25**	**4.25**	**4.25**	**4.25**	**4.36**	
Non-Baltic Former Soviet States											
Armenia	4.50	4.75	4.75	5.00	5.00	5.25	5.25	5.75	5.75	5.75	
Azerbaijan	6.00	5.75	5.75	6.00	6.00	6.00	6.00	6.25	6.50	6.50	
Belarus	6.50	6.50	6.50	6.75	7.00	7.00	7.00	6.75	6.75	6.75	
Georgia	5.00	5.50	5.75	5.50	5.50	5.50	5.75	6.00	6.00	5.75	▲
Kazakhstan	5.75	6.25	6.25	6.50	6.75	6.75	6.75	6.75	6.75	6.75	
Kyrgyzstan	5.50	6.00	6.00	6.00	6.00	6.00	6.25	6.50	6.75	6.50	▲
Moldova	4.75	5.25	5.50	5.75	5.75	5.75	5.75	5.75	6.00	5.75	▲
Russia	5.25	5.00	5.25	5.75	6.00	6.00	6.25	6.50	6.50	6.50	
Tajikistan	6.00	6.00	5.75	6.00	6.25	6.25	6.25	6.25	6.25	6.25	
Turkmenistan	6.75	6.75	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	
Ukraine	5.00	5.00	5.25	5.00	4.50	4.75	4.75	5.00	5.00	5.50	▼
Uzbekistan	6.00	6.25	6.25	6.50	7.00	7.00	7.00	7.00	7.00	7.00	
Average	**5.58**	**5.75**	**5.83**	**5.98**	**6.06**	**6.10**	**6.17**	**6.29**	**6.35**	**6.33**	
Median	**5.63**	**5.88**	**5.75**	**6.00**	**6.00**	**6.00**	**6.25**	**6.38**	**6.50**	**6.50**	

NOTES: The ratings are based on a scale of 1 to 7, with 1 representing the highest level of democratic progress and 7 the lowest. The 2011 ratings reflect the period January 1 through December 31, 2010.

Starting with the 2005 edition, Freedom House introduced separate ratings for national democratic governance and local democratic governance. Previous editions included only one governance category.

Table 6. Local Democratic Governance

Ratings History and Regional Breakdown

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	Change
	GOV	GOV	GOV	LGOV	LGOV	LGOV	LGOV	LGOV	LGOV	LGOV	
New EU Members											
Bulgaria	3.50	3.75	3.75	3.50	3.00	3.00	3.00	3.00	3.00	3.00	
Czech Rep.	2.25	2.25	2.25	2.00	2.00	1.75	1.75	1.75	1.75	1.75	
Estonia	2.25	2.25	2.25	2.50	2.50	2.50	2.50	2.50	2.50	2.50	
Hungary	3.00	2.50	2.50	2.25	2.25	2.25	2.25	2.50	2.50	2.50	
Latvia	2.25	2.25	2.25	2.50	2.50	2.50	2.25	2.25	2.25	2.25	
Lithuania	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	
Poland	2.00	2.00	2.00	2.00	2.00	2.25	2.25	2.00	1.75	1.75	
Romania	3.75	3.75	3.75	3.00	3.00	3.00	3.00	3.00	3.00	3.00	
Slovakia	2.25	2.25	2.25	2.25	2.00	2.00	2.25	2.50	2.50	2.50	
Slovenia	2.25	2.25	2.00	1.50	1.50	1.50	1.50	1.50	1.50	1.50	
Average	**2.60**	**2.58**	**2.55**	**2.40**	**2.33**	**2.33**	**2.33**	**2.35**	**2.33**	**2.33**	
Median	**2.25**	**2.25**	**2.25**	**2.38**	**2.38**	**2.38**	**2.25**	**2.50**	**2.50**	**2.50**	
The Balkans											
Albania	4.25	4.25	4.25	3.25	2.75	2.75	2.75	2.75	3.00	3.25	▼
Bosnia	5.50	5.25	5.00	4.75	4.75	4.75	4.75	4.75	4.75	4.75	
Croatia	3.50	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75	
Macedonia	4.25	4.50	4.00	4.00	3.75	3.75	3.75	3.75	3.75	3.75	
Yugoslavia	4.25	4.25	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	
Serbia	n/a	n/a	4.00	3.75	3.75	3.75	3.75	3.75	3.50	3.50	
Montenegro	n/a	n/a	4.00	3.50	3.50	3.25	3.25	3.25	3.25	3.25	
Kosovo	n/a	n/a	6.00	5.50	5.50	5.50	5.50	5.25	5.00	5.00	
Average	**4.35**	**4.40**	**4.43**	**4.07**	**3.96**	**3.93**	**3.93**	**3.89**	**3.86**	**3.89**	
Median	**4.25**	**4.25**	**4.00**	**3.75**	**3.75**	**3.75**	**3.75**	**3.75**	**3.50**	**3.75**	
Non-Baltic Former Soviet States											
Armenia	4.50	4.75	4.75	5.50	5.50	5.50	5.50	5.50	5.50	5.75	▼
Azerbaijan	6.00	5.75	5.75	6.00	6.00	6.00	6.00	6.25	6.25	6.50	▼
Belarus	6.50	6.50	6.50	6.50	6.50	6.50	6.75	6.75	6.75	6.75	
Georgia	5.00	5.50	5.75	6.00	5.75	5.50	5.50	5.50	5.50	5.50	
Kazakhstan	5.75	6.25	6.25	6.25	6.25	6.25	6.25	6.25	6.25	6.25	
Kyrgyzstan	5.50	6.00	6.00	5.75	6.25	6.25	6.50	6.50	6.50	6.50	
Moldova	4.75	5.25	5.50	5.75	5.75	5.75	5.75	5.75	5.75	5.75	
Russia	5.25	5.00	5.25	5.75	5.75	5.75	5.75	5.75	5.75	6.00	▼
Tajikistan	6.00	6.00	5.75	5.75	5.75	5.75	6.00	6.00	6.00	6.00	
Turkmenistan	6.75	6.75	7.00	7.00	7.00	7.00	6.75	6.75	6.75	6.75	
Ukraine	5.00	5.00	5.25	5.25	5.25	5.25	5.25	5.25	5.25	5.50	▼
Uzbekistan	6.00	6.25	6.25	6.25	6.75	6.75	6.75	6.75	6.75	6.75	
Average	**5.58**	**5.75**	**5.83**	**5.98**	**6.04**	**6.02**	**6.06**	**6.08**	**6.08**	**6.17**	
Median	**5.63**	**5.88**	**5.75**	**5.88**	**5.88**	**5.88**	**6.00**	**6.13**	**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 2011 ratings reflect the period January 1 through December 31, 2010.

Starting with the 2005 edition, Freedom House introduced separate ratings for national democratic governance and local democratic governance. Previous editions included only one governance category.

Table 7. Judicial Framework and Independence

Ratings History and Regional Breakdown

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	Change
New EU Members											
Bulgaria	3.50	3.50	3.25	3.25	3.00	2.75	2.75	3.00	3.00	3.00	
Czech Rep.	2.50	2.50	2.50	2.50	2.25	2.00	2.00	2.25	2.00	2.00	
Estonia	1.75	1.75	1.75	1.50	1.50	1.50	1.50	1.50	1.50	1.50	
Hungary	2.00	1.75	1.75	1.75	1.75	1.75	1.75	1.75	2.00	2.25	▼
Latvia	2.00	2.25	2.00	1.75	1.75	1.75	1.75	1.75	1.75	1.75	
Lithuania	2.00	1.75	1.75	1.75	1.50	1.75	1.75	1.75	1.75	1.75	
Poland	1.50	1.50	1.50	2.00	2.25	2.25	2.50	2.25	2.50	2.50	
Romania	4.25	4.25	4.25	4.00	4.00	3.75	4.00	4.00	4.00	4.00	
Slovakia	2.00	2.00	2.00	2.00	2.00	2.25	2.50	2.75	3.00	2.75	▲
Slovenia	1.75	1.75	1.75	1.50	1.50	1.50	1.50	1.75	1.75	1.75	
Average	**2.33**	**2.30**	**2.25**	**2.20**	**2.15**	**2.13**	**2.20**	**2.28**	**2.33**	**2.33**	
Median	**2.00**	**1.88**	**1.88**	**1.88**	**1.88**	**1.88**	**1.88**	**2.00**	**2.00**	**2.13**	
The Balkans											
Albania	4.50	4.25	4.25	4.50	4.25	4.00	4.00	4.25	4.25	4.25	
Bosnia	5.25	5.00	4.50	4.25	4.00	4.00	4.00	4.00	4.00	4.25	▼
Croatia	3.75	4.25	4.50	4.50	4.25	4.25	4.25	4.25	4.25	4.25	
Macedonia	4.75	4.50	4.00	3.75	3.75	3.75	4.00	4.00	4.00	4.00	
Yugoslavia	4.25	4.25	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	
Serbia	n/a	n/a	4.25	4.25	4.25	4.25	4.50	4.50	4.50	4.50	
Montenegro	n/a	n/a	4.25	4.25	4.25	4.25	4.00	4.25	4.00	4.00	
Kosovo	n/a	n/a	6.00	5.75	5.75	5.75	5.75	5.75	5.75	5.75	
Average	**4.50**	**4.45**	**4.54**	**4.46**	**4.36**	**4.32**	**4.36**	**4.43**	**4.39**	**4.43**	
Median	**4.50**	**4.25**	**4.25**	**4.25**	**4.25**	**4.25**	**4.00**	**4.25**	**4.25**	**4.25**	
Non-Baltic Former Soviet States											
Armenia	5.00	5.00	5.00	5.25	5.00	5.00	5.25	5.50	5.50	5.50	
Azerbaijan	5.25	5.25	5.50	5.75	5.75	5.75	5.75	5.75	6.25	6.25	
Belarus	6.75	6.75	6.75	6.75	6.75	6.75	6.75	6.75	6.75	6.75	
Georgia	4.25	4.50	4.50	5.00	4.75	4.75	4.75	4.75	4.75	5.00	▼
Kazakhstan	6.00	6.25	6.25	6.25	6.25	6.25	6.25	6.00	6.25	6.25	
Kyrgyzstan	5.25	5.50	5.50	5.50	5.50	5.50	6.00	6.00	6.00	6.25	▼
Moldova	4.00	4.50	4.50	4.75	4.50	4.50	4.50	4.50	4.75	4.50	▲
Russia	4.75	4.50	4.75	5.25	5.25	5.25	5.25	5.50	5.50	5.75	▼
Tajikistan	5.75	5.75	5.75	5.75	5.75	5.75	6.00	6.25	6.25	6.25	
Turkmenistan	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	
Ukraine	4.75	4.50	4.75	4.25	4.25	4.50	4.75	5.00	5.00	5.50	▼
Uzbekistan	6.50	6.50	6.50	6.25	6.75	6.75	6.75	7.00	7.00	7.00	
Average	**5.44**	**5.50**	**5.56**	**5.65**	**5.63**	**5.65**	**5.75**	**5.83**	**5.92**	**6.00**	
Median	**5.25**	**5.38**	**5.50**	**5.63**	**5.63**	**5.63**	**5.88**	**5.88**	**6.13**	**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 2011 ratings reflect the period January 1 through December 31, 2010.

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

Table 8. Corruption

Ratings History and Regional Breakdown

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	Change
New EU Members											
Bulgaria	4.50	4.25	4.25	4.00	3.75	3.75	3.50	4.00	4.00	4.00	
Czech Rep.	3.75	3.50	3.50	3.50	3.50	3.50	3.25	3.25	3.25	3.25	
Estonia	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.25	▲
Hungary	3.00	2.75	2.75	2.75	3.00	3.00	3.00	3.25	3.50	3.50	
Latvia	3.75	3.50	3.50	3.50	3.25	3.00	3.00	3.25	3.25	3.50	▼
Lithuania	3.75	3.50	3.50	3.75	4.00	4.00	3.75	3.75	3.50	3.50	
Poland	2.25	2.50	2.50	3.00	3.25	3.00	3.00	2.75	3.25	3.25	
Romania	4.75	4.50	4.50	4.25	4.25	4.00	4.00	4.00	4.00	4.00	
Slovakia	3.25	3.25	3.25	3.00	3.00	3.25	3.25	3.25	3.75	3.50	▲
Slovenia	2.00	2.00	2.00	2.00	2.25	2.25	2.25	2.50	2.50	2.50	
Average	**3.35**	**3.23**	**3.23**	**3.23**	**3.28**	**3.23**	**3.15**	**3.25**	**3.33**	**3.33**	
Median	**3.50**	**3.38**	**3.38**	**3.25**	**3.25**	**3.13**	**3.13**	**3.25**	**3.38**	**3.50**	
The Balkans											
Albania	5.25	5.00	5.25	5.25	5.25	5.00	5.00	5.00	5.00	5.00	
Bosnia	5.50	5.00	4.75	4.50	4.25	4.25	4.25	4.50	4.50	4.50	
Croatia	4.50	4.75	4.75	4.75	4.75	4.75	4.50	4.50	4.50	4.25	▲
Macedonia	5.50	5.50	5.00	5.00	4.75	4.75	4.50	4.25	4.00	4.00	
Yugoslavia	5.25	5.00	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	
Serbia	n/a	n/a	5.00	5.00	4.75	4.50	4.50	4.50	4.50	4.25	▲
Montenegro	n/a	n/a	5.25	5.25	5.25	5.50	5.25	5.00	5.00	5.00	
Kosovo	n/a	n/a	6.00	6.00	6.00	6.00	5.75	5.75	5.75	5.75	
Average	**5.20**	**5.05**	**5.14**	**5.11**	**5.00**	**4.96**	**4.82**	**4.79**	**4.75**	**4.68**	
Median	**5.25**	**5.00**	**5.00**	**5.00**	**4.75**	**4.75**	**4.50**	**4.50**	**4.75**	**4.59**	
Non-Baltic Former Soviet States											
Armenia	5.75	5.75	5.75	5.75	5.75	5.75	5.75	5.50	5.50	5.50	
Azerbaijan	6.25	6.25	6.25	6.25	6.25	6.25	6.25	6.50	6.50	6.50	
Belarus	5.25	5.50	5.75	6.00	6.25	6.25	6.25	6.00	6.00	6.00	
Georgia	5.50	5.75	6.00	5.75	5.50	5.00	5.00	5.00	5.00	4.75	▲
Kazakhstan	6.25	6.25	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50	
Kyrgyzstan	6.00	6.00	6.00	6.00	6.00	6.00	6.25	6.25	6.50	6.25	▲
Moldova	6.25	6.25	6.25	6.25	6.00	6.00	6.00	6.00	6.00	6.00	
Russia	6.00	5.75	5.75	5.75	6.00	6.00	6.00	6.25	6.50	6.50	
Tajikistan	6.00	6.00	6.25	6.25	6.25	6.25	6.25	6.25	6.25	6.25	
Turkmenistan	6.25	6.25	6.25	6.50	6.75	6.75	6.75	6.75	6.75	6.75	
Ukraine	6.00	5.75	5.75	5.75	5.75	5.75	5.75	5.75	5.75	5.75	
Uzbekistan	6.00	6.00	6.00	6.00	6.50	6.50	6.50	6.50	6.75	6.75	
Average	**5.96**	**5.96**	**6.04**	**6.06**	**6.13**	**6.08**	**6.10**	**6.10**	**6.17**	**6.13**	
Median	**6.00**	**6.00**	**6.00**	**6.00**	**6.13**	**6.13**	**6.25**	**6.25**	**6.38**	**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 2011 ratings reflect the period January 1 through December 31, 2010.

Table 9. Democracy Score

Year-To-Year Summaries by Region

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	Change
New EU Members											
Bulgaria	3.33	3.38	3.25	3.18	2.93	2.89	2.86	3.04	3.04	**3.07**	▼
Czech Rep.	2.46	2.33	2.33	2.29	2.25	2.25	2.14	2.18	2.21	2.18	▲
Estonia	2.00	2.00	1.92	1.96	1.96	1.96	1.93	1.93	1.96	1.93	▲
Hungary	2.13	1.96	1.96	1.96	2.00	2.14	2.14	2.29	2.39	2.61	▼
Latvia	2.25	2.25	2.17	2.14	2.07	2.07	2.07	2.18	2.18	2.14	▲
Lithuania	2.21	2.13	2.13	2.21	2.21	2.29	2.25	2.29	2.25	2.25	
Poland	1.63	1.75	1.75	2.00	2.14	2.36	2.39	2.25	2.32	2.21	▲
Romania	3.71	3.63	3.58	3.39	3.39	3.29	3.36	3.36	3.46	3.43	▲
Slovakia	2.17	2.08	2.08	2.00	1.96	2.14	2.29	2.46	2.68	2.54	▲
Slovenia	1.83	1.79	1.75	1.68	1.75	1.82	1.86	1.93	1.93	1.93	
Average	**2.37**	**2.33**	**2.29**	**2.28**	**2.27**	**2.32**	**2.33**	**2.39**	**2.44**	**2.43**	
Median	**2.19**	**2.10**	**2.10**	**2.07**	**2.11**	**2.20**	**2.20**	**2.27**	**2.29**	**2.23**	
The Balkans											
Albania	4.25	4.17	4.13	4.04	3.79	3.82	3.82	3.82	3.93	4.04	▼
Bosnia	4.83	4.54	4.29	4.18	4.07	4.04	4.11	4.18	4.25	4.32	▼
Croatia	3.54	3.79	3.83	3.75	3.71	3.75	3.64	3.71	3.71	3.64	▲
Macedonia	4.46	4.29	4.00	3.89	3.82	3.82	3.86	3.86	3.79	3.82	▼
Yugoslavia	4.00	3.88	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	
Serbia	n/a	n/a	3.83	3.75	3.71	3.68	3.79	3.79	3.71	3.64	▲
Montenegro	n/a	n/a	3.83	3.79	3.89	3.93	3.79	3.79	3.79	3.82	▼
Kosovo	n/a	n/a	5.50	5.32	5.36	5.36	5.21	5.14	5.07	5.18	▼
Average	**4.22**	**4.13**	**4.20**	**4.10**	**4.05**	**4.06**	**4.03**	**4.04**	**4.04**	**4.07**	
Median	**4.25**	**4.17**	**4.00**	**3.89**	**3.82**	**3.82**	**3.82**	**3.82**	**3.79**	**3.93**	
Non-Baltic Former Soviet States											
Armenia	4.83	4.92	5.00	5.18	5.14	5.21	5.21	5.39	5.39	5.43	▼
Azerbaijan	5.54	5.46	5.63	5.86	5.93	6.00	6.00	6.25	6.39	6.46	▼
Belarus	6.38	6.46	6.54	6.64	6.71	6.68	6.71	6.57	6.50	6.57	▼
Georgia	4.58	4.83	4.83	4.96	4.86	4.68	4.79	4.93	4.93	4.86	▲
Kazakhstan	5.96	6.17	6.25	6.29	6.39	6.39	6.39	6.32	6.43	6.43	
Kyrgyzstan	5.46	5.67	5.67	5.64	5.68	5.68	5.93	6.04	6.21	6.11	▲
Moldova	4.50	4.71	4.88	5.07	4.96	4.96	5.00	5.07	5.14	4.96	▲
Russia	5.00	4.96	5.25	5.61	5.75	5.86	5.96	6.11	6.14	6.18	▼
Tajikistan	5.63	5.63	5.71	5.79	5.93	5.96	6.07	6.14	6.14	6.14	
Turkmenistan	6.83	6.83	6.88	6.93	6.96	6.96	6.93	6.93	6.93	6.93	
Ukraine	4.92	4.71	4.88	4.50	4.21	4.25	4.25	4.39	4.39	4.61	▼
Uzbekistan	6.46	6.46	6.46	6.43	6.82	6.82	6.86	6.89	6.93	6.93	
Average	**5.51**	**5.57**	**5.66**	**5.74**	**5.78**	**5.79**	**5.84**	**5.92**	**5.96**	**5.97**	
Median	**5.50**	**5.54**	**5.65**	**5.72**	**5.84**	**5.91**	**5.98**	**6.13**	**6.18**	**6.16**	

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 2011 ratings reflect the period January 1 through December 31, 2010.

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

Table 10. Democracy Score
2011 Rankings by Regime Type

Consolidated Democracies (1.00–2.99)	
Estonia	1.93
Slovenia	1.93
Latvia	2.14
Czech Republic	2.18
Poland	2.21
Lithuania	2.25
Slovakia	2.54
Hungary	2.61

Semi-Consolidated Democracies (3.00–3.99)	
Bulgaria	3.07
Romania	3.43
Croatia	3.64
Serbia	3.64
Macedonia	3.82
Montenegro	3.82

Transitional Governments or Hybrid Regimes (4.00–4.99)	
Albania	4.04
Bosnia and Herzegovina	4.32
Ukraine	4.61
Georgia	4.86
Moldova	4.96

Semi-Consolidated Authoritarian Regimes (5.00–5.99)	
Kosovo	5.18
Armenia	5.43

Consolidated Authoritarian Regimes (6.00–7.00)	
Kyrgyzstan	6.11
Russia	6.14
Tajikistan	6.14
Kazakhstan	6.43
Azerbaijan	6.46
Belarus	6.57
Turkmenistan	6.93
Uzbekistan	6.93

NOTES: The ratings are based on a scale of 1 to 7, with 1 representing the highest level of democratic progress and 7 the lowest. The 2011 ratings reflect the period January 1 through December 31, 2010.

Albania

by Gledis Gjipali

Capital: Tirana
Population: 3.1 million
GNI/capita, PPP: US$8,640

Source: The data above was provided by The World Bank, *World Development Indicators* 2011.

Nations in Transit Ratings and Averaged Scores

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Electoral Process	3.75	3.75	3.75	3.75	3.50	4.00	4.00	3.75	3.75	4.00
Civil Society	3.75	3.75	3.50	3.25	3.00	3.00	3.00	3.00	3.00	3.00
Independent Media	4.00	4.00	3.75	4.00	3.75	3.75	3.75	3.75	4.00	4.00
Governance*	4.25	4.25	4.25	n/a	n/a	n/a	n/a	n/a	n/a	n/a
National Democratic Governance	n/a	n/a	n/a	4.25	4.00	4.25	4.25	4.25	4.50	4.75
Local Democratic Governance	n/a	n/a	n/a	3.25	2.75	2.75	2.75	2.75	3.00	3.25
Judicial Framework and Independence	4.50	4.25	4.25	4.50	4.25	4.00	4.00	4.25	4.25	4.25
Corruption	5.25	5.00	5.25	5.25	5.25	5.00	5.00	5.00	5.00	5.00
Democracy Score	4.25	4.17	4.13	4.04	3.79	3.82	3.82	3.82	3.93	4.04

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

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

Executive Summary

The most significant governance-related event in Albania in 2010 was the opinion issued by the European Commission (EC) on the country's application for European Union (EU) membership. The opinion noted Albania's stalled reforms and especially the lack of progress on political criteria, including: the stability of institutions guaranteeing democracy, the rule of law, human rights, and respect for and protection of minorities. Thus, the EC concluded that candidate status and the opening of membership negotiations could not yet be granted to Albania until several key priorities were met. The country's shortcomings in implementing transformation and democratization reforms were coupled with an ongoing political crisis involving an investigation of the disputed June 2009 parliamentary elections; this had a significant bearing on the EC's opinion, as it was at the top of the agenda and a constant concern for EU representatives in their relations with Albania during the year. At the end of 2010, Albania was invited to join the EU's visa-free travel zone. Being in substance a technical process as well as the only issue that retained cross-party political support, the lifting of visa requirements on November 8 was a much anticipated achievement in public opinion, and one in which the Albanian government had invested great effort, under growing public pressure.

National Democratic Governance. Albania's political and governance climate throughout 2010 was marked by harsh disputes between the government—led by Prime Minister Sali Berisha of the Democratic Party of Albania (PD)—and the main opposition Socialist Party (SP) regarding the transparency of the 2009 parliamentary elections. The government and the opposition were unable to resolve their disagreements over the investigation into the elections, slowing down the reform process significantly. Therefore, the stalemate had direct implications on the country's political development and Albania's progress toward EU integration. A "conditional relation" with the parliament was established by SP deputies, resulting in their absence from voting on laws until the issue of the election's transparency was settled. The legislative agenda was heavily affected by this situation, and no laws or appointments of high state officials requiring a qualified majority were approved. The United States, EU, and Council of Europe increasingly intensified their lobbying in order to resolve the political crisis and facilitate dialogue between the two parties, but with limited success. *Due to the paralyzing effects of the prolonged political crisis, Albania's national democratic governance rating declines from 4.50 to 4.75.*

Electoral Process. The parliamentary elections of June 2009 continued to greatly influence the political agenda of Albania during 2010. The SP and other opposition

parties demanded that a parliamentary committee be set up to investigate the electoral process. The government and ruling PD party claimed that all legal steps with regard to electoral disputes had been exhausted, and were willing to accept an inquiry as long as ballot boxes were not scrutinized. As a consequence, the entire political debate was centered on this issue, and electoral reform could not proceed until a resolution was agreed upon. In mid-November, the SP softened its stance, offering to inquire only into the election material boxes and dropping its demand to scrutinize the ballot boxes—the request most staunchly opposed by the ruling party—but still to no avail. According to the electoral code, the deadline for amendments is six months prior to a general or administrative election. With the next local administrative elections set to be held on May 8, 2011, the last opportunity to undertake electoral reform or to address the recommendations of the Organization for Security and Cooperation in Europe (OSCE)–Office for Democratic Institutions and Human Rights (ODIHR) report in the electoral code was in November 2010. However, the unresolved row over the investigation into the 2009 parliamentary elections compromised the reform process and legal actions needed to address the identified shortcomings in the country's electoral system. *Albania's electoral process rating drops from 3.75 to 4.00.*

Civil Society. Albanian civil society generally operates in a nonrestrictive environment, but it faces many important challenges concerning capacities, impact, and credibility in public life. Composed of small organizations mainly operating in the capital, Tirana, the civic sector is characterized by problems with continuity of financing and fundamentally donor-driven agendas. State financial support began in 2010 through the Agency for Support to Civil Society (ASCS). Yet, the civic sector in Albania is rarely consulted in policymaking (with the exception, to a certain extent, of the visa liberalization process) and has low visibility in public life, with citizens generally apathetic and distanced from civic engagement. Trade unions remain relatively weak. Albanian civil society operates in an overall unclear fiscal regulatory framework. *Albania's civil society rating remains at 3.00.*

Independent Media. Albanian media have advanced technologically, but a lack of independence and transparency of financial resources continued to be concerns in 2010. The use of multimedia formats and the internet to provide information increased during the year. However, there was the risk of misuse of these developing forms of information dissemination due to the absence of a legal framework to provide proper regulation. Strong government ties to the former and current chairs of the National Council of Radio and Television (NCRT) showed that this institution was still far from being independent. Freelance journalism is not regulated and little practiced in Albania, increasing even further the dependence of journalists on media owners. The public service broadcaster, Radio Televizioni Shqiptar (RTSH), remained underdeveloped in terms of technology and program content compared with private broadcasters. RTSH information programs were biased, providing excessive coverage to government activities or high political representatives while

giving little space to other public actors. State-funded advertisements were limited to two or three media companies, constituting a near monopoly and shrinking the resources available to other media operators. *Albania's independent media rating remains at 4.00.*

Local Democratic Governance. During 2010, Albania's central government continued to undertake legal actions and initiatives that hampered the capacity of local officials to exercise their responsibilities, in conflict with local autonomy principles enshrined in the constitution and international conventions ratified by the country. These actions often put the central and local governments at odds, stopped the advancement and consolidation of decentralization reform in Albania, and narrowed the space for local governance by reducing local authorities' competences and drying up their financial resources. *Albania's rating for local democratic governance worsens from 3.00 to 3.25.*

Judicial Framework and Independence. Guaranteeing rule of law and judicial independence remained a challenge for Albania in 2010. Judicial reform was still considered incomplete, and there was no progress in revising and adopting some of the most important laws, including the Law on National Judicial Conference, the Law on Judicial Administration, and the Law on Establishment of Administrative Court and Administrative Justices. The overall political stalemate also negatively influenced the judicial-reform process. The parliament failed to approve the law on administrative courts and administrative disputes. The Constitutional Court and High Court began the process of replacing members; one third of the Constitutional Court and 4 out of 17 members of the High Court are to be replaced. So far, the parliament has rejected most of the candidates proposed by President Bamir Topi. Although the lustration law has not been officially implemented in Albania due to the constitutional concerns it raises, the spirit of the law served as the basis for the parliament's rejection of one of the candidates. There were a number of highly positive developments in the field of human rights during the year. In February, the parliament approved the Law on Protection from Discrimination, and in May the Commissioner for the Protection from Discrimination was formally sworn in. Overpopulation in prisons continued to decline, largely due to the establishment of the new probation system. *Albania's judicial framework and independence rating remains unchanged at 4.25.*

Corruption. Corruption remained deeply entrenched in all sectors of life in Albania, negatively affecting the country's economic and political development as well as the consolidation of democratic institutions. Surveys show that Albanian citizens are faced with bribery three times more often than the populations of neighboring states. On a positive note, efforts to complete the legislative framework to combat corruption increased in 2010. The Albanian High Inspectorate for the Declaration and Audit of Assets (HIDAA) continued to expose conflict of interest cases and enforced asset declaration requirements. Yet, institutional capacities as well as

political will to effectively fight corruption remained weak. Official immunity and a frequent lack of determination to see cases through to a verdict nourished the country's already widespread culture of impunity. *Albania's corruption rating remains at 5.00.*

Outlook for 2011. Albania's potential advancement in the EU membership process will be reconsidered in 2011. The key priorities set in the EC's opinion are the goals that the Albanian government and political class will strive to accomplish, with a particular focus on increasing political dialogue, bringing elections to international standards, strengthening rule of law, and adopting pending legislation that requires a reinforced majority. Local administrative elections held in May 2011 will be crucial to ending the transition period of the still-contested 2009 parliamentary elections. The filling of Constitutional Court and High Court of Justice vacancies with impartial and professional judges will be very important for the functioning of the country's justice system and guaranteeing the preservation of constitutional rights.

Main Report

National Democratic Governance

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
n/a	n/a	n/a	4.25	4.00	4.25	4.25	4.25	4.50	4.75

The governance climate in Albania in 2010 was marked by harsh disputes between the government and the main opposition Socialist Party (SP) over the transparency of June 2009 parliamentary elections. The government and the opposition were unable to resolve the controversy over the investigation of the elections, resulting in a significant slowdown of the country's reform process. This political stalemate had direct implications on Albania's political development and conditioned the country's European Union (EU) integration process and prospects.

The SP demanded an election investigation, and boycotted the parliament from September 2009 until February 2010, when the terms of 65 (out of 140) members were close to expiring. Even after the boycott, SP participation in the parliament was hampered by the SP deputies' "conditional relation," which meant they were absent from legislative voting until the election transparency issue was settled. The legislative agenda was seriously affected by this situation. No laws or appointments of high state officials requiring a qualified majority were approved, including the law on National Judicial Conference, essential for the appointment of High Council of Justice (HCJ) members; the law on administrative courts, introducing for the first time courts dealing only with administrative disputes; and the appointment of the People's Advocate.

The United States, EU, and Council of Europe intensified their lobbying to resolve the political crisis and facilitate dialogue between the two parties, with limited success. Albania's recent change in its electoral system to a proportional one with closed candidate lists increased the already high leverage of leaders within their parties, leaving little space for different or moderate opinions to materialize. Consequently, the political situation engulfed the country in controversy during 2010 by aggravating the ground-level perception that Albanian elections are merely power struggles between two competing individuals. Local and international actors concurred that the situation had served to polarize society at all levels, making it harder for reformers to emerge while taking focus away from core issues and policy debate.[1]

In July 2010, the government proposed changes to the law on the State Information Service (the Albanian intelligence service) that would reduce the level of parliamentary control over the service and expand its powers of surveillance. The international community and the opposition argued that these changes could affect relations with international partners. U.S. Ambassador John L. Withers II called for a careful review of the law, and NATO officials asked for a copy of the draft law in order to provide their opinion. Another concern was that the draft would

give the State Information Service responsibilities in the field of policing. The Albanian Helsinki Committee expressed its concerns on empowering the service with executive attributes currently given only to police authorities. Lacking the support of the Socialist Movement for Integration (SMI), a party in the governing coalition, the draft law was withdrawn by the ruling majority prior to the vote.

In a government reshuffle in September, the deputy prime minister, minister of foreign affairs, and head of the SMI, Ilir Meta, replaced his party colleague, Dritan Prifti, as minister of economy, trade and energy. After the dismissal, Prifti and Meta exchanged fierce corruption accusations, resulting in Prifti declaring opposition to the government.

Albania's economy remained stable during 2010, with steady growth at around 4 percent of GDP. The government reviewed its budget in July to balance the deficit due to weaker than expected revenues. Foreign direct investment increased as a result of the privatization of the electricity distribution service. The high official unemployment rate of 13.8 percent remained a serious concern, especially as it failed to include figures from rural areas, where more than half of the country's population lives. Albania's agriculture continued to be unproducrive, and many of the country's agricultural products are imported.

Since the fall of communism, Albania has made continuous reforms to property rights, focusing on property registration, restitution and compensation, and legalization. However, a number of property-related issues remained unresolved because of the country's complex legal framework, uncoordinated structures, and high level of corruption. The already complicated property issue was aggravated by the backlog of legal disputes in the courts, and property disputes constituted the largest number of complaints against Albania at the European Court of Human Rights. The government has failed to develop and implement a clear property reform strategy. The latest legislation passed by the parliament giving aurhority to the Agency of Property Restitution to review previous decisions was rejected by President Bamir Topi as not complying with the constitution.

At the end of May 2010, the European Commission (EC) proposed to the European Parliament and the EU Council of Ministers that visa restrictions for Albania be lifted, provided that three outstanding benchmarks of the visa liberalization process were met by the end of the year. The government invested great effort during 2010 to successfully conclude the process as public pressure mounted, and, considering it was the only issue with cross-party political support, its successful conclusion on November 8 was a much-anricipared achievemenr in the country.

The most important governance event in 2010 was the EC's opinion on Albania's application for EU membership, which nored the country's stalled reforms and lack of progress on political criteria, such as: stability of institutions guaranteeing democracy, the rule of law, human rights, and respect for and protection of minorities. The opinion concluded that EU candidate sratus and opening of negotiations could not yet be granted to Albania, and that a list of key priorities would need to be mer before that could occur. As the European

Parliament resolution of July 2010 noted, there was an "urgent need to establish a cross-party consensus on economic, political and social reforms in order to improve the well-being of Albanian citizens and allow the country to make progress towards EU membership."[2]

Electoral Process

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
3.75	3.75	3.75	3.75	3.50	4.00	4.00	3.75	3.75	4.00

Albania's last parliamentary elections, which were held in June 2009, continued to play an ongoing and disruptive role in the country's political agenda throughout 2010. The Organization for Security and Cooperation in Europe (OSCE)–Office for Democratic Institutions and Human Rights (ODIHR) election report addressed the polls' shortcomings and irregularities and provided recommendations on how to improve the electoral process.[3] Despite the OSCE's recommendations having been released in September 2009, Albania failed to implement basic reforms in 2010, leaving the electoral system vulnerable to more irregularities ahead of and during the May 2011 local elections.

Claiming egregious irregularities noted during the counting process, the SP and other opposition parties demanded the formation of a parliamentary committee to investigate the electoral process. The government and the ruling Democratic Party of Albania (PD) claimed that all legal recourses with regard to electoral disputes had been exhausted, but were willing to accept an inquiry as long as ballot boxes were not opened and scrutinized (considered by them to be a violation of the electoral code and the constitution). As a result, the country's entire political debate came to be centered on this single issue, and electoral reform could not proceed until a resolution was agreed upon by both the ruling coalition and opposition parties. Throughout 2010, however, repeated international attempts at mediation failed to resolve the political crisis.

Demanding the inquiry and the opening of the ballot boxes, the SP boycotted the parliament until February 2010, when the six-month deadline for elected members to take the oath or lose their seats was close to expiring. The opposition opted for a conditional relation with the parliament, meaning its members participated only in the plenary sessions during open discussion. Several attempts to find a compromise failed and the opposition escalated its protest, even conducting a two-week hunger strike of 200 supporters, including members of parliament.

The hunger strike came to an end only after two European Parliament figures, supported by the EC, facilitated a meeting in Strasbourg between the leaders of the ruling coalition and the opposition. After this meeting, communication between the parties increased and several options were put forward, but none received enough support from both sides to end the political crisis. The most promising option was to secure an initial agreement for scrutinizing the election material

boxes, while deferring the issue of opening the ballot boxes to the Constitutional Court or Venice Commission for legal review.

Neither side made any substantive changes in its position, and in November 2010 the EC decided not to recommend the granting of EU candidate status to Albania, perpetuating the political crisis. In mid-November the SP modified its demands, offering to forgo scrutiny of the ballot boxes—a request the ruling party deemed unacceptable—and to investigate only the election material boxes. Still, no agreement was reached. The Central Election Commission several times voiced the possibility of voiding the ballot papers from the 2009 elections, but in September announced that it would postpone this decision. Most agreed that destroying the ballot papers would have escalated the conflict and compromised the possibility of finding common ground between the parties.

Albania still does not have a regulatory law on financing political parties or a designated authority for its implementation. Current provisions in the electoral code are limited in their scope and lack proper implementation mechanisms, and controls to verify the financial declarations of political parties are superficial. Discrepancies are clearly visible between the expenses reported and scale of activities organized or advertisements produced during campaigns.

Local elections are set to be held on May 8, 2011. According to the electoral code, no amendments may be enacted less than six months prior to a general or administrative election. Therefore, November 2010 was the last opportunity to undertake electoral reform and address the recommendations of the OSCE-ODIHR report in the electoral code. The unresolved row over the 2009 parliamentary elections compromised any potential electoral reform or legal actions needed to address shortcomings in the electoral process.

There is growing public support for a nonpartisan system for managing elections, particularly in the wake of recent events, when political parties have had control of the process. But with the missed opportunity to change the administration of elections, it will take at least one more year for electoral reform to start; thus, the coming local elections will be conducted again in an atmosphere of mistrust and conflict between the deeply polarized political parties.

Civil Society

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
3.75	3.75	3.50	3.25	3.00	3.00	3.00	3.00	3.00	3.00

Albania's civil society operates in a generally non-restrictive environment, but the sector faces many important challenges in developing its capacities, impact, and credibility in public life. The civic sector is mainly composed of small nongovernmental organizations (NGOs) concentrated in the capital, Tirana. Generally, these groups are founded around the main political, social, and economic issues of the country, with a modest but growing activism concerning

lesbian, gay, bisexual, and transgender (LGBT) rights and environmental issues in 2010. Many civil society organizations (CSOs) are understaffed and struggle with weak organizational and management capacities. Financially, they depend almost exclusively on international funding and continue to develop fundamentally donor-driven agendas. Over the past year, leading donors continued to reduce financial support in view of growing funding available from the EU, yet few organizations acquired the expertise and human resources necessary to apply for the latter.

In 2010, the Albanian civic sector began to receive financial support from the state as well. The Agency for Support to Civil Society (ASCS) became operational and launched the first call for proposals, completing the selection process in the fall. The nature and degree of state influence on the behavior of financially supported NGOs remains to be seen. However, it did not go unnoticed that in the first round of financing, several NGOs receiving funding were supported or directed by board members of the ASCS; the organization receiving the largest grant was founded and formerly directed by the current ASCS head.

Albanian CSOs and their work have a generally low level of credibility among citizens, and few organizations manage to achieve visibility in public life. Civic engagement remains the weakest dimension of the sector. Citizens are generally apathetic and distanced from membership in associations and volunteerism, which are still associated with the compulsory activities organized under the communist regime. NGOs are mainly viewed as small groups composed of elite intellectuals, focusing on specific issues in isolation from the general public, rather than as catalysts for broader social movements. The exception is political activism, which concerns mainly employees of central and local institutions, who often suffer pressure from the ruling parties to participate in various activities.

Trade unions in Albania remain weak. The persistent, widespread gray economy and instability of the labor market have made it hard for citizens to organize in order to claim their rights and interests. Trade unions generally exhibit little activism or impact in policymaking, and mainly gather employees from the public sector. In 2010, input from the civic sector in government policymaking remained modest, with no structured dialogue with state authorities or formal consultation procedures in place. State institutions typically regard civil-society work with mistrust and have little appreciation for the sector's contributions. The watchdog role of CSOs is routinely hampered by state authorities' disrespect of existing right to information legislation. However, Albania's visa liberalization process with the EU marks an example of successful consultation and collaborarion of state authorities with NGOs, specifically concerning human rights issues. Next, the adoption of the law on anti-discrimination should be integrated into this framework, an initiative and draft proposed entirely by the country's civic sector.

Relations among civil-society actors are less hostile than those with state institutions, yet the fierce competition for financial resources tends to produce more fragmentation than efficient and stable coalitions. During 2010, several organizations faced an exodus of their leaders into political life, creating new challenges in the struggle to ensure the continuity of their work and funding, increase human capacities, and fight the prejudices of political affiliation.

Civil society in Albania continues to play a limited role in the country's EU integration process. This mainly involves activities carried out independently from state authorities, such as communicating public opinion on the process and stimulating debate on the issues. But the country's civil society is not yet seen as a strategic partner of the government, and its expertise is generally not utilized in setting priorities or undertaking different tasks in the EU integration process.

The country's fiscal regulatory framework for non-profit organizations remained unclear during the year. Existing Ministry of Finance provisions require the confirmation of tax-exempt status for NGOs. Although no such confirmations have been issued yet, NGOs continue not to pay taxes. The Law on Public Financial Inspection, which was adopted in July and applies to NGOs as well, leaves ample room for arbitrary use of inspections based on a non-exhaustive list of criteria. Whereas the law leaves these inspections up to the discretion of state authorities, it does not provide sufficient guarantees for entities subjected to inspections. In 2010, these measures continued to generate a climate of pressure by state authorities on Albanian civil society.

Independent Media

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
4.00	4.00	3.75	4.00	3.75	3.75	3.75	3.75	4.00	4.00

Freedom of expression, including the media, is guaranteed in Albania by the constitution and relevant laws. The country's media sphere has advanced technologically, but its independence and transparency of financial resources continued to be a concern during the year.

The National Council of Radio and Television (NCRT) is responsible for regulating public and private radio and television in Albania. The NCRT is supposed to be an independent institution, yet there are strong political ties with the government among the former and current chairs and other members. Controls are not regularly applied, leaving space for misuse of licenses. For example, one nationally licensed operator, TV Arberia, had ceased to broadcast for several years, but no measures were taken to revoke the license and open the call for other interested operators. In 2010, a new license was granted to an existing operator close to the government, replacing TV Arberia.

The high number of broadcast and print outlets competing in the small Albanian media market has led to an environment guided primarily by business interests. Editorial independence and quality is hampered by media owners who also run other businesses, and state pressure on media is most often seen in interference in these other economic interests. Freelance journalism is not regulated and little practiced, thus further increasing the dependence of journalists on media owners.

Media revenues in Albania are hampered by limited resources from commercial companies, whereas a major part of their financing comes through government advertising. State-funded, produced, and transmitted advertisements are almost

a monopoly among two or three media outlets. Several government-organized information campaigns rely on very few media outlets, further shrinking the available resources for other operators.

The working conditions of media employees and the rights of journalists remained a concern in Albania during the year. More than 65 percent of journalists work in the black market because they do not have formal contracts with media owners, and their social and economic rights are often violated by employers.[4] Very few professional associations play an active role in protecting the rights of journalists, and Albanian unions could play a greater role in supporting individual and collective contracts by mediating disputes between journalists and media owners. Self-regulating mechanisms are also missing, although there are frequent debates among journalists concerning ethics issues. However, there have been no steps to institutionalize such debates through the production of a code of ethics or establishment of a supervising authority.

In June 2010, the district court of Tirana issued a fine of €400,000 (US$559,000) to TOP Channel for violating the privacy of former minister of culture Ylli Pango, after the TV outlet caused a scandal by airing a tape in which the minister requested sexual favors. The judicial decision, which was the highest fine ever imposed on an Albanian media outlet, was considered disproportionate and a threat to investigative journalism in the country.

The public service broadcaster, Radio Televizioni Shqiptar (RTSH), remains underdeveloped in terms of technology and programming compared with the main private broadcasters. RTSH's information programs are biased, providing excessive coverage to government activities and high government representatives while giving little space to other public actors. To comply with international agreements, Albania has promised to introduce digital television transmission and end analog broadcasting by December 2012. But the lack of investment in digital technology by RTSH will make it difficult to meet this deadline. Still, technological innovation in Albanian media progressed during the year. There is now a large gap between the few Tirana-based outlets that have increased their investment in technology and human resources and the others, especially local media, which use only basic equipment. The use of multimedia formats and the internet to provide information has increased in the country. However, there is no legal framework in place to regulate new, developing forms of information dissemination, which could lead to their misuse.

Local Democratic Governance

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
n/a	n/a	n/a	3.25	2.75	2.75	2.75	2.75	3.00	3.25

The Albanian constitution of 1998 stipulates that local governments are founded on the principle of decentralization and may exercise their powers with local autonomy. Albania is organized into 373 communes and municipalities, which are

the basic units of local governance. Communal and municipal councils regulate and manage local issues within their jurisdiction. The executive body is either the head of the commune or mayor of the municipality. Local governments exercise property rights, administer their revenues independently, and are entitled to engage in economic activity, collect revenue, and spend funds necessary for fulfilling their duties. They are entitled to levy local taxes and set their level, although recent legislative changes have restricted this competence.

The harsh political atmosphere at the central level continued to affect relations between central and local governments in 2010. The fact that the leader of the opposition is at the same time mayor of Tirana contributed to political divergences. In May, a hundred elected officials of municipalities and communes from the opposition left the existing association and established a new Association for Local Autonomy in Albania (ALAA). These leaders justified this action by arguing that the existing structure was an ineffective local advocate and the new association would better guarantee the implementation of the constitutional principle of local autonomy. During the year, the central government continued to take legal actions and initiatives that hampered the capacity of local officials to exercise their responsibilities and narrowed the space for local governance by reducing its competences and drying up financial resources.

In July, the parliament approved the Law on Public Financial Inspection, aimed at improving public finance management. It created an independent inspectorate upon the order of the minister of finance with the task of inspecting the finances of local government units, while the constitution exclusively vests the High State Audit with this power. Moreover, some of the law's provisions leave room for arbitrary inspections by the central government, with scant criteria specified for starting an inspection. Inspectors should be independent of the government, but the process and procedures are strongly dependent on the Ministry of Finance.

In the summer, the business community protested the buying and installing of obligatory electronic registers because of their high fixed prices. After negotiations with the business community, the government agreed to reimburse the cost of the registers. The government decided unilaterally to reimburse small businesses by forfeiting the amount from local business tax income in 2011. This was done through changes to the Law on the Local Tax System, which were approved in November. As a consequence, local governments will lose a large part of their revenue collected through taxes on local small businesses. Again, no precautionary measure was taken by the government to compensate the budget losses at the local level. This decision violates one of the constitutional principles, namely, the financial autonomy of local governments, which requires financial remedy from the central government to local authorities in cases where local government units have full authority over their own revenues.

Once the law is implemented, revenue collected by local governments will be reduced at a national average of 90 percent. Losses will be greater for some municipalities than others. Based on preliminary estimates, the municipality of Puka will lose 133 percent of its 2011 revenue (meaning that the cost of reimbursements

to businesses will exceed revenue collected in 2011 by 33 percent); meanwhile, the Pogradec municipality will lose up to 150 percent of its 2011 revenue.[5]

The parliament approved the Law for Payment of Local Government-owned Enterprises Obligations to Third Parties, with the aim of increasing payments from enterprises that are more than 50-percent owned by local authorities to third parties. The law vests the minister of finance with the attributes of a "superior authority" for municipalities and communes, giving the minister the right to issue an administrative act to block the budget and suspend financial activity of local government units, thus seriously affecting their autonomy.

All the abovementioned legal changes were carried out without prior notice and no consultation, which is obligatory according to the European Charter of Local Self-governance and the Albanian law on local government. Most of the legislation, which directly affects the work of municipalities and communes, will be implemented at the beginning of 2011, deteriorating even further relations between local and central government. Moreover, in May 2011, local elections will be held in Albania, thus increasing the risk of abusive intervention from a central government empowered with new competences. By contrast, the decreasing financial resources of local authorities will jeopardize their functions and responsibilities.

Judicial Framework and Independence

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
4.50	4.25	4.25	4.50	4.25	4.00	4.00	4.25	4.25	4.25

Guaranteeing the rule of law and judicial independence is a continuing challenge for Albania. Judicial reform was still considered incomplete in 2010, and there was no progress in revising and adopting some of the most important laws of the justice system. In June 2010, the Ministry of Justice drafted the Justice Sector Strategy to address one of the requirements of the 2009 EU progress report for Albania, but it was still not approved at year's end.

The country's overall political stalemate also negatively influenced the justice reform process. The long-term absence of the opposition in the parliament and its subsequent policy of not voting on any law distracted the attention of political forces from reform issues. The parliament failed to approve the law on administrative courts and administrative disputes. Moreover, the National Judicial Conference (NJC) of judges gathered on November 15 without a law in place, arguing that it was an emergency to elect members of the HCJ in order for the institution to function normally. The issue of approving an NJC law has been pending for almost two years but, again, cannot be approved without the votes of the opposition.

The judiciary is often subject to external interference and, despite public statements on the need to select the best judges possible, judicial appointments and transfers often lack sufficient transparency, as does the justice system as a whole. Although the HCJ successfully completed the reorganization of the courts of first

and second instance in Albania, increasing the number of judges at these two levels, the process of transferring and appointing new judges was not done in full compliance with the law. Judges who were appointed to the appeal courts were not subject to expedited evaluation procedures as required by the Judicial Power Law.

Both the Constitutional Court and High Court began the replacement of their members in 2010; one-third of the members of the Constitutional Court and 4 out of 17 on the High Court are to be replaced. Because the constitution provides only very general requirements for nominees to both courts, President Topi held meetings of experts to develop more specific criteria. The results of these meetings were never made public, and it is still unknown whether the president followed any criteria except those clearly stated in the constitution when he decreed his court nominees.

Since 2008, the process of appointing Constitutional Court and High Court judges has included a public hearing of the candidates before the law committee of the parliament, followed by a simple majority vote of approval within the parliamentary assembly. Thus far, the parliament has rejected most of the candidates proposed by the president. Although the lustration law is not officially implemented in Albania, the spirit of that law served as a basis for rejecting one of the president's candidates, Vangjel Kosta. The opposition has not participated in plenary sessions of the parliament for voting on the judges, but it has participated in the law committee where these hearings took place. It remained unclear whether the opposition would participate in the upcoming voting procedures.

In March 2010, the Constitutional Court repealed unanimously the already suspended law on cleanliness of public figures (lustration law) and asked the Venice Commission for an *amicus curiae* opinion. Both the Venice Commission and the Constitutional Court argued that many provisions of the law violated the Albanian constitution.

The Albanian justice system continued to suffer from poor infrastructure and lack of transparency and efficiency, and these conditions were emphasized throughout the EC's 2010 report to the European Parliament on Albanian EU membership. There were some attempts by the Ministry of Justice to revise the procedural codes to address delays in court proceedings. However, more investment in courtroom infrastructure is needed to observe the solemnity of judges and the rights of the parties.

There were a number of highly positive developments regarding the protection of human rights in Albania in 2010. In February, the parliament approved the Law on Prorection from Discrimination, and in May the Commissioner for the Protection from Discrimination was formally sworn in. The law offers protection to a wide range of persons who may be subject to discrimination. A new pretrial detention site in Durrës, with markedly improved living standards, was opened at the beginning of the year, as was a long-awaited special institution for juveniles in Kavaja. Prison overpopulation continued to decline, largely due to the establishment of the country's new probation system. In February, the mandate of the People's Advocate expired, and a qualified parliamentary majority is required to elect a new

one. Still, despite the need for a new People's Advocate, the institution continued to function relatively well.

Corruption

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
5.25	5.00	5.25	5.25	5.25	5.00	5.00	5.00	5.00	5.00

Corruption is deeply entrenched in most sectors of Albanian society. As much as the public deems corruption an issue at all levels, Albanian society has yet to gain proper awareness or trust in the mechanisms available to fight it, which has led to a general public perception that the phenomenon is inevitable. A recent survey by Gallup Balkan Monitor showed that the majority considers the government more corrupt than the business sector. Even more concerning, 49 percent—about three times the average in other countries of the region—admit to encountering a situation in the last 12 months where a bribe was required in order to solve a problem.[6]

At the central institutional level, Albanian authorities increased efforts to complete the legislative framework and achieve a more comprehensive approach. The goal of the Albanian Anticorruption Strategy for 2007–13, as reflected in legal and other measures taken by the government, is to progressively and steadily reduce corruption by prevention, strengthening institutions, and punishing corrupt officials and corrupted activities. Despite some remaining gaps in the legislation and institutional setup, Albania has arrived at a fairly adequate legal framework and institutional makeup to fight corruption. The country improved and updated its anticorruption strategies as part of the Action Plan of the Anticorruption Strategy of 2010. This plan includes specific, measurable indicators that should facilitate implementation and monitoring. However, even within this scope, there are still problems with the reporting mechanisms from line ministries and a lack of compliance and harmonization among them.

Part of the governmental Action Plan is the implementation of the Group of States against Corruption (GRECO) recommendations under the Council of Europe, which has commenced under the Ministry of Justice. In 2010, the ministry drafted amendments to the criminal code related to acts of corruption by foreign officials and imposing severe punishment for corruption within the private sector.

The role of the Albanian High Inspectorate for the Declaration and Audit of Assets (HIDAA) became more visible in recent years as HIDAA exposed conflict of interest cases and enforced asset declaration requirements. HIDAA reports and findings were used as solid ground for starting prosecutions of junior- and middle-ranking officials on corruption charges, although in very limited numbers. This shortcoming is linked to the fact that the prosecution office itself does not always investigate files submitted by HIDAA and the High State Audit.

Some progress in fighting corruption was made with the introduction of electronic procurement systems in the public administration, which will minimize

opportunities for bribery by reducing personal contacts between contracting authorities and bidders. In recognition of these efforts to improve transparency, accountability, and responsiveness in the public sector, in June 2010 Albania's Public Procurement Agency was awarded the second-place prize for Public Service in Europe by the United Nations.

Despite achievements in prosecuting low- and mid-level officials in Albania, problems of efficiency remain, and there is no track record of investigation, prosecution, and conviction of high-level corruption cases. Immunity of high officials, including ministers and judges, is still considered an obstacle to prosecuting high-level corruption in the country. There have been several attempts to lift immunity for high officials, but constitutional changes would be required. According to the Albanian constitution, the power to lift immunity for ministers lies with the parliament, or the HCJ in cases involving judges. The number of high officials whose immunity has been lifted by the parliament or HCJ is low, and this fact is directly linked to the complicated procedures needed to do so. However, there also exists the question of consolidating the political will of any government to properly address this issue.

The fact that corruption allegations in 2010 against two ministers did not go through a judicial review but were dismissed on procedural grounds and no further actions were taken raised considerable concern about the willingness of the government and judicial institutions to fight corruption in Albania. The same holds true for the immunity of judges. During the year, the HCJ lifted the immunity of three judges, but no prosecutions or convictions followed. As clearly stated in the EC opinion on Albania's application for EU membership, such actions reinforce the general prevailing culture of impunity in Albania.[7]

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1 FRIDE, *Democracy Monitoring Report: Albania* (Madrid: FRIDE, April 2010): 14, www.fride.org/descarga/IP_Albania_ENG_ap10.pdf.

2 European Parliament, *European Parliament resolution of 8 July 2010 on Albania* (Strasbourg: European Parliament, 8 July 2010), http://www.europarl.europa.eu/sides/getDoc.do?type=TA&reference=P7-TA-2010-0282&language=EN&ring=B7-2010-0408.

3 The OSCE's report lists several recommendations, across a number of different areas, including: Political Parties; Legal Framework; Election Administration; Voter Registration and Identification; Candidate Registration; Election Campaign; Media; Voting, Counting, Aggregation, and Announcement of Results; Complaints and Appeals; and the Participation of both Women and Minorities. See Organization for Security and Cooperation in Europe (OSCE) and Office for Democratic Institutions and Human Rights (ODIHR), *Republic of Albania Parliamentary Elections, 28 June 2009, OSCE/ODIHR Election Observation Mission Final Report* (Warsaw: OSCE/ODIHR, 14 September 2009), 28–32, http://www.osce.org/odihr/elections/albania/38598.

4 Interview with Aleksander Cipa, Head of the Union of Albanian Journalists, 23 November 2010.

5 Interview with Bledar Çuçi, head of the Association for Local Autonomy in Albania, 18 November 2010.

6 Gallup and The European Fund for the Balkans, *Gallup Balkan Monitor: 2010 Summary of Findings* (Brussels: Gallup Europe, 2010), 35–36, http://www.balkan-monitor.eu/files/BalkanMonitor-2010_Summary_of_Findings.pdf.

7 European Commission, *Commission Opinion on Albania's application for membership of the European Union* (Brussels: European Commission, 8 November 2010), 23, http://ec.europa.eu/enlargement/pdf/key_documents/2010/package/al_opinion_2010_en.pdf.

Armenia

by Alexander Iskandaryan

Capital: Yerevan
Population: 3.1 million
GNI/capita, PPP: US$5,410

Source: The data above was provided by The World Bank, *World Development Indicators 2011*.

Nations in Transit Ratings and Averaged Scores

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Electoral Process	5.50	5.50	5.75	5.75	5.75	5.75	5.50	5.75	5.75	5.75
Civil Society	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.75	3.75	3.75
Independent Media	4.75	5.00	5.25	5.50	5.50	5.75	5.75	6.00	6.00	6.00
Governance*	4.50	4.75	4.75	n/a	n/a	n/a	n/a	n/a	n/a	n/a
National Democratic Governance	n/a	n/a	n/a	5.00	5.00	5.25	5.25	5.75	5.75	5.75
Local Democratic Governance	n/a	n/a	n/a	5.50	5.50	5.50	5.50	5.50	5.50	5.75
Judicial Framework and Independence	5.00	5.00	5.00	5.25	5.00	5.00	5.25	5.50	5.50	5.50
Corruption	5.75	5.75	5.75	5.75	5.75	5.75	5.75	5.50	5.50	5.50
Democracy Score	4.83	4.92	5.00	5.18	5.14	5.21	5.21	5.39	5.39	5.43

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

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

Executive Summary

The first years following Armenia's independence from the USSR in 1991 were extremely turbulent. War with neighboring Azerbaijan over the Armenian-populated region of Nagorno-Karabakh, a transportation blockade that left landlocked Armenia with just two open borders (one with war-torn Georgia and the other with Iran), and an energy crisis all contributed to the country's economic collapse in the early 1990s. By the time a ceasefire agreement was signed in 1994, over a quarter of Armenia's population had emigrated due to poverty, and over 10 percent of the remaining population were refugees from Azerbaijan. In the mid-nineties, Armenia began to recover economically as it restored and developed energy production. However, the unresolved territorial conflict and blockade by Azerbaijan and Turkey remain to this day.

The abrupt economic restructuring and decline of living standards in the newly growing post-Soviet economy have caused social frustration and political apathy. Excessive overlap between political and economic interests in Armenia has depleted public trust in political elites, as has their record of rigged elections and corrupt administrative practices. Results of every national election since 1995 have been challenged by the opposition, which is personality-driven and passive between elections. Polarization between parties deepened after mass protests following the 2008 presidential election were dispersed by police and army forces, leaving ten dead and up to two hundred wounded. After six years of record economic performance, the global economic crisis hit Armenia in 2009, leading to a sharp decrease in growth.

The country's economy started growing again in 2010. The year saw no major political upheavals, but measures to address the lingering political fallout of the 2008 post-election unrest were slow and incomplete. Legislative reform moved forward in key areas including electoral process, media, and civil society, with higher societal involvement than in previous years. The opposition failed to gather wide public support, but tensions within the coalition were reported throughout the year.

National Democratic Governance. Armenia's legislation provides for democracy and rule of law, but in reality a small group of elites continues to dominate the political and economic spheres. Political competition remains weak, with incumbent authorities having an unfair advantage over newcomers. Recovery from the global recession led to moderate economic growth in 2010. There was no progress in the conflict over Nagorno-Karabakh or reconciliation with Turkey. *Owing to a lack of visible progress in democratic governance in 2010, Armenia's national democratic governance rating remains unchanged at 5.75.*

Electoral Process. Despite adequate electoral legislation, Armenia has a record of tarnished elections and trust in electoral institutions and procedures remains low. In 2010, the Electoral Code underwent revisions in line with recommendations by the Parliamentary Assembly of the Council of Europe (PACE), but alternative revisions were not duly considered by the ruling coalition. *Owing to the insufficiently democratic process of revising the Electoral Code, Armenia's electoral process rating remains unchanged at 5.75.*

Civil Society. Armenian nongovernmental organizations (NGOs) operate in a generally favorable legislative climate and are respected in society. Controversial draft amendments to the Law on Public Organizations were revised in 2010 under pressure from civil society organizations, and submitted to parliament at the end of the year. Meanwhile, draft legislation on freedom of assembly received support from most international advisers, but concerns remained about the president's ability to prevent public gatherings in the event of "credible information" that an assembly could be violent or otherwise disruptive. Despite some increase in the level of public advocacy and outreach by civil society organizations, the impact of such actors remains limited. *Armenia's civil society rating remains unchanged at 3.75.*

Independent Media. Media were more proactive in exposing societal problems in 2010, and the abuse of journalists decreased slightly during the year. Online news sources are increasingly diverse and operate freely; however, the reach of print media remains limited. New amendments to the heavily criticized Law on Television and Radio require broadcast media outlets to compete for digital broadcasting licenses, placing strict limits on the number of stations allowed to broadcast from Yerevan and the regions. Numerous independent media outlets were denied licenses, as was A1+ Television, which has submitted more than ten tenders for broadcasting rights since the station was closed in 2002. *The digitalization project ultimately reduced diversity of broadcast media, the public's main source of information; thus, despite the growing reach of online information sources, Armenia's independent media rating remains unchanged at 6.00.*

Local Democratic Governance. Armenia's local self-government is clearly defined by legislation, instituting representative and executive bodies in all communities. However, in practice local self-government bodies are weak, nontransparent, and heavily dependent both politically and financially on regional governors, which are in turn appointed by the central government. The centralized control of local self-governance bodies was underscored in 2010 when the regional Ararat governor resigned, allegedly following instructions from the presidential administration. Citizen trust and involvement in local governance remained low throughout the year. *Owing to the lack of tangible improvement in local governance in 2010, and the continued informal control of local bodies by the central government, Armenia's local democratic governance rating declines from 5.50 to 5.75.*

Judicial Framework and Independence. The court system remains vulnerable to pressure from the executive branch and frequently engages in corrupt practices. Cases of abuse by army and police officers came under public scrutiny in 2010, but investigations and trials yielded limited results: nine persons believed to have been arrested on political grounds (in connection with the March 2008 post-election unrest, for example) remained in custody at year's end. *Armenia's judicial framework and independence rating remains unchanged at 5.50.*

Corruption. Corruption remains a major impediment to Armenia's democratic development. In November, Prime Minister Sargsyan initiated a series of top-level dismissals in the government, focusing on the ministries of agriculture, finance, education, and health. *Due to the lack of strong and systematic effort to eradicate corruption at all levels, Armenia's corruption rating remains unchanged at 5.50.*

Outlook for 2011. No dramatic changes are expected in Armenia in 2011. Political groups will prepare for the 2012 parliamentary election, and tensions within various segments of the ruling coalition may intensify. The non-parliamentary opposition will continue rallying and attempt to gather momentum before the election. Attempts to resolve the conflict over Nagorno-Karabakh will likely continue to stagnate. Economic growth will likely increase as Armenia recovers from the global recession. The media and civil society are expected to increasingly engage the public in campaigning for causes, as demonstrated in 2010.

Main Report

National Democratic Governance

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
n/a	n/a	n/a	5.00	5.00	5.25	5.25	5.75	5.75	5.75

Armenia's political system operates on the basis of consensus among elite groups that control economic and political resources. Society has little leverage over legislative processes or political decision-making; consequently, trust in governing institutions is very low. Results of every national election since 1995 have been challenged by the opposition, which is personality-driven and passive between elections. Post-election unrest is a regular occurrence, though the events of 2008 represented a dramatic escalation in both the scale of protests and the brutality of the government's response.

With the next national election not due until 2012, the political opposition continued to lose momentum. Led by the Armenian National Congress (ANC), the non-parliamentary opposition had been the driving force behind the mass protests of 2008, but it had little room to maneuver in 2010. Planned public protests were repeatedly banned by authorities under the controversial Law on Assemblies, which is currently under revision. Several demonstrations resulted in brawls with the police and short-term detention of activists.

Within parliament, opposition parties were weak and unable to reach consensus on key issues. Out of 131 parliamentary seats, the two current opposition parties, Heritage and Dashnaktsutyun, held just 7 and 16 seats, respectively. As Dashnaktsutyun only left the ruling coalition in 2009 as a protest against Armenia-Turkey rapprochement, the two parties found little common ground or opportunity for meaningful cooperation. Meanwhile, tensions were reported inside the ruling coalition—both within the dominant Republican Party of Armenia, and between the Republican Party and the second largest coalition member, Prosperous Armenia—indicating some degree of political competition within the establishment.

Throughout the year, Armenia struggled to recover from the global economic recession, which was reflected in a 14.2 percent drop in GDP in 2009. Faced with a large budget deficit and mounting foreign debts, the national government began pressuring businesses to declare their incomes. As a result, the size of Armenia's shadow economy decreased from an estimated 51.7 percent of GDP in 2007[1] to 35–40 percent in 2010.[2] A second significant policy response was the government's intervention in the economy, offering loans to businesses and buying stakes in some companies strongly hit by the crisis.[3] By the end of the year, Armenia's economy had grown by 2.1 percent. Armenia's standing with the international agency Fitch Ratings improved in 2010,[4] and the country also rose to 43rd place among 183 countries in the World Bank's "Doing Business" 2010 list.[5]

While economic recovery measures saw some success, key foreign policy projects stalled. Negotiations between Armenia and Azerbaijan on the breakaway Armenian-populated region of Nagorno-Karabakh continued in 2010 under the framework of the Organization for Security and Co-operation in Europe (OSCE) Minsk Group, without tangible progress. Border incidents led to casualties and captures, including civilians. In October, Armenian President Serzh Sargsyan and Azerbaijani President Ilham Aliyev met in Astrakhan with mediation provided by Russian President Dmitry Medvedev, and the parties agreed on an exchange of captives and bodies; the first exchanges were conducted in November.

In January the Constitutional Court approved the 2009 Armenia-Turkey Protocols on establishing diplomatic ties and opening the borders. However, Turkey's Prime Minister Recep Tayyip Erdoğan repeatedly made public statements linking reconciliation between the countries with the conflict over Nagorno-Karabakh, which Armenia objected to; by spring, the process was frozen again.[6]

Armenia's army includes approximately 47,000 military personnel. Defense expenditures were reduced more than other budget line at the peak of the economic recession, but returned to their original levels in the course of 2010. By the end of the year, they had reached about US$380 million, or 14.5 percent of total budget expenditures. Meanwhile, just 5.9 percent of the budget went to healthcare, and less than 30 percent went to social welfare. Cases of abuse in the army, including non-combat deaths, were exposed and widely debated for the first time in the country in 2010, although the problem has existed since the 1990s. A number of officers were fired and demoted, and one was prosecuted as a result.[7] A hotline for complaints against abuse in the army was launched in December.

In August 2010, the 25-year agreement made in 1995 for the presence of a Russian military base in Armenia was extended for another 24 years, until 2044. This sparked strong reactions from actors, including opposition figures, who have objected to Armenia's dependence on Russia in the military realm.[8]

The delimitation of the Armenia-Georgia land border continued during the year, with working groups from both countries engaging in consultations.

Electoral Process

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
5.50	5.50	5.75	5.75	5.75	5.75	5.50	5.75	5.75	5.75

Although no general elections took place in 2010, a parliamentary by-election held on January 10 drew considerable media attention and highlighted perennial weaknesses of electoral process in Armenia, including low public participation, serious election day irregularities, and unresolved post-election disputes. Well-known ANC opposition activist and editor of *Haykakan Zhamanak*, Nikol Pashinyan—still in jail for his involvement in the 2008 protests—ran against Ara Simonyan of the National Unity Party for the parliamentary seat formerly occupied by wealthy businessman Khachatur Sukiasyan. Simonyan was considered the pro-

government candidate, although he himself rejected this characterization. Despite extensive, door-to-door campaigning on Pashinyan's behalf, voter turnout was below 25 percent. Simonyan was pronounced the winner, having officially won 58.9 percent of votes against Pashinyan's 38.8 percent.[9] In addition to rigged voter lists and rigged vote counting, reported election day irregularities included the beating of Pashinyan's team members and interruption of voting for several hours in one of the precincts. Journalists also said they were prevented from covering the election, and one claimed he had been beaten.[10] Recounts were made in several precincts after complaints from contestants, and results from two precincts were declared void. The final results were announced on January 14, still in favor of Simonyan.[11] An investigation into the other violations was started but soon dropped. Pashinyan himself brought a case before the Constitutional Court claiming that the electoral results in precinct N10 were invalid, but the claim was rejected in April.[12]

Proposed amendments to Armenia's electoral code were a subject of discussion throughout the year. In response to pressure from the Parliamentary Assembly of the Council of Europe (PACE),[13] the ruling coalition submitted a draft law amending the electoral code to the Venice Commission for assessment in June. Parliamentary factions of the Dashnaktsutyun and Heritage opposition parties rejected the government's draft and sent the Venice Commission an 11-point document of their own. The ANC, which is not represented in parliament, came up with its own 7-point plan of electoral reform, which it submitted in September to a fact-finding delegation from the Venice Commission, the Council of Europe, and the OSCE. Opposition representatives urged European experts to help ensure that the alternative electoral reform package would be considered by the coalition.[14]

The amendments proposed by the ruling coalition envisaged the formation of Electoral Commissions (ECs) on a "professional" basis rather than composed of political party representatives. In accordance with the new procedure, the Ombudsman, the Chair of the Chamber of Advocates, and the Chair of the Cassation Court would each nominate five professional candidates to the CEC, seven of whom would be approved by the president. District ECs would be nominated by the CEC. Precinct ECs would have one presidentially appointed member, one member from each of the five party factions in parliament, and one member appointed by the district EC.

In the alternative proposal by Heritage and Dashnaktsutyun, pro-government and opposition groups in parliament would get equal representation in ECs at all levels. Dashnaktsutyun and Heritage also proposed that all 131 parliamenr seats be competed for on a party-list basis. The coalition insisted that political parties had failed to reach out to remote villages, and therefore the system should remain mixed, with 41 seats distributed in single-mandate constituencies.

Another disputed aspect of the amendment concerned the representation of women. In the opposition's proposal, the representation of women on electoral lists must be at least 30 percent, and a resigning woman MP must be replaced by the next female candidate on the list. The coalition argued that quotas for women would not work because women hardly ever run in elections in villages or local self-

government; however, current trends do not corroborate this view, as 23 percent of members of local councils elected in the second half of 2010 and 9 percent of community heads elected over that period were women.[15]

The government draft proposed using evaporating ink for stamping voter passports: the stamp disappears two days after the vote thus contributing to the secrecy of the ballot. Meanwhile the opposition proposal envisaged scanning and archiving the passports of all who participated in voting, videotaping voting and the counting of ballots, and publishing all election-related documents. The coalition posted its draft online, inviting readers to email any comments to the Parliament's Standing Committee on State and Legal Affairs before November 11, 2010.[16] The draft was still under discussion at year's end.

Amid the heated debate surrounding the proposed amendments, experts have cautioned that a sound electoral code cannot guarantee the legitimacy and proper conduct of elections. Polls conducted in Armenia in the early nineties were not disputed although electoral legislation at that time was even more flawed than now. Ending the cycle of flawed and contested elections depends more than anything upon the political will of Armenia's ruling authorities.

Civil Society

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.75	3.75	3.75

The activities of Armenia's nongovernmental organizations (NGOs) are regulated by the Law on Public Organizations, the Charity Law, and the Law on Foundations. Unlike foundations, public organizations are prohibited from engaging in direct income-generating activities. NGO advocacy for an endowment law was launched in 2009, but these efforts produced no results in 2010. Armenia's legal framework does not provide tax exemptions for NGOs.

During the 2009–10 parliamentary session, controversial draft amendments to the Law on Public Organizations were blocked through the efforts of civil society organizations. The provisions that raised concerns included the establishment of a controlling body at the Ministry of Justice to monitor NGO activity and the requirement that public organizations publish annual financial reports in the local press. Under NGO pressure, the law was revised four times. In the summer, the government proposed a revised draft with some concessions to the NGO community. Among other things, the new draft prescribed electronic rather than hardcopy publication of financial reports. Hearings began in parliament on September 23, with over 100 NGO representatives present, and the revised draft was submitted to parliament on November 25. Still, NGO activists continued to insist that the government withdraw the draft law and ensure public participation in its drafting.

There were 4,049 NGOs registered in Armenia as of August 2010, including 3,379 public organizations and 670 foundations.[17] According to the 2009 NGO

Sustainability Index published by USAID in July 2010,[18] only 10–15 percent of registered NGOs are consistently active, and only a small number are mission-driven and operate independent of international donor funding. The economic recession prompted NGOs to diversify their funding sources, create partnerships, improve their strategic planning, and engage in capacity building. There was greater cooperation between the NGO sector and the government in 2009 and 2010, especially in the regions. The public image of NGOs remained positive during the year, and advocacy on civil society issues with government and business interests visibly increased.[19]

One of the most successful civil society campaigns in 2010 concerned the government's February decision to take down the Summer Hall of Moscow Cinema in order to rebuild a church demolished in the 1930s. The project drew protests by NGOs, including the Union of Architects. A Facebook group of 6,500 advocated against the project (while a group of 500 lobbied for it). By March, the initiative group had collected 23,500 signatures on a petition to the authorities, and, as a result, the project was suspended.

In spring 2010, the Minister of Education and Science, Armen Ashotyan, put forward an initiative to open schools in Armenia with the primary curriculum taught in a foreign language. The initiative was prompted by the project of a Diaspora Armenian businessman Ruben Vardanyan to open an international school in Armenia. This would require amendments to the Law on Education and the Law on Language, as both prescribe schooling in Armenian only for Armenian citizens; schooling in other languages is only available to ethnic minorities and foreign citizens. The controversial project sparked wide public debate and several rallies. Many actors were concerned that amendments could impair the newly achieved status of Armenian as the state language and endanger national culture; others hailed it as an opportunity for Armenian youth to get internarional-quality education. A bill to amend both laws was passed by parliament in December; changes to the original draft reduced the planned number of foreign-language schools and limited instruction in a foreign language to students in 7th grade and above.

Other civil society initiatives in 2010 spanned a wide array of issues including environmental protection, human rights, abuses in the army, gender issues, domestic violence, health, culture, economic issues (e.g., taxes, rising gas prices, wages, maternity allowance), etc. Armenia-Turkey rapprochement continued on the level of civil society, despite the failure of the official process.

Following the May 2009 Joint Declaration of the Prague Eastern Partnership Summit, 150 Armenian NGOs formed a National Eastern Partnership Platform. The first meeting of the National Platform was held in June 2010. However, a conflict broke out between the newly elected National Platform leadership and the Eastern Partnership (EP) Working Group in Armenia, stalling the country's involvement in the Eastern Partnership project.

At year's end, parliament continued to revise the latest draft legislation on freedom of assembly. Assessments by experts from the Venice Commission and OSCE/ODIHR were positive overall, but emphasize the need for clearer wording

in the stipulated conditions for prohibiting a protest and the use of "special means" by police. The latest draft stipulates that authorities may prohibit a public event based on "credible information" regarding potential violence or a threat to state security, public order, health, or morals. The draft would also allow municipalities to suggest alternative venues for gatherings, a practice already common during 2010 (according to the ANC, they were denied permission to assemble in Liberty Square in Yerevan on approximately 30 occasions during the year).[20] Legislation on freedom of assembly has received particular attention following the dramatic events—and numerous arrests—of 2008.

Independent Media

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
4.75	5.00	5.25	5.50	5.50	5.75	5.75	6.00	6.00	6.00

Armenia's print media are pluralistic, with a growing online community serving as the main arena for a free flow of opinion and information. However, broadcast media, especially television, are subject to significant pressure from government and economic interests.

Broadcasting legislation has been in the center of public attention since 2008, when the European Court of Human Rights ruled that the opposition-oriented A1+ television station, denied access to broadcasting since 2002, should have the opportunity to compete for a license. In an apparent response to the ruling, the government instituted a two-year moratorium on TV license competitions in September 2008. In 2010, additional amendments to the Law on Television and Radio proposed in connection with the planned digitalization of broadcasting were heavily criticized by the Armenian media community and international organizations for not ensuring open, fair, and transparent licensing.[21] The legislation adopted on June 10 enables the National Commission on Television and Radio to revoke licenses without any justification and impose broadcasting restrictions, and also specifies that only one digital television license will be issued for each region outside the capital.

On July 20, a competition for 25 digital licenses was announced, with results made public in December. The bids of both A1+ and Gala TV, a regional station that regularly criticizes the government, were rejected; also rejected was the bid of ALM, a TV station operated by a media holding company owned by controversial television pundit Tigran Karapetyan, the leader of an extra-parliamentary political party. Wide protests ensued, from viewers as well as local and international organizations.[22] The National Commission on Television and Radio claimed the bid from A1+ had included fake letters of financial support from nonexistent European companies; A1+ denied the charge and planned to appeal the regulator's decision.

In May, amendments to Armenia's administrative and penal codes decriminalized defamation. Monetary fines, which are often hefty, are now the maximum punishment for this offense. There were also fewer cases of abuse against

journalists in 2010 than in the previous two years.[23] Data from September 2010 lists 8 cases of physical violence against journalists, 7 involving forcible expulsion of reporters from electoral precincts or rallies, 14 instances of pressure on journalists and media, and 14 cases of violation of the right to seek and impart information.[24] Freelance photojournalist Gagik Shamshyan was beaten twice in 2010—once in an electoral precinct on January 10, and once in front of the General Prosecutor's office, reportedly by a police agent. During an opposition rally on May 31, *Haykakan Zhamanak* reporter Ani Gevorkyan was arrested for slapping the face of a policeman; she was released on June 3 under pressure from domestic and international media organizations. Opposition member and editor-in-chief of *Haykakan Zhamanak,* Nikol Pashinyan, was sentenced in January to four years imprisonment for inciting mass disorder during post-election protests in 2008. After publishing a series of editorials from prison on corruption in the Armenian penal system, Pashinyan was beaten in custody, held in solitary confinement, and then transferred to Artik, a 'strict-regime' prison.[25]

Internet penetration has grown dramatically since 2008, when just 6.5 percent of Armenians had online access. In 2009, internet penetration reached 11 percent.[26] Based partly on data from social networking sites, experts estimate that by the end of 2010, there were 600,000–700,000 Internet users in Armenia in 2010, representing 20–23 percent of the population.[27] In September, the Public Services Regulatory Commission of Armenia put the number of users at 1.4 million;[28] however, that figure included owners of internet-enabled mobile phones, who did not necessarily go online.

Use of online media grew an estimated 75 percent in 2010, while newspaper circulation went down. *News.am*, established in 2009, reported 30,000 readers on some days—ten times the circulation of an average daily newspaper in Armenia. Beginning in late 2009, some newspapers reported having more visitors to their websites than print copies sold.[29] Blogging was also reportedly on the rise, with the most popular blog read by a reported 1,200 people daily, more than many newspapers.[30]

In general, the media appeared more proactive in 2010, raising public awareness of issues related to environmental protection, corruption, poverty, and human rights. Meanwhile, cases of abuse in the army and mistreatment of children in schools were exposed with video footage captured with mobile phones, uploaded to YouTube.com, and accessed by thousands of viewers, leading to public campaigns and inducing authorities to take action.

Increased risk-taking on the part of journalists was reflected in a growing number of legal cases involving media. *Haykakan Zhamanak* daily was fined US$9,600 for a report alleging that the son of former president Robert Kocharyan had been arrested after a drunken spree in Dubai. *Hay* radio station sued Heritage MP Stepan Safaryan for calling its broadcast with a ruling party official "a concert booked by the presidential administration," but the station lost its case. The rector of the Yerevan Institute of Humanities sued *Hetq* online investigative weekly in September 2010 for a story exposing corruption in the institute, but he withdrew

his claim in October. The Municipality of Ijevan won a defamation case against *Hetq* in a retrial; *Hetq* was ordered to publish a refutation and compensate the municipality US$2,500 in attorney fees. *Hetq* planned to appeal the decision.

Local Democratic Governance

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
n/a	n/a	n/a	5.50	5.50	5.50	5.50	5.50	5.50	5.75

Armenia is subdivided into 10 regions and 915 communities (a reduction from 930 in 2009). Regional governors administer the regions, while self-government bodies manage the communities. Each community has a representative body called the Council of Aldermen, with 5 to 15 members, and an executive body (municipality) led by the Community Head (equivalent to a mayor). Aldermen and Community Heads are elected via public ballot for 3-year terms. Community Heads are accountable to the Council of Aldermen, which can approve laws, although implementation procedures are often lacking. While Aldermen and Community Heads are nominally independent, in practice the centrally-appointed regional governors have significant political and financial influence over local leaders. Little authority is left to local governance bodies, which often lack transparency, accountability, a clear understanding of the division of powers, and adequate human resources. Despite constitutional amendments in 2005 that consolidated the independence of local self-governance bodies, no improvements have been visible in practice.

Considered a threat to centralized governance, community initiatives were eradicated in Armenia during the Soviet years. Once independent, the country faced the task of completely reinventing local self-governance in the 1990s. Although Armenia has introduced a constitutional and legislative framework for local self-government, practical implementation is hampered by over-centralized administrative control and the disproportionate influence of economic elites. Self-government bodies take their cues from regional administrations, which, in turn, impose central government or local business interests. Often, voters are bribed or pressured into electing economic elites as community leaders. For this reason, the media sometimes refer to the country's leading businesspeople, many of whom hold seats in parliament or regional administrations, as "feudal lords." Government promises and efforts to eradicate corrupt local officials have yet to yield results.

Because of the overwhelming advantages granted to businesspeople or ruling party nominees, opposition candidates rarely run in elections to local self-government positions. A 2008 unwritten agreement between members of the ruling coalition also reserves the governorship of some key regions for the two largest coalition parties, ensuring the central government's control over the regions.

Women's involvement in local governance is still inadequate. In local elections held throughout Armenia in July–December 2010, 14 women and 46 men were

elected members of local councils, and 3 women and 29 men were elected heads of communities.[31] The only female governor in Armenia, Lida Nanyan, a non-partisan official appointed by the Republican Party, resigned in May from her post of governor of Shirak region, which she had held since 2007. Earlier in the year, the media had reported a conflict between Nanyan and the influential mayor of Gyumri, the capital of Shirak region and Armenia's second largest city. The new nominee for the post was Ashot Giziryan, the former head of the Penitentiary Department of the Ministry of Justice.

In July, the governor of Ararat region, Vardges Hovakimyan, resigned from his post as well. In an interview with RFE/RL, Hovakimyan said that his resignation had been "coordinated with the presidential administration"—he was told to resign, and he did. At the time, Hovakimyan's son was hospitalized with injuries he sustained ten days earlier; according to Hovakimyan, his son was attacked while leaving a restaurant belonging to the local head of the police, who Hovakimyan believes organized the beating. The police reported the incident as a fight in which both young men involved were hurt.[32] The governor's post was filled by Deputy Minister of Emergency Situations and Head of the Armenian Rescue Service, Edik Barseghyan—also a former governor of Syunik region—who had recently joined the Republican Party (the Ararat governor post is reserved for the ruling party under the coalition agreement).

In December, Yerevan's first elected mayor, Gagik Beglaryan, resigned after allegedly assaulting presidential aide Aram Kandayan for not allowing Beglaryan's wife to sit next to President Sargsyan at a concert in Yerevan. The presidential press secretary confirmed only that an incident had occurred.[33] The assault was not investigated and media reports on the details relied on rumors. On December 17, the Yerevan Council of Aldermen elected Karen Karapetyan, CEO of the Russian-Armenian gas operator ArmRosGazprom, as the new mayor of Yerevan.

Judicial Framework and Independence

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
5.00	5.00	5.00	5.25	5.00	5.00	5.25	5.50	5.50	5.50

Attempts at judicial reform since 2007 have not succeeded in lessening the dependence of the prosecutor's office and court system on the executive branch.[34] The one exception to this pattern may be the Constitutional Court, which made two rulings during the year that ran contrary to the national government's interests.[35]

Throughout the year, local and international organizations advocated for the release of Armenia's political prisoners, particularly those tried in connection with the post-election unrest of 2008. At the start of the year, 15 persons believed to have been jailed for political reasons remained in custody. The jail terms of two of these ended in 2010 and four were released early, but nine remained in custody at the end of 2010. The prison term of Nikol Pashinyan was reduced in March 2010 from 7 to 3.5 years. In November, Pashinyan reported being beaten in his prison cell by

masked persons, but prison authorities denied the allegation; the investigation was ongoing at year's end.

OSCE experts who attended the post-March 2008 trials also made recommendations for reform of the criminal code. During the year, amendments to the code were drafted and debated, and a working group was set up to draft a new code. Draft legislation on freedom of assembly received support from most international advisers, but concerns remained about the president's ability to prevent public gatherings in the event of "credible information" that an assembly could be violent or otherwise disruptive. In May, the prosecutor general convened a working group to review cases from 2008–10 affecting journalists, including those involving interference with journalists' professional activities. However, investigations of cases involving the beatings of leading journalists (among them Edik Bagdasaryan, Argishti Kiviryan, and Nver Mnatsakanyan) did not lead to any results.

Law enforcement practices came under increased media and international scrutiny in 2010. In September, a UN Working Group investigating arbitrary arrest and detention in Armenia noted serious problems, including detention of individuals without warrants, ill-treatment and beatings at police stations, and confessions obtained under duress.[36] On April 13, 24-year-old Vahan Khalafyan was brought to the Charentsavan police station on a charge of larceny. Later the same day, Khalafyan was taken to a hospital with fatal wounds that, according to police reports, he inflicted himself using a kitchen knife taken from a cabinet at the police station. Two deep knife wounds were found on Khalafyan's body, but his fingerprints were not found on the knife. The investigation concluded that Khalafyan committed suicide after being subjected to torture and degrading treatment; Khalafyan's attorney and family insisted that he was murdered by the police officers. In November, one officer charged in the case was sentenced to 8 years in jail for "overstepping the boundaries of his official authority," and another officer received 2 years probation for "abusing authority."

Ombudsman Armen Harutyunyan insisted that the police must take responsibility for Khalafyan's death, saying: "It does not matter what versions [of the story] exist. The problem is that this is not the first case when a citizen is taken to the police and dies there." The Ombudsman admitted that torture and degrading treatment were a recurrent issue in Armenian law enforcement bodies.[37] Law enforcement reforms were launched in April under recommendations by the EU, the OSCE, and the Council of Europe. The reforms, which will be finalized by the end of 2011, are intended to increase transparency and reduce corruption within the police, and will include such steps as increasing salaries and introducing e-payments and a hotline for reporting police abuse.

A video posted on YouTube on September 11, 2010, also drew attention to degrading treatment and beating of military conscripts. The Ministry of Defense reacted by condemning the video as a fabrication aimed at undermining the authority of the army. However, under public pressure, the officer filmed in the video was arrested and charged with abuse. A hotline for reporting abuse in the army was opened in November 2010.

In December, the Minister of Justice, Gevorg Danielyan, was dismissed from his post and replaced with a professional lawyer, GTZ legal consultant Hrayr Tovmasyan, who had not previously held any government jobs. The move was seen by some as part of a new government initiative to gradually replace oligarchs in the ruling elites with professional administrators.

Corruption

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
5.75	5.75	5.75	5.75	5.75	5.75	5.75	5.50	5.50	5.50

Corruption is deeply ingrained in Armenian society. According to a 2010 survey by the Caucasus Research Resource Center (CRRC), 82 percent of people consider corruption a serious problem hindering their well-being.[38] Approximately 21 percent of survey respondents admitted they were ready to accept a bribe, and 58 percent expressed a willingness to pay one. As in the 2008 and 2009 surveys, the most popular justifications for accepting a theoretical bribe were "I need the money" (47 percent) and "everybody does it" (36 percent). An overwhelming majority (71 percent) of those who would give a bribe chose the reason "because there is no other way I can obtain the service." Over half of the respondents said they themselves could do nothing to combat corruption, and only 31 percent believed that government efforts to combat corruption were at all effective.

Armenians perceive high-ranking officials as more corrupt than mid- and low-ranking ones; a possible reason is that 73 percent base their perceptions of corruption in the country on media reports, which focus more on high corruption, while just 30 percent rely on personal experience, which is more likely to involve petty corruption.[39] This reflects both the active role of the media in exposing corruption and the public's general lack of trust in ruling elites.

Shortly after his appointment in 2008, Prime Minister Tigran Sargsyan (no relation to President Sargsyan) described widespread government corruption as Armenia's "number one problem" and pledged to crack down on it.[40] However, subsequent attempts to address the problem under the 2009 Anticorruption Strategy were inconsistent and only affected certain industries. By 2010, public utilities and communication services were perceived to be almost free from bribery, while healthcare, customs authorities and traffic police were still considered by the population to be among most corrupt sectors in the country. Allegations of corruption and incompetence within the State Revenue Committee appear frequently in the media, but—despite Prime Minister Sargsyan's severe criticism of corrupt and incompetent behavior by the head of the revenue committee, Gagik Khachatryan—no high-level investigations of committee employees were initiated in 2010.

Petty corruption within Armenia's healthcare system is reportedly widespread, with doctors and other medical staff regularly demanding bribes. Many healthcare professions claim they do not earn a living wage. In March 2010, a decision was

made to raise the price of medical services to reflect their real cost and eliminate the practice of bribes. The average doctor's salary would rise to US$1,000 per month as a result of this change.[41] The 2010 CRRC survey shows a changing awareness of corruption within the medical profession. In 2009, 47 percent of respondents labeled the practice of tipping doctors to get special care as corrupt; in 2010, 58 percent of respondents voiced this opinion.[42] At year's end, the proposed increases to medical costs had not yet been made.

In November, Prime Minister Sargsyan initiated a series of top-level dismissals in the government, focusing on the ministries of agriculture, finance, education, and health. Based on the findings of the National Assembly's Control Chamber, a body which monitors government spending. Sargsyan accused these departments of chronic corruption and mismanagement and ordered ministers to present structural and personnel solutions to the reported problems within a short timeframe.[43] In several cases, the prime minister demanded specific resignations (under Armenian law, civil servants cannot be fired without the consent of the state Civil Service Council). Two deputy ministers of health resigned soon after the prime minister's November lambasting; in December, Minister of Agriculture Gerasim Alaverdyan was dismissed, and during the same month, the head of the State Social Welfare Service at the Ministry of Labor and Social Issues Vazgen Khachikyan was also laid off. The Oversight Service reportedly discovered major fraud in the social welfare service, including pensions that were paid to over fifty thousand phony accounts[44].

On the civil society level, anticorruption work is carried out by Advocacy and Assistance Centers (AACs) funded and established through the USAID Mobilizing Action Against Corruption Activity. AACs offer victims of corruption free legal support through administrative channels, taking cases to court or referring them to the public prosecutor. An AAC opened in Yerevan in autumn 2010, and ten AACs operate in the provinces of Armenia. Since 2008, the AACs have handled more than 1,300 cases related to corruption in a variety of sectors, including healthcare, public services, and traffic police. The AACs conduct public awareness activities and promote the adoption of anti-corruption reforms in coordination with the government. According to the CRRC survey, citizens' awareness of this service remains very low (14 percent), although this represents an increase of almost 100 percent since 2008.[45]

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Azerbaijan

by Magdalena Frichova Grono

Capital:	Baku
Population:	8.8 million
GNI/capita, PPP:	US$9,020

Source: The data above was provided by The World Bank, *World Development Indicators 2011*.

Nations in Transit Ratings and Averaged Scores

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Electoral Process	5.75	5.75	6.00	6.25	6.50	6.50	6.50	6.75	6.75	7.00
Civil Society	4.50	4.25	4.50	4.75	5.00	5.25	5.25	5.50	5.75	5.75
Independent Media	5.50	5.50	5.75	6.00	6.00	6.25	6.25	6.75	6.75	6.75
Governance*	6.00	5.75	5.75	n/a	n/a	n/a	n/a	n/a	n/a	n/a
National Democratic Governance	n/a	n/a	n/a	6.00	6.00	6.00	6.00	6.25	6.50	6.50
Local Democratic Governance	n/a	n/a	n/a	6.00	6.00	6.00	6.00	6.25	6.25	6.50
Judicial Framework and Independence	5.25	5.25	5.50	5.75	5.75	5.75	5.75	5.75	6.25	6.25
Corruption	6.25	6.25	6.25	6.25	6.25	6.25	6.25	6.50	6.50	6.50
Democracy Score	5.54	5.46	5.63	5.86	5.93	6.00	6.00	6.25	6.39	6.46

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

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

Executive Summary

Azerbaijan experienced a brief period of independence from 1918 to 1920, and regained independence in 1991 as the Soviet Union disintegrated. Its early years of transition and state-building were unstable, dominated by a war with Armenia and separatist Karabakh Armenians over the breakaway Nagorno-Karabakh region. A ceasefire agreement was signed in 1994, but the conflict remains unresolved. Azerbaijan still insists on the reestablishment of its territorial integrity, while Nagorno-Karabakh, backed by Armenia, continues to seek international recognition of its independence. An estimated one million people have been displaced by the conflict, and Azerbaijan has lost control of some 16 percent of its territory.

President Heydar Aliyev came to power in 1993 and remained in office for ten years, during which he strengthened his hold on the country by concentrating powers in the executive branch. In October 2003, Aliyev was succeeded by his son, Ilham, following disputed elections that were deemed neither free nor fair by the Organization for Security and Cooperation in Europe (OSCE). All subsequent popular votes—including the 2005 parliamentary elections and their 2006 reruns, the October 2008 presidential election that secured President Ilham Aliyev's second term in office, the 2009 constitutional referendum, and the 2009 municipal polls—have failed to meet international standards of freedom and fairness. Moreover, the 2009 referendum eliminated the constitutionally set limits for two consecutive presidential terms, potentially paving the way for Aliyev's lifelong presidency.

Under President Ilham Aliyev's rule, Azerbaijan has moved towards full-fledged authoritarianism, a trend that continued throughout 2010. In November, parliamentary elections that cemented the power of the ruling Yeni Azerbaijan Party (YAP) took place in an environment of intimidation and repression, amid the usual allegations of fraud. Preelection opposition rallies in May, June, and July were suppressed and scores of participants detained.

National Democratic Governance. The ruling elite further strengthened their authoritarian grip on Azerbaijan in 2010, maintaining stability at the expense of basic rights and civil liberties, and harassing critics with impunity. Oil and gas revenues are leveling off, but the government remains largely impervious to international pressures for reform, particularly in the area of human rights. Hydrocarbons are still expected to generate huge wealth over the next two decades. Military expenditures in 2010 amounted to over 10 percent of the national budget and are set to double in 2011. War rhetoric dominated the official discourse on the Nagorno-Karabakh conflict. *Owing to the government's severe disregard for basic freedoms and due democratic process, and its continued stifling of dissent, Azerbaijan's national democratic governance rating remains at 6.50.*

Electoral Process. No election in Azerbaijan has been assessed as free and fair since the adoption of the country's constitution in 1995. Frequent irregularities have included the abuse of administrative resources, intimidation and harassment of the opposition, and election day violations. A repressive media environment also undermines the electoral process. Electoral code amendments adopted in June 2010 restricted campaign and canvassing periods, further disadvantaging opposition political parties. Preelection opposition rallies were severely restricted or dispersed. The November 2010 parliamentary elections were marred by serious irregularities and further strengthened the ruling Yeni Azerbaijan Party (YAP). *Owing to the authorities' complete unwillingness to provide conditions for free and fair elections, and the introduction of further restrictive amendments to electoral legislation in 2010, Azerbaijan's electoral process rating drops from 6.75 to 7.00.*

Civil Society. Azerbaijani authorities continued to crack down on critics of the regime and sought to control all spheres of public life. Two young activists and bloggers, Emin Milli and Adnan Hajizade, convicted on dubious charges in 2009, were freed in November only after a year-long international campaign for their release. Nongovernmental organizations (NGOs) reported ongoing obstacles to registration. Although the Council on State Support to NGOs distributed some US$4 million in grants, it is widely believed that most of these funds will go to government-organized or non-influential organizations. Pressure on religious groups continued. In January, police violently suppressed demonstrations protesting the detention of elders celebrating a religious holiday in the Nakhchevani village of Bananyar. The Muslim headscarf (*hijab*) was banned in schools, and there were reports of harassment against Salafi Muslims in the country's north. *Due to the authorities' continued pressure on civil society and repression of civic activists, Azerbaijan's civil society rating remains at 5.75.*

Independent Media. Azerbaijani authorities systematically suppress critical voices in broadcast, print, and online media. Violent attacks on journalists continued in 2010, with full impunity for perpetrators. Libel continues to be considered a criminal offense, and the ensuing self-censorship has stifled public debate. Several journalists remain imprisoned on apparently political charges, among them newspaper editor Eynulla Fatullayev, whose release was ordered by the European Court of Human Rights (ECHR) in April. Azerbaijani authorities dropped criminal charges against Fatullayev in November but ignored the ECHR's demand that he be freed, citing bogus drug possession charges pressed while the journalist was in prison. *As a result of severe pressure on all forms of independent reporting, and the authorities' refusal to hold perpetrators of attacks on journalists accountable, Azerbaijan's independent media rating remains at 6.75.*

Local Democratic Governance. Local self-government in Azerbaijan is controlled by the executive branch, as an extension of the patronage-based national governance system dominated by the ruling party. Municipalities are seriously underfunded

and lack meaningful responsibilities or decision-making authority. Local elections are widely believed to be controlled by the executive. The exclave of Nakhchevan enjoys a strong degree of autonomous governance but is also the most repressive region of Azerbaijan. In January 2010 Nakhchevani authorities cracked down on peaceful Muslim demonstrators, 100 of whom were beaten or detained. The Soviet-era practice of incarceration of opponents in mental hospitals was reported. *Due to continued subordination of local governance to central authorities and impunity for official abuse at the local level, Azerbaijan's local democratic governance rating worsens from 6.25 to 6.50.*

Judicial Framework and Independence. Azerbaijani legislation guarantees judicial independence, but in practice the judiciary is deeply dependent on the executive. Although internationally-led reform efforts have had some limited, positive impact, the judiciary remains inefficient and rife with corruption. This prevents courts from providing an effective redress mechanism against violations of human, civil, and property rights. Unfair trials and violations of due process are commonplace, and Azerbaijan has not complied with a number of ECHR rulings. *Owing to the judiciary's dependence on the executive, its failure to provide a redress mechanism, and its complicity in silencing critics, Azerbaijan's judicial framework and independence rating stagnates at 6.25.*

Corruption. Systemic corruption continues to be one of the most severe obstacles to Azerbaijan's democratic development. Although anticorruption legislation is in place, corrupt practices permeate all spheres of public life. In addition to providing illicit income, the established corrupt system gives the ruling elite an additional means of political control. Officials avoid financial disclosure; in 2010 it was reported that Azerbaijani citizens whose names and ages matched those of President Aliyev's children owned real estate in Dubai worth US$75 million. *Owing to the continued lack of transparency in oil revenue expenditures and public contracts, and the lack of political will to address systemic corruption, Azerbaijan's corruption rating stays at 6.50.*

Outlook for 2011. Authoritarianism in Azerbaijan can be expected to deepen in 2011. With the ruling party having solidified its position in the December 2009 municipal and November 2010 parliamentary elections, the regime is likely to remain stable in the run-up to the 2013 presidential race, and possibly beyond. The circle of associates around President Aliyev will continue to benefit from the country's hydrocarbon wealth, and although 2011 will see further slowdown of economic growth, this is unlikely to cause socioeconomic turmoil in the short to medium term. Azerbaijan's militarization is worrisome, and risks of escalation along the Nagorno-Karabakh line of contact are high, given the low likelihood of a genuine breakthrough in the conflict resolution process.

Main Report

National Democratic Governance

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
n/a	n/a	n/a	6.00	6.00	6.00	6.00	6.25	6.50	6.50

President Ilham Aliyev has forcefully consolidated both the presidency and his personal authority since coming to office in 2003. Contrary to widely held expectations, the son and former prime minister of Heydar Aliev became a powerful leader, craftily managing relations within the narrow, clan-based political elite. After a 2005 parliamentary poll that solidified the ruling Yeni Azerbaijan Party (YAP)'s dominance of the parliament, Aliyev replaced key members of the elite with new appointees who owed their positions to him personally. He won his second term in office in October 2008, in an uncontested poll that was boycotted by major opposition parties and criticized by international observers for falling short of international standards.[1] In March 2009, a constitutional amendment that removed presidential term limits opened the possibility of Aliyev's lifelong presidency.

Under Aliyev's rule, Azerbaijan has moved from semi-authoritarian rule to full-fledged authoritarianism. Stability is maintained at the expense of basic rights and civil liberties, as the authorities' campaign of pressure against dissenting voices has ensured a strong degree of compliance and self-censorship on the part of the general population and civil society. Although separation of powers is guaranteed by the constitution, in reality the executive office dominates both the legislature and the judiciary. Its reach also extends well into the country's regions, where it controls local self-government structures.

The Milli Majlis (National Assembly) is a rubber-stamp body with no oversight or public debate function. In June 2010, the parliamentary assembly adopted a controversial law requiring it to coordinate its legislative agenda with the presidential administration in a joint yearly plan. The 125-seat parliament is dominated by the ruling YAP party, a reality that the November parliamentary vote only reconfirmed. As usual, the elections took place amid allegations of serious violations and in an overall environment of intimidation and repression.

Azerbaijan's broader legal framework, significantly modernized with the international community's help, is quite solid. In practice, the country's top-down governance system operates through patronage networks and suppression of civil and political freedoms. The informal patronage-based system creates an appearance of stability, although rivalry over access to power and resources between clans and influential individuals may well challenge this stability in the future.[2]

As in previous years, law enforcement structures acted with impunity. Cases of ill treatment and excessive use of force in police and military custody were reported throughout the year. Local and international human rights groups have criticized the physical abuse, torture, and due process violations that occur in Azerbaijani

detention facilities. Prison conditions are generally harsh and often reported to be life threatening. Arbitrary arrests and detentions occur with regularity, often targeting individuals allied with the political opposition.

Azerbaijani military expenditures have soared, with the military budget amounting to 10.7 percent of the national budget in 2010 and projected to reach 19.7 percent, or US$2.5 billion, in 2011.[3] As tensions along the frontline of Nagorno-Karabakh rose in August and September, the potential for escalation of the conflict also grew. Aggressive war rhetoric dominated the discourse on Nagorno-Karabakh, although President Aliyev and his Armenian counterpart, President Serzh Sargsyan, continued to meet during the year.

Oil and gas revenues are leveling off, though they continue to boost Baku's coffers and the leadership's self-confidence in domestic and international affairs. Annual GDP growth rates, which averaged an incredible 20 percent between 2003 and 2008,[4] slowed to some 3 percent in 2010 and are expected to be as low as 0.6 percent in 2011.[5] However, energy resources are still expected to generate revenues of US$350–400 billion over the next two decades.[6] Azerbaijan's economy continues to be largely undiversified, with construction, banking, and financial services being the only sectors outside of oil and gas that have contributed to growth.[7]

Authorities continued to ignore the international community's pressure for Azerbaijan to comply with its own human rights and democratization commitments, whether in the Council of Europe (CoE) or European Neighborhood Policy frameworks. The European Union and the United States have not challenged Baku on its authoritarian tendencies with resolve. Their complacency might be politically understandable: to begin with, they have strong strategic interests in the country, given its oil and gas wealth, position along the Afghanistan supply route, border with Iran, and relationship with Russia; moreover, Azerbaijani oil-rich leadership is not easily influenced by economic incentives or disincentives. But continued complacency risks contributing to the further entrenchment of a regime exhibiting increasingly militant and authoritarian features.

Electoral Process

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
5.75	5.75	6.00	6.25	6.50	6.50	6.50	6.75	6.75	7.00

The November 2010 parliamentary election was widely seen as a pro forma exercise, allowing the ruling YAP party to further entrench itself. For the first time, Azerbaijan's two main opposition parties did not win a single seat in the new government.

Electoral processes have been deeply flawed in Azerbaijan since its 1991 independence (although the 1992 presidential poll did feature a degree of genuine contestation). No election since the 1995 adoption of the country's constitution has met international standards of freedom and fairness. Most recently, the October 2008 presidential election, March 2009 referendum, December 2009 municipal

elections, and November 2010 parliamentary elections have further demonstrated citizens' inability, under the prevailing system, to achieve a peaceful rotation of power.

Grave irregularities in recent elections have included the extensive use of administrative resources by the ruling party for campaign purposes, voter intimidation, harassment of the opposition, and vote buying. Traditional election day violations have also included ballot stuffing, illegal campaigning, carousel voting, and voter list irregularities, as well as pressure and restrictions on observers and flawed vote-counting and tabulation processes. The overall electoral environment is marred by serious restrictions on political participation, a lack of political competition, and the near absence of open public debate; this is further exacerbated by the government's effective control of the media. YAP also dominates the election commissions. Traditional opposition parties have not participated in electoral commissions since 2005 and are restricted from public assembly, rallies, or meetings during the non-election period.

Since the severe government crackdown on demonstrators protesting the conduct of the 2003 and 2005 parliamentary elections, and given the growing pressure against all forms of dissent, the population in Azerbaijan has been minimally engaged with electoral processes. There are no meaningful redress mechanisms against widespread election fraud or human rights abuses, and election results appear to be accepted by the population with a strong degree of resignarion.

YAP also dominates the election commissions. Traditional opposition parties have not participated in electoral commissions since 2005 and are restricted from public assembly, rallies, or meetings during the non-election period. In contrast to the partial boycott of the 2008 and 2009 polls, all parties chose to participate in the 2010 election. However, opposition parties faced serious registration difficulties. Only 719 candidates (compared with 2,062 in 2005) were registered out of a total of 1,407 hopefuls, and 27 of these subsequently withdrew.[8] Every YAP would-be candidate was allowed to register, while only 17 out of 120 hopefuls successfully registered for the Democracy bloc.[9] On average, the four opposition blocs managed to register one in three hopefuls.

The November 2010 preelection campaign was marred by many of the shortcomings which had affected previous votes: opposition party members were harassed and restricted from campaigning, voter intimidation was widespread, and the authorities did not act on the international community's electoral process recommendations.[10] The run-up to the election was characterized by severe restrictions of civil society activism and freedom of assembly, and opposition parties faced difficulties organizing campaign meetings.

The executive authorities allocated selected venues for campaign meetings; these were often small far from the city center, especially in Baku.[11] In May, opposition parties held demonstrations in Baku, demanding fairness and transparency in the November elections. Police dispersed the rally and detained some 50 protesters and sentenced 11 to jail terms. In June similar "unauthorized" rallies were suppressed by police. One opposition rally held in Baku, despite a ban on protests in the city

center, was dispersed with some 100 people reportedly arrested. The Popular Front-Müsavat bloc also canceled a demonstration planned for October in Baku after city authorities denied them permission to assemble.

Before the vote, amendments to electoral law were adopted in June 2010 that largely eliminated what little space remained for genuine contest. The duration of the election campaign was reduced from 75 to 60 days, and the canvassing period from 28 to 23 days. The amendments also abolished subsidies for candidates that had previously been provided from the budget.[12] The canvassing restrictions in practice meant that each candidate received only 4 minutes of free air time on national TV/radio, owing to the fact that campaign-related issues may be aired only during 2 hours of nightly preelection programming.[13] This allocation did not affect substantial and favorable coverage of the ruling party during all regular news programming.

The Organization for Security and Cooperation in Europe's Office for Democratic Institutions and Human Rights (OSCE/ODIHR) assessed voting on election day positively in 90 percent of the polling stations visited, but vote tabulation was deemed "bad" or "very bad" in one-third of polling stations.[14] The resulting legislature is entirely dominated by YAP, which has increased its presence from 63 seats in the outgoing parliament to 74 in the new one. Nominally independent candidates, who are in reality very close to the ruling elite, secured an additional 38 seats. The remaining 13 seats were divided between 10 small opposition or quasi-opposition parties. For the first time, Azerbaijan Popular Front and Müsavat—which ran as a bloc—were unable to secure a single seat in parliament. In the last poll, the two main opposition parties won 2 and 4 seats, respectively. Both parties decried the election results, and Müsavat's chairman, Isa Gambar, called for the vote to be annulled.

Civil Society

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
4.50	4.25	4.50	4.75	5.00	5.25	5.25	5.50	5.75	5.75

The government's stifling of Azerbaijani public life continued in 2010. The country's political opposition has been effectively undermined over the past years; consequently, the authorities have no serious political rivals, and openly say so.[15] Space for meaningful civic activism continued to shrink during the year, especially in the preelection period. Civic and political apathy is widespread, and self-censorship is prevalent both in civil society work and the media.

Oppressive government policies and a strategy of selective funding have left the still-developing nongovernmental organization (NGO) sector splintered and without significant impact. Most active organizations are based in the capital, Baku. Although NGOs seek to publicize their work, the lack of public awareness of the relevance of civil society continues to be high, and public distrust of NGOs is

common, especially in the regions. Despite this, many civil society organizations continued to operate. Government and NGO estimates for registered groups vary from 2,600 to 3,220, but only a small subset of active NGOs can be considered genuinely effective.[16]

The authorities' strategy for its proactive control of the NGO sector is based on a "Concept for State Support for NGOs," adopted in 2007. Later that year, a Council on State Support to NGOs under the President of Azerbaijan was established by presidential decree, comprising three officials and 8 representatives of mostly pro-government NGOs. Over the first two years of its activity, the Council allocated US$4 million in grant assistance to 430 NGOs, on a competitive basis.[17] Many NGOs and analysts see the Council's activities as a governmental attempt to outspend other donors and monopolize the civic sector, while creating a deceptive appearance that official support for genuine diversity and pluralism is on the rise in Azerbaijan. According to NGOs, the government's interference in the civic sector has coincided with the withdrawal or decrease of some foreign donor support brought on by the global economic crisis.

A growing number of GONGOs (Government-Organized Nongovernmental Organizations) operate in the country. These organizations have been set up by the authorities or persons close to them with the aim of creating a third sector for international funders to work with.[18] Because these compliant entities usually get better access than groups that are vocally critical, some donors see them as more effective.

A 2009 law on NGOs gives the authorities significant discretionary powers, such as banning any NGO activity on the grounds that it presents an unlawful "appropriation of" or "interference with" the state's powers. Financial reporting procedures are strict, and if two warnings are issued, an NGO's registration may be revoked by a court order. The end of 2009 saw further restrictions put in place: grant money transfers are banned unless the grant in question is formally registered with the Ministry of Justice. Unregistered NGOs have not been explicitly banned from operating, but they may not be able to access or register their funding.

In 2010, the Ministry of Justice continued to create registration obstacles for many NGOs. Several cases of revocation or denial of registration were heard by the ECHR, which has ruled against Azerbaijan in numerous cases since 2002.[19] It has been especially difficult for NGOs to work in areas the government sees as sensitive; activities seeking systemic democratic change typically encountered the strongest obstacles in 2010. Meanwhile, activities in service provision, social and community-based work, and the health and education sectors were generally not harassed by the authorities.

Human rights organizations have long been under governmental pressure, with a number of activists intimidated or attacked, and 2009 and 2010 saw increased direct pressure against youth activists. Youth groups of non-partisan civic activists have progressively formed in Azerbaijan over the past few years, using new media, social-networking sites, and blogs as avenues for expressing their social stances and opinions in the absence of more traditional public-debate venues.

In 2009, two prominent activists, Emin Milli and Adnan Hajizade, who used online blogging to express their critical civic views and air satirical short films, were arrested on apparently politically motivated charges. They were later imprisoned and convicted of hooliganism and inflicting minor bodily harm, then sentenced to two and two-and-a-half years of jail time in a nontransparent legal process.[20] In March 2010, the bloggers lost their appeal when the Azerbaijan Appeals Court upheld the 2009 conviction without examining the bloggers' central contention that the attack that led to their conviction had been deliberately staged to frame them.[21] In August 2010, the Azerbaijan Supreme Court upheld the prison terms for the two bloggers. After strong international criticism, including U.S. President Barack Obama's personal appeal to President Aliyev in September 2010,[22] the two activists were released in late November 2010.

Although the Constitution of Azerbaijan guarantees freedom of religion, some religious groups experience considerable harassment. An amendment limiting religious propaganda and proselytizing was adopted in March 2009 via constitutional referendum, and subsequent amendments to the Law on Freedom of Religion required religious communities to re-register with the State Committee for Work with Religious Organizations by January 1, 2010.

Groups that the authorities see as beyond their reach are frequent targets of government pressure. These include Islamic groups, such as the Salafis, that are not registered with the State Committee for Work with Religious Structures or that do not cooperate with the Board of Muslims of the Caucasus, a Soviet-era body that officially runs Islamic affairs in the country. Other targets include certain Protestant communities and the Jehovah's Witnesses.

In January 2010, a group of Shia Muslims faced a violent crackdown in Bananyar. In February, fifteen people were detained after a clash with police that blocked an authorized Shia procession during a holiday marking the death of Prophet Muhammad. In March, five of these men were charged with hooliganism. Then in May, four followers of the Muslim theologian Said Nursî were detained and held for several days by the country's secret police.[23]

December 2010 saw controversies around the official ban on wearing *hijab*, the Muslim headscarf, in schools. The Minister of Education declared that schoolgirls must not wear *hijab* in class. Hundreds of believers gathered in protest around the Education Ministry in Baku, but police dispersed the crowd, detaining sixteen people.[24] Protests were also held in other cities, notably in Nardaran, in late December.

Islamic communities have also been targeted in the northern regions of Azerbaijan where the authorities fear the spillover of radical Islam from the neighboring North Caucasus. Believers from the Zaqatala district reported in October that the group was harassed by police; their beards were forcibly shaved and they were beaten. Interior ministry officials were quoted as saying that "police are entitled to summon men with long beards and short trousers for 'a preliminary talk' to determine whether they represent 'illegal, radical religious' trends."[25]

Independent Media

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
5.50	5.50	5.75	6.00	6.00	6.25	6.25	6.75	6.75	6.75

Azerbaijan's Law on Mass Media, adopted in 2000, guarantees freedom of speech, support for the media, access to information, and protection of journalists' rights. In practice, the authorities have used violence, intimidation, and criminal laws to stifle public debate and silence dissenting voices. Dozens of journalists, especially those who criticize the government for its lack of transparency and human rights abuses, have been prosecuted and jailed, and many have been physically attacked with impunity. In 2010, a renewed campaign to limit media freedoms and stifle independent discourse was evident in the run-up to the November parliamentary election.

Official state censorship was abolished in 1998, but the authorities' campaign of systemic intimidation and harassment of journalists has resulted in a strong degree of self-censorship. Among the most blatant attacks on independent journalists was the 2005 murder of Elmar Huseynov, the editor in chief of *Monitor;* the government's failure to bring the perpetrators to account caused the Representative for Freedom of the Media, Dunja Mijatović, to place Azerbaijan on her "Hall of Shame" list in June 2010.[26] In March, five editors in chief were interrogated by the national security ministry for alleging the ministry's involvement in the killing.

In 2010, several attacks upon journalists elicited no credible investigation by the authorities. In one notable example, Elmin Badalov, of the newspaper *Yeni Müsavat*, was attacked by security guards in July while taking pictures of property allegedly owned by oligarchs. Police refused to open an investigation and tried to misrepresent the case.[27] In August, Rasul Shukursoy, of *Komanda* newspaper, was stabbed after receiving threats that had been ignored by the police. Shukorsoy has said the incident was a reaction to his article about a famous footballer.

Authorities also sought to thwart reporting on public protests. In June, journalists were prevented from capturing on film the Müsavat party's demonstration in Baku and protests in Sabirabad concerning the government's response to severe floods in the country's south.[28] In general, journalists and editors in Azerbaijan have come to understand an informal barrier beyond which it is not advisable to explore matters, and they often avoid sensitive topics, especially those related to the Aliyev family or other influential figures of the ruling elite. International journalists, too, have been targeted: in May, Norwegian journalist Erling Borgen had his footage for a documentary on newspaper editor Eynulla Fatullayev erased by Azerbaijani officials.[29]

New formal restrictions were put in place in 2010. In February the parliament passed amendments to the media law, approved by the 2009 referendum, which ban unauthorized image and sound recording, even at public events.[30] Foreign radio broadcasting on FM frequencies has been banned, effectively taking BBC, Voice of America, and Radio Free Europe/Radio Liberty off the air. [31] However, foreign broadcasters can still be accessed on shortwave and via the internet and cable services.

Libel continues to be a criminal offense in Azerbaijan, despite strong, repeated criticism from international organizations, including the CoE and the OSCE Representative on Freedom of the Media. Libel charges, which carry punishments ranging from large fines to three years imprisonment,[32] have often been filed against journalists in apparently politically motivated cases. Most critics understand such libel charges as a blatant attempt by the authorities to institute censorship.[33] In the first 6 months of 2010, government officials filed 26 criminal defamation cases and 36 civil defamation claims against journalists and other critics; prison sentences and/or financial damages followed in 14 and 30 of these cases, respectively.[34]

Under strong international and domestic pressure, in March 2010 President Aliyev pardoned the editor of the opposition newspaper *Azadliq*, Ganimat Zahidov, who was sentenced for hooliganism in 2007. Other journalists were less fortunate. Eynulla Fatullayev—the editor in chief of two newspapers, *Gundelik Azerbaijan* and *Realniy Azerbaijan*, and a vocal critic of the authorities—has been in prison since 2007 on charges ranging from criminal libel to terrorism, inciting ethnic hatred, and tax evasion. Both of his newspapers were closed and the property confiscated. In late 2009, dubious new criminal charges of drug possession were brought against the incarcerated Fatullayev.

Fatullayev appealed to the ECHR, which ruled in April 2010 that Azerbaijan had "grossly" and "disproportionately" restricted freedom of expression by jailing him. The court ordered the Azerbaijani authorities to release him immediately.[35] Instead, the authorities pressed additional drug possession charges against Fatullayev, for which he was convicted in July. Baku applied to the ECHR's Grand Chamber to appeal the April decision; the appeal was rejected, thus the April ruling was made final. In November, an extraordinary plenary meeting of the Azerbaijani Supreme Court dropped the criminal charges against Fatullayev. It, however, ignored the ECHR judgment's requirement to free Fatullayev immediately, and at year's end he remained in prison on drug possession charges widely considered bogus. In December, the Supreme Court rejected Fatullayev's appeal.

Television and radio remain the most influential media in Azerbaijan. AzTV, the country's main national broadcaster, is financially supported by the state and operates under direct control of the presidential office. Print media have small circulation and unreliable distribution in regions beyond Baku. The few relatively influential newspapers tend to be politicized, either pro-government or pro-opposition, and few offer independent reliable coverage. In June 2010, the government introduced restrictions on street sales of newspapers in downtown Baku, citing aesthetic reasons.

As traditional media stagnate under government constraints, a vibrant and rapidly growing online community has formed over the past three years. Roughly 27 percent of the population has access to the internet, though some 90 percent of users rely on dial-up connections and internet access is still relatively rare in rural areas.[36] Thousands of bloggers are reported to be active, but only a few hundred appear to be influential. Most of the country's population continues to obtain news and information from traditional media.

Online media have gradually begun to fill the information vacuum created by pressure on traditional journalists, though it has yet to be seen whether they can offer commentary on political stories and investigate sensitive issues, as self-censorship extends to the blogosphere as well. Criminal charges have been used to limit new and electronic media, including internet blogging, as seen in the case of the two young bloggers, Milli and Hajizade. No specific legislation restricting the internet exists, although statements by top administration officials and the head of the National TV and Radio Company suggest that some controls may be forthcoming, including the licensing of internet-based television programming.[37]

Local Democratic Governance

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
n/a	n/a	n/a	6.00	6.00	6.00	6.00	6.25	6.25	6.50

Azerbaijan's system of local self-government was defined by the 1995 constitution and is carried out by both local bodies of state administration and elected municipal governments. The Law on Municipal Elections and the Law on the Status of Municipalities were adopted in 1999, the year of Azerbaijan's first municipal polls, Since then, 2,757 municipal governments have been established, ranging from small rural villages to large cities.

Municipal councils consist of 5 to 19 members, depending on the number of people residing in the territory governed. Councils are elected for five-year terms, and elections are held by a relative majority system in multi-mandate territories. In September 2009, the Milli Majlis passed a Law on the unification of municipalities whereby their number decreased to 1,766. Authorities argued that the reform increased the efficiency of local self-government, especially in territories with a small population. Critics, however, said this may result in fewer posts for local representatives.

In 2001, Azerbaijan ratified the European Charter of Local Self-Government, which endows municipalities with substantial responsibilities and decision-making authority. However, in reality, municipalities have few responsibilities and remain fully subordinate to the executive. Constitutional amendments in 2009 further decreased the independence of local self-governments, granting the state powers to "oversee" activities of municipalities, without clearly defining the exact scope of this supervision.[38] Another ambiguously worded amendment called for municipalities to submit regular reports to the Milli Majlis; this represents yet another mechanism for imposing YAP's authority at the local level.

The patterns of governance at the local level in Azerbaijan mirror those at the higher levels of administration. Municipal authorities are expected to align themselves with local branches of state administration, extensions of the ruling party and its structure. These provide access to and further distribute patronage, also ensuring electoral victory for individuals at the municipal level who comply with the ruling party's wishes.

Local branches of state government carry out most functions assigned to municipalities (community service projects, renovations, citizen registration, social services, etc.), while municipal authorities handle issues such as road construction or social assistance for households not benefiting from state social programs. Patronage and access to resources without accountability are characteristic of local governance throughout the country.

There is little transparency in the work conducted by self-governance structures, and citizens have only vague ideas about what elected or appointed officials actually do. As a consequence, public trust in local self-government structures is low, especially in larger urban areas. Municipal authorities also lack adequate funding, as their real revenue represents only a small percentage of budgetary needs. Tax revenues that should boost municipal budgets are often misallocated to regional tax departments.

Local elections held in December 2009 were condemned by the opposition as the first ballot in which "the country's leadership did not even bother to create a semblance of democracy."[39] The mayor of Baku continues to be appointed by the president despite strong calls by the CoE to make this an elected office.

In contrast to other municipalities, the exclave of Nakhchevan enjoys a strong degree of autonomous governance, but is also the most repressive region of Azerbaijan. The chair of the local parliament for the past 12 years, Vasif Talibov, who is also related by marriage to the Aliyev family, is said to run the region as his personal fiefdom. Restrictions on rights and freedoms are tight, and authorities engage in extreme authoritarian practices with full impunity.

Nakhchevan's village of Bananyar witnessed a violent crackdown by the authorities on nonviolent demonstrators in late 2009 and early 2010. The demonstrations followed an incident in which 15 village elders were detained for meeting to mark the day of Ashura, a Shiite religious holiday, which the police saw as an "unauthorized gathering." This sparked a 10-day standoff between demonstrators and the police, who were backed by troops from the Interior Ministry. More than 100 people were beaten and detained after police attacked the protesters on January 5.[40] For several days the government denied any incident had occurred; later, they blamed the events on "the opposition and mentally ill people."[41] One demonstrator allegedly set himself on fire to protest the police beating of his elderly father. Some of the Bananyar protesters were jailed and others reportedly incarcerated in mental hospitals, an infamous practice of the Soviet era.

Judicial Framework and Independence

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
5.25	5.25	5.50	5.75	5.75	5.75	5.75	5.75	6.25	6.25

Although the independence of Azerbaijan's judiciary is guaranteed by the constitution, the judicial branch is highly dependent on the executive. In 2010,

Transparency International Azerbaijan assessed the judiciary's independence at 58 percent.[42] Due process violations are reported frequently, with little or no redress. The judiciary does not provide a genuine mechanism to remedy violations of human, property, or civic rights, with verdicts largely unrelated to the evidence presented during trials.[43] This is especially true in politically sensitive cases or cases where the interests of influential figures may be at stake. The system is also rife with corruption, and deeply inefficient.

The 2009 constitutional referendum that lifted presidential term limits was followed by further legislative changes in 2009 and 2010 abolishing term limits for the posts of prosecutor general, chairman of the courts, and ombudsperson.[44] Functionaries who currently staff these posts are presidential loyalists.

The executive's influence is also evident in the assignment of judges to specific cases. There are rules established for the process, but in practice, high-visibility cases are typically heard by judges and prosecutors appointed by the executive branch. Prosecutors and defense attorneys have equal standing according to the constitution, but prosecutors are actually much more influential and often dominate the defense.

In some cases, the existing legal framework that regulates the judiciary lacks supporting legislation needed for implementation, or contains loopholes that allow for an arbitrary interpretation of laws. This has had a negative impact on the selection and promotion of judges. The ostensibly independent Judicial Legal Council, a body that administers the interview examinations of would-be judges, continued to be controlled by the Ministry of Justice with a lack of transparency, allowing space for corruption during the oral component of the selection process.

The 1995 Constitution guarantees open hearings in all law courts, except in cases that involve "state, commercial, or professional secrets or matters involving confidential, personal, or family matters."[45] Although court hearings are generally open, politically sensitive or high-profile cases are usually inaccessible to the public. The Court of Grave Crimes and the Court of Grave Military Offenses frequently refuse the right to a public hearing. Moreover, many due-process provisions are not observed, including—but not limited to—the presumption of innocence, the right of defendants to present evidence at trial, and the right of appeal.[46]

The national judicial system is widely seen as an inadequate mechanism for seeking justice in general, and in politicized cases in particular. When Azerbaijan joined the CoE in 2001, citizens gained the right to appeal court decisions on human rights cases to the ECHR. In 2009, 361 applications originating in Azerbaijan were scheduled to be heard by an EHCR body,[47] and citizens continued to appeal in 2010. However, international judicial mechanisms, such as the ECHR, have not always been effective in securing the rights of Azerbaijani citizens either. Most blatantly, the Azerbaijani authorities disregarded the ECHR's April 2010 ruling that ordered the immediate release of newspaper editor Eynulla Fatullayev.

The Azerbaijani Constitutional Court is generally regarded as being greatly influenced by the executive. Constitutional Court judges, like Supreme Court and Appellate Court judges, are nominated by the president and must be approved by the Milli Majlis. The Constitutional Court was instrumental in approving President Aliyev's March 2009 referendum and assuring its outcome.

On a positive note, some important aspects of judiciary reform have been implemented, often with international funding and technical assistance. Such improvements have contributed to building management capacity, upgrading court facilities, strengthening the professionalism of judges, improving staffing and technical capacity, and disseminating legal information to citizens. The World Bank, for instance, has supported large-scale judicial modernization efforts. Judicial reform is an element of the EU's political dialogue and reform cooperation with Azerbaijan under the European Neighborhood Policy mechanism.

Corruption

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
6.25	6.25	6.25	6.25	6.25	6.25	6.25	6.50	6.50	6.50

Azerbaijan has consistently ranked among the world's most corrupt countries. In 2010, Transparency International's Corruption Perceptions Index ranked Azerbaijan 134th out of 178 countries assessed, on a par with Bangladesh, Honduras, and Sierra Leone.[48] The 2010 U.S. State Department Report on Human Rights called Azerbaijan's corruption "pervasive," encompassing both the judiciary and the police.[49]

Although the legislative and institutional framework for fighting corruption exists, corrupt practices permeate the society and anticorruption legal provisions are rarely implemented. The Anti-Corruption Commission and the Department for Combating Corruption are fully dependent on the ruling elite and have shown that they are not ready to challenge politically powerful interests or individuals.[50] Similarly, the government's second National Strategy for Increasing Transparency and Combating Corruption for 2007–2011 has yet to result in a measurable improvement of the corruption environment.

Corruption is said to cut across all levels and spheres of life in Azerbaijan with all echelons of the society complicit in corrupt practices. Bribes are commonly paid at all levels, with top officials reaping significant sums.[51]

In addition to being a money-making enterprise, corruption is also a way of exerting political control. Accomplices in corrupt practices are closely tied to the authorities, who can selectively apply anticorruption legislation to control potential adversaries. Corruption has also enabled the ruling elite to extend its oil-funded patronage networks, thereby strengthening and entrenching the political status quo.[52]

Legal loopholes abound and enable corrupt practices to blossom, most notably in the construction sector. One striking example in 2010 was the Baku airport highway reconstruction. The ongoing project—carried out by a company believed to be a proxy for Azerbaijan Airlines president Jahangir Askerov, who works in close partnership with the minister of transport—will cost US$450 million for 14 km of highway; in contrast, a 22-kilometer road funded by the World Bank in 2008 cost an estimated US$31 million to complete.[53]

Financial disclosure is notoriously lacking among government officials. Although a 2006 law obliges officials, including the president, to submit declarations to the Anti-Corruption Commission, the cabinet has not prepared the relevant declaration forms. According to a March 2010 *Washington Post* article, the Dubai land registry contains entries of real estate worth US$75 million owned by Azerbaijanis whose names and ages match those of President Aliyev's children. According to the article, in 2009 President Aliyev's 12-year-old son Heydar allegedly acquired nine waterfront mansions in Dubai worth approximately US$44 million.[54] Still, there is virtually no public debate in the country regarding high-level corruption.

Azerbaijan takes pride in being a successful implementer of the Extraction Industries Transparency Initiative (EITI). Its compliance with EITI has significantly increased the transparency of state oil revenues. According to the 2010 Revenue Watch Index, Azerbaijan ranks 9th out of 41 countries assessed, securing a rating of comprehensive revenue transparency—approximately 75 percent transparent, as compared to Brazil at 97 percent or Turkmenistan at 9.7 percent.[55]

However, the management and expenditure of that revenue remain largely non-transparent and are prone to high-level corruption. Likewise, there is little transparency in public procurement and contracting; state investments account for 34 percent of total expenditures ($5.2 billion) in the 2010 budget.[56] The Audit Chamber, the body tasked with overseeing public expenditure, is under political pressure by the authorities and generally weak. The Azerbaijani police are widely believed to be the most corrupt among state agencies. Road police demand bribes as a matter of course, even if no offense is committed. The civil service is also affected by corruption; low-paid civil servants allegedly receive "gray envelope" payments as extra salaries and a means to increase their dependence on superiors.[57]

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Belarus

by Vitali Silitski and Alexei Pikulik

Capital: Minsk
Population: 9.7 million
GNI/capita, PPP: US$12,740

Source: The data above was provided by The World Bank, *World Development Indicators 2011*.

Nations in Transit Ratings and Averaged Scores

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Electoral Process	6.75	6.75	6.75	7.00	7.00	7.00	7.00	6.75	6.75	**7.00**
Civil Society	6.25	6.50	6.75	6.75	6.75	6.50	6.50	6.25	6.00	**6.00**
Independent Media	6.75	6.75	6.75	6.75	6.75	6.75	6.75	6.75	6.50	**6.75**
Governance*	6.50	6.50	6.50	n/a	n/a	n/a	n/a	n/a	n/a	**n/a**
National Democratic Governance	n/a	n/a	n/a	6.75	7.00	7.00	7.00	6.75	6.75	**6.75**
Local Democratic Governance	n/a	n/a	n/a	6.50	6.50	6.50	6.75	6.75	6.75	**6.75**
Judicial Framework and Independence	6.75	6.75	6.75	6.75	6.75	6.75	6.75	6.75	6.75	**6.75**
Corruption	5.25	5.50	5.75	6.00	6.25	6.25	6.25	6.00	6.00	**6.00**
Democracy Score	**6.38**	**6.46**	**6.54**	**6.64**	**6.71**	**6.68**	**6.71**	**6.57**	**6.50**	**6.57**

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

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

Executive Summary

Belarus has long been called "Europe's last dictatorship" because of the lack of democracy and respect for human rights evident under the rule of Alyaksandr Lukashenka, who assumed the presidency in 1994. In January 2007, Russia, a longtime sponsor of the Lukashenka regime, began to withdraw the massive energy subsidies upon which Lukashenka's personalistic rule and Belarus's "socially oriented" model of unreformed, command-style economy were largely built. The removal of this stabilizing factor forced the state to embark on a partial transformation of its socioeconomic model. Initially, Lukashenka envisaged a mere shift of geopolitical loyalty to the West in exchange for financial support. However, the pressure of the worldwide financial crisis, Western sanctions, Russia's war with Georgia, and energy conflicts with Moscow forced the government to free political prisoners, relax repression on democratic activists, and initiate liberalization of the business climate, along with some unpopular reforms in the social sphere. Minor progress in market reforms and human rights was enough to renew hopes of a thaw in Belarus's relations with the West, bring Belarus to the European Union's Eastern Partnership Program, and secure stabilization loans from the International Monetary Fund.

Lukashenka's strategic, "liberalizing" agenda—which had been invisible during the first months of the year—briefly gained momentum in the run-up to the 2010 presidential election. Unable to depend on Moscow's support, and with a potential €3 billion in European Union (EU) aid money at stake, Lukashenka courted the EU's recognition of his reelection by marginally increasing the freedom of media, political, and civil society actors in the months preceding the December 19 vote. As in previous years, opposition campaigns suffered from disunity and self-defeating political tactics; nevertheless, an unprecedented nine candidates were allowed to collect signatures, campaign via state-owned media, and appear on the ballot next to the incumbent president.

Any pretense of democratization was dropped abruptly in the aftermath of the polling on December 19. Election observers noted that voting was orderly, but pointed to the lack of transparency and called the vote count "a farce." Following the Electoral Commission's announcement of an imminent landslide victory for President Lukashenka (nearly 80 percent of the vote, with 90 percent voter turnout), opposition candidates and 10–15,000 of their supporters marched through the center of the capital in protest, demanding a new election. The peaceful protesters were attacked by secret police. Later that night, when protesters tried to force their way into the parliament, they were beaten back by riot police. Seven out of nine opposition candidates were arrested, and more than 700 peaceful protesters were

jailed. In the week following the election and protests, Belarus's secret police cracked down on all forms of potential opposition activity, particularly in the media.

The year ended contrary to Lukashenka's apparent calculations, with neither the EU nor the United States validating his reelection. Russia did recognize the results of the elections (which it called "an internal affair") but continued to put pressure on Lukashenka. As the pendulum of Lukashenka's rule swings back toward repressive autocracy, Belarus is once again isolated from the West, and trapped in a dependent relationship with Russia.

National Democratic Governance. Intense political repression in the first half of 2010 was followed by a softening of the political climate in the run-up to the presidential election, and then a jarring return to repression in the last two weeks of December. Throughout these modulations, the defining features of President Lukashenka's consolidated autocratic regime remained constant, and no breakthrough in political democratization occurred during either the local or the presidential election campaigns. *Belarus's rating for national democratic governance remains unchanged at 6.75.*

Electoral Process. EU-supported amendments to the electoral code somewhat improved opportunities for the opposition to register for elections and campaign, yet meaningful electoral competition remains absent in Belarus. Realignments within the democratic opposition and the emergence of new players and donors on the opposition field energized campaigning in the run-up to the presidential election, but they also contributed to disunity and incoherence among President Lukashenka's opponents. Singularly brutal crackdowns on the opposition in the last weeks of 2010 demonstrated that all of Lukashenka's electoral reforms were cosmetic and calculated to pacify Western powers. *Belarus's electoral process rating worsens from 6.75 to 7.00.*

Civil Society. Promises to rescind Article 193-1 of the criminal code, which penalizes the activities of unregistered nongovernmental organizations, did not materialize in 2010. Attacks on the Union of Poles and the violent dispersal of demonstrations staged by youth groups in February 2010 recalled the worst periods of dictatorial rule in Belarus. At the same time, the resumption of the work of the Public Advisory Council of the Presidential Administration, and the active engagement of private entrepreneurs in drafting the economic liberalization agenda, represented a modest advancement in the dialogue between state and society. *Belarus's civil society rating remains unchanged at 6.00.*

Independent Media. A number of troubling media developments took place in Belarus in 2010. In July, a presidential decree mandated a number of far-reaching internet censorship measures. Aleh Biabenin, one of the founders and leaders of the civil campaign Charter'97, was found dead, and while authorities pointed to a suicide, journalists who sought to investigate his death received death

threats themselves. On the day of the presidential election and in its aftermath, the government brutally cracked down on opposition media by blocking access to websites, arresting and beating journalists, and raiding the offices of a number of independent publications. *Consequently, Belarus's independent media rating worsens from 6.50 to 6.75.*

Local Democratic Governance. Local elections held on April 25, 2010, did not result in an increased voice for the opposition or civil society in local affairs. Local officials have extensive responsibilities in carrying out government programs, especially in the areas of health, administration, and infrastructure. However, they were often underfunded due to the lack of local revenue sources. Local democratic activists often faced discrimination and harassment at their places of employment, as this brings less public attention than high-profile arrests and political trials in the capital city. *Belarus's local democratic governance rating remains unchanged at 6.75.*

Judicial Framework and Independence. The legal system in Belarus continues to be subordinated to the president, with courts acting as punitive bodies and executing the president's will against political opponents. A decline in occurrences of political repression was notable before the December 19 election day, but such incidents increased dramatically in the last weeks of the year. Attorneys were at least partially able to prove the innocence of regime opponents in some high-profile cases. *Belarus's judicial framework and independence rating remains 6.75.*

Corruption. The country's continuous push for liberalization of the business climate was offset by the strengthening position of the Belarusian KGB. The latter has emerged as a top patronage network in the system of power, capable of eliminating bureaucratic competitors for the distribution of rents, as well as obstructing the prosecution of those suspected of graft. *Belarus's corruption rating remains unchanged at 6.00.*

Outlook for 2011. Belarus largely survived the economic and financial crisis of 2008–09, but it paid for its stability by accumulating foreign debt that reached 50 percent of gross domestic product by the end of 2010 (four years ago, it was close to zero). Increased Russian oil prices reduced Belarusian revenue from oil processing and the sale of oil products to the West, which broadened the gap in the balance of payments and made devaluation of the national currency a prospect for the coming year. The regime's decision to significantly increase wages ahead of the December 2010 elections will also have serious repercussions for Belarus's economy in 2011.

The Lukashenka regime's survival will depend upon its ability to generate a new, economically viable sociopolitical model—different from both Western-style democracy and the unreformed market socialism of Lukashenka's early rule. In the short term, the Lukashenka government's survival strategy is to find an alternative partner to both the EU and Russia to support its modernization projects. Options

include China, whose investment has been actively wooed, and Venezuela, whose oil supplies in 2010 broke Russia's monopoly on the supply of raw materials.

As Lukashenka's electoral support declines, the regime will transition from popular autocracy to an elitist regime, with presidential power relying increasingly on the support of political cronies acquired through selective distribution of property rights. The partial reform agenda that Lukashenka is likely to pursue in the coming year will undoubtedly contribute to the internal incoherence of Europe's last dictatorship. However, even in the context of Lukashenka's potential downfall, democratic transition in Belarus remains a very remote possibility.

Main Report

National Democratic Governance

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
n/a	n/a	n/a	6.75	7.00	7.00	7.00	6.75	6.75	6.75

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

The most recent elections to the parliament took place on September 29, 2008. International observers from the Organization for Security and Cooperation in Europe (OSCE) Office for Democratic Institutions and Human Rights (ODIHR) noted that voting failed to comply either with OSCE criteria for free and democratic elections or with Belarus's international commitments. In all 110 constituencies, elections ended after one round, and all the resulting members of parliament (MPs) were government supporters. Most international observers, however, noticed some improvements in the electoral process, including decreased repression of opposition activists and better campaign opportunities for the opposition.

The stability of President Alyaksandr Lukashenka's authority has been eroded in recent years by his deteriorating relations with Russia and the consequent reduction of Russian energy subsidies. Beginning in 2008, Lukashenka attempted to secure political and economic support in the West and balance relations with a hostile Kremlin through the introduction of half-hearted liberalization measures. However, the political thaw came to a halt in the first half of 2010 and was reversed with a new wave of repression against political opponents, civil society, and the independent press. In the space of just a few months, the government renewed harassment of the independent Union of Poles in Belarus and initiated criminal proceedings against its activists; it attacked opposition websites and leading independent newspapers that investigated corruption inside the government; it violently dispersed several peaceful demonstrations; it adopted regulations to control the internet; it shut down the headquarters of the Speak the Truth political campaign and briefly arrested three of its leaders; and it reestablished the death penalty. Such decisions on the part of the administration represent a pointed defiance of priorities emphasized by the European Union (EU), the United States, and the OSCE. In particular, they

suggest a loss of interest in engaging with the EU, which has, in Lukashenka's view, inadequately rewarded his previous shows of disloyalty to Russia.

Lukashenka's relations with Moscow deteriorated throughout 2010, increasing fears that the Kremlin might take measures similar to those that contributed to violent regime change in Kyrgyzstan. The friction escalated in June, when Russia briefly interrupted the supply of natural gas to Belarus, citing claims of unpaid debt arrears that later proved to be unfounded. In reality, the growing hostility between Moscow and Minsk is rooted in Lukashenka's reluctance to join the customs union with Russia and Kazakhstan on the Kremlin's terms, his public attacks against Russia's top leadership, and his ongoing failure to recognize Abkhazia and South Ossetia as independent states. These acts of rebellion have brought Moscow to the conclusion that it may no longer be able to deal with the Belarusian leader.

The information attack against Lukashenka unleashed by the Russian media in the latter half of 2010 was reminiscent of the character assassination of Kyrgyz president Kurmanbek Bakiyev ahead of his April 2010 ouster, or of Russian regional leaders who defied the Kremlin. On October 3, Russian president Dmitry Medvedev posted a video in which he called President Lukashenka's campaign against Russia "dishonest" and urged the Belarusian leader to focus less on the internal affairs of Russia and more on "multiple disappearances by Belarusian citizens."[1] Although Medvedev ended by reminding viewers that "our nations will always see each other as brothers, no matter who is in office," the address led many to wonder whether the Kremlin would interfere in the December 2010 presidential election—either by supporting an opposition candidate or by refusing to recognize Lukashenka's victory.

Faced with this possibility, Belarus's leader made some efforts in the second half of 2010 to keep his options open in the West; for example, opposition members collecting signatures for the nomination of presidential candidates met with very little harassment from the authorities. In other respects, Minsk continued to resist calls for democratization from Brussels as a matter of principle. Throughout November, the EU tried to nudge Lukashenka toward some political liberalization with several visits from high-ranking officials of member states. In response, the National Security Concept approved by the president on November 11 cited "external interference" of actors seeking to "impos[e] a political course that does not meet Belarus's national interests" as one of the principle threats to national security that all state bodies are obliged to confront.[2]

The façade of liberalization during the presidential campaign was abruptly dropped on election day, December 19, when secret services attacked a peaceful public gathering in Minsk headed by presidential candidate Uladzimir Niakliaev, the leader of the Speak the Truth campaign. Niakliaev, a well-known poet and former dissident in exile, was seriously injured and forcibly taken to a hospital, from which he was then kidnapped during the night. The demonstration continued, moving from Oktyabrskaya Square to Nezavisimosti Square. Andrei Sannikau, another presidential contender, and his journalist wife, Iryna Khalip, were also beaten and arrested that evening. Later that night, a group of men stormed the

government building, which was filled with military personnel. It was unclear who broke the first window (independent accounts suggest that the initial violence was staged by security forces), but the event provided a pretext for a harsh crackdown by the police. Protesters were dispersed and beaten, with more than 600 people incarcerated for 15 days. Of these, 32 representatives of the opposition, including 7 presidential candidates, were charged with organizing mass protests and public disorder, which according to Belarusian law may carry sentences of 5 to 15 years in prison.

Electoral Process

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
6.75	6.75	6.75	7.00	7.00	7.00	7.00	6.75	6.75	7.00

Although the political opposition has typically been given some room to organize, elections in Belarus are largely an administrative formality, conducted to validate the selection of progovernment candidates. Legislation fails to protect such basic tenets of free and fair elections as equal campaigning opportunities, representation of all political parties in the country's electoral commission, and transparent vote counting. The threat of losing jobs is often used to force public employees to take membership in progovernment organizations that may later turn into pro-Lukashenka political parties, such as the Belaya Rus movement. In January 2010, six teachers in the Minsk region were forced to suspend their membership in opposition parties or face dismissal.[3]

EU-supported amendments to the electoral code in December 2009 introduced guarantees for participation of political parties in territorial electoral commissions, simplified procedures for registration of candidates, and allowed private campaign funding. However, the local elections held on April 25, 2010, offered voters no meaningful choice between representatives, as just 25,305 candidates were registered to contest 21,303 seats in regional, district, town, and rural councils, for an average of 1.18 candidates per constituency. The only elections featuring significant competition were those for the Minsk city council, with 3.8 candidates per constituency.

Independent observers of the April elections noted improvement in certain practices, including increased diversity of election commissions and the registration of more candidates. The Viasna Human Rights Centre reported fewer rejections of opposition party nominations to the regional and constituency-level election commissions than in previous years, although their final representation did not exceed 25 percent.[4] Nevertheless, candidates experienced occasional harassment and violence that forced some to withdraw from campaigning and cost others their state jobs.

The electoral practices most frequently criticized by domestic and international observers remained in evidence throughout 2010. Early voting was once again

imposed by the authorities through a series of administrative measures that forced state employees to cast their ballots ahead of voting days. In April, a record-breaking 29.3 percent of those who cast their votes did so ahead of time.[5] Observers assert that early voting—a procedure technically reserved for those who will be traveling on voting day—provides ample opportunities for fraud, as independent observers are unable to supervise ballot boxes between voting hours. Observers were effectively denied access to the vote count on the voting day as well, with most being forced to stay 3 to 10 meters away from tabulation areas. Only six opposition candidates, including three members of the unregistered Belarusian Christian Democracy party, one member of the Belarusian Social Democratic Party, and two members of the Belarusian Left Party (the successor to the Communist Party), won seats in local assemblies.

The opposition went through a major realignment in 2010, prompted by the demise of "traditional" opposition structures such as the United Democratic Forces and the For Freedom movement of former presidential candidate Alyaksandr Milinkevich. Older political parties and coalitions began to disintegrate after traditional donors withdrew their support. In their place, more informal configurations of activists gained momentum through effective public-relations campaigns and donor commitments. The most notable political projects of 2010 were the Speak the Truth campaign led by presidential candidate and poet Uladzimir Niakliaev, and the campaign led by Andrei Sannikau, another presidential contender and a long-term leader of the human rights group Charter'97. Both campaigns were promoted by independent online media and effectively lured grassroots support away from traditional opposition parties such as the United Civic Party and the Belarusian Popular Front.

An apparent resurgence in the authorities' desire to convince the West that democratization is underway in Belarus brought some short-term gains for the political opposition in the run-up to the presidential election. Eleven candidates were able to collect the number of signatures required for nomination, up from four in both 2001 and 2006. The composition of election commissions improved only slightly, with the authorities rejecting 83 percent of candidates nominated by the opposition. During campaigning, authorities ignored minor violations of certain formalities, and allowed opposition politicians to make public speeches. Niakliaev and Sannikau were considered the most appealing opposition candidates, followed by Vitaly Rymashevski. In the last weeks before the election, Niakliaev and Sannikau coordinated their activities, organizing a series of political demonstrations.

Increased space for campaigning bolstered confidence among the opposition, and lessened the general public's fear of speaking out, as evidenced by the large crowds that gathered to protest the election results on December 19. However, both the results of the election and the subsequent crackdown on protests sent a clear signal to the country, and to those observing from abroad, that reforms in the electoral campaign process had been superficial and temporary. According to the Central Electoral Commission, Lukashenka received 79.65 percent of the vote, while all opposition candidates combined took 12.89 percent. Official figures also

put voter turnout at 90.65 percent, with 23 percent of the ballots cast before election day.[6] When opposition protesters gathered in Oktyabrskaya Square to "defend their vote" on the night after the election, they were met with "indiscriminate use of disproportionate force," according to the OSCE observation mission.[7] Many protesters were severely beaten by Belarus's Special Purpose Police Unit (OMON), and some 700 people in total were arrested, including journalists and presidential candidates from the opposition. At year's end, more than 30 opposition members remained in detention under interrogation by the KGB.[8]

Civil Society

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
6.25	6.50	6.75	6.75	6.75	6.50	6.50	6.25	6.00	6.00

Repression of the independent civic sector became less acute as a result of the 2008 "liberalization," but freedom of expression and assembly remained tightly monitored and subject to regular crackdowns by the government. The state treats civil society as a subset of the political opposition; accordingly, it bans unauthorized civic activities, refuses to offer nongovernmental organizations (NGOs) tax exemptions for charitable projects, and encourages legal harassment of NGOs. In the weeks following the December 19 election and protests, Belarus's secret police cracked down on all forms of potential or perceived opposition activity by civil society.

In the first half of 2010, the central and local authorities registered 68 new public associations and 10 new foundations.[9] Meanwhile, a number of organizations encountered routine denial of their registration, including the Association of Public Education, the Assembly for Pro-Democratic NGOs, the Young Front organization, the Bierascejskaja Viasna human rights group, and the independent trade union Razam (Together). Opposition political parties created during the period of political "freeze" in the mid-2000s, including the Belarusian Christian Democracy party, were also denied registration in 2010.

Independent monitors noted an increase in low-intensity harassment practices against NGOs, often involving financial and tax inspections.[10] The government also rolled back some of its "liberalizing" practices of the previous year, barring organizations from registering as "establishments" under simplified commercial rules, as many NGOs had done in 2009. Registration was revoked for three "establishments" involved—or believed to be involved—in political activities: Movement Forward, the legal entity behind the Speak the Truth campaign; the Belarusian Association of Agencies for Regional Development (Belarda); and Right Alliance. Members of the Speak the Truth campaign also faced expulsion from universities for their activism.

As in 2009, no individuals were prosecuted under Article 193-1 of the criminal code, which punishes participants in unregistered NGOs with up to two years in jail. In September, the Ministry of Justice proposed excluding this controversial

article from the criminal code, leading many to speculate that the government planned to offer the removal of Article 193-1 as a concession to the EU, if officials' conduct during the presidential election failed to impress international observers.

Other repressive practices, such as taxing and fining NGOs out of existence, harassing NGO activists, or attacking protesters on the streets, continued in 2010, although before December 19 this pressure was less severe and systematic than in previous years. The Mahileu human rights center was ordered by a court to pay over US$4,000 worth of overdue utility fees in a suspected case of politically motivated persecution.[11] The New Life Protestant church in Minsk, whose building the government had tried to confiscate since 2005, faced another round of harassment in 2010, including a fine of 250 million Belarusian rubles (about US$80,000) for alleged "damage to the environment."

The government resumed its attack on the independent Union of Poles in Belarus (UPB) in January 2010, accusing Teresa Sobol, head of the UPB chapter in Ivianiec, of embezzlement. The state also moved to transfer ownership of the UPB-run Polish cultural house to a progovernment group of the same name, which was established by the regime in 2005 to squeeze the original UPB out of existence. Acts of repression against the UPB have been routine for many years. Usually, they have occurred when the authorities wanted to send a signal of displeasure to the EU regarding its human rights rhetoric and democratizing agenda. This time, however, the attack came when the government was looking for ways to restore ties to the EU. The timing led many to assume the involvement of hard-line elements within the Lukashenka regime, who would be glad to irrevocably ruin Belarus's EU relations and leave the pro-Russian course as the only alternative. This theory was partially confirmed by Lukashenka himself, who took an uncharacteristically conciliatory position and agreed on a joint Belarus-Poland commission to solve the issue. The charges against Sobol were dropped in March.

The Public Advisory Council of the Presidential Administration—whose operations were suspended by the head of the presidential administration in November 2009—resumed work in 2010, with the aim of participating in the Eastern Partnership (EaP) Civil Society Forum. Two members of the Public Advisory Council attempted to set up the Platform for Civil Society, a government-organized NGO (GONGO) that would represent the NGO sector in cooperation and negotiations with the authorities. The proposal was met with nervousness by opposition-minded NGOs, who feared the loss of their privileged status in dealing with EU bodies; a brief war of words and some infighting ensued.

On the night of December 19, KGB officers searched the offices of Viasna Human Rights Centre, as well as the private homes of human rights activist Ales Bialiatsky. The searches were conducted under the auspices of an investigation that had not officially begun at the time of the first search. The broad crackdown on civil society activities in the aftermath of the December 19 voting resulted in numerous raids of NGOs, usually accompanied by confiscation of computers and other equipment.

Independent Media

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
6.75	6.75	6.75	6.75	6.75	6.75	6.75	6.75	6.50	6.75

Belarus's media sector is tightly controlled by the government. According to the Ministry of Information, there were 1,320 print outlets registered on October 1, 2010. Of these 653 newspapers and 623 magazines, only 327 publications are state-owned.[12] However, no more than a dozen independent newspapers present political views that are not tightly tethered to the government line. Those that do so are denied access to the state distribution and retail networks and thus remain inaccessible to the general public. The work of the independent press is also obstructed by discriminatory pricing for print and distribution, draconian libel laws, and repression against journalists and distributors of the independent press.

A presidential decree signed in February 2010 and subsequent regulations provide a legal basis for extensive censorship and monitoring of the internet. Under the supervision of the presidential administration's Operational and Analytical Center (OAC), Presidential Decree No. 60 "On Measures to Improve the Functioning of the National Segment of Internet" imposes government censorship of online publications and provides security agencies with a broad mandate to interfere in private correspondence and online content creation. Specifically, the decree requires internet service providers (ISPs) to trace and store the identity and browsing history of each user for one year. It legalizes the practice of blocking "extremist" or pornographic internet content, and requires ISPs to inform authorities about users seeking out content of this kind. In addition, the decree calls for mandatory identification of users at internet cafes, and requires all websites within the national internet domain (.by) to register with the OAC. In response to recommendations and criticism from the OSCE and other international observers, the final version of the decree did separate the liability of an author from that of the host site with respect to libel and incorrect information, and stipulated a short list of informational items that government websites must provide to the public.[13]

In run-up to the presidential election the government made attempts to appear as though it were allowing a more open media landscape. For example, it did not block access to YouTube or other websites that posted or streamed *Godfather*, a series of anti-Lukashenka documentaries produced by the Russian television channel NTV. As a result, about 20 percent of the population reported viewing the documentaries, even though NTV's broadcast of the series was blocked from Belarus TV.[14] Whereas in the preceding months the internet was primarily a coordination mechanism for the political opposition subculture, during the 2010 election campaign web content was used to communicate with the so-called "kitchen" opposition—the one-quarter to one-third of the population that consistently opposes Lukashenka but does not associate itself with opposition parties. Presidential candidates Sannikau and Niakliaev owed their relative success to effective online campaigns, and the Speak the Truth campaign achieved high

name recognition in a short period of time largely due to online publicity. The total number of internet users in Belarus exceeded one-third of the adult population in 2010.[15]

Harassment of opposition journalists increased early in the year, relaxed slightly as the election approached, and shifted into high gear after December 19. Several newspapers were denied registration (for example, *Nash Dom* in Viciebsk and *Sihnyje Novosti Gomelya* in Gomel), and no new independent publications with political agendas were allowed in the state distribution and retail networks. A series of violent raids and searches took place in February and March, starting with an attack on the secret office of the independent television channel BELSAT (a broadcaster from Poland that has repeatedly been denied accreditation in Belarus). A subsequent series of forced entries and searches was initiated by the Gomel KGB on the suspicion that journalists were preparing "slanderous" materials that accused former KGB head General Ivan Korzh of corruption in connection with the issuing of illegal hunting licenses. The journalists attacked included Maryna Koktysh, deputy editor of *Narodnaja Volja*, and the newspaper's editor in chief, Sviatlana Kalinkina, whose computers were confiscated. The series of attacks in Gomel continued with raids on the offices of *Narodnaja Volja*, Charter'97, and the private apartment of Charter'97 journalist Natalya Radzina, who was violently abused by the police during the search. As no formal charges of slander were presented to the journalists involved, the most likely reason for the raids was to disrupt the activities of these leading independent publications by confiscating computers and office equipment.

On May 18, 2010, journalists were detained and searched in a broad attack on the Speak the Truth campaign, a new political formation that recruited many independent journalists and publications under its auspices. These included the editor in chief of the newspaper *Tovarishch*, Siarhej Vazyak, and journalists Alyaksandr Ulicenak, Alyaksandr Feduta, Larysa Nasanovich, and Jury Alejnik. Police repeatedly confiscated the campaign's publications and arrested their distributors, though the materials in question required no registration under the law. The government also confiscated the printing press of *Polski na Wschodzie*, a journal of the independent UPB. Mikalaj Ramnev, editor of the newspapers *Viciebski Kurjer* and *Nash Dom*, was detained and fined for illegal distribution without proper provision of printing data, even though all necessary information about the printing was in the newspaper as required by law. *Nash Dom* is produced by an NGO of the same name in Viciebsk whose grassroots mobilization of the public on local issues has been troubling for local authorities.

Throughout the year, the government used official warnings as a means of unnerving news outlets, keeping publications in constant anticipation of closure (two warnings in a year constitute legitimate grounds for shutting a newspaper down). Between May 31 and June 2, such warnings were sent to most leading online independent publications, including *Narodnaja Volja*, *Salidarnasc*, and *Novy Chas*.[16] *Narodnaja Volja* (which also has a print edition) received a total of four government warnings in 2010, while *Nasha Niva*, the leading Belarusian-language

publication, was warned three times during the year. The large number of warnings against these two papers was striking: unlike most independent newspapers with political views, both publications are allowed to be sold in state kiosks. In this way, the government effectively nudged the "approved" independent press toward greater self-censorship, aided by the silence of journalists and outlets that denied being pressured.

Komsomolskaya Pravda v Belorussii, while far from being an opposition publication, is the country's top-selling nonstate paper and the Belarus edition of the leading Russian tabloid. The paper received its second official warning on March 2, resulting in the dismissal of its editor in chief.[17] The paper did not reveal the official reason for the warning, which was widely interpreted as an attempt to discipline the publication in the run-up to the election campaigns.

Journalists and civic activists were shocked by the mysterious death of journalist Aleh Biabenin, the founder of Charter'97 and editor of its website, who was found hanged in his cottage on September 2. Although Biabenin's colleagues rejected the official verdict of suicide, they were not inclined to directly accuse President Lukashenka of ordering the murder. There seemed no motive for assassinating a relatively quiet journalist in the election season, with the eyes of the world upon the government and Russia's references to political murders and disappearances already being used as fodder by the regime's opponents. Thus the most popular theory in opposition circles was that Biabenin had been murdered by rogue elements in the regime to ensure that Lukashenka's bridges toward the West were burned. The regime, while failing to act immediately to investigate the death, later adopted a rather uncharacteristic openness, inviting OSCE experts to take part in the investigation. The experts confirmed the suicide ruling, but their examination was apparently limited to documents produced by the Belarusian authorities. Journalists who questioned the official version of Biabenin's death were threatened; the day after writing about Biabenin's death, journalist Sviatlana Kalinkina received a death threat in which she was warned to stop publishing articles.[18]

In the run-up to the December presidential election, the government made some attempts to showcase liberalized television content. It did so not just to please the EU and the United States, but also as a counteroffensive to the information attacks coming from Russia. Because Russia had attacked Lukashenka's character and drew attention to politically motivated disappearances, Belarus sought to stress Russia's press freedom violations and contrast them with its own enlightened television programming. Thus while major television channels continued to produce slanderous documentaries about opposition activists that explored their "deviant" behavior, state television before December 19 was also increasingly open to content that had previously been off-limits—for example, historical accounts of Stalinist repression and anti-Soviet resistance in Belarus. Some independent scholars who were expelled from state jobs for ideological reasons were now invited to appear on television as experts, and Polish director Andzrej Wajda's film *Katyn*, about the 1940 massacre of Polish officers by Soviet forces, was broadcast in Belarusian on Lech Kaczyński Day.

The government also announced that it would air televised debates between candidates and allowed some opposition newspapers to be distributed ahead of the elections. However, the OSCE election report predictably found that all television stations showed a "clear bias" in favor of Lukashenka, who received 89 percent of news coverage, all of which was positive or neutral, while coverage of opposition candidates was mostly negative and only occasionally neutral.[19]

The most troubling developments in the media unfolded in the last days of 2010, in what the Council of Europe Parliamentary Assembly called an "unprecedented wave of violence, intimidation, mass arrests, and prosecution" following the December 19 presidential election.[20] The Foreign Ministry had already denied foreign press accreditation to a number of journalists who had been critical of Lukashenka in the past, and it was reported that access to major opposition websites, including Charter'97, was blocked on election day. Also blocked were news websites like Radio Free Europe/Radio Liberty, social-networking sites such as Facebook and Twitter, and the e-mail platform Gmail.[21] Reports emerged that the government had also set up websites that mirrored opposition sites and provided visitors with disinformation.

During a postelection protest attended by 10–15,000 people, at least 21 journalists were beaten by security forces, and another 24 journalists were arrested.[22] While journalists were typically released after 10 to 15 days, both Iryna Khalip of the independent Russian weekly *Novaya Gazeta* and editor Natalya Radzina of Charter'97 were still in custody at year's end, facing between 5 and 15 years in prison for organizing "mass disturbances."[23] Security services raided a number of independent media organizations, including Belarusian PEN, *Nasha Niva*, and BELSAT, in the last days of December, seizing computers and flash drives.[24] The OSCE's representative on freedom of the media, Dunja Mijatovic, said that this "brutal treatment of media representatives by law-enforcement agencies in the aftermath of the election shattered signs of progress" in the Belarusian media landscape in 2010.[25]

Local Democratic Governance

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
n/a	n/a	n/a	6.50	6.50	6.50	6.75	6.75	6.75	6.75

Belarus lacks a system of local self-government. Heads of regional and district administrations are directly appointed by the president. Elections to local councils held on April 25, 2010, saw only six opposition personalities elected among the 21,288 council members nationwide. Local officials have extensive responsibilities in carrying out government programs, especially in the areas of health, administration, and infrastructure. However, they are often underfunded due to the lack of local revenue sources. Moreover, their budgets may be depleted by obligations to carry out unfunded mandates identified by the central administration. For example,

under orders from President Lukashenka, many localities must at their own expense maintain sports infrastructure in their territories.

Local democratic activists often face discrimination and harassment at their places of employment, as this brings less public attention than high-profile arrests and political trials in the capital city. Several local political and community activists were punished for their political work with dismissal from state jobs in 2010. These included Uladzimir Shyla from Salihorsk, whose son was also expelled from high school for activities in the Young Front movement and then illegally drafted into the army; a teacher of the Belarusian language from near Viciebsk who published an independent news bulletin for fellow villagers; and human rights defender Uladzimir Celiapun from Babruisk, who ran in the local elections without the approval of his superiors at the Babruiskmeblia furniture plant.

It is often difficult to distinguish between civil society and the political opposition at the local level. The authorities generally view community organizing on local issues as a form of political activity. Moreover, local organizers, many of whom are very young, tend to develop political profiles and become active in NGOs and political parties at the same time; some are capable of initiating and maintaining scores of local initiatives and projects. While forced to respond to local campaigns in some manner, the authorities simply obstruct and prosecute these activities whenever possible. For example, Ales Zarembuk, an activist and former council member from the town of Masty, faced criminal proceedings on charges of illegal solicitation of a bank loan as he ran for the local council in April 2010. In another case, Nash Dom (Our House), a grassroots organization headed by former Viciebsk council member Volha Karach, was repeatedly raided, and the newspaper printed by the NGO was confiscated throughout the year.

In 2010, many local NGOs chose to pursue a conspicuously apolitical agenda in order to improve their chances of engaging with local authorities. This brought mixed results, as in the case of the Belarusian Association of Regional Development Agencies (Belarda), whose registration was revoked in 2010.

Judicial Framework and Independence

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
6.75	6.75	6.75	6.75	6.75	6.75	6.75	6.75	6.75	6.75

The judicial branch in Belarus lacks independence, as it is regulated by the president, who controls the appointment of judges. The president also has the power to relieve citizens of criminal liability, and no high-ranking public official may be prosecuted without Lukashenka's consent. Persecution of political opponents is often conducted with blatant violations of the law.

Beginning in 2008, there was a consistent decline in occurrences of political repression in Belarus, as measured by the number of politically motivated arrests, trials, fines, and sentences. Election years in Belarus usually mean a spike in political repression, but in 2010 the number of arrests remained comparatively low

until December 19. In particular, the number of administrative arrests decreased by almost 15 times since 2007. Most legal harassment against the opposition took place in the first half of 2010, with a relatively calm period between May and late December. One notable exception was the trial of Mikhas Bashura, an activist for the Speak the Truth campaign, who was arrested and tried for illegal appropriation of a bank loan.[26]

Though fewer new cases were initiated in the period before December 19, the trials of several government opponents who had been framed for various crimes were completed in 2010. The most resonant politically motivated trial in recent years, involving Vaukavysk entrepreneurs Mikalaj Autukhovich and Uladzimir Asipenka, ended on March 5, 2010. Autukhovich, the organizer of several protests by private businessmen against poor working conditions and arbitrariness by the authorities, was accused of planning terrorist attacks and charged with illegal arms possession. The court cleared him of the terrorism charges but found him guilty of illegally possessing five rounds of ammunition for a hunting rifle and sentenced him to five years and two months in a high-security prison. Asipenka received three years in jail on similar charges.[27] The court based its verdict on the confession of Autukhovich's former colleague, which observers said was quite possibly forced.

A revision of the sentence against Andrei Bandarenka, an entrepreneur and activist of the United Civic Party from Babruisk, also concluded in 2010. In 2009 he had been sentenced to seven years in prison for accounting fraud. Responding to claims that the ruling was motivated by Bandarenka's activism and participation in the 2008 parliamentary elections, the Supreme Court overruled the sentence and ordered a review of the evidence. A new sentence issued in February 2010 reduced Bandarenka's prison term to six years.[28]

Violence against opposition protesters and youth activists continued in 2010. Actions in support of Autukhovich and Asipenka on February 8 and the traditional St. Valentine's Day demonstration on February 14 in Minsk were dispersed by the police with a level of brutality that participants said they had not seen in three to four years. Police also dispersed an innocent performance by youth activists—a so-called pillow fight on July 15, to commemorate the 600th anniversary of the battle of Grunwald—even though the date was widely celebrated at the official level. Siarhej Kavalenka, an activist from Viciebsk, was sentenced for public obscenity in April after a months-long trial and brief imprisonment. His initial offense was a public display of the outlawed former national flag on a Christmas tree erected in Viciebsk city cenrer.

Throughout the year, student activists found themselves arbitrarily expelled from universities, resulting in the loss of their waiver from otherwise compulsory military service. Stanislau Ramanovich, a member the Young Front movement from Mahileu, lost his scholarship and was forced to serve in the army in July 2010.[29] An activist of the Belarusian Christian Democracy party, Jakau Jakavenka, was sentenced to one year of forced labor for draft evasion. Jakavenka had refused to respond to draft calls, demanding that they be issued to him in the Belarusian language, which the authorities refused to do.[30] On a positive note, two other young people accused

of draft evasion were acquitted in 2010. Opposition members continued to be threatened with loss of employment for political activism. Uladzimir Celiapun, a human rights defender from Mazyr, was fired after he announced his run for the April local council elections, thus ending an impeccable, 34-year record of service to his state-owned company.

The practice of punitive tax and financial inspections, less frequent since 2009 due to the authorities' attempts to liberalize the economy, nevertheless continued to be applied to business entities whose employees or managers engaged in political activities. In November 2010, the Committee for Financial Investigations imposed penalties of 73 million Belarusian rubles on the NoVAK sociological laboratory, even after a two-month-long inspection found no financial violations. The real reason for the inspection and penalties was, according to critics, the involvement of NoVAK director Andrei Vardomatski with the Speak the Truth campaign and his intention to carry out exit polls during the presidential vote.

Following the large-scale government crackdown on December 19, the vast majority of arrested protesters received administrative sentences (10-15 days) and were then released. The authorities also initiated serious criminal charges against approximately 50 people, including prominent journalists and civil activists, and five presidential candididates. While in detention, members of the opposition were denied access to lawyers or relatives (in many cases their families had no way of knowing if they were alive). For the rest of the year, the KGB was given an unprecedented mandate to collect information and intimidate civil society actors by means of searches, raids, and confiscation of personal property.

Corruption

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
5.25	5.50	5.75	6.00	6.25	6.25	6.25	6.00	6.00	6.00

In the past two years, economic liberalization and de-bureaucratization initiatives pursued on a limited scale have allowed some improvement in Belarus's business climate and the overall transparency of government. The country's legal framework addresses the issue of corruption and contains laws on conflict of interest. All draft laws are also required to pass a so-called criminology test with the office of the prosecutor general, which must assess whether a given bill may encourage bribery.

Nevertheless, the discretionary power of bureaucrats to regulate economic activities creates ample opportunities for extortion. Trade, industry, and agriculture remain the sectors most prone to corruption.[31] In February 2010, the office of the prosecutor general pointed to a precipitous increase in the occurrence of "large-scale corruption," including the proliferation of criminal groupings of officials who coordinate bribery.[32] Such groups rely primarily on opportunities presented by nontransparent public procurement procedures, luring in foreign companies with attractive kickback schemes. In June 2010 a ring of 16 construction managers was

accused of taking bribes in excess of US$1 million for distributing apartments at discounted prices (the difference between market and discounted prices was directly pocketed).[33]

Corruption is also widespread in public services that are nominally free, such as health care and education. In these cases, anticorruption initiatives by the government are often replaced by new bribery schemes. For example, following the relatively successful eradication of corruption in university entrance exams, professors began more actively extorting bribes from students for passing grades on their midterm and final exams.[34]

The government in 2010 continued to showcase its anticorruption agenda with highly publicized prosecutions of top officials. Mikhail Snegir, former prosecutor of the Minsk region, was sentenced in May 2010 to seven years in prison for taking bribes to solve certain criminal cases. However, independent investigators of corruption are regularly attacked and harassed, as was the case with a journalist for *Narodnaja Volja* and Charter'97 who attempted to shed light on corruption schemes in the Gomel police. Svetlana Baikova—an investigator at the prosecutor's office who was responsible for uncovering seven cases of high-profile corruption in 2007–10 and incriminated 112 officials in the process—was arrested by the KGB in February 2010 on unspecified charges and kept out of the public eye through the end of the year.

As Baikova had mostly investigated cases concerning bribery by customs and KGB officials, her detention was widely believed to reflect an internal power struggle between security agencies fighting over patronage positions that enrich top government officials.[35] The arrest of Baikova also reflected the growing strength and impunity of the KGB, an agency which was purged of potentially disloyal elements by Lukashenka in 2007. Now under the control of the president's son, Viktor Lukashenka, the KGB is rapidly recovering its position as the country's top security body. It has come to dominate other potential centers of power and serves as the main cover for the shadowy operations of the president's inner circle.

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Bosnia-Herzegovina

by Jasna Jelisić

Capital: Sarajevo
Population: 3.8 million
GNI/capita, PPP: US$8,770

Source: The data above was provided by The World Bank, *World Development Indicators 2011*.

Nations in Transit Ratings and Averaged Scores

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Electoral Process	4.25	3.75	3.50	3.25	3.00	3.00	3.00	3.00	3.25	**3.25**
Civil Society	4.25	4.00	3.75	3.75	3.75	3.50	3.50	3.50	3.50	**3.50**
Independent Media	4.25	4.25	4.25	4.00	4.00	4.00	4.25	4.50	4.50	**4.75**
Governance*	5.50	5.25	5.00	n/a	n/a	n/a	n/a	n/a	n/a	**n/a**
National Democratic Governance	n/a	n/a	n/a	4.75	4.75	4.75	5.00	5.00	5.25	**5.25**
Local Democratic Governance	n/a	n/a	n/a	4.75	4.75	4.75	4.75	4.75	4.75	**4.75**
Judicial Framework and Independence	5.25	5.00	4.50	4.25	4.00	4.00	4.00	4.00	4.00	**4.25**
Corruption	5.50	5.00	4.75	4.50	4.25	4.25	4.25	4.50	4.50	**4.50**
Democracy Score	**4.83**	**4.54**	**4.29**	**4.18**	**4.07**	**4.04**	**4.11**	**4.18**	**4.25**	**4.32**

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

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

Executive Summary

General elections were held in Bosnia and Herzegovina (BiH) in 2010 amid anti-Dayton Peace Accords rhetoric from political actors who frequently questioned the sovereignty and constitutional order of the state, resulting in a hostile and polarized political atmosphere. Leadership of the Republika Srpska (RS), one of the country's two main political entities, openly questioned the sovereignty and sustainability of BiH, referring to the possibility of a "peaceful dissolution." To the detriment of interethnic relations, RS leaders also challenged rulings of the International Criminal Tribunal for the Former Yugoslavia and the International Court of Justice (ICJ) relating to the Srebrenica genocide of July 1995. Challenges to the integrity of BiH, mostly emanating from the RS, have increased following the July 2010 ruling by the ICJ that Kosovo's 2008 declaration of independence from Serbia did not violate international law.[1]

Political elites in RS and the Federation of Bosnia and Herzegovina (FBiH), BiH's other main political entity, still lack a shared vision for the country and a consensus on its political system, which prevents constitutional changes. As a consequence, an estimated 60 percent of the state budget is spent on the upkeep of nonfunctional or ineffective government apparatus.[2] After the October 3 general elections, the winning parties organized into blocs in the evident hope of building a coalition. However, disagreements between the two sides over issues such as which party would represent ethnic Croats in the ruling coalition blocked the formation of both the FBiH and BiH (State) governments.

BiH's democratization process remained stagnant throughout 2010, with few successful reforms. Though the European Union (EU) invited BiH into its visa-free travel zone in 2009, the BiH authorities continued to dawdle on reforms critical to EU accession. Meanwhile, ethnicity remained a divisive issue. The Bosnia and Herzegovina 2010 Progress Report, an annual report by the European Commission (EC) on BiH's progress on EU membership, asserts that "the functioning of the state-level executive and legislative bodies has continued to be negatively affected by the prevalence of ethnically oriented considerations."[3] Improvements are still urgently needed in media independence and depoliticization of the education system to provide the conditions for democratization and long-term stability in BiH.

National Democratic Governance. The ethnic ruling elite in BiH made no serious headway in improving democratic governance in 2010. RS calls for secession took center stage in pre- and post-election debates. Likewise, sharply opposing views on the future of the country among the election winners blocked the decision-making process entirely, seriously compromising the country's stability and impeding

democratic governance. Though BiH was granted EU visa liberalization, reforms required for EU membership foundered, as did ongoing, vital efforts to improve public administration in BiH. *Due to a lack of progress on democratic governance and critical reforms, BiH's national democratic governance rating remains at 5.25.*

Electoral Process. Despite some reports of electoral fraud, international observers judged the October general elections as free and fair. However, BiH's electoral rules continued to violate Protocol 12 of the European Convention of Human Rights. The European Court of Human Rights ruled in December 2009 that ethnicity-based limitations on political representation and suffrage in BiH violate the convention, but authorities have not redressed the problem. *BiH maintained previous dynamics observed in the electoral process; its rating for electoral process remains unchanged at 3.25.*

Civil Society. Civil society in BiH was more energetic and effective in 2010, especially in FBiH, where organizations managed to refocus the preelection debate from ugly nationalist rhetoric to socioeconomic issues. However, funding is a critical problem, with civic groups continuing to rely on international financing, and it is unclear whether NGOs can act as an effective government watchdog in the postelection period. *Despite the strong preelection performance of some civic groups, BiH civil society is immature. BiH's civil society rating remains unchanged at 3.50.*

Independent Media. The media in BiH generally operate under political influence, and their editorial policy is strongly dependent on ownership. A variety of independent media outlets exist, but the majority took sides in the 2010 preelection campaign and continued their partisan editorial policy. Journalists are also subject to political attack and threats. *Partisan editorial policies among media outlets and political pressure and violent threats against journalists all contribute to the worsening of BiH's independent media rating from 4.50 to 4.75.*

Local Democratic Governance. Local governance in BiH remains at the mercy of the higher levels of government and party hierarchy. Local self-government (LSG) legislation is in place, but it is often ignored in higher legislation. As a consequence, LSG units lack the necessary funds to serve their local communities. The final status of the Brčko District is still unresolved. *BiH's local democratic governance rating remains unchanged at 4.75.*

Judicial Framework and Independence. The BiH judicial system does not meet European standards of independence, efficiency, or quality, and 2010 saw no substantial improvements in these areas. Authorities made weak efforts to implement the Justice Sector Reform Strategy for 2009–2013. The National War Crimes Prosecution Strategy was also poorly implemented, while the lack of a single body similar to a supreme court has left judicial powers fragmented between independent judiciaries in BiH, RS, FBiH, and the Brčko District. As a result,

the judicial system is overly complex and inefficient, with a significant backlog of cases. Moreover, the state judiciary lacks an autonomous budget, leaving it open to political influence through budgetary pressure, and BiH has no state prison to incarcerate sentenced criminals. *Due to the lack of substantive progress on judicial reform and war crimes prosecution—as well as political entanglement in the judiciary—BiH's judicial framework and independence rating declines from 4.00 to 4.25.*

Corruption. BiH continues to confront considerable challenges in combating corruption. No discernible progress toward implementing the anticorruption strategy adopted in 2004 was evident in 2010. Meanwhile, authorities proposed legislative amendments that several civic organizations argued would weaken existing laws to prevent conflict of interests and other areas related to corruption. Patronage hiring for government posts remains common. *Due to BiH's poor record on corruption and the lack of political will to tackle the issue, its corruption rating remains unchanged at 4.50.*

Outlook for 2011. If institutional reforms are implemented in 2011, they may still have a positive effect on the long-term stability of the country. However, the governance deadlock of 2010 shows signs of continuing into next year, which could lead to social unrest and potentially threaten the survival of the state. Despite 80 percent popular support for EU membership, the enthusiasm of elected officials for the reforms that would bring BiH closer to the EU remains low, and state-level legislation required to prepare BiH for EU membership may continue to be blocked in 2011. Calls for RS secession are likely to continue, as well. In this context, the stability of the country and the region will continue to rely on a meaningful international presence.

Main Report

National Democratic Governance

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
n/a	n/a	n/a	4.75	4.75	4.75	5.00	5.00	5.25	5.25

Under the Dayton system of post-conflict power sharing, Bosnia and Herzegovina (BiH) has neither the cohesiveness nor the agency of a unified sovereign state. BiH operates under international supervision as a loose, asymmetrical federation of autonomous entities: the centralized Serb-dominated Republika Srpska (RS), the decentralized Bosniak and Croat-dominated Federation of Bosnia and Herzegovina (FBiH), and Brčko, a district with its own governing institutions. At the state level, BiH has a tripartite presidency with one Bosniak representative, one Serb, and one Croat. This structure was introduced by the Dayton Peace Accords (DPA) in 1995 as a temporary measure to end a terrible war. Fifteen years later, BiH remains dependant on international involvement, especially the Office of the High Representative (OHR), which is responsible for the civilian implementation of the DPA.[4]

The power-sharing arrangement has made deadlock one of the most common characteristics of governance in BiH. Policymaking in 2010 was characterized by unwillingness to compromise and ineffective decision-making at every level. Even BiH's football federation refused to comply with international FIFA regulations by replacing its tripartite presidency with a single president. In April, the North Atlantic Council said it would accept BiH's application to join NATO's Membership Action Plan (MAP) as soon as so-called "immovable defense property," including military bases, had been officially registered to the state for use by the BiH Ministry of Defense. Joining MAP is an essential step toward full NATO membership, but the property issue remained unresolved at end 2010.

Reforms required for EU accession were once an engine of positive change in BiH, but since 2005 the process has lost momentum, with mainly RS officials routinely voting down reforms that the EU expects to be implemented at the statewide, all-BiH level. In 2010, the only area of significant improvement on EU reforms was visa liberalization. Following several key achievements and appointments by BiH authorities, the EC determined that the conditions for visa liberalization had been met and granted BiH citizens the right to visa-free travel in the Schengen area of more than 20 European countries, effective December 15.

Legal and political attacks on state-level institutions and policies continued in 2010, usually originating in the RS government—as did RS challenges to the authority of the OHR and the Steering Board of the Peace Implementation Council (PIC). One important example is the RS's Law on Referendum, which its parliament passed in February 2010. The law makes it easier for the RS to hold referendums on national issues. RS President Milorad Dodik, who opposes the OHR, has said he will hold a vote to gauge support for Dayton and the High

Representative. Moreover, some observers fear that would mean the first step toward a referendum on independence for RS.

Meanwhile, belt-tightening measures mandated by the International Monetary Fund further destabilized politics in the FBiH entity, which was approaching bankruptcy even before the global economic downturn of 2009. Planned cuts in government spending for war veterans drew protesters to the streets in April 2010, and violent clashes with police ensued. Relations between members of the FBiH's Bosniak-Croat ruling coalition were poisoned by disputes over ethnic representation within the coalition and divergent economic interests of the coalition parties.

Outstanding requirements for the closure of the OHR were not met in 2010. Discussed by the PIC Steering Board in 2008, the requirements include five strategic objectives and two other conditions that BiH authorities must achieve before the transition can occur. The five objectives are the resolution of state property disputes, resolution of defense property disputes, resolution of the status of the Brčko District, the fiscal sustainability of the state, and the entrenchment of rule of law. The two conditions were the signing of the Stabilization and Association Agreement (SAA), the initial step in EU accession proceedings, and a positive assessment of the political situation in BiH by the PIC. "Very little progress was made towards meeting these requirements," the EC's annual report on Bosnia noted.[5] The OHR completed a State Property Inventory in December 2009, but authorities effectively ignored it. No agreement was reached on settling state property disputes, nor were talks conducted on much-needed constitutional reform.

Once again, parliament failed to pass the state-level law required for a population census. The EU Delegation to BiH has repeatedly emphasized that passing a census law is crucial to European integration, but even establishing how many people live in BiH has become a matter of deep disagreement. Ethnic representation in all governing structures of BiH was originally determined on the basis of demographic proportions recorded by the last census, conducted in 1991. The war has altered these numbers, and the resulting shift in the ethnic proportions might lead to different ethnic representation and rights after the new census numbers are known. The EU office of Statistics (EUROSTAT) would allow the census to be held without including so-called "national questions" related to ethnicity, religion and language, but RS authorities insist upon their inclusion. In 2010, after parliament rejected the original bill, an ad hoc committee charged with preparing a new draft attempted to reach a compromise, without success. Meanwhile, the RS National Assembly (RSNA)—the entity's legislature—adopted its own, entity-level census law in April, despite the EU's statement that it would only accept a statewide census law for European integration purposes. The entity-level census may still be useful to the RS government for internal, political purposes.

Public administration reform, a prerequisite for EU membership, saw little progress in 2010. In development since 2004, the Public Administration Reform (PAR) Strategy envisioned a comprehensive overhaul of general administrative capacities in three stages, from 2006 through 2014. While complex in its ambition to improve and consolidate everything from systems for public finance

to administrative procedure, the PAR's overarching goal is to build a professional, competent, and accountable civil service at all levels of governance in BiH, as alluded to in the EC's annual report.[6] However, the strategy was only partially implemented in 2010, and overall progress on PAR is paltry. For instance, BiH's administrative structures remain murky, "with an unclear division of powers across the various levels of government."[7]

Before the election, the RS prime minister made frequent calls for secession and the peaceful dissolution of BiH. FBiH leaders appeared to regard his comments as empty preelection rhetoric and did not respond. However, citizens of FBiH, mainly Bosniaks, immediately objected to the secessionist statements, insisting that a peaceful dissolution of BiH is impossible. After the election, Zlatko Lagumdžija, Bosniak former chair of the Council of Ministers (prime minister) and president of the Social Democratic Party (SDP), echoed this sentiment, telling *The Times* that he would use "physical force" to prevent Serb secession. He also warned that a new war could start if RS tried to secede.[8] Meanwhile, Dragan Čović—the leader of the Croatian Democratic Union of Bosnia and Herzegovina (HDZ BiH)—advocated for a Croat "third entity" and reestablished his previous alliance with RS President Dodik's Alliance of Independent Social Democrats (SNSD). This discourse highlighted the continued significance of ethno-nationalist politics in BiH, which are irreconcilable with the SDP's platform to represent all BiH citizens, regardless of ethnicity. The election year demonstrated the weakness of larger civil society in BiH. Some NGOs are able to influence authorities through advocacy and other means, but power remains with the ethno-national parties, which prevent checks and balances between the legislative, executive, and judicial authorities by focusing influence within the hands of a few strong party leaders. Political influence on the media erodes government transparency. The privatization of state-owned companies is incomplete, leaving government in control of major industries such as energy and telecommunications. Overall, the performance of government structures at the state and FBiH levels was poor in 2010. During its 2006-2010 mandate, the BiH Parliamentary Assembly adopted only 170 laws, a mere 30 percent of its planned legislative agenda.

Electoral Process

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
4.25	3.75	3.50	3.25	3.00	3.00	3.00	3.00	3.25	3.25

BiH's second postwar elections to be administered entirely by local authorities were held on October 3, 2010. The polls were conducted in accordance with the country's constitution and Election Law, which violate both Protocol 12 of the European Convention on Human Rights and Article 7.3 of the OSCE 1990 Copenhagen Document by placing ethnicity-based limitations on representation and suffrage. Citizens who do not identify themselves as Bosniak, Croat, or Serb

are essentially barred from running for the presidency. Moreover, RS voters may only vote for a Serb member of the BiH presidency, while voters in the FBiH may only vote for either a Bosniak or Croat candidate. Likewise, a Serb registered in the FBiH or a Bosniak or Croat registered in the RS cannot run for the BiH presidency. The same restrictions apply to the House of Peoples, the upper chamber of the BiH Parliamentary Assembly (the House of Representatives is the lower chamber.) In December 2009, the European Court of Human Rights issued a legally binding decision that ethnicity-based ineligibility is "...incompatible with the general principles of the European Convention for the Protection of Human Rights and Fundamental Freedoms."[9] BiH authorities failed to redress the issue before the elections.

Voter turnout was 56.28 percent, the highest figure since the general 2000 elections.[10] Approximately 255,000 more people voted in 2010 than in the 2006 general election, which drew 54.48 percent. In total, the Central Election Commission (CEC) registered 3,900 candidates; 37.7 percent were women, who received less media coverage than male candidates in electoral programs monitored by the OSCE/ODIHR.[11] The monitoring mission characterized the campaign as generally calm, with some nationalist rhetoric and inflammatory statements by certain candidates. Some candidates in official positions reportedly received preferential treatment by the media.

As in previous elections, most political parties targeted their ethnic communities, without attempting to reach across ethnic lines. Some parties—including a coalition of Our Party and New Socialist Party (NSP), the People's Party Work for Betterment (NSRzB), and the Liberal Democratic Party (LDS)—took a more multiethnic approach. So did the main opposition SDP, although its support base has traditionally been Bosniak.[12]

In the BiH tripartite presidential election, SDP incumbent Željko Komšić won as the Croat representative with 60.61 percent of the vote, receiving approximately 70,000 more votes than his party. Bakir Izetbegović, son of the late President Alija Izetbegović, won the Bosniak seat (34.86 percent), defeating the incumbent Haris Silajdžić. The race for the Serb member of the presidency between SNSD incumbent Nebojša Radmanović and Mladen Ivanić, president of the Party of Democratic Progress (PDP), was tight. Radmanović won 48.92 percent and Ivanić 47.31 percent, with the latter alleging voter fraud and other election irregularities. More than 10 percent of the ballots (58,350) were invalidated in this race, where the margin of victory was a mere 16,500 votes.

In the Čapljina and Banja Luka municipalities, the PDP contested the election result for the Serb member of the presidency, citing an unrealistically high turnout with few spoilt ballots—or ballots that election officials deem invalid for being incorrectly filled in, among other reasons—at some stations. The CEC ordered a recount and appealed to the Court of BiH. The court found irregularities at 11 polling stations in Čapljina, where evidently forged signatures on the voter registry were found to be similar to those at voting stations in Banja Luka. Forensic experts confirmed a large-scale forgery of signatures in Čapljina. The CEC annulled the

results from the Čapljina voting stations for the cantonal level. The Banja Luka results were not annulled because they could not affect the election outcome.

In the race for the BiH House of Representatives (HoR), within the FBiH, SDP won 26 percent of the vote, SDA 19 percent, HDZ BiH 11.5 percent, SBB 13.6 percent, SBiH 7.1 percent, HDZ 1990 5 percent, and NSRzB 4.9 percent. Among RS voters, SNSD won 45.4 percent, SDS 22.4 percent, PDP 6.76 percent, and DNS 4.6 percent. FBiH-based parties did not pass the 3 percent threshold in the RS.

SBiH, led by Haris Silajdžić, suffered the biggest defeat in the BiH HoR elections, losing six seats. SDA dropped two seats in the BiH HoR. On the Croat side, the HDZ BiH reaffirmed its position as the dominant party among Bosnian Croats with three seats in the HoR.

At the entity level, FBiH voters elected 98 members to the FBiH HoR. SDP received the highest number of votes and won 28 seats, 11 more than in the previous convocation. The Croat parties won 22 seats, as did the Party for Democratic Action (SDA). The newcomer Radončić's Alliance for a Better Future (SBB) won 12 seats, luring voters from the Party for BiH (SBiH), which dropped from 20 to 9 seats. The FBiH HoR met for the first time on November 22 but had not elected a speaker by year's end.

In the RS, voters elected 83 members to the National Assembly as well as an RS president and two vice presidents, which were all inaugurated in November. SNSD remained the strongest party, winning 38.01 percent of the vote but dropping from 41 to 37 seats. The new Democratic Party of former RS President Dragan Čavić won three seats. Milorad Dodik won the RS presidency, and power within the republic is likely to shift from the government to Dodik.

Corruption and the economy were the hot button issues for the elections in the FBiH. The Bosniak electorate voted overwhelmingly for the civic, multiethnic SDP, as well as the now more moderate SDA, supporting campaigns that focused on anticorruption and economic progress while downplaying nationalism. Meanwhile, the RS reaffirmed the power of SNSD leader Dodik, who practices ethno-nationalist politics and advocates for the secession of RS from BiH.

The end of the year was consumed by the formation of the new BiH government. Speculation abounded over which combination of parties would acquire the 23 seats needed to secure a majority and what coalition would sustain a two-thirds majority for passing future constitutional changes. The SNSD and the second strongest RS party, Serb Democratic Party (SDS), signed a postelection platform to act jointly in BiH institutions. At the same time, the SNSD strongly backed Dragan Čović and his HDZ BiH for the position of chairman of the BiH Council of Ministers, the executive branch of the BiH government. Božo Ljubić's HDZ 1990 joined the SNSD-led bloc, leaving its preelection coalition partner HSP. On the other side, SDP led the formation of another bloc in agreeing on a platform to form a government in the FBiH and cooperate on policy in BiH institutions during the 2010–2014 mandate. The agreement was signed by Zlatko Lagumdžija's SDP BiH, Sulejman Tihić's SDA, Mladen Ivanković Lijanović's Narodna Stranka Radom za Boljitak, and Zvonko Jurišić's HSP. However, the two blocs remained at odds over

critical issues such as the State Court, and BiH did not have a government by year's end. In addition, by staying out of the SDP bloc, the HDZ parties effectively prevented the formation of the FBiH government and House of Peoples.

As regards government formation, the SNSD president put forward a precondition that obliquely questioned the jurisdiction of the State Court. He said it would be difficult to form a state-level coalition with any of the FBiH-based parties because the latter do not want to abolish the Court. The Law on the Court of BiH was enacted by a Decision of the High Representative in November 2000 and subsequently amended several times. RS politicians have challenged the law before the Constitutional Court of BiH twice, but both attempts were unsuccessful. On both occasions, the BiH Constitutional Court confirmed that BiH must implement its responsibilities in criminal law enforcement, among other areas. A reduction of the competencies of the Court would interfere with competencies that belong to BiH, as confirmed by the Constitutional Court. Disagreement over the future of the State Court, as well as other significant differences between the two blocs, left the state with no government in 2010.

Overall, the general election results indicated that power would likely continue to rotate among well-known members of the postwar political elite, signaling a failure to improve the democratization process in BiH. The political system designed in Dayton, and the electoral law based on the DPA solution to the conflict in BiH, continued to encourage perpetual ethnic division and confrontation within the political sphere.

Civil Society

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
4.25	4.00	3.75	3.75	3.75	3.50	3.50	3.50	3.50	3.50

Throughout 2010, the BiH public remained largely removed from political life. However, the general elections inspired civic groups to promote "get out the vote" campaigns. The Center for Civic Initiatives (CCI), Dosta (Enough), Alumni Center for Interdisciplinary Postgraduate Studies (ACIPS), and Transparency International (TI) were among the most active, vocal, and visible groups in analyzing the government's performance over the previous four years, and they tried to focus the preelection debate on bread and butter socioeconomic issues rather than ethnic rhetoric.

The efforts of these groups aligned with the SDP's campaign and may have contributed to the party's election results in FBiH, as well as to the high voter turnout. Overall, it was in the FBiH that civic groups showed the most improvement in performance and effectiveness in areas such as electoral gender issues. NGOs in the RS did not have the same level of citizen outreach. And though active before the vote, NGOs did not maintain this level of oversight or advocacy after the elections.

In more general work, NGOs seemed more vibrant in FBiH last year, comprising a wide spectrum of groups representing liberal, green, and LGBT

interests, to veteran organizations, all of which are skeptical toward the dominant ruling structures. In contrast, the most active RS-based NGOs are pro-government and thus followed by the media, which largely support the RS ruling elite. Strong NGOs with regional branches, such as the CCI, engaged in anti-government advocacy, but their presence was weaker in the RS, where the media gave them less coverage than in FBiH. Even for established groups such as the CCI—which has solid organizational capacities, including a core of experienced practitioners and trainers—funding remained a problem. Civic groups cannot function without international financing. Thus further "efforts are needed to support the development and funding of the civil society sector," the 2010 EC annual report concluded.[13]

Government officials at all levels were unreceptive to policy advocacy in 2010, except when pressured by heavy media exposure. Public policy research groups are largely ignored, and the government rarely consults with Civil Society Organizations (CSOs) over policymaking decisions. On a positive note, the media increasingly turned to civic organizations in 2010 for analysis, especially if the CSOs' stances corresponded with their editorial inclinations. In addition, some NGOs said they managed to increase oversight of BiH authorities in 2010.

The education system remained a top concern in BiH in 2010, with negative implications for the stability of the country. The system remained segregated at the elementary level, and subject to political influence and ethnic-division propaganda at all levels. In addition, higher education continued to suffer from corruption, outdated curriculums, and a lack of sufficient action on reforms required by the Bologna Process, which aims to create a European Higher Education Area with high standards of education and academic exchange among European students. Despite recognizing the severity of the problem, international agencies did not have much success on integration, depoliticization, or reform efforts.

Finally, religious groups proved less influential in BiH in 2010 than in previous years. If anything, their image has deteriorated, especially after members of the radical Salafi movement bombed a police station in Bugojno, killing one police officer and injuring five other people. The public condemned the act, and a robust debate began over the clash between traditional Bosnian Islam and the ideas of radicals who began to come to BiH during the war.

Independent Media

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
4.25	4.25	4.25	4.00	4.00	4.00	4.25	4.50	4.50	4.75

While media ownership in BiH continued to significantly affect editorial policy and newsgathering in 2010, media remained free in legal terms. They comprised a diverse and complex landscape, with some 200 broadcasters and 100 print media outlets. That includes three national public broadcasters: BHT, on the state level, and RTRS and FTV in the entities.

The "get out the vote" spots produced by domestic and international organizations during the preelection period probably contributed to a higher turnout than in previous elections, but the media climate was also marked by biased reporting and extensive coverage of government officials, according to the OSCE/ODIHR. Some members of the press were also candidates. Smaller parties and candidates without links to government or media complained frequently about systematic media underexposure.[14]

The new SBB party, led by media mogul Fahrudin Radončić, received heavily-biased coverage from his publication *Dnevni avaz* (*Daily Voice*), the daily with the highest circulation in BiH,[15] as well as TV Alfa, also owned by Radončić. Haris Silajdžić's SBiH was openly promoted by TV1, a private channel that began broadcasting only a few days before the official start of the election campaign. The main opposition SDP had strong backing from the federal public broadcaster, FTV, while the ruling RS party of Milorad Dodik, SNSD, received favorable coverage from the majority of RS-based media. RS opposition parties claimed that the RS government effectively bought the support through 5 million KM (about US $3.5 million) in media budgetary allocations before the elections, as reported by *Radio Slobodna Evrope/Radio Free Europe* in July 2010.

The OSCE/ODIHR also noted bias in print media. *Dnevni Avaz* strongly favored the SBB while criticizing other parties, whereas *Oslobodjenje* (*Liberation*) portrayed the SBB negatively. Two RS-based newspapers, *Glas Srpske (Voice of Serbia)* and *Nezavisne Novine (Independent Newspaper)*, clearly favored SNSD and RS officials. *Dnevni List (Daily)* primarily covered the Croat parties.[16]

The long overdue reform of the public broadcasting system proceeded slowly in 2010. A key issue in EU accession negotiations, the reform—which began in 2002—was intended to create an integrated system with public broadcasters overseen by a single corporation, striving for balanced and objective reporting. It also envisioned a joint newsroom shared by all three public broadcasters in BiH. However, due to a lack of political support for a unified system, cooperation among the public broadcasters remained poor. BiH's main telecommunications and electronic media regulatory body, the Communications Regulatory Agency (CRA), has not had a director-general since 2007. Moreover, the CRA Council members' mandate ended in April 2009, but no new nominations were made last year. The regulator's budget was also halved.[17]

Media remained vulnerable to political influence and attack, alarming international observers. In April, the High Representative and EU Special Representative, Valentin Inzko, publicly warned officials that it was essential for the media "to report freely, accurately, and fairly from all parts of the country."[18] Likewise, both the OSCE Representative on Freedom of the Media and the European Parliament repeatedly expressed concern over the media climate in BiH. OSCE Representative on Freedom of the Media, Dunja Mijatović, said that media were increasingly under political attack. She added that "mutual accusations" between the various press outlets in the entities exacerbated the polarization of Bosnian society.[19]

The most prominent case of media harassment concerned FTV investigative journalist Damir Kaletović. The RS prosecutor indicted Kaletović for the "unauthorized taping of former Human Rights Ombudsmen Vitomir Popović," whose comment that the journalist deserved to "get a bullet in his forehead" Kaletović had caught on tape and later aired. Kaletović pled not guilty to the charges, which were widely perceived as being politically motivated.[20] In another notable example, police raided the offices of RS-based BN TV, saying they had a warrant from the Bijeljina regional prosecutor's office to investigate alleged tax evasion by BN TV. NGO watchdogs accused the police of harassing the station's employees and trying to disrupt their work.[21]

While nascent, internet penetration is growing in BiH. According to the CRA, 1.42 million people had access to the internet in 2009, or nearly 40 percent of the population.[22] The government did not make any attempts to control the internet in 2010.

Local Democratic Governance

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
n/a	n/a	n/a	4.75	4.75	4 75	4.75	4.75	4.75	4.75

The status and rights of local self-government (LSG) as guaranteed by the European Charter on Local Self-Government were secured by the High Representative's Decision on the 2004 reorganization of the City of Mostar and its incorporation in the FBiH constitution. These statutes protect the right to local self-government and are a powerful tool for many local government units in BiH to challenge FBiH or cantonal legislation before the FBiH Constitutional Court.

However, the financial autonomy of local governments is dubious in both entities. The 10 cantons in FBiH control the majority of public financing sources for the Federation's 79 municipalities; the RS entity controls finances in the Serb-dominated area of BiH. Moreover, the allocation of indirect taxes does not meet the needs of the local governing units. To address their funding problems, LSG structures increasingly tried to apply for EU pre-accession funds that are designed to support local development projects.

Implementation of LSG legislation is also weak. The law on local self-governance in FBiH contains sound principles, but they are not respected in other laws that would allow their implementation. For instance, the FBiH Constitutional Court issued a ruling in October proclaiming that the Sarajevo Canton had violated the right to local self-governance in the Sarajevo Center Municipality. Apparently, it had failed to harmonize provisions in the relevant cantonal legislation with those of the FBiH Law on Principles of Local Self-Government, which required the canton to transfer certain duties and the related finances to the municipalities. The court also found that the Sarajevo Canton had not defined the affairs, competences, financing, and territorial organization of the City of Sarajevo and the municipalities in the canton in accordance with the FBiH Constitution. The ruling will affect several cantonal

laws regulating the use of public areas, housing, education, communal services, urban and spatial planning, and financing. It is also expected to affect the cantonal budget and weaken the canton at the expense of the municipalities.

BiH's political system and the resulting dominance of national political parties do not leave local authorities much room to design governing institutions and processes that fully reflect local needs. In 2008, citizens were able to vote for local leaders in free and fair elections, but the major ethno-national parties dominated these contests. Elected local officials remain under the strong influence of political party presidents and dependent on funding from higher levels of government. However, there is evidence that local authorities are more accountable to citizens, if for no other reason than their proximity to the public. Political parties and business groups can and do influence local authorities.

As regards representation, participation of women in LSG institutions matches the higher levels of government. Ethnic minorities are less represented in local government because the principle of equal proportionality in representation of constituent people in governing structures is better implemented at the higher levels of government.

The Brčko District remained under international supervision throughout 2010, ensuring that its institutions continued to function effectively. The High Representative (HR) issued decisions in September 2009 concerning the technical steps needed to complete the Brčko Final Award and resolve its status, but the RS government and National Assembly adopted measures that nullified those decisions.

The new Brčko supervisor, American diplomat Roderick Moore, announced some progress in negotiations with the RS government regarding Brčko's electricity supply, but the negotiations have been difficult. RS authorities adopted legislation pertaining to entity citizenship for Brčko residents that complied with the HR decision, but failed to adopt amendments necessary to incorporate Brčko District into the electricity regulatory framework in 2010. In addition, RS authorities refused to publish the HR decisions in the entity's Official Gazette, which the OHR found in violation of the High Representative's authority under Annex 10 of the DPA and various Security Council resolutions, as well as the Republika Srpska Law on Governing the Official Gazette. Nor have RS authorities complied with the High Representative's September 2009 decision on incorporating Brčko into the BiH legal and regulatory framework for electricity. The measures are in force in FBiH and in Brčko District but not in the RS, thus Moore could not certify completion of the Brčko Final Award.

Judicial Framework and Independence

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
5.25	5.00	4.50	4.25	4.00	4.00	4.00	4.00	4.00	4.25

BiH has four separate judicial systems (state-level, RS, FBiH, and Brčko District), with no "single body comparable to a supreme court that can guarantee uniform

application of the law."[23] As a result, the judicial system is overly complex and inefficient. Legislation and judicial practice differ between the two entities. Moreover, political rights related to Protocol 12 of the ECHR remain unprotected, and the High Judicial and Prosecutorial Council of BiH (HJPC), the independent body responsible for securing an impartial and professional judiciary, has yet to meet European standards of independence, efficiency, and quality.

Authorities made little effort to implement the Justice Sector Reform Strategy for 2009-2013, designed to strengthen judicial independence and rule of law to promote BiH economic development and other goals. The EC annual report noted that authorities in the entities and cantons effectively ignored the strategy, while the five working groups charged with its implementation have been hampered by the lack of a quorum.[24] FBiH authorities have yet to fill three judicial appointments to the Federation Constitutional Court, preventing the court from ruling on cases of vital national interest in 2010. The HJPC, which is entrusted with appointing judges and prosecutors, proposed a list of candidates to then FBiH President Borjana Krišto in 2008, but Krišto—who had different candidates in mind—challenged the council's authority to propose names, and the appointment procedure remained in limbo through the end of 2010. The criteria for judicial appointments remain unclear and experts say the lack of transparency results in unqualified candidates.

The judiciary has a backlog of more than 2.1 million cases, and implementation of the National War Crimes Prosecution Strategy has moved slowly. In 2010, data collection on outstanding war crimes cases from the lower courts continued, but with considerable delays due to a lack of data from the entities. This has slowed the prioritization of cases and their distribution between the jurisdictions of the state and entities. Thus the perception remained that BiH prosecutors were submitting the "easier cases" rather than those related to high-ranking individuals.

In BiH, judges are free to make independent decisions, but politicians wield indirect influence through the judicial budget. The Court of BiH does not have an independent judiciary budget and remains subject to the budgetary whims of the ruling coalition. According to the EC annual report, posts in state-level judicial institutions have been blocked for two years on budgetary restrictions.[25] A sufficient budget for the State Court was secured in 2010, but it has not been approved by the BiH Parliamentary Assembly.

Several high-profile cases in 2010 eroded the public's confidence in the BiH judiciary. Edhem Bičakčić and Nedžad Branković, both former prime ministers of FBiH and SDA officials, were acquitted on charges of abuse of office and authority in the Sarajevo Cantonal Court. Bičakčić had been charged with using public funds to buy a luxury Sarajevo apartment for the use of the general manager of Energoinvest, a Bosnian engineering company. Branković, who at that time held the general manager position, then purchased the apartment for himself for a fraction of the cost.[26] The Sarajevo Cantonal Court found that the prosecution had relied on "illegal proof"—an uncertified copy of a decision signed by then Prime Minister Bičakčić, approving the purchase of the apartment. The prosecution's case failed because it did not submit as evidence the original, signed document. Increasingly,

these types of errors, resulting from poor legal training and knowledge, are viewed as a core weakness of the BiH judicial system. Though the High Representative established a two-entity legal education center in 2002, many experts say judges and prosecutors receive poor training in terms of curriculum and other areas.

BiH has no state prison, making it difficult to enforce judicial decisions. Construction began on a state penitentiary in 2006, slated for completion in 2008, but that date has now been pushed back to 2013. As a result, some 800 people are in detention, waiting to serve time. This has caused a substantial backlog, especially in the FBiH, where years can elapse between a conviction and imprisonment, even in cases with sentences under five years. To help build the new state prison, the Council of Europe Development Bank has approved a loan to BiH of €19.3 million (US $26.1 million).

Prisons in FBiH are overcrowded, and current legislation prevents convicts from one entity from serving a sentence in the other. Additionally, convicts must serve their sentences in prisons closest to their place of residence, which creates a situation where war criminals receive privileged status and aid from a network of supporters. Many say this is how Radovan Stanković escaped from the Foca prison under RS jurisdiction in 2007. He remains at large.

Serge Brammertz, chief prosecutor of the International Criminal Tribunal for the former Yugoslavia, has deemed BiH's cooperation with the Tribunal to be satisfactory.[27] However, Brammertz expressed concern at the trend among RS leadership to deny the legitimacy of genocide verdicts and threaten state judicial institutions. The wartime commander of the RS army, General Ratko Mladić, one of the most wanted war crime suspects from the Bosnian war, remained free in 2010.

Corruption

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
5.50	5.00	4.75	4.50	4.25	4.25	4.25	4.50	4.50	4.50

BiH authorities did nothing of substance to fight corruption in 2010, and the existing anticorruption strategy has not been implemented. Transparency International BiH (TI BiH) noted that two-thirds of rulings in corruption cases in BiH end with suspended sentences.[28] Drago Kos, anticorruption expert and chair of the Council of Europe's Group of States against Corruption (GRECO), notes that BiH authorities have not processed a single major corruption case in several years.[29]

NGOs specializing in anticorruption issues have criticized authorities for proposing new anticorruption strategies based on EU templates, rather than making constructive changes to existing laws. Apart from compromising existing legislation, critics say, this also excludes the public from policymaking procedures, as new legislation is frequently designed without public hearings or NGO participation.

Both TI BiH and the Open Society Fund (OSF) strongly opposed initiatives to amend laws on conflict of interest, financing of political parties, and civil service in BiH institutions. In each case, they said the current legislation and its

implementation would be weakened. Critics also argued that implementation of the Law on Conflict of Interests hinged to a large extent on the relative influence and power of a suspected public official. NGOs opposed the attempt to introduce largely symbolic fines in conflict of interest cases. Additionally, civic groups argued that these amendments would change the rules of the game in the election year instead of focusing on the proper implementation of existing legislation.[30] Through their advocacy, the civic groups blocked the new legal provisions.

BiH's lack of progress in public administration reform, which would reduce bureaucracy, enabled corruption to thrive at all levels of government. Laws requiring financial disclosure for public officials are inadequate. For example, campaign finance reports for the 2010 election were submitted after the elections and may not be publicly audited for several years, which compromises the transparency of campaign financing.

The regulations regarding donation limits are also very restrictive, putting those parties not already represented in BiH legislative bodies at a chronic disadvantage. Incumbent parties are able to use the government budget and assets from publicly-owned companies to fund their activities and campaigns. Parties outside of government lack these resources, and depend largely upon donations.

The government advertises job openings, but patronage hiring is standard practice. Most people who join political parties do so in the hope that membership will get them a better job or other benefit.[31] Reportedly, one in four registered voters in the RS is a political party member. Nevertheless, as RS-based media commented last year, political awareness and democratic culture remain low.

Whistleblowers, anticorruption activists, investigators, and journalists do not feel free or safe reporting instances of bribery and corruption, but a few NGOs and media outlets persevere. In May, TI BiH reported that Milorad Dodik "brought to the public a series of false and offensive charges against TI BiH on the show Prnjavor on TV Kanal 3, calling the employees of TI BiH 'criminals,' 'thieves' and even 'devils'" with the aim of discrediting an organization that for years has fought corruption.[32] Media cover allegations of corruption extensively in FBiH, especially on the public broadcaster FTV. In the RS, Željko Kopanja, owner of *Nezavisne Novine* and *Glas Srpske,* published an open letter to RS President-elect Milorad Dodik in October, urging him to take a tougher stance on corruption and distance himself from various unnamed tycoons.[33] Despite broad reporting on corruption, the public still seems to perceive it as a fact of life in BiH. The 2010 Corruption Perceptions Index by Transparency International ranked BiH 91 among 178 countries; in the Balkans, only Kosovo has a worse rating.[34]

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Bulgaria

by Daniel Smilov and Georgy Ganev

Capital: Sofia
Population: 7.6 million
GNI/capita, PPP: US$13,260

Source: The data above was provided by The World Bank, *World Development Indicators 2011.*

Nations in Transit Ratings and Averaged Scores

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Electoral Process	2.00	2.00	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75
Civil Society	3.25	3.25	3.00	2.75	2.75	2.50	2.50	2.50	2.50	2.50
Independent Media	3.25	3.50	3.50	3.50	3.25	3.50	3.50	3.75	3.75	3.75
Governance*	3.50	3.75	3.75	n/a	n/a	n/a	n/a	n/a	n/a	n/a
National Democratic Governance	n/a	n/a	n/a	3.50	3.00	3.00	3.00	3.25	3.25	3.50
Local Democratic Governance	n/a	n/a	n/a	3.50	3.00	3.00	3.00	3.00	3.00	3.00
Judicial Framework and Independence	3.50	3.50	3.25	3.25	3.00	2.75	2.75	3.00	3.00	3.00
Corruption	4.50	4.25	4.25	4.00	3.75	3.75	3.50	4.00	4.00	4.00
Democracy Score	3.33	3.38	3.25	3.18	2.93	2.89	2.86	3.04	3.04	3.07

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

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

Executive Summary

Since the collapse of communism in 1989, Bulgaria has succeeded in consolidating its system of democratic governance with a stable parliament, sound government structures, an active civil society, and 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, with the country enjoying more than a decade of stable, full-term governments. In 2004, Bulgaria officially became a NATO member. On January 1, 2007, Bulgaria became a full member of the European Union (EU). However, serious problems remain to be resolved in a number of key policy areas. These include the fight against corruption and organized crime, reform of the judiciary, treatment of underprivileged groups, and the introduction of measures to build public trust in democracy.

The main governance challenges in Bulgaria in 2010 were economic. During the year, Bulgaria began to come out of the recession caused by the global crisis without raising taxes or significantly reducing public-sector employment. However, many of the reforms undertaken by the government stalled or were only partially successful, ranging from social security, healthcare, and public education to the fight against corruption and organized crime and reforming the judiciary. The minority government of Citizens for European Development of Bulgaria (GERB) remained stable despite a series of high-profile scandals, and continued through a failed attempt to impeach President Georgi Parvanov for overstepping his constitutional prerogatives. The culmination was a number of questionable governmental appointments that eventually led to the dismissal of several ministers and high-profile public servants. The stability of the government has been dependent mainly on the support of the nationalist-populist party Ataka, since the other center-right partners of GERB—the Blue Coalition and the Order, Law, and Justice party (RZS)—have distanced themselves from the majority.

National Democratic Governance. Tensions between President Georgi Parvanov and the minority government of Prime Minister Boyko Borisov reached a fever pitch in 2010, as the president openly challenged GERB leadership, using every opportunity to underscore differences of opinion between himself and the government. Following a failed attempt to impeach President Parvanov, the presidency became still more politicized as Parvanov formed a *de facto* presidential party, in violation of Bulgarian constitutional tradition. This move sparked numerous other conflicts between the presidency and the government over the appointment of public officials, resulting in several dismissals of high-level officials. Faced with these scandals and the failure of former foreign minister Rumyana

Zheleva's campaign for the post of European Commissioner, public trust in Prime Minister Borisov continued to erode, through both he and GERB remain more popular than any other leader or party in the country. *Political infighting and excessive politicization of the presidency compromised both the credibility and the effectiveness of the national government in 2010; therefore, Bulgaria's national democratic governance rating declines from 3.25 to 3.50.*

Electoral Process. No elections took place in Bulgaria in 2010. An electoral code was adopted, combining four previously separate laws on elections to the presidency, parliament, local authorities, and the European Parliament. This was achieved well in advance of the 2011 cycle of presidential and local elections, following extensive consultations with parliamentary groups and civil society. However, some of the provisions were hotly disputed by the opposition, which pledged to challenge the code before the Constitutional Court' in particular, the opposition objected to the introduction of residency requirements for passive and active electoral rights, and the abolition of directly elected mayors for small villages. Overall, the new code did not introduce major changes to the electoral system. *Bulgaria's electoral process rating remains at 1.75.*

Civil Society. Bulgaria has a large number of civil society organizations, representatives of which have been influential in many areas of public life and public policy. At the same time, there is the need for official regulation of advocacy and lobbying activities, and domestic sources for funding of civil society activities remain underdeveloped. *Bulgaria's civil society rating remains at 2.50.*

Independent Media. Media freedom is legally protected in Bulgaria, and citizens have access to a diverse array of media sources. Print media are generally free from specific regulations, while electronic media are overseen by a specialized regulatory body. In 2010 there were no reported cases of harassment of journalists. A major development during the year was the change in ownership of some of the biggest print and electronic media. In general, the transparency of media ownership in the country remains a serious problem, and there have been several legislative attempts to address it over the last years. *Bulgaria's independent media rating remains at 3.75.*

Local Democratic Governance. No major developments in local governance occurred in Bulgaria in 2010. The one mayoral by-election of notable importance exhibited the low turnout typical of intermediate elections and resulted in the usual allegations of election day irregularities. The most significant remaining structural problem in local governance in the country is an insufficient resource base for formulation of local development policies and programs, and the possible need for an intermediate (regional) level of self-government. *There were no notable changes in the institutional setup or effectiveness of local governance in 2010; therefore, Bulgaria's local governance rating remains at 3.00.*

Judicial Framework and Independence. Friction between the government and the judiciary in 2010 was fueled by attempts to introduce institutional reforms aimed at increasing short-term results (which is to say, convictions) in the fight against corruption and organized crime. The idea of setting up specialized courts for dealing with organized crime was especially unpopular with most of the magistrates, and the government was unable to pass this legislation until the very last days of the year. The government also passed a radical reform of the law governing the procedure for seizure of illegally acquired assets, as a result of which, seizure of assets belonging to indicted persons need no longer be preceded by a court sentence. Another controversial idea widely discussed involved the introduction of mandatory security clearance for members of the Supreme Judicial Council, with approval granted by an executive security agency. Pressure on the judiciary to deliver sentences may endanger the rights of citizens and the basic constitutional framework, and there is a strong possibility that the reforms passed in 2010 will be sent for review before the Constitutional Court in 2011. *Bulgaria's judicial framework and independence rating remains at 3.00.*

Corruption. As negative perceptions of corruption and the state's burden on the economy grow, indirect evidence suggests that existing anticorruption structures and slowly changing practices may be producing some positive results. The improved quality in several high-profile procurement procedures, more effective absorption of EU structural funds, and a decreasing willingness in the ruling party to tolerate questionable behavior (e.g., conflict of interest, embezzlement, or procurement violations) among its members. *Nascent positive movement on anticorruption has not yet been consolidated and therefore Bulgaria's corruption rating remains at 4.00.*

Outlook for 2011. Bulgaria will face challenges on several fronts in 2011, beginning with the work of continued economic recovery. Bulgaria's entry into the Schengen area of the EU will be postponed at least until the second half of the year, and possibly even further. Domestically, this may be interpreted as a failure of the GERB government, further eroding public trust in the prime minister. At present, the legitimacy of the Borisov government depends in large part upon its resolve to fight corruption and organized crime; if legislation passed in 2010 is overturned or fails to result in increased court sentences, that, too, will negatively affect public approval of the government. Presidential and local elections scheduled for the second part of 2011 will be another major test for the government, and for the institution of the presidency. The outcome of the election will define whether Bulgaria will stick to a model of parliamentary government with a nonpartisan president or move toward a model where a president is actively involved in party politics.

Main Report

National Democratic Governance

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
n/a	n/a	n/a	3.50	3.00	3.00	3.00	3.25	3.25	3.50

The Constitution of Bulgaria, adopted in 1991 after the collapse of communism, provides for a system of governance featuring a parliamentary regime and checks and balances guaranteed by the legislative, executive, and judicial branches. Citizens may participate in the political process through elections, consultations on legislation, civil society organizations, and the media. Bulgaria's political system has enjoyed considerable stability over the last decade; three consecutive governments have served their full constitutional terms without any major political disturbances. Democracy has firmly taken root in society, and though the public voices its dissatisfaction with the performance of Bulgarian democracy, no alternative non-democratic projects exist or seem viable.

Until 2001, the country's political system was dominated by two parties: on the left, the Bulgarian Socialist Party (BSP), successor to the Communist Party; and on the right, the Union of Democratic Forces (UDF). The victory of the National Movement Simeon II (NDSV) in the 2001 general elections altered the bipolar landscape of Bulgarian politics and and signaled the arrial of new, centrist, non-ideological political forces with a strong populist bend. This trend was reinforced after the June 2005 and July 2009 general elections, in which neither of the major political parties won a majority. Since 2009, Bulgaria has been ruled by the minority government of Prime Minister Boyko Borisov's political party, Citizens for European Development of Bulgaria (GERB), which controls 117 out of the 240 seats in the National Assembly. GERB has maintained the support of a parliamentary majority by courting diverse parties such as the nationalist-populist Ataka, the center-right Blue Coalition, and—until the beginning of 2010—the newly-emerged self-proclaimed conservatives of the Order, Law and Justice (RZS) party. By year's end, both RZS and Blue Coalition had distanced themselves from the majority; in the case of RZS, the split was radical and acrimonious, while in the case of the Blue Coalition the door was left open for possible cooperation on specific issues.

The Borisov government remained stable in 2010, despite a series of high-profile scandals and disappointments, beginning with the failure of the first Bulgarian candidacy for European Commissioner in January. Foreign Minister Rumiana Jeleva had been nominated by the Bulgarian government to be European Union (EU) Commissioner for International Co-operation, Humanitarian Aid and Crisis Response. However, members of the European Parliament raised concerns about Jeleva's inexperience and alleged undeclared financial interest the Bulgarian

consulting firm Global Consult during her tenure as foreign minister.[1] Jeleva was replaced by Kristalina Georgieva, whose performance as commissioner earned her two prestigious awards at the end of 2010—European of the Year[2] and European Commissioner of the Year.

The next—and far more serious—crisis of 2010 was signaled by the increasing politicization of the institution of the presidency. President Parvanov positioned himself in opposition to GERB, using every opportunity to underline their policy differences. This stance, along with the aggressively majoritarian style of Prime Minister Borisov, led GERB to push for the president's ouster in March. The impeachment procedure, initiated for the first time in Bulgarian history, failed at the parliamentary level due to the defection of RZS deputies, who had previously pledged their support for the impeachment motion. Due to RZS's defection, the Constitutional Court had no opportunity to rule whether President Parvanov had overstepped his constitutional mandate by making highly partisan statements or by secretly recording meetings with ministers and leaking presumably confidential information to the media for the purpose of embarrassing the GERB government. Public trust in Prime Minister Borisov eroded during the year, although he remained the most popular political figure in the country.

In November, President Parvanov drew broad criticism for his attempt to set up a *de facto* presidential party—nominally an NGO—called Alternative for Bulgarian Revival (ABV). According to a longstanding constitutional convention in Bulgaria, the presidency should not openly support one party above others. The creation of ABV fueled other conflicts between the presidency and the government.

For example, at the end of 2010, it was revealed that almost half of Bulgaria's diplomats (190 out of 460 screened) had connections with the Communist-era secret service (DS), and the GERB government announced that it would recall them. In contrast to the government, the president (and former socialist leader) argued that only those collaboraors who had committed morally reprehensible acts should be recalled. Among the officials dismissed in connection with past DS membership was Bozhidar Dimitrov, whose past membership in the DS was a known fact at the time of his appointment in 2009.[3] Other, unrelated but also highly publicized and embarrassing personnel changes in 2010 included the dismissal (or forced resignation) of two health ministers within a six-month period. The first of these, Bohizdar Nanev, was replaced in March after proceedings began against him in a case connected with the purchase of two unfavorable deals for the supply of the antiviral swine flu medicine Tamiflu.[4] Nanev's successor, Anna-Maria Borisova, left the ministry in September because of her apparent inability to execute necessary reforms.[5]

Governance challenges throughout 2010 were compounded by the ongoing impact of the global financial crisis on Bulgaria's economy. Overall, the country is coming out of a recession without raising its comparatively low taxes or significantly reducing public-sector employment or wages. State influence over the economy is limited, and there are no significant government barriers to economic activity in the country. However, many planned reforms related to public welfare during 2010

were stalled or only partially successful, ranging from social security and healthcare to public education.

Bulgarian political forces generally lack a programmatic character, therefore policymaking has become an *ad hoc* process of negotiation and renegotiation between ministers and interest groups, such as trade unions and professional associations. Prime Minister Borisov preserved the role of ultimate arbiter in this process in 2010, overruling his own ministers on a number of issues. A case in point was the proposal to partially nationalize private pension funds; although initially supported by key ministers, the proposal was modified and scaled down by the prime minister following pressure from business organizations. By the end of the year, the government had introduced legislation on such reforms as specialized courts for organized crime and security clearance for the Supreme Judicial Council. The arduous consultation process included the Venice Commission and various nongovernmental oranizations (NGOs). The final draft law sparked political controversy, which is likely to land them in the Constitutional Court in 2011.

Bulgaria's Law on Access to Public Information has been in force since 2000, and citizens and civil society organizations actively exercise this right. Yet, in many cases the state cites commercial secret and third-party interests in order to limit access to public information without having sufficient grounds. After the general elections of 2009 there were some positive developments, for instance, the new GERB government began publishing the minutes of Council of Ministers meetings. Committee hearings and legislative sessions of the National Assembly are also open to the public (subject to prior registration) and the media, and most bills are posted on the parliament's website.

The fourth year of Bulgaria's membership in the European Union was marked by improved communications between EU authorities and the Bulgarian government. European Commission (EC) reports noted Bulgaria's "strong political will" in the fight against corruption and organized crime. Greater trust in that relationship was demonstrated by the release of EU funding to Bulgaria under various programs. However, the country is still at risk of losing EU financial assistance due to some missed program deadlines and low EC confidence in Bulgaria's administrative and institutional capacity to absorb significant funding. A major blow to the GERB government came toward the end of the year when it became clear that Bulgarian membership in the Schengen zone would probably be delayed, an indication that Bulgaria is viewed by its EU partners as struggling to meet common standards.

Electoral Process

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
2.00	2.00	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75

Bulgaria has developed a stable electoral system that ensures free and fair parliamentary, presidential, and municipal elections. Some recent problems aside, elections since 1991 have been free, fair, and in compliance with electoral law.

The local elections held in October 2007, as well as some local interim elections in 2008, demonstrated the negative effects of the increasing commercialization of politics; there were suspicions among political parties, the media, and the general public that numerous candidates had attempted to buy votes. This practice was provoked by the business interest in gaining access to EU structural funds, some of which are administrated by municipalities. Suspicions strengthened in 2009 with elections to the European Parliament, the National Assembly, and interim elections for the mayor of Sofia and other smaller cities, where allegations of vote-buying and manipulation of voters were widespread.

According to the constitution, all citizens over 18 have the right to vote by secret ballot. For parliamentary elections, Bulgaria had a pure proportional electoral system until 2009. In presidential and mayoral elections, it uses a majoritarian system with two rounds of voting. Until 2005, the law provided all political parties, coalitions, and candidates with equal campaigning opportunities. However, amendments adopted in 2005 to reduce the number of parties participating in elections established a deposit to register parliamentary candidates. As a result, the number of registered parties and coalitions in the elections decreased from 65 in 2001 to 22 in 2005: in 2009, 20 parties and coalitions competed in the parliamentary elections.

The elections of June–July 2009 were carried out under revised electoral laws. A so-called majoritarian element in parliamentary elections was included: 31 out of the 240 deputies were to be elected in single-member districts, while the rest were to be elected following the original pure proportional system. The BSP, the main sponsor of the "majoritarian element" reform, won none of the single-member district seats.

In the absence of scheduled elections, the only significant development related to electoral process in 2010 was the adoption of an electoral code combining four existing laws on elections to the presidency, the parliament, local authorities, and the European Parliament. The code was produced after extensive consultations with parliamentary groups and civil society, and—for the first time—changes were introduced well in advance of the 2011 election cycle. Some of the code's provisions were hotly disputed by the opposition, which pledged to challenge them before the Constitutional Court, especially the introduction of residency requirements for passive and active electoral rights, and the abolition of directly elected mayors for small villages. Overall, however, the code did not introduce major changes to the electoral system, which remains essentially a proportional representation system with a 4 percent threshold (the "majoritarian element" from the 2009 law was abolished). A preference voting component was introduced in which 9 percent of voters for a given party list are allowed to change the order of candidates. If at least 9 percent rank a certain candidate on the ballot as preferred, then the candidate automatically takes precedence over the candidate listed first by the respective party. According to most experts, this innovation will have a marginal effect due to the relatively high preference threshold.

The residency requirements in the new electoral code are viewed by critics as thinly-veiled attempts to limit the voting power of Bulgarian citizens living abroad,

especially Bulgarian Turks residing in Turkey. Although advertised as a measure to combat vote-buying and manipulation, the requirements appear to be designed to reduce the voting base of the DPS (the Turkish minority party). Apart from the constitutional issues such measures raise (i.e., equal treatment of Bulgarian citizens), the political wisdom of the residency requirements has been disputed in a country with a significant diaspora.

Civil Society

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
3.25	3.25	3.00	2.75	2.75	2.50	2.50	2.50	2.50	2.50

An independent civic sector in Bulgaria is guaranteed by the constitution under the freedom of association, and by the Non–Economic Purpose Legal Entities Act. During the period of transition many civil society organizations emerged and became very active at the local and national levels, achieving considerable influence.

The state in general does not impose obstacles to the formation of NGOs, and registration and tax regimes are relatively simple and stable. Civic organizations enjoy access to information rights, and the major agent for the spread of access to information practices in Bulgaria has been an NGO, the Access to Information Programme in Sofia. Public benefit NGOs are not obliged to pay direct taxes and are allowed to carry out for-profit activities that do not interfere with their stated aims if these projects are registered and taxed separately. Involvement of the civic sector in legislative and executive work in Bulgaria is not specifically regulated, but such engagement exists in practice. With the increase in the number of different NGOs—especially those whose main task is to influence public decisions through advocacy—the absence of specific regulations for lobbying activities creates a space for dubious practices and hinders the ability of civil actors to effectively express and pursue the interests of various segments of society.

Under the Non-economic Purpose Legal Entities Act, the Bulgarian Ministry of Justice maintains a central register for entities that define themselves as acting in the public interest. By the end of 2010 there were 8,327 entries in the register, an increase of over 27 percent in two years.[6] Of these, 85 percent are associations, 14 percent are foundations, and 1 percent are branches of foreign organizations. A new nongovernmental web portal for NGOs, including an information and registration feature, was started in 2010; as of the end of the year the site contained 5,094 self-registered entities, including 4,000 "for public purpose" groups and 200 "for private purpose" groups.[7] Among these web-registered NGOs, 126 explicitly define their basic activity as related to ethnic issues, 170 related to human rights, and 70 related to women and gender issues. The two registers indicate that Bulgarian NGOs cover various social spheres (health, education, social services), rights issues (human, minority, gender, religious), public policy and advocacy, business and development, and sports. Most of the organizations, especially in the nongovernmental online register, appear to be active.

In 2010 the economic crisis and consequent decrease in funding had a negative impact on civil society activity, amplified by the continuing underdevelopment of domestic funding sources and mechanisms. Regular campaigns for raising charitable funds meet with some success, but regular and institutionalized domestic flows of funding to nongovernmental activities remain very limited, and a dominant portion of NGOs have to rely on foreign funding, which is increasingly dominated by EU sources. While this is helpful for the exposure of EU-wide issues in Bulgaria, it is less conducive to grassroots civil society projects originating within Bulgarian society itself. Thus, while the country's civic sector is lively and has significant capacity, its important role as a forum for expressing societal needs and ideas, and incorporating these into policies and actions, is still impaired. Financial difficulties notwithstanding, a number of Bulgarian CSOs, especially trade unions and employer organizations, were very active and effective as partners with the government in managing the economic crisis in 2010, including formulation and implementation of specific policies.

Independent Media

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
3.25	3.50	3.50	3.50	3.25	3.50	3.50	3.75	3.75	3.75

Media freedom is legally protected in Bulgaria, and citizen access to various media sources is rich and free. The right to information is also enshrined in the constitution and in the Law on Access to Public Information. However, this legal framework lacks specialized legislation addressing the protection of journalists from victimization. Whatever protection exists is due to general laws protecting citizens and to the respect afforded to journalism as a profession, as well as the popularity of individual journalists and media sources.

Libel is a criminal offense in Bulgaria, but the penalty is a fine that rarely exceeds US$10,000. Despite numerous libel cases, the courts tend to interpret the law in favor of the freedom of expression and convictions are relatively few.

Print media are free from government control and regulation. Electronic media are regulated through the Law on Radio and Television by the Council for Electronic Media (CEM), which has the dual role of governing state-owned national radio and television and regulating the rest through licensing and registration. Although the CEM is not under government orders, parliament must approve its budget. Throughout its existence, the council has had a reputation of political dependence and has been heavily criticized for the manner and quality of its regulatory actions. The country's switch to digital broadcasting—particularly the parliament's oversight of the CEM in this process—has also left ample room for the influence of political and special-interest agendas with respect to electronic media.

There were 436 print newspapers operating in Bulgaria in 2009, including 67 dailies, 183 weeklies, and 603 magazines. Around half of the newspapers are published in the capital, Sofia, which enjoys 88 percent of the total circulation of

newspapers in the country.[8] Circulation for daily newspapers is relatively low. The tabloids *Weekend* and *Treta Vuzrast* currently have the highest circulation figures among the weekly editions.

With rhe exception of a few local newspapers and the official *State Gazette*, all print media in Bulgaria are privately owned, including foreign ownership. The two highest-circulating dailies were until recently owned by the German media group Westdeutsche Allgemeine Zeitung (WAZ); the sale of the newspapers to a group of investors led by three Bulgarian entrepreneurs—Lyubomir Pavlov, Ognyan Donev and Christo Grozev—was confirmed at the end of 2010. Meanwhile, the recently established print media conglomerate, New Bulgarian Media Group, strengthened its position in the media market. The Group is co-owned by a current member of parliament (MP), Delyan Peevski of the opposition DPS party, which had been in power in the two previous governments. This fact has sparked allegations of improper links between media and politics. In general, transparency of media ownership remains a problem in the country, and there have been several legislative attempts to address it over the last years.

Bulgaria has two national public TV channels: BNT1 and the worldwide satellite channel TV Bulgaria. Since 2000, there are also private commercial TV channels that are broadcast terrestrially nationwide: BTV, NovaTV and Pro.BG. National public television has 4 regional channels in Varna, Rousse, Plovdiv, and Blagoevgrad. As of 2006 there were 196 cable and satellite TV programs, and 42 towns had local TV operators and private TV channels. In addition, Bulgarian citizens have access through to numerous foreign programs.[9] Despite the large number of registered programs, however, the national market for both radio and television is relatively concentrated in programs with national air broadcasting licences.

There were 143 licensed radio programs in 2006. Three had national coverage: the public radio programs Horizont and Hristo Botev of Bulgarian National Radio (BNR) and the private Darik radio. There are local radio programs in 42 of the 240 towns in the country, and 115 local radio programs in 9 towns with a population above 100,000, with hyper-concentration of radio broadcasting in the capital Sofia. As of December 2009, CEM had registered 311 radio programs in Bulgaria (288 using air broadcast and 23 cable and satellite).

Bulgarian National Radio (BNR) and Bulgarian National Television (BNT) are at present separate legal entities, each with distinct Boards of Directors and General Directors appointed by CEM.[10] Both receive significant state subsidies yet have funding from advertising as well. To date, each new government has introduced changes in the electronic media law and/or CEM in order to have tighter control over public electronic media in the country.

As an EU member state, Bulgaria must switch from analog to digital broadcasting by the end of 2012. The legal framework for the switch was finally adopted in 2009 after a series of political scandals involving the then-governing coalition, which allegedly tried to push through legislation favorable to friendly business circles. The Law on Digital Communications, allegedly aimed at eliminating competitors

for national digital operators, prompted the Bulgarian Constitutional Court (BCC) to intervene and invalidate some of its provisions. Currently, the European Commission (EC) is reviewing the compatibility of the Bulgarian legal framework with EU legislation, as well as the practice of issuing temporary licenses for TV programs that guarantee them advantages after the digital switchover. If these measures are found wanting, Bulgaria will likely miss the 2012 deadline.

Professional organizations and NGO activities play an important role in the development of Bulgarian media. Among the country'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 attempting to reform its image. More than half of the journalists in Bulgaria are women. The largest publishers are united in their own organizations, such as the Union of Newspaper Publishers. Of the few NGOs that work on media issues, the most important is the Media Development Center, which provides journalists with training and legal advice.

In 2010, Bulgaria saw a number of attacks on journalists, including one murder. Bobi Tsankov, a crime writer and radio host, was gunned down in Sofia in January. However, some point to his own dealings with the Bulgarian mafia and his previous convictions of fraud, suggesting that personal grievances may be the real cause of the murder rather than his journalistic work.[11] Nonetheless, attacks on journalists and media continued in 2010, with one journalist being attacked mid-interview with a hammer blow to the head, and the *TV SKAT* television station being attacked with a Molotov cocktail.[12] SEEMO (The South East Europe Media Organization) expressed concern over the number of registered harassments, threats, and attacks it received in Bulgaria in 2010.[13]

Local Democratic Governance

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
n/a	n/a	n/a	3.50	3.00	3.00	3.00	3.00	3.00	3.00

The Bulgarian constitution explicitly defines the structure and powers of municipal self-government, and also allows for the possibility of intermediate (regional) level of self-government between the municipality and the state. The constitution grants municipalities the power to formulate and implement their own policies; own property and enter into transactions; and maintain budgets including the power to set local fees and, within limits set by parliament, decide local tax rates.

Local elections in Bulgaria have been held every four years since the start of transition. The last such national election occurred in 2007 and the next campaign is scheduled for 2011. Between national campaigns there are many mayoral by-elections due to a high frequency of personnel turnover. In 2010 there was only one such by-election worth noting, in the town of Gabrovo, whose mayor left to become Bulgaria's Minister Responsible for EU funds. Turnout was reported at a low 25 percent, and the results were contested by one of the losing parties based

on allegations of manipulated sectional protocols and bringing people from other parts of the country to vote; the allegations were deemed unsubstantiated by the judiciary.

The participation of citizens in local government varies between communities, depending largely on population and financial resources. The more than 260 municipalities in Bulgaria are quite unequal in this regard, ranging from less than 20,000 to more than a million people and with a several hundred-fold difference in the size of their budgets. While increasing size decreases the ability of individual citizens to have a voice in the policymaking process, the lack of resources (typical of smaller communities) severely constrains the space of possible policies and limits the choices available to citizens. Municipalities themselves are usually actively involved in national policymaking on local development. When negotiating with the state, they are represented by the National Association of Municipalities in the Republic of Bulgaria (NAMRB).

The ability of citizens to influence local policymaking, and the influence of local governments on national policymaking, were both limited in 2010 by the global economic crisis and an unstable national budget, which recorded serious deficits. This forced a revision of the Budget Act in July, resulting in decreased expenditures in numerous areas, including at the municipal level. The crisis appeared to affect municipal revenues more severely than overall national revenues, plunging the average local government into deficit problems. Consequently, financial and budgetary concerns dominated municipal agendas, taking precedence over the design and implementation of specific local development policies and projects, in which the public could be involved.

In general, Bulgarian municipalities are too small and poor to make a significant difference in the lives of their citizens through their own resources and decision-making capacity. The development needs of Bulgarian society, which are specific to regional and local circumstances, clearly call for increased involvement and effectiveness of regional self-governments. Increasing the size of the average municipality (and its resource base) through community mergers could possibly remedy the situation, as might the introduction of an intermediate level of self-government that would then allocate resources on a regional level. The second option is particularly relevant to the disbursement of EU funds targeting cohesion and development.

Judicial Framework and Independence

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
3.50	3.50	3.25	3.25	3.00	2.75	2.75	3.00	3.00	3.00

Basic rights such as the freedom of expression, of association, and of religious beliefs, as well as the rights to privacy, property and inheritance, and economic initiative and enterprise, are enshrined in the constitution, further defined and regulated in national legislation, and generally protected in practice. The greatest problem areas

in Bulgaria's court and penal system are discrimination against the Roma minority and certain religious beliefs, abuse of the rights of suspects, and significant delays in judicial decisions.

While many problems persist, the Bulgarian judiciary provides a generally effective check on both the legislature and the executive. The Supreme Judicial Council (VSS) administers the judicial system and is responsible for all judicial appointments. Its independence is guaranteed by the 5-year mandates of its members: 11 are elected by parliament, 11 by the judiciary, and the chairmen of the two supreme courts and the Prosecutor General are senior *ex officio* members. At present the VSS is a permanently active body, which means its members must leave their positions as judges or prosecutors. In the last days of 2010, parliament passed a controversial amendment to the legislative framework that will enable an executive security agency to give clearance to members of the VSS; it is argued that without such clearance, they will be unable to exercise their duties efficiently. Critics have viewed this amendment as an intervention by the executive into the independent judicial branch, and the measure will most likely be examined by the Constitutional Court (CC) in 2011. The government has advocated the amendment as an anticorruption tool, necessary in view of a series of scandals which typified appointments made by the SJC in 2009.

The Bulgarian Constitution is applied directly by the Constitutional Court, consisting of 12 justices appointed in equal quotas by parliament, the president, and the supreme courts with rotating, 9-year mandates. Both the VSS and the CC have successfully opposed government decisions and acts of parliament; the CC, for instance, has been rather activist during the country's transition and has codetermined public policy in areas such as restitution, privatization, regulation of public electronic media, and reform of the judiciary. It is a matter of some concern that the decisions of the CC over the last several years have fallen to around ten per year, and some advocate that more open access to the court will assist in the protection of constitutional rights and principles. The two supreme courts have also made decisions in favor of citizens against government bodies on numerous occasions.

In 2010, tension escalated between Bulgaria's government and judiciary as the Borisov administration attempted to introduce serious institutional reforms. The government is eager to deliver results in the fight against corruption and organized crime, and holds inefficiency and corruption within the judiciary responsible for the low number of convictions in such cases. A controversial proposal to set up specialized courts for prosecuting organized crime passed into law in 2010, but not until the last days of the year, after months of heated debate and mutual recrimination between GERB and members of the judciary. The logic behind the law is to speed up judicial proceedings and increase the number of guilty verdicts in high-profile cases. Specialized courts are also supposed to be more immune to pressure from organized criminal groups in court proceedings than ordinary judges. Critics of the reform claim that specialized courts may end up with relatively few cases, and that they might be used as a government tool to pressure the opposition.

Various changes were introduced into the draft law after consultations with the Venice Commission.

Another contentious measure introduced during the year required members of the Supreme Judicial Council (VSS) to pass security clearances administered by an executive security agency. Critics have viewed this amendment as an intervention by the executive into the independent judicial branch. Additionally, the government managed to pass a radical reform of the procedure for forfeiture of illegally acquired assets, allowing the state to seizure assets of indicted persons before they are actually convicted.

It has been suggested that pressure on the judiciary to deliver results may present a potential danger to the rights of citizens and the country's basic constitutional framework. Consequently, most of the reforms introduced in 2010 are expected to go before the Constitutional Court for review.

In another landmark measure from the GERB government, amendments to the law on forfeiture of illegally acquired assets were introduced in 2010 after a positive opinion from the Venice Commission. Under the new version of the law, illegally acquired assets could be forfeited before a person has been found guilty of a crime. Critics of the law have raised the issue that in an economy with a very large gray sector, the definition of "illegally acquired assets" could be dangerously broad: NGOs have argued that the new law could potentially target a huge proportion of Bulgarian households. In such circumstances, the law is bound to be selectively applied, and could be used by the government to put pressure on the political opposition.

Over the last several years, the Bulgarian judiciary has strongly asserted its independence vis-à-vis the other branches, which has raised some concerns about the accountability of judges and prosecutors. This problem was partially addressed in 2007 by introducing annual reports from the three highest figures in the judicial branch to parliament on the state of the judiciary. In 2008, an Inspectorate of the Supreme Judicial Council was established to investigate procedural deficiencies and disciplinary cases in the judiciary. Despite these positive institutional and legal changes, judicial performance has not improved significantly. This is especially true regarding proceedings against members of organized crime and corrupt state servants. The Bulgarian judicial system remains under review by the European Commission.

Corruption

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
4.50	4.25	4.25	4.00	3.75	3.75	3.50	4.00	4.00	4.00

Each branch of Bulgaria's government has a specialized anticorruption body, and there are inspectorates for dealing with allegations of corruption, conflicts of interest, and abuse of power. Financial disclosure, in particular, has captured the

public's attention since the beginning of the economic crisis, and the declarations of officials are carefully scrutinized in the media. Nevertheless, the country's fight against corruption lacks coordination between different units, as well as clearly defined responsibilities and expectations.

The government's influence in the economy increased in 2010, creating new opportunities for abuse of power. Meanwhile, government finances deteriorated, prompting a mid-year revision of the State Budget Act to address serious revenue shortages and uncontrolled government spending. Crisis measures had to be designed and implemented to stop the freefall of the state fiscal balance.

Nevetheless, some developments during the year suggested that corruption in certain sectors might be improving. Completion of procurement procedures on the Trakiya highway project took place in spring 2010 with unusual speed and a comparatively high level of transparency. Public interest in the bidding process was very high, resulting in the constant presence of both media and nongovernmental representatives, including Transpareny International Bulgaria, which—for the first time—was allowed to officially monitor the proceedings. The outcome of the tenders was not subject to the usual corruption allegations by participants and observers, nor to judicial complications after the announcement of the decisions. The prices were significantly lower than similar tenders in previous years, indicating significant savings for taxpayers. Based on these promising factors, the European Commission approved Bulgaria's application to receive funding for the project.

Another indication of possible improvements came with the withdrawal of political support for members of the ruling party when information of their inappropriate actions was made public. When Minister Nanev was charged with inappropriately handling public procurement procedures related to the Tamiflu vaccine, Prime Minister Borisov did not hesitate to accept his resignation. Other officials pushed to leave their posts included a deputy chairperson of parliament, Lachezar Ivanov, who had to resign all leadership posts after being implicated in lobbying actions considered inappropriate by his party. Parliamentary chairman Svetlin Tanchev and a deputy chairman, Plamen Tsekov—both GERB members—lost their positions after allegations that they had tampered with the publication of a law in the *State Gazette*. Finally, the deputy chairperson of another parliamentary committee, Genoveva Alexieva, was forced to resign over an undeclared conflict of interest.

In another positive development, the amount of EU structural funds actually disbursed by Bulgaria during 2010 was close to three times as much (€536 million, or US$ 736 million) as the total amount of funds absorbed in the preceding three years (€185 million, or US$ 254 million). While some of this increase is surely due to improved expertise among all actors involved, and the gradual expansion of the country's programs, the sheer size of the change cannot be explained without reference to a change in the way the European Commission, which holds veto power on all funded projects and procedures, views the level of credibility, transparency, fairness, and security of Bulgaria's implementation practices.

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Croatia

by Petar Dorić

Capital: Zagreb
Population: 4.4 million
GNI/capita, PPP: US$19,250

Source: The data above was provided by The World Bank, *World Development Indicators 2011*.

Nations in Transit Ratings and Averaged Scores

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Electoral Process	3.25	3.25	3.25	3.00	3.25	3.25	3.25	3.25	3.25	3.25
Civil Society	2.75	3.00	3.00	3.00	2.75	2.75	2.75	2.75	2.75	2.50
Independent Media	3.50	3.75	3.75	3.75	3.75	4.00	3.75	4.00	4.00	4.00
Governance*	3.50	3.75	3.75	n/a	n/a	n/a	n/a	n/a	n/a	n/a
National Democratic Governance	n/a	n/a	n/a	3.50	3.50	3.50	3.25	3.50	3.50	3.50
Local Democratic Governance	n/a	n/a	n/a	3.75	3.75	3.75	3.75	3.75	3.75	3.75
Judicial Framework and Independence	3.75	4.25	4.50	4.50	4.25	4.25	4.25	4.25	4.25	4.25
Corruption	4.50	4.75	4.75	4.75	4.75	4.75	4.50	4.50	4.50	4.25
Democracy Score	3.54	3.79	3.83	3.75	3.71	3.75	3.64	3.71	3.71	3.64

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

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

Executive Summary

Croatia today aspires to the role of a responsible leader and model for European Union integration within the Balkan region. Just 15 years since the war of independence and a decade since the death of nationalist autocrat Franjo Tudjman, Croatia's foreign policy agenda centers around normalizing relations with its neighbors and promoting stability among them. In 2010, several state visits to Serbia contributed to cordial, though not yet friendly, relations. As a NATO member, Croatia continues to work with coalition forces in Kosovo, as well as in Afghanistan. Croatia has also steadily improved relations with Slovenia, following a contentious dispute over maritime boundaries and fishing rights.

Domestically, politics and the media were consumed with the country's first-ever corruption proceedings against officials at the highest levels of government. In October, former Deputy Prime Minister Damir Polančec of the ruling Croatian Democratic Union (HDZ) was sentenced to 15 months in prison on corruption charges, making him the country's first senior official to be convicted on corruption-related charges. In December, former Prime Minister Ivo Sanader (HDZ), who returned to politics in July, was arrested in Austria on similar charges. Side effects of the anticorruption probes included increased political infighting, which had the effect of weakening the government's ability to pursue other crucial items on its reform agenda. Confidence in elected officials tumbled amid reports of new scandals and economic concerns.

National Democratic Governance. Efforts to combat high-level corruption dominated the national government's agenda in 2010, partly at the expense of other reforms. In late October, the main opposition party, the Social Democrats (SDP), spearheaded a no-confidence motion against Prime Minister Jadranka Kosor and the ruling HDZ, citing the damaging effect of the year's corruption scandals and the HDZ's failure to lead the country out of recession. The motion failed, but the accompanying political turbulence further distracted policymakers from pursuing an EU reform agenda. *Croatia's national democratic governance rating remains at 3.50.*

Electoral Process. Highly publicized problems with Croatia's electoral system remained unaddressed in 2010, most notably the practice of registering more voters than there are citizens eligible to vote. A new law on financing of political parties was drafted. Legislation necessary for regulating early elections was not introduced, despite the growing likelihood of early parliamentary elections in 2011. *Croatia's electoral process rating remains at 3.25.*

Civil Society. Croatia's civil society organizations are active and gaining influence among the public and in some decision-making processes. In 2010, increased

civic participation associated with a labor law referendum and a number of locally based civic initiatives demonstrated willingness on the part of the public to become involved in civic organizations and action—an improvement over previous years. *Owing to increased involvement of the public in grassroots initiatives, Croatia's civil society rating improves from 2.75 to 2.50.*

Independent Media. Croatia's media remain mediocre and lacking in diversity. Increasing interest in the internet and quality web-based news and analysis is partly countering the deficiencies found in traditional news media. Space for independent journalism remains restricted, however, by a tight concentration of media ownership and the persistent influence of powerful political and economic interests in Croatia. *Croatia's independent media rating remains at 4.00.*

Local Democratic Governance. Croatia's expensive and complicated network of local administrative units continues to draw criticism without inspiring effective reforms. Jurisdictional disputes between local and national officials escalated in 2010, but the government took no action to address these challenges in a systematic manner. *Croatia's local democratic governance rating remains at 3.75.*

Judicial Framework and Independence. The judiciary in 2010 made notable efforts to prosecute corruption cases. Major legal initiatives included a June constitutional amendment eliminating the statute of limitations for prosecuting ctimes related to the privatization of state firms. Prosecutorial action joined continued efforts to harmonize legal standards with those of the EU, but attempts to finalize EU Accession Chapter 23, which focuses on justice and fundamental rights, were still ongoing at year's end. *Croatia's judicial framework and independence rating remains at 4.25.*

Corruption. After a decade of strengthening anticorruption regulations, but showing little initiative, Croatia began to actively pursue several high-profile cases. The arrest of former Prime Minister Ivo Sanader and the sentencing of former Vice Prime Minister Damir Polančec on corruption-related charges sent the message that no one in Croatia is above the law. *These new and aggressive efforts to target high-level corruption boost Croatia's corruption rating from 4.50 to 4.25.*

Outlook for 2011. The pace of reform in 2010 suggests that the country will not meet its target accession date of mid-2012. Elections—whether they take place in November 2011, as scheduled, or earlier—may slow the process of reform, but even without the complications caused by an early vote or a new government, Croatia's leaders and institutions will need more time to implement reforms in a consistent and effective way. Independently of Croatia's EU progress, 2011 is likely to be a year of further political upheaval, investigations of past business practices by elements with the country's economic and political elite, and continuing economic challenges due to the global economic crisis.

Main Report

National Democratic Governance

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
n/a	n/a	n/a	3.50	3.50	3.50	3.25	3.50	3.50	3.50

Corruption and the pace of judicial reform remain a major concern of the European Commission (EC) as it monitors Croatia's readiness for EU accession. The November 2010 EC Progress Report urged Croatia to more aggressively pursue corruption investigations. The report also criticized the weaknesses of ostensibly reformed governance structures that that do not yet function at the level expected of a potential EU member.[1]

Croatia's national government, led by the center-right Croatian Democratic Union (HDZ), became more assertive in its investigation of corruption but its effectiveness was progressively weakened by political infighting. Public confidence in the government plummeted.[2] In response, trade unions and the opposition Social Democrat Party (SDP) grew in stature, and a call for early elections grew louder in 2010.

The politically and socially turbulent year began with the final round of presidential elections, where two very different personalities clashed at the polls. Voters in the end selected the intellectual, steady "family man," Ivo Josipović, over the outgoing sports enthusiast, long-time Zagreb Mayor Milan Bandić. While both candidates hailed from the SDP, there were significant differences between them.[3] Josipović was seen as a liberal democrat, while Bandić represented more church-oriented and nationalist circles. Josipović won most of the urban vote, while Bandić scored better in rural areas and among the Diaspora, especially Bosnian Croats in Bosnia and Herzegovina.[4]

The presidency in Croatia is no longer as powerful as during the time of Franjo Tudjman, and most powers are now held by the prime minister. However, the president still carries substantial weight in some areas. Former President Stjepan Mesić (2000–2010) was the first to use his position to promote Southeast European regional normalization and to publicize key internal governance concerns of the country. He used his position to point out the inconsistencies of government leaders, making him one of the most trusted public figures in Croatia.

President Josipović has been more reserved, but his controlled demeanor was put to the test in April when an anonymous author published online the "Defenders Registry," a set of defense documents that include names of individuals who served in the Croatian army during the 1991–1995 wars. This was both a political and social issue since it is alleged that many enjoy veterans' privileges without actually having served in the military. The number of former soldiers is much larger on paper than it was on battlefields, standing at almost 500,000 out of a population of 4.4 million. In effect, the status of "veteran" is, in the eyes of the

public, part of a larger political patronage network linked closely to the HDZ party and its affiliates.

Before the leak, President Josipović, opposition parties, and even a few veterans' organizations had been calling for the publication of the list. Steady support for such a position had also grown with the awareness that the many social benefits cut to balance the government's budget in 2009 had included no reduction in benefits for veterans. After the registry became public, the government appeared to focus on the controversial leak, rather than addressing potential abuses within the veterans system. At one point, officials attempted to shut down the webpage that published the documents.

Prime Minister Jadranka Kosor's main challenge in 2010 was to clean up her government from within. In the process, the very core of the ruling HDZ party and its support network was shaken up. Most illustrative of this was the return of former Prime Minister Ivo Sanader into the political sphere in the summer. Sanader, once hailed internationally for his efforts at democratization and Europeanization of the HDZ, became a leading suspect in ongoing investigations into allegations of financial wrongdoing within Austria's Hypo Alpe-Adria-Bank, which was on the verge of collapse before it was nationalized in 2009. His sudden resignation in mid-2009 was thought to be linked to looming corruption scandals; therefore, his return to HDZ in 2010 opened uncomfortable questions for Prime Minister Kosor, who had served as Sanader's deputy prime minister during the period under investigation. Also, while Sanader did not explicitly declare his intention of taking back party leadership, his return implicitly challenged Prime Minister Kosor's influence within the party. As a result, both the HDZ government and its ruling coalition spent much of the rest of 2010 trying to avoid the scrutiny of the public, the opposition, and the public prosecutor, all while enduring internal disputes. Two leading figures from the junior coalition partner Croatian Social Liberals (HSLS), whether in disagreement or anticipation of dismissal, resigned in July, but the ruling coalition did not suffer any other defections even though political infighting further intensified through the end of the year.

Early December brought the culmination of Sanader's fall, when parliament approved the state prosecutor's request for lifting the immunity that the former prime minister had previously enjoyed. Meanwhile, Sanader left the country for Austria, where he was later arrested in connection with the Hypo Alpe-Adria-Bank investigation. Investigators say the bank made billions of euros in suspicious loans to 12 countries, including Croatia, and sheltered illicit payments made in connection with weapons sales to Croatia in the 1990s.

The drama had political fallout for the government. A vote of no-confidence cast in late October was narrowly defeated thanks only to the support of the Croatian Serb minority party, the SDSS.[5] The controversies, combined with economic malaise, boosted the popularity of the SDP, though whether the opposition party can translate popular discontent into an election victory is uncertain. SDP leadership is considered weak and party cohesion is questionable. Public surveys in 2010 suggested that SDP is far ahead of HDZ,[6] but the party did not capitalize on

the HDZ's unpopularity to demand substantial concessions from the government or to push a more robust reform agenda.

Overall, Croatia's political institutions lack the capacity and political will to tackle the challenges facing the country. Such weaknesses were noted in the most recent EC Progress Report. Brussels' statements of support for Croatia's EU accession are clear, but there was the notable absence of a specific date for accession, a telling—if indirect—indication that Croatia still has much work to do. Such sentiments are echoed by the political opposition, and the country's ability to advance necessary reforms is an open question.[7] Still, Croatia aims to complete its EU accession talks by mid-2011.

There was no significant progress in 2010 on cooperation with the International Criminal Tribunal for the former Yugoslavia (ICTY) on turning over evidence that allegedly documents war crimes. An ongoing saga over the so-called Artillery Diaries, which document where alleged war crimes were committed, continued, though several EU countries decided to lift objections over the war documents issue that had held up progress on Chapter 23 of Croatia's EU accession.[8] It is unclear whether Croatian authorities knew the documents' whereabouts, or whether it is possible that such papers never existed, as claimed by the government.

Electoral Process

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
3.25	3.25	3.25	3.00	3.25	3.25	3.25	3.25	3.25	3.25

On January 10, 2010, Croatia held a second round of presidential elections since no candidate from the first round gained more than 50 percent of the vote. SDP candidate Ivo Josipović easily defeated independent Milan Bandić (former SDP) in the second-round ballot with 60.26 percent of the 2.1 million votes cast.[9] The elections were deemed free and fair, and no serious irregularities were noted.

Local elections took place in several cities in 2010. The biggest of these cities was Split, where May 2009 elections were won by the newly formed Croatian Citizens Party (HGS) of private entrepreneur Željko Kerum, leaving both SDP and HDZ in the opposition. On April 18, 2010, around 1,800 candidates competed for 236 local representative positions in 34 city districts. A locally conducted survey by the Law Faculty in Split showed that only 18 percent of voters knew about the elections a month beforehand and that only 30 percent knew where communal offices were situated in their neighborhood. The same data showed that 20 percent of voters were interested in becoming a community representative.[10] Voter turnout was 12 percent, with HDZ taking 30 percent of the votes, SDP-HNS 25 percent, and HGS-HCSP 15 percent.

One year after the first local polls to directly elect mayors and *župans* (county prefects), some negative (if unintended) effects of direct elections could be seen in both Zagreb and Split. Namely, both mayors Milan Bandić and Željko Kerum found

themselves either losing coalition partners or support from their own parties during the course of the year. While such a political situation is not unusual, the electoral legislation adopted by Croatia in 2007 does not allow mayors to be removed via a vote of no-confidence within the city council; current mayors can only be removed by a referendum, with at least 50 percent of all registered voters participating. Since local elections have traditionally had low turnout, the expectation that 50 percent of eligible voters would participate may be unrealistic. Paradoxically, the council composition can be changed through a vote of no-confidence and early elections. The difference in electoral options available to the population in this situation creates a gap between mayoral and council accountability to their constituencies.

The year saw few efforts to address endemic irregularities in voter registries or problems with campaign finance. Civic groups—including GONG, a nonprofit organization encouraging citizen political participation—say Croatia's voter registries are inaccurate to the point of distorting election results by several percentage points. Without changes, the next election is likely to reflect distortions that have marred past elections.[11]

Manipulation of registry votes historically has been considered most advantageous to the HDZ. Fixing the problem had been a campaign issue of the SDP in the last elections, and gained attention again when the Constitutional Court ruled against the trade unions' request for a referendum on the Labor Law. The government previously stated that many of the 700,000 signatures collected were not in compliance with voter registries and should not be taken as valid. SDP leader Zoran Milanović used the occasion to ask the government to publicize the voter registry and to allow for its reform, but this did not happen.[12] By the end of the year, a government proposal for a new census registry had been sent to parliament suggesting that the task would be done in early 2011.[13] That could be enough time to simultaneously fix mistakes in the voter registries before elections are called, but no official statements mentioning the voter registries were directly connected with a suggestion for a new census.

In another major development, many hopes were pinned on a new Law of Political Party and Campaign Finances that was under parliamentary consideration in 2010. The new law would regulate political campaign spending by setting limits of 8 million kuna (US$1.5 million) for presidential campaigns, 1.5 million kuna (US$277,000) for parliamentary seats, and 500,000 kuna (US$92,000) for city and county prefects. Watchdog organizations and other observers praised efforts to improve transparency within political party finances in anticipation of the law's adoption.[14] However, there are still concerns over a set of regulations necessary for holding the next parliamentary elections, which were not finalized by the end of 2010, leading to potential delays in early elections.[15]

Civil Society

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
2.75	3.00	3.00	3.00	2.75	2.75	2.75	2.75	2.75	2.50

Civil society organizations have become stronger in the past decade and increasingly willing to flex their muscle. While some of this increase in activity has been associated with nationalist forces, several large-scale, high-profile actions by trade unions and citizens' groups suggest the growing influence and support for civic action.

In the past, the public was often unwilling to support civil society initiatives, a tendency usually attributed to Croatia's experience with socialism, as well as a decade of the Tudjman government, which treated independent civil society with hostility. That changed with the coalition government formed after his death in 1999. The National Foundation for Civil Society Development (Nacionalna zaklada za razvoj civilnog društva) was created in 2003 with a mission to improve state support to civic groups. In its 2009 annual report, NFCS reported that the founding assets of 2 million kuna (US$369,500) set aside in 2003 had by the end of 2009 been increased to 42 million kuna (US$7.8 million). However, there has not been sufficient improvement in the ability of small grassroots movements and organizations to access these funds, and financial challenges persist for all but the most well-established NGOs and civic initiatives.

It is estimated that 35.2 percent of Croatian citizens have been active in at least one of the around 30,000 registered nongovernmental organizations in the country; by comparison, the EU average is 40 percent.[16] Croatian civil society activity corresponds to the following types of organizational membership: 13 percent religion-based, 12 percent sport or recreational, and 10 percent union-based groups.[17] Within these types of engagement, civil society has had increasing influence on decision-making processes on a variety of state and government issues. For example, the organizations Kontra and Isokrak continued their work to support guarantees and safeguards concerning gender and sexual minority rights issues. Transparency International Croatia helped draft a proposed Law on Financing Political Parties and Campaigns.[18]

In June 2010, major trade unions gathered some 700,000 signatures—well exceeding the 450,000 needed—requesting a national referendum on proposed changes to the Labor Law that union leaders argued solely benefitted employers.[19] Several factors may have contributed to the public response, including appeals from the unions' representative Ozren Matijašević, the government's low approval rating, high media attention, and support from opposition parties. Matijašević's prominent leadership role in these events elevated him greatly in the eyes the public; he was the first figure since independence to gain such a following. Apparently influenced by the public's response, the government rescinded the proposed changes to the Labor Law.

During the height of the public campaign, the parliament asked the Constitutional Court to rule on the validity of the referendum. The court eventually

ruled that the referendum was no longer needed when the government withdrew its legislation. Despite the fact that their practical goal had already been achieved, union and civil society leaders, as well as President Josipović, criticized the ruling of the court and accused it of lacking independence.[20]

Later in the summer, the Zagreb-based initiative Pravo na grad ("Right for the City") organized more than a dozen demonstrations to stop construction by a local entrepreneur. The civic group asserted that regulations were ignored due to alleged corruption in the issuance of construction permits and that the builder's plans were going to change the visual character of a downtown street called Varšavska. The group used Facebook to organize activities, and news coverage of the protest at the construction site brought the organizers a nationwide following. During one of the protests, police used force and arrested around 70 demonstrators who were blocking engineers and construction workers from the site.

Zagreb Mayor Milan Bandić's position was shaken by the demonstrations and he faced calls for resignation. Nevertheless, the controversial construction project continued moving forward at year's end. The activities of Pravo na grad inspired several other protest actions against construction plans around the country, using "Varšavska Street" as a rallying cry for citizens opposing building projects supported by local governments. For example, organizations in the coastal resort city of Dubrovnik invoked Varšavska Street in their campaign against a planned golf course.

The other noteworthy trend in 2010 was a slight moderation of some NGOs associated with the Catholic Church, which often promote ethnic and conservative exclusivity, and war veterans' groups, which typically support independence from international organizations like the EU and suspending cooperation with the ICTY. While few changes in the orientations of religious organizations were noted, a number of veterans groups appeared to be modifying their public image. Some groups expanded their humanitarian work, collecting aid for survivors of the Haiti earthquake, and also toned down their public statements on support of indicted war criminals. Other groups maintained their entrenched positions. During the one commemoration of WWII events in the region of Lika, several organizations—whose view of the events is far more nationalist than the government's official position—protested the government's financing of the commemoration.

Independent Media

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
3.50	3.75	3.75	3.75	3.75	4.00	3.75	4.00	4.00	4.00

There were neither great strides nor significant deterioration in the Croatian news media in 2010. There were still general concerns, such as the dominance of print media by a few companies, the leading position of Croatian National TV, and the overall low standards of journalism in mainstream media. The one counterpoint to

these trends was the continued rise and use of internet-based media for news and commentary.

Croatia's national television network, Hrvatska Radio Televizija (HRT), remains the most influential news source in the country, with more than half of the population using it as its primary source of information. The development of private, nationwide television stations in the past several years (including Nova and RTL) has not challenged HRT to improve but, rather, to commercialize. While HRT has transformed from state to public TV, in reality, it is a hybrid of public, state, and commercial TV. By law, all households must pay a fee for HRT even though it continues to run advertisements. One of the loudest critics of this practice, the domestic Association of Commercial Media (Koordinacija komercijalnih medija), notes that parliament provided the broadcaster with 6 billion kuna (US$1.1 billion) during the last five years, while HRT collects 1.2 billion kuna (US$200 million) per year from mandatory fees, while also earning commerical revenue.[21]

Print media in Croatia also benefit from the public purse through cozy advertising relationships with state-owned companies and government agencies. Combined with the economic crisis that has reduced newsroom budgets, the increased dependence on government advertising raises questions about the ability of journalists to be neutral watchdogs of the government or its interests.

The largest owner of print media in Croatia is German's WAZ Medien Gruppe, which owns half of Europapress Holding (EPH). WAZ and local media owners Nino Pavić and Miroslav Kutle own about 50 percent of the print media, including the major dailies *Jutarnji List, Slobodna Dalmacija, Sportske novosti, Slavonski dom, Dubrovački vjesnik, Šibenski list*, and weeklies and monthly magazines such as *Globus, Arena, Auto klub, Gloria, Cosmopolitan, Teen, Moja tajna, O.K.*, and *Playboy*. The other large print media investor is Styria Media Group of Austria, owner of most of the remaining dailies and weeklies.[22]

The tabloid *24 Sata* is the only profitable mainstream newspaper, with an estimated daily circulation of 163,000, followed by *Vecernji List* with 75,000 copies. Most other publications are struggling to survive and have posted no profit for the last few years, with print media showing a 22 percent decrease in advertising.[23] Such a challenging market environment means that there are few genuinely independent print media. The daily *Novi List*, based in Rijeka, is one. The Croatian-Serb weekly *Novosti* is one of the few papers publishing investigative and analytical reports, irrespective of the state support it receives as a minority-run paper.

After 2000, the general democratization of the country did not influence the media sector as might be expected. A concentration of print media ownership and slow, or small, transformational attempts in electronic media generally produced sensationalism rather than more robust journalism. This tendency is not unique to Croatia, but rather seems endemic to the Balkan region as a whole. Many of the most respectable journalists slowly pulled back from mainstream print towards more analytical web portals, writing with the same quality but for a smaller audience. It is estimated that 53 percent of citizens over the age of 15 are using the internet in Croatia, which is near the EU average of 58.4 percent.[24] However, the percentage

of users who look to the internet as a news source, rather than entertainment, is unclear. The growth of new media in Croatia is both a sign of increased internet usage and the lack of adequate alternative sources.

Intimidation of journalists in 2010 was latent, rather than active. There were no cases of assassinations or attacks on journalists as in previous years, but self-censorship is believed to be a persistent problem. Court cases relating to the murdered news magazine owner Ivo Pukanić and Dušan Miljuš, a journalist who was brutally attacked in 2008, remained in the public eye during the year. Six men were convicted in the Pukanić case and sentenced to prison terms of 15 to 40 years, but no one has been charged for ordering the killing. Four people were charged in late December in connection with the attack on investigative reporter Miljuš.

Local Democratic Governance

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
n/a	n/a	n/a	3.75	3.75	3.75	3.75	3.75	3.75	3.75

As a legacy of the Tudjman era, Croatia is administratively divided into 20 *županijas* (counties established around the 20 largest cities), 126 cities, and 429 municipalities. Many suggest that Tudjman created *županijas* to more easily control the country during the war years (1991–95), while afterward, *županija* administration offices were mostly used as a political patronage system to consolidate the president's power and that of his party, the HDZ. By contrast, during the period of the Yugoslavian federation (1945–91), Croatia had only 69 cities and 103 municipalities.

Talk of new models for regionalization surfaced in 2010, but without clear political strategies for their realization. There was agreement around two main alternatives, a five-region model and a three-region model based on EU structural-fund divisions.[25] However, even though the system of *županijas* is understood as ineffective, the political will to change it is still not present. Decreasing the number of municipalities is more difficult than expected even though many rural municipalities are not able to financially support themselves due to the small number of citizens and absence of economic development.

Tensions caused by the current system continued to grow during the year, with numerous examples of strained budgets and difficult decision-making between the local and central powers. One closely watched standoff at mid-year involved the declared closing of state-run maternity hospitals in the Dalmatian cities of Makarska, Sinj, Imotski, Supetar, and Slavonia Djakovo due to insufficient equipment, personnel, or finances to keep them operating or to modernize the facilities according to state regulations.[26] This brought loud protest from citizens, political parties, and various civic groups. With the state health system centralized in Zagreb, none of the cities could collect sufficient finances to maintain their facilities. Ultimately, the reopening of several hospitals calmed local concerns, but it did not address the increasingly difficult problem of state versus local funding

and decision-making, or the mechanisms that are needed to tackle contentious local issues.

Similarly, there were several standoffs between the local and national officials regarding the Law on Golf Courses (Zakon o golf igralištima). The law allows locally designated green and agriculture areas to be rezoned and made into strategic investment areas for golf courses, hotels, and other tourism infrastructure, without local due process or public participation in decision-making. This issue erupted simultaneously in Dubrovnik,[27] near Zadar,[28] and in Istria.[29] Croatia is one of the few countries with such a law.

Judicial Framework and Independence

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
3.75	4.25	4.50	4.50	4.25	4.25	4.25	4.25	4.25	4.25

Croatia does not have a legacy of judicial independence. Reform has been part of the government agenda, particularly since 2000, but political influence, as well as capacity issues, is often cited as a concern in external assessments of the reform process. There was a marked increase in government efforts to investigate corruption allegations, but the complex cases pose a challenge for a judicial system that is still developing and does not yet have a large corps of professional or experienced judges.

Judicial reform throughout 2010 was closely connected to the ability of the legal framework to investigate and process corruption cases, especially within public-sector and state-funded projects. The large number of cases opened throughout the year by the Office for Combating Corruption and Organized Crime (USKOK) suggested a government that had gotten more serious about making a meaningful dent in corruption. These included cases involving three state-run companies—INA (oil and gas), HEP (electricity) and Brodosplit (shipbuilding)—as well as the conviction of former Vice Prime Minister Damir Polančec for corruption-related charges, and the indictment of HEP's former chief executive, Ivan Mravak.

Even one longtime case against a war crimes suspect appeared to be coming to a close. After a guilty sentence for war crimes in 2009, former MP Branimir Glavaš fled to Bosnia to escape arrest. A newly formed bilateral agreement between the two countries forces Glavaš to decide whether he will serve his sentence for war crimes in Croatia or in Bosnia. In addition, during October 2010, USKOK opened investigations against five people accused of attempting to bribe Supreme Court (Vrhovni sud) judges in connection with the Glavaš case. Among the accused were a politician from the Croatian Democratic Assembly of Slavonia and Baranja (HDSSB), and an editor of a Slavonian daily newspaper, both from the city of Osijek.

Despite the corruption crackdown, there were still cases in 2010 where the independence of the judicial system from political pressure was in doubt. The judiciary's functioning remains challenged in a number of respects, with only slow progress made in administrative reform efforts that have been under way for several

years. The continued backlog of cases, while somewhat improved, remained a barrier due to legal fees and years of case continuations.[30]

The most significant areas of judicial reform in 2010 were those connected to the implementation of EU accession reforms. With EU membership in mind, Croatia made several constitutional changes—the fourth set of amendments since the constitution's adoption in 1990— aimed at allowing easier adoption of EU regulations across many areas of legislation. Significant compromises between the main political parties on these constitutional changes reinforced the general political consensus towards full EU membership, as well as continuation of the reform process.[31]

Attempts to close Chapter 23 of the EU accession process, which focuses on justice and fundamental rights, were still in progress at year's end. The European commissioner in charge of Justice, Fundamental Rights and Citizenship, Viviane Reding, issued a statement in late October in support of the country's efforts to combat corruption, but there were no clear signals of when negotiations on the justice and fundamental rights chapter would be successfully concluded. Croatia's official completion of Chapter 23 had been blocked for several years by the Netherlands, Britain, France, Belgium, and Denmark. The countries have insisred on an ICTY opinion on Croatia's investigation of the so-called Artillery Diaries that were requested but never delivered to the war crimes tribunal. The five countries lifted their opposition in early 2010 while Croatia continued to search for the ICTY-requested documents.

Corruption

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
4.50	4.75	4.75	4.75	4.75	4.75	4.50	4.50	4.50	4.25

Some of Croatia's problems with graft can be traced to the Tudjman era, when the urgency of wartime demands was used to privatize public companies in a manner that concentrated much of the country's resources into the hands of a few entrepreneurs loyal to Tudjman. After his death and the democratic change of government in 2000, these activities become more obvious to the general public, but it was not until the summer of 2010 that the government changed the constitution to proclaim that privatization crimes committed during the war era do not have an expiration date. The government intensified its anticorruption campaign, focusing on the investigation and prosecution of corrupt practices.

Public restlessness over the economic crisis and announced cuts in government spending shone a spotlight on unexplained state investments and public spending at both the national and local levels. This spurred the government to look higher than the small fish of the Index and Maestro cases of previous years,[32] ushering in a housecleaning of high-level ranks and companies.

The extent to which this was comprehensive is open to debate. However, it was clear that the political will had been mustered to examine in a more serious way

connections between powerful political and business figures. During the year there was an almost constant opening of high-level investigations on corrupt public and political figures, and former Vice Prime Minister Damir Polančec was sentenced in 2010 for corruption and abuse of power. A law adopted at the end of 2010 allows courts to freeze property of accused persons even before final sentencing.

The Office for Combating Corruption and Organized Crime targeted some of the highest-ranking figures believed to be involved in abusing their offices. Polančec also spent several weeks answering USKOK questions on suspicious details of the national oil company privatization and relations with the Hungarian petroleum company MOL, as well as with other cases. The former Croatian Electric Company (HEP) chief executive, Ivan Mravak, and prominent HDZ figure Ante Barišić were questioned over actions of the Sanader-led government.

For the current government, it is politically convenient to target the former government of Ivo Sanader and to investigate many of the deals during that time. It is still not clear whether these investigations are politically driven or to what extent prosecutions will follow. Sanader's arrest on December 10 in Austria—as part of a sweeping investigation of the Hypo Alpe-Adria-Bank, which purportedly had nefarious business dealings in Croatia—points to an attempt to break with old governing practices. And yet, not so long ago, officials leading the anticorruption efforts were closely connected to some of those presently targeted in graft inquiries.

Croatia's State Attorney General, Mladen Bajić, is seen as the chief force behind the push to weed out corruption, although critics say his zeal is a recent development. Some suggest he was complicit in past war crimes when he was a military prosecutor.[33] Appointed in 2002, Bajić enjoys the role of leader of anticorruption investigations, receiving daily public invitations to send his teams to investigate alleged wrongdoing.[34]

Former Justice Minister Ivan Šimonović stated in January 2010 that Croatia needs anticorruption mechanisms that are independent from executive powers, mentioning former PM Sanader's influence on institutions, including USKOK.[35] Sanader's arrest and conviction on corruption-related charges would suggest that the former premier has lost whatever influence he previously enjoyed. The fight against corruption has shifted into high gear, but it remains to be seen how determined the government and justice system will be in sifting through a backlog of cases and prosecuting wrongdoing without favor or prejudice.

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justice was introduced. However, the backlog of cases has been reduced unevenly across the various courts and overall remains high." See European Commission, *Croatia 2010 Progress Report* (Brussels: European Commission, 9 November 2010), 8, http://ec.europa.eu/enlargement/pdf/key_documents/2010/package/hr_rapport_2010_en.pdf.

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32 Operation Index targeted professors and students involved in corrupt practices within universities; Operation Maestro targeted the Croatian Privatization Fund. Neither operation charged or indicted any high-level actors. See *Nations in Transit 2009* for more details.

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35 Šimonović was also understood to be a motor of positive reform. His surprising resignation in May 2010 to become UN Assistant Secretary-General for Human Rights did not carry any murky motives. But it did suggest that the judicial reform process and its current main task of investigating and prosecuting corruption still holds many pitfalls and cannot be dependent on any one or several individuals.

Czech Republic

by Jeremy Druker

Capital:	Prague
Population:	10.5 million
GNI/capita, PPP:	US$23,940

Source: The data above was provided by The World Bank, *World Development Indicators 2011*.

Nations in Transit Ratings and Averaged Scores

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Electoral Process	2.00	2.00	2.00	2.00	2.00	1.75	1.75	1.50	1.50	1.25
Civil Society	1.75	1.50	1.50	1.50	1.50	1.50	1.25	1.50	1.75	1.75
Independent Media	2.50	2.25	2.25	2.00	2.00	2.25	2.25	2.25	2.50	2.50
Governance*	2.25	2.25	2.25	n/a	n/a	n/a	n/a	n/a	n/a	n/a
National Democratic Governance	n/a	n/a	n/a	2.50	2.50	3.00	2.75	2.75	2.75	2.75
Local Democratic Governance	n/a	n/a	n/a	2.00	2.00	1.75	1.75	1.75	1.75	1.75
Judicial Framework and Independence	2.50	2.50	2.50	2.50	2.25	2.00	2.00	2.25	2.00	2.00
Corruption	3.75	3.50	3.50	3.50	3.50	3.50	3.25	3.25	3.25	3.25
Democracy Score	2.46	2.33	2.33	2.29	2.25	2.25	2.14	2.18	2.21	2.18

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

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

Executive Summary

A dramatic year at the ballot box left the Czech Republic with a potentially momentous opportunity to remake the country and do away with many of the ills that have derailed reform and left the political elite floundering without a long-term vision. Parliamentary elections gave a center-right coalition the strongest parliamentary majority since the country's creation in 1993—a far cry from the weak, largely ineffective governments that have characterized recent years. That kind of solid majority will be all the more necessary given the parties' pledges of austerity and fiscal responsibility to reduce the deficit, as well as their goals of finally tackling some of the most difficult reforms and widespread corruption.

National Democratic Governance. The dominant majority of the new coalition and its aggressive reform agenda, as well as its pledges to improve the destructive level of political culture, have the potential to improve dramatically both the style and substance of governing. *However, it was still too early to assess the impact of these factors at year's end, and therefore the Czech Republic's national democratic governance remains at 2.75.*

Electoral Process. Parliamentary, local, and Senate elections took place in 2010 with allegations of vote-buying forcing the rerun of several local elections. Puncturing the typical staleness of the Czech political system, which has allowed too little room for new faces in politics, the parliamentary elections swept two new parties and dozens of new politicians into power, including more women than ever before. *Although the long-term viability of these parties remains questionable and no progress was made on political inclusion of the substantial Roma minority, the revolution at the ballot box mandates an improvement in the electoral process rating from 1.50 to 1.25.*

Civil Society. The reputation of nongovernmental organizations continues to grow in the Czech Republic, and the NGO sector as a whole has matured greatly. In 2010, a long overdue crackdown on extremist groups led to stiff sentences for a racially motivated crime and the banning of a far-right party connected to neo-Nazi groups. These actions, while largely symbolic, represent a strengthened governmental and judicial response to rising violence and intimidation of Roma and other minorities practiced by illiberal extremists. However, it remains to be seen how whether these actions will temper the visibility and influence of extremist groups in Czech society. The Roma minority targeted by the majority of extremists continues to face discrimination in the public education system and the electoral process. *Despite encouraging signs that the government's tolerance for extremism has run out, the Czech Republic's civil society rating remains at 1.75.*

Independent Media. Czech media are independent and diverse, but critics continue to speculate about behind-the-scenes political and financial interference. *The biased coverage of the parliamentary elections by some newspapers, as well as several physical attacks on local journalists, keep the rating for independent media at 2.50.*

Local Democratic Governance. While more control systems are needed to rid the local administration of clientelism and improve efficiency, local governments have continued to prove their worth and have found relative popularity among citizens. *Political competition remains vibrant but local power brokers still have too much power; therefore, the Czech Republic's local democratic governance rating holds steady at 1.75.*

Judicial Framework and Independence. In a rare speech to parliament, the president again attacked the independence of the Constitutional Court, and worries remain over the executive's control over the judiciary and state attorney's office. *However, several of those that interfered in a high-profile corruption case several years ago finally lost their jobs, a significant step toward improving the judicial system's reputation, leaving the country's judicial framework and independence rating at 2.00.*

Corruption. The caretaker government that led the country until the spring elections failed to pass any major anticorruption measures, leaving intact the alarming intersection of political and business interests in the Czech Republic. *The new government has placed the fight against corruption at the top of its agenda, but it is still too early to change the country's corruption rating from 3.25.*

Outlook for 2011. The new coalition's first six months in office were largely focused on settling in at the various ministries, making personnel changes, and setting policy priorities, with the overriding aim of slashing the budget and passing austerity legislation. The fall local and Senate elections also provided distraction from starting the long-term changes that the government has promised. As demonstrations against all the cost-cutting accelerate, the coalition could be hard-pressed to move aggressively in overhauling the pension, health, and tax systems, reforms that the country's leaders have pledged will begin in earnest in 2011.

Main Report

National Democratic Governance

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
n/a	n/a	n/a	2.50	2.50	3.00	2.75	2.75	2.75	2.75

The institutions of governance in the Czech Republic are stable and democratic. No single party dominates the political scene, and regular rotations of power occur at national and local levels. Political parties generally agree on the nature and direction of democratic change, with one major exception—the largely unreformed Communist Party (KSČM), which has not served in a post-1989 government and continues to attract those nostalgic for the old regime as well as those left behind during the economic transition. The KSČM holds 26 of the 200 seats in the powerful lower house of Parliament, but the refusal of other political parties to include the Communists in coalitions has greatly complicated the process of forming stable governments among the remaining, often conflicting parties.

That may finally change, as the coalition that emerged from the May parliamentary elections—the Civic Democrats (ODS), TOP 09, and Public Affairs (VV)—hold 118 seats out of 200, the most in history and a far cry from the case in 2006, when the elections ended in a dead heat between the two main left- and right-wing camps. The shaky government that emerged had to depend on two rebels from the Social Democrats (ČSSD) to pass any major legislation.

The lack of significant progress in reform efforts was also closely tied to the failure of the country's leaders to seek consensus across party lines; the animosity between Mirek Topolánek and Jiří Paroubek, the long-time ODS and ČSSD heads, precluded practically any cooperation on the national level. In the lead-up to the six-month Czech presidency of the European Union (EU) that began in January 2009, the two even failed to close a peace pact, and a ČSSD-initiated vote of no-confidence eventually brought down the government in March 2009, for many yet another example of Czech politicians' placing party or personal interests above the interests of the country at large.

Such incidents made the behavior of the caretaker government that took over until the May 2010 elections so appealing in comparison, led by the non-partisan Jan Fischer, who had been the head of the country's statistical office. In general, Czechs applauded Fischer's balancing act among the parties and appreciated the contrast between his businesslike approach and the usual political invective; Fischer's popularity soared to record rates of over 80 percent during his term. However, though Fischer and Finance Minister Eduard Janota convinced Parliament to pass a crucial austerity package designed to cut the country's large deficit, the government's short mandate and dependence on the political parties prevented any significant policy changes.

Developments over the course of 2010 left many by year's end believing in a possible improvement in political culture and a decline in the unseemly bickering that had characterized so much of the political debate. First, a worn-out Topolánek resigned in April after his latest indignity—controversial comments about gays and Jews—leaving the party in the hands of Petr Nečas, widely seen as a more conciliatory figure without a scandal to his name. Then, Paroubek resigned his position, having won the spring parliamentary elections with a much lower percentage than opinion polls had predicted. That left ČSSD with one of its best chances in years to modernize into a party that appeals to young, progressive voters, instead of relying on older voters not too different from those who continue to vote for the Communist Party.

The new government came into power firmly fixed on instilling fiscal responsibility, cutting back the deficit, and avoiding the devastating financial collapse that has struck some other European countries. Yet the budget-cutters faced accusations of merely taking the easy way out by slashing expenses without thinking of creative ways to save money and implement more long-term reforms. Others criticized parliamentary leaders for installing a "legislative emergency" procedure that allowed the passage of various austerity measures without the normal parliamentary debate. Governing politicians defended the practice by saying they had to act quickly and that real reforms to crucial areas—such as pension, health care, and tax systems—would begin in 2011.

It will not be easy for the coalition to remain united and stay the course, despite its large majority in parliament. Both of the junior parties are new, with evolving identities and insecure futures. With big-name personalities at its head and more veteran political operators in the background, TOP 09 has a better chance than VV of avoiding the fate of other right-wing and centrist parties that have appeared on the political scene over the years and even entered governments, only to fade away after a single term. However, TOP 09 appears extremely dependent on the popularity of Chairman Karel Schwarzenberg and its future could be threatened if he decides to run in the 2013 presidential elections. As for VV, although some impassioned young newcomers have garnered praise, the party continues to face accusations of being merely a vehicle for easy riches (via state tenders) for a group of businessmen/party sponsors led by Minister of Transportation Vít Bárta. In the aftermath of VV's dire performance in the local elections, some party members called for a reorientation toward more "leftist" social policies, the type of handwringing over the party's identity that will likely accelerate in the future and could lead to clashes with coalition partners.

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. According to some commentators, the Czech parliamentary system allows individual deputies too much power, to the detriment of the government, allowing them to speak during parliamentary sessions at will; arbitrarily insert changes into bills proposed by the government; and force the presence of ministers at meetings.[1]

The legislative process is further complicated by the ability of parliamentary deputies to propose an unrestricted number of amendments during the second reading of bills. This tradition often disorients even the most attentive parliamentarians and serves to derail long-needed legislation with calculated additions that have little to nothing in common with the debated bill. 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.

The choice of Miroslava Němcová of ODS as the new parliamentary chairwoman was cause for optimism in this regard, as she has spoken repeatedly about the need to change the current system, including extending the legislative process between the second and third reading of bills from the current three days to several weeks in order to prevent deputies from quickly inserting lobbyist-driven amendments. She also said that a group of deputies should be required to propose an amendment, the European norm, and not just a single deputy. However, similar calls have ended up without success in the past, running up against objections that such changes would prolong the legislative process.

The position of the president is chiefly ceremonial yet retains some important powers, such as forming a government. He or she is currently elected by parliament, but the new coalition has pledged to pass legislation to allow for direct elections. President Václav Klaus, in office since 2003, 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. Some analysts believe that the constitution creates an overlap of executive power between the government and the president, which has led to various interpretations of the powers of the president and the government, especially in the realm of foreign policy. Accordingly, despite government criticism of his activities, President Klaus has espoused his personal views at various international forums and during official visits, clashing with the official government line on issues such as global warming, the introduction of the euro, and the Lisbon Treaty.

Electoral Process

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
2.00	2.00	2.00	2.00	2.00	1.75	1.75	1.50	1.50	1.25

Political organizations in the Czech Republic have no problems registering or campaigning. Although shaky coalition governments have been the norm in recent years, the system itself is solidly multiparty, with a strong opposition and diversity at all levels of government. Despite the unprecedented, large governing majority, leading politicians continue to speak of changes to electoral legislation that would foster stronger, more stable governments and eliminate the past need to rely on rebels and outcasts from other parties to pass legislation.

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.

The parliamentary elections on May 28–29 were labeled variously as an "earthquake" that laid waste to the traditional, overwhelmingly two-party system and a "voters' revolt" that rejected the current political elite in favor of new parties. Together, the country's two biggest parties, ČSSD and ODS, lost 1.5 million votes from the last elections in 2006, even though they came out on top (ČSSD with 22.1 percent and ODS with 20.2 percent). Two parties, TOP 09 and VV, picked up most of those votes, vaulting into double digits in their first attempt to get into parliament (16.7 percent and 10.9 percent, respectively). The Communists, at 11.3 percent, were the only other party to pass the 5 percent threshold, leaving the Greens and the Christian Democrats (KDU-ČSL), a long-time fixture on the political scene, out in the cold. For the first time since 1989, ODS lost in Prague (to TOP 09). Many voters even took the unusual step of crossing out the names on their ballots of some political veterans that had been linked to scandals, meaning several prominent politicians didn't make it into parliament though placing high on their parties' candidate lists. In the end, 114 out of the 200 seats in the lower chamber went to newcomers.

In the aftermath of the elections, four party leaders resigned, including ČSSD's Jiří Paroubek, who actually won the elections, but garnered a much lower percentage than opinion polls had predicted. The results left Paroubek with little chance of forming a coalition or even a minority government with Communist support, another scenario he had entertained. Still, it would be an overstatement to call this a victory of the right and conclude that the majority of voters responsibly chose parties intent on budget cuts and painful reforms (as opposed to the unrealistic promises of ČSSD). As some analysts have pointed out, ODS and TOP 09 together acquired 36 percent of the vote, while the left-wing parties received only slightly less—34 percent, or close to 39 percent, if one also counts the party of Miloš Zeman, a former ČSSD head, which narrowly missed getting into parliament. In addition, despite the apparent novelty of two new parties achieving such an impressive result, virtually overnight, the phenomenon is not particularly unique in post-1989 Czech politics, and often has unimpressive long-term results.[2]

The staying power of those two parties was soon rested in the fall's Senate and local elections. In the Senate elections, ČSSD rolled to victory, winning 12 of the 27 races up for grabs and a majority of 41 seats in the chamber; ODS defended 18 seats and won eight; TOP 09 won only two; and VV none. ČSSD's majority in the Senate will allow the party to prolong the legislative process, but the governing coalition's dominance in the lower house will allow vetoes to be easily overridden. However, the leftist majority will still be able to block constitutional and election laws and military missions abroad.

In the local elections, local associations of independent candidates gained over 50 percent of the total of 62,178 seats available. ODS did the best of the established parties, but ČSSD could claim to be the real winner, strengthening its position in most of the country's big cities, while ODS's traditional power base in many of those same cities declined. TOP 09 won the elections to the Prague City Assembly, and overall did well for a new party, while VV had a disappointing showing based on its success in the parliamentary elections. A court ruled that several elections had to be repeated because of vote-buying and other violations, including in Český Těšín, a Moravian city of almost 26,000 people. Overall, turnout was, at 48.5 percent, a record high.

Political party membership remains low. The KSČM is the largest party (around 60,000 members), followed by the KDU–ČSL (35,000), the ODS (30,505), the ČSSD (around 22,000), TOP 09 (5,000), and the Green Party (2,000). A low membership base has clear repercussions for the political elite. With relatively few members to choose from, parties often recycle the same personalities and reward loyalty rather than expertise. Even TOP 09, which did so well in the parliamentary elections, features many old faces, including the well-respected former foreign minister, Karel Schwarzenberg, as its chairman, and the former finance minister and fixture of the recent political scene, Miroslav Kalousek, as the deputy chairman. That said, the election results seemed to indicate a widespread desire for new blood and the parties managed to present some new faces to voters in time for the local elections, an optimistic development for the future. And the traditionally male-dominated political scene will now have 44 female parliamentarians, a record number.

The low number of party members has also contributed to a phenomenon known as "whale hunting" whereby wealthy businesspeople, usually in the regions, allegedly "buy" new party members who then help them gain greater influence in parties' regional or local structures before party congresses. The most suspect of the parties in this regard, ODS, took several steps toward countering such practices and limiting the power of local godfathers, as former chairman Mirek Topolánek once referred to them, including installing an online program that automatically indicates sudden surges in the membership of party cells.

Party financing also continues to operate with little regulation. In October 2010, for example, one ČSSD parliamentary deputy admitted in an interview that he had donated part of his compensation as a member of the advisory board of a partially state-owned company to his party—not as an official gift, but hidden through various intermediaries.[3]

The country's largest minority, the Roma, is effectively shut out of national politics. Although the number of Roma is estimated at between 200,000 and 250,000, there are currently no Roma parliamentarians. Mainstream parties believe that placing Roma candidates on their lists may do them more harm than good among average voters, while prospective Roma are not politically organized to compete effectively for votes. Roma are, however, active at the local level.

Civil Society

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
1.75	1.50	1.50	1.50	1.50	1.50	1.25	1.50	1.75	1.75

Nongovernmental organizations (NGOs) have fully recovered from several scandals that tarnished their early post-Communist existence. Most Czechs now see NGOs as influential organizations, helpful in solving social problems, and essential to a well-functioning democracy. Consequently, there has been an increase in donations to nonprofits from individuals and, until the economic crisis hit, from the business sector. Environmental and humanitarian organizations, in particular, have earned widespread respect among the Czech public.

The nonprofit sector's relationship with the political elite varies. The state is the largest funder of NGOs, providing extensive financial support through grants and coordinating nonprofit activities through the Council for NGOs. Historically, the NGO community has had little confidence in the council. Lately, however, NGOs have begun using the council to promote their views, including the need to create a standardized system for state grants to NGOs, instead of the confusing current state of affairs where each ministry has its own methods of providing funds.[4] NGO representatives also sit on advisory bodies of various ministries. On the other hand, many politicians—most prominently President Klaus—believe NGOs should not attempt to influence public policy or interfere unnecessarily in government work. The political elite is wary of more "aggressive" forms of action, such as demonstrations and petition drives, and is quick to label the initiators as politically motivated. Many officials prefer NGOs to serve strictly as service providers, filling in where the state does not or cannot.

NGO experts generally view the legal framework as adequate in terms of easy registration and independent operation, though the inability to clarify the term *nonprofit organization* in Czech legislation has created problems related to NGO taxation.

Millions of euros in EU structural funds have replaced to some extent resources once donated by numerous foreign foundations and governments before the country joined the EU. However, that flow of funds will dry up in 2013, and an increasing number of nonprofits have launched campaigns to raise funds from individual supporters and experiment with social entrepreneurship ventures. Czech law provides extremely low tax incentives for donations of this kind.

According to the USAID NGO Sustainability Index 2009, the number of NGOs supported by public funds dropped significantly in 2009 for a variety of reasons: the economic crisis has forced cutbacks in corporate donations; the central government has been allocating more funds for regional offices and town halls to distribute; and the local authorities have been implementing more of their own projects or passing on the money to organizations that they have launched, rather than to independent NGOs. The Index rating for NGO sustainability remained at 2.7, the same level since 2004 and the average for Central Europe and the Baltic states.[5]

Grassroots initiatives are still uncommon in the Czech Republic. By contrast, far-right extremist organizations have increased their membership lists and presence in society in recent years, forming alliances with established political parties such as the far-right Workers' Party (DS).[6] The interim government of Jan Fischer came into office highlighting the fight against extremism as one of its main priorities. In February 2010, using abundant evidence of DS ties to neo-Nazi groups, Interior Minister Martin Pecina succeeded where his predecessor had failed in convincing the Supreme Administrative Court to outlaw the DS party.[7] "This ruling needs to be understood as a preventive one, to maintain the constitutional and democratic order in the future," Judge Vojtěch Šimíček said, issuing the first ban on a Czech political party since the country gained independence in 1993.[8] Some experts voiced concerns that the decision might establish a precedent for future attempts to ban the much more popular Communist Party of Bohemia and Moravia (KSČM).

Czech law permits a banned party to re-register under a new name, which former DS members did almost immediately. However, the newly reconstituted Workers' Party of Social Justice (DSSS) appeared to lie low for the remainder of 2010, performing weakly in the May general election, as well as the October Senate and local elections. In November, the City Council of Brno voted to prevent a gathering planned for May 1, 2012 by representatives of the Workers' Youth (DM) association, a group closely connected to the DS and now the DSSS. The DS has marched through Brno many times in the past.[9]

In October, four extremists involved in the 2009 firebombing of a Romany family's home received exceptionally heavy prison sentences of 20 to 22 years each. The actions of these criminals inflicted severe burns upon a two-year-old girl, and were motivated, the court concluded, by a desire to impress others in the neo-Nazi movement and mark the 120th anniversary of Adolf Hitler's birthday. President Klaus expressed surprise at these "unexpectedly high" sentences, while Prime Minister Petr Nečas said he regarded the punishment as entirely appropriate, and the sentence as "minimal."[10]

Such developments point to a more proactive position of the local authorities, the judiciary, and the national leadership on questions of xenophobia and violent extremism among fringe groups. At the same time, evidence of increased efforts to demarginalize the groups targeted by such extremists, most notably the Roma, is lacking.

Independent Media

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
2.50	2.25	2.25	2.00	2.00	2.25	2.25	2.25	2.50	2.50

Press freedom has long been secure in the Czech Republic, and no major media are state owned. The "serious" press has now matured to a point where it offers more balanced political coverage and opinions; publications may favor one side of the political spectrum, but they are generally not viewed as political propaganda

favoring one party or another. However, some analysts have noted that the last few elections have prompted a relapse, with the press returning to the political polarization of the 1990s both before and after the elections. This time around, the right-leaning daily newspapers tended to demonize Jiří Paroubek, the ČSSD leader, and actively mobilize their readers to vote against the Social Democrats (partly out of fear of a ČSSD–KSČM coalition) in the parliamentary elections.

The national prinr media offer a diverse selection of daily newspapers, weeklies, and magazines, but the economic crisis has placed greater pressure on many, increasing the threat that they will shy away from critical coverage of major adverrisers (an allegation already heard over the years). Foreign corporations own a number of these publications, including nearly all Czech dailies. A few prominent publications, such as the weeklies *Euro* and *Týden*, are controlled by business magnates and have allegedly avoided covering interests close to their owners. Media-related legislation includes minimal ownership restrictions and none on foreign ownership.

Several controversial amendments to the criminal code that took effect April 1, 2009, led to a rare show of unity among media outlets, which complained that their ability to report on crucial issues facing the country would now be limited. Criticized abroad by international journalism rights groups, the law now bans the publication of information gained from police wiretaps—a major source of incriminating evidence against politicians in recent years. The publication of information about individuals involved in criminal acts—both victims and perpetrators—was also deemed illegal and subject to exorbitant fines (up to five years in prison and fines up to five million crowns–US$264,500). Although Human Rights and Minorities Minister Michal Kocab, along with media and free speech advocates, had been pushing for a 'public interest' amendment as early as January 2010,[11] it seemed that the government wanted to wait until elections were over to pass any important legislation. An amendment to the law was submitted on 30 December 2010, and was expected to be passed in early 2011.[12] The amendment would enable the media to discuss information pertaining to criminal proceedings if it concerns corruption of state officials and politicians. Informing the public about wiretapped conversations would also be legal, if it is a case of a public official acting unlawfully. Laws criminalizing defamation remain on the books, yet prosecutions are rare and are not widely considered a threat to media independence.[13]

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 counrerweighrs to the more biased press. In the past, however, Czech TV's financial difficulties have made it particularly vulnerable to political and business interests, while some observers have charged that fear over "rocking the boat" has led in the past to the cancellation of some hard-hitting discussion shows and less investigative journalism. However, the year 2010 was a relatively calm year in terms of relations between the political elite and Czech TV, and the station can still boast of some unfettered public affairs programs that would make jealous virtually any other public broadcaster in the post-communist region. But such programs do not have much competition over at the private media, where investigative and

discussion programs have largely disappeared from television screens, ostensibly for financial reasons.

A promising hyperlocal news venture, known as "Naša adresa," abruptly shut down in August after the owner, the investment group PPF, pulled out. The initiative, which launched in 2009 with seven pilot editions, four newscafes, a high-tech Prague training center, and a promised €8 million investment had garnered much press internationally, but had not done well enough financially for PPF.

The Chamber of Deputies appoints Czech TV's supervisory board and controls viewer fees supporting the station. Beginning in 2008, Czech TV was banned from running advertising except during key cultural or sporting events, to the multimillion-dollar benefit of the commercial stations. In the past, private stations' powerful lobbying had an undue influence on parliamentary deputies, resulting in laws favoring commercial stations over public broadcasters. That was especially true in the run-up to digital broadcasting, as the big private stations succeeded in first lobbying to postpone the digital shiftover and then being awarded more stations of their own. So far, hopes that digital broadcasting would help to diversify the playing field have not been fulfilled, as financial pressures have killed off some stations and derailed plans for new ones.

In general, politically compromised members are thought to sit on the boards of both public radio and TV, though these institutions are meant to be apolitical. The new governing coalition has pledged to pass a new television law that would considerably reduce the influence of politicians on public TV, especially the news, which would include changing the system for electing the members of the TV board.[14]

Violent attacks on members of the media are rare, but several did take place in the fall, when several local journalists were attacked in western Bohemia, apparently because of their reporting on the activities of local businessmen.

Local Democratic Governance

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
n/a	n/a	n/a	2.00	2.00	1.75	1.75	1.75	1.75	1.75

Though slow in coming, the development of local government structures and authority has become one of the Czech Republic's bright spots. Landmark legislation passed in 1997 led to the creation of 14 regions, which began functioning in 2001. The central government handed over significant powers to these regions in the fields of education, health care, and road maintenance. Additionally, 205 newly created municipalities replaced 73 district offices, which ceased all activities by the end of 2002.

Self-governed regions and municipalities own property and manage separate budgets. Voters directly elect regional assemblies, which then choose regional councils and governors. The regional councils may pass legal resolutions and

levy fines. Directly elected municipal assemblies appoint municipal councils and mayors. Municipalities wield considerable power over areas such as welfare, building permits, forest and waste management, and motor vehicle registration.

The regions have made considerable progress in tackling problems neglected by the central government (such as education). Overall, the success in regional management and greater autonomy has made a strong case for allowing regional governments to manage a larger share of the tax money they help to collect. As a November 2008 poll by the Center for Public Opinion showed, Czech citizens trust their local (63 percent) and regional representatives (46 percent) far more than the lower house of Parliament (20 percent) or the Senate (24 percent).[15]

For the bulk of their budgets, however, regions essentially act as middlemen for the state, sending money to predetermined recipients. Politicians in regional governments complain that they are now in charge of roads, hospitals, schools, and old-age homes, among other things, but the central government decides how much money to send to cover these budget items. The failure of funds flowing from the center to keep pace with these newly added responsibilities has proven particularly vexing for officials of smaller towns, which can receive far less money per capita than big cities.

Even with these obstacles, the influence of local officials has increased dramatically from the early years of the country's independence, in both good and bad ways. As the weekly *Respekt* has noted, local "bosses" control regional party cells, which, in turn, choose candidates for parliament and the Senate, and elect party chairmen. Therefore, although the national elections did result in the removal of some compromised politicians and the weakening of the biggest political parties, only a similar revolution on the local level—diminishing the power of the local clans—can lead to real change.

It is still too early to tell whether the local elections in 2010 would be that transformative event, and early indications were not good, especially in some of the country's largest cities. In Prague, Brno, Ostrava, and Plzeň, the greatest rivals, ODS and ČSSD, formed grand coalitions that, in some cases, allowed compromised politicians to stay in power. In Prague, the move led to demonstrations and a petition drive.

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. Experts believe that most corruption now takes place at the local level, since the economy has been privatized and wrongdoing is more visible on the national stage. The lack of oversight on such dealings is a major part of the problem, as the Supreme Audit Office (NKÚ) currently has no legal authority to examine the financial management of regional governments or municipalities.

Judicial Framework and Independence

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
2.50	2.50	2.50	2.50	2.25	2.00	2.00	2.25	2.00	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 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.

Cases of overt meddling remain rare, but one high-profile case continues to haunt the judicial system. Several years ago, a deputy chairman of the Supreme Court (Pavel Kučera), the chief state attorney (Renata Vesecká), and a former minister of justice attempted to get a 2007 corruption case against Deputy Prime Minister Jiří Čunek shelved for fear that an indictment could shatter the then-ruling coalition. The scandal ignited criticism that the executive, in the form of the Ministry of Justice, continues to hold too much power over the Office of the State Attorney, and even led to a judge's ruling in June 2010 that it was permissible to label the group a "judicial mafia." The Czech Republic is the only European country where the minister of justice names the highest state attorney and where state attorneys (as well as their careers and salaries) are significantly dependent on the executive. Finally, in the fall of 2010, the system seemed to be on the verge of putting the Čunek case behind it: In September, Kučera was stripped of his position, and in October, Vesecká was sacked, largely interpreted as a positive move since she had lost the respect of many state attorneys.

Under the coalition led by Prime Minister Topolánek that ruled until March 2009, the Justice Ministry clashed repeatedly with the judicial community over changes to legislation governing the sector. Until recently, a judicial disciplinary board composed solely of judges reviewed accusations of misconduct, drawing repeated criticism that solidarity among judges resulted in lenient punishments that damaged the reputation of the profession as a whole. In October 2008, a law came into effect mandating that half of the review board be made up of lawyers who are not judges—one state's attorney, one attorney, and one person of another legal profession—selected by the chief state attorney, the chairman of the Czech Bar Association, and the deans of the law faculties, respectively. The law also established term limits for various high court functionaries, including chairmen and deputy chairmen.

Perhaps more importantly, the law dramatically increased the role of the country's president, who now names the two vice presidents of the Supreme Court and the heads of all other courts, except the lowest district courts, along with the chief of the Supreme Court and Supreme Administrative Court. The president can submit direct complaints against particular high court judges, including the chairmen and deputy chairmen of the Supreme Court and Supreme Administrative Court.

These moves to strengthen the executive were worrisome considering President Klaus's long-running and unsuccessful effort to fire Iva Brožová, chairwoman of the Supreme Court, and his attempt to appoint her rival as deputy chairman.

While President Klaus's Constitutional Court justice appointments initially raised some concern over their impartiality, the Constitutional Court reasserted its independence with its apparent willingness to defy the president on Brožová's dismissal and repeatedly over the constitutionality of the Lisbon Treaty, including a final ruling in November 2009. (The executive has, however, refused to recognize Constitutional Court decisions on issues such as rent control and pension payments for Czech citizens who worked for Slovak companies.)

Arguably the most significant victory for judicial independence in the last few years took place in September 2009, when the Constitutional Court, resisting clear political pressure from the biggest political parties and especially the president, ruled in favor of the plaintiff over the constitutionality of the law passed to accelerate early elections. And despite calls by some politicians to ignore the ruling or even change the constitution to limit the judges' influence in the future, those threats proved empty. Klaus, however, still holds a grudge against the Constitutional Court: in September, he spoke to the lower house of Parliament for the first time in seven years, and one of the main topics of his short speech was an appeal to parliamentary deputies to restrict the powers of the court, which he said had acted as a third chamber of parliament when making the decision about the elections.

Until 2009, the Czech Republic was the only EU country without antidiscrimination, International Criminal Court (ICC), and civil service legislation. Finally, in June 2009, the lower house of Parliament overrode Klaus's veto and the antidiscrimination law took effect in September, helping the country avert probably millions of crowns in fines from the European Commission. In July 2009, after months of delay, the president also finally signed an agreement on the country's accession to the ICC, which had been approved by the Senate and the lower house the previous year. However, there was no progress on the implementation of the Law on the Civil Service, which was approved eight years ago; its starting date has been repeatedly delayed owing to political disputes, leaving the Czech Republic as the only EU country without such a law. Yet again after the spring elections, various officials were replaced because of their political affiliations rather than merit.[16]

Implementation is also lagging on the 2001 amendment to the labor code mandating equal treatment for all employees, as women remain underrepresented in senior positions and are paid less than men for similar jobs. Overall, while more women now hold seats in the Parliament than ever before, few attain other positions of political power. Their share of seats in Parliament after the June elections rose from 16 to 22 percent, but the government itself ended up with zero female ministers.[17] The Fischer interim government had four female ministers, but just 10 of 74 deputy ministers were women.

Discrimination against the Roma in employment and housing also presents a serious problem. A 2006 government report estimated that 80,000 Roma—roughly a third of the country's Roma population—live in ghettos, with between

95 and 100 percent unemployment. In a landmark decision in November 2007, the European Court of Human Rights (ECHR) ruled that segregating Roma students into special schools is a form of unlawful discrimination in breach of Article 14 of the European Convention (prohibiting discrimination), taken together with Article 2 of Protocol No. 1 (securing the right to education).[18] Yet, in a November 2010 complaint filed at the Council of Europe, the Open Society Justice Initiative, the European Roma Rights Centre, and the Greek Helsinki Monitor (GHM) argued that the Czech Republic "has taken no concrete steps to desegregate schools," producing an underfunded and vague action plan that has not led to improvement. The organizations asserted that Roma children are still 12 times more likely than non-Roma to be enrolled in special schools for children with mental disabilities (and in some parts of the country the figure is 27 times).[19]

Corruption

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
3.75	3.50	3.50	3.50	3.50	3.50	3.25	3.25	3.25	3.25

Improvements in the area of corruption have occurred gradually with the country's maturation rather than through political will or popular demand. While most in the Czech Republic can live their daily lives without engaging in corrupt behavior, complaints do arise over the need to bribe or "give gifts" to expedite services from the public administration.

Although few people encounter corruption directly, the perception of illegal activity, especially concerning the political elite, is widespread. Many view existing anticorruption measures as insufficient to dismantle the intricate web of connections between political and business elites. While the year saw repeated revelations about corrupt practices at the Ministry of Defense, the problem is equally critical at the local level, where the roots of clientelism run deep. Some analysts believe that the upheaval caused by the local elections (which saw long-ruling parties, especially ODS, lose much of their power in some cities) might lead to improvement.

The new government came to power with the fight against corruption as one of its main tenets, pledging to ban firms from competing for public tenders that have nontransparent ownership structures, to restrict the activities of lobbyists, and to publicize the results of public tenders on the internet and the minutes of city councils. The Czech branch of Transparency International (TIC), however, called the proposals a "mix of ideas rather than a well-thought out strategy."[20] The coalition's commitment was also tested by allegations of kickbacks and manipulated tenders at the State Environment Fund that included taped conversations of the minister of the environment himself evidently encouraging a whistleblower to destroy the evidence. Prime Minister Nečas's defense of the minister, who eventually resigned, and attempts to smear the whistleblower disappointed many and caused tensions in the coalition.

Lack of transparency in major business deals involving the state remains a serious problem at both national and local levels. While the country's highest control body, the 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. Futthermore, in 2009, the NKÚ's reputation was significantly damaged after its head, František Dohnal, became the subject of an investigation into financial mismanagement at the NKÚ.

Journalists often do not invoke their rights under the Law on Freedom of Information, and officials frequently refuse to provide the requested information.

In an October 2010 press release, TIC emphasized the poor performance of the anticorruption police (with much of the blame at the feet of politicians and top police functionaries); instability and internal dissatisfaction in the state attorney's office, which threatens the investigation of financial and other crimes; and the failure to implement a civil service law.[21] During the last weeks of the Fischer governmenr, several anticorruprion measures regulating lobbying and banning anonymous shareholding passed the first reading, but didn't have a chance to make it farther through the legislative process before the elections.

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Estonia

by Vello Pettai and Martin Mölder

Capital: Tallinn
Population: 1.3 million
GNI/capita, PPP: US$19,120

Source: The data above was provided by The World Bank, *World Development Indicators 2011*.

Nations in Transit Ratings and Averaged Scores

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Electoral Process	1.75	1.75	1.50	1.50	1.50	1.50	1.50	1.50	1.75	1.75
Civil Society	2.00	2.00	2.00	2.00	2.00	2.00	1.75	1.75	1.75	1.75
Independent Media	1.75	1.75	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
Governance*	2.25	2.25	2.25	n/a	n/a	n/a	n/a	n/a	n/a	n/a
National Democratic Governance	n/a	n/a	n/a	2.25	2.25	2.25	2.25	2.25	2.25	2.25
Local Democratic Governance	n/a	n/a	n/a	2.50	2.50	2.50	2.50	2.50	2.50	2.50
Judicial Framework and Independence	1.75	1.75	1.75	1.50	1.50	1.50	1.50	1.50	1.50	1.50
Corruption	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.25
Democracy Score	2.00	2.00	1.92	1.96	1.96	1.96	1.93	1.93	1.96	1.93

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

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

Executive Summary

Since regaining independence in 1991, Estonia has vigorously pursued integration with all Western political and economic structures, joining both NATO and the European Union in 2004. In 2010, the country passed another critical milestone, receiving permission to adopt the euro as its official currency on January 1, 2011. Estonia will be the first, post-Soviet republic to join the eurozone.

Prime Minister Andrus Ansip, already Estonia's longest serving leader, prepared to set another record in 2010 as the first Estonian premier to complete a full term in office. His performance amid the recent severe economic and financial crisis significantly increased support for his liberal Reform Party, while support for the Greens and the People's Union declined. As a result, parliamentary elections set for March 2011 may well result in a parliament of just four political parties—two from the right (the Reform Party and the conservative Pro Patria and Res Publica Union), and two from the left (the Center Party and the Social Democratic Party).

Because the center-right has dominated Estonian politics since the early 1990s, the country has maintained relatively tight fiscal and pro-market economic policies. This saved Estonia from a complete collapse during the 2008–09 global financial crisis, as for a while it was able to draw on financial reserves built up during the boom years. However, its laissez-faire approach also allowed a significant real estate bubble to develop and burst, leaving many people struggling to make ends meet. The fact that Estonia has never strategically guided its economic growth meant that it was in a weaker position to chart a new direction for the economy once growth started to resume in 2010. Notably, the country's low levels of corruption have helped facilitate economic growth.

Civil society in Estonia has also grown stronger over the last decade, with a number of important framework documents and funding schemes put in place. Nevertheless, serious divides remain in the country between ethnic Estonians and Russian speakers. The latter (numbering roughly 30 percent of the population) are largely a legacy of the Soviet era, when hundreds of thousands of Russians migrated to Estonia. However, after 1991 most of these individuals were denied automatic citizenship in the restored Estonian state, and they have faced considerable challenges in learning the language as well as integrating more broadly into the new Estonian society. Decreased government attention in this realm over the last few years has complicated the issue.

National Democratic Governance. Through the defection of several members of parliament from the collapsed People's Union, Prime Minister Ansip's center-right coalition gained a *de facto* majority, remaining firmly in control during 2010. Through continued firm fiscal and economic policies, Estonia was also able to join

the Organization of Economic Co-operation and Development and complete preparations for introducing the euro in January 2011. In other areas, however, Ansip undertook few domestic initiatives during the year. *Estonia's national democratic governance rating remains unchanged at 2.25.*

Electoral Process. Estonia's political parties spent 2010 gearing up for the parliamentary elections due in March 2011. While the liberal Reform Party maintained high marks in public opinion polls due to the prime minister's perceived success in dealing with the economic crisis, the leftist Center Party worked to increase its stronghold in the capital. The Social Democrat Party, People's Union, and Greens all struggled with leadership crises, raising questions as to how each would fare in the upcoming elections. Parliament passed changes to legislation concerning European and presidential elections, and the Supreme Court ruled that Estonia's special ban on outdoor campaign advertising before elections was not unconstitutional. *Estonia's electoral process rating remains unchanged at 1.75.*

Civil Society. Estonia's main civil society support organization, the National Foundation of Civil Society, entered its second year of operations, distributing roughly 20 million kroons (US$1.8 million) in project funding for dozens of NGOs and a network of regional civil society development centers. The foundation has become a cornerstone for providing both public and private money for civic activities, helping to strengthen the underlying framework of the third sector. Nevertheless, a 2010 study of Estonian civil society showed that many organizations remain weak and the number of people involved with civic groups has declined slightly. *Against the backdrop of these positive and negative changes, Estonia's civil society rating remains unchanged at 1.75.*

Independent Media. In 2010 the Ministry of Justice introduced a draft law obliging journalists to reveal their sources if requested by the authorities, and imposing preliminary fines on media outlets accused of libel or slander. In protest, Estonia's major newspapers ran blank pages in their publications in mid-March, and eventually opposition to the bill forced the government to rescind some of the more contested provisions. A less controversial version of the amendments was approved at the end of November, though the preemptive fines against media outlets were not removed. *Owing to the general success of media protests in blocking the most controversial amendments to media legislation, Estonia's independent media rating remains unchanged at 1.50.*

Local Democratic Governance. Estonia's economic crisis put a severe strain on relations between the country's national and local governments, especially after parliament allowed the state to take a greater share of personal income tax revenue from municipalities in order to balance the national budget. As the most powerful local government in Estonia, the capital Tallinn took the lead in challenging these measures in the courts as well as seeking alternative taxation possibilities. However,

these efforts were stymied by the national governing coalition, which hastily amended legislation in parliament to block the capital's counter moves. The conflict soon took on a party-politics dimension, though questions of local government autonomy were also at stake. *Despite the national-local tug-of-war over income tax revenues, Estonia's local democratic governance rating remains unchanged at 2.50.*

Judicial Framework and Independence. After years of debate and discussion, a high-level working group headed by the chief justice of the Supreme Court presented a plan for large-scale reform of Estonia's court system. However, when parliament began legislating the new Courts Act in January, it immediately came under fire from not only the opposition but also twelve of the chief justice's own colleagues on the Supreme Court. *Estonia's judicial framework and independence rating remains unchanged at 1.50.*

Corruption. Estonia reached a milestone in its anticorruption efforts in May when the Supreme Court upheld the bribery conviction against former environment minister and leader of the People's Union party, Villu Reiljan. Although Reiljan would go on to appeal his conviction before the European Court of Human Rights, the Supreme Court ruling showed that even high-level political figures are not immune to prosecution. Meanwhile, a new large-scale survey of corruption in Estonia showed that public awareness of the issue had grown and the readiness to pay bribes had decreased. *Owing to these positive developments, Estonia's corruption rating improves from 2.50 to 2.25.*

Outlook for 2011. On January 1, 2011, Estonia adopted the euro as its national currency, marking the achievement of all major goals the country had set itself since regaining independence in 1991. As a result, Prime Minister Andrus Ansip's Reform Party is expected to do well in the upcoming parliamentary elections in March, barring any unexpected problems with the currency switch, such as sudden inflation. Together with the conservative Pro Patria and Res Publica Union parties, the Reform Party is likely to gain a majority, thus ensuring that national governance will remain stable. However, it is unclear whether these parties can generate the new policy ideas needed to support Estonia's economic recovery. One major beneficiary of a center-right electoral victory would be President Toomas Hendrik Ilves, whose prospects for reappointment by parliament in August 2011 would greatly improve.

Main Report

National Democratic Governance

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
n/a	n/a	n/a	2.25	2.25	2.25	2.25	2.25	2.25	2.25

Throughout 2010, Prime Minister Andrus Ansip of the liberal, pro-market Reform Party maintained his focus on economic measures needed to secure Estonia's admittance to the eurozone in January 2011. By year's end it was clear that Ansip would become the country's first prime minister to remain in office for a full parliamentary term. Although individual cabinet ministers continued to come under fire from the opposition, no resignations or reshuffles occurred and national democratic governance was robust overall.

Following a bottoming out of the economic crisis in 2009–10, when GDP shrank by 14.1 percent[1] and registered unemployment reached 14.6 percent,[2] Estonia saw its first signs of recovery during the second quarter of 2010, when GDP grew by 3.1 percent and another 4.7 percent during the third quarter. Projected economic growth for the entire year was about 1 percent, with estimates of a continued rise to some 4 percent for the period of 2011–14. Unemployment is expected to drop to 7 percent by 2014, though this does not account for hidden unemployment.[3] In comparison to the boom years of 2000–07 (when growth averaged some 8 percent annually), the new recovery is likely to be slow, and the full impact of such issues as long-term unemployment or social problems like crime and substance abuse will only become clear in the coming years.

The government's steady focus on economic austerity and recovery was facilitated by the absence of major political tussles or disturbances during the year, as both ethnic Estonians and the country's large Russian-speaking minority seemed to take the steep economic downturn with a degree of resignation. Estonia did not suffer a catastrophic collapse in state finances nor did any of its banks shut down, as in neighboring Latvia. Without resorting to emergency assistance from the International Monetary Fund (IMF) or other funds, Estonia managed to satisfy the European Union (EU)'s criteria for adopting the euro, and was pronounced ready for eurozone membership by the European Commission on May 12. This good news was followed by an invitation in mid-May for Estonia to join the Organisation for Economic Co-operation and Development (OECD), the international club of advanced industrial economies. Some observers argued that accession to the OECD might be even more important than adoption of the euro given the OECD's global influence on economic and financial policies.

The only substantial domestic reform undertaken in 2010 was a restructuring of law enforcement and security agencies into a single Police and Border Guard Board. The new organization now encompassed the national police, secret service, and

border patrol, as well as immigration/naturalization issues. The move allowed these services to consolidate their regional headquarters into four districts. Whether the agencies would also improve their ability to conduct joint operations or exchange information remained to be seen at year's end.

Ethnic relations and minority integration in Estonia remained stable in 2010, though without showing any sign of active improvement. Usually treated as insignificant in day-to-day Estonian politics, the status of Estonia's minority populations continued to be criticized by observer organizations such as the Estonian Cooperation Assembly[4] and the UN Committee on the Elimination of Racial Discrimination.[5] Currently, 31 percent of the population (approx. 400,000 people) is ethnically non-Estonian. However, only half of these individuals are Estonian citizens—the others are either Russian citizens or persons without citizenship.[6] Over the last few years, the process of naturalizing these individuals into Estonian citizenship has come to a virtual standstill: in 2009 only 1,670 people were naturalized following a peak of over 7,000 in 2005.[7] In part, this decline is linked to low levels of Estonian language knowledge among Russians in the country. According to a 2010 survey, only one-third of Russian speakers claimed they could speak Estonian adequately.[8] These integration difficulties have also severely undercut political participation among Russian speakers. There are no viable Russian political parties in Estonia and virtually no ethnic Russians among the national political elite. An overwhelming majority of ethnic Russians give their support to the Center Party, making up around half of its total support base. In 2009, the Ansip government eliminated the position of a special minister dedicated to population affairs and minority integration.

Electoral Process

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
1.75	1.75	1.50	1.50	1.50	1.50	1.50	1.50	1.75	1.75

The government took advantage of a non-election year to make modifications to existing electoral law and size up party prospects for upcoming March 2011 elections to the Riigikogu, Estonia's unicameral parliament. The most important legal modification came as a reaction to the results of the 2009 European Parliament elections, in which independent candidate Indrek Tarand won nearly 26 percent of the vote by campaigning on the issue of closed lists. Under a closed-list system, voters must select a political party and its entire candidate list, whereas in an open-list system voters may choose a specific candidate within a national party list. Tarand's claim that the shift to closed-list voting in 2009 represented yet another limit on political competition resonated with voters and caused an electoral upset. Almost all parliamentary deputies voted in February to reinstate open lists for Estonia's next European elections in 2014.

Later in the year, the government made a second adjustment to electoral process by amending legislation related to presidential elections. By law, Estonia's president

is elected by a two-thirds majority in parliament, but the near impossibility of garnering such a majority means that in practice all of the presidential elections since 1992 have been forwarded (following three failed parliamentary votes) to a special electoral college made up of all 101 parliamentarians and approximately 245 representatives from local governments. In the past, local councils had been left to select representatives on their own, often resulting in a ruling-party-takes-all situation in the nine, larger cities entitled to multiple delegates. For example, in 2005 the Center Party (CP) gained an absolute majority in the Talinn city council and staged a clean sweep of the city's ten electoral college delegates during the 2006 presidential elections. To avoid this problem, in June 2010 the governing coalition between the Reform Party and Pro Patria and Res Publica Union (PPRPU) proposed a new set of procedures whereby opposition councilors would be guaranteed some degree of representation in the electoral college. The final legislative amendments were passed in October.

A third dispute concerning electoral law was laid for to rest by a July Supreme Court ruling protecting Estonia's unique ban on outdoor electoral campaign advertising. The law, which bans parties from displaying campaign advertisements out of doors for 40 days before an election, was adopted in 2005 in response to public frustration with the practice of plastering high-rise buildings and billboards with campaign appeals in the weeks before a vote. The law was immediately challenged by Estonia's Chancellor of Justice, but in 2010 the Supreme Court ruled that while the ban did in fact limit individual and party rights to campaign, it was not an overbearing restriction.

Public opinion polls conducted in the fall showed the Reform Party leading with over 30 percent support, which together with even a modest showing by the PPRPU (around 15 percent) would be enough to give the two center-right parties a solid governing majority in the March 2011 elections. Meanwhile, the left-leaning CP remained the party of choice for roughly 25 percent of Estonians, including retired, low-income, and Russian minority voters. This, despite the unpopularity of CP's overbearing leader, Edgar Savisaar. Savisaar suffered a renewed assault on his credibility in late December, when Estonia's Security Police Board revealed evidence that he had asked the president of Russia's state owned railway company, Vladimir Yakunin, for a €1.5 million donation to the CP. These revelations unleashed accusations that Savisaar was selling political influence to the Kremlin.

Meanwhile, the Social Democratic Party (SDP) underwent internal changes following its expulsion from Prime Minister Ansip's cabinet in 2009. This dustup had thrown the party into the opposition, together with the CP. The SDP accepted an offer from Savisaar (in his role as mayor of Tallinn) to participate in the Tallinn city government, though the CP already had an absolute majority. The uneasy partnership was supposed to test the waters for possible future cooperation between the two parties, should the center-right bloc become further entrenched. However, trust between Savisaar and the SDP leader Jüri Pihl did not grow, and Pihl came under increasing criticism from within the SDP for his erratic leadership. In October, the SDP held a party assembly where delegates replaced Pihl with 37-year-

old Sven Mikser, who had served as Defense Minister in 2002–03 and was a rising star in the CP until a falling out with Savisaar.

Many believed the SDP lost an opportunity when it failed to achieve a smooth merger with the rural-based People's Union (PU). The PU had languished since its longtime leader Villu Reiljan—at that time Estonia's minister of environment—was charged with corruption in 2006. The party barely made it into parliament in 2007 and won less than two percent during the 2009 local elections, where it had fared much better in previous years. The breakdown of the party began in spring 2010, when two PU heavyweights—Aivar Sõerd, a former Minister of Finance, and Tarmo Mänd, former chief of staff under President Arnold Rüütel—defected to the Reform Party. Few observers expected the party to recover in time for the 2011 elections.

Another party racked by fratricide was the Greens. Following a strong start in 2007, when it broke into parliament with 7.1 percent of the vote, the party began to fragment under its loose organizational structure. In 2009 a group within the party's executive called a special congress and succeeded in unseating most of the party leadership. Although Greens leader Marek Strandberg retained his post, he took the decision to court, which ruled in April 2010 that the special congress had not been convened properly. When the court ordered a reinstatement of the old leadership, the mutineers threatened to leave the party. Eventually most agreed to stay, and in late May an entirely new executive was elected. However, many view its chances of returning to parliament as bleak, and comparable to those of the People's Union.

Civil Society

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
2.00	2.00	2.00	2.00	2.00	2.00	1.75	1.75	1.75	1.75

In 2010, Estonia's civil society continued to build on the legal institutions and support mechanisms created over the last decade. Since establishing a legal framework via the Non-Profit Association Act in 1996 and adopting an overarching Civil Society Development Concept in 2002, efforts have focused on strengthening the economic base of civil society organizations through the National Foundation of Civil Society, created in 2008. The foundation emulates other semi-government funds in Estonia (such as the Non-Estonian Integration Foundation), distributing project funding as well as organizational advice to nongovernmental organizations (NGOs). The foundation promotes projects that build NGO organizational capacities, generate new ideas for civic action, promote international exchange of civic initiatives, and strengthen advocacy practices. With its yearly budget of roughly 20 million Estonian kroons (US$1.8 million), the foundation was able to support dozens of initiatives during the year, including, for example, 25 NGOs working in the field of social entrepreneurship. It also worked to maintain a network of regional civil society development centers to decentralize outreach and stimulate

local initiative. During the last three months of 2010 the foundation additionally funded eleven county-level conferences on civil society to determine how the sector was developing from a regional, comparative perspective.

The foundation also commissioned a research report from the Civil Society Research and Development Center at Tallinn University,[9] which found that basic attitudes towards civic initiative have improved. Civil society organizations have come to be seen by the state and business organizations as a significant and positive social force. One of the most important structural developments for civil society has been the internal differentiation of the sector between foundations (with a solid financial base and broad range of activities) and non-profit associations (usually with limited resources but a more targeted scope). Moreover, cooperation between different organizations has increased. Among the negative trends emphasized was a decline in human resources, for although the number of civil society organizations in Estonia has grown, the overall number of members has declined. With regard to NGO financial resources, researchers found that the funding situation has not significantly improved since 2005, despite the creation of institutions such as the foundation. Throughout the NGO landscape there was also a clear difference between older organizations, which were firmly established and functioned well, and younger organizations that struggled to survive. While this was not in itself surprising, the report did express concern, as younger NGOs form the clear majority of all civil society organizations in Estonia.

The first of May has developed into a major tradition of civic activity in Estonia. Following a campaign in 2008 in which over 50,000 people volunteered to clean up different parts of the countryside and a second event in 2009 where 11,000 people gathered in discussion groups across the country to find solutions for various social issues, the organizers of the movement "Let's do it!" called on people in 2010 to participate in different community development projects, including cleaning up public spaces, restoring commemorative sites, and promoting environmental protection. The campaign was a success, with over 30,000 taking part.

Independent Media

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
1.75	1.75	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50

For years, media independence has been one of the strongest elements of Estonian democracy. Despite its small size, Estonia has a varied and vibrant media landscape, with a mix of traditional print and electronic media as well as newer online information portals, social networking sites, and popular blogs. International monitoring organizations have consistently ranked Estonia near the top of their indices, and issues such as censorship or intimidation of the media have never been a concern.

In terms of focus, the Estonian media landscape can be divided into national and local as well as Estonian- and Russian-language forums. On the national level,

the landscape was dominated in 2010 by three major television channels—the public channel ETV and two private channels TV3 and Kanal2—and a handful of minor channels. There are four national Estonian-language daily newspapers (*Postimees*, *Eesti Päevaleht*, *Õhtuleht*, and *Äripäev*) and two major Estonian-language weeklies (*Eesti Ekspress* and *Maaleht*). Of these, the two most successful dailies (*Postimees* and *Õhtuleht*) averaged a circulation of around 56,000 copies, while the weeklies sold 35,000–42,000 copies. At the regional level there were over a dozen county newspapers, usually appearing 3–4 times per week. All national as well as many of the regional Estonian-language papers maintained internet news portals, which for the most part were free.

Among Russian-language media, the landscape was much barer, especially considering the potential market of some 400,000 Russians, Ukrainians, and Byelorussians in the country. The only major Russian-language daily, *Postimees na Russkom Yazyke*, is distributed by its Estonian-language equivalent. Though generally seen as a respectable publication, the newspaper is still relatively young (founded in 2007) and had a low circulation of 11,000 in 2010. Older Russian-language papers such as *Estoniya* and *Molodyozh Estonii* went bankrupt in 2009. The country's one Russian-language weekly, *Den za Dnjom*, also suffered from the tight media market, with a circulation of around 12,000. Regional Russian-language papers were all concentrated in northeast Estonia, where two (*Viru Prospekt* and *Severnnoe Poberezhye*) had circulations averaging around 7,000 each. This relative paucity of minority-language print media stems from the fact that Russian Federation–based media are also widely available in Estonia.

Moreover, because of the economic crisis many have come to rely on free newspapers published with considerable advertising but usually containing enough information (such as TV listings) to satisfy most readers. As a rule, such newspapers are locally based (e.g., *Tallinna Linnaleht* and *Tartu Ekspress*) and are distributed via bins placed in shopping centers and public spaces. Their circulation rivals that of retail weeklies at around 25,000 copies.

Equally notable, although more controversial, has been the growth in municipally-funded media, particularly in Tallinn. Since gaining control of the city government in 2001 (except for a brief hiatus in 2004–05), the Center Party has consistently expanded the scope of citywide and district-level newspapers published by the municipal administration. While city authorities have defended the newspapers as a key means for distributing local information to residents, the opposition has criticized them as propaganda tools that extol the accomplishments of officials instead of objectively examining city issues. Questions concerning cost also arose when Mayor Edgar Savisaar announced in 2008 that the city would establish a municipal television station, set to begin broadcasting in 2011.

A wide range of radio formats are broadcast in Estonia, from pop music to religious programming, with public and private broadcasting and Estonian- and Russian-language outlets. Media ownership has become more concentrated over the years, with foreign investors holding majority stakes in many print and electronic media. While this has not led to any major issues over content, it has caused most

publications to cuts costs and focus more on easy to gather news stories rather than investigative journalism.

In 1991, the Estonian Newspaper Association created the first Estonian Press Council (*Avaliku sõna nõukogu*), to which a number of other NGOs (including church organizations and journalist associations) later acceded. The Association later went on to found a new *Pressinõukogu*, which confusingly carries the same English-language name of Estonian Press Council. Both groups serve as non-judicial appeals bodies where individuals or organizations can submit complaints about bias or libel in the media. Neither council has any direct powers of sanction, but both attempt to analyze complaints based on a code of ethics that each has drawn up with outside experts. The councils find in favor of the plaintiff in about two-thirds of the complaints.

Government regulation of media received special attention in 2010 when the Ministry of Justice pursued legal amendments making it easier to force outlets to disclose the sources of their print or broadcast information. The proposal led to an uproar among the journalistic community, which culminated with Estonia's major newspapers publishing a blank front page or editorial column on March 18. The protest caused legislators to backtrack on some of the reform's provisions, but at the end of November parliament passed the amendments, despite continued grumbling among media representatives. In particular, the measure contained a provision allowing authorities to impose preemptory fines on media outlets found guilty of libel or slander. The measure also made it easier for authorities to demand that journalists reveal their sources, including whistleblowers.

Local Democratic Governance

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
n/a	n/a	n/a	2.50	2.50	2.50	2.50	2.50	2.50	2.50

The principle problem with Estonia's system of local government remains its fragmentation into myriad local government units of unequal proportions. Whereas the capital Tallinn numbers roughly 400,000 inhabitants, more than 60 percent of rural municipalities have less than 2,000. Numerous attempts at consolidating municipalities have failed, and while the national government has attempted to provide monetary incentives for local governments to merge, only a handful have chosen to do so.

The economic crisis hit Estonian local governments hard, forcing them to significantly cut spending and find new sources of income. Prioritizing its own budgetary problems, in 2009 the national government reduced the share of personal income taxes for local governments, adding to their debt burden. In 2010 local governments demanded that the previous distribution ratio be restored, but their request was ignored during the preparation of the 2011 government budget.

Tallinn and other municipalities attempted to fight back, first in the courts and later with revenue measures of their own. Already in early 2009 the Tallinn

city government submitted a petition to the Estonian Supreme Court regarding provisions of the 2009 state budget, which cut several subsidies previously granted to municipalities for necessary services such as road maintenance and provision of social services. In March 2010, the Court ruled that the state could not impose responsibilities on local governments without a minimum level of funding, and that local governments had the right to contest such obligations if funding was insufficient. The Court also ruled that local governments could not be forced to use local monies to perform state-mandated tasks simply because the state decided to cut its own budget.

The rulings took over a year to be handed down, and Tallinn and other municipalities attempted more immediate solutions to their budgetary woes by enacting new forms of local taxation, such as a special 1 percent sales tax and a boat tax. The measures brought in tens of millions of extra kroons for city governments. However, they also led to complaints by retailers, who claimed they would have to pass these new costs on to customers. Economists predicted that such price hikes would be enacted across the country, spurring inflation.

The initiatives sparked a new tug-of-war between the Center Party–led Tallinn city government and the center-right national government. In June, parliamentarians from the ruling coalition introduced legislation rescinding the right of municipalities to enact local sales taxes and boat levies. The law—which will go into effect in January 2012—reflects the animosity between the administrations of Prime Minister Ansip and Mayor Savisaar, whose increasingly consolidated control over the capital is a source of frustration and anxiety to center-right parties in the ruling coalition. Instead of toppling Savisaar at the ballot box, these parties use the power of the national government to stymie initiatives from Tallinn. On the whole, such tussles remained limited to the capital in 2010 and did not influence local government autonomy overall.

Judicial Framework and Independence

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
1.75	1.75	1.75	1.50	1.50	1.50	1.50	1.50	1.50	1.50

Estonia's judicial system saw advances and setbacks in 2010 when a major plan for reforming the court system foundered over a series of political and legal disputes. For years, judicial experts have recommended that the country's courts be made more independent by creating a separate agency to handle day-to-day administrative affairs. Currently, the Ministry of Justice handles both the main budgetary allocation and all administrative services for district and circuit courts in Estonia (the Supreme Court is its own institution). Though there have been no specific complaints about politicization of the courts, many judicial specialists and justice officials have said that the lower courts should not remain under the indirect influence of the executive branch. To this end, one of the major goals of the proposed court reform was to create an autonomous administrative system for the entire judiciary.

Within the framework of this reform, a number of other issues were raised, including the extreme slowness of judicial process in Estonia and the fact that lower-court rulings were increasingly being overturned on appeal due to the faulty legal reasoning of judges. Experts argued that some kind of oversight mechanism should be built into the court system to more adequately assess incompetent judges.

In December 2009, a special working group chaired by Chief Justice Märt Rask handed parliament the final draft of the new Courts Act. In early January 2010, the draft was unexpectedly denounced by twelve of Rask's own colleagues on the Supreme Court, who declared that the measure went too far in establishing a hierarchy of judicial oversight. (Justices and judges higher up in the system would be tasked with evaluating the performance of colleagues beneath them.) Rask's colleagues argued that subordinate judges might refrain from making certain judicial decisions for fear of possible repercussions from their superiors. In response, Chief Justice Rask accused his associates of politicizing the debate with exaggerated claims. He was seconded in his opinion by a former chief justice, Rait Maruste, who said that oversight needed to be strengthened and that it is the legislature that creates the court system, not the courts themselves. Further complicating matters, another former chief justice, Uno Lõhmus, defended the dissenting justices, claiming that judges in all European countries have a right to express their opinion about the court system.

Amid the debate, some positive aspects of the draft (i.e., the creation of an independent administrative agency for the judiciary) fell by the wayside. Meanwhile, an important constitutional dimension in the draft also arose—namely, a provision allowing the president of the republic to suggest the removal of the chief justice of the Supreme Court in cases of serious and persistent shortcomings in the court system. Chief Justice Rask defended the amendment, saying that parliament must have the right to demand accountability from even the highest judge in the land. By contrast, former chief justices Maruste and Lõhmus and a number of other legal experts spoke against the provision, saying it could lead to a politicization of the chief justice position. They noted that according to the constitution, the chief justice is also the head of the Constitutional Review Chamber of the Supreme Court. As the presidency is one of three institutions endowed with the right to contest the constitutionality of laws before the Chamber, opponents argued that a sitting president might attempt to unseat the chief justice in the event of his or her constitutional appeal being rejected. Finally, critics of the draft Courts Act were unhappy with the stipulation that the chief justice could only be removed if there were serious and persistent problems in the judiciary—a criterion they deemed too subjective and susceptible to political maneuvering.

After two months of extensive public debate, parliament decided to postpone the legislation through the spring and summer. In November the chairman of the committee legislating the bill, Väino Linde, announced that in all likelihood parliament would not be able to pass the law before the upcoming elections, essentially conceding that the reform effort had failed.

Corruption

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.25

Two developments in 2010 indicated notable progress in Estonia's fight against government corruption. First, the long-running trial of former environment minister and leader of the People's Union party, Villu Reiljan, came to an end in May when the Supreme Court ruled to uphold the lower-court conviction of Reiljan on bribery charges. Thus, Reiljan became the highest-ranking politician in Estonia to be found guilty of corruption. Secondly, and perhaps as a result, a new comprehensive survey showed that people's intolerance for corruption has grown in Estonia and that fewer people reported have come in contact with corruption than in previous years.

The high-profile Reiljan affair began in 2006 when allegations surfaced that he had approved the transfer of numerous lucrative state-owned properties to real estate developers in exchange for favors. Reiljan was forced to resign, and within a few months a formal criminal investigation was opened. Prosecutors handed down additional charges, including a case in which Reiljan had allegedly (and indirectly) exacted a payment of 1.5 million kroons (US$137,000) from a real estate developer in exchange for favoring him in the sale of a prized piece of state property in downtown Tallinn. Parliament removed Reiljan's legal immunity as a member of parliament and a formal trial commenced in fall 2008.

In May 2009, Reiljan was found guilty of the main bribery change, and this conviction was later upheld by a circuit court. He then appealed to the Supreme Court to throw out certain evidence against him, such as secret recordings of conversations he claimed were made by law enforcement officials without proper authorization. In its final decision in May 2010, the Supreme Court agreed to declare the audio evidence inadmissible. However, it noted that even without it, Reiljan's guilt had been proven beyond a doubt and therefore let the 27-month suspended prison sentence stand. Reiljan's lawyer announced in October that he had sent an appeal to the European Court of Human Rights in Strasbourg, but a decision was likely to take years. Likewise, former party colleague and ex-Agriculture Minister Ester Tuiksoo also stood trial on corruption charges, all of which helped to explain the demise of the People's Union as a force in Estonian politics.

Bribery allegations also rocked the Estonian judiciary in 2010, when three judges were either convicted or arrested for swaying court decisions or releasing sensitive information in return for money. Two were in northeastern Estonia, where legal experts have long pointed to a lack of professionalism among judges. In one example, agents from the Estonian Security Police Board arrested Mikhail Komchatnikov, a county court judge in the city of Narva, while accepting a bribe from a mediator in exchange for the release on bail of a murder suspect. A month later, Komchatnikov was convicted by another court and given a two-year prison sentence.

As these scandals rocked the media, a study showed the public's tolerance for corruption of all kinds decreasing. The September 2010 survey by the Estonian Ministry of Justice and the University of Tartu found that in comparison with 2006, the number of businesspeople who reported having paid a bribe declined from 15 to 10 percent.[10] Likewise, just 4 percent of citizens said they had tipped bureaucrats or given gifts in order to receive services, down from 8 percent in 2006. When asked to review a list of ethically questionable behaviors such as accepting outside favors to speed up a bureaucratic procedure or taking advantage of inside information, respondents across two of the three categories (civil service and the general public) were more likely to condemn all of these activities than in 2006. The survey noted that women, senior citizens, and ethnic Estonians were more critical of corruption than other demographics, while small business owners showed higher-than-average readiness to grease the wheels of bureaucracy where needed. On the whole, all respondents believed that corruption had declined over the last few years, although they continued to consider it an important issue.

No significant steps were taken in 2010 to resolve the lack of clear control mechanisms for political party financing. Domestic and international anticorruption organizations have long recommended that an independent authority be created to maintain oversight of how parties spend the generous state subsidies they receive every year, as well as how they collect and use electoral campaign funds. In response to a 2009 Supreme Court case that dramatized this issue, many politicians suggested that a special parliamentary committee be created for this purpose. The idea was dismissed by anticorruption advocates, who pointed out that it would still amount to parties monitoring themselves and each other, with questionable results. In late November, parliament nonetheless approved the creation of a new party financing oversight committee, which would examine all campaign expense reports from parties, electoral coalitions, and individual candidates. The committee would be made up of party delegates as well as representatives from the chancellor of justice's office, the National Audit Office, and the National Electoral Committee, and would begin work after the parliamentary elections in March 2011.

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Georgia

by David Aprasidze

Capital: Tbilisi
Population: 4.3 million
GNI/capita, PPP: US$4,700

Source: The data above was provided by The World Bank, *World Development Indicators 2011.*

Nations in Transit Ratings and Averaged Scores

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Electoral Process	5.00	5.25	5.25	4.75	4.75	4.50	4.75	5.25	5.25	5.00
Civil Society	4.00	4.00	3.50	3.50	3.50	3.50	3.50	3.75	3.75	3.75
Independent Media	3.75	4.00	4.00	4.25	4.25	4.00	4.25	4.25	4.25	4.25
Governance*	5.00	5.50	5.75	n/a	n/a	n/a	n/a	n/a	n/a	n/a
National Democratic Governance	n/a	n/a	n/a	5.50	5.50	5.50	5.75	6.00	6.00	5.75
Local Democratic Governance	n/a	n/a	n/a	6.00	5.75	5.50	5.50	5.50	5.50	5.50
Judicial Framework and Independence	4.25	4.50	4.50	5.00	4.75	4.75	4.75	4.75	4.75	5.00
Corruption	5.50	5.75	6.00	5.75	5.50	5.00	5.00	5.00	5.00	4.75
Democracy Score	**4.58**	**4.83**	**4.83**	**4.96**	**4.86**	**4.68**	**4.79**	**4.93**	**4.93**	**4.86**

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

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

Executive Summary

Georgia was one of the first Soviet republics to declare independence and introduce a multiparty system in 1990. However, the country's rapid political emancipation coupled with slow institutionalization led to various serious problems. The first non-Communist president Zviad Gamsakhurdia's loss of power triggered a civil war, and two secessionist conflicts in Abkhazia and South Ossetia broke out. Later, President Eduard Shevardnadze managed to restore a limited degree of stability, which soon ended in a fragile, corrupt, and inefficient system of governance.

In 2004, the new government launched profound reforms aimed at modernizing the state, the economy, and society. In some respects, these reforms tangibly increased the capabilities of the Georgian state, resulting in better public protection and services. In other areas, such as democratic participation and conflict resolution, the new administration has failed to adequately address the complexities of the issues. Marginalization of the political opposition triggered a political crisis in 2007 that continued throughout 2008 and 2009. Russia and Georgia fought a war in 2008 that ended in occupation and formal recognition of independence of South Ossetia and Abkhazia by Russia.

In 2010, Georgia began to recover from these instabilities. The political crisis that began in 2007 calmed considerably in 2010, and no large-scale political protests took place. Local elections were held without major complications, and participating political parties tried to concentrate on public policy issues in their campaigns, rather than slandering political opponents. The Parliament adopted several amendments to the constitution that will come into effect in 2012–13 and will transform Georgia's political system from a semi-presidential to a parliamentary model. The political opposition and the ruling party agreed to cooperate to further improve electoral legislation. Yet, despite several visible improvements, it will take time for Georgia to recover from its early setbacks.

National Democratic Governance. In 2010, the Georgian Parliament adopted a substantially revised version of the constitution that will shift the country's political system from semi-presidential to a parliamentary model in 2012–13. The parliamentary opposition was actively involved in the work of the State Constitutional Commission, and most voted for the final draft. However, several political parties, including those who boycotted the Parliament, declined to participate in the work of the commission and developed an alternative draft. Some NGOs also demanded that the public debate period be extended. In general, the process was inclusive and reflected varying political and societal interests. In addition, the electoral code was successfully changed prior to the local elections; among other adjustments, the

composition of the election administration was changed allowing the opposition to be represented in all local commissions. A working group of political parties is expected to further improve the electoral legislation. *Owing to these positive developments in institutional changes and policy implementation, Georgia's national democratic governance rating improves from 6.00 to 5.75.*

Electoral Process. The 2010 local elections in Georgia were relatively well organized by the Cenrral Election Commission (CEC). Voter lists were improved, political parties and candidates had access to media and could campaign freely, and the commission proactively and successfully addressed different complaints. At the same time, the process of vote tabulation was incomplete and in some cases chaotic. Furthermore, the use of administrative resources remained a problem and gave the ruling party an advantage over the competition. The CEC intervened in several cases and nullified results. The electoral administration showed its willingness to cooperate with political actors, national and international observers, and civil society organizations. The improvement of the electoral code was a significant step forward, and there was political consensus to resume working on other issues. *Owing to these positive trends, and acknowledging that the local elections were a significant step towards international democratic standards, Georgia's electoral process rating improves from 5.25 to 5.00.*

Civil Society. The main problem affecting Georgia's civil society remains its limited impact on policy formulation and implementation. Sources for local funding are still limited; in terms of access to international funding and networking, large and established NGOs are better positioned than new or less experienced organizations. As a result, civic activity in the country has become elite-based. In 2010, international donors tried to increase public policy debate by bringing together governmental, nongovernmental (both academic and activist groups), media, and business actors. However, results have been slow to materialize. *Therefore, Georgia's civil society rating remains unchanged at 3.75.*

Independent Media. Overall, there was consensus in 2010 that the media landscape in Georgia needs improvement, in terms of both its independence and its professionalism. However, there were debates over the appropriate means and goals of reform. The issue of nontransparency in media ownership of major TV stations was acknowledged, and the Parliament discussed changes to existing legislation. At the same time, proponents of greater "professionalism" questioned whether ownership transparency alone would solve the media's problems, and advocated instead for more investment in journalist education and the promotion of ethics standards. Most Georgian television news coverage is perceived as biased, though both the government and the opposition have media who favor their point of view, resulting in a certain degree of balance. Several talk shows are aired regularly with distinctly varying topics and participants. Print media are more diverse than television programming, but only a few editions follow ethics standards. The

function of internet media increased during the year as the number of Georgian residents involved in online social networks continued to grow. *Although greater attention to media nontransparency signals a hopeful trend, the media sphere still lacks significant independence and needs to institutionalize transparency; thus, Georgia's independent media rating remains unchanged at 4.25.*

Local Democratic Governance. The new version of the constitution establishes a separate chapter on local self-governance. This particular amendment will come into force in January 2011. New local councils were elected in Georgia in 2010. The opposition increased its representation, but the ruling party maintained the vast majority of members in all councils nationwide. The constitutional changes did not touch on the substance of regional governance, which remains controlled by the central government. However, in the future the prerogative to appoint regional governors will be exercised by the government and not by the president. *Owing to several institutional improvements that will go into effect in 2011 and whose impact remains to be seen, Georgia's local democratic governance rating remains unchanged at 5.50.*

Judicial Framework and Independence. Georgia's judiciary remains plagued by inconsistencies in interpretation and enforcement of legislation, weak institutional organization, and lack of judicial independence. The rate of acquittals in 2010 dropped to 0.01 percent, suggesting increased dominance of prosecutors in the court system. The Ombudsman's office reported on unbearable overcrowding and inhumane conditions in penitentiary and detention facilities, prompting some largely symbolic steps towards liberalization of the government's current "zero tolerance" crime policy. Several political parties and NGOs continued to raise the issue of political prisoners, while the government continued to categorically deny their existence. In October 2010 jury trials were introduced, with the aim of increasing public trust in the justice system. *Recent institutional changes may improve transparency of court proceedings in the course of 2011; however, based on deteriorating conditions in 2010, Georgia's judicial framework and independence rating declines from 4.75 to 5.00.*

Corruption. The fight against corruption continued to be a priority for the Georgian government. Several high-ranking officials and businessmen were arrested on corruption charges, while petty corruption appeared to be almost absent. Public agencies in Georgia further improved services and introduced electronic systems to increase accountability and transparency. Challenging areas remained the transparency of state procurement and the use of presidential, governmental, and Tbilisi funds. *Although there is still a need to institutionalize and consolidate anticorruption achievements, Georgia's steady focus on combating corruption and improving transparency results in an improvement in its corruption rating, from 5.00 to 4.75.*

Outlook 2011. In the coming year, the electoral working group is expected to identify issues and try to reach consensus on how to address them. This work has greater importance with the upcoming national elections in 2012 and 2013, with the aim to increase public trust in the electoral system. Additionally, open discussions and legislative amendments are needed to qualitatively enhance the media environment. The public debate involving government and nongovernmental actors, academia, media, and the private sector that occurred in 2010 could foster the reemergence of vibrant civil society. The constitutional guarantees for local self-governance will begin operating in 2011, as well as the new tax code and the jury system. The quality of Georgia's national democratic governance will depend on how open and issue-based political debate is on these subjects.

Main Report

National Democratic Governance

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
n/a	n/a	n/a	5.50	5.50	5.50	5.75	6.00	6.00	5.75

In 2010, the Georgian Parliament adopted a revised constitution that will shift the country's political system from semi-presidential to a parliamentary model, marking the second substantial reshuffle of the constitution since its adoption in 1995. The power of the executive branch and president was increased in 2004, and the State Constitutional Commission was set up in 2009 to draft a new constitution that would better serve the changing political needs of the country. Several NGOs and opposition parties represented in the Parliament participated in the work of the commission. The alternative Public Constitutional Commission was organized by other NGOs and several non-parliamentary political parties, including those who were elected to the Parliament in 2008 but boycotted the results. The alternative commission openly supported a parliamentary model, while President Mikheil Saakashvili was quoted as preferring a presidential system.[1]

The State Constitutional Commission collaborated closely with the Venice Commission of the Council of Europe and adopted most of its suggestions. The Venice Commission in its final opinion generally welcomed the new draft as a "significant step in the right direction."[2] After the adoption of the final draft by the State Commission, public hearings took place throughout Georgia. Some critics claimed that the discussions were deliberately held during the summer break in August to avoid broad public participation. Several members of the State Commission, including members of opposition parties, insisted on taking time with the process of adopting the amendments by Parliament. However, the legislative body proceeded quickly, performing a third vote only hours after the Venice Commission had confirmed its final assessment.

The new draft of the constitution establishes a parliamentary system, with a strong presidency. The president remains the popularly elected head of state, has several appointment prerogatives in foreign and security sectors, special prerogatives in wartime, as well as the right to dismiss the Parliament and influence the no-confidence vote on the prime minister in Parliament under certain circumstances. However, the central figure of the new system is the prime minister, who is elected by the Parliament and heads the government. The Venice Commission suggested strengthening the role of Parliament with respect to the formation of the government and budgetary matters—recommendations partly declined by the Georgian government. The amendments will go into force gradually and completely replace the existing version of the constitution after a new president takes office. Formally, that is expected to happen in spring 2013. There were rumors

that President Saakashvili may switch positions and seek to become prime minister.

The new constitution will reset the institutional framework for Georgia's political process. However, the fact that Parliament has been able to make fundamental changes to the constitution twice since 2004, without encountering serious resistance, reflects the asymmetrical power distribution in the Georgian political landscape. The ruling party holds an absolute majority in Parliament, while the opposition is weak and has no levers to check the country's rulers. If the unbalanced character of the power distribution remains unchanged, the new framework may inherit some of the features of the current system.

Amendments to electoral legislation in 2009 and early 2010 improved the chances for opposition parties by replacing the previous winner-takes-all system with a partially proportional distribution of mandates. However, local elections in 2010 did not alter the distribution of power, as the ruling party achieved a landslide victory and secured an absolute majority in all local councils. In general, the local elections took place in a calm atmosphere and were recognized as being in line with major international standards.

Although there are numerous political parties in the country, membership and participation remains low, and political parties are the least trusted institutions in Georgia.[3] The disintegration of parties and coalitions and the emergence of new ones is an ordinary occurrence. Ruling parties usually cease to exist when their leaders are ousted from power. For example, the ruling bloc "Round Table–Free Georgia" was dissolved and its major parties marginalized after the first postcommunist president Zviad Gamsakhurdia lost power. The Citizens' Union of Georgia followed the same path when President Eduard Shevardnadze left office. The current ruling United National Movement (UNM) is likely to break this tradition and remain on the political scene after 2013, though several high-ranking politicians have left the UNM and founded their own political parties since 2007. Several regroupings have also occurred in the opposition. In 2010 the new Georgian Party emerged, led by former defense minister Irakli Okruashvili, Ombudsman Sozar Subari, ambassador to Russia Erosi Kitsmarishvili, and the main challenger to the incumbent President Saakashvili in the 2008 elections, Levan Gachechiladze.

There are no legal constraints to the creation of political parties in Georgia, except in relation to regional-based parties. Recently, national parties have turned their attention to ethnic minority regions, primarily in anticipation of the local elections. However, this type of attention has been sporadic, and political parties continue to be highly centralized and Tbilisi-dominated. This is true not only for non-Georgian inhabited regions but in other areas of the country as well. In general, the representation of ethnic and religious minorities in national politics does not correspond to their share in the population as a whole. Ethnic minorities comprise 16 percent of Georgia's population but hold only 4 percent of the seats in parliament.[4]

Georgia's conflict zones were mostly stable during 2010. The European Union Monitoring Mission provided reliable political guarantees for non-escalation of the conflict with Russia. Geneva Talks on conflict-related issues continued throughout

the year, and the Incident Prevention and Response Mechanism resumed in South Ossetia after being interrupted for more than a year. In October 2010 the Russian military withdrew from Perevi, a village located outside the administrative borders of the former South Ossetian Autonomous Oblast and held under Russian control after the August 2008 war. Russian officials claimed that with the withdrawal, Moscow had met all of its obligations under the Six-Point Accord facilitated by French President Nicolas Sarkozy. The international community welcomed the Russian withdrawal but stressed that the Six-Point Accord was not yet fulfilled.

Small signs of improvement in Russian-Georgian relations included the reopening of the border crossing at Larsi and the reestablishment of direct charter flights between Tbilisi and Moscow; however, these did not have any larger effect on diplomatic relations. The Georgian government's decision to abolish the visa requirements for North Caucasian residents of Russia received criticism from Moscow officials, who interpreted the move as an attempt by to destabilize the situation in the North Caucasus. In October 2010, the Georgian Ministry of Internal Affairs arrested nine Georgian and four Russian citizens on allegations of spying for the Russian security service.[5]

Some of the suspected spies were Georgian military officers, which raised questions about the effectiveness of the country's security sector. A trial related to the Mukrovani tank battalion mutiny of 2009 brought the military under further scrutiny in late 2010. Several high-ranking officers were sentenced to prison terms for participating in the mutiny; the convicted officers protested that they were only demonstrating inside the battalion base and had no intention of staging a coup.[6]

Electoral Process

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
5.00	5.25	5.25	4.75	4.75	4.50	4.75	5.25	5.25	5.00

Approximately half of all eligible voters cast ballots in Georgia's May 30 local elections—the first elections of any description since the August 2008 war. Voting was originally scheduled for fall 2010, but moved up by President Saakashvili following a political crisis of 2009 in which the opposition organized large-scale demonstrations, blocked main streets in Tbilisi, and demanded the resignation of the president and the Parliament.

Elections took place in 59 municipalities and 5 self-governing cities. Abkhazia and South Ossetia were not included (the Law on Occupied Territories identifies these two regions as occupied by Russia). Municipality and city councils are elected for four-year terms, and councils elect heads of municipalities or city mayors (the one exception being Tbilisi, whose mayor was directly elected for the first time in 2010). The municipality heads and city mayors appoint their trustees in local communes.

The capital's dominance in national politics made Tbilisi's local elections an important testing ground for the upcoming national elections in 2012 and 2013.

The incumbent mayor ran with the full support and extensive resources of the ruling UNM party, defeating the fragmented opposition. Although the opposition increased its representation in local councils from 11 to 14 percent, the ruling party secured the absolute majority in all councils, winning 86 percent of all seats.[7]

International observers assessed the polls as "evident progress towards meeting OSCE commitments and other international standards for democratic elections."[8] All political parties were able to campaign and had access to the media. The voter lists were improved and simultaneously verified by the CEC, as well as several political parties, with the state providing additional funding for this process. The CEC acted in a professional manner and cooperated with international and local observers, as well as with the main political actors. Representatives of the main opposition political parties participated in the work of the CEC and were included in all local election commissions. The campaign season developed in a calm atmosphere, and political parties and candidates focused on specific public policy issues, rather than personal recrimination.

Domestic and international observers did point out several shortcomings in the local elections, criticizing deficiencies in the legal framework as well as its unequal application to different political players. Observers also noted that cases of intimidation were considerably fewer than in previous elections but still took place in 2010. The distinction between the government and the ruling party was blurred, which enabled state officials to campaign for the party and use public resources. The ruling party allocated considerably more resources than the opposition parties, or almost 90 percent of the total GEL17 million (US$10 million) spent by the five parties that cleared the 5 percent electoral threshold.[9] Observers also noted procedural violations in vote tabulation.

All political actors agreed that the electoral legislation and campaigning environment needed further improvement. Although a working group consisting of ruling and several opposition parties devised changes to the electoral code in 2009 (the Parliament passed revisions to the code in December 2009 and March 2010), they also failed to reach consensus on all matters in order to finalize the task. In 2010 the parties expressed their desire to resume the consultations, and a group of eight opposition parties drafted proposals. Both the ruling party and the opposition launched consultations on the format of the working group.

Civil Society

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
4.00	4.00	3.50	3.50	3.50	3.50	3.50	3.75	3.75	3.75

Civil society in Georgia began to emerge in the late 1980s and witnessed vibrant activism in the second half of the 1990s. However, many observers have pointed to a decline in the impact of the civic sector following the departure into politics of influential civic activists who participated in the peaceful demonstrations of 2003. Additionally, some influential NGOs have refrained from criticizing the new

administration, and international donors have reoriented their programs towards government-led projects. Observers argue that this overall drain of intellectual and other resources has weakened the country's civil society in comparison to government institutions.

The imbalance between civil society and the state cannot be fully attributed to deteriorating conditions. Institutionally, civil society organizations are protected by law; no formal or informal obstacles exist to hinder the creation and operation of NGOs in any form. In fact, many thousands of NGOs are officially registered, and several hundred operate in all parts of the Georgian territory. Quite a few organizations specialize in the areas such as public health, environment, gender issues, minority issues, and human rights.

International funding and partnering is available for civil society organizations in Georgia, though it privileges the more established and successful groups. It is quite difficult for new organizations to compete and get access to the necessary international networking. Local funding is still scarce, and while business entities provide funds for charity, they refrain ftom funding civic activities. The main funding challenge will be the increased income tax for grants that is expected to come into force in January 2011. The income tax rate in Georgia is 20 percent, with grants receiving a preferential tax rate of only 12 percent. Although the upcoming changes were announced a few years in advance, they are expected to have a negative impact on the financial stability of some NGOs.

In 2010, civil society organizations formed alliances to address various social and political issues. For example, Transparency International Georgia, the International Society for Fair Elections and Democracy, and the Georgian Young Lawyers Association set up the Election Media Center to monitor local elections and issued several assessments. The Public Constitutional Commission developed an alternative draft of the constitution and provided critical evaluations of the official draft as well as the working process of the State Commission. The Open Society Georgia Foundation supported these and other initiatives to strengthen long-term and issue-based coalitions between civil society organizations.

To address the issue of civil society's limited impact on policy formulation and implementation—the chief hurdle for the Georgian civic sector—major international donors launched large-scale programs during the year to bring together civil society, universities, research centers, media, and political actors. The objective of these projects was to open space for public deliberation where the quality of public-policy discussions could be enhanced.

Anti-liberal organizations in Georgia were further marginalized in 2010 but still visible. In May, members of the newly-created People's Orthodox Christian Movement attacked a peaceful demonstration against intolerance. Several days later, representatives of the same organization assaulted journalists of Kavkasia TV during a talk show where Georgian Orthodox hardliners and their opponents were discussing the incident. Several people were arrested, while one of the founders of the movement, Malkhaz Gulashvili (the owner of one of Georgia's independent newspapers), fled to Russian-controlled territory of South Ossetia. The Georgian

Orthodox Church did not take an official position on the events; however, one of the priests involved in the work of the movement and the attacks was promptly promoted.

In December, the public TV talk show "Dialog with David Paichadze" was criticized by the patriarch of the Georgian Orthodox Church and condemned as "more than bad" and "anti-national" because the program discussed developments within the church and gave the floor to some of its prominent critics.[10] Earlier in the year, the patriarch urged the church's believers to not send their children abroad for education because it could harm them.[11]

While the influence of the Georgian Orthodox Church over politics and society continues to be high, the role of trade unions remains very weak. Although there are no legal limitations to creating or belonging to trade unions, very few employees seek to become involved. Organized strikes or other activities usually attributed to trade unions are rare in Georgia. Often, opposition political parties attempt to take up the issues of workers instead of trade unions.

Rectors of several universities, including Tbilisi State University, resigned during the year after the national media reported on misuse of funds in the respective institutions. The new rectors, who were openly backed by the government, became acting heads of the universities and subsequently were elected by the university councils. In November, principals of eight public schools in Tbilisi resigned after their twelfth-grade students demonstrated against newly introduced high-school final examinations. The Ministry of Education was accused of applying pressure on principals.

Independent Media

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
3.75	4.00	4.00	4.25	4.25	4.00	4.25	4.25	4.25	4.25

The legal framework regulating Georgia's media environment meets broad international standards. However, serious problems exist in the areas of transparency of media ownership, editorial independence, and professionalism.

Attempts to address deficiencies in media independence in 2010 focused primarily on ownership transparency. A draft amendment to the Law on Broadcasting proposed by ruling party lawmakers would ban legal entities with shares owned by offshore-registered firms from acquiring a broadcaster license. Currently, Degson Limited, a firm registered in the Virgin Islands, owns 70 percent of Rustavi2, Georgia's most popular nationwide television station. The proposed amendment would also target Adjara TV, the only state-run television company in Georgia, which belongs to the government of the Adjara Autonomous Republic. Legally, no state institution in Georgia may own a broadcaster; the new amendment will hold the government of Adjara accountable to this pre-existing rule. Final hearings on the draft amendment are expected in February 2011. Meanwhile, a group of legal and media experts has suggested further provisions intended to address the issue of

ownership and make the funding of broadcasters more transparent. Lawmakers also agreed to discuss recommendations by the OSCE's Office of the Representative on Freedom of the Media.[12]

Despite the existence of Freedom of Information legislation, journalists frequently complain that government agencies refuse to issue some requested information. In 2010, Transparency International tested several public agencies by sending more than fifty requests. In 78.8 percent of cases responses were satisfactory (fulfilled in full in 67.3 percent) and in 21.2 percent responses were unsatisfactory. The least responsive agencies were the Ministry of Defense, Ministry of Internal Affairs, and Ministry of Justice.[13] In the regions, local media often need approval from the Tbilisi-based ministry prior to asking local agencies for information. Without this approval, local public bodies are reluctant to give information.

According to a 2009 study by the Caucasus Research and Resources Center, 84 percent of Georgian citizens watch television news daily, despite the fact that a majority considers television outlets to be biased in favor of either the government or the opposition.[14] Independent analysis of media coverage during and after the May 2010 local elections revealed that nationwide private broadcasters such as Rustavi2 and Imedi TV overwhelmingly favored the government, while others—including Maestro and Kavkasia—demonstrated a pro-opposition orientation.[15] Individuals associated with pro-government channels often have political or business ties to the government. For example, the former director (and a current shareholder) of Rustavi2, Irakli Chikovani, currently chairs the Georgian National Communications Committee (GNCC), the body that regulates and licenses broadcasters.[16]

The professionalism of major broadcasters came under particular scrutiny following Imedi TV's "Fake War Report," a sensationalistic mock-newscast in which a possible Russian invasion was depicted in a close-to-reality manner, preceded by only a brief and easily-missed disclaimer. The March broadcast triggered panic in Tbilisi. Imedi received harsh criticism from representatives of the political leadership and sources abroad, and the station's management was forced to make an official apology. The broadcaster claimed that the simulation had been intended to keep Georgian society alert in anticipation of a real possibility.

In contrast to Imedi and Rustavi2, the Georgian Public Broadcaster (GPB) made a clear effort to balance coverage between political actors and provided access for all during and after the 2010 election campaign. GPB's several talk shows invited guest speakers with differing opinions. GPB also reorganized its Second Channel to allow political parties and NGOs to broadcast their events, including press conferences, discussions, and meetings. However, during the year some members of the political opposition accused GPB and other broadcasters of inadequately covering their activities.

In January, GPB launched a Russian-language news channel called First Caucasus. GPB management called the station, whose programming reached western Russia via satellite and the internet, an attempt "to spread objective information about Georgia;"[17] Russian officials called it "anti-Russian propaganda."[18] One

month later, the French company Eutelsat removed the signal from its satellite, allegedly under pressure from Russia.[19]

Regional and local media, as well as print media, are believed to be more independent from central governmental control than nationwide television broadcasters. However, this does not guarantee that they are free of other types of political or economic interests. Regional and local electronic media are closely connected to local power holders, and most media outlets practice self-censorship when confronted with "unpopular" issues. This habit is exemplified by the Georgian media's lack of criticism regarding the Orthodox Church, which frequently exerts undue influence in the country's political and social affairs.

The only major case of journalist harassment reported in 2010 targeted Vakhtang Komakhidze, an investigative journalist who has reported on South Ossetia as well as the 2008 conflict between Georgia and Russia. On February 9, the Real-TV channel broadcast a program on Komakhidze's private and personal life with the alleged aim of discrediting the journalist; the following day, the journalist received death threats that he asserts came from the authorities.[20]

There are no restrictions on the internet in Georgia, and the importance of online media is increasing, with 28.3 percent of Georgians having access to the internet (up from 7.6 percent only four years ago).[21] Internet access is available in most parts of Georgia, but connection fees are significantly higher in the regions than in the capital Tbilisi. Nevertheless, local and national media outlets make use of online technologies, and the number of online TV and radio stations is constantly increasing. The social-networking website Facebook, in particular, serves as an important platform for discussion and information exchange among the more liberal segments of Georgian society[22]; reportedly, there are more than 340,000 registered Facebook users in the country.[23]

Local Democratic Governance

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
n/a	n/a	n/a	6.00	5.75	5.50	5.50	5.50	5.50	5.50

Georgia's constitution and corresponding legislation outline three levels of governance: national, regional, and local. Georgia is divided into nine regions: Samegrelo and Zemo Svaneti, Guria, Imereti, Ratcha-Lechkhumi and Kvemo Svaneti, Samtskhe-Djavakheti, Mtskheta-Mtianeti, Kvemo Kartli, Shida Kartli, and Kakheti. These regions have no autonomy and are governed by presidential appointees (*sakhelmtsipo rtsmunebuli*). At the level below the regions, there are currently 59 municipalities under Georgian central government control and 5 self-governing cities—Tbilisi, Batumi, Rustavi, Poti, and Kutaisi. In municipalities and cities, local and city councils (*sakrebulo*) are elected for four-year terms. Councils elect heads of municipalities (*gamgebeli*) and city mayors in self-governing cities. The new arrangement introduced in 2006 abolished the first level of self-governance

in more than 1,000 communes. Trustees (*gamgeobis rtsmunebuli*) are appointed by the *gamgebeli* to act on behalf of the municipality in each commune.

Results of the May 2010 local elections, suggest that the opposition must increase its activities in regions, rather than concentrating all of its efforts in Tbilisi and major cities. The local polls, in which UNM won 86 percent of all municipal seats, also demonstrated the significant advantage ruling party candidates gain from the national government's administrative resources. The new distribution of power in local councils will not change the political landscape in regions, as the central government will continue to dominate local politics. UNM's candidate in Tbilisi's first direct mayoral election was also successful.

The ruling party's monopoly on local councils has diminished political competition on the local and regional levels, and opposition parties play almost no role in the decision-making process. Regional governors often dictate to the local councils and municipal executives under their supervision, with limited attention from NGOs or media, which remain underdeveloped in most Georgian regions. Municipal governments depend entirely on the central government for funding.

Amendments coming into effect in January 2011 introduce a separate chapter on local self-governance and define institutional guarantees for its independence. The constitutional changes also provide financial guarantees that will increase local governments' self-sufficiency, while the right to appoint regional governors will move from the president to the government.

The only regional entity with limited autonomy remains Adjara, where elections in 2008 resulted in a local parliament dominated by the UNM. The head of Adjara's regional government is elected by the local Supreme Council but proposed by the president of Georgia. The president currently has extensive rights to dismiss Adjara's parliament and government, but in the new version of the constitution he will be required to seek the government's approval in advance. The other autonomous republic of Georgia, Abkhazia, is out of the central government's control and was declared an occupied territory by the Georgian Parliament in 2008. The breakaway region of South Ossetia has the same status of the occupied territory. An interim administrative unit was created in South Ossetia to build up its autonomy in 2007.

Judicial Framework and Independence

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
4.25	4.50	4.50	5.00	4.75	4.75	4.75	4.75	4.75	5.00

Georgia's constitution and national legislation guarantee fundamental political, civil, and individual rights, which are generally respected by the state. However, the justice system remains plagued by inconsistencies in interpretation and enforcement of legislation, weak institutional organization, questionable judicial independence, poor conditions in penitentiary and detention facilities, and inadequately trained justice employees. The rights of Internally Displaced Persons (IDPs) have been in the center of public attention for the last several years, and came under increased

scrutiny in 2010 following forced resettlement of many from their temporary homes in Tbilisi.

In institutional terms, the court system's independence from the executive branch is supported by several guarantees. State officials are legally prohibited from having any contact with judges during case hearings. Judges are appointed by the High Council of Justice, a body headed by the chairman of the Supreme Court. The majority of council members are also judges. In previous years, the council has used its disciplinary purview to pressure judges, exacting compliance with the threat of investigation or dismissal.

The rate of acquittals remains extremely low in the Georgian court system, and appears to be getting lower. Defendants in the courts of first instance were acquitted in only 0.1 percent of cases in 2010 (down from 0.7 percent in 2003). Furthermore, a large number of criminal cases (58.2 percent) were settled through plea-bargaining, a practice critics claim is aimed at extorting money from criminal suspects.[24]

The use of jury trials and a new criminal procedure code came into force in October 2010. Jury trials will begin first in Tbilisi and then gradually expand to the regions, with their first use applied only in special criminal cases, such as aggravated murder. Their full implementation in all criminal cases is envisaged by 2014. Lawmakers and court administrators believe that public involvement in trials will increase trust in the justice system.

Violations of fundamental rights were evident in several recent cases. In August, three activists were arrested by police while protesting on George W. Bush Street in Tblisi, where they painted over the picture of the former U.S. president and demanded the street be renamed. The court fined the protesters GEL400 (US$220) each and released them. The public defender's office raised concerns about mistreatment of the protesters by police after they were arrested (at least one prisoner showed signs of having been beaten in detention). The Georgian Young Lawyers Association condemned the arrest itself, saying the protesters should have been fined for painting over the picture on the spot, and no legal provision was given to arrest them.[25] The case received considerable media attention, but was not investigated further.

Beginning in July 2010, hundreds of Georgian citizens displaced by war (mainly from Abkhazia) were forcibly resettled from their temporary housing in Tbilisi. Although the government offered alternative housing, IDPs protested because of limited job opportunities or worsened living conditions in the new dwellings, many of which were quite far from Tiblisi. During the resettlement process, several people were detained and fined. While recognizing the need to find long-term housing options for Georgia's nearly 250,000 IDPs, the public defender and other national and international organizations severely criticized the methods used during the evictions.[26]

In September, the Georgian Parliament adopted amendments to the law on police. According to the new redaction of the law, police officers are allowed in case of "reasonable suspicion" to stop individuals and check their clothing and

belongings. Lawmakers believe this will protect police officers, who are often targeted by criminals. However, many human rights defenders as well as several opposition parties criticized the amendment as contradicting human rights principles.

In a report on Georgia's human rights situation, the office of public defender Giorgi Tugushi (who succeeded Sozar Subari as ombudsman in September 2009) named penitentiary and detention systems as a top priority in need of immediate attention.[27] According to Transparency International, over 22,000 individuals were serving sentences in 19 facilities in 2010.[28] The ombudsman's report noted severe overcrowding and lack of access to healthcare in detention facilities in 2009, as well as increased cases of mistreatment of inmates by prison administration. Living conditions in psychiatric institutions and childcare facilities remain grave. Several new facilities have been built since 2008 and some were under construction in 2010. The ombudsman urged the government to soften the zero tolerance criminal policy adopted in 2007, and increase the use of alternatives to imprisonment. Parliament responded to demands for liberalization of criminal policy by banning consecutive sentencing, which was viewed as one of the causes of prison overcrowding. It also increased the minimum age of criminal responsibility from 12 to 14. The minimum age had been decreased in 2007, but the prosecution of individuals under 14 years old was always highly controversial and never actually implemented.[29]

The issue of political prisoners in Georgia was again raised by several NGOs and opposition political parties during the year. The Human Rights Center of Georgia argued that cases against several current detainees were politically motivated. The Democratic Movement–United Georgia (the party of the former Parliament speaker Nino Burjanadze) put the number of political prisoners at 60. The Conservative Party listed cases including former officials, opposition leaders, and supporters in its report.[30] The government denied the existence of any political prisoners and argued that all of the persons listed were arrested or prosecuted on existing criminal charges.

Several hundred inmates were pardoned in Georgia in 2010. Among them were juveniles who succeeded in passing the national examinations for higher education and chose to enroll in universities. The president has relied on the State Pardon Commission as an advisory body, but he can act independently through other agencies, including the prosecutor's office. Reform of the pardon system and commission are envisaged for next year.

Corruption

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
5.50	5.75	6.00	5.75	5.50	5.00	5.00	5.00	5.00	4.75

Since 2004, low-level corruption has practically disappeared in the area of state services. State agencies are providing better services, many of which are available electronically, and regulations and procedures are much more transparent. For

instance, the Civil Service Bureau advertises jobs on its website and also publishes asset declarations of public servants.

Georgia's anticorruption campaign continued in 2010 with several widely publicized cases. The deputy healthcare minister and former deputy minister of education were arrested on charges of abuse of office and bribe-taking. Acting on findings of the Chamber of Control, the public prosecutor's office established that in both cases, these high-ranking officials had influenced the outcomes of public-procurement tenders. Law enforcement agencies also arrested several businessmen on corruption charges. Among them, the general director of the Russian-Georgian company Energy Invest was accused of tax evasion. Two Israeli businessmen were also taken into custody for allegedly trying to bribe the Georgian deputy finance minister. According to the prosecutor's office, the businessmen tried to influence the government not to challenge the decision of an international arbiter[31] obliging the state to pay about US$98 million to a firm connected to the arrested businessmen.[32] Critics claimed that the criminal charges were staged to pressure the businessmen to drop the case.

Such examples demonstrate the ability of law enforcement agencies to address corruption at high levels of government bureaucracy; however, the same cases speak to the degree of corruption and abuse of office among top political power holders. According to Transparency International, two particularly corruption-prone areas in Georgia are media financing and the reserve funds available to the president, the mayor of Tbilisi, and the government. The flow of and use of funds in these areas is largely nontransparent.[33] Graft remains a serious challenge on the level of large-scale procurements, state-funded projects, and lobbying of certain business groups.

The Georgian government has launched several free economic zones and initiatives but most have failed to attract foreign direct investment (FDI) into the country's economy. Total FDI in 2010 was US$553 million, 16 percent less than in the previous year.[34] In 2011, a new tax code will come into force (the second large reshuffle of the system since 2004). However, the code will not introduce any substantial changes and will even postpone some previously declared tax reductions. The position of tax ombudsman was created to protect taxpayer rights and report conditions to Parliament. The ombudsman will be appointed by the prime minister in agreement with the Speaker of Parliament. The tax code will also create a special body at the Ministry of Finance to mitigate tax disputes. Additionally, the government plans to introduce an electronic procurement system that will increase transparency.

According to the 2011 "Doing Business" report by the World Bank Group, in 2010 Georgia improved protection of investors, access to credit, and enforcement of contracts and insolvency.[35] The liberalization of the labor market is a subject of discussion in Georgia–European Union (EU) talks on Association and Free Trade Agreements. The EU expects Georgia to increase protections for employees and introduce other regulations and control mechanisms in areas such as food security.

Several news sources, including Kavkasia TV and Maestro TV, investigate corruption issues, and their presentations are available online. The GPB has also

aired several investigative reports related to corruption issues in the healthcare system. In general, however, with high-profile cases media typically present only the information and interpretation provided by law enforcement agencies. Over the years, various media representatives have promised to institutionalize investigative journalism. Public opinion indicates that most viewers and readers would welcome a wider and deeper coverage of corruption issues. However, in the same study, only 42 percent of Georgians claimed that they would report a case of corruption.[36]

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Hungary

by Balázs Áron Kovács and Flóra Hevesi

Capital: Budapest
Population: 10.0 million
GNI/capita, PPP: US$19,090

Source: The data above was provided by The World Bank, *World Development Indicators 2011*.

Nations in Transit Ratings and Averaged Scores

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Electoral Process	1.25	1.25	1.25	1.25	1.25	1.75	1.75	1.75	1.75	1.75
Civil Society	1.25	1.25	1.25	1.25	1.25	1.50	1.50	1.75	1.75	**2.00**
Independent Media	2.25	2.25	2.25	2.50	2.50	2.50	2.50	2.50	2.75	3.25
Governance*	3.00	2.50	2.50	n/a	n/a	n/a	n/a	n/a	n/a	**n/a**
National Democratic Governance	n/a	n/a	n/a	2.00	2.00	2.25	2.25	2.50	2.50	**3.00**
Local Democratic Governance	n/a	n/a	n/a	2.25	2.25	2.25	2.25	2.50	2.50	**2.50**
Judicial Framework and Independence	2.00	1.75	1.75	1.75	1.75	1.75	1.75	1.75	2.00	**2.25**
Corruption	3.00	2.75	2.75	2.75	3.00	3.00	3.00	3.25	3.50	**3.50**
Democracy Score	**2.13**	**1.96**	**1.96**	**1.96**	**2.00**	**2.14**	**2.14**	**2.29**	**2.39**	**2.61**

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

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

Executive Summary

Parliamentary elections were held in Hungary in April 2010. As expected, the opposition Young Democrats' Alliance–Hungarian Civic Union (Fidesz) and its junior partner, the Christian Democratic People's Party (KDNP), dealt a crushing defeat to the ruling Hungarian Socialist Party (MSZP), which had been in power since 2002 and was deeply discredited due to several factors, including the September 2006 revelation (via leaked tapes) that Prime Minister Ferenc Gyurcsány had deliberately lied to win elections, and the government's gross mishandling of the ensuing protests. Failed fiscal policies predating the onset of the global economic crisis cemented MSZP's deep unpopularity. With the 2010 elections, Fidesz leader Viktor Orbán became prime minister of a new government that controlled more than two-thirds of the seats in the parliament. The resulting opposition consisted of the MSZP and the Politics Can Be Different (LMP) party on the left, and the radical nationalist Movement for a Better Hungary (Jobbik)[1] on the extreme right.

The new government's supermajority gave it the authority to amend or replace the constitution, and it planned to adopt a new charter in early 2011. Such a concentration of power in the hands of a single political bloc was practically unprecedented in Hungary's postcommunist history. In 1994–98, the MSZP and its junior partner, the Alliance of Free Democrats (SZDSZ), also had a two-thirds majority, but they were often at odds and practiced self-restraint in amending the constitution, pegging such legislation to a four-fifths vote for the duration of their term. In the conservative coalition elected in 2010, the junior partner is independent in name only, as the small KDNP is effectively under Orbán's control.

Between its inauguration in May and the end of the year, the Orbán government appointed loyal party cadres to head key institutions; adopted a retrospective tax law and reduced the powers of the Constitutional Court after it attempted to strike down the legislation; drastically weakened labor protections for civil servants; summarily eliminated the Budgetary Council, tasked with the independent evaluation of the national budget; used individual members of the parliament to propose important laws, including constitutional amendments, to circumvent the stakeholder negotiations required for government-proposed measures; curtailed freedom of speech through the adoption of new media legislation; intimidated the judiciary by summoning judges to parliamentary hearings on cases related to the riots of 2006; changed election procedures to give the ruling parties an edge in the October municipal elections; and nationalized the savings in a system of compulsory private pension funds.

In addition to these concrete steps, the government used problematic rhetoric and political symbolism during the year. The prime minister and other members of

the governing parties declared the April elections to be a "revolution at the ballot box" and the "closure of regime change," comparing the ouster of the MSZP to the end of communist rule. The Proclamation of National Unity—adopted with votes of FIDESZ-KDNP alone—enshrined this version of Hungary's recent history in an official document, which a subsequent presidential decree obliged all offices of public administration, services, schools, hospitals, etc. to display in a glass frame. The decree requested, but did not require, that the judiciary and municipal offices do the same. The conservative government also apparently aimed to neutralize the right-wing appeal of Jobbik by appropriating some of that party's ideological fodder, such as ethnic Hungarian issues in neighboring countries; the 1920 Treaty of Trianon, which truncated Hungary's territory at the end of World War I and continues to be regarded as an injustice by many Hungarians; and even more symbolic concerns like the restoration of the "Sacred Crown" concept, which had formed the basis of the country's premodern constitutional framework.

The government's actions and rhetoric to date suggest that it intends to undermine liberal democracy in Hungary. While this effort should not be equated with an attempt to establish an outright dictatorship, it does appear to be aimed at reshaping the political, institutional, and constitutional framework to keep the Fidesz-KDNP bloc in power for the foreseeable future, and ultimately to move Hungarian society in a more conservative, corporativist-authoritarian direction.

National Democratic Governance. Following the April parliamentary elections, the opposition Fidesz-KDNP coalition formed a new government that controlled 68 percent of the seats in the unicameral National Assembly. It went on to take a series of steps that seriously undermined the independence of key institutions and weakened the rule of law, resulting in the most significant backslide in Hungary's democratic development since 1989. *Hungary's national democratic governance rating declines from 2.50 to 3.00.*

Electoral Process. The national elections in April and municipal elections in October were both deemed free and fair. Although new electoral rules adopted ahead of the municipal voting favored incumbents and major parties in general, the effects may balance out in the long run and will not necessarily lead to a decline in the quality of the electoral process itself. *Accordingly, Hungary's electoral process rating remains unchanged at 1.75.*

Civil Society. With a relatively large number of organizations and a generally hospitable legal framework, Hungary's civil society is well developed and vibrant. However, the absence of substantial private funding leaves the sector disproportionately reliant on state and European Union resources and exposed to political changes. In 2010, the new government froze the funds of the National Cultural Fund and a variety of other cultural and research entities. New applications for funding were delayed, and payments of assigned grants were withheld. *Accordingly, Hungary's civil society rating declines from 1.75 to 2.00.*

Independent Media. Although Hungarian media can still be considered generally free and diverse, with commercial outlets dominating the broadcast and print sectors, new media legislation that introduced fundamental reforms raised serious concerns in 2010. It drastically curtailed the independence of public-service television and radio broadcasters, and established a new regulatory body with sweeping authority over broadcast media, print publications, and the internet. *Due to this alarming concentration of political power over the media, Hungary's rating for independent media declines from 2.75 to 3.25.*

Local Democratic Governance. The political independence of each of Hungary's 3,200 towns and villages is viewed as a key virtue of democracy, but the system often proves to be excessively fragmented and inefficient in practice. A lack of economic and fiscal viability may undermine the municipalities' capacity to carry out their functions. In order to overcome financial difficulties, numerous cities and villages have issued bonds in recent years, setting the stage for an expected debt crisis in 2011. Meanwhile, overwhelming Fidesz victories in the October 2010 municipal elections added to the party's national dominance. *Hungary's rating for local democratic governance remains unchanged at 2.50.*

Judicial Framework and Independence. The judiciary's perennial problems of transparency and accountability were not resolved in 2010, and the new government took a number of steps during the year to politicize, intimidate, and weaken the courts. The Fidesz leadership changed the regulations governing the chief prosecutor's office and appointed a former party cadre to the post. In September, a parliamentary subcommittee summoned leaders of the judiciary to question them on decisions following the 2006 antigovernment riots. Finally, the parliamentary majority overruled a judgement by the Constitutional Court and curtailed the court's jurisdiction over budgetary legislation. *Hungary's judicial framework and independence rating declines from 2.00 to 2.25.*

Corruption. In March, a former MSZP lawmaker was sentenced to eight and a half years in prison for embezzling state subsidies. The heavy sentence was the first serious corruption penalty in Hungary's recent history to be directly related to a governing party. The Fidesz government that took office in May appointed a commissioner for accountability and anticorruption with a mandate to uncover wrongdoing by the previous administration. As a result, an enormous amount of new corruption scandals erupted in 2010, implicating top-ranking officials and politicians from the MSZP government. The revelations may have a positive effect on society, which has long been disillusioned by impunity for political corruption, though it remains unclear whether officials of the current government will face similar scrutiny. *Hungary's corruption rating remains unchanged at 3.50.*

Outlook for 2011. The most important expected development in 2011 will be the adoption of a new constitution in the spring. The general principles of the drafting

process published on the parliament's website suggest that the new constitution will guarantee less freedom than the one in force, put more emphasis on citizens' obligations as opposed to rights and liberties, compromise the secular nature of the state, and decrease the powers of the Constitutional Court. It is likely that following the promulgation of the new constitution, the government will meddle more extensively in independent institutions like the judiciary. It remains to be seen whether the leadership will tackle some of the state's chronic problems related to health care, social services, education, and local government.

Main Report

National Democratic Governance

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
n/a	n/a	n/a	2.00	2.00	2.25	2.25	2.50	2.50	3.00

Hungary has a parliamentary system in which executive power lies with a prime minister elected by an absolute majority of the parliament following general elections. The prime minister can only be removed, together with the entire cabinet, through the process of "constructive no-confidence," which combines a no-confidence motion with the election of a new prime minister in a single vote. Accordingly, under normal circumstances, the parliament does not provide a strong check on the executive.

The 386-member, unicameral parliament, the National Assembly (Országgyűlés), is the top legislative organ in Hungary. The government and the ministries may enact lower-level legislation that must conform to existing laws. The president, elected by the parliament for a five-year term, has mostly symbolic functions as well as limited control over the nomination and appointment of public officials. The president may also refer legislation back to the parliament or the Constitutional Court for further consideration before signing it into law. He is considered the commander in chief of the armed forces.

Hungary built robust democratic institutions after the transition from communism in the late 1980s and early 1990s. These institutions came under stress in 2006, slowly decayed over the next few years, and were severely battered in 2010.

In the April 2010 parliamentary elections, the conservative opposition coalition—consisting of the Young Democrats' Alliance–Hungarian Civic Union (Fidesz) and its junior partner, the Christian Democratic People's Party (KDNP)—captured 263 seats, more than two-thirds of the total. This supermajority gave the new ruling bloc the ability to amend the constitution or adopt a new constitution without the need to compromise with the opposition. The outgoing ruling party, the Hungarian Socialist Party (MSZP), was reduced to just 59 seats. The radical nationalist Movement for a Better Hungary (Jobbik) placed third with 47 seats, followed by Politics Can Be Different (LMP) with 16. One independent was also elected.

As a final gesture before handing over power, the government of Prime Minister Gordon Bajnai proposed a law to make Holocaust denial a crime, and the parliament approved the measure. Although the law restricted freedom of speech, the new government of Prime Minister Viktor Orbán not only retained it but expanded its scope to include the denial of crimes committed by the communist regime.

Fulfilling a promise made by many earlier governments, the new leadership amended the constitution in May to reduce the number of parliament seats to 200

as of the 2014 elections. Among other benefits, the new system included provisions that would allow for better representation of ethnic minorities.[2]

However, many other steps taken by the Fidesz-KDNP government during 2010 systematically undermined the checks and balances built into the country's constitutional framework. For example, it appointed trusted party cadres to crucial and ostensibly independent institutions such as the Hungarian Financial Supervisory Authority, the State Audit Office, the Tax Authority, the Competition Authority, the Constitutional Court, the chief prosecutor's office, and, in a very controversial decision, the presidency of the republic.[3] The outgoing head of state, former Constitutional Court president László Sólyom, had been nominated and supported by Fidesz in 2005, but he proved to be an independent and activist figure. He was replaced in June 2010 by Pál Schmitt, an Olympic champion fencer and longtime Hungarian Olympic Committee chairman who had served as a member of the European Parliament with Fidesz and, most recently, as speaker of the National Assembly. In one of his parliamentary confirmation hearings, Schmitt announced that as president he would serve as an "engine" rather than a "brake" with respect to approving legislation, effectively surrendering perhaps the only substantial function of the office.[4]

The Fidesz government took office in a country with a bleak economic outlook. Orbán apparently hoped to keep some of the unrealistic promises made during the election campaign by reaching an agreement with Hungary's main creditors—the International Monetary Fund (IMF), the World Bank, and the European Union (EU)—on easing the terms of its loans and decreasing the national debt and budget deficit. However, following the government's failed negotiations with the creditors, Orbán audaciously decided to break with them and beat a new path for Hungary's economic recovery.[5]

To harmonize the country's fiscal and monetary policies, the government launched an attack on the president of the National Bank, András Simor, who still held on to his position at year's end.[6] In addition, the Budgetary Council, an independent expert body that provided public analysis to ensure transparent and responsible budgetary policy, was eliminated. The council had been created in 2009 as part of a 2008 agreement between Hungary and the IMF. The government reportedly planned to replace it with a new entity that would have no staff to produce actual budget analyses.[7]

The removal of such checks led to a series of laws that seriously damaged Hungary's democratic framework. In a symbolic piece of legislation, the government imposed a retroactive tax of 98 percent on personal income generated through severance payments in the public sector. While the professed goal of the tax was to recover funds siphoned off by cadres of the previous government, it alarmed many observers. The Constitutional Court ruled the tax unconstitutional in October, but just hours after the decision, the government announced that it would amend the constitution to limit the court's jurisdiction and prevent it from examining future legislation on budgetary matters, among other topics.[8] The amendment was adopted by the parliament in November, and the contentious tax

law was passed again the same day, even increasing the span of retroactive taxation to five years.

With the Constitutional Court out of the way, the government moved in December to nationalize the wealth accumulated in compulsory private pension funds. Since the late 1990s, employees had been required by law to contribute to the private funds on an individual basis. After the nationalization, individuals were permitted to stay in the private pension funds if they chose, but on the condition that they lose the other part of their pension, accumulated through the state pension fund—a very strong incentive to leave. Civil servants faced particular pressure, since their labor protections had been diminished to facilitate the government's partisan appointment policies.

Electoral Process

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
1.25	1.25	1.25	1.25	1.25	1.75	1.75	1.75	1.75	1.75

Since the transition from communist rule, Hungarian elections have consistently been assessed as free and fair. Members of the parliament (MPs) are elected for four-year terms in a two-round, mixed electoral system. Of the 386 seats, 176 are filled through races in single-seat constituencies, up to 152 through proportional representation based on regional party lists, and the remainder through proportional representation based on national party lists. A second round of voting is held to decide single-seat constituency races where no candidate won an absolute majority in the first round. Parties must reach a 5 percent vote threshold to gain seats from the regional and national party lists.

While this system ensures freedom and fairness in elections, it is very complex. The new Fidesz-led government successfully passed the long-awaited amendment to reduce the size of the legislature in 2010, but it remains unclear exactly how the smaller parliament will be elected when the reform takes effect in 2014. Moreover, the new constitution planned for 2011 may provide for the creation of an upper chamber with its own electoral system.

The April 2010 parliamentary elections ended eight years of scandal-ridden rule by the MSZP and its junior coalition partner, the Alliance of Free Democrats (SZDSZ). The two parties had been thoroughly discredited by the events of 2006 and by their inept handling of fiscal policy, even before the onset of the global economic crisis. Voter turnout in the first round was 64 percent, and as expected, the conservative Fidesz-KDNP coalition won a landslide victory. It captured nearly all of the single-seat constituencies, a majority of the regional party-list votes, and 68 percent of the seats overall. Two historical parties—the liberal SZDSZ and the conservative Hungarian Democratic Forum (MDF)—disappeared from the legislature, while two other parties—the Green and liberal LMP, with 4 percent of the seats overall, and the radical nationalist Jobbik, with 12 percent of the seats

overall—entered for the first time. The MSZP became the main opposition party, with just 15 percent of the seats in the parliament.[9]

These results amounted to a complete realignment of the party structure. Hungary previously had a de facto two-party system, with Fidesz on the right and the MSZP on the left. The new balance of forces leaves the country with a largely symbolic and fragmented opposition, and the parliament with little real control over the government so long as discipline in the ruling coalition is maintained. It remains to be seen how the newcomers to the chamber, Jobbik and the LMP, will cope with the situation. LMP struggled to find direction in 2010, while Jobbik used rhetoric last heard in the parliament in the 1940s, and the banned Hungarian Guard—an unarmed "paramilitary" movement affiliated with Jobbik—remained active. Both the LMP and Jobbik suffered from internal conflicts among their leaders.

Political parties in general are active in the country, especially the newer groups, which seem to be more responsive to grassroots concerns. Representation of women and minorities, particularly the Roma, is still unsatisfactory. The new legislation that will reduce the number of MPs to 200 as of 2014 contains provisions for the representation of ethnic and national minorities, but it does not mention women's representation. The number of female MPs declined from 40 to 34 following the April elections; there are very few women in leadership positions in the government, and none at the ministerial level.[10]

Prior to the October 2010 municipal elections, the parliament amended the Law on the Election of Local Council Members and Mayors. The number of council members in the municipalities was reduced, the official campaign period was shortened from 72 to 60 days, campaigning was forbidden only on election day as opposed to 24 hours beforehand, and less time was allotted to collect the nomination slips required to stand as a candidate. The new legislation also reduced the number of local minority representatives. The changes favored major parties over smaller parties, civic associations, and independent candidates. The municipal elections were nevertheless considered free and fair, and resulted in an overwhelming victory for the governing Fidesz-KDNP bloc.[11]

The president of the republic is elected by the parliament for a five-year term and can be reelected once. In the first two rounds of the election, a supermajority is required; if it cannot be reached, the candidate can be elected by a simple majority in a third round. The term of President László Sólyom, a former president of the Constitutional Court, expired in 2010. Although he was originally supported by Fidesz and was eligible for a second term, the government opted to replace him with a more politically reliable candidate, Pál Schmitt, whom it had only recently installed as speaker of the National Assembly. The constitution grants the president limited powers to scrutinize legislation, but Schmitt made it clear that he intended to remain within the ceremonial boundaries of the office and support the government's efforts.

Civil Society

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
1.25	1.25	1.25	1.25	1.25	1.50	1.50	1.75	1.75	2.00

The legal framework is generally hospitable to civil society, accommodating various forms of nongovernmental organizations (NGOs). Associations, foundations, and nonprofit limited companies can be established and financed without significant administrative burdens. As a result, with 70,000 registered organizations, the Hungarian civil society sector can be considered vibrant and relatively strong.

Of the registered organizations, about 50,000 are regarded as active and functioning, and their scope of activities covers almost all aspects of society. They range from small associations targeting local issues to high-profile watchdog organizations that monitor legislative, governmental, and juridical procedures.

Hungary's rating on the NGO Sustainability Index, produced by the U.S. Agency for International Development (USAID),[12] has increased slightly—by 0.1 points to 2.8—and is now in a phase of steady consolidation on almost every indicator. It is lagging behind in only two areas: financial viability and public image.

Owing to the still feeble nature of private philanthropy and the lack of significant tax incentives for charitable giving, the NGO sector is financially vulnerable, relying almost solely on government and EU funds. This situation has slightly worsened in recent years due to the severe effects of the financial crisis and the need for drastic reductions in public spending. NGOs are subject to the same tax rules as ordinary companies, including high payroll taxes, making human resource development difficult.

The country's unique "1 percent system" is an important fundraising mechanism. Individuals can assign 1 percent of their income tax to an NGO of their choice, which generates a considerable proportion of civil society groups' resources. To encourage private investment in sports, a recent legal amendment established a new system in which companies are allowed designate 70 percent of their corporate income tax to support sports clubs. However, only five sports are eligible: soccer, hockey, water polo, basketball, and handball.

A recent survey revealed that about 3.5 million people, or 40 percent of those over the age of 14, have performed some sort of volunteer work.[13] Most of this work involved helping family or friends, but a growing number of people engage in organized volunteering activities, such as community projects to improve their neighborhoods. Most volunteers prefer to support children and the elderly, as well as people with learning or physical disabilities; fewer are willing to help Roma, people with addictions, and other marginalized groups.

There has been a growing tide of radicalization in Hungary, with extreme, illiberal views spreading among certain civil society groups and the overall population. However, the successes of Fidesz and Jobbik in the parliamentary elections seemed to have a calming effect on right-wing elements in the civil sphere. While almost all national celebrations since 2006 had involved some level of

rioting, the demonstrations marking the anniversary of the 1956 revolution were peaceful in 2010.

The new government in May 2010 immediately froze the most significant state funds for civil society entities, including the National Cultural Fund (NKA), the Research and Technology Innovation Fund (NKTH), and the National Civil Fund (NCA). Not only were new applications for funding delayed, but grant payments that had already been approved were also withheld. Since the civil sphere heavily relies on governmental funds, the suspension of payments put many organizations at serious risk.

The NCA was established in 2004 with the aim of centralizing state funds for civic groups, as well as eliminating direct political influence over funding decisions. To ensure the latter, the NCA's governing body and its thematic boards have been composed of the representatives of civil society organizations.

In late 2010, the government discussed plans for a "radical reform" of this system, with a new body to be established in 2012. State Secretary Bence Rétvári argued that the NCA's practices in giving out grants were questionable, and that new measures were needed to put an end to inefficient resource allocation.[14] The restructuring of the NCA was welcomed by many NGOs, which have often accused its governing council and boards of unfair distribution of funding. However, others expressed fears that the reform would endanger the tens of thousands of small organizations that rely mostly on NCA grants.

Many observers also raised concerns about the government's halving of the NCA's budget for 2011. It will only cover expenses for the first half of the year, and tendering procedures will be suspended again after June.

Although the image of most of the nonprofit sector is relatively good, recurring scandals such as the case of the Egymásért Alapítvány (Foundation for Each Other) have fueled mistrust toward NGOs in general. In 2005 and 2006, the former chairman of the foundation imported goods worth 1.4 billion forints (US$7 million) as "donations" without paying tax on them, and used 900 million forints (US$4.3 million) in foundation funds as his own. After being sentenced to prison for smuggling and embezzlement in December 2010, he fled from the court building in Budapest.[15] He was being sought under a European and international arrest warrant at year's end.

Independent Media

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
2.25	2.25	2.25	2.50	2.50	2.50	2.50	2.50	2.75	3.25

Hungary has a diverse media market that is dominated by private companies. Most are multinational print media houses, but a growing number of news outlets are now owned by Hungarian corporate interesrs. The most important outlets in the country are two foreign-owned commercial television stations (TV2 and

RTL Klub) and two tabloid newspapers (*Blikk* and *Metropol*) that are almost completely apolitical. Although the wide range of broadcast, print, and internet outlets provide space for a variety of ideas, many of them are openly supportive of individual political parties, meaning independent voices are rare. While the number of young journalists striving for high professional standards is steadily growing, on an ownership level the media scene still largely mirrors the deep political divisions of the country. This is particularly true among daily broadsheets, as almost all major papers can be clearly identified with one or the other political camp. Because of this partisanship and their often poor journalistic standards, the papers are steadily losing readers. The total circulation of the four major dailies, two on the left and two on the right, is now less than 150,000.[16]

Often with investments from affluent businesspeople who openly support Fidesz, a burgeoning right-wing media scene has developed in recent years. It includes print publications like the daily broadsheet *Magyar Hírlap*, radio stations such as Lánchíd Rádió, and the television channels Hír TV and Echo TV. It remains unclear how Fidesz's landslide election victory after eight years in opposition will affect this market.

The diversity of the media sector also provides space for the most radical viewpoints, with a thriving scene of far-right, anti-Semitic, racist, and ultranationalist websites and niche magazines. Meanwhile, as a legacy of unpopular communist rule, radical leftist ideas are almost absent from public discussion.

The number of regular internet users in Hungary reached 6.1 million by the middle of 2010. With an internet penetration rate of 61.8 percent, Hungary is not far below the EU average of 67.6 percent.[17]

Although investigative journalism is still struggling, the number of articles seeking to highlight political corruption and unethical business practices is steadily growing. Major online news portals such as Origo, Index, and Hírszerző (the first two of which have almost a million unique users per day) employ qualified investigative journalists and are among the most cited and reliable sources in the mainstream media. In addition to international NGOs, some local journalist associations also work to promote investigative journalism as a fundamental tool of democratic control. Conferences, free trainings, and scholarships are available for journalists seeking to improve their professional skills.

The political realignment in 2010 brought fundamental changes to the media field. In June, Fidesz introduced a sweeping package of media legislation that, having passed through the parliament over the subsequent months, was set to take full effect on January 1, 2011.[18] Referred to in part as a "new media constitution," the legislation was expected to bring "strictness in content control, clarity in market regulation, effectiveness and rationalized operation in public-service broadcasting, and transparency in authority."[19] It established a new National Media and Infocommunications Authority (NMHH) by merging the National Communications Authority (NHH) with the National Television and Radio Commission (ORTT). Besides granting licenses and broadcasting frequencies, the ORTT had also been responsible for monitoring the programs of public and

commercial broadcasters, a duty that it often failed to fulfill. It was consequently subject to heavy criticism, and was accused of being ineffectual, particularly with regard to the two major commercial television channels.

The new NMHH's main body for content regulation, the Media Council, consists of five members. The council's president—currently Annamária Szalai, a former Fidesz delegate to the ORTT—is first appointed directly by the prime minister as head of the NMHH as a whole and then automatically becomes the head of the Council as well, with a mandate of nine years in both positions.[20] The other four members of the Media Council are elected by a two-thirds parliamentary majority, which in practice means that Fidesz is able to appoint all five members, and no opposition representation is ensured.[21] While the ORTT monitored only broadcast media, the new Media Council's scope of authority has been extended to print and online media. The Media Council will be able to impose steep fines on media outlets that do not respect its guidelines, which are vaguely defined by the law and may therefore be applied arbitrarily. For example, grounds for being fined include providing unbalanced or immoral coverage. Such subjective criteria are likely to result in significant self-censorship.[22] Fines for broadcast outlets can be as high as US$934,000. For weekly and daily print outlets, fines can reach US$120,000 and US$47,000, respectively.

All media outlets will be required to register with the NMHH, which has the power to issue and revoke licenses, including for online content.[23] Former OSCE representative on freedom of the media Miklós Haraszti has argued that the "single greatest danger for the freedom and pluralism of the media" in Hungary is the arbitrary language governing tenders for licenses. If an outlet has been reprimanded by the Media Council within the past five years, the companies owning it may be refused a license.[24] This may lead media owners and editors to temper criticism of the government for fear of being denied a license at the next renewal interval.

The lack of reliable and independent funding, combined with regular political meddling, has devastated public-service media since Fidesz came to power. Moreover, the new media legislation completely redraws the public-service media landscape. By creating a central property management and production fund, it deprives three previously independent institutions of their financial and organizational autonomy. A significant number of staff members were fired from Hungarian Television (MTV), Hungarian Radio (Magyar Rádió), and Danube Television (Duna Televízió), and the number of employees for these organizations is now capped at 49, meaning trade union rights are severely limited. News for these stations will be centrally produced and distributed by the Hungarian News Agency (MTI). The power to appoint chief executives for all four public outlets rests solely with the president of the Media Council.[25]

The new chief executive of MTI defended the public media overhaul by arguing that a public-service journalist should be loyal to the government, since "it is unfair to accept a commission and then to offend the procurer."[26] MTI will offer its news service for free, which will have the effect of undercutting all privately owned news sources, most of which are already under significant financial pressure.

Local media owned by regional municipalities have also become increasingly likely to act as mouthpieces for government policy, as Fidesz won 22 out of 23 major municipalities in the October 2010 local elections.

The new media legislation triggered a storm of indignation in the country as well as abroad. OSCE representative on freedom of the media Dunja Mijatovic issued a strong statement, saying that the package "violates OSCE media freedom standards and endangers editorial independence and media pluralism."[27] In a December 2010 letter to the Hungarian government, European Commission vice president Neelie Kroes raised specific concerns as to whether the media legislation was in compliance with the EU Audiovisual and Media Services (AVMS) Directive, or with more general EU standards on respect for freedom of expression and media pluralism.[28] Despite the outcry, President Pál Schmitt signed the last of the new rules into law on December 30. Journalists noted a marked difference in the Hungarian media atmosphere in late 2010, as outlets began to adapt their practices in anticipation of the new regulatory system.

Local Democratic Governance

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
n/a	n/a	n/a	2.25	2.25	2.25	2.25	2.50	2.50	2.50

Under the constitution and the 1990 Law of Local Self-Governance, each of Hungary's 3,200 villages and towns may directly elect their local units of self-government, consisting of a mayor, a council, and other entities. Some functions are shared between the municipal governments and those of the 19 counties, which serve as the regional administrative units.

This high level of decentralization was a symbolic element of Hungary's political transformation after the fall of the communist regime. However, it has resulted in inefficiency and a serious lack of financial and human resources in local government. Despite some centralization of administrative tasks in recent years, most villages and towns still maintain full-fledged municipalities, managing local public services, state administration tasks where local expertise is necessary, and development functions. However, due to the high level of unemployment and the absence of industry in certain parts of the country, many have no significant revenues from local business and are almost solely dependent on the central government's redistribution of taxes. Thus their legally enshrined autonomy is quite limited in practice. These problems particularly affect such impoverished areas as the eastern county of Szabolcs-Szatmár-Bereg or the marginalized southwestern corner of the country known as Ormánság.

About 10 percent of the country's towns and villages became critically indebted over the last several years, according to a recent PricewaterhouseCoopers analysis.[29] The nominal per capita amount of state aid has been steadily decreasing since 2005. Furthermore, to reduce the budget deficit, the government delegated more public-service responsibilities to local governments in 2005, without ensuring the

necessary resources. At the same time, a legal amendment allowed municipalities to issue bonds, and no central supervisory body or unified registration system was set up to monitor or control the practice. As a result, the value of the issued bonds increased twentyfold in two years, and is now worth about 747 billion forints (US$2.8 billion), according to the State Audit Office.[30] Some 93 percent of the bonds are valued in foreign currency, meaning the volatility of the Hungarian forint poses a further risk to the nearly 300 issuing municipalities. There is an urgent need for a solution to the problem, as 92 percent of the issued bonds will be due for repayment in the first half of 2011. Without major central reforms, local councils are unlikely to find a way out of the debt trap.

When it joined the EU in 2004, Hungary agreed to reform its local and regional self-government structure to bring it into line with existing EU policies and meet the eligibility criteria for EU development funds. A system of 174 small regions (subcounty units) and seven regions (supracounty units) were created for development purposes, and they now exist side by side with the old county system. This has led to a situation in which the division of competencies is insufficiently defined.

The capital, Budapest, comprises 23 autonomous districts, each with an elected mayor and assembly. The structure is topped with an independently elected mayor and council on the citywide level. This two-tiered system, in which the districts are not subordinated to the Budapest municipality, leads to a lack of coordination on key decisions and projects.

After taking over the national government with a two-thirds parliamentary majority in the spring of 2010, Fidesz also secured an overwhelming margin in the autumn municipal elections, winning in 22 out of Hungary's 23 major cities. The MSZP even lost in areas that had long been considered unconquerable Socialist bastions, or "red towers," such as the eastern city of Miskolc. Fidesz won control of all 19 county assemblies, but in its most symbolic victory, it captured the capital's mayoral position for the first time. Budapest has traditionally been a liberal-left stronghold, and Gábor Demszky of the SZDSZ had served as mayor since 1990. In his election-night speech, Prime Minister Orbán commented on the result by saying that "the nation has finally got back its capital." This statement openly recalled the belligerent communications strategy that was begun by Fidesz during its first national government in 1998–2002, and which is based on the constant verbal exclusion of all non-Fidesz voters from the nation.

Judicial Framework and Independence

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
2.00	1.75	1.75	1.75	1.75	1.75	1.75	1.75	2.00	2.25

Civil, political, social, and cultural rights are recognized and protected by the Hungarian constitution. Citizens are equal before the law, and the judiciary serves as the primary safeguard of constitutional rights. The judiciary is organized in a

four-tier system of local courts, county courts, high appeals courts, and the Supreme Court. Local and county courts have jurisdiction over their territorial districts, with county courts also serving as local appeals courts in minor cases. The high appeals courts have regional jurisdictions, with seats in Budapest and four other towns. The Supreme Court serves as a final appeals court and ensures the uniform application of laws, developing a limited form of case law.

Since 1990, the eleven-member Constitutional Court has shaped the legal framework of Hungary. Its members are elected by the parliament from among the country's legal scholars. The court's primary function is to safeguard constitutional rights through its interpretation of the constitution and control of legal norms. Since it lacks an effective enforcement mechanism, however, some decisions, most notably on the representation of minorities in the legislature, have not been implemented by the parliament.

As part of the drive to weaken the institutions that constitute checks and balances in the country's constitutional system, the Fidesz government in 2010 amended the constitution to strip the Constitutional Court of its jurisdiction over important matters that, under the constitution, are already closed to public input via referendum. As a result, the topics in question, including taxation and the national budget, are now the exclusive preserve of the parliament. Importantly, the Constitutional Court is not authorized to intervene to protect property rights.

In September, a parliamentary subcommittee investigating infringements on civil and political rights between 2002 and 2010—that is, under the previous government—summoned several leaders of the judiciary to question them on decisions following the antigovernment riots of 2006. The intimidation implied in such a hearing has the potential to harm judicial independence, especially with respect to politically sensitive cases.[31]

Under a reform enacted in 1997, the judiciary has been administered by the National Judicial Council, whose head is the president of the Supreme Court. Nine members of the council are elected by and from among judges; the other members are the ministers of justice and of finance, the chief prosecutor, the chairman of the Hungarian Bar Association, and one delegate each from the parliament's judicial and finance committees.

The chief prosecutor is nominated by the president of the republic and elected by the parliament. The Fidesz government in 2010 extended the chief prosecutor's term from six years to nine, and eliminated lawmakers' right to question him in the parliament. Moreover, the law governing the chief prosecutor's election now calls for a two-thirds vote. These changes effectively entrenched Péter Polt, an Orbán confidante who was elected in December, in the office for more than two parliamentary terms.

The parliament elects four ombudspersons to report on human rights, privacy rights, the rights of ethnic and national minorities, and the right to life and a healthy environment. The ombudspersons operate independently from the judiciary and have no legal authority. They provide a complementary mechanism to protect human rights through their investigations and reporting to the parliament.

Citizens have the right to turn to the ombudspersons to investigate human rights violations.

While tensions between the Romany minority and the ethnic Hungarian majority have been high for years—in part due to manipulation by the extreme right—there were some positive developments in 2010. The suspects in the previous year's series of murders of Roma were prosecuted, and in October a negotiated agreement ended a school segregation dispute in the northeastern village of Taktaharkány. Following a report by the local elected Romany self-government body, successful negotiations were held with the participation of the school, the local minority government, the Antidiscrimination Authority (Egyenlő Bánásmód Hatóság), and the Chance for Children Foundation.[32] This process and the resulting agreement are encouraging and could serve as a model for the resolution of similar conflicts. Nevertheless, the overall situation of the Roma in Hungary remains dire, and the increased political influence of the extreme right may not be helpful.

Corruption

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
3.00	2.75	2.75	2.75	3.00	3.00	3.00	3.25	3.50	3.50

Hungary fell behind the region's average score on Transparency International's 2010 Corruption Perceptions Index (CPI) and is now ranked 50 out of 178 countries surveyed. Despite government promises to tackle corruption, no significant measures have been put in place in recent years. As a result, some 75 percent of Transparency International (TI) survey respondents now believe that corruption has been increasing in Hungary, with most of them naming political parties as the most corrupt institutions.[33] This common perception is not only a key obstacle in fighting everyday corruption but has also led to widespread public disillusionment with the democratic process as a whole.

In terms of low-level corruption, the most affected sector is health care. Doctors are commonly given cash-filled envelopes in exchange for better treatment. According to TI's survey, 26 percent of respondents had paid bribes, a serious increase compared with the previous year.

When asked, people openly and eagerly condemn corruption, and according to TI's Global Corruption Barometer, 9 out of 10 Hungarians would even be willing to report corruption cases. Nevertheless, last year's survey found that 63 percent of people confronted with corruption in reality never reported the incident.[34] This is partly due to the lack of an adequate system to protect whistleblowers, which would be essential to motivate citizens to take personal action against corruption.

Party financing and public procurement are among the areas most afflicted by major corruption. According to recent estimates, graft occurs in 65 to 75 percent of all public procurement processes.[35] While on the surface all parties have long insisted that the party financing system needs to be fundamentally transformed,

behind the scenes such an overhaul has never been seriously considered. This is partly because the reform would require a two-thirds parliamentary vote. That in turn, until recently, would have meant an inconceivable consensus between Fidesz and the MSZP. Moreover, lacking sufficient public pressure, the major parties have had little incentive to change a system that serves their interests.

The new Fidesz government, with its two-third parliamentary majority, could tackle the party financing problem on its own, but no concepts have been proposed so far. In the meantime, parties continued to abuse state and municipal resources for their 2010 parliamentary and municipal campaigns, raise funds through illegal channels, and spend money in ways that are incompatible with the letter as well as the spirit of the law. According to experts, 9 forints out of 10 are channeled to party campaigns through potentially illegal channels and from potentially illegal sources, and the money spent by parties on campaigns doubles every four years. The State Audit Office has often been accused of failing to fulfill its duty to provide real control over parties and resisting the full exploitation of its mandate to monitor campaign spending.

A few weeks before the April 11 parliamentary elections, a court of first instance sentenced János Zuschlag, a former MP with the MSZP, to eight and a half years in prison for embezzling state subsidies. Zuschlag and more than a dozen of his accomplices were accused of creating fictitious NGOs to collect subsidies totaling 75 million forints (US$356,800). Given the relatively minor financial damage and the fact that the defendant made partial restitution well before sentencing, the harshness of the penalty was unprecedented, raising concerns that it was politically motivated. Critics of the sentence argued that criminals convicted of manslaughter can receive lighter punishments. However, others pointed out that the complex corruption case was the first in Hungary's recent history that was directly related to a governing party, and that the ruling therefore had symbolic importance.

An enormous number of new corruption scandals emerged later in the year, due in part to the activities of Gyula Budai, a special commissioner for accountability and anticorruption who was appointed by Prime Minister Orbán to uncover the wrongdoings of the previous MSZP government. The cases affected former and current chief executives of state-owned companies, parliamentary politicians, mayors, and even the two previous prime ministers, Ferenc Gyurcsány and Gordon Bajnai, who had to give testimony in connection with a billion-dollar casino development project. A few months later, Budai told the press he had proof that Gyurcsány and Bajnai had given false testimony. They in turn sued Budai for slander and violation of privacy rights.[36] In November, Budai launched another attack on Gyurcsány, suggesting that an unnamed person whose right of immunity is under review in connection with the case must be the former prime minister himself, and expressed his hope that the chief prosecutor would not "cover up" for Gyurcsány. Budai was then accused of making a public threat and giving political orders to the judiciary.

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Kazakhstan

by Bhavna Dave

Capital:	Astana
Population:	15.9 million
GNI/capita, PPP:	US$10,320

Source: The data above was provided by The World Bank, *World Development Indicators 2011*.

Nations in Transit Ratings and Averaged Scores

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Electoral Process	6.25	6.50	6.50	6.50	6.50	6.50	6.75	6.75	6.75	**6.75**
Civil Society	5.50	5.50	5.50	5.50	5.75	5.75	5.50	5.50	5.75	**5.75**
Independent Media	6.00	6.25	6.50	6.50	6.75	6.75	6.75	6.50	6.75	**6.75**
Governance*	5.75	6.25	6.25	n/a	n/a	n/a	n/a	n/a	n/a	**n/a**
National Democratic Governance	n/a	n/a	n/a	6.50	6.75	6.75	6.75	6.75	6.75	**6.75**
Local Democratic Governance	n/a	n/a	n/a	6.25	6.25	6.25	6.25	6.25	6.25	**6.25**
Judicial Framework and Independence	6.00	6.25	6.25	6.25	6.25	6.25	6.25	6.00	6.25	**6.25**
Corruption	6.25	6.25	6.50	6.50	6.50	6.50	6.50	6.50	6.50	**6.50**
Democracy Score	**5.96**	**6.17**	**6.25**	**6.29**	**6.39**	**6.39**	**6.39**	**6.32**	**6.43**	**6.43**

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

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

Executive Summary

In 2010, Kazakhstan became the first former Soviet republic to assume the rotating one-year chair of the Organization for Security and Cooperation in Europe (OSCE). The decision to grant the OSCE chair to Kazakhstan was made in 2008, as part of a larger effort to engage new OSCE members more closely in defining and realizing the objectives of the organization. It was also a recognition of Kazakhstan's key economic position and an opportunity to encourage the country's democratization. Kazakhstan embraced the distinction of OSCE chairmanship with pomp and propaganda, but the leadership's preoccupation with image-building and PR far overshadowed the pledge it had made to promote democratic reforms, independent media, and civic institutions.

President Nursultan Nazarbayev, who turned 70 in July 2010, is a former Soviet politburo member who has held the country's top office since 1989. While steering Kazakhstan toward the OSCE chairmanship and delivering political stability and rising prosperity on the basis of the country's enormous resource wealth, he has built a strong and personalized presidential system, extending his patronage over the country's key political institutions, media outlets, judiciary, and the business sector. Nazarbayev has promoted economic modernization and prosperity, and an official discourse of inter-ethnic peace and stability. Meanwhile, he enjoys unchecked presidential powers, immunity from prosecution, freedom from term-limits, and a rubber-stamp Parliament composed entirely of his ruling Nur Otan party. The government's ceaseless propaganda campaigns portray President Nazarbayev as a guarantor of prosperity and stability, while discrediting any opposition or potential alternatives to his leadership.

National Democratic Governance. Bolstered by growing oil exports and prosperity over the past decade, Kazakhstan has used the rhetoric of reform and democratization to appease the West without demonstrating any commitment to these processes in practice. The parliament, monopolized by the ruling Nur Otan party, has proven incapable of initiating substantive amendments to limit the authoritarian system headed by President Nazarbayev. Instead, it has pushed out all independent parties and candidates and is working to formalize the president's lifetime status as "leader of the nation." *Owing to its continued failure to initiate genuine political reform and the use of the 2010 OSCE chairmanship for image-building, Kazakhstan's national democratic governance rating remains unchanged at 6.75.*

Electoral Process. Despite repeated pledges to the OSCE to reform its electoral laws, Kazakhstan has failed to pave the way for genuinely competitive and fair elections. The last presidential election, held in 2005 in a contest favoring the incumbent,

produced a 91 percent vote for President Nazarbayev, and the parliamentary election of 2007 resulted in the president's Nur Otan party capturing all seats in the lower house (*Mazhilis*). The requirement that all seats be filled through party-list proportional representation prevents independent candidates from contesting and entrenches party patronage, and the 7 percent electoral threshold hinders party formation and fair contestation. Conferring the legal title of "Leader of the Nation" upon President Nazarbayev, the Parliament passed a law to hold a referendum to extend his mandate until 2020. Nazarbayev rejected the measure and instead ordered early elections, allowing little time for any serious candidates to enter the fray. *Kazakhstan's electoral process rating remains unchanged at 6.75.*

Civil Society. Kazakhstan portrays itself as an open, tolerant, democratizing state, committed to promoting civil society and the nongovernmental sector. In reality, the government has used the country's rising prosperity to enhance its international status, co-opt nascent NGOs into the state sphere, and constrain the development of an autonomous space where genuinely independent and self-organized associations and non-state actors can emerge. The right to assembly is severely curtailed by a 1995 law requiring citizens to seek advanced approval for all public assemblies from local authorities, which typically only grant permission to pro-government groups. The authorities have considerable power to monitor religious congregations, opposition groups, and independent NGOs, all of which are required to register with the Ministry of Justice. *Owing to its continued failure to support and promote the civic sector, Kazakhstan's civil society rating remains unchanged at 5.75.*

Independent Media. Kazakhstan's media outlets are privately owned but firmly under the control of major financial groups affiliated with the regime. While the government has initiated minor amendments to the highly restrictive Media Law, it has not offered any significant liberalization of this law or the criminal code, both of which criminalize criticism of the president and leading government figures. Having used libel convictions and massive fines to drive the handful of surviving independent newspapers out of circulation, the government has now begun to institute legal provisions to monitor internet content, effectively introducing a degree of online censorship. *Owing to the lack of any serious liberalization of the Media Law under its OSCE obligations and the continued persecution of media critical of the government, Kazakhstan's independent media rating remains unchanged at 6.75.*

Local Democratic Governance. In Kazakhstan's unitary administrative framework, the central government exerts top-down control over the regional and local levels of government, with the president maintaining full authority over the appointment of the heads (*akims*) of all regions and districts. President Nazarbayev has steadfastly refused to consider demands for the election of akims or to allow further regional autonomy. Regional akims, however, may enjoy considerable informal autonomy if they have close personal ties to the president. Although constitutional amendments in 2007 granted a greater voice to local legislators in

the appointment and removal of akims, the dominance of the Nur Otan party at all levels of government effectively nullifies the formal powers granted to local bodies. *Kazakhstan's local democratic governance rating remains unchanged at 6.25.*

Judicial Framework and Independence. Kazakhstan's judiciary, like the legislative branch, operates under presidential patronage; it is loyal to the regime and protects the interests of the state rather than those of individuals, minorities, and the weaker strata of society. A significant increase in funding has led to an improvement in professional training, technical infrastructure, and wages in order to reduce corruption. Although Kazakhstan's criminal justice system is undergoing incremental reforms, the judiciary has a poor record on cases involving civil liberties, political freedom, independent media, and human rights issues. The courts have convicted all major political or public figures brought to trial on politically motivated charges. Its refusal to grant parole to the human rights activist Evgeniy Zhovtis in 2010 demonstrates the judiciary's inability to follow proper procedures and render fair and independent verdicts. *Kazakhstan's judicial framework and independence rating remains unchanged at 6.25.*

Corruption. Corruption is systemic in Kazakhstan and entrenched in rent-seeking behavior that guides the appropriation, control, and distribution of key resources by ruling elites. The existing legal system formally upholds principles of justice and impartial inquiry, but in practice defends the privileges of the incumbent elite over the rights of citizens, journalists, or nongovernment bodies. Inquiries into official corruption are handled by the presidentially appointed prosecutor general and the financial police, working in conjunction with the Ministries of Justice and Internal Affairs and National Security Committee (KNB), also loyal to the president. Charges of corruption, misuse of office, and criminal activity are routinely levied against individuals engaging in open criticism of the president or the regime. Moreover, the authorities entrusted with the task of combating corruption lack credibility and a mandate to act impartially. *Kazakhstan's corruption rating remains unchanged at 6.50.*

Outlook for 2011. The title "Leader of the Nation" conferred by the Parliament upon President Nazarbayev further enhanced the immunity granted to him and his family, which extends beyond the completion of his term. The president called for early elections to be held in April 2011, intimating his desire to serve the country as long as people want him and his health permits, thus confirming the widespread belief that he enjoys the *de facto* status of president-for-life. This exposes the long-term vulnerability of Kazakhstan's political system that is linked with the personality of the president and lacks autonomous and sustainable political institutions. The president's image-building propaganda pervades domestic and international circles to such an extent that the possibility of another leader or party assuming power is seen as tantamount to derailing the country's economic achievements and heralding conflict, instability, deprivation, and possibly civil war. Despite its self-acclaimed stability, such a governance system is inherently unstable and insecure and thus incapable of initiating genuine democratic reforms under the current leadership.

Main Report

National Democratic Governance

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
n/a	n/a	n/a	6.50	6.75	6.75	6.75	6.75	6.75	6.75

As the 2010 chair of the OSCE, Kazakhstan was the first former Soviet republic and first Central Asian state to assume the rotating one-year chairmanship of the 56-member organization. The year featured an array of government-supported international events and high-profile meetings geared toward international image-building, such as the spectacular celebration of the 70th birthday of President Nursultan Nazarbayev and the opening ceremony of the multibillion-dollar Khan Shatyr complex housed in a grandiose glass yurt. The year culminated in the Astana Summit, acclaimed by President Nazarbayev as "a triumph for our country and global recognition of the success of the Kazakhstani path."

Instead of using the rare OSCE summit to address the long-standing regional security issues or more recent challenges posed by the political instability and ethnic conflict in Kyrgyzstan, Kazakhstan used the platform primarily for self-acclamation and to hail the success of the "Kazakhstani path," presumably the country's combination of rapid prosperity, stability, and ethnic harmony. Uzbekistan criticized the OSCE, alluding to Kazakhstan's role as its chair, for failing to take any action to prevent the violent ethnic clashes in southern Kyrgyzstan.[1]

To be sure, the skilled leadership of President Nazarbayev has played a critical role in transforming Kazakhstan into the most dynamic economy in the post-Soviet space after Russia, with rapidly rising levels of prosperity. This has been achieved by Kazakhstan's enormous resource wealth, small but well-educated population, well-developed industrial infrastructure, and rich legacy of multiethnic solidarity. Behind the claims of stability and prosperity, Nazarbayev has established extensive and uncontested personal control over the country's resources and institutions, while eliminating the numerous challenges and alternatives to his authority. He has generously rewarded his supporters with rapid economic gains and career mobility, while at the same time discrediting or co-opting all self-organized economic, political, and civic activities, ethno-religious associations, and severely cracking down on challenges to his authority.

To control its opponents, including even family members, the presidential regime has used such tactics as co-optation and buyoffs, coercion, intimidation, criminal conviction, physical harm, and suspicious deaths. The 2007 dismissal of Rakhat Aliyev, the president's former son-in-law and ambassador to Austria, and trial in absentia culminating in a 40-year prison sentence was a warning to any extended family who may harbor political ambitions. Meanwhile, the ruling establishment and rapidly rising upper-middle classes remain deeply fearful of any form of political opposition, self-organized civic action or societal mobilizations by

the less privileged; these are viewed as emanating from economic deprivation and the absence of strong leadership, as seen in neighboring Kyrgyzstan. This fear is used to mobilize ordinary citizens to rally around the president and the Nur Otan party to preserve the country's "hard-earned stability" and combat the threat posed by so-called color revolutions.

Kazakhstan's political system is a hybrid of Soviet-era institutions and practices that formally endorse democracy and rule of law but are entrenched within a patriarchal authority structure. This is characterized by the opacity of personal networks and informal practices that operate within a shell of formal institutions and structures. At the top is the president on whom the entire political system hinges. The constitution, Parliament, the ruling Nur Otan party, and the Assembly of People of Kazakhstan are credited with preserving "ethnic harmony and accord," and the regional administration are kept functioning as a result of the president's patronage.

The role of the Parliament is limited to formulating and passing laws proposed by the prime minister and cabinet. The president has sweeping powers to appoint and dismiss the PM and dissolve the Parliament. The PM has little independent power to formulate policies and is entrusted with implementing targets and guidelines set by the president. The president also appoints a third of the members of the Senate, nominates nine members from the Assembly of People of Kazakhstan (APK) to the *Mazhilis*, the lower house of Parliament, and chooses the chair and two members of the seven-member Central Election Commission. The APK itself is appointed by the president to represent ethnic minorities.

About a half-dozen of the most prosperous and powerful business groups are closely affiliated with the regime and in fact constitute the present regime. Foremost among these are the financial "Eurasia Group" led by the president's son-in-law, Timur Kulibayev, and the copper giant Kazakhmys, all of which coalesce around the broad-based platform of Nur Otan and indirectly control the Parliament, ministries, and major media outlets. These separate entities may compete intensely among themselves but publicly display their loyalty and veneration for Nazarbayev. Kulibayev, who with his wife Dinara Nazarbayeva controls the largest financial group in Kazakhstan, was described as "the ultimate controller of 90 percent of the economy of Kazakhstan" in a 2010 WikiLeaks cable. The Eurasia Group, headed by the billionaires Alizhan Ibragimov, Alexander Mashkevich, and Patokh Chodiyev, has built a mining empire in Kazakhstan and abroad and is closely associated with the president. Ibragimov is a Kazakhstani citizen, whereas Mashkevich and Chodiyev, though of Central Asian origin, have multiple foreign citizenships.[2]

The military and security services remain under firm control of the president, who appoints their heads and key members. The return of Nazarbayev loyalist Nurtai Abykayev as head of the National Security Committee (KNB), after a hiatus as ambassador to Russia, further extended the president's personal authority over the Security Services. Abykayev was appointed to the post after the sacking of the previous head and several members of the security service for allegedly wiretapping and plotting a coup.[3] In January 2010 Nazarbayev appointed his nephew Sarnat

Abish, a Russia-educated Lieutenant colonel, as head of human resources of the KNB.[4] Kairat Satybaldy, another nephew of Nazarbayev, became Nur Otan's new secretary in charge of coordinating party operations on the military, the "patriotic upbringing of Kazakh youth,"[5] and cooperation with youth and veterans organizations. He was vice president of the state oil company Kazakoil and was recently elected chairman of the fledgling political movement "My Kazakhstan," which has set up networks throughout the country and claims to have over 25,000 supporters.

Kasymzhomart Tokayev, seen as personally loyal to Nazarbayev yet not linked to any of the financial groups or other networks, holds the most crucial position as the chairman of the Senate. According to the constitution, Tokayev is in line to replace the president in the event of his death or removal from office.

Electoral Process

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
6.25	6.50	6.50	6.50	6.50	6.50	6.75	6.75	6.75	6.75

Although Kazakhstan has held regular parliamentary and presidential elections and invited international monitors to observe, none of the polls have qualified as free and fair or been conducted in compliance with international standards. Despite technically qualifying as multiparty and multicandidate contests, these elections have failed to offer a level playing field for opposition parties and candidates.

In the last parliamentary elections, held in August 2007, the Nur Otan party took all seats; OSCE monitors criticized Kazakhstan for failing to meet commitments, "in particular with regard to elements of the legal framework, and to the vote count and tabulation."[6] Nur Otan obtained 88.5 percent of the votes cast, while the opposition Social Democratic Party came second with less than 5 percent, below the 7 percent threshold required for representation. In the previous elections in 2004, the opposition Ak Zhol party alleged electoral fraud and refused to accept the single seat it was allowed to win. The opposition party Alga! (Forward!) has persistently been denied registration.

Constitutional amendments introduced before the 2007 elections placed Nur Otan in an unassailable position and pushed the already enfeebled opposition out of any real contest. The number of seats in the lower house was raised from 77 to 107. Of those, 98 are elected from party lists on a proportional basis, and the president appoints the remaining nine deputies to represent the APK. The Senate, the upper house of Parliament, is composed of 47 deputies. The assemblies of the 14 regions, the capital Astana, and the former capital Almaty each select two senators. The remaining 15 are appointed by the president. Senators serve six-year terms, with half of the indirectly elected members coming up for election every three years. The last round of Senate elections, held in 2008, received little public attention, though members of Nur Otan or those affiliated with it won the seats in question.

Instead of reforming the stringent legislation that hampers party formation and fair multiparty contests, Kazakhstan introduced a cosmetic amendment to

its flawed Law on Elections and Political Parties by creating a minimal two-party system in which the second-place party is allowed to win representation whether or not it crosses the 7 percent threshold. In practice, such a measure would only allow a "loyal opposition" group or another channel of support authorized by the president to compete with Nur Otan.

By eliminating single-mandate voting from parliamentary elections and establishing that all candidates must be elected by party list on a proportional basis, the Law on Elections and Political Parties privileges loyalty to the party over accountability to voters. The law requires that all candidates be members of political parties, thus denying citizens the right to seek election as independents. Furthermore, the high 7 percent threshold is clearly aimed at blocking the rise of new parties. Finally, the reservation of nine seats for APK members fails to provide a democratic method for representing ethnic minorities. The APK is an appointed body chaired by the president, and in practice ethnic minorities lack any means of participating in the selection of their representatives.

A proposal by first deputy chairman Darkhan Kaletayev in late 2009 to bestow the title "Leader of the Nation" upon Nazarbayev was swiftly passed as law by both houses of the Parliament a couple of weeks before the president's 70th birthday. Exploiting its control over the administrative machinery and propaganda channels, Parliament induced state officials, media, prominent businesses, public figures, and university and school administrators to lend support to the campaign. Although Nazarbayev refused to sign the bill and used a veto in what appears to be a staged façade of modesty, the Parliament went on to respectfully overrule the veto and put the law into effect.[7] No mere decorative emblem, the "Leader of the Nation" law further boosts the privileges already granted through the Law on First President adopted in 2001 that gave Nazarbayev the right to address the Parliament or speak on national media even after retirement and conferred complete immunity from prosecution for any action undertaken by him while in office. The Law on Leader of the Nation extends the immunity over all property and holdings to Nazarbayev and his relatives as well.

In late December, an informal gathering of about 900 delegates voted unanimously in favor of holding a referendum to extend Nazarbayev's term of office to 2020. After four days the Central Election Commission (CEC) registered this initiative, and a nationwide campaign in support of the referendum collected about 5 million signatures within weeks. The campaign was mobilized to push an amendment to the constitution that would do away with the 2012 and 2017 presidential elections and allow the referendum. Ultimately, President Nazarbayev rejected the amendment and called for the presidential election to take place in April 2011, about 20 months ahead of schedule.

Developments over the past decade or more amply show that the political system established under Nazarbayev has become entirely personalized: the constitution grants unlimited presidential powers, the Parliament is composed entirely of ruling party members, and the party-list voting system effectively bars rival parties and independent candidates from the legislature. Elections are a

mechanism for producing and consolidating overwhelming electoral support for the privileged financial elites who dominate the ranks of Nur Otan, and by getting elected, muster unlimited political powers and immunity from prosecution.

Civil Society

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
5.50	5.50	5.50	5.50	5.75	5.75	5.50	5.50	5.75	5.75

Despite Kazakhstan's rising prosperity, liberal economic climate, and growing international engagement, the political leadership has not created a hospitable environment for the development of genuine civil society and democratic institutions. As a telling indication in 2010, the unreasonably harsh sentencing of Evgeniy Zhovtis, a prominent human rights activist and director of the International Bureau for Human Rights and Rule of Law, demonstrated the regime's determination to elevate the country's international image by silencing critical perspectives. Zhovtis was convicted in September 2009 of manslaughter following an automobile accident that resulted in the death of a pedestrian. In a trial fraught with procedural violations, the judge did not consider any of the mitigating evidence, prevented Zhovtis from mounting an adequate defense, and delivered an excessive four-year prison sentence. The state authorities and judicial organs acted in unison to exploit the accident, preventing Zhovtis from traveling abroad to participate in conferences related to democracy and civil society issues in Kazakhstan.[8] In September 2010 the authorities turned down his plea for parole on grounds that he "violated terms and conditions of prison" but failed to substantiate these charges.

The presidential regime uses its powerful patronage network to target nascent NGOs and public associations for co-optation, using them to promote an agenda of social and infrastructural development rather than allowing the nongovernmental sector to develop independently. While pro-government NGOs are offered funds, publicity, and recognition for engaging in "constructive cooperation" with the government, independent NGOs that resist such pressures are portrayed as being irresponsible, serving outside interests, or opposing reforms and prosperity.

In order to counteract the influence of autonomous and independent NGOs, the government in recent years has set up a number of "public organizations" and uses them to demonstrate the vibrancy of civil society in the country. At the end of 2009, the Embassy of Kazakhstan in Washington, DC reported the existence of a growing "third sector" in Kazakhstan, employing over 550,000 people. The embassy bulletin claims there are 25,000 non-profit organizations in the country, "13,000 of which form NGOs."[9] Statistics published on President Nazarbayev's website show that Kazakhstan's NGOs focus primarily on environmental issues (15 percent), followed by children and youth (13.6 percent), women's rights (13.3 percent), health and medical concerns (13.1 percent), education (12.5 percent), civil rights (7.6 percent), and social welfare (6.8 percent).[10]

In reality, official government sources point to the existence of just 5,000 registered NGOs, and only a fourth of that number appear to be active. The vast majority are quasi-governmental groups propped up to compete with real NGOs in obtaining grants. An estimated 200 are able to make a positive impact.[11] No more than about 10 percent of NGOs are engaged in civil liberties, human rights, and minority protection issues. The few genuinely independent groups among these are subjected to surveillance by the KNB and the Office of the Prosecutor General. As with political parties, all NGOs, public associations, and religious bodies are required by law to register with the Ministry of Justice.

One of the most basic civil liberties, the right to public assembly, remains severely restricted in Kazakhstan, as any public appearance or gathering broadly defined as an 'assembly' must be sanctioned ahead of time by local government authorirties. Citizens holding a public demonstration are required to notify the authorities 10 days in advance. Since the Law on Public Assembly was passed in 1995, permission to assemble peacefully in a downtown area or near government buildings has only been granted to pro-government parties and public associations.[12]

As part of its effort to steer the development of the civic sector, the government has created a biannual Civic Forum to forge cooperation with NGOs. The stated goal is to aid the establishment of a vibrant civil society, but in practice it serves to co-opt existing NGOs and tends to limit and control efforts at self-organization among societal groups and interests.

The U.S. Agency for International Development (USAID) has been the largest single-country donor organization in Kazakhstan, providing over US$500 million since 1992 in programs to assist the development of the country's economy, healthcare system, and democratic institutions. A study in funding of NGOs over the past decade heralded a decline in international aid, and noted that Kazakh NGOs are seeking to diversify their sources of funding.[13]

Kazakhstan's budding business and entrepreneurial strata enjoy considerable economic freedom and privileges as long as they refrain from any independent political activity, publicly adulate the president and the Nur Otan party, and make "voluntary" financial contributions to projects initiated by the regime, which are realized through a range of government-sponsored NGOs.

Working under state patronage, the corporate sector is induced to fund government-organized NGOs or invest in social or community development projects. However, there are reports of private businesses covertly funding civil-rights advocacy campaigns and independent media channels in an effort to safeguard their own interests and carve out a sphere of activity free from governmental control.

According to the 2009 census, ethnic Kazakhs comprise 63 percent of the population, up from 53 percent in 1999, whereas the share of ethnic Russians has declined from 30 percent in 1999 to 23.7 percent in 2009. Uzbeks form the third-largest ethnic group at 2.9 percent. While ethnic Kazakhs are recognized as the titular or name-bearing nation and enjoy a *de facto* primacy in obtaining numerous state positions, Kazakhstan's political elite, the government, and administrative structures bear a multiethnic profile, and "ethnic reconciliation" and "tolerance" are

highlighted as the guiding principles of the multiethnic state. The ability to operate within the regime-controlled patronage networks, rather than ethnic affiliation, is crucial for acquiring a prominent public position; yet, ethnic Kazakhs dominate in the various networks that are closely connected with the regime.

While claiming a commitment to promoting interethnic peace and reconciliation, the government tightly regulates public expression of ethnic and religious identity by placing restrictions on freedom of assembly and encouraging ethnic groups to organize themselves into official national-cultural centers. These are expected to work closely with the APK, which is chaired by the president.

The Law on Religion, adopted in 2008, strictly regulates the registration of all religious communities. A 2006 presidential decree categorized various minority religions as "sects" or "nontraditional" groups, suggesting that they are potentially subversive or extremist in nature. The minority religious groups that have continued to face persecution are Jehovah's Witnesses, Hare Krishna devotees, and several independent Muslim groups whose affiliations, beliefs, or practices are at variance with the government-approved version of Islam as a liberal, non-political force. Media campaigns have been organized to spread fear of "nontraditional" religions and to generate support for an amended Law on Religion, which would seriously restrict freedom of thought, conscience, and religion.

Human rights advocates note that the methods employed by the government to control religious groups are not unlike those used in Uzbekistan, Turkmenistan, and Tajikistan. These include raids of religious institutions, fines for failing to acquire registration, expulsion of foreign missionaries, seizure of assets, and obstacles to the dissemination of religious literature. Human Rights Watch characterizes the state's policies toward religious groups as "quiet repression."[14]

While the security and intelligence services publicly claim to combat terrorism, extremism, drug trafficking, and other regional and international security threats, many of the vast resources of the KNB are diverted toward monitoring the activities of opposition groups, independent NGOs, media outlets, religious bodies, and foreign missionaries in the country. Asserting that religious pluralism and tolerance are fueling extremism, government officials have openly called for stringent action against religious groups operating outside state-recognized structures, and the Ministries of Justice and Internal Affairs together with the KNB have created special divisions to work with religious denominations.

Independent Media

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
6.00	6.25	6.50	6.50	6.75	6.75	6.75	6.50	6.75	6.75

Most media outlets in Kazakhstan are privately owned and formally categorized as independent, but in reality they are regulated by the government and controlled by politically entrenched financial groups. Media outlets may compete intensely with one another, but they do not engage in investigative work or criticize the president,

his close family, or other top figures in the regime. The few media outlets that are independent of the state, and critical of the direct and indirect control exerted by the authorities over the informational space, have found it increasingly difficult to survive in the traditional media market and are forced to operate mainly via the internet.

According to Freedom House's annual Press Freedom survey, Kazakhstan's media is "Not Free," and is ranked 172nd out of 196 countries and territories.[15] The media are far more diverse than those of some other countries in the region and allow some debate on prevalent socioeconomic issues. However, the president and his inner circle remain above scrutiny, while parliamentary deputies and regional akims have increasingly used their positions to punish critical journalists.

A mix of highly restrictive laws and unauthorized, indirect, and informal mechanisms of control have ensured the national media's subordination to the government. Article 318 of the criminal code penalizes a person who "insults the honor and dignity of the president" and is used routinely to prosecute independent journalists. Influential members of the government have also won libel suits against opposition-oriented media. Existing legislation does not regulate compensation for libel, exposing any publishing house to sudden bankruptcy. Opposition newspapers have also been subjected to numerous bureaucratic interventions, ranging from tax audits to fire and safety inspections, and they encounter continual difficulties in finding printing facilities.

The regional newspaper *Uralskaya Nedelya* in western Kazakhstan was sued for libel for an article investigating the alleged rigging of a tender, and its journalist was ordered to pay the equivalent of US$133,500 to the Tengizneftestroi Oil Company.[16] In previous years, the prominent independent investigative weeklies *Respublika* and *Taszhargan* were ordered to pay massive damages in libel suits brought by senior government officials. *Respublika* was forced to close when it could not pay the equivalent of US$500,000 in damages in a case where Bank TuranAlem (BTA) accused the newspaper of spreading false information. After several attempts to revive under different names, a version of the paper emerged as *Golos Respubliki*, publishing for the last year and a half only online, as no publishing house would agree to print it for fear of reprisal from the authorities.

Journalists working with state-controlled media reported encountering pressure to publish articles that call for bestowing the Leader of the Nation status upon President Nazarbayev and the subsequent campaign to hold a referendum to support his tenure until 2020. Many protesting against these proposals were routinely detained and fined.[17] Members of "Journalists in Distress," a Kazakh media watchdog foundation with international support, have frequently been detained and fined for organizing demonstrations.

The government formed a working group that included the Ministry of Culture and Information, the OSCE, and the independent media watchdog Adil Soz to consider reforms to the existing Media Law. However, it rejected virtually all recommendations made by NGOs, despite its pledge to introduce greater media liberalization before receiving the OSCE chairmanship. Restrictive measures on internet content and privacy adopted in August 2009 categorize all websites in Kazakhstan as mass media

outlets, and hold bloggers or website owners accountable for anything they publish. Bloggers who publish items that are critical of the government have been charged under clauses protecting the president's "honor and dignity."

The Center for Computer Incidents was created to monitor internet activities, including blogging. According to Kuanyshbek Esekeev, head of the state communications agency, the Center's aim is to monitor websites that have "pornographic or extreme character" and prepare a "blacklist of sites which have a destructive character for society."[18] The failure to involve any independent media watchdogs in such monitoring efforts lends credence to the widespread view that such efforts are geared at intensifying internet censorship. The prosecutor general warned that printing or quoting excerpts from Rakhat Aliyev's sensational critique *The Godfather-in-law* would lead to criminal charges, and websites publishing materials or allegations made by Aliyev against Kazakhstani authorities are continually blocked.[19]

Official figures note that internet users in Kazakhstan exceeded 3.5 million in 2010, and about 21 percent of the population (37 percent in urban areas and less than 10 percent in rural areas) has access to internet.[20] As the country's urban middle class and student population increasingly turn to the internet to obtain news, the authorities have stepped up their efforts to directly control the availability of information online rather than relying entirely on criminal penalties. The state-owned Kazakhtelecom and its subsidiaries have a monopoly on internet service provision, and they have fully cooperated with the government and security services to apply controls and block access to opposition websites.

Articles adulating President Nazarbayev for the country's accomplishments proliferate in the media. Virtually every page in the state-owned *Kazakhstanskaya Pravda* and *Egemen Kazakhstan* contains extracts from speeches by Nazarbayev. The state channels Khabar and Kazakhstan 1 continually broadcast the president's speeches and report on his travels. In addition, 50 percent of the billboards in Astana feature images of Nazarbayev or quotations from his pronouncements. In this environment, the president risks becoming a hostage to his own propaganda by cutting himself off from accurate information about the problems facing the country. Furthermore, beneath the pervasive personality cult depicted in the media and the various government public-relations campaigns is a struggle for supremacy among the numerous individuals and financial interests that form the president's inner circle.

Local Democratic Governance

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
n/a	n/a	n/a	6.25	6.25	6.25	6.25	6.25	6.25	6.25

Kazakhstan has a unitary administrative framework in which the central government exerts top-down control over regional and local bodies. The centralized nature of the state and concentration of revenues and resources have so far effectively contained

regional elites and interest groups. President Nazarbayev has also continually shuffled officials, not allowing them to spend more than a few years in office and rewarding them with a better position for their compliance.

The constitution does not provide for elections of regional or local administrative heads (*akims*). All regional akims are appointed by the central government and may be dismissed by the president at his discretion. Members of the local legislative councils, or *maslihats*, are elected for five-year terms to represent their constituencies but in practice serve as rubber-stamp bodies to approve acts by the local executives. Patronage and personal influence, rather than a constitutional mandate, define the powers of the incumbent. The regional maslihats, and those of Almaty and Astana, each name two members to the Senate. The last maslihat elections were held concurrently with the parliamentary elections in August 2007 but attracted little popular or media attention in the shadow of the national polls.

Regional and city maslihats have formally been granted the right to refuse the president's nominee for akim, and the share of maslihat members required to oust a sitting akim was reduced from two-thirds to one-fifth. However, given the minimal functions assigned to regional maslihats, the patronage exerted by akims and the lack of any budgetary powers make it unlikely that the councils play any significant role in the composition of their governments.

President Nazarbayev has been opposed to holding direct elections for local and regional akims and granting local autonomy, and there has been virtually no public discussion of the subject. The most prominent advocate of such reforms was Galymzhan Zhakiyanov, founder of the opposition party Democratic Choice of Kazakhstan and a popular former akim of Pavlodar, who was jailed from 2002 to 2006 on politically motivated charges. Even if elections were introduced, it is doubtful that they would have a democratizing effect as long as a single party dominates the political landscape. In addition, the incumbent akims and their patrons, together with members of the Central Election Commission and district election commissions, wield enormous influence in the nomination of candidates.

The lack of financial autonomy for local bodies is a severe constraint on their authority and ability to implement effective socioeconomic measures. The central government determines taxation rates and budgetary regulations. The regions are officially responsible for the provision of social services, such as education, local law enforcement, and medical assistance. Local governments can keep all fines for environmental pollution but are required to transfer other revenues to higher authorities. Regions are not allowed to keep their budget surpluses, which are forfeited to needier areas.

The extent to which regional administrations may retain collected taxes in their budgets is influenced by the standing of the akim and the region's revenue-generating capacity. The akims in oil-rich regions as well as Astana and Almaty, which have attracted the most foreign investment, exert greater control over budgetary matters, mainly by extracting significant contributions from investors to social and welfare projects and thus informally negotiating revenue-sharing rates with the central government. These akims also tend to have a high personal standing with the central government that appointed them.

Judicial Framework and Independence

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
6.00	6.25	6.25	6.25	6.25	6.25	6.25	6.00	6.25	6.25

While Kazakhstan's constitution recognizes the separation of powers and safeguards the independence of the judiciary, in practice both the judiciary and the legislature remain subservient to the executive. The judicial record over the past decade shows that it has consistently protected the interests of the ruling elites, state functionaries, and top business groups rather than those of individuals, minorities, and the weaker strata of society. It has tended to toe the official line when penalizing the political opposition, independent media, and civil society activists who are critical of the government.

The country's courts often intervene to ban media outlets that are critical of the president or the political establishment. The Zhovtis trial highlighted the vulnerability of the judicial system to political interference and confirmed a long-established tradition of judicial verdicts aligning with state interests. The U.S. mission to the OSCE, echoing numerous international and domestic human rights groups, complained that the case involved "serious allegations of procedural irregularities and apparent lack of due process."[21] The Open Society Justice Initiative and the Kazakhstan International Bureau for Human Rights and Rule of Law filed an appeal to the United Nations to challenge the conviction and sentence imposed on Zhovtis.[22]

The constitution of Kazakhstan provides an elaborate mechanism for appointing members of the Supreme Court. The president proposes nominees from among recommendations by the Supreme Judicial Council, which is comprised of the chairs of the Constitutional Council and the Supreme Court, the prosecutor general, the minister of justice, senators, judges, and others appointed by the president. The nominees proposed by the president are then approved by the Senate. The president may remove judges, but not members of the Supreme Court, on the recommendation of the Supreme Judicial Council. There has been no instance to date of any disagreement between the executive and legislature over the appointment of Supreme Court justices. A number of constitutional amendments have reinforced presidential control over judicial appointments.

According to law, Supreme Court judges are appointed by the president on the recommendation of the Supreme Judicial Council and elected by the Senate. Judges of local courts and other levels are appointed by the president on the recommendation of the Supreme Judicial Council. The president also appoints a chairman, secretary, and other members of the Supreme Judicial Council.[23]

The judiciary's level of training and professionalism has improved significantly as a result of steady increases in state funding. However, it has not been effective in enshrining the principles of independence and impartiality. Although Kazakhstan set up a Judicial Academy in 2004 with help from the OSCE/ODIHR, the quality of training remains uneven. The legal profession is perceived to be among the most prestigious, which has led to a disproportionate number of lawyers, but their quality is also uneven.

The European Union allocated Euro 3.4 million for the project "Support to Judicial and Legal Reform in the Republic of Kazakhstan," which will provide assistance to the country's Supreme Court and Ministry of Justice and support judicial and legal reform. In effect from February 2010 until September 2013, the project's key objectives are to introduce international best practice in strategic policy documents and their implementation action plans in the judiciary and public administration; to support the country's efforts to strengthen the institution of advocacy; and to enhance capacities of state institutions in charge of the country's legal and judicial reform.[24]

Kazakhstani lawyers have also lobbied for legislation to provide security clearances to work with cases involving state secrets, as under the current framework neither the Law on Legal Practice nor the Criminal Procedure Code provide for security clearances for lawyers. This has often caused conflicts between well-trained lawyers and the unprofessional attitude of law-enforcement bodies.[25]

Corruption is entrenched in the judicial system, as in other organs of the government. Corrupt behavior is widely accepted as natural, and many believe that the judiciary serves only the interests of the rich and powerful. For small and medium offenses, bribery is seen as an effective means of achieving the desired verdict. It is also widely understood that becoming a judge is extremely difficult without giving bribes to various officials and court administrators.

The OSCE is working to reform Kazakhstan's penitentiary and criminal justice systems. According to a report by Manfred Nowak, the UN Special Rapporteur on Torture, the prison population in Kazakhstan is three times the average in Europe and well above that of other post-Soviet countries. In 2009, the inmate population was 59,141, and the incarceration rate of 382 per 100,000 people was the highest among Central Asian countries.[26] Nowak's report highlighted an increase in cases of self-harm and suicide to escape inhumane prison conditions, widespread use of torture, and ill-treatment. Over 60 percent of prisoners in Kazakhstan are serving sentences in excess of five years.[27]

The introduction of judicial authorization of arrests in Kazakhstan denotes a first step toward compliance with one of the central provisions of the International Covenant on Civil and Political Rights. However, for this reform to have a significant effect, the Office of the Prosecutor General and the judiciary must also be mutually independent, which is not the case in Kazakhstan. The government is debating an amendment to existing legislation to bring it into compliance with the UN Convention Against Torture and has declared its support of alternatives to imprisonment, such as mediation, community service, limitation of freedom, electronic tagging, and so forth, but no concrete measures have been taken so far.[28]

While Kazakhstan's criminal justice system is undergoing incremental reforms, the judiciary has a poor record when it comes to cases involving civil liberties, political freedom, independent media, and human rights issues. The courts have convicted all major political or public figures brought to trial on politically motivated charges without credible evidence or proper procedures. Kazakhstan has a National Human Rights Commission headed by an ombudsman, but the

position has limited authority to monitor the government's observance of human rights and is barred from any "interference with the work of either the police or the judicial system." As a presidential appointee, the ombudsman appears partial and lacks the support of civil society and human rights activists.

Corruption

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
6.25	6.25	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50

Corruption in Kazakhstan is systemic and difficult to prove. It thrives on the country's enormous oil and mineral wealth, and the lack of transparency in the privatization of state-owned assets during its post-Soviet transition, which has benefited the ruling establishment. Corruption is embedded in the rent-seeking behavior of ruling elites who use their official positions to appropriate, control, and distribute key resources for personal gain and obtain immunity from prosecution or investigation. The absence of a genuinely independent anticorruption body and persistent attacks on and criminalization of investigative journalism reinforce the lack of transparency and make it impossible to publicly identify and investigate the misuse of state resources by top officials.

The impossibility of proving, let alone combating, corruption has led to a pervasive social perception that the use of state resources for the enrichment of one's family, friends, and personal networks is normal and constitutes an integral aspect of the local culture and social structure. As long as they enjoy rising prosperity, a vast majority of Kazakhstan's citizens accept corruption as integral to the system, and remain resigned to its existence. A related issue is the lack of transparency that surrounds many business and financial activities, both domestic and international, in which members of the elites are involved.

The WikiLeaks cables, in which Kazakhstan featured prominently, made public information that was already widely known to citizens of Kazakhstan, members of the diplomatic and business community, and experts. One of the cables from the U.S. embassy in Astana in December 2010 quoted the chairman of the state-owned oil and gas company Kazmunaigaz referring to the president's billionaire son-in-law Timur Kulibayev as having "an avarice for large bribes" and one of the four major gatekeepers around the president.

Charges of corruption and abuse of office tend to be leveled against government officials or political figures only after they enter into a personal or political rivalry with more powerful elites or challenge President Nazarbayev's authority. The political motivations behind such cases were described in detail by Rakhat Aliyev in his book, *The Godfather-in-law*, although Aliyev himself is a product, beneficiary, and eventually a casualty of the system he criticizes.

The hope that international investigations might uncover official corruption receded when the final verdict of the "Kazakhgate" case in the United States absolved American businessman James Giffen of charges of allegedly passing $80

million from U.S. oil companies to President Nazarbayev and other top officials in exchange for lucrative contracts in Kazakhstan in the 1990s. Giffen pleaded that he was contracted by the CIA and was led to believe that he was serving U.S. strategic purposes by being close to Nazarbayev. He got away with a symbolic sentence as the judge applauded him for being an "important information source for the American government," while his firm Mercator was fined $32,000 for tax evasion and committing a felony by sending two $16,000 snowmobiles to a Kazakh government official.[29] The Kazakhstani government had hired powerful law firms in Washington and New York along with influential lobbyists to have the charges against Giffen cleared and the names of all Kazakhstani officials removed from the inquiry.[30]

The Kazakhstani authorities are seeking to extradite Mukhtar Ablyazov, the former chairman of Bank TuramAlem (BTA) from 2005–09, who fled to the UK in 2009 to escape what he alleged was a politically motivated inquiry into accusations of fraud. Ablyazov, a powerful former minister, was issued a six-year prison sentence in 2002 on charges of corruption after he launched an opposition movement. He obtained a presidential pardon a year later to assume the chairmanship of BTA in what was apparently a deal struck with President Nazarbayev in which he pledged support through non-involvement in any form of politics.

BTA, which was taken over by the state, filed a number of court cases in the UK to recover assets worth at least $10 billion allegedly transferred by Ablyazov to offshore accounts and which resulted in losses of nearly $12 billion to BTA under his chairmanship. Russian authorities have charged him with embezzling $321.4 million through a series of loans for a Russian development firm. Ablyazov claims that he was forced to borrow from international lenders under pressure from Kazakhstani authorities who monitored all activities. BTA won a UK appeals court ruling in December 2010 that forced Ablyazov to place his assets, estimated at $4 billion, into receivership after stating that he had failed to mention his ownership of several assets in London. The court had already issued a freeze on his assets in early 2010.[31]

A report by Global Witness, an independent international anticorruption organization that monitors corruption in the natural resources industry, is investigating the role of Kazakhmys, Kazakhstan's biggest copper miner and among the top 10 copper producers in the world with revenues of $1.63 billion in 2009. It alleges that Kazakhmys withheld key information about its final owners during its IPO, which is required from companies seeking to enter the London Stock Exchange (Kazakhmys became a FTSE100 company in 2005). It also raised concerns about Kazakhmys's close links with the government.

As multimillion-dollar deals involving top government figures continue to be questioned and investigated abroad, the ruling Nur Otan party is elaborating a new draft strategy on combating corruption for the next 10 years, focusing on the selection of civil service personnel with a high risk of exposure to corruption. It has proposed a plan to publish the salaries of public officials in the media to cut down on bribery.[32]

The Ministry of Internal Affairs, the KNB, and the tax and financial police are the main bodies tasked with combating corruption in Kazakhstan. The anticorruption drive has become a political and economic tool that allows officials involved to accrue special power and influence and intimidate rivals to extort bribes and elevate their economic and social status. As one critic of the government alleged, these organs are used by the state to "settle scores with inconvenient highly placed officials and with business."[33]

Kazakhstan endorsed the Extractive Industries Transparency Initiative (EITI) in 2005 and was designated as an EITI candidate country that is "close to compliant." The country has until June 2011 to complete the remedial actions needed to achieve compliance.[34] Since EITI reporting for oil, gas, and mining is voluntary, the state is not required to disclose the revenues it receives from leading oil companies or to involve independent NGOs in overseeing how oil revenues are managed. The government does not publicly report how much money it makes from oil exports, which has led to a widespread perception that government officials siphon money from oil revenues.

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Kosovo

by Ariana Qosaj-Mustafa

Capital: Pristina
Population: 1.8 million
GNI/capita, PPP: n/a

Source: The data above was provided by The World Bank, *World Development Indicators 2011*

Nations in Transit Ratings and Averaged Scores

	Yugoslavia		Kosovo							
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Electoral Process	3.75	3.75	5.25	4.75	4.75	4.75	4.50	4.50	4.25	4.50
Civil Society	3.00	2.75	4.25	4.00	4.25	4.25	4.00	4.00	3.75	3.75
Independent Media	3.50	3.25	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.75
Governance*	4.25	4.25	6.00	n/a	n/a	n/a	n/a	n/a	n/a	n/a
National Democratic Governance	n/a	n/a	n/a	5.75	5.75	5.75	5.50	5.25	5.50	5.75
Local Democratic Governance	n/a	n/a	n/a	5.50	5.50	5.50	5.50	5.25	5.00	5.00
Judicial Framework and Independence	4.25	4.25	6.00	5.75	5.75	5.75	5.75	5.75	5.75	5.75
Corruption	5.25	5.00	6.00	6.00	6.00	6.00	5.75	5.75	5.75	5.75
Democracy Score	4.00	3.88	5.50	5.32	5.36	5.36	5.21	5.14	5.07	5.18

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

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

Executive Summary

Throughout 2010, Kosovo remained subject to a perplexing array of governing authorities, with elected Kosovar officials overseen by the International Civilian Representative (ICR)/EU Special Representative (EUSR) and supported by the EU Rule of Law Mission (EULEX). The UN's Interim Administration Mission in Kosovo (UNMIK) maintained its presence in municipalities north of the Ibar river, which remained outside of Pristina's control. The Republic of Serbia continued to support parallel governing structures in Kosovo's ethnic Serb–dominated northern municipalities.

International missions continued to reconfigure themselves throughout 2010. NATO-led Kosovo forces (KFOR) downsized and the International Civilian Office representative (ICO) focused on implementing the Ahtisaari Comprehensive Status Proposal. The EUSR gained considerable authority to advise EULEX on its executive mandate, yet little practical impact was observed.

On July 22, the International Court of Justice (ICJ) ruled that Kosovo's unilateral declaration of independence from Serbia in February 2008 did not violate international law.[1] The much-anticipated ruling did not significantly alter the international support base for Kosovo's independence. Only eight new countries recognized Kosovo's independence in 2010 (two following the ruling), bringing the total to 72. Acknowledging the ICJ decision, the EU and Serbia cosponsored a resolution calling for dialogue between Kosovo and Serbia. The EU will facilitate the talks, and Brussels shows increased interest in strengthening its foreign policy role in the region.

Kosovo's biggest achievement in 2010 was the continued implementation of the decentralization package, which led to the creation of three new Serb-majority municipalities in 2009, and another—Partesh—in 2010. Partesh saw an impressive Serb turnout in its first municipal elections, indicating that many Serbs are beginning to feel included in Kosovo's state-building efforts. However, there were no major successes in these efforts throughout the year. While the national debate over corruption increased in 2010, efforts to combat the problem yielded minimal results. The government continued to interfere with Kosovo's public broadcaster and pressure private media. The state's central role in the economy continued, with major capital investment projects led by the government.

In September, Kosovo's Constitutional Court ruled that President Fatmir Sejdiu could not simultaneously serve as state president and head of his party, the Democratic League of Kosovo (LDK), prompting his resignation and setting the stage for an institutional crisis that consumed the rest of the year. Tensions between the Democratic Party of Kosovo (PDK) and LDK escalated rapidly until October 15, when LDK abruptly left the government, leaving PDK without a coalition

partner or parliamentary majority. With PDK unable to form a new coalition within the constitutionally-specified 45-day period, early general elections were scheduled for February 2011 and then rescheduled for December 2010 after 66 out of 120 deputies—including many members of the PDK—gave a vote of "no confidence" in the PDK's minority government.

The December early elections were the first to be organized by Kosovo authorities and were seen as a test for the new democracy; ultimately, election observers found evidence of electoral fraud in at least six municipalities, and re-votes were ordered for January 2011.

National Democratic Governance. The coalition government led by Prime Minister Hashim Thaçi of the PDK governed ineffectively and nontransparently until October, when it collapsed. Efforts to integrate the northern municipalities of Kosovo stalled throughout the year, and EULEX's investigations of high-profile corruption cases were not followed by prosecutions or verdicts. After the resignation of President Fatmit Sejdiu, rising tensions between PDK and its junior coalition partner, former President Sejdiu's LDK, reached fever pitch. In early October, Prime Minister Thaçi attempted to adopt a privatization strategy for the most profitable company in Kosovo, Post and Telecommunications of Kosovo (PTK) J.S.C., without a quorum. On October 15, LDK withdrew from both the ruling coalition and the government, resulting in a no-confidence vote and early elections. The December early elections were flawed, and consequently rescheduled for January 2011. *Owing to the government's continued failure to improve its performance, Kosovo's national democratic governance rating worsens from 5.50 to 5.75.*

Electoral Process. In response to the state government crisis, Kosovo held early general elections on December 12. In at least six municipalities, election results were invalidated by fraud, while the Central Elections Commission (CEC) ordered a recount of 40 percent of all ballots due to complaints by political parties and civil society representatives. Observed irregularities included technical problems, family and group voting, and reports of intimidation of domestic election observers. After the December vote, the Election Complaints and Appeals Panel (ECAP) forwarded more than 190 complaints to the prosecutor's office for investigation. As the first general elections organized in post-independence Kosovo, they revealed that Kosovo remains an immature democracy. *Owing to significant shortcomings in the conduct of general elections, Kosovo's electoral process rating worsens from 4.25 to 4.50.*

Civil Society. The financial sustainability of Kosovo NGOs weakened in 2010. NGOs continued to monitor the legislative branch, rule of law, and corruption, but local efforts to increase voluntary donations were minimal, and the government did little to stimulate support for such initiatives. Cooperation between non-state actors existed, yet this was mainly ad hoc and reactive, as was cooperation between NGOs, the legislative branch, and the government. *Overall, the environment for the civic sector continued to be unfriendly; Kosovo's civil society rating remains 3.75.*

Independent Media. During 2010, the Kosovo government failed to enforce constitutional provisions that guarantee freedom of media and expression. Journalists and independent media were subject to threats, as well as pressure from state and international institutions. Employees at two high-profile independent daily newspapers were frequent targets of threats. Law enforcement agencies and the Kosovo judiciary produced no verdicts in these cases, and professional associations have had little impact in improving the conditions for media. The government continued to control the public broadcaster, RTK, and to influence private media through selective advertising. *Owing to a continued decline in the position of journalists and insufficient implementation of constitutional guarantees on media freedom, Kosovo's independent media rating worsens from 5.50 to 5.75.*

Local Democratic Governance. A noteworthy success in 2010 was the creation of the Partesh municipality—the fourth new Serb-majority municipality to be established since mid-2009. These new districts, with their high turnout of Kosovo Serb voters in the late 2009 and 2010 elections, posed a growing challenge to the Serbian national government's parallel structures north of the Ibar River. Overall, local governance improved in 2010, with authorities continuing to devolve powers to municipal governments. However, the Ministry of Local Government Administration identified numerous shortcomings in the newly completed legislative framework on decentralization, and as a result extended the official implementation period by two years. Municipal governments are not yet fully functional, as they lack adequately trained and experienced staff. *Despite increased opportunities for citizen representation and continued improvements in the functionality of local government, significant challenges remain to consolidating this progress by turning formal improvements into operational gains; therefore, Kosovo's local democratic governance rating remains at 5.00.*

Judicial Framework and Independence. The Constitutional Court issued a groundbreaking independent decision on the exclusivity of the presidency, which led then president Fatmir Sejdiu to resign in order to maintain his position as leader of LDK. However, the judiciary as a whole continued to experience structural weaknesses in 2010. By year's end the government had drafted and called for a vote on a number of important laws to start judicial reform, but judicial independence and prosecutorial autonomy remained fragile due to delays in approving the laws. The vetting and reappointment of judges and prosecutors—a key element of judicial reform—was initiated, but the government interfered in the final appointments. The Kosovo Judicial Council (KJC) failed to protect the appointment process. Courtrooms in Kosovo have fewer judges and prosecutors than other countries in the region, and depend on their EULEX counterparts. *Due to limited progress on attempted improvements and the lack of political will for further reforms, Kosovo's judicial framework and independence rating remains at 5.75.*

Corruption. Mechanisms and laws have been created to limit the entanglement of public officials in economic affairs, but there is a lack of political will to implement them. The state of corruption dominated public discourse in 2010, largely fueled by EULEX's investigation of high-profile suspects (so-called "big fish"). However, almost none of these investigations had resulted in indictments or convictions by year's end. The mission kicked off its investigation of the Ministry of Transport, Post and Telecommunications with a dramatic raid on the ministry offices and its officials' homes, but charges were not brought against Minister Fatmir Limaj or his colleagues by year's end. The only high-profile indictment of the year was that of Hashim Rexhepi, governor of the Bank of Kosovo, who was arrested in July and charged with bribery and misuse of his official position. A new public procurement law adopted in December still does not meet EU standards. *Pending evidence that increased investigations of corruption will lead to increased convictions, Kosovo's corruption rating remains at 5.75.*

Outlook for 2011. The upcoming dialogue between Kosovo and Serbia may improve regional stability and cooperation. However, many worry that the process will be manipulated by interests in Serbia to pursue Kosovo's partitioning. The EU's role as a facilitator of this dialogue may be weakened by its lack of a unified position on Kosovo, whose sovereignty five member states still do not recognize.[1] Domestically, Kosovo will struggle to keep its government coalition stable in the aftermath of the January 2011 elections. The new government's main challenge will be to rally the political will to successfully combat corruption and organized crime. The international missions will need to take concrete steps to fully implement their executive mandate, both in the northern municipalities and south of the Ibar River, to build a state in Kosovo with functional rule of law.

Main Report

National Democratic Governance

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
n/a	n/a	n/a	5.75	5.75	5.75	5.50	5.25	5.50	5.75

State-building efforts by Kosovo authorities and international missions in 2010 were hampered by the weak and nontransparent performance of the government, and by a growing divide between the parties of the ruling coalition. Kosovo's northern municipalities remained outside Pristina's influence in 2010, and the international missions made slow progress in delivering their mandates.

As Kosovo's Law on Government had yet to be adopted in 2010, the government continued to work under an UNMIK regulation. In April, Prime Minister Hashim Thaçi restructured the government, replacing several ministers and creating a new Ministry of European Integration. However, the changes proved symbolic rather than substantive.

The Assembly (parliament) of Kosovo adopted a set of laws on parliamentary hearings and the rights and responsibilities of members of parliament (MPs). Parliamentary hearings were attended by government representatives, but ministers usually chose not to attend. The sessions had limited impact, and the legislature's overall scrutiny of the executive branch was weak, marked by government interference in the Assembly's agenda and activities. The Assembly secretariat strengthened the research capacities of committees, but the oversight competencies of legislative working groups were rendered meaningless by the dominant vote of the governing coalition. Meanwhile, recruitment of professional staff for the committees was impeded by the government's unwillingness to pay additional salaries. NGOs advocated for amendments to the new public procurement law that would require the signatures of administrative and political staff on high-value contracts, but this provision was not included in the final version of the law. Although the Assembly held final budget approval, MPs loyal to the ruling coalition hijacked the process, underscoring the legislature's lack of autonomy from the executive branch. The European Commission (EC) 2010 progress report also noted that the Office of Auditor General needs more financial independence, as the government continues to influence it through budgetary control.[2]

In July, the government officially adopted the National Security Strategy drafted by the International Civilian Representative (ICR)/EU Special Representative (EUSR). The Security Council established by the law was criticized for not engaging NGOs in an advisory capacity. Meanwhile, the Assembly Committee on Security failed to fulfill its mandate—ministers often missed public debates, and the debates themselves were conducted in the absence of any substantive dialogue with civic groups.

In the area of public administration reform, the Assembly passed laws in 2010 on civil servants' salaries and the establishment of an Independent Oversight Board for appointments of senior officials. However, the EC's 2010 report on Kosovo criticized the government for continuing to delay significant public administration reform, calling it "a major challenge for Kosovo."[3] Most public administrators are politicized and loyal to the parties of the PDK-LDK coalition, following the lead of their respective ministers. The same is true of the boards of Kosovo's biggest public companies.

In September, Kosovo's Constitutional Court ruled that President Fatmir Sejdiu could not simultaneously serve as state president and head of his party, the Democratic League of Kosovo (LDK). President Sejdiu surprised everyone by choosing to step down as president and maintain his leadership of LDK. Bitterness surrounding both the ruling and the resignation further damaged the relationship between LDK and Prime Minister Thaçi's Democratic Party of Kosovo (PDK), derailing effective compromise on several controversial issues.

One such instance was the planned privatization of Kosovo's most profitable company, Post and Telecommunications of Kosovo (PTK). In addition to liberalizing Kosovo's telecommunications market, the privatization of PTK would free up substantial capital for investment in government-led infrastructure development projects such as the construction of a highway between Kosovo and Albania. However, the timing of the sale of PTK has been divisive, with LDK and opposition parties claiming that there are no major investors interested in buying the company at this moment, and that the government would lose by selling while the global economy is still in crisis. In the wake of President Sejdu's resignation, hostility between PDK and LDK overwhelmed the Assembly debate at which the government had promised to reach agreement on the timing of PTK's privatization. The LDK moved to postpone the debate, but Prime Minister Thaçi insisted that the strategy be put to a vote. The strategy passed, but without a quorum, as LDK and opposition parties left prior to the start of voting; results of the vote were annulled on the following day. During her visit to Pristina later in late October, U.S. Secretary of State Hillary Clinton voiced support for PTK's privatization, noting that economic reforms of this kind are necessary to cement Kosovo's democratic transition and combat endemic corruption.[4]

Discussion of PTK was interrupted when the LDK unexpectedly left both the coalition and the government on October 16, less than three weeks after President Sejdiu's resignation. On November 2, a motion sponsored by MPs from the opposition Alliance Kosova e Re (AKR) led to a no-confidence vote and the dissolution of the Assembly. Early general elections were called for December 2010, despite the fact that Sejdiu's resignation already meant that early elections were planned for February 2011. A number of PDK MPs supported the no-confidence measure, predicting that a short and hastily organized campaign season would work in favor of the incumbent power structure.

Throughout the year, international missions continued to reconfigure. Kosovo Forces (KFOR) downsized, and the ICO focused on implementing the Ahtisaari

Comprehensive Status Proposal. The EUSR gained considerable authority to advise EULEX on its executive mandate, but there was little observable impact. EULEX was unable to ensure rule of law in the northern part of Kosovo, where Belgrade maintains parallel institutions, but it managed to spearhead the fight against corruption and organized crime in the territory south of the Ibar River. EULEX announced efforts to fight corruption by going after so-called "big fish"—government officials suspected of misconduct. Though the public welcomed the campaign, it resulted in few corruption-related prosecutions or verdicts.

In a positive development, after the International Court of Justice (ICJ) ruling on Kosovo's unilateral declaration of independence, the EU acknowledged the decision by cosponsoring a resolution with Serbia calling for dialogue between Pristina and Belgrade. The European Union (EU) will facilitate the talks in its ongoing effort to exercise greater influence in the region.

The Serb minority community south of the Ibar further integrated with Kosovo institutions during the year, highlighted by the high 65 percent turnout of Serb voters in local elections in the Partesh municipality; this continued a trend from 2009, when 10 times as many Serbs voted in local elections for newly-created municipalities than in polls organized under UNMIK administration. To address the power vacuum north of the Ibar River, the government, supported by the International Civilian Representative (ICR), drafted the strategy on integration of northern municipalities, but it was put on hold due to the early election.

Electoral Process

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Yugoslavia		5.25	4.75	4.75	4.75	4.50	4.50	4.25	4.50

The November 2010 no-confidence vote and subsequent dissolution of Kosovo's Assembly triggered a constitutional provision for early general elections in December. Thus the first general elections organized by Kosovo authorities were assembled in great haste by the Central Elections Commission (CEC), whose president warned that the quality of the process would be difficult to guarantee.[5]

Before the December elections, the CEC certified 29 political organizations to compete, representing Albanian, Kosovo Serb, Bosnian, Turkish, Montenegrin, Roma, Ashkali, Egyptian, and Gorani interests. In the run-up to the elections, Kosovo's second largest political party, LDK, also underwent internal elections, replacing its leader, former Kosovo President Fatmir Sejdiu, with Isa Mustafa, the mayor of Pristina. The biggest surprise of the brief campaign period was the participation of the Vetëvendosje (Self-Determination) movement, a radical party led by Albin Kurti, which demands the international community's disengagement from Kosovo, and the newly-formed Fryma e Re (New Spirit), a center-right party initiated by well-known, Western-educated civic leaders. Both new parties criticized the previous government's dominance in the economy and its public procurement

activities for breeding corruption, and Kosovo's exclusion from the EU's visa free zone.

The largest group of election observers was a coalition of 11 local NGOs called "Democracy in Action," with a total of 4,896 local representatives. Two NGOs quit the coalition a day after the elections, accusing it of failing to report properly on irregularities or to inform the public objectively.[6] Some 300 observers from ENEMO, the EU Special Representative, and the EU Parliament also monitored the elections. In total, the Kosovo CEC certified 32,135 local and international political or diplomatic observers.

Earlier in the year, Kosovo's Assembly had adopted amendments to the Law on General Elections clarifying the complaints and appeals procedures after irregularities were observed during the 2009 local elections. However, despite these amendments and numerous specific recommendations by the OSCE, evidence of electoral fraud in the December 2010 voting was found in at least six municipalities. Due to the many complaints filed by political parties and civic groups, and suspiciously high turnout in a number of municipalities,[7] the CEC decided to recount 40 percent of the ballots. It also demanded re-votes—scheduled for January 9, 2011—in the municipalities of Skenderaj, Drenas, and Deçan, and partial re-votes in Malisheva and Lipjan. Kosovo's Supreme Court annulled the voting in the Municipality of Mitrovica on the basis of irregularities at 16 polling stations and scheduled a new vote for January 23, 2011.

The voting process drew criticism from international observers, as well. U.S. Ambassador Christopher Dell issued an official statement on observed irregularities, such as cast ballots outnumbering the number of signatures in the voters' book in the Skenderaj municipality, traditionally a stronghold of Kosovo's leading political party, PDK. Other irregularities included technical problems, family and group voting in around 36 percent of polling stations visited by the European Network of Election Monitoring (ENEMO), and some reports of intimidation of election observers. ENEMO called the voting process "bad or very bad" in almost 11 percent of the polling stations visited.[8] After the December 12 general elections, the Election Complaints and Appeals Panel (ECAP) forwarded more than 190 complaints to the prosecutor's office for further investigation. The head of Mitrovica District and the mayors of four Kosovo Serb–majority municipalities north of the Ibar River had called on Serbs to boycott the elections, and three polls in northern Kosovo had been closed due to "intimidating obstruction."[9] Polls were not boycotted in the southern part of Kosovo, where nine Kosovo Serb entities registered and competed in the elections.

Of the initial and recounted votes deemed legitimate by CEC, 32 percent went to PDK, 25 percent to LDK, 13 percent to Vetëvendosje, 11 percent to AAK, and 7 percent to AKR. Neither LDD, FER, nor Fryma e Re reached the 5 percent threshold required for representation in the Assembly. The overall voter turnout for the general elections was 45.29 percent, a significant increase over the 2009 local elections. Following the announcement of certified results from scheduled re-votes in January 2011, the Assembly must be constituted within 30 days.

Civil Society

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Yugoslavia		4.25	4.00	4.25	4.25	4.00	4.00	3.75	3.75

The global economic crisis has forced budget cuts on many local NGOs, causing them to rely on existing funding or implement donor-backed initiatives. Only a few NGOs received government assistance in 2010, with the vast majority relying on private donations. Locally-led efforts to increase voluntary domestic financial contributions and volunteerism were minimal in 2010, with NGOs continuing to depend on international donors such the European Commission or the U.S. Agency for International Development. Donations by the business sector are not sufficiently encouraged through incentives, although all legal entities and individuals may deduct 5 percent of taxable income through contributions to NGOs.

In general, the government's attitude toward NGOs remains unfriendly, and any cooperation in 2010 between NGOs and either the executive branch or the legislature in 2010 was mainly ad hoc. The EC's 2010 progress report noted that neither government policymakers nor the legislative branch sufficiently utilized the expertise of NGOs. The capacity of NGOs in Kosovo to scrutinize laws and draft legislation remains very limited.

In March 2010, the government applied pressure to several outspoken NGOs, especially those calling for investigation and prosecution of high-profile corruption cases. Ilir Deda, the executive director of KIPRED, a local NGO, drew official criticism for his contribution to an article in the *Economist* magazine on corruption in Kosovo.[10] A government spokesperson and several media outlets called Deda's comments "anti-state"—a charged accusation in a state still struggling to consolidate its sovereignty.[11] Seventeen NGOs quickly signed a letter condemning this "lynching" rhetoric.[12] Hajredin Kuçi, Kosovo's vice-prime minister, subsequently apologized in a debate on local television, saying the spokesperson had been misunderstood.

In June, 14 local NGOs signed a joint letter to the EU High Representative for Foreign Affairs and Security Policy, Lady Catherine Ashton, on issues related to rule of law in Kosovo. They asked EULEX to deliver concrete results in combating corruption, and several civic leaders subsequently spoke on the issue in the EU Parliament. NGOs also organized a coalition to respond to plans by the government to amend the 2009 Law on Freedom of Association in Non-Governmental Organizations, and they advocated successfully against planned government restrictions.

In preparation for the December general elections, three directors of well-known Kosovo NGOs left their positions to form a new political party, Fryme e Re (New Spirit). The party entered the political scene simultaneously with Vetëvendosje (Self-Determination), a movement which had been active in civil society since 2005, but had never registered for candidacy in an election. Several other organizations reacted skeptically to these new parties, seeing them as a sign of the growing politicization of civil society and a cynical use of civic activism as

path into mainstream politics. Kosovo's political scene has long been dominated by leader-based parties, like the LDK under Ibrahim Rugova, the PDK under Hashim Thaçi, and the Alliance for the Future of Kosovo (AAK) under Ramush Haradinaj. As a result, is it difficult for new leaders to emerge and influence decision-making. Nevertheless, these new parties freshened Kosovo's political scene.

Media played an increased role in promoting respect for civil society in 2010. Individual outlets began to seek independent analysis and commentaries from civic groups. Depending on the relative level of independence of the particular outlets, statements by NGO analysts were aired and well balanced.

Trade unions in Kosovo have minimal impact. The Independent Trade Union of Kosovo has been active since 1990, but it has struggled to protect workers' rights, often lacking consistency and succumbing to government pressure. An effective tactic of the PDK has been to support the creation of other parallel unions, thereby undermining the membership and negotiating position of the Independent Trade Union.

Independent Media

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Yugoslavia		5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.75

Media freedom regressed in 2010, as the government continued to pressure media and failed to implement constitutional provisions to protect journalists. The 2010 EC progress report asserted that journalists remain vulnerable to partisan and ownership interests, and confirmed that the media structure is "conducive to strong political interference."[13] Political interference has been noted in both public and private media. Reporters Without Borders has called the influence of Prime Minister Thaçi and his PDK party "obvious and increasing, particularly in public television, which remains the country's leading media in terms of its sheer size and the influence it has over the population."[14]

In 2010, government interference continued at Kosovo's only public broadcaster, Radio Television of Kosovo (RTK). RTK operates as a self-managing organization led by a General Director who is answerable to a non-political Board of Directors. Kosovo's government controls most of the managerial positions at RTK, but has not established a funding mechanism for its operation. The broadcaster depends on a six-month emergency fund, which is renewed twice a year. Without secure or independent funding, RTK has lost much of its stature, viewed increasingly as a state TV station that merely transmits government activities.

Pressure on private media increased in 2010, as well. The government is the largest media advertiser, so governing bodies at the local and central level often controlled the editorial content of newspapers through the allocation of state-sponsored ads. The newspaper that benefited most from this type of advertising continued to be *Infopress*, which has the lowest share of the market but is a strong arm of the PDK.[15]

Threats against independent media increased in 2010. The Koha Group, which broadcasts Kohavision TV and publishes the daily newspaper *Koha Ditore*, was particularly targeted. On May 22, a poster was hung in Pristina's main street proclaiming "UDB Street Veton and Flaka Surroi," associating the names of the founder and current managing director of Koha Group with the acronym of the former Yugoslav secret service. Earlier in the year, another *Koha Ditore* journalist was threatened by a former Kosovo Liberation Army commander after writing an article criticizing the government's decision to grant amnesty to certain prisoners, including the commander's son. Authorities advised the journalist not to press charges.[16] The home of Časlav Milisavljević, editor in chief of Radio Kosovska Mitrovica, was attacked twice in 2010, the second time with an explosive device.[17] In November, a host on TV Klan Kosova was assaulted by a former member of parliament, Gani Geci, because the host would not allow Geci on air.[18]

Additionally, the South and East Europe Media Organization (SEEMO) strongly condemned the behavior of UN Special Representative of the Secretary General Lamberto Zannier toward Agron Bajrami, chief-editor of *Koha Ditore*, in reaction to an October article describing the reconstruction of a bridge in northern Kosovo that was eventually banned by UNMIK officials. In a phone call, Zannier threatened to sue Bajrami but did not challenge the accuracy of the report. Another independent daily, *Zeri*, received pressure and threats from both the government and state-owned companies. Two of its investigative reporters, Arbana Xharra and Lavdim Hamidi, were threatened after producing reports on corruption within PTK. Public companies in which the state owns a majority of shares (and whose board members were overwhelmingly appointed by the state), refused to publish ads in *Zeri* or grant interviews to its reporters. As threats against individual journalists increased in 2010, authorities failed to ensure a safe media environment. Law enforcement agencies and Kosovo's judiciary delivered no verdicts in such cases. Furthermore, there is inconsistency between the Law on Defamation and Insults and Kosovo's criminal code, creating legal uncertainty on its provisions.

Internet-based media proliferated during the year, but their impact remains low. Blogging in Kosovo is still nascent. In 2010, according to the Telecommunication Regulatory Authority of Kosovo, around 30 percent of families had regular internet access.[19]

Though Kosovo lacks a Freedom of Information Act, it does have a Law on Access to Official Documents. Authorities, however, do not respect this law. Surveys by civic groups have shown that requests to access public documents rarely receive a response, and media organizations criticize the government's lack of transparency. Reportedly, information on financial data, water management, electricity, land development, building permits and new business premises is "completely closed off to inquiry."[20] The Association of Professional Journalists of Kosovo (APJK), Press Council of Kosovo (PCK), and Independent Media Commission (IMC) have raised their voice against political interference in independent media. However, this effort has not improved the freedom of media and expression in Kosovo.

Local Democratic Governance

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
n/a	n/a	n/a	5.50	5.50	5.50	5.50	5.25	5.00	5.00

Local governance in Kosovo has improved under the decentralization process, which entered its final phase of implementation in 2010. As an important element of the official Comprehensive Proposal for Kosovo Status Settlement (also known as the Ahtisaari plan, after UN Special Envoy Martti Ahtisaari), the decentralization process has affected some 35 laws, which have been drafted or amended to devolve decision-making powers to municipalities and to ensure functional local self-government. In 2010, the Kosovo Assembly passed the Law on Civil Servants, which regulates the quality of services that municipalities provide citizens. With this, the Ministry of Local Government Administration (MLGA) declared the legislative framework for local governance complete. In April, however, the MLGA extended the action plan for implementing decentralization by another two years, having identified shortcomings in the legislation caused by the speed of its adoption.

As part of its regular monitoring of the capacities of municipalities, the MLGA also analyzed public services and made recommendations, one among them being that municipalities should increase public participation in decisions regarding investment of municipal capital. However, the MLGA has limited capacity to oversee implementation of its recommendations, which are not necessarily prioritized by the municipalities. The 2010 EC progress report noted that the MLGA and the municipalities interpret self-government legislation differently, which hinders cooperation between central and local authorities. Overall, the government has strengthened its capacity to oversee the implementation of decentralization, but challenges remain.

Municipalities increased their efforts to implement local government legislation in 2010. According to the MLGA, most have prepared budget proposals for 2011 and budgetary projections for 2012–13 in accordance with legal deadlines and procedures. However, the municipalities, including the new ones, face a shortage of professional human resources. Most have no mid- or long-term development strategies, and do not engage the public in decision-making processes, as required by law.

The Serb-majority municipalities of Gračanica, Klokot-Vrbovac, and Ranilug—created in 2009 as another element of the Ahtisaari plan—continued to work on making their new assemblies and local governments fully functional in 2010. A fourth new municipality, Partesh, was created in early 2010 and held municipal elections on June 20. More than 65 percent of registered Kosovo Serb voters in Partesh participated in the June 2010 election. The high turnout was quite remarkable, considering that Serbs had boycotted previous UNMIK-organized elections.

Serbia continued to fund parallel structures in the new municipalities, including the operation of Serbian security and intelligence services. In Serb-majority municipalities the Serb population uses parallel education, health, and

public services. Serbia committed a total of €42 million (US$58 million) to these parallel structures in its 2010 state budget. The Kosovo government has allocated about €2 million (US$2.7 million) for the new Serb-majority municipalities, on top of any investments by the local authorities. However, neither the government nor the international missions offer a strategy or guidance on how to deal with the parallel structures.

Moreover, the success of Kosovo's decentralization, which has contributed to reconciliation between Albanians and Serbs, has been limited to areas south of the Ibar River. Northern municipalities remain outside of Pristina's control, and authorities have not yet succeeded in creating the municipality of Mitrovica North, as foreseen by the government's strategy. The group responsible for creating this municipality continues to work under the MLGA, supported by the ICO.

In May 2010, Serbia organized parallel local by-elections in northern Mitrovica, although voter turnout was under 30 percent. In July, the decision by the MLGA and the Ministry of Interior Affairs (MIA) to open a branch office for civil registration in northern Mitrovica drew resistance from the local Serb community. Violent protests erupted, with one reported fatality from the detonation of a grenade.[21] By the end of the year, Kosovo authorities had put the strategy for integrating northern Kosovo on hold due to the institutional crisis. The upcoming EU-led dialogue between Serbia and Kosovo is expected to address the social and security issues facing the Serb and Albanian populations in the northern municipalities.

Judicial Framework and Independence

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Yugoslavia		6.00	5.75	5.75	5.75	5.75	5.75	5.75	5.75

In 2010, Kosovo's justice system continued to suffer from structural weaknesses, and more than 200,000 civil and criminal cases remained unresolved. The Constitutional Court's groundbreaking ruling on the legitimacy of President Sejdiu's simultaneous leadership positions was one of very few noteworthy judicial decisions of 2010.

During the year Kosovo did adopt a number of important laws designed to facilitate judicial reform: the Law on Courts, the Law on State Prosecution, the Law on Kosovo Prosecutorial Council, and the Law on the Kosovo Judicial Council (KJC). However, these laws were adopted almost three years after the deadline set by the constitution, and are not expected to take effect until 2013. Reforms also included pay raises for judges and prosecutors, but to implement the raises the government must allocate extra budget resources in 2011.

Several cases have been reported of suspects being held in long pretrial detention, especially in the north, and a backlog of cases has limited the capacity of the District Court of Mitrovica to effectively deliver rule of law in Kosovo. The EC progress report also criticized implementation of the 2008 Kosovo Law on Pardon, noting that the president had pardoned 62 prisoners in 2010, including prisoners not qualified for conditional release.[22]

Kosovo courtrooms have three to five times fewer judges and prosecutors than other countries in the region, including Serbia, Montenegro, and Croatia. In October, the Independent Judicial and Prosecutorial Commission completed the general vetting process for judges and prosecutors. In the last round of appointments, Acting President Jakup Krasniqi exercised the presidential right to veto several of the candidates proposed by the KJC; the KJC supported his changes, thereby jeopardizing the independence of the process.

The Ministry of Justice (MoJ) continued to act with limited professional capacities in drafting laws, depending instead on international expertise. Following the restructuring of the government in April 2010 a new Minister of Justice was appointed in June 2010. However, neither the ministry's performance nor its capacities had improved at year's end.

In 2010 EULEX judges and prosecutors continued to pursue their executive mandate in the fight against organized crime, war crimes, and corruption, with EULEX's chief verdicts focused on war crimes cases inherited from UNMIK. The mission prioritized the investigation of senior officials in corruption and organized crime cases last year, but progress was slow. In 2010, EULEX began to investigate Nazim Bllaca, who said in November 2009 that he had committed a dozen political and economic crimes as a former member of SHIK, the informal Kosovo Intelligence Service supported by figures close to PDK. Bllaca was kept under house arrest for a year until November, but by end 2010 no charges had been brought by the EU mission, demonstrating the reluctance of Kosovo institutions and EULEX to execute their mandates in political and organized crime cases.

Overall, the EULEX mission has a poor track record of investigating and prosecuting crimes, which continues to hamper effective rule of law in Kosovo. EULEX has some 20 prosecutors and 30 judges deployed in Kosovo, and the judicial system is dependent on them. EULEX struggles to act on its executive mandate, partly because the EU lacks a unified position on Kosovo, as five member states still do not recognize its independence.

Corruption

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Yugoslavia			6.00	6.00	6.00	6.00	5.75	5.75	5.75	5.75

The debate over corruption dominated public discourse in 2010, fueled by EULEX's high-profile investigations of corruption among Kosovo government officials. This followed the 2009 announcement of the mission's hunt for so-called "big fish" (high-ranking suspects) in response to growing public anger over a history of impunity in organized crime and corruption cases during UNMIK's administration.

In April 2010, EULEX raided the offices and private premises of Fatmir Limaj, the Minister of Transport, Post and Telecommunications, and a member of the PDK party. The government's immediate reaction was to condemn EULEX, but less than a month later Prime Minister Thaçi announced he would be taking a leading role in the fight against corruption.

No charges were brought against Minister Limaj or his colleagues in 2010. By October, EULEX had delivered only three organized crime and four corruption verdicts. The only high-profile indictment of the year was that of Hashim Rexhepi, governor of the Bank of Kosovo, who was arrested in July and charged with bribery and misuse of his official position. Local and international institutions made no confiscations of funds obtained via graft in pending or decided corruption cases.

The government's entanglement in Kosovo's economy remains highly problematic, with public procurement remaining a key element of corruption in the country. According to the 2010 EC progress report on Kosovo, although private consumption contributed to growth in 2008, in 2009 and the first half of 2010 growth was "almost entirely driven by government consumption and investment."[23] The government's growing dominance within the economy has weakened the environment for foreign direct investment (FDI), which fell again in 2010. The World Bank's 2011 report on ease of doing business notes the difficulty of starting a business and obtaining construction permits. It also lists enforcement of contracts and protection of investors as the weakest guarantees of the state.[24]

With the value of public procurement contracts signed amounting to almost €482 million in 2010 (an amount which does not include spending for the multi-year, Morine-Merdare highway project, valued at almost €660 million),[25] stricter accountability mechanisms are needed to curtail the scope for corruption. Kosovo's public procurement law does not comply with EU standards, and procurement officers are frequent targets of political interference. The government adopted a new law on public procurement in December 2010, but it does not address the EC progress report's recommendations to improve accountability mechanisms for superiors, including the specific provision lobbied for by civil society groups that political staff signatures should be mandatory on high-value contracts.[26] The Office of General Auditor found that its recommendations for procurement oversight and implementation have not been strictly followed, either—institutions have not held officials accountable for their actions; nor has there been real progress in disentangling the political elite from economic ventures. In 2010, the Law on the Declaration of Assets of Public Officials was adopted along with the Law on Financing of Political Parties, and the process of recording the declared assets of senior officials began. Although discrepancies were found between asset declarations and actual incomes in a few cases, the 2010 EC progress report noted that the Agency Against Corruption, the judiciary, and prosecutors did not sufficiently investigate the reported discrepancies.

Two days after the seriously flawed December 12 general elections, Dick Marty, a member of the Parliamentary Assembly of the Council of Europe (COE), proposed a draft report on alleged organ trafficking that accused, among others, former Prime Minister Thaçi of leading this illicit trade during and after NATO intervention in 1999. The report was adopted on December 16 by the COE Legal Affairs Committee and set for approval by the COE Parliamentary Assembly of January 24, 2011. The draft report spurred wide reaction. Acting President Jakup Krasniqi called the report "racist" for depicting Kosovo as "clan-based."[27] In an

interview on Albanian TV Klan on December 24, 2010, Thaçi threatened to sue Marty and publish the names of Albanian individuals who had helped to draft the report. EULEX—which has an official mandate to fight organized crime, including human trafficking—initially hesitated to take up Marty's allegations. However, at year's end, Marty was asked by the mission to submit evidence.

The Agency Against Corruption is sufficiently staffed and funded by the Assembly to exercise its mandate on administrative investigations of public officials. The government's newly adopted anticorruption strategy and action plan for 2009–2011 may also yield results. Implementation, however, remains a problem, and the political will to use existing laws and policies to combat corruption was low in 2010. Kosovo also lacks legislation on witness protection and regional agreements to implement witness protection programs.

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Kyrgyzstan

by Erica Marat

Capital:	Bishkek
Population:	5.3 million
GNI/capita, PPP:	US$2,200

Source: The data above was provided by The World Bank, *World Development Indicators 2011.*

Nations in Transit Ratings and Averaged Scores

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Electoral Process	5.75	6.00	6.00	6.00	5.75	5.75	6.00	6.00	6.25	**6.00**
Civil Society	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.75	5.00	**4.75**
Independent Media	5.75	6.00	6.00	5.75	5.75	5.75	6.00	6.25	6.50	**6.50**
Governance*	5.50	6.00	6.00	n/a	n/a	n/a	n/a	n/a	n/a	**n/a**
National Democratic Governance	n/a	n/a	n/a	6.00	6.00	6.00	6.25	6.50	6.75	**6.50**
Local Democratic Governance	n/a	n/a	n/a	5.75	6.25	6.25	6.50	6.50	6.50	**6.50**
Judicial Framework and Independence	5.25	5.50	5.50	5.50	5.50	5.50	6.00	6.00	6.00	**6.25**
Corruption	6.00	6.00	6.00	6.00	6.00	6.00	6.25	6.25	6.50	**6.25**
Democracy Score	**5.46**	**5.67**	**5.67**	**5.64**	**5.68**	**5.68**	**5.93**	**6.04**	**6.21**	**6.11**

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

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

Executive Summary

The year 2010 brought dramatic changes to Kyrgyzstan, including the violent overthrow of President Kurmanbek Bakiyev, vicious interethnic strife, and the most free and fair elections in Central Asia to date. Conditions at the beginning of the year were considerably worse than in March 2005, when protesters forced the resignation of then president Askar Akayev and brought Bakiyev to power. During the intervening five years, over a dozen journalists and opposition figures were assassinated. All domestic media outlets were placed under tight control, while access to foreign-based online media was restricted. Bakiyev created a special committee responsible for selecting an interim president should he leave his post prematurely, and organized an elite security force to protect him and other top political officials. He also appointed his son Maksim to a key post, fueling predictions of an eventual dynastic succession.

Because Bakiyev's hold on power seemed so firm by early 2010, his overthrow on April 7 came as a surprise to many. Angered by the arrest of several prominent opposition leaders, protesters gathered in the town of Talas on April 6, and spontaneous demonstrations to demand Bakiyev's resignation soon spread across the country. The next day, a reported 86 people died during clashes with police, and roughly 1,000 more were injured in antigovernment protests in central Bishkek. When the violence reached its peak, Bakiyev fled the capital, and opposition leaders were freed from prison. They quickly announced the formation of a provisional government composed of three parties—the Social Democratic Party of Kyrgyzstan (SDPK), Ata-Meken, and Ak-Shumkar—and headed by Roza Otunbayeva of the SDPK as interim president. It is notable that the protests, unlike those in March 2005, were not coordinated by opposition leaders, who remained behind bars during their most crucial stages.

From its earliest days, the interim leadership considered amending the constitution to limit the power of the presidency, and planned to hold free and fair parliamentary elections to help legitimize the new regime. For the first time, multiple cohesive political parties would compete among themselves in pursuit of a common goal: international recognition of their new leaders. The government scheduled a constitutional referendum for June 27 and parliamentary elections for October 10. Otunbayeva appointed nongovernmental organization (NGO) leaders to head the Central Elections Commission and formed a special Constitutional Council to organize public debates on the new constitution. These steps marked the NGO community's return to public life—one of Kyrgyzstan's major achievements to date.

However, despite these positive changes, the interim government was unable to establish effective control over security forces and local government officials.

Particularly in southern Kyrgyzstan, the police were headed by local leaders who remained loyal to Bakiyev. This lack of clear lines of authority partly explains the rapid spread of ethnic violence in the southern cities of Osh and Jalabad in June 10–14. What began as a scuffle among young patrons of a local bar in Osh on June 10 grew into one of the bloodiest incidents in Kyrgyzstan's recent history. The ethnic strife resulted in over 450 deaths and forced some 400,000 ethnic Uzbeks to flee their homes. International human rights organizations reported acts of torture, extortion, and illegal arrests during police raids of Uzbek neighborhoods. Although some ethnic Uzbek refugees have returned to Kyrgyzstan, over 40,000 have emigrated to Russia, Kazakhstan, and other countries because they feared more violence and persecution.

Both the June 27 constitutional referendum and the October 10 parliamentary elections took place peacefully, dispelling concerns that renewed ethnic or political violence might interrupt the voting process. Turnout on June 27 was approximately 70 percent, and 90 percent of those voting supported the new constitution and parliamentary system. The new charter increased the number of seats in the parliament from 75 to 120 and banned any single party from gaining more than 60 percent of the seats. Both the referendum and the parliamentary elections, which amounted to perhaps the most transparent and orderly votes ever held in Kyrgyzstan, received largely positive assessments from the Organization for Security and Cooperation in Europe (OSCE).

In an indication of the country's newly open political environment, the main winners of the elections were anti-Otunbayeva opposition groups and a party that was infamous for propagating ethno-nationalism. A total of five political parties surpassed the 5 percent vote threshold to win representation in the parliament: Ata-Jurt, the SDPK, Ar-Namys, Respublika, and Ata-Meken. In line with the electoral code, women and ethnic minorities, including Uzbek leaders, were included in the party lists, though they remained unrepresented in the new parliament.

Civil liberties and freedom of the media generally improved in 2010. However, these gains were mostly seen in northern parts of the country and among mainstream Kyrgyz and Russian media and the larger civil society groups. Following the June violence, ethnic minorities, especially Uzbeks, experienced increased insecurity. Kyrgyzstan's law enforcement structures often either refused or were unable to protect the Uzbek population from everyday discrimination and acts of violence driven by ethnic hatred.

National Democratic Governance. Kyrgyzstan's political regime changed in April 2010 as a result of clashes between demonstrators and government troops. While the new leadership failed to respond to ethnic violence in the south in June, it undertook major reforms designed to liberalize the political system. The interim president governed with transparency, and authority is now shared between the executive and legislative branches. *As a result of these positive changes, Kyrgyzstan's national democratic governance rating improves from 6.75 to 6.50.*

Electoral Process. After referendum voters approved a new constitution in June, Kyrgyzstan held comparatively free and fair parliamentary elections in October. The work of the Central Elections Commission was free of government pressure, and only minor irregularities were reported on election day. Both rounds of balloting were recognized as legitimate by the international community and domestic political forces. *Kyrgyzstan's electoral process rating consequently improves from 6.25 to 6.00.*

Civil Society. Civil society played an important role in overseeing the new government's work as well as the electoral process. After the regime change, local NGOs were once again able to function freely and without fear of government repression. *Although some NGO leaders were unable to work in the country's south, cooperation between government and civil society greatly improved; therefore Kyrgyzstan's civil society rating improves from 5.00 to 4.75.*

Independent Media. The interim government lifted controls on Kyrgyz mass media after the April power transfer, and television and online media played important roles during the election campaign, allowing equal access for all competing political parties and civil society voices. However, such clear improvements were offset by the media's skewed and incomplete coverage of the midyear violence in southern Kyrgyzstan. Reporting on the crisis was scarce and often shaded with ethno-nationalist undertones. *In light of these conflicting trends, Kyrgyzstan's independent media rating remains unchanged at 6.50.*

Local Democratic Governance. The parliamentary elections in late 2010 ensured that all parts of the country will be represented in the legislative branch, but it remains unclear how this will affect local governments. Some local officials were reluctant to support the interim leaders in Bishkek, preferring to strengthen their own autonomy at the expense of the fragile central government. Local authorities also failed to curb the ethnic violence in the south, and in some cases may have been complicit in the attacks. *Therefore, Kyrgyzstan's local democratic governance rating remains unchanged at 6.50.*

Judicial Framework and Independence. The broken judicial system and corrupt law enforcement agencies often created or exacerbated instability in southern Kyrgyzstan during 2010. Local courts, particularly in the south, proved unable to rule impartially in the ethnically charged cases that followed the June violence, and failed to hold perpetrators accountable. Moreover, entrenched practices including arbitrary detention and physical abuse by the security forces continued after the change in regime. *The country's judicial framework and independence rating worsens from 6.00 to 6.25.*

Corruption. Corruption remains a problem in Kyrgyzstan, but there were some positive changes in 2010. Otunbayeva's interim government disbanded the Bakiyev regime's Central Agency on Development, Investment, and Innovation, which

had been a major source of corruption. Kyrgyzstan's lucrative hydroelectric energy sector showed signs of gradual recovery thanks to more transparent administration. *Given these promising developments, Kyrgyzstan's corruption rating improves from 6.50 to 6.25.*

Outlook for 2011. Significant positive changes took place in Kyrgyzstan in 2010. Civil society and mass media were released from government control, and free and fair elections were held. These changes are likely to be sustained in 2011, at least as long as Otunbayeva remains in power. Tensions in Kyrgyzstan's south will also continue, however. Maintaining political and social stability is therefore Kyrgyzstan's key challenge for the coming year.

The new parliamentary system will be a primary potential source for instability in the near term. Should the ruling coalition collapse during 2011, triggering new parliamentary elections, uncertainty about the country's future political development will intensify. Conflicts over government positions will continue to be the parliament's major concern, leaving other important issues—such as economic recovery, the reconstruction of Osh, and reforms of the security forces—on the back burner. On the other hand, if the new government survives and seeks effective solutions to the most pressing challenges, Kyrgyzstan will be the only Central Asian state where the political leadership enjoys a high degree of legitimacy.

Kyrgyzstan's south is another major potential source of unrest. Law enforcement agencies there have protected the ethnic Kyrgyz population while turning a blind eye to mistreatment of ethnic Uzbeks. Low levels of violence and law enforcement agencies' unprofessional conduct forced additional ethnic Uzbeks to leave Kyrgyzstan even after the attacks peaked in June. The likelihood of more violence remains high, as most perpetrators have gone unpunished, and prosecutions have focused instead on ethnic Uzbeks.

A presidential election scheduled for late 2011 will serve as an important milestone in Kyrgyzstan's political development. Competition between major political parties will intensify as the poll approaches. Rather than forming coalitions, the leaders of the five parties represented in the parliament are likely to compete against one another for the presidency. The high value some of the leaders attach to the post is alarming, as it seems to contradict the recent constitutional changes granting most powers to the parliament. Rival political forces might opt for violence and try to shift power back to the executive branch. Alternatively, if the elections are as transparent and free of government pressure as the October 2010 parliamentary elections, and no political force tries to amend the current constitution, Kyrgyzstan's democratic development has a chance to succeed.

Finally, progress toward economic recovery will be a necessity in 2011. Kyrgyzstan's state budget deficit will increase over the winter months and remain high throughout the year. Social tensions and discontent may grow across the country should the government fail to pay salaries, pensions, and benefits.

Main Report

National Democratic Governance

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
n/a	n/a	n/a	6.00	6.00	6.00	6.25	6.50	6.75	6.50

In the year leading up to his ouster, President Kurmanbek Bakiyev seized control of virtually all political and economic institutions in the country, appointing his son Maksim and other relatives to key positions. Journalists and civil society activists were under constant pressure; over a dozen opposition figures, including politicians, journalists, and rights activists, were killed during Bakiyev's five-year tenure. As public frustration grew, Bakiyev ensured that all security forces were loyal to him personally. Kyrgyzstan seemed primed for a dynastic transition of power.

However, Bakiyev's increased reliance on security institutions to suppress his opponents had eroded his grasp of the popular mood, and he was unprepared for the extent of anger shown in Talas, where antigovernment protests began on April 6, 2010. The president dispatched police and other officials led by Interior Minister Moldomusa Kongantiyev to deal with the situation, but was stunned when the crowd took the minister hostage and severely beat him.

The Talas demonstrations grew into a wave of spontaneous protests across the country, with participants demanding Bakiyev's resignation. After an elite security unit attacked a crowd of at least 10,000 citizens gathered in central Bishkek on April 7,[1] the protesters fought back and ultimately seized control of the government headquarters. At least 86 people died during clashes with police, and roughly 1,000 more were injured. Bakiyev sought refuge in southern Kyrgyzstan, prompting opposition leaders in the capital to announce the formation of a provisional government headed by Roza Otunbayeva of the Social Democratic Party of Kyrgyzstan (SDPK).

As with the so-called Tulip Revolution that brought Bakiyev to power in March 2005, the April 7 violence was followed by looting in the capital. Many shops, automated teller machines, and businesses were destroyed. Despite a grassroots mobilization against looters, a large number of Bishkek business owners sustained property damage. The economic situation in Kyrgyzstan remained dire in the subsequent months, partly because Kazakhstan kept its border with the country closed until July.

The interim government needed to decide quickly whether to hold parliamentary and presidential elections and how to divide power in the new regime. After weeks of deliberation, the interim authorities scheduled parliamentary elections for October 10 and a presidential election for the end of 2011. The government also drafted and distributed the text of a proposed constitution in Kyrgyz, Russian, and Uzbek in May, and held a referendum in which voters approved the draft on June 27.

Meanwhile, the interim government took a number of other steps to bolster its domestic and international legitimacy. For example, Bakiyev and several of his

closest supporters—including his brother Zhanysh and former prime minister Daniyar Usenov—were tried in absentia on charges of mass murder in connection with the April 7 events. Some of those charged were arrested, but Bakiyev and his family members remained at large, either hiding in Kyrgyzstan or having sought refuge abroad. In addition, the national media were freed from government control, Radio Free Europe/Radio Liberty was allowed to resume its broadcasts in the country, and strategic economic assets that had been controlled by Maksim Bakiyev were renationalized.[2] With some exceptions, civil society groups were able to function freely, and the interim government was open to collaboration with various social groups and organizations. Otunbayeva announced that she would leave her post in 2011 to create a precedent for a peaceful transfer of power. She also sought to make government officials more accessible to the public by setting up special telephone hotlines, a press service, and a frequently updated government website. However, most members of the government and the parliament elected in October did not seem to share Otunbayeva's democratic values. The president at times stood as the only voice advocating genuine democratic change, and was surrounded by politicians with corrupt backgrounds and authoritarian tendencies.

The regime change in Bishkek was followed by a series of violent incidents fueled by ethnic, economic, and political disparities. These clashes underscored the new government's lack of control over large parts of the country, and particularly over local police forces. Various politicians, including those in the parliament, enjoyed informal power over their respective districts. Police forces in the southern city of Osh, for example, were loyal mostly to the city's mayor, Melis Myrzakmatov, rather than to the central government in Bishkek. As a result of ineffective leadership, what initially seemed to be political disagreements descended into large-scale interethnic conflict.

The first case of violence occurred on April 19, on the outskirts of Bishkek. A group of villagers, reportedly ethnic Kyrgyz, attacked a Meshketian Turkish community in Mayevka village, killing five Turks. Several houses occupied by local Turks were burned down. The police were nowhere to be seen, perhaps due to a slow reaction by political leaders in the central government who were preoccupied with filling key security posts in the Interior Ministry.

Events took a more ominous turn when violence arose between ethnic Kyrgyz and ethnic Uzbeks, who make up some 13 percent of the population. On May 19, roughly 1,500 people marched toward a private university in the southern city of Jalalabad, demanding that the interim government terminate its support for Kadyrzhan Batyrov, a prominent ethnic Uzbek and one of the school's founders.[3] The crowd was reportedly dominated by ethnic Kyrgyz who still supported Bakiyev and accused Batyrov of participating in burning the deposed president's home in Teyit village. Local media reports also suggested that hundreds of local Uzbeks mobilized to resist the group. Overall, roughly 5,000 people gathered in front of the university. Two ethnic Kyrgyz were shot and killed, and over 60 people were injured as a result of the clashes.

Jalalabad had been racked by tensions since Bakiyev left the country on April 15. According to Kyrgyz NGO leaders, the interim government failed to react to the

growing concerns in the south swiftly enough, preferring instead to blame Bakiyev for instigating local unrest. While Bakiyev's family might indeed have been behind the disturbances in Jalalabad, the government eventually stretched its accusations beyond the point of credibility.

On June 10, a scuffle among young patrons of a local bar in Osh escalated into one of the bloodiest outbreaks of ethnic violence in Kyrgyzstan's recent history. The strife between Kyrgyz and Uzbeks continued for roughly four days, resulting in over 450 deaths and forcing some 400,000 Uzbeks to flee their homes. Most Uzbek communities and businesses in the Osh area were burned down and looted. Observers reported acts of torture, extortion, and illegal arrests during subsequent police raids of Uzbek communities.[4]

As the violence spread across Osh on the morning of June 11, the Kyrgyz military acted chaotically, often responding to rumors spread by provocateurs. A shortage of troops, equipment, fuel, and reliable communication devices made matters worse. Otunbayeva was forced to call up reservists to sustain a 24-hour curfew in the city. Meanwhile, Moscow rejected Bishkek's pleas to deploy troops from the Collective Security Treaty Organization to help quell the violence, asserting that the growing interethnic conflict was Kyrgyzstan's internal problem. The police were ordered to shoot to kill on June 13, but they had already been randomly using firearms against the civilian population. The violence was halted only on the fourth day.

Ethnic Uzbeks, who form the largest ethnic minority in Kyrgyzstan after Russians and constitute a majority in Osh and Jalalabad, are largely excluded from Kyrgyzstan's political system, though they dominate the country's merchant class. Disputes between Uzbeks and Kyrgyz over land use, private property ownership, and cultural differences are common in the south. The Soviet leadership had tried unsuccessfully to suppress ethno-nationalism in the area. In 1990, when the Soviet military was unable to put a stop to a three-month battle between the two groups in Osh, it was taken as a sign of Moscow's diminished power over its regions.

During the early years of Kyrgyz independence, Kyrgyz and Uzbeks were generally able to settle disputes without resorting to violence. Former president Askar Akayev made the advancement of ethnic minorities a priority, allowing the establishment of Uzbek-language universities under a policy known as "Kyrgyzstan, Our Common Home." Uzbeks' fortunes dimmed after Bakiyev replaced Akayev in 2005. While he never directly suppressed the Uzbek community, Bakiyev largely ignored their grievances and allowed ethnic relations to return to a state of animosity. Moreover, under his leadership, drug traffickers and organized criminal groups found a safe haven in Kyrgyzstan's south. Nevertheless, the president's firm grip on the security forces appeared to keep ethnic violence to a minimum.

There is no single explanation for the June 10–14 bloodshed. Most international media outlets described the violence as an interethnic clash that reopened long-standing political and economic grievances between the two groups. For its part, the interim government accused abstract "third forces" of provoking the violence, including not just Bakiyev's proxies, but also Batyrov and radical Islamist movements. Local NGOs have put forward yet another interpretation of

the conflict—that the government's lack of authority in the south forced many people to appeal to their ethnic and kinship groups to protect themselves at a time of great political uncertainty.

Many ethnic Uzbek refugees had returned to Kyrgyzstan by the end of 2010, but over 40,000 emigrated to Russia, Kazakhstan, and other countries because they feared more violence and persecution.

Electoral Process

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
5.75	6.00	6.00	6.00	5.75	5.75	6.00	6.00	6.25	6.00

Kyrgyzstan's citizens went to the polls twice in 2010—once for the constitutional referendum on June 27, and again for the parliamentary elections on October 10. Both rounds of voting took place in a relatively stable environment, despite fears that renewed ethnic or political violence might interrupt the process. Before each vote, interim president Otunbayeva warned that she would cancel the balloting should political parties resort to violence.

Turnout on June 27 was approximately 70 percent, and 90 percent of participating voters supported the new constitution and its creation of a parliamentary system to replace the existing strong presidency. The new charter increased the number of seats in the parliament from 75 to 120, and banned any party from gaining more than 60 percent of the seats. The framers of the constitution wanted to prevent a single political force or leader from usurping state power. The Organization for Security and Cooperation in Europe (OSCE) praised the vote, which was perhaps the most transparent and orderly referendum ever held in Kyrgyzstan.[5]

However, the referendum took place barely two weeks after the violence in Osh. Given the binary choice of accepting or rejecting the new constitution, many voters—particularly those in the south—may have felt compelled to approve the charter to avoid extending the political uncertainty in the country and weakening the central government. Furthermore, some of the victims of the June violence had not yet received new identification documents at the time of the balloting, which prevented them from participating.

In addition to major parties such as Ata-Meken, the SDPK, and Ar-Namys, whose leaders were already well known nationally, a myriad of new parties were formed after the April revolt. Ultimately, 29 political parties registered to participate in the October parliamentary elections, though only a few people on their candidate lists were familiar to the general public.

As the election campaign officially began on September 10, concerns mounted that major parties would resort to force to prevail over their competitors. Tensions were especially high among parties that aspired to form a parliamentary majority and those unlikely to meet the robust thresholds for representation—5 percent of the national vote, and 0.5 percent in each of the seven regions plus the cities of

Bishkek and Osh. None of the fears of violence materialized, however, and with minor exceptions, the campaigning proceeded peacefully overall.

The parties' campaigns tended to promote individual political leaders rather than ideas. Candidates participated in public debates, but there were only a few analytical discussions that compared party platforms. Most parties offered similar messages about the need to avoid falsification of election results and reduce corruption in the government, while endorsing different plans to promote economic development. Two of the five parties that ultimately won seats—Ata-Jurt and Respublika—were formed after April 7, but they managed to win support through intense campaigning. In the case of Ata-Jurt, ethno-nationalist appeals helped it to gain the backing of a majority of ethnic Kyrgyz living in southern Kyrgyzstan. The party also advocated the return of Bakiyev, as most of its leading members had worked closely with the former leader. Nevertheless, most of the major political parties slowly—and reluctantly—recognized the need for interethnic reconciliation.

Turnout for the parliamentary elections was about 57 percent. Partly because of the newly unfettered political environment in Kyrgyzstan, anti-Otunbayeva opposition parties such as Ata-Jurt, Ar-Namys, and Respublika won the largest share of votes. In effect, the results demonstrated that the interim government did not intervene in the electoral process or pressure the Central Elections Commission (CEC) to ensure victory for its constituent parties.

Overall, five political parties were able to overcome the 5 percent threshold: Ata-Jurt (8.47 percent, for 28 seats), SDPK (7.83 percent, for 26 seats), Ar-Namys (7.57 percent, for 25 seats), Respublika (6.93 percent, for 23 seats), and Ata-Meken (5.49 percent, for 18 seats).[6] In keeping with electoral code requirements, ethnic minorities occupied at least 15 percent of the slots on party lists, and made up about 25 percent of candidates overall. However, most were not placed high on the lists, and Uzbeks were underrepresented; minorities ultimately accounted for less than 12 percent of the new parliament. Similarly, women made up a third of the candidates on party lists, but they took only about 23 percent of the seats.

Some minor balloting irregularities and problems involving opaque campaign financing were reported. Several political parties that did not pass the 5 percent threshold, including Butun Kyrgyzstan, refused to recognize the official results. Butun Kyrgyzstan leader Adakhan Madumarov announced that he would not concede and demanded that his party be included in the parliament. Butun Kyrgyzstan initially appeared to have passed the threshold, but when all the ballots were counted, the necessary figure rose by a few thousand votes. Madumarov mounted rallies in Osh and Bishkek in the weeks following the elections. Partly because of this dispute, it took the CEC several weeks to announce the final results.

Despite these shortcomings, the OSCE endorsed the election process, emphasizing that political competition took place in a free environment, the CEC's work was genuinely "impartial and independent," and all participating political parties had equal access to the media. Many international observers have called the October 10 elections the most free and fair in Central Asia's history.

It took the winning parties two months to organize a ruling coalition. The first attempt, by the SDPK, Respublika, and Ata-Meken, quickly fell apart after Ata-Meken leader Omurbek Tekebayev failed to gain enough votes to be elected as speaker. A new coalition led by Respublika included the SDPK and Ata-Jurt. As with the earlier effort, the three-party alliance was formed based on an agreement over the distribution of key government posts. Political platforms played only a minor role in the negotiation process.

According to the coalition pact, SDPK leader Almazbek Atambayev became prime minister. Akhmatbek Keldibekov of Ata-Jurt secured the post of parliament speaker, and Respublika leader Omurbek Babanov received the deputy prime minister's position. According to an informal agreement among the parties, if the prime minister is a representative of the north, the parliamentary speaker has to come from southern Kyrgyzstan. The SDPK is mostly popular in northern Kyrgyzstan, while Ata-Jurt's support is concentrated among ethnic Kyrgyz voters from the south.

Although senior government posts were filled by year's end, internal splits in the ruling coalition remained a significant risk. Should the current coalition collapse, the parliament will have only one more opportunity to agree on a majority coalition before the president has the right to call for early elections. Fresh balloting would further weaken the state structure and challenge the country's fledgling parliamentary system.

The new government formed in late 2010 did not include a single woman in a key position, while only a handful of officials belonged to ethnic minority groups.

Civil Society

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.75	5.00	4.75

The April 2010 regime change lifted restrictions on the country's NGO community, which had been forced underground during Bakiyev's presidency. With exceptions related to ethnic violence in Osh and Jalalabad, Kyrgyzstan's NGO leaders were able to act without fear of government pressure. Several groups closely observed the way the interim government drafted the new constitution and prepared for the constitutional referendum and parliamentary elections. The president and some members of the interim government were open to collaboration with civil society representatives, inviting NGO leaders to participate in discussions on the new constitution, observe CEC activities, and monitor the overall voting process. The new government also lifted bans on visits by foreign human rights activists.

Unlike in 2005, when most civil society groups threw their support behind the Bakiyev government during the first few months of his leadership, in 2010 NGOs immediately assumed a critical stance toward the interim government. The activities of the new leaders were scrutinized, and actions by individual politicians were brought to public attention. Specifically, NGOs reminded Otunbayeva and

her partners that their legitimacy was incomplete until Bakiyev officially resigned and a newly elected parliament appointed a new government. Civil society groups hoped to stave off any repeat of the Bakiyev experience, in which another leader elected on a wave of popular protest turned to authoritarian rule.

Civil society played a significant role in the electoral process. A number of NGOs took an active part in preparing both government institutions and voters for the parliamentary balloting in October. The NGO Coalition for Democracy and Civil Society dispatched its own observers across the country to oversee both local election commissions as they prepared for the vote and the CEC's work on election day. Any instance in which observers or the CEC failed to abide by the rules was immediately reported. NGOs also closely observed the vote counting, often offering the most comprehensive assessment of the returns across the country.

Under the interim government, various political forces and NGOs were free to stage demonstrations. Victims of the April 7 violence, supporters of the opposition Butun Kyrgyzstan party, and young activists objecting to Russia's growing political influence were all able to hold protests.

The main challenge to NGO activities during the year came from local law enforcement agencies. Groups like Kylym Shamy and Tolerance investigated reports of torture by law enforcement personnel in the south, and several other NGOs sought to help children and families affected by the June violence. A number of rights activists were threatened for trying to uncover atrocities committed by the police. Fearing persecution for her work in southern Kyrgyzstan, Tolekan Ismailova, leader of Citizens Against Corruption, had to flee the country. Other activists, including Aziza Abdurasulova, avoided traveling to southern Kyrgyzstan to observe court proceedings related to the June violence because they feared that the local police would not protect them from attacks by victims' relatives.

Youth played a key role in Bakiyev's downfall. Most of those killed in the April clashes were young, educated Bishkek residents protesting against the government. The youngest victim was 16 years old. Following the demonstrations, even more of Bishkek's younger residents joined citizen groups that formed to protect neighborhoods from looters. Young activists have criticized the ethno-nationalist ideas propagated by some incumbent political leaders and have appealed to the government to free ethnic Uzbek rights activist Azimjan Askarov. Youth activists have also mobilized on a variety of other political and social issues. The youth networks in Bishkek that are seeking equal rights for sexual minorities are perhaps the most outspoken advocates for this community in the Central Asian region.

The new political climate in 2010 led to widespread internet discussions, especially by users in their 20s and early 30s. The Twitter microblogging service, the social-networking website Facebook, and local portals like Kloop.kg and Diesel.elcat.kg attracted numerous new users aspiring to make their voices heard amid rapid political change. Various youth groups used these tools to urge citizens to participate in the October elections.

Notably, many of the positive changes for civil society during the year were concentrated in northern parts of the country and among the largest NGOs. By

contrast, ethnic minorities, especially ethnic Uzbeks in the south, experienced increased insecurity. Kyrgyzstan's law enforcement structures often either refused or were unable to protect them from everyday discrimination or acts of violence driven by ethnic hatred.

NGO financing remains a problem, and most civil society groups still depend on external funding. Many local activists want to participate in the country's political and social life, but they can rarely find local resources to finance their operations.

Independent Media

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
5.75	6.00	6.00	5.75	5.75	5.75	6.00	6.25	6.50	6.50

In the first months of 2010, President Bakiyev ordered Kyrgyztelecom, the country's main telecommunications provider, to block access to several widely-read independent news websites critical of the regime, including *Centrasia* and *Ferghana*. In March, the government also pressured state and private broadcasters to stop airing Radio Free Europe (Radio Azattyk) programs.[7] On April 1, police raided the headquarters of Stan TV, citing reports of pirated Microsoft software on the station's premises.

Bakiyev's tight grip on Kyrgyzstan's news media slipped on the night of April 6–7, as online outlets began reporting on the growing antigovernment demonstrations and the detention of some opposition leaders. After Bakiyev's fall, the media sector became relatively free and diverse, though these gains were offset by news outlets' biased and frequently misleading coverage of the year's ethnic violence.

The new constitution includes articles that decriminalize defamation and libel in the mass media, though the new parliament has yet to issue legislation to implement these provisions. At least one party represented in the parliament, Ata-Meken, has indicated an interest in pursuing such a law.[8] A new supervisory board for Kyrgyzstan's public service broadcaster was appointed in August, and there are signs that the board takes the independence and impartiality of the news broadcaster quite seriously. The OSCE Representative on Freedom of the Media, Dunja Mijatović, commended the appointment.[9]

News websites and television stations played a key role in the run-up to the October elections. NGOs were granted open access to the media to voice concerns about the electoral process. The 29 participating political parties ran advertisements and announcements in major outlets, and embraced new campaign techniques and technologies as they attempted to stay ahead of their opponents. In such a competitive environment, televised debates, print interviews, and interactive online discussion flooded the media landscape, contributing to a rapidly evolving culture of civic engagement. Rival political forces avoided using smear tactics and "black public relations" schemes for the duration of the electoral campaign.

Print media contributed to this improved atmosphere, with some major newspapers running disclaimers explaining that certain articles had been financed

by political parties, a practice that was rarely acknowledged in previous elections. Investigative journalism, though still in its nascent stage of development, became more popular during the year. Newspapers like *Delo Nomer* have proven to be reliable sources of investigative reporting, helping the public understand corrupt practices among top officials.

There were important changes in social media as well. The number of Kyrgyz politicians using online social networks sharply increased in the preelection period, as the open political competition forced parties to rely more on their messages than on older techniques such as charity events or distributing goods to attract votes. When campaigning for the parliamentary elections informally began after the constitutional referendum in June, over a dozen Kyrgyz politicians quickly joined Twitter, Facebook, and other online forums. Interim president Otunbayeva became perhaps the country's most popular politician on Twitter, with over 2,480 followers.

The media's problems with ethnic issues during the year included a reluctance on the part of major online and television outlets to publish reports by Human Rights Watch and other organizations that criticized law enforcement agencies in southern Kyrgyzstan. Instead, Kyrgyz mass media cited commentaries claiming that the violence in Osh and Jalalabad had been planned in advance by external "third forces," and that ethnic Uzbeks might have instigated the fighting. In late April, four television stations and a number of newspapers from the Osh region were prohibited by national authorities from broadcasting certain news—coverage of pro-Bakiyev protests, for example—without prior approval.[10] In June, Osh TV and Menon TV, both independent stations with Uzbek owners, were temporarily shut down by Osh's mayor, Melisbek Myrzakmatov.[11] Shortly after Osh TV resumed programming, its offices were raided without a search warrant by the State Service for National Security, which confiscated the station's computers and archive material, and detained its editor.[12]

Kyrgyz media also offered scant reporting on court proceedings related to the June violence, including repeated incidents in which Uzbek defendants were attacked by relatives of Kyrgyz victims. Ethno-nationalist politicians and activists were given free rein to air their views in the newly unfettered media, and some media reports openly incited hatred against ethnic minorities. A number of journalists, many of them ethnic Uzbeks, faced threats from authorities and in some cases were forced to leave the region and suspend coverage of the violence. Two journalists, Azimjon Askarov and Ulugbek Abdusalomov, were arrested and charged with inciting ethnic unrest.[13] Askarov has been sentenced to life in prison for inciting ethnic hatred and complicity in the murder of a policeman, among other charges,[14] and reports emerged in November that he had been repeatedly beaten while in custody.[15] Abdusalomov's trial had been postponed as he remained under arrest in a hospital following a stroke.[16]

Local Democratic Governance

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
n/a	n/a	n/a	5.75	6.25	6.25	6.50	6.50	6.50	6.50

The new constitution adopted on June 27 established a parliamentary system designed to ensure broader representation and prevent the concentration of power in the hands of one leader. Since competing political parties had to overcome a 5 percent nationwide vote threshold and a threshold of 0.5 percent in each region and the cities of Bishkek and Osh, they placed representatives from across the country on their candidate lists. As a result, despite the use of a nationwide party-list system, all parts of Kyrgyzstan are represented in the new parliament.

Balanced representation could strengthen the lines of communication and authority between the central government and local government officials, something Otunbayeva failed to achieve after coming to power. The interim government was often unable to coordinate the activities of local officials, especially in southern Kyrgyzstan, where most were Bakiyev allies.

After the April 7 regime change, with the interim government exercising weak control over the security forces across the country, local government officials sought to increase their own influence over local businesses. Cases of racketeering and raids by criminal groups and local political bosses were reported in every region.

One vivid example of how remnants of the former regime retained strong local control is the case of Melisbek Myrzakmatov, who had become the mayor of Osh thanks to his wealth and the support of Bakiyev's political party, Ak Zhol. Myrzakmatov, an ethnic Kyrgyz, was accused of instigating ethnic conflict in Osh and Jalalabad in 2010. Among other suspected motives, he was said to be pursuing profits for his real estate and construction businesses. The mayor was actively promoting Osh development projects before the June clashes, and after the violence he pushed for local government to be involved in reconstruction of Uzbek residences.

Myrzakmatov also allegedly controls the illegal drug trade in parts of southern Kyrgyzstan, perhaps serving as a proxy for Akhmat Bakiyev, the former president's brother, who is believed to have overseen virtually all drug routes in Kyrgyzstan.[17]

The interim government appeared unable to remove Myrzakmatov, in part because of the possibility that he would respond by using local security forces and other resources to stir up more disorder in the south. Like most other prominent Kyrgyz political leaders, Myrzakmatov allegedly commands an informal "army" of martial-arts experts and former military and law enforcement personnel.[18] This manpower is a key pillar of his strength, and can be mobilized against government forces when needed. Myrzakmatov's control in Osh is so strong that the interim government will need to create parallel state structures to compete with his influence over the city's existing government and law enforcement entities.

Judicial Framework and Independence

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
5.25	5.50	5.50	5.50	5.50	5.50	6.00	6.00	6.00	6.25

The aftermath of the June ethnic violence in the south revealed some of the worst traits of Kyrgyzstan's judicial system and the underlying problems of the security forces. The underfinanced, underequipped, and poorly trained military and police forces lacked experience in dealing with ethnic conflict. When the violence erupted in Osh on June 10, they responded chaotically, with little credible information or clear political leadership.

Shortly after the clashes were quelled on June 14, international observers reported that the Kyrgyz military and police had abused the rights of ethnic Uzbeks. Cases of arbitrary detention, severe torture, and beatings were widely reported. Most severe human rights abuses allegedly took place during police forces' sweeps of Uzbek neighborhoods in search of weapons and suspected instigators of violence.

Kyrgyz NGOs have also accused the central government of turning a blind eye to widespread human rights abuses in the south. Lawyers and defendants in cases stemming from the June violence were under constant threat of being attacked by victims' relatives in the latter half of the year, and fights or severe beatings of ethnic Uzbek defendants were frequent occurrences during the trials. Local police, made up mostly of ethnic Kyrgyz, were reluctant to defend ethnic Uzbeks from such attacks. Although some of the prosecutions targeted ethnic Kyrgyz suspects, the court hearings were often delayed because of fears of violence. Lawyers repeatedly appealed to the government for protection, as they continued to risk their lives in the interests of restoring justice despite the dysfunctional judicial system and corruption in the police force.

A typical case is that of Azimjan Askarov, an ethnic Uzbek human rights activist. He was detained on June 15 and accused of inciting interethnic and religious hatred.[19] Later, the charges were changed to allege that he had actually organized the interethnic clashes. In September, Askarov was sentenced to life in prison after widely criticized court proceedings. According to his lawyer, Nurbek Toktakunov, Askarov was tortured while in detention and denied an appropriate legal defense.[20] His case has shown that despite president Otunbayeva's effort to introduce democratic reforms, she had limited influence over regional courts and was unable to mitigate corrupt, controversial judicial practices.

In November, a court in Bishkek opened a controversial trial of former president Bakiyev, former defense minister Baktybek Kalyev, and 27 other members of the former regime. They were charged with violently suppressing the April 6–7 demonstrations. Bakiyev and six of the other defendants were tried in absentia. The proceedings were chaotic, with victims' relatives shouting, throwing objects, and threatening defendants and their lawyers with physical violence. Hundreds of people gathered around the court building to demand the most severe punishment for all defendants. Local NGOs denounced the interim government for failing to organize the trial in a more civilized manner, and expressed suspicions that some

members of the government simply wanted to settle scores with former regime officials.

The international community's limited attempts to assist Kyrgyzstan in the wake of the June violence encountered resistance. In July, the OSCE announced that it would deploy a special 52-member Police Advisory Group (PAG) to Kyrgyzstan, part of a larger OSCE effort to reform Kyrgyzstan's police. Senior security officials initially supported such foreign involvement. Interior Minister Kubatbek Baibolov said that the OSCE was welcome in Kyrgyzstan, noting that it was the only international force that had responded to the country's plea for help.[21] However, other security and political officials spoke against the OSCE's potential mission. Feliks Kulov, a former KGB general and head of the Ar-Namys party, was one of the most vocal opponents. He argued that the OSCE police would be unarmed and therefore of limited use. According to Kulov, Kyrgyz forces would have to guard the foreign police instead of carrying out their own duties. OSCE policemen were likely to form one-sided conclusions, according to senior government official Azimbek Beknazarov. He rejected the OSCE's offer as too little and too late, saying the situation in southern Kyrgyzstan seemed to have settled down. Both politicians also associated the PAG with an unwelcome Western intervention in domestic politics. By the end of 2010, only six OSCE policemen had been deployed.[22]

The dire need for a credible international investigation into the Osh violence is obvious. Kyrgyz law enforcement agencies lack the capacity to conduct such an investigation, and security forces in Osh itself have opposed any type of probe, preferring instead to silence those who might challenge their actions, including local NGO activists and foreign journalists. The police in particular seemed desperate to conceal their crimes. Moreover, any national commission to investigate the violence, drawn from the country's NGO and scholarly community, would risk bias stemming from its ethnic composition. Having no investigation at all would hinder reconciliation efforts in southern Kyrgyzstan. Months after the violence, inflammatory and misleading rumors about exactly what happened and who was to blame continued to circulate. Otunbayeva asked Finnish lawmaker Kimmo Kiljunen to lead the first attempt to investigate the causes of the violence. But since his commission lacks the formal backing of the United Nations and the OSCE, its investigation and eventual findings may not be widely accepted in Krygyzstan.

Corruption

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
6.00	6.00	6.00	6.00	6.00	6.00	6.25	6.25	6.50	6.25

Corruption remains a problem in Kyrgyzstan, and the country ranked 164th out of 178 countries surveyed in Transparency International's 2010 Corruption Perceptions Index. Pervasive corruption during Bakiyev's regime left the country's budget on the brink of collapse. On the night Bakiyev fled, his family reportedly

transferred $170 million to offshore accounts through Aziauniversalbank; the sum amounted to nearly 10 percent of the country's reserves.[23]

The interim government enacted a number of positive changes. For example, it disbanded the Central Agency on Development, Investment, and Innovation, previously led by Bakiyev's son Maksim. The agency had controlled all foreign financial inflows, including development aid and credits, as well as the country's major hydroelectric and gold-mining companies.

The Bakiyev regime's mismanagement of the important hydroelectric sector was particularly grave. In the winter of 2008–09, his government had to begin rationing electricity production due to low water levels in the Toktogul Reservoir, which had been caused by excessive selling of water abroad. His related decision to increase electricity tariffs by 200 percent in February 2010 was one of the catalysts for the April 6–7 demonstrations that led to his ouster.

After the Bakiyev government fell, the interim authorities accused former energy minister Iliya Davydov of helping Bakiyev and his family to embezzle revenue from hydroelectric energy exports. Osmonbek Artykbayev, an entrepreneur and former lawmaker, was appointed to replace Davydov. Initially, some Kyrgyz experts were skeptical about the new energy minister, arguing that his business background did not meet the requirements of the position. However, Artykbayev showed a determination to reform the energy industry. Shortly after taking office, he announced an open tender for foreign energy sales and launched a special website that monitored the energy sector's functioning.[24]

More transparent and efficient governance allowed the interim authorities to stabilize electricity supplies ahead of the 2010–11 cold season and avoid sharp increases in tariffs. Improved management of the hydroelectric sector was evidenced by the rapidly increasing water level at the Toktogul Reservoir. Within four months after the regime change, the water level reached 17.6 million cubic meters, compared with 10.4 million in 2009. Electricity rates will eventually need to increase in order to sustain the sector and allow for investment in new hydroelectric projects, but the increases could be gradual. If the government continues to manage the sector transparently and invest in its efficiency, a phased rate increase would be justified.

Otunbayeva has also sought to increase the transparency of jet fuel contracts with foreign entities. The president expressed her disappointment with the U.S. Defense Department's decision in November 2010 to renew its contract with Mina Corp Ltd., a Gibraltar-registered company that had supplied jet fuel to the U.S. military's Manas air base near Bishkek for the past six years.[25] The one-year, $315 million contract will allow Mina to supply another 96 million gallons of fuel to Manas and can be extended for another year.

At the time of the renewal decision, Otunbayeva's government was still investigating the company's operations. She alleged that the business was highly secretive, and that it was difficult to trace how its complex corporate and contracting structures functioned. Both the U.S. Defense Department and Mina claimed that they were not aware of any corruption schemes led by Kyrgyz contractors, but the company has been accused of having improper links to Maksim Bakiyev. The Kyrgyz

government has urged the United States to terminate the contract with Mina until the investigation is completed. Otunbayeva announced that a new state agency would be formed to manage the fuel trade with the base. The Kyrgyz government is also pushing for local companies to gradually take over the fuel supply business, hoping to increase their involvement from 20 percent to 50 percent during 2011.

Among other anticorruption efforts, the new government nationalized over 30 properties that were reportedly acquired illegally by members of Bakiyev's regime. They included Aziauniversalbank and various other financial institutions, construction companies, and resorts on the shores of Issyk-Kul Lake. Whether the government will be able to establish transparent ownership remains to be seen.[26]

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Latvia

by Juris Dreifelds

Capital:	Riga
Population:	2.3 million
GNI/capita, PPP:	US$17,610

Source: The data above was provided by The World Bank, *World Development Indicators 2011*.

Nations in Transit Ratings and Averaged Scores

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Electoral Process	1.75	1.75	1.75	1.75	1.75	2.00	2.00	2.00	2.00	1.75
Civil Society	2.00	2.00	2.00	1.75	1.75	1.75	1.75	1.75	1.75	1.75
Independent Media	1.75	1.75	1.50	1.50	1.50	1.50	1.75	1.75	1.75	1.75
Governance*	2.25	2.25	2.25	n/a	n/a	n/a	n/a	n/a	n/a	n/a
National Democratic Governance	n/a	n/a	n/a	2.25	2.00	2.00	2.00	2.50	2.50	2.25
Local Democratic Governance	n/a	n/a	n/a	2.50	2.50	2.50	2.25	2.25	2.25	2.25
Judicial Framework and Independence	2.00	2.25	2.00	1.75	1.75	1.75	1.75	1.75	1.75	1.75
Corruption	3.75	3.50	3.50	3.50	3.25	3.00	3.00	3.25	3.25	3.50
Democracy Score	2.25	2.25	2.17	2.14	2.07	2.07	2.07	2.18	2.18	2.14

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

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

Executive Summary

The global economic crisis hit Latvia harder than most countries, resulting in a 20-percent-plus decline in Gross Domestic Product (GDP) from 2008 to 2010 and an unemployment rate of nearly 20 percent. Latvia's economy was kept afloat by a 2008 International Monetary Fund (IMF)–administered loan package worth LVL 5.27 billion (US$10.5 billion). Job losses and painful cuts in most state services and salaries fomented stress and discontent throughout the country. Nevertheless, the coalition government of Prime Minister Valdis Dombrovskis steadily pursued austerity measures, without encountering large-scale popular resistance. The well-run parliamentary elections of October 2 saw the ruling coalition reelected.

National Democratic Governance. The stability of the Dombrovskis government allowed the ruling coalition to continue its work to the very end of the parliamentary term. In the face of debilitating economic circumstances, the government pursued difficult austerity measures. The reelection to parliament of the coalition-member parties with a larger majority reflected the approbation of an increasingly mature electorate. *Owing to the consistently solid performance and normalization of democratic politics under dire economic circumstances, Latvia's national democratic governance rating improves from 2.50 to 2.25.*

Electoral Process. Latvia's October 2 national parliamentary elections received a positive evaluation by monitors from the Organization for Security and Cooperation in Europe (OSCE). The OSCE praised the Central Electoral Commission's administration of the elections in a transparent and professional manner and noted that campaigning had been free from undue pressure or media bias. *Owing to the smooth administration of the 2010 elections and broad participation by candidates, parties, and voters, Latvia's electoral process rating improves from 2.00 to 1.75.*

Civil Society. Close to 12,000 nongovernmental organizations (NGOs) participated in Latvian civil society in 2010 despite decreased financial resources. Donations to recognized "public good" groups benefited from the reinstatement of the 85 percent deduction on taxes, thus encouraging giving. Major umbrella organizations representing labor, business, ethnic groups, agriculture, religion, and the environment became more active and received increased attention from politicians. *Owing to the continued focus and increasing visibility of NGOs, Latvia's civil society rating remains at 1.75.*

Independent Media. Latvia is served by a vast array of media sources in two languages. Changes in the ownership of *Diena*, the country's leading newspaper,

and the purchase of prominent television stations LNT and TV5 by acquaintances of Latvian oligarchs raised initial concerns; however, the objectivity of these news sources during the elections helped to subdue popular anxiety. Internet penetration is at 68 percent, and whistleblower websites and "Wikileaks"-style revelations made frequent headlines. Revenues from advertising have increased substantially since 2009. *Latvia's independent media rating remains unchanged at 1.75.*

Local Democratic Governance. The newly reorganized 118 local municipalities (down from 530 in early 2009) adjusted to their expanded responsibilities and population bases during 2010. However, less than one-third of the population reported experiencing any changes after the major governance reorganization, and the minimal presence of municipal reporting in the media reflected a lack of new initiatives at the local level. Nevertheless, local governments continue to enjoy much higher popular trust than the institutions of the national government. *Latvia's local democratic governance rating remains unchanged at 2.25.*

Judicial Framework and Independence. The Latvian judiciary was able to retain its salary levels after a decision by the Constitutional Court prevented government-initiated cuts in 2010. The generation of judges educated in the Communist era is almost gone, replaced by young candidates with more Western-liberal values and practices. Efforts were made to reduce lengthy delays in resolving court cases by balancing caseloads among the various regions, and through the introduction of modern technology such as videoconferencing. *Latvia's judicial framework and independence rating remains unchanged at 1.75.*

Corruption. The nation's economic crisis tested the honesty of many government employees and businessmen. While the basic institutional building blocks for corruption control have been successfully established in Latvia, powerful oligarchs and criminal elements continue to obviate these legal barriers. The government's respected Corruption Prevention and Combating Bureau (KNAB), which has an eight-year track record of successful, high-profile prosecutions, suffered from a growing internal crisis in 2010. Most of the bureau's employees distrust the new KNAB director, Normunds Vilnitis, and have expressed deep concerns regarding his proposed reorganization plans. Some even suggest that his true goal is to reduce the establishment's capacity or hasten its liquidation. *Owing to strains and internal squabbles within the state anticorruption bureau, Latvia's corruption rating declines from 3.25 to 3.50.*

Outlook for 2011. Latvia has survived an extraordinary economic crisis, and new growth figures portend expanded employment and increased confidence in the economy. The election of a new government has raised hopes about the country's future development. At the same time, economic frustrations have prompted many to leave Latvia in search of work. The presence of a powerful Russophone party in opposition may exacerbate ethnic tensions in the country.

Main Report

National Democratic Governance

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
n/a	n/a	n/a	2.25	2.00	2.00	2.00	2.50	2.50	2.25

Latvia entered 2010 with a 22.9 percent unemployment rate, the highest in the European Union (EU)[1] and a 20-plus-percent decline in Gross Domestic Product (GDP) since the start of the crisis. In 2008, the country was approved for a LVL 5.27 billion loan package administered by the International Monetary Fund (IMF), although it had borrowed only LVL 3.084 billion by the end of 2010.[2] Under these circumstances, pundits predicted that the country's democratic system would be paralyzed by fighting between various political factions and subsequent parliamentary gridlock. Instead, relative stability in national politics and steady attention to the serious problems at hand reinforced Latvia's democratic credentials. As a result, the country has even been touted by some as a model for other economically struggling states, such as Greece.

A five-party coalition headed by Prime Minister Valdis Dombrovskis received the support of the Saeima (parliament) on March 12, 2009 and maintained it until the end of its mandate in October 2010. This achievement was even more remarkable after the People's Party exited the coalition on March 17, 2010, leaving the government in control of just 47 out of 100 parliamentary seats. Five ministerial positions formerly held by People's Party members suddenly had to be filled from within the ranks of the existing coalition or by other, non-elected experts, severely disrupting continuity in the relevant ministries. A minority government was formed by the remaining parties: New Era (Jaunais Laiks), Civic Union (Pilsoniska savieniba), the Union of Greens and Farmers (Zala un Zemnieku Savieniba), and All for Latvia–For Fatherland and Freedom (Visu Latvijai–Tevzemei un Brivibai/LNNK).

Although Prime Minister Dombrovskis's popularity slowly increased during the year, almost all parties plummeted in public opinion. The only exception was the main opposition party, Harmony Center (Saskanas Centrs), which captured a leading position in the preelection polls and effectively mobilized its predominantly Russophone constituency in anticipation of the October elections. In reaction, three Latvian parties created an electoral alliance, Unity (Vienotiba), to run under one banner in the elections in October, with Unity placing first and Harmony Center second.

The postelection government, formed on November 3 and once again headed by Prime Minister Dombrovskis, was composed of two, separate party alliances—Unity and the Union of Greens and Farmers—with the combined support of 55 parliamentary deputies. These two fragile alliances are composed of eight separate factions. Although sitting in opposition, the eight-member National Alliance coalition promised to support Dombrovskis and his policies in the future. The

Russian-dominated Harmony Center and the oligarch-dominated For a Good Latvia remained in opposition.

A 2009 Eurobarometer poll revealed discouragingly low levels of trust in Latvia's key state structures, particularly the Saeima. According to one senior deputy, the passing of controversial but necessary laws and the presence of ineffectual individuals in ministerial positions[3] caused serious public concern about the parliament's long-term stability. Only 2 percent of those surveyed claimed to trust political parties, 6 percent claimed to trust the Saeima, and 9 percent expressed trust in the Latvian government. Survey respondents declared higher trust in the Latvian legal system (26 percent), regional and local public authorities (41 percent), the European Union (44 percent), the army (44 percent), and NATO (46 percent).[4]

President Valdis Zatlers is empowered to appoint the prime ministerial candidate, who must then be ratified by the Saeima. The president can also return laws to parliament for clarification or correction of perceived flaws; however, parliament can override presidential vetoes by a simple majority. In 2010, President Zatlers became less of a political activist and more of a "father figure," providing a sense of stability and continuity during the year. His regular travels within Latvia and town hall meetings in the furthest reaches of the country were positively received by the general public. President Zatlers's term will expire in July 2011, but he could be reelected for a second term by an absolute majority of Saeima deputies.

The election of 57 new parliamentary members in 2010 (leaving just 43 members from the old Saeima) has created the potential for new approaches to overcoming the tremendous economic and social challenges facing Latvia. Many of the newly-elected Saeima members appear committed to improving the image of parliament. In the event that parliament demonstrates disregard for the popular will, a new mechanism, introduced in 2009, will allow dissolution of the Saeima by popular referendum.

The Latvian military is integrated with NATO and bound by many of the organization's regulations. The president is the commander-in-chief of the armed forces. Beginning in 2007, Latvia's military became an all-volunteer force. Its prestige has grown with increased pay and financing, but cutbacks associated with the recent economic crisis stirred widespread discontent among officers.

Electoral Process

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
1.75	1.75	1.75	1.75	1.75	2.00	2.00	2.00	2.00	1.75

Latvia holds elections for the national, local, and European parliaments, and the president of the republic is elected by the Saeima. National elections to the 10th Saeima were held on October 2, 2010. All five parties to meet the five-percent threshold were alliances or conglomerations of preexisting parties, including nearly all the winners from the 2006 election. Only the Russophone-based party—For

Human Rights in a United Latvia—was squeezed out entirely. The three major victors were Unity (which won 31.22 percent of the vote, and 33 seats), Harmony Center (26.04 percent, and 29 seats), and Union of Greens and Farmers (19.68 percent, and 22 seats). The lowest number of seats (8) went to For a Good Latvia!, a union between the previously formidable People's Party (TP) and Latvia's First Party (LPP).[5] These two parties had been previously guided by two Latvian oligarchs, Andris Skele (TP) and Ainars Slesers (LPP), both of whom were elected as deputies under the banner of the new party. It is noteworthy that 87 of the deputies from the 9th Saeima were listed, but only 43 were elected to the 10th Saeima.

In total, 1,238 candidates represented by 13 parties or alliances competed in the elections in 5 electoral districts. The turnout of 62.62 percent was similar to 2006 but significantly less than in 2002 (71.36 percent), 1998 (71.9 percent), and 1993 (89 percent).[6] The elections were well run, with no major transgressions by participating contenders. In contrast to the overspending scandals of election campaigns in 2006, especially by the People's Party, all parties remained within allowable spending limits in 2010.

The national parliamentary elections were the first to be held following the passage of several new electoral regulations in January 2009. Political campaigning is no longer allowed on the day of, or directly preceding, an election. All advertising must indicate the responsible political candidate or party. Also, all parties must indicate to the Corruption Prevention and Combating Bureau (KNAB) how they plan to organize preelection campaigning. If the bureau observes transgressions, it may cancel the party's right to advertise, subject to appeals to administrative district courts. Among other changes initiated in 2009, former Soviet-era security service "technical workers" now have the right to run as candidates.

The October 2010 elections also differed from previous parliamentary polls in that multi-district candidacy was not allowed. Popular leading figures (so-called "locomotives") could no longer run in more than one district, which forced parties to significantly increase their number of candidates. The Latvian nongovernmental organization Electoral Reform Society had advocated for this change.

Observers from the OSCE Office for Democratic Institutions and Human Rights concluded that the Latvian parliamentary elections "generally met OSCE commitments and international standards for democratic elections, as well as domestic legislation...the election process provided voters with the opportunity to make a free choice among candidates presenting different political alternatives."[7] The OSCE also noted that Latvia's Central Electoral Commission had administered the elections transparently and professionally and that campaigning had been free from undue pressure or media bias.

As in previous elections, women were a minority of those elected into office. Only 19 women were elected, a number similar to the previous two elections. Harmony Center did not elect a single woman; by contrast, Unity had 11 women deputies. All deputies are elected for four-year mandates, with elections to the Saeima held every four years. Presidential elections also take place every four years; the next ones are scheduled for July 2011.

Civil Society

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
2.00	2.00	2.00	1.75	1.75	1.75	1.75	1.75	1.75	1.75

Nongovernmental organizations (NGOs) in Latvia are regulated and protected by the constitution, the 1992 Law Concerning Public Organizations and Their Associations, and two subsequent laws on public organizations passed in 2003 and 2004. There have also been various middle- and long-term national programs outlining the duties of government in the strengthening of civil society. Latvia's rating in the NGO Sustainability Index (NSI) has held constant during the last decade, with highest marks received for "advocacy," "legal achievement," and "infrastructure," and the lowest marks assigned for "financial viability" and "public image."

The economic recession has had the effect of stimulating Latvia's NGO sector, with NGOs forming as a response to the growing needs of their communities. At the same time, the June 2010 NSI report showed that an increasing number of NGOs sought information on how to terminate their activities due to the dramatic decrease in funding and support from economically traumatized sectors of society.[8]

Although Latvia's NGOs still struggle to obtain full public and governmental support, strong and viable advocacy organizations have evolved over the past two decades, especially in the fields of business, local government, agriculture, labor, environment, gender equality, and religion. There are five permanent state-supported resource centers for NGOs in Latvia, with additional centers providing information on funding opportunities, legal issues, and technical support.

Civic Alliance-Latvia, for example, unites over one hundred organizations and members to help represent group interests to state institutions and international organizations. It also cooperates with state officials to create and implement various programs. In June 2010, the NGO organized a successful symposium on "Possibilities and Challenges of Civil Society in Latvia" that included representatives from NGOs, government authorities, and employer and worker associations. The symposium was addressed by both Prime Minister Valdis Dombrovskis and the Director of the State Chancellery, Gunta Veismane.

The attention displayed at this symposium from top political and government leaders suggests a growing respect accorded to NGOs in Latvia. As society and politicians seek support to meet the widespread problems caused by the economic crisis, the status of organizations with similar goals has grown. Moreover, the new electoral mechanism allowing citizens to recall parliament has chastened politicians, making them far more sensitive to popular demands. Political parties made substantial efforts in 2010 to publicize their high regard for civic movements. For example, the City of Riga organized several civic forums to tap into new ideas and invite feedback. In 2010, the government reversed its 2009 decision to reduce the maximum tax deduction for donations to registered "public good" organizations from 85 percent to 15 percent.

One of the most visible Latvian NGO events in 2010 was the Great Cleanup Day, which mobilized over 100,000 volunteers, including the president, to collect trash in forests, beaches, waterways, and rural farming areas; the action was organized by Project Footprints (Pedas) and For Clean Forests (Tiriem meziem). Other visible events included the organizing of preelection debates and meet-the-candidate forums, as well as get-out-the-vote mobilization efforts. The Voting Reform Society (Velesanu reformas biedriba) had great success in improving several voting laws. Latvia has been the beneficiary of joint Norway, Iceland, and Liechtenstein grants of several million dollars dispensed to 160 projects through two NGO funds.

Another major focus of the Latvian civic sector is ethnic group integration, development, and defense. There are associations for Georgians, Arabs, Roma, Poles, Ukrainians, Jews, and several dozen other minority ethnic groups. The Russian group has become particularly active. Almost all ethnic groups receive support from the Latvian Fund, which provides annual grants of €650,000 (US$943,000) for integration initiatives aimed at increasing understanding and cooperation between the country's ethnic and religious communities.

In previous years, Latvian citizens' engagement in the civic sector has been less pronounced. A summer 2010 poll of Riga residents regarding their participation in civic activities during the previous three years found that just 12 percent of respondents could remember having contacted parliamentary deputies, ministers, or civil servants directly. In the same poll, 13 percent of respondents claimed to have joined NGOs or engaged in volunteer work; 12 percent had participated in pickets, demonstrations, strikes, and meetings; and 13 percent said they had publicly expressed their opinions about social political issues on the Internet or in the mass media.[9]

Independent Media

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
1.75	1.75	1.50	1.50	1.50	1.50	1.75	1.75	1.75	1.75

Latvia generally has a dynamic and competitive media sphere. Outlets generally cater to one of the two main linguistic communities, with only minor overlap between the Latvian and Russian audiences. Much of the population is also able to view international programs via television or the Internet.

Media independence in the country is limited largely by libel considerations and market pressures. There was a dramatic shift in media ownership in 2010, precipitated by the steep decline in advertising caused by the economic crisis. The leading Latvian newspaper *Diena* (Day) and its various media holdings were sold by the Swedish-based Bonnier Group in July 2009 to Britain's Rowland family. In August 2010, 51 percent of this media conglomerate was purchased by the wealthy Latvian businessman and sports enthusiast Viesturs Koziols,[10] whose close friendship with the oligarch Ainars Slesers had raised concerns about the paper's neutrality. However, during the fall election campaign, Slesers' political

party, PLL, apparently did not receive markedly more positive coverage than its competitors.

The other major change in the media sphere involved the leading Latvian television stations LNT and TV5. These broadcasters were previously owned by the U.S.-based News Corporation but sold in March to Neatkarigie nacionalie mediji (Independent National Media), a group composed of LNT managers headed by Andrejs Ekis, founder and former chair of LNT and the PLL party. Ekis was involved with Latvian oligarch Andris Skele in a questionable scheme to acquire state assets dubbed "digitalgeita," and after many years the case has still not been resolved in the courts. During the preelection period LNT organized nine debates by candidates of the five leading parties.

In September 2010, LNT claimed the largest share of TV viewers—16.7 percent (its sister station TV5 garnered 3.9 percent). Sweden's Modern Times Group, which controlled TV3, came in second with an audience of 14 percent (and its Russian language station 3+ with 4.3 percent), followed by the Russian language RBK with 11 percent, the state-controlled LTV1 with 7.5 percent, and its sister station LTV7 with 4.7 percent. The average daily TV viewing time was 5 hours and ten minutes in 2010.[11]

The newspapers *Neatkariga Rita Avize* and *Vakara Zinas* are controlled by the owners of the oil firm "Ventspils Nafta." *Latvijas Avize*, the newspaper with the highest circulation, is held by Ventbunkers, a foreign-owned corporation based in the Netherlands. The most popular Internet news site, Delfi, is owned by Estonian Ekspress Grupp. Other popular news sites are TVNet, Apollo, and those maintained by the major newspapers. Internet usage has increased in Latvia from 57 percent in 2009 to 67.8 percent in June 2010.[12]

The Latvian equivalent of "Wikileaks" emerged in February when the mathematician Ilmars Poikans (alias "Neo"), working at the University of Riga, accessed over 7.4 million documents from the state Revenue Service. His media accomplice, Ilze Nagla, presented the salary data in media programs that critiqued state policy. After forced salary cuts of over 20 percent and dismissals of many lower-level state employees, the leaks gave actual figures of the bloated salaries still received by senior managers. Consequently, Nagla's home was raided by police, who confiscated records and computer files, leading to a major scandal and the media grilling of Interior Minister Linda Murniece. The International Press Institute denounced the police action, and a May 2010 poll found that the leaks were judged positively by 79 percent and negatively by only 5 percent of those surveyed.[13] Another journalist and cyber-whistleblower, Lato Lapso, created a website to publicize corrupt or unethical activities, including sensationalist revelations about the shocking spending habits of Latvia's oligarchs and their families.

In 2010, the most trusted media in Latvia were radio (80 percent), followed by magazines (73 percent), newspapers (72 percent), Internet (71 percent), and TV (65 percent).[14] Media ownership is not transparent, however, and in October a former parliamentary deputy recommended that a law should be passed revealing the true, direct and indirect owners of all media. This proposal was precipitated by

Saeima deputy and journalist Silva Bendrate's public revelation that 13 years earlier she had bought the popular regional radio station "Kurzemes Radio" with funds from the oligarch Aivars Lembergs.[15]

Citing the economic crisis, Latvia's government has nearly eviscerated funding for public service television and radio, which have always suffered from political pressure. As a result, public-media journalists were expected to juggle more functions with a consequent decrease in program quality. The expected increase of the value added tax on media from 10 to 21 percent was delayed until the end of 2010. Another obstacle facing print media was the decision by the Latvian Post Office to stop Saturday deliveries. A more positive development was the resurgence of media advertising after a debilitating drop of 46 percent in 2009. From September 2009 to September 2010, television advertising grew by 20 percent, while press and radio advertising grew by 5 and 4 percent, respectively.[16]

Journalists in Latvia have little job security or protection from employer abuses. Unions are weak or nonexistent, and journalist remuneration is low, with veteran journalists typically earning only about US$900–1,000 per month before income taxes of 26 percent. Consequently, many reporters are forced to moonlight in other jobs, and there is significant turnover, with experienced journalists often leaving to work for public relations firms. Despite these problems, the profession retains its appeal, and there is tremendous competition to enter journalism schools.

While reporters are generally safe and free from harassment in Latvia, one troubling case stood out in 2010: in April, Grigorijs Nemcovs, a journalist, businessman, and politician, was shot twice at close range under murky circumstances. His newspaper, *Million*, was the largest regional Russian-language publication and known for its investigations of government corruption.

Local Democratic Governance

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
n/a	n/a	n/a	2.50	2.50	2.50	2.25	2.25	2.25	2.25

In contrast to other Baltic EU member states, Latvia's constitution does not lay out the rights and principles of local government, though municipal activists have pressed for the rectification of this omission. Latvia does have several laws that apply to municipalities, most notably the Law on Local Governments passed in 1994 and amended more than 10 times since.

The responsibilities of municipalities include primary and secondary education, social assistance (with the exception of pensions and family care benefits), healthcare, water supply and sewage works, country roads, solid waste collection, and disposal and stewardship of about one-fifth of all housing in Latvia. 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 freely available meeting minutes; voter access to council members and executive officials; procedures for review of complaints and suggestions; public discussions;

and audited annual reports and reviews of government budgets, spending, assets, and activities. Citizens also have recourse to municipal elections every four years.

In 2010, Latvia's municipalities were still adjusting to their expanded responsibilities following the reorganization of more than 530 local units into 109 municipalities and 9 cities in 2009. They were also adjusting to changes in leadership and administrative cadres, ushered in by the June 2009 elections that closely followed the redefinition of municipal units. The new heads of local governments were faced with budget decreases of 20–30 percent as a result of the shrinking pool of resident income and other taxes and non-tax revenues.

A survey in May 2010 found that 61 percent of people did not see any changes in the workings of their local government since the reorganization, 13 percent believed that it had worsened, and 3 percent felt that it had improved (the remaining 23 percent were "not sure").[17] In 2010, groups of four to a dozen of the new formations began to cooperate in the organization, location, or construction of educational, cultural, and sports facilities. In order to streamline their resident support systems, six of the major cities and several districts instituted one-stop services, with over half of all districts following suit.

The Latvian Local Government Union has become an effective defender of municipal rights and issues. Its leader, Reinis Jaunsleinis, has headed the organization for over 10 years and was reelected in 2009. Almost all local governments are members of the group.

In the past, a major problem has been the politicization of self-governments and the biased division of funding by the central government to districts, ruled by their respective political parties. With the recent changes in political fortunes, self-governments are now arguing for de-politicization and financing based solely on need. Municipal governments are seen to be more responsive and accessible than the central government. As a result, in fall 2009 local governments received much higher ratings of trust—41 percent, in contrast to 6 percent for the Saeima and 9 percent for the central government.

Judicial Framework and Independence

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
2.00	2.25	2.00	1.75	1.75	1.75	1.75	1.75	1.75	1.75

Latvia's constitution provides protection for fundamental political, civil, and human rights. On the whole, these are respected by the authorities and 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.

Polls show that Latvians have slightly higher trust in their court system than in the Saeima, the government, or political parties. Nevertheless, the perception of courts is overwhelmingly negative. One of the key factors affecting the image of the

courts is the long waiting period for judgments. Most cases are heard within a year, but there have been instances of delays of up to five years.

In 2010, attempts were made to remove some of the obstacles to timely rulings. Routine matters, such as uncontested divorces, were diverted to notaries. Another initiative involved the modernization of court equipment and infrastructure. The Swiss government together with the Latvian Court Administration began bringing in technology-based solutions to the backlog, including the installation of audio- and video-conference equipment in courtrooms and prisons. Standard court procedural documents will become available online, and litigants will be able to convey and receive documents to and from the courts by electronic means. The Swiss project will invest about US$9 million and aims to finish installation by 2012.

After more than a decade of false starts, in 2010 the judicial system finally acquired a self-rule organization after the Saeima accepted amendments to the law "On Judicial Power" on June 3. The Council of Justice (Tieslietu Padome)—a 15-member collegial institution, made up of 8 ex-officio and 7 elected members with 4-year mandates—seeks to depoliticize the judiciary while developing and enhancing the policies, strategies, and organization of the judicial system. Political representation within this organization will come from the Minister of Justice and the Saeima's Legal Affairs Committee chair. Despite a high level of general enthusiasm for the project, the Council has not received any separate financing and is expected to depend on the already strained budget of the Supreme Court.[18]

During the year, the newly selected Minister of Justice, Aigars Stokenbergs, proposed the balancing of caseloads between various regional courts. Additionally, he expressed a determination to introduce uniform salary systems for judges, resolve problems in Latvian prisons, and rationalize the piecemeal valuation of properties now used for residence and building taxes.[19]

The government decreased the salary of judges by 15 percent in July 2009, which received widespread publicity and criticism in 2010. The Constitutional Court deemed this an unlawful form of government interference in judicial independence and ordered the decrease to be cancelled. Starting in 2011, judges' salaries will grow according to their original contractual plan, which some officials criticized as excessive. The average judge's salary is just under US$5,000 per month, while the President of Latvia earns less than US$4,000 monthly.

The Constitutional Court received increased its public support when it reversed the government's cutting of all pensions by 10 percent and called for restitution of funds withheld so far. This forced the authorities to repay large sums that had been part of their plan for financial restructuring as agreed with the IMF. The media debated whether the rulings opened the possibility for other groups whose salaries were cut, including police, teachers, firemen, and even mothers with allowances.

Latvia's twelve prisons, which are old and dilapidated, are a source of ongoing concern. In men's prisons, 20 to 30 inmates are crowded together into a single space, creating many internal conflicts. The unofficial language inside many prisons is Russian, with Latvian inmates often forced to adjust to the "unwritten laws"

of prison communication.[20] The prison system has witnessed a dramatic drop in its budget allowance from LVL 36.8 million (US$73 million) in 2008 to LVL 20.5 million (US$41 million) in 2010. As a result, there have been cutbacks in food supplies, heating, construction of new prisons, and guard wages. At the end of 2009, Latvian prisons held about 7,800 inmates. In 2010, for the first time, 4,726 inmates with Latvian citizenship were given the right to vote, and 3,802 actually voted.[21]

The Prosecutor General's Office is scheduled to undertake several large and important cases implicating some of Latvia's most visible oligarchs, such as the Ventspils case (Aivars Lembergs), Parex Bank case (Valerijs Kargins and Viktors Krasovickis), and digital TV case (Andris Skele).

In light of these plans, the government's failure to reappoint the widely respected Procurator General, Janis Maizitis caused significant controversy. Over 70 deputies were believed to be in favor of the reappointment, but after demanding a non-traceable special secret ballot, Maizitis lost 45 to 47. A new procurator, Eriks Kalnmeiers, was nominated and appointed by the Saeima. Rumors that oligarch Aivars Lembergs's secret parliamentary stipends were responsible for the decision were widespread. Ultimately, the new Minister of Justice, Aigars Stokenbergs, appointed Maizitis as his key advisor, rendering the controversy moot.[22]

Corruption

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
3.75	3.50	3.50	3.50	3.25	3.00	3.00	3.25	3.25	3.50

In a January 2010 poll, 90 percent of Latvians surveyed claimed that they had not paid bribes in the previous 12 months (only 6 percent admitted to doing so). However, 22 percent of respondents claimed to know others who were involved in various forms of bribery or graft. Latvian businessmen have admitted publicly that there is a practice of trying to change taxation or other laws with an average payment costing about LVL 60,000 (US$122,400).[23]

Since the beginning of the economic crisis, Latvia has become increasingly vulnerable to the influence of a small group of oligarchs. A number of these—most notably Aivars Lembergs and former Prime Minister Andris Šķēle— have been subjects of repeated or ongoing corruption investigations by Latvia's Corruption Prevention and Combating Bureau (KNAB).

In the past, KNAB was praised for successfully weathering attacks on its integrity by powerful and corrupt individuals. According to a report produced by one of Latvia's leading corruption analysts, the greatest challenge facing Latvia's anti-corruption efforts in coming years will be to stop and reverse the damage inflicted on KNAB by the political assaults of the 9th Saeima and the reorganization efforts of KNAB's new leader, Normunds Vilnitis.[24]

The negative reaction of KNAB officials and employees to Vilnitis's regional reorganization plans and management style was the subject of much media attention

in 2010. Vilnitis, a former lecturer at the Latvian police Academy, was chosen by Prime Minister Godmanis in March 2009 to replace the extremely popular Aleksejs Loskutovs, who was widely credited with KNAB's biggest successes. Loskutovs's dismissal in June 2008 followed allegations of irregularities in KNAB's accounting, but was believed by many to be politically motivated and unwarranted. The dismissal was spearheaded by the People's Party, founded by Andris Šķēle.

During the year, three members of KNAB's executive and the head of the organization's union signed a memorandum claiming that "Vilnitis has turned against the majority of bureau workers who have rightfully fulfilled their work duties" and that his decisions threaten KNAB's transparency and effectiveness. Twenty-eight of KNAB's 142 employees had left the organization by the end of 2010. According to the Baltic News Network, "The last year's actions and decisions of KNAB Director Normunds Vilnitis create an impression that his true goal is to reduce the establishment's capacity, which would subsequently lead to actual liquidation of the institution, believe [KNAB] employees."[25]

Conflicts within KNAB appear to have damaged the organization's prestige, both internally and among the general public. A November 2010 poll found that 37 percent of respondents view KNAB positively, while 39 percent perceive it negatively and 24 percent have no opinion. The deputy chief of KNAB, Juta Strike, one of the chief critics of the present bureau director, received a 36 percent positive and an 18 percent negative rating. Vilnitis, on the other hand, was judged positively by just 14 percent of respondents and negatively by 30 percent.[26]

Despite conflicts within the organization, KNAB's anticorruption efforts received considerable publicity in 2010. The biggest story of the year was the arrest of five top directors of Latvia's state-owned electricity company, Latvenergo—along with a group of private businessmen and officials— for bribery, embezzlement, and money laundering.[27] Headlines were made again when the mayor of Latvia's premiere seaside destination, Jūrmala, was arrested for allegedly attempting to bribe to a city council member before a no-confidence vote he was projected to lose.

Some still hope that changes in KNAB will be offset by a genuine commitment to fighting corruption within the newly-elected Saeima. Several leading deputies from the Unity (Vienotiba) alliance have strong anticorruption credentials. These include former KNAB director Loskutovs, world-renowned corruption specialist Rasma Karklina, and Lolita Cigane of Transparency International Latvia (a.k.a. Delna). The poor electoral showing by "For a Good Latvia," the newly created umbrella party affiliated with two of Latvia's oligarchs, Andris Skele and Ainars Slesers, is also indicative of change. During the campaign, "For a Good Latvia" spent more money than any other party, but ultimately received fewer votes than any of the other winners. This may reflect a new sophistication among voters, who are influenced less and less by manipulative campaign rhetoric.

The new, activist parliamentarians will also receive investigative support from two effective NGOs. Corruption and state malfeasance are closely monitored by Providus, a public policy center, and Delna. In addition to investigating corruption in public life, both organizations also monitor, and if necessary, criticize

the activities of KNAB. The semi-annual report on corruption financed by the European Commission and supported by Providus has become a useful document for experts in the field.

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Lithuania

by Aneta Piasecka

Capital: Vilnius
Population: 3.3 million
GNI/capita, PPP: US$17,310

Source: The data above was provided by The World Bank, *World Development Indicators 2011.*

Nations in Transit Ratings and Averaged Scores

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Electoral Process	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	**1.75**
Civil Society	1.50	1.50	1.50	1.50	1.50	1.75	1.75	1.75	1.75	**1.75**
Independent Media	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	**1.75**
Governance*	2.50	2.50	2.50	n/a	n/a	n/a	n/a	n/a	n/a	**n/a**
National Democratic Governance	n/a	n/a	n/a	2.50	2.50	2.50	**2.50**	2.75	2.75	**2.75**
Local Democratic Governance	n/a	n/a	n/a	2.50	2.50	**2.50**	2.50	2.50	**2.50**	**2.50**
Judicial Framework and Independence	2.00	1.75	1.75	1.75	1.50	1.75	1.75	1.75	1.75	**1.75**
Corruption	3.75	3.50	3.50	3.75	4.00	4.00	3.75	3.75	3.50	**3.50**
Democracy Score	**2.21**	**2.13**	**2.13**	**2.21**	2.21	**2.29**	**2.25**	**2.29**	**2.25**	**2.25**

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

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

Executive Summary

In 2010, Lithuania celebrated the 20th anniversary of the restoration of its independence. Over the past two decades, the country has established a functioning democracy with well-protected political and civil rights and a robust market economy. Lithuania joined NATO and the European Union in 2004 and the Schengen visa-free zone in late 2007.

Following impressive gains and recognition in the foreign policy arena, much-needed public sector reforms in Lithuania have been stagnating. Public apathy and alienation from the political process have deepened, and trust in major democratic institutions—including the parliament, government, political parties, and courts—has continued to decline. The dramatic economic recession of 2009 continued throughout 2010, resulting in growing unemployment, expansion of the country's informal economy, and rising emigration.

The center-right ruling coalition of the Homeland Union–Lithuanian Christian Democrats (HULCD), the Liberal and Center Union (LCU), the Lithuanian Liberal Movement (LLM), and the Rising Nation Party (RNP) survived its second year in power, despite squabbling among smaller coalition members and frequent criticism from President Dalia Grybauskaitė. President Grybauskaitė—whose 2009 election campaign focused on reducing corruption and fighting energy sector monopolies—has been vocal in her criticism of the Lithuanian government for lack of progress in these and other areas. Government efforts to cut spending began reining in Lithuania's public sector deficit, though this figure remained high at year's end. The state also conducted an unprecedented appraisal of all publicly-owned commercial assets.

National Democratic Governance. The center-right ruling coalition continued to focus on Lithuania's economic and fiscal challenges. Although the coalition lost its parliamentary majority in the spring of 2010, it garnered enough support to pass the 2011 national budget. President Grybauskaitė enjoyed solid public support as she undertook a sweeping reshuffle of top officials. After a dramatic fall in GDP and budget revenues in 2009, the economy and inflows into the nation's coffers stabilized as the government continued to squeeze the bureaucratic apparatus. *Lithuania's national governance rating remains unchanged at 2.75.*

Electoral Process. As of 2010, non-party members were allowed to run individually in local government elections in 2011, but the parliament did not uphold the Constitutional Court's ruling to allow civil movements to run for local government office. Political parties remained the most unpopular public institution in Lithuania, supported by only 3 percent of the population. The parliament

received a blow in late 2010 when it failed to impeach one of two MPs, partners in crime who, according to the Constitutional Court, had breached the constitution and parliamentary oath. *Lithuania's electoral process rating remains unchanged at 1.75.*

Civil Society. Nongovernmental organizations (NGOs) were affected by the economic crisis and severe shortfalls in funding. New grassroots movements were established with obvious political ambitions in light of the dramatically low public trust in existing political parties and the upcoming local government elections in 2011, where non-party members (albeit not grassroots movements) may participate for the first time. *Lithuania's civil society rating remains unchanged at 1.75.*

Independent Media. Lithuania's media market suffered from growing taxes levied on journalists, as well as low advertising revenues. There are no signs of open censorship in the mass media, and most outlets remained highly critical of both the national and local governments during the year. However, independent media often presented one-sided views and lacked investigative depth. Meanwhile, the use of online media continued to expand rapidly. In 2010, 60 percent of the population used the internet, a slight increase from 2009, with the most popular use being the online reading of newspapers and journals. *Progress in online media development and usage offset a continuing decline in the quality of media programs and watchdog media; Lithuania's independent media rating remains unchanged at 1.75.*

Local Democratic Governance. In 2010, Lithuania's ten regional administrations were abolished, yet the reform was strongly criticized for not removing ambiguities in the division of power or making governance at the municipal level more transparent and accountable. The long-running debates on direct mayoral elections again failed to produce a result, although the parliament finally allowed non-party members to appear on proportional ballot lists in local government elections. *Owing to a lack of visible improvements, Lithuania's local democratic governance rating remains unchanged at 2.50.*

Judicial Framework and Independence. Despite Lithuania's widely acknowledged need for court reform, no breakthrough was reached in 2010, with only minor, slow-paced changes accomplished. Public distrust of courts grew dramatically during the year, reaching 44 percent. Reform of the penal system began in 2010, entailing prison mergers and cuts in the prison management apparatus. *Lithuania's judicial framework and independence rating remains unchanged at 1.75.*

Corruption. Lithuania's national anticorruption program, updated in 2009, stipulates clear-cut objectives, tasks, and assessment criteria for anticorruption work, including an increase in the number of e-services provided by the State Tax Inspectorate, publication of land-planning projects online, and anticorruption advertisements in the media. However, the implementation of the content of the

anticorruption program has moved slowly. *Lithuania's corruption rating remains unchanged at 3.50.*

Outlook for 2011. Lithuania's government is expected to survive another year, although it would find itself subject to reappointment by the parliament if even one cabinet member were to change. Local government elections will be held in February 2011, where the opposition parties are likely to perform better than the members of the center-right ruling coalition. Prospects for healthcare and court reform remain fairly dim, while the coalition may strengthen its push in the fight against corruption. Although the economic situation is predicted to improve in 2011, the current wave of emigration may persist. Unemployment will continue to be an issue, although it may start to gradually decline. A search for a strategic investor in a new nuclear power plant will likely dominate the energy-sector agenda in 2011.

Main Report

National Democratic Governance

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
n/a	n/a	n/a	2.50	2.50	2.50	2.50	2.75	2.75	2.75

Since the onset of Lithuania's recession in 2009, economic and fiscal challenges have been the focus of the center-right ruling coalition between the Homeland Union–Lithuanian Christian Democrats (HULCD), the Lithuanian Liberal Movement (LLM), the Liberal and Center Union (LCU), and the Rising Nation Party (RNP). Polarization and infighting among the smaller coalition partners did not significantly undermine the work of government in 2010, though it left analysts and even coalition members in constant expectation of a coalition breakdown.

The ruling coalition lost its parliamentary majority in the spring of 2010 after the defection of one HULCD party member. However, this change was preceded by a support agreement between the coalition and the Lithuanian Peasants' Popular Union (LPPU), a party with three parliament members. LPPU promised to support the coalition until after the vote on the 2011 budget, but withdrew its support when the draft budget law was submitted to parliament without first being negotiated with the cabinet. In the fall of 2010, the LCU and RNP parliamentary factions merged into the United Group, thus enhancing their stability. Before the merger, each of the two parliamentary factions possessed only the minimum number of members (seven) required to establish a faction.

Three ministers left Prime Minister Audrius Kubilius's cabinet in 2010. Because Lithuania's constitution requires the dissolution of the cabinet once more than half of its members have been replaced, these changes left the cabinet two reappointments shy of a dissolution vote by the parliament. Among the year's most controversial personnel changes was the resignation of foreign affairs minister Vygaudas Ušackas, which followed a public spat with President Grybauskaitė over the direction of foreign policy. President Grybauskaitė expressed a loss of trust in Ušackas, although some of her own actions—including her refusal to attend an informal meeting with United States President Barack Obama, or her too-positive comments on the stabilizing effect of President Alexander Lukashenka's re-election in Belarus—also raised eyebrows in 2010. Despite her criticism of the government as a whole, President Grybauskaitė remains supportive of Prime Minister Kubilius, maintaining that he is the most able politician to head the government.

The president enjoyed solid public support as she continued to reshuffle top political appointees, bringing in a new security chief, a new prosecutor general, and a new head of the Financial Crime Investigation Service. However, political analysts questioned the pace of the president's reform efforts. The State Social Insurance Board (SoDra) remained without a permanent chair for almost a year, while President Grybauskaitė continued to blame the government for failing to

reform the social security system. In November, the Ministry of Social Security and Labor appointed a SoDra chair.

Throughout the year, Lithuania struggled to emerge from a painful economic recession caused by a decline in both external and internal demand. After a dramatic drop in GDP and budget revenues in 2009, the economy and inflows into the nation's coffers began to stabilize. In 2010, the government reversed two of the unpopular measures it had imposed the year before, reducing corporate income tax and excise duties on diesel fuel to their previous levels. However, other tax increases from 2009 were not revoked. The April 2010 announcement that all citizens would be obliged to pay the health insurance tax regardless of their income resulted in public outrage and a run on the Labor Exchange by individuals registering as unemployed. Meanwhile, the cabinet's rhetoric on improving the business environment contrasted with a lack of initiatives to reduce existing disincentives to legal self-employment. Unemployment soared to 18.1 percent in the beginning of the year (by the end of the year it was closer to 17 percent), and the shadow economy appeared to expand.[1] Renovation programs for apartment buildings, which the government portrayed as a key element of its stimulus package, failed to gain momentum, once again leading to criticism from the president.

Despite some fiscal consolidation and attempts to curb Lithuania's public spending, in 2010 the government managed to decrease the public deficit only slightly, from 9 to 8 percent of GDP. Some progress was made in streamlining the bureaucratic apparatus, a crisis-induced policy since 2009. Previously, the bureaucratic apparatus had been growing by several thousand employees per year, while the first half of 2010 saw staff reductions of about 3 percent.[2] The government's ad hoc approach to reform, combined with opposition from certain political circles and officials, prevented comprehensive, institutional and administrative changes. According to public opinion surveys, public trust in the government remained low, hovering around 10 percent.[3]

In mid-2010, the government embarked on changes in public asset management, though these attempts stalled at the end of the year. For the first time in Lithuania's postcommunist history, the state appraised all of its commercial assets. Having concluded that there was a dire need for more efficient asset management, the government proposed setting up a holding company to manage state-owned commercial assets. However, squabbling within HULCD as well as opposition from President Grybauskaitė brought this initiative to a virtual standstill.

In recent years, the transparency of Lithuania's executive branch has been increasing, with all bills and legislative proposals posted online as of mid-2009. According to the United Nations 2010 E-Government Survey, Lithuania ranked 28 out of 184 in e-government development, the same rank as in 2008.[4] In the same survey, Lithuania's e-participation—defined as the area of services allowing participation in public affairs via the internet—moved from 22nd place in 2008 to 19th in 2010.

In 2010, Lithuania went from being a net exporter of electric energy to a net importer. A power exchange system implemented on January 1 is intended to

strengthen market mechanisms while keeping power prices low after the closure of the Soviet-era Ignalina nuclear plant on the last day of 2009. Large companies representing 35 percent of Lithuanian energy consumers may now purchase electricity at market prices rather than regulated tariffs. Gradual liberalization is foreseen for the electricity market; by 2015, all customers should be able to purchase electricity at market prices.

Late in the year, the government held a tender for a strategic investor in a new nuclear power plant, but the last contender withdrew its bid in early December. According to opinion polls, only 7.8 percent of the population believes Lithuania will build a nuclear power plant by 2020 (the plant's projected date of completion), and as little as 8.8 percent thinks Lithuania will be able to find a strategic investor to finance a major share of the nuclear power plant's building costs.[5] Meanwhile, the government was unable to consummate an electricity grid deal with Poland or move ahead with the construction of an electricity grid to Sweden—projects which, if implemented, have potential to solve Lithuania's energy problems in terms of cost, safety, and supply.

Electoral Process

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75

In 2007, Lithuania's Constitutional Court ruled that it was unconstitutional for local government election candidates to run exclusively on party list ballots. The expectation in 2010 was that parliament would amend Lithuania's electoral law to reflect this ruling, enabling civil movements to participate in the February 2011 local elections. Prominent politicians, including the former leader of the LCU, Artūras Zuokas, founded their own movements, while political parties founded parallel movements. Two new parties also entered the political scene in 2010—the Lithuanian National Union, created in late 2009 and led by Kazimiera Prunskienė, and the Christians' Party led by former Prime Minister Gediminas Vagnorius. Beyond the 2011 campaigns, the future of these new formations is unclear. The lifespan for most new political organizations and parties is quite short, operating as they do among a wide spectrum of existing parties—many of them immature newcomers—who are prone to unstable, ad hoc coalitions, infighting, and weak leadership. In 2010, there were 42 registered parties in Lithuania.[6] Political parties remain the most unpopular public institution in the country; they are viewed positively by only 3 percent of the population.[7]

A number of regulatory changes to political party laws were introduced in 2010. As expected, non-party members were allowed to run individually for local government posts, but the parliament did not uphold the Constitutional Court's ruling to allow civil movements to run for local government office. Additionally, restrictions on the amount of annual donations to a single party or a party member

during an election year were changed, raising them to 20 times the average monthly salary per year.

The parliament, which, like political parties, suffers from low levels of public trust, was discredited still further when the Constitutional Court ruled that two members of parliament (MPs) had breached the constitution and their parliamentary oath by committing voting fraud. One of the accused MPs, Linas Karalius, had been absent on an unauthorized holiday, while a colleague—MP Aleksandr Sacharuk—had voted illegally on his behalf. In November, the parliament impeached Karalius for missing parliamentary sessions and committee meetings, but allowed Sacharuk to retain his position, an outcome that sparked outrage among the public and within the parliament, and resulted in the opposition calling for early elections.

The HULCD coalition suffered a drop in public support as a result of its highly controversial decision to impose a health insurance tax on all individuals, regardless of income. As the news of the tax broke in April, the party's popularity rating dropped from second to fourth place.[8] The party also struggled to cope with its more radical Christian Democrat wing, whose illiberal rhetoric, including homophobic speeches, may have also contributed to falling popularity.[9]

In late summer, reports surfaced of a possible challenge to the LSDP leader Algirdas Butkevičius, who was elected party chair in 2009. The revolt against the representative of the Social Democratic flank was allegedly organized by Democratic Labor flank members. After an unsuccessful attempt to remove Butkevičius, one of his presumed challengers, Andrius Šedžius, left the party and registered the Lithuanian Democratic Labor Party (LDLP), a new party named after the political formation that replaced the Communist Party in 1990.

Civil Society

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
1.50	1.50	1.50	1.50	1.50	1.75	1.75	1.75	1.75	1.75

In 2010, grassroots movements continued to expand in Lithuania. This trend was associated with the opportunity to manifest their political ambitions in the run-up to the 2011 local government elections, where non-party candidates will be allowed to run for the first time. Examples of new movements included the movement Homeland Revival and Future (TAIP) led by the former head of LCU, Artūras Zuokas, and an offspring movement of the RNP called Oak. Groups such as these have benefited from extremely low public trust in political parties and candidates' reluctance to be stuck with a party label. In the future, they are likely to develop into formal political organizations, with their own labels.

There are three legal forms of nongovernmental organizations (NGOs) in Lithuania: associations, property-based public institutions (such as schools, hospitals, and research institutes), and charity or sponsorship funds. Statistics on the number of organizations are ambiguous; the number of officially registered NGOs is far larger than the number of operating entities. Reportedly, some fictitious

organizations have been founded in order to take advantage of the 2-percent tax deduction available to private individuals who donate to NGOs.[10] At the beginning of 2010, there were 7,957 active associations, 2,578 public institutions (schools and hospitals excluded), and 225 charity and sponsorship funds.[11]

A decrease in proceeds from the personal income tax led to reduced funding through the 2-percent provision. Moreover, while the number of recipient organizations increased in 2010, the number of donors decreased for the first time since the 2-percent option was introduced in 2003. In 2009, 15,600 organizations received funding from 530,000 donors; in 2010, 16,700 organizations received funding from just 437,000 donors.[12] According to the 2010 World Giving Index produced by the Charities Aid Foundation, only 4 percent of Lithuanians give to charity and 6 percent volunteer, which ranks Lithuania 147th out of 153 countries surveyed.[13] However, opinion polls indicate that giving to charity has increased, with 44 percent of the population claiming to have donated in 2010, up from 38 percent in 2009.[14] Companies in Lithuania may donate up to 40 percent of their annual taxable profits to NGOs.

Most NGOs lack permanent sources of income and are now facing a dramatic decline in funding. In recent years, NGOs have increasingly adjusted their activities to qualify for EU funding, but this drive to attract EU donations has had the effect of distracting many from their core objectives. NGOs may bid for government contracts, but this practice is uncommon owing to a complex administrative process. Lithuanian nonprofits are required to pay a 15 percent profit tax on commercial proceeds exceeding LTL 25,000 (approximately US$10,000).

Business associations and trade unions are traditionally the most influential nongovernmental groups in the policymaking arena, but labor has been losing influence in recent years. Unions sign collective agreements with employers on behalf of all employees, and the labor code requires all employers to comply. However, in most cases, the role of unions is limited to negotiating wages and employee duties. Interest groups' influence depends largely on personal connections and corrupt practices; unlike the labor lobby, the business community possesses strong contacts and extensive resources.[15]

The Lithuanian Confederation of Trade Unions, Lithuanian Labor Federation, and Solidarity are coalitions of labor groups, while the Lithuanian Confederation of Industrialists and the Lithuanian Business Employers' Confederation are the country's leading employer organizations. These labor and employer groups together with the government constitute the Tripartite Council, which makes recommendations on national labor policy. Despite its wide powers, the council has low representation—trade unions claim only about 15 percent of the workforce, while the employer confederations represent 1 percent of business enterprises. In recent years, the council has been widely censured for blocking much-needed liberalization of Lithuania's tight and inflexible employment regulations.

Reforms of higher education in 2009 introduced student voucher-based financing, council-based university management involving public leaders, and increased independence in property and assets management. In 2010, these

controversial reforms broke the stagnation of state-run universities, stimulating renewal of curriculums as well as improvements in internal quality-assurance systems. Voucher-based financing will be introduced in preschools as of 2011, with the aim of increasing their accessibility and transparency of financing. While secondary education is also undergoing changes, with moves toward more autonomy and less bureaucracy, improvements are also needed in the overall teaching methods and systems for assessing achievement.

History was made in May when Vilnius hosted its first Baltic Pride march. A thousand or more gathered to protest the march, among them two MPs who were later arrested for abusing police officers; a heavy police presence ensured the safety of march participants. Homophobic attitudes are prevalent in Lithuania, and previous city authorities in the nation's capital had forbidden gay equality marches from taking place.

Independent Media

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75

Lithuanian media continued to suffer from low advertising revenues and growing taxes in 2010. Social security contributions paid by journalists increased in 2010 and will do so again in 2011, delaying the media sector's recovery from the economic crisis. Television has fared better than other media; leading national broadcasters TV3 and LNK continued to report a profit in 2010, while Lietuvos Rytas TV managed to increase its market share and reduce losses.

The B2B Group, controlled by the Norwegian media conglomerate Schibsted, disrupted the media industry by launching free live broadcasts of major TV channels on its website (www.15min.tv). Owners of TV3, LNK, and the National Radio and Television sued the company but lost their case before local administrative courts. At year's end, B2B group received a warning from the National Radio and Television to stop live broadcasts and the case was under consideration by the Vilnius district court. The outcome of this legal battle will have significant implications for the media industry. Currently, B2B only re-broadcasts 5 out of 30 national TV channels.

There are no signs of open censorship in the mass media, and most outlets remained highly critical of both the national and local governments during the year. However, independent media continued to be criticized for one-sided views and a lack of investigative depth. The current economic crisis further aggravated the apparent decline in quality journalism and watchdog media in Lithuania, a trend observed in recent years. Additionally, the journalist community increasingly voiced concerns over the deteriorating quality of media. Transparency of media ownership has decreased in recent years as mass media outlets have been purchased by conglomerates whose real owners are unknown to the general public. Public trust in mass media is around 40 percent, just over half of what it was a decade ago.[16]

The internet continued to grow in importance in the media market. In spring 2010, a total of 55 percent of Lithuanian households were connected to the internet, and 60 percent of the population used the internet, a slight increase over the past year and double the figure of six years before.[17] The use of online media continued to expand rapidly. According to household surveys, online reading of newspapers and journals was one of the most popular uses of the internet and reportedly accounted for 87 percent of internet use in 2010.[18] News portals in Lithuania's extensive online media market competed intensively over quality and quantity of information, also expanding their video materials. The most popular internet media outlets in 2010 were www.delfi.lt, www.lrytas.lt and www.balsas.lt.

Media in Lithuania are privately owned, with the exception of the state-owned Lithuanian Radio and Television. The television market comprises 30 broadcasters. The leading national broadcasters are TV3 (owned by the Scandinavian conglomerate MTG), LNK (owned by Lithuania's MG Baltic), and the Lithuanian National Television LTV1. In recent years, several new national outlets joined the market through digital video broadcast terrestrial (DVB-T), which according to the Communications Regulatory Authority covers around 92 percent of Lithuania's territory.[19] The number of digital television subscribers in 2010 almost doubled compared to 2009, reaching 246,000 households in June 2010.[20] Lithuania is set to make a full transition to digital television by 2012.

There are around 50 radio broadcasters in Lithuania and all are commercial except for Lithuanian National Radio broadcasting. The state-run LR1 has the largest audience, comprising 21 percent in spring 2010, and M-1 ranks second with 14.4 percent.[21] Traditionally, radio has been dominated by small local shareholders but in recent years has attracted large industries and other commercial interests.

There are 4 national daily newspapers—*Lietuvos Rytas*, *Vakaro Žinios*, *Respublika*, and *Lietuvos Žinios*—and around 70 regional dailies across the country. The Lietuvos Rytas Group and Respublika Group dominate the newspaper market. In 2010, an unknown company, allegedly controlled by controversial banker and businessman Vladimir Romanov, acquired a 50.15 percent stake in Diena Media News, which publishes the regional dailies *Kauno Diena*, *Vilniaus Diena*, and *Klaipėda*. Lithuania has no sector-specific regulation of media ownership concentration, but legislation on competition sets a general limit at 40 percent market share.

Local Democratic Governance

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
n/a	n/a	n/a	2.50	2.50	2.50	2.50	2.50	2.50	2.50

In 2010, regional administrations were abolished with the aim of removing ambiguities in the division of power that had impeded decentralization, distribution of fiscal allocations, and transparent and accountable governance at the municipal level. The reforms were criticized for eliminating two-thirds of regional-administration functions (58 out of 88), reassigning 10 of the remaining

functions to local governments, and 20 to the national government.[22] Territory planning, regional development, and land administration were assigned to the national government, while supervision of specialized schools and buildings, fishing, and hunting was given over to local governments. This division of regional-administration functions was seen as illogical by local governments, who felt that only the "unprofitable" functions had been left to them. More than half of the official positions (1,300 out of 2,400) within regional administrations were also abolished, with less than half being transferred to the national government and none to local governments. As a result of the reform, expenditure on salaries was set to decrease by 44 percent after July 2010, with the remaining portion being transferred to the national government. Prior to the reform, Lithuania had one level of local government that encompassed 60 municipalities led by elected officials and 10 regional administrations governed by central appointees.

Despite the long-running debate on direct mayoral elections, in 2010 parliament failed to pass a bill on constitutional amendments in their favor. The main opposition to direct mayoral elections came from HULCD, which argued that administrative powers of directly elected mayors were not clearly defined. Political parties' fear of losing influence in local governments is another likely obstacle to direct mayoral elections. At present, mayors are elected by municipal councils whose members are chosen in general elections. 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. In 2010, non-party members (except for civil movements) were finally allowed to appear on proportional ballot lists.

Public trust in local government hovers around one-third of the population. Most Lithuanians doubt their power to influence decision-making in local government, but also acknowledge the role of self-governance in addressing local community needs.[23] The dialogue between local authorities and communities seems to be growing gradually, but public confidence is continuously undermined by cases of graft and mismanagement. Alytus Mayor Česlovas Daugėla was arrested in October 2010 on suspicion of corruption, while Vilnius Mayor Vilius Navickas was removed from office after proof surfaced of his instructions to municipal council members to delay decisions and investigations that would potentially benefit opposition parties.

The year saw slow progress in increasing the transparency of municipal decision-making. Online availability of municipal services and the quality of official municipal websites increased in 2010, but still remains quite low. Legislative proceedings by municipal councils were rarely available on the internet, and decisions were unknown to the public until their enactment. Reportedly, the majority of local government services are not available online; the Vilnius municipality is an exception, with online information provided on 41 percent of its services.[24]

In 2010, local governments continued to suffer from budget revenue shortfalls related to the economic crisis, though they did managed to reduce their overall debt. The City of Vilnius's plans to privatize municipally-owned enterprises, utilities, and real estate assets met some public opposition but were eventually implemented

with limited success. Municipal governments have a limited degree of financial independence. Their budgets are composed of ever-shrinking central government subsidies and independent revenues collected from personal income tax, property and land taxes, and local fees. Central budget allocations account for about half of municipal budgets. The remaining portion comes from independent municipal revenues in which personal income taxes comprise the largest portion. There are wide regional disparities in local government revenues, which are leveled through revenue transfers among municipalities. A large share of independent proceeds goes to the central government wage fund and utility payments, so in reality municipal councils are free to distribute less than one-tenth of municipal budgets.

Judicial Framework and Independence

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
2.00	1.75	1.75	1.75	1.50	1.75	1.75	1.75	1.75	1.75

Minor, slow-paced changes were accomplished in Lithuania's judicial system in 2010, but no breakthrough was reached despite the country's widely acknowledged need for court reform. A 2009 pedophilia case that had led to two murders, among them a district court criminal trial judge, tainted the justice system even further as the main suspect was found dead in 2010. The case revealed serious procedural flaws in pre-trial investigations and widespread defiance of professional duties among law and order officials, eventually leading to the resignation of the prosecutor general. Backlash against the judiciary—with its lengthy investigations and trials and corruption—brought public trust in the court system to its lowest point in 12 years. In 2010, distrust in courts rose 10 percent,[25] to 44.4 percent. Apparently, only two-fifths of all reported crimes are solved, while public opinion polls indicate that one-third of victims do not even report crimes.[26] Unrelenting criticism of the justice system by politicians and the news media further damaged the public's opinion of the courts. During the year, discussions continued on reforming the prosecution service and state security service, with a view toward making them accountable to the government, rather than the president, but no tangible progress was made.

The number of lawsuits in Lithuania has grown considerably over the past few years, especially civil suits. The workload of judges grew by an average of 27.8 percent annually between 2007 and 2010.[27] In 2010, court workloads were alleviated somewhat by technological modernization, such as the decision to audio record sessions. Transferring excessive court duties to notaries, inspections, registries, and so on, continued in 2010 and some of the functions were renounced. In the fall, the Ministry of Justice proposed introducing a class action in the court system to reduce litigation costs for aggrieved parties and alleviate court workloads. Class actions are viewed as especially desirable after the Constitutional Court ruled that crisis-induced salary cuts for public sector workers and pension cuts for working retirees must be proportional, temporary, and compensated.

Responding to criticism of the country's overcrowded prisons and reported human rights abuses, the government undertook broad reform of the penal system in 2010. So far, changes have been limited to prison mergers and cuts in the prison management apparatus, but public-private and fully private prisons are set to go into operation in 2015–2017 to allow for better conditions for inmates and higher public security.

Two cases from the previous year stirred up a fierce internal debate about Lithuania's counterterrorism policy. In early 2010, the parliament approved the findings of a 2009 parliamentary investigation revealing that between 2004 and 2006, Lithuania's national security agency had helped the CIA to set up two secret facilities in Lithuania capable of holding terrorism suspects. The investigation confirmed that U.S. aircraft had flown into the country, but no evidence was found regarding actual confinement or interrogation of prisoners.

In April 2010, the public became aware of the detention, since late 2009, of a young, Lithuanian female Muslim convert, Eglė Kusaitė, accused by Lithuanian prosecutors of plotting a terrorist act in Russia. In 2010, Kusaitė reported physical and psychological abuse by Lithuanian as well as Russian security officials, who were allegedly allowed to take part in pre-trial investigation. In December 2010 the Prosecution Service of the Republic of Lithuania concluded that the suspect's complaint was not supported by any objective records and refused to conduct a pre-trial investigation of Kusaitė's complaints In July, the lead prosecutor in the case against Kusaitė was removed after he refused Kusaitė the opportunity to meet with the head of the Human Rights Monitoring Institute, and made a public statement that raised doubts about his objectivity.[28] The case against Kusaitė is shrouded in secrecy, reinforced by the court's decision not to conduct the trial publicly.

In November 2010, Lithuania's Constitutional Court ruled that the EU-level Law on European Parliament Elections was in breach of the Lithuanian constitution, as it prevented non-party members from participating in elections to the European Parliament. In the same month, President Grybauskaitė vetoed a law that would have permitted dual citizenship for citizens of the EU and NATO member states.

Corruption

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
3.75	3.50	3.50	3.75	4.00	4.00	3.75	3.75	3.50	3.50

Lithuania's national anticorruption program, updated in 2009, stipulates clear-cut objectives, tasks, and assessment criteria for anticorruption work, including an increase in the number of e-services provided by the State Tax Inspectorate, publication of land-planning projects online, and anticorruption advertisements in the media. However, fewer than half of these goals were carried out in 2010. Responsibility for anticorruption work is spread out among seven authorities and two parliamentary committees, none of whom appear to share information; this inhibits focused and coordinated anti-corruption efforts.

The parliament identified anticorruption work as an official priority in 2010 and included 11 draft law packages at the top of its fall agenda. Only a quarter of the draft bills were adopted, the most important of which allows for confiscation of assets deemed not proportional to a suspect's income. Opinion data shows that, until recently, 84 percent of the population regarded official anticorruption work as ineffective.[29]

The current center-right coalition has been vocal about reducing corruption in the area of public procurement, with some visible changes since 2009. As of February 2010 the Public Procurement Office (PPO) began online publishing of all reports and decisions of purchasing organizations. In March, the PPO launched investigations of the 50 riskiest public procurements, obliging contractors to review unaccepted bids or suspend contracts found to be in violation of laws over the year. In April, in what was seen as an unprecedented move, the PPO disclosed information on the top 100 contractors and suppliers of public procurement. Although a centralized online public procurement system exists, less than 1 percent of all public tenders are carried out through this system.

During the year there was some follow-through on high-profile cases brought by the Special Investigation Bureau (SIB) in 2008 and 2009 after a series of corruption-related arrests in municipal authorities across the country. In early 2010, Deputy Minister of Healthcare Artūras Škikas, a member of LCU, went on trial for bribery involving an alleged donation to LCU and was sentenced to two years in prison. The head of the Lithuanian postal service was arrested in March for racketeering and fraud in his former position at a private bank. Parliament Member Mantas Adomėnas of LHUCD faced allegations of corruption for influencing a public tender, though no formal charges were brought. A high-profile case of mismanagement of public funds also surfaced, in relation to the closure of the Ignalina nuclear power plant.

Public officials and civil servants were perceived in 2010 as being among the most corrupt actors in Lithuanian society, though more trusted than political parties, the parliament, or the judiciary. Almost a third of respondents admitted that they or members of their households had given a bribe in some form over the past 12 months.[30]

The regulatory system is the chief way that the state intervenes in the economy. In 2010, drug price controls were introduced at the initiative of President Grybauskaitė, who repeatedly called for a bigger state role in the economy. The president also attempted to usher in price controls on basic foodstuffs in what she and the public perceived to be a monopolized retail market.

Businesses in Lithuania are burdened with onerous reporting regulations that amount to some 1,000 requirements in the areas of corporate, labor, and tax law, statistics, and consumer protection, and another 1,000 in vertical sectors of the economy, such as transport, finance, trade, and construction.[31] There are about 150 regulatory agencies in Lithuania, and over 300 permissions or licenses required. A revision of business protection procedures coupled with functional and institutional mergers was launched in 2009 aiming to prevent abuse, excessive interventions, and

unjustified penalties for businesses. In late 2010, the government decided to reduce the number of legal acts containing business regulations by 25 percent by the end of 2011.

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Macedonia

by Neda Milevska-Kostova

Capital:	Skopje
Population:	2.0 million
GNI/capita, PPP:	US$10,880

Source: The data above was provided by The World Bank, *World Development Indicators 2011.*

Nations in Transit Ratings and Averaged Scores

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Electoral Process	4.50	3.50	3.50	3.00	3.25	3.25	3.25	3.50	3.25	3.25
Civil Society	4.00	3.75	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25
Independent Media	3.75	4.00	4.25	4.25	4.25	4.25	4.25	4.25	4.25	4.50
Governance*	4.25	4.50	4.00	n/a	n/a	n/a	n/a	n/a	n/a	n/a
National Democratic Governance	n/a	n/a	n/a	4.00	3.75	3.75	4.00	4.00	4.00	4.00
Local Democratic Governance	n/a	n/a	n/a	4.00	3.75	3.75	3.75	3.75	3.75	3.75
Judicial Framework and Independence	4.75	4.50	4.00	3.75	3.75	3.75	4.00	4.00	4.00	4.00
Corruption	5.50	5.50	5.00	5.00	4.75	4.75	4.50	4.25	4.00	4.00
Democracy Score	4.46	4.29	4.00	3.89	3.82	3.82	3.86	3.86	3.79	3.82

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

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

Executive Summary

As in most transitional Balkan nations, Macedonia's focus in the two decades since independence has been on state-building, establishing a functioning market economy, and meeting membership criteria for international organizations, including the European Union.

The country has made progress on many fronts, overcoming dire economic problems in the 1990s and working to build ethnic harmony after a brief conflict in 2001 between Macedonian forces and Albanian separatists. But a major thorn in its regional relations and its prospects to become a full member of the European community continues over the country's two-decade naming dispute with Greece.

In a region long divided by national rivalries, the naming issue remains one of the most intractable legacies of Yugoslavia's disintegration. Since 1999, negotiations brokered by the United Nations have failed to yield a compromise over Greece's refusal to recognize the "Republic of Macedonia" on the grounds it implies claims to the Hellenic province of the same name. Greece has stalled Macedonia's entry into the United Nations until it accepts the Former Yugoslav Republic of Macedonia, or FYROM, as its global identity. Athens vetoed its entry into NATO and has used recurring threats to keep Macedonia out of the EU, although the recent financial crisis has led Greece to soften its tone.

But other factors are at play in relations with the EU: expansion fatigue within the 27-nation EU; debt problems and the urgent response to protect the euro common currency; and Macedonia's own need to undertake significant reforms and to enforce them once they are in place. Although the country has taken steps to decentralize authority, strengthen the judiciary and combat corruption—all markers for progress with the EU—the country risks taking backward steps in other areas, most notably press freedom.

National Democratic Governance. Prime Minister Nikola Gruevski's Internal Macedonian Revolutionary Organization–Democratic Party for Macedonian National Unity (VMRO-DPMNE) and its main coalition partner, the Democratic Union for Integration (DUI), control 81 seats in the 120-member unicameral Assembly. Since coming to power in 2006, the government has made a priority of adapting Macedonia's laws to EU standards. Overall, however, the government rules with little input from minority parties, especially on politically volatile issues like the country's longtime naming dispute with Greece, with leading opposition figures saying they are kept in the dark about negotiations on an issue that could stall Macedonia's talks on joining the European bloc. Some parties have walked out of the parliament in protest over the ruling coalition's parliamentary dogmatism. Under pressure from the EU, the Assembly narrowly adopted an antidiscrimination

law in 2010, though critics say it is too weak in ensuring equal rights for sexual minorities and that the final document is out of sync with European legislation. *Due to continued lack of dialogue among political options, Macedonia's national democracy rating remains at 4.00.*

Electoral Process. In March 2010, efforts were made to overhaul the country's electoral districting system. Despite support from some political leaders in the minority Albanian community, the effort was sidelined for fear of undermining efforts to boost minority political involvement by replacing regional election districts with a single national district. Initiatives have been launched to allow those living abroad to vote, but issues such as eligibility requirements and ensuring proper voting conditions remained unclear. Rules aimed at cleaning up political party and campaign financing have been enacted, including bans on donations from foreigners and anonymous contributions. The government followed up on international recommendations made after chaotic parliamentary elections in 2008 and the presidential election of 2009 to create a high-level steering committee and four working groups on electoral administration, to end voter intimidation, to update the voter registry and to combat fraud. Sixty-five people were charged in 2010 in connection with ballot-box stuffing and other irregularities during the 2008 election. *Macedonia's electoral process rating remains 3.25.*

Civil Society. A new Law on Associations of Citizens and Foundations streamlines the guidelines for registering civil society organizations (CSOs) and expands the ability of groups to engage in money-raising activities, which could help ease their dependence on foreign donors and instill local ownership in activities. CSOs are growing bolder, taking a strong role in legislative drafting and pressure, but there are still shortcomings in developing policy alternatives that could help influence public debates and legislation. Macedonia has thousands of CSOs, mostly concentrated in the capital, leaving a void in rural areas of the country that have economic, environmental and governance challenges of their own. Many also lack the capacity and professional skills to engage effectively in policy discussions or to influence policymaking. In many cases, there is a lack of reporting and transparency in CSOs, signaling an ongoing need for training. *Macedonia's civil society rating remains at 3.25.*

Independent Media. News organizations suffered sharp setbacks in 2010 that undermined their important watchdog role. A new telecommunications law allows the Interior Ministry to gain access to phone or e-mail communication without a court order. More journalists ended up in court as the number of defamation lawsuits hit a record high in 2010, and fines increased. Many lawsuits against journalists were filed by politicians, judges, government officials, or competitors. Journalists, jittery about winding up in court, expressed concern that self-censorship was on the rise. The government's spending on advertising and promotion further threatened media independence, as there was evidence to suggest advertisements were awarded

to media close to the ruling coalition. In December, one of the country's leading media owners and several employees were arrested on tax-evasion charges, following earlier raids on the A1 television station and three newspapers owned by Velija Ramkovski, whose media tend to be highly critical of the government. Overall, news media tend to be highly partisan, leaving little room for dispassionate reporting. Many journalists lack the resources and professional skills to carry out complex investigations and to serve as watchdogs. *Macedonia's independent media rating worsens from 4.25 to 4.50.*

Local Democratic Governance. Decentralization continues apace in accordance with international pressure to give Macedonia's ethnic minorities—including Albanians and Roma—greater say in government. Still, many of the country's 84 municipalities struggle with providing the necessary administrative and infrastructure capacity. Following elections in 2009, the political alignment in municipalities largely reflected that of the national government, raising the prospect of continued interference in a small country where political alliances are key to power. The government approved a law that would give local governments greater control over state-owned property, in theory allowing them to charge rents or taxes to provide a source of income. For the local governments, this has been a long-desired step, which had been postponed as a result of the central government's concern about the preparedness of many municipal governments to administer revenues. The government also agreed in 2010 to give municipalities are greater share of the VAT. *Macedonia's local democratic governance rating remains at 3.75.*

Judicial Framework and Independence. Judicial reform is one of the key criteria for EU accession, but Macedonia's progress in this sphere has been slow. There remain concerns about the professionalism of the courts and the chronic backlog of cases, particularly in lower courts. Serious concerns remain about government interference in the nominally independent Judicial Council—a body that helps select, evaluate and discipline judges—and the Office of Public Prosecutor. Controversial dismissals of judges and undue interference by the Minister of Justice mean that the government continues to fall short of European standards and threatens to undermine the progress that has been made in improving professionalism of the judiciary. On a more positive note, the government in 2010 approved legislation that expands legal assistance to vulnerable and marginalized groups, though implementation could take time. *Macedonia's judiciary framework and independence rating remains at 4.00.*

Corruption. The government took steps to adopt international standards on fighting official misconduct and influence peddling. Outside pressure to tackle endemic corruption appeared to be paying dividends in 2010 with anticorruption operations and arrests of border police officers, health officials, and employees of the Pension and Disability Fund. The Council of Europe, meanwhile, is urging Macedonia to require more transparency in political campaign funding, an area of

concern because of the politicaldominance of a few main parties, weak opposition, and highly partisan media environment. In response, the government has enacted several campaign financing measures, including financial disclosure of contributions and bans on foreign and anonymous donations. Still, there were other shortcomings, including a lack of staff for the Justice Ministry's anticorruption office, and the Public Prosecutor's Office at one point had no internet access. *Macedonia's corruption rating remains at 4.00.*

Outlook for 2011. The two-decade dispute with Greece over Macedonia's official name appears no closer to an end. Within Macedonia, the issue poisons the dialogue on other political and leadership issues, with opposition parties claiming they are kept in the dark about negotiations with Greece and international mediators. Anticipated elections could further stall progress on meeting EU membership criteria and resolving the dispute with Greece as competing parties vie for popular and nationalistic support. The current government has sought to capitalize on nationalism, erecting statues to Alexander the Great, a historic figure claimed by both countries, and further spoiling relations with Greece. The government's close ties to the Macedonian Orthodox Church continues to influence politics, particularly in social policy.

Main Report

National Democratic Governance

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
n/a	n/a	n/a	4.00	3.75	3.75	4.00	4.00	4.00	4.00

Since gaining independence from Yugoslavia in 1991, Macedonia has built a parliamentary democracy and has begun to make economic headway after decades of state dominance. Though Macedonia remains one of Europe's poorest countries, it was the only former Yugoslav republic not to have been embroiled in the nationalist wars of the 1990s.

The country's head of state is a president who is chosen in universal and direct elections, and represents the country in international relations, is the commander of armed forces, and has right to veto any legislation proposed by the government and adopted by the parliament, although vetoes can be overturned by two-thirds majority of the parliament. President Gjorge Ivanov was elected in March 2009, supported by the major ruling party.

Real power is vested in the prime minister and cabinet, the former appointed by the party or the coalition that controls the majority of parliamentary seats. The single-house Assembly has 120 seats, with parliamentarians chosen from six districts. Prime Minister Nikola Gruevski's Internal Macedonian Revolutionary Organization–Democratic Party for Macedonian National Unity (VMRO-DPMNE) party has ruled in coalition with an Albanian minority party since July 2006. Together with the Democratic Union for Integration (DUI), VMRO-DPMNE controls 81 seats in the 120-member unicameral Assembly.[1] Although there has been speculation of a split between the governing parties over a possible constitutional overhaul, the coalition continued to work together through 2010, though early elections were expected in mid-2011—a year ahead of the scheduled parliamentary vote.[2]

The last pillar of government, the judiciary, is in principle independent, with numerous local courts and a Supreme Court that is the highest in the country. But the courts have often struggled to attract high-caliber judges, face political meddling, and traditionally have been hugely ineffective in handling caseloads. Recent reforms and improved training capacity offer promise.

Overall, VMRO-DPMNE's dominance of the Assembly and an often-fractured opposition mean Macedonia generally suffers from weak parliamentary governance and oversight. Dialogue between the different political forces is missing. The opposition in 2010 presented motions of no-confidence against the parliamentary Speaker and the Minister of Interior, which were hotly debated but ultimately rejected. The tense political climate and the need to increase confidence between political actors were highlighted by an incident in the Assembly, when a plainclothes policeman reportedly assaulted some opposition lawmakers.

Macedonia faces regular pressure from the EU for better governance, but is often languid in carrying out reforms. After one year of discussions, amendments to the rules of procedure of the Assembly were adopted in September 2010.[3] The changes are intended to strengthen parliamentary cooperation by setting out the right of the opposition to introduce issues on the parliament's agenda.

Opposition parties, with support from press freedom groups and civil society, contested a new telecommunications law that allows the Interior Ministry to demand access to e-mail and phone communications—both recorded and real-time—from operators without a court order.[4] The opposition argued that the measure violates privacy laws and is not compatible with European standards and democratic principles.

There was little dialogue on sensitive political issues. Negotiations with Greece over the naming dispute are held under the veil of secrecy and without much coordination among political parties, leading to the decision of the opposition groups to suspend participation in coordination meetings from April to September; the small Democratic Party of the Albanians, or DPA, continued their boycott of the Assembly that began in August 2009 as relations between the former coalition partner, led by Menduh Thaçi, deteriorated.[5] Albanians are the largest ethnic minority, comprising one-quarter of the population.

Opposition parties also opposed a government-backed antidiscrimination law that was adopted in April 2010 after years of contentious debate and pressure from the Macedonian Orthodox Church to water down gay rights provisions. But the law has been criticized as overly broad and not fully in sync with EU standards on hate crimes and antibias standards, an early motivation for enacting protections for Macedonian minorities.[6]

The government's strategy for substantive involvement of civil society, religious groups and professional associations in the policy development process and in legislative drafting has been implemented with limited progress. A consistent approach to encouraging all-inclusive public participation in decision-making, including appropriate institutional mechanisms, still needs to be developed.

Electoral Process

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
4.50	3.50	3.50	3.00	3.25	3.25	3.25	3.50	3.25	3.25

Macedonians have universal and equal suffrage, which they can express in regular elections conducted through a secret ballot. Citizens vote and decide about their political options in parliamentary, presidential and municipality elections. The majority rule is applied for presidential elections, as well as for electing mayors. The proportional model is used for elections of parliament members and members of the municipal councils. The country is divided into six parliamentary election units, each of which elects 20 representatives to the Assembly.[7]

An effort was launched in March 2010 to change the district voting system, drawing on results of a survey conducted by the American-based National Democratic Institute (NDI). Backed by several ruling and opposition parties representing the country's Albanian minority and several civil society organizations, the changes proposed introduction of open candidate lists and voting for parliamentary elections in one rather than six election units. According to the MOST citizen association, the open lists and voting in a single election unit would represent an evolution in the election processes in the country, and a sign of democratic maturity.[8] However, opponents feared the changes would undermine political accountability since candidates would be elected nationally rather than in local districts. Government leaders atgued that it would be costly to implement and was unnecessary since outside observers—including the Organization for Security and Cooperation in Europe (OSCE)—have never objected the current electoral arrangement nor pointed to the model as a reason for electoral irregularities. Nevertheless, the DUI party, part of the governing coalition, has expressed support for introduction of a single-election district.

In recent years, the government has enacted legislation aimed at cleaning up political party and campaign financing. The measures, some of which were approved earlier and went into effect in 2010, set donation limits and ban donations from foreigners and anonymous contributions. A report by the Council of Europe's Group of States Against Corruption, or GRECO, acknowledged the changes, saying they contain "a number of strong features, such as a ban on foreign and anonymous donations, caps and disclosure rules, including quarterly reports on private donations and a prohibition of 'quid pro quo agreements'."[9] It remains to be seen how robustly such rules are enforced.

The government has taken other steps to change the country's election system, in part based on recommendations from the OSCE's Office of Democratic Institutions and Human Rights following polls in 2008 and 2009. A high-level steering committee and four working groups on electoral administration were created, measures have been taken to halt voter intimidation, harassment, and violence that plagued the 2008 snap parliamentary elections; and voting lists have been updated as a hedge against fraud. In addition, the courts sentenced 65 people in 2010 in connection with ballot-box stuffing and other irregularities in the 2008 elections, though no charges had been filed over reported irregularities in the 2009 presidential and municipal elections.[10]

Civil Society

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
4.00	3.75	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25

Macedonia has no shortage of civil society organizations, or CSOs. More than 5,000 are registered, and most depend heavily on foreign agencies or foundations for survival. Recent legal changes ease restrictions on CSO financing and allow

freedom of association without the need to register as a formal group, a departure after two decades of limitations.

Macedonia's postindependence constitution guaranteed the right to free association and protections for political, economic, cultural and other beliefs. But it was not until 1998 that the country got its Law on Associations of Citizens and Foundations, which governed the civil society sector.[11] The law was rather ambiguous on the definition of an organization of public benefit, and restricted the right to engage in schemes to generate income that could be used for the public good.[12]

A law enacted in April 2010 overhauled the old CSO legislation.[13] It is more easily understood, reversed old bans on the establishment of CSOs by foreign entities, and removes limitations on raising money to support operations. The new rules also expand the ability of CSOs to work in the fields of promoting democracy; rights of the disabled, children, vulnerable groups and animal welfare; healthcare and social welfare; culture; sports; environment protection, science; and public philanthropy.

The law also changes the registration of the associations and foundations, replacing the previous system that was maintained by the courts with a registration agency. According to the law, all associations and foundations have to re-register within one year. Compliance was complicated, however, because of delays in adopting the rules and regulations governing the new system.

The EC's 2010 progress report on Macedonia welcomed the legislation. "The newly enacted [law] provided for wider practice of the right of association. This was extended to legal entities, foreigners and minors, and the right to associate without needing to register a formal legal entity," the report said.[14]

Yet challenges to creating a more dynamic Macedonian civil society remain. Many CSOs are weak and have little ability to project influence. Most organizations are centered in the capital, Skopje, and focus on national policy, leaving a void in the smaller towns and remoter regions of the country. There is a dearth of staff training and professionalism.[15] Some organizations fail to file annual reports highlighting their expenditures, and overall, financing remains a major problem.

Independent Media

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
3.75	4.00	4.25	4.25	4.25	4.25	4.25	4.25	4.25	4.50

Press freedom suffered sharp setbacks in 2010, undermining the important watchdog role that news media play in a transitional nation. In a year already marred by raids on leading news media, arrests, and a record number of defamation cases, a new telecommunications law allows the Interior Ministry to gain access to phone or e-mail communication without a court order, reviving old fears of the authorities eavesdropping on telephone journalists' telephone conversations.

Despite a government pledge to stop pressing charges against reporters and editors and steps taken in 2006 to decriminalize defamation, Macedonia saw a record number of defamation cases (170) in 2010, typically against journalists seen as critical of the ruling coalition. The majority of the lawsuits were filed by politicians, although judges, municipal officials, businesspeople, and media owners were also among the plaintiffs.[16] Journalism rights groups have expressed concern that in some cases the fines are high enough—in one case as much as €30,000—to force small news organizations into bankruptcy. The editor of the *Fokus* political weekly says that fear of defamation suits and costly fines had already begun resulting in self-censorship. "Our story is a sad reflection of the state of Macedonian democracy and media freedom," Jadranka Kostova told the Balkan Insight news website.[17]

The telecommunications law that entered into force in June sparked an outcry among journalists and opposition politicians, who claimed that the law was not in line with EU standards. The law would permit the Interior Ministry to demand access to e-mail and phone communications from telecoms operators without a court order. For journalists, this recalls the 2001 phone-tapping surveillance of journalists and politicians, also under a VMRO-DPMNE administration.[18]

Katerina Blazevska, an editor of the Skopje daily *Dnevnik*, was one of the journalists whose phones were tapped by Macedonian authorities in 2001. Responding to approval of the new law, which requires communications companies to store all mobile calls and e-mails for one month, Blazevska told the online magazine, *Transitions Online*: "Soon the only free citizens in our country will be those who don't use cell phones and computers. If we exclude the elderly that have never started to use these gadgets and people from rural areas, the results are going to be one big fiasco."[19]

Journalists face other challenges. Partisanship and an overwhelming focus on politics, sports, and celebrities undermine reporting on the nation's social, educational, and economic challenges. Balanced reporting is gradually being squeezed out by political and business interests. For a number of years, the Macedonian government has been spending large amounts of money on both domestic and international public relations advertising for the country. A recent State Audit Office report shows that 10 million euros was spent on advertising in 2009, and estimates for 2010 put the figure higher.[20] In 2008, the government was the second biggest advertiser in the country, after the T-Mobile telecommunications company.[21] While some of the advertising is "in the public interest," a number of spots feature symbols or flags of the governing parties, according to Zoran Stefanovski, president of the Broadcasting Council, an independent regulatory body. Lucrative advertising spots and tenders are allegedly awarded to businesses and news media that have ties to the dominant VMRO-DPMNE party, which could discourage neutral coverage of the government's activities.

The Broadcasting Council surveyed MRT, the public broadcaster, for a three-day period in October 2010 and found that 18 "large-scale promotional campaigns" aired, along with 10 spots for smaller campaigns and 13 long segments promoting "the government's accomplishments."[22] Government selectivity in awarding

advertising, combined with financial pressure applied through defamation cases and revenue investigations, is likely to further contribute to self-censorship and partisan journalism.

With the media atmosphere becoming increasingly polarized, journalists and publications taking a critical view of the government often face intimidation. Branco Geroski, the editor of the daily *Spic*, voiced concern about the state of free speech and media rights, saying journalists routinely face threats for doing their jobs.[23] In May, Milenko Nedelkovski, a Kanal 5 television presenter known to have close ties to Prime Minister Gruevski and the VMRO-DPMNE party, publicly issued a list of journalists he considered "traitors" to Macedonia, and openly called for their "liquidation."[24] Condemned by the Association of Journalists of Macedonia (AJM), the case took on new proportions in November, when Nedelkovski filed a defamation lawsuit against Žarko Trajanovski, a columnist for the daily *Dnevnik*, who criticized the Nedelkovski's threats against other journalists.[25]

In July, eight journalists were fired from Kanal 5, which is owned by Emil Stojmenov, the son of a politician with close ties to the government. One of the fired journalists claimed that the chief of the prime minister's cabinet, Martin Protoger, was "constantly interfering" in the station's news operations by "ordering stories and censuring free speech," although Kanal 5 maintained that the reporters were dismissed for financial reasons.[26]

Press freedom appeared to suffer another blow at the end of the year when one of the country's leading media owners and more than a dozen employees of the A1 television station were arrested on purported tax-evasion charges.[27] The arrest of Velija Ramkovski and the others followed earlier raids on the station and three newspapers owned by Ramkovski. Several staff were allegedly roughed up the police, who reported they were assisting revenue inspectors conduct a financial audit of other companies housed in the building. Ramkovski had supported Gruevski until a 2008 divergence, at which point A1 TV and his other media, which include the *Spic*, *Vreme*, and *Koha e Re* newspapers, became increasingly critical of the VMRO-DPMNE government. A1 TV has accused the government of political intimidation and censorship, while pro-government media such as Kanal 5, Sitel TV, and the state-owned broadcaster, MRT, rebuffed A1 TV's claims.[28]

Amid the troubled media environment, the Public Broadcasting Service remains on financial life support. In 2008, the government pumped in cash to save it from bankruptcy. Two years later, a new system for collecting the broadcasting fee was introduced that issues monthly invoices to property owners and registered electricity users, who can also choose to pay fees through direct bank debits. Collections have improved, but there is broad agreement that a more sustainable funding mechanism is needed.

Meanwhile, the Broadcasting Council, an independent regulator, has faced scrutiny over rules requiring broadcasters to provide subtitles in the Macedonian and Albanian languages for foreign programming. This appears to violate European rules on freedom of reception and retransmission under the EU's Audiovisual Media Services Directive.[29]

Local Democratic Governance

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
n/a	n/a	n/a	4.00	3.75	3.75	3.75	3.75	3.75	3.75

Since the Ohrid Framework Agreement was signed in 2001, ending a brief war between Macedonian forces and Albanian separatists, significant political and constitutional changes have been implemented to expand minority representation and rights at both local and national levels. One of the key reforms was to decentralize decision-making, handing more power to the country's 84 municipalities.[30]

Municipalities are governed by a mayor and council, elected based on closed candidate lists proposed by each party or coalition. The number of council seats is defined by population. In March 2009, in parallel with the presidential elections, the citizens for the fifth time since independence voted in local elections. In 56 of 84 local governments, the ruling party captured the majority and in 14 local governments, the main coalition partner won.[31] The result meant that the power in both tiers of the government—central and local—would be concentrated in the same hands, and unless local governments exercise independent authority, could stifle innovation in dealing with local challenges in employment, education and economic opportunity.

Financing remains one of the major concerns for municipal operations, and a hindrance to better self-government. The government amended revenue laws to gradually raise the share of the value added tax transferred to municipalities from 3 percent to 4.5 percent. In November 2010, the government also moved to address financing through legislation that turns over control of state-owned land to local authorities, opening the possibility that municipalities could collect rents, property taxes or profits from land sales to help fund operations.[32] The measure—strongly supported by local authorities—was delayed by the central government over concerns that local governments did not have the necessary administrative training to handle collections and oversight. Steps were being taken to establish tax-collection and administrative agencies. Nonetheless, concerns remain about the stability of some heavily indebted local governments and how those debts will be paid.

Judicial Framework and Independence

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
4.75	4.50	4.00	3.75	3.75	3.75	4.00	4.00	4.00	4.00

Macedonia's judiciary consists of 27 courts of first instance, three appellate courts, a Constitutional Court and the Supreme Court—the highest in the land. The Constitutional Court handles cases between the different branches of the government.[33]

For years, the judiciary was marked with slowness, bulk bureaucratic procedures, and political pressures, requiring a substantial overhaul to help ensure

the independence of judges—one of the key criteria for EU accession. Progress is beginning to show in the form of greater efficiency, aided by a slight increase in the budget for courts. Steps have been taken to remove judges for abuse of power, and more effort has been invested in professional development through the Academy for Training of Judges and Prosecutors.

Still, greater freedom from political influence has not been achieved. Senior government officials have been known to publicly criticize court rulings, undermining the judiciary's actions. The European Commission, the EU's executive arm, has expressed concern about the justice minister's continuing influence on the Judicial Council and the Office of Public Prosecutor, which in principle are independent. The Judicial Council plays an important role in screening candidates for judgeships, as well as evaluating and disciplining sitting judges, yet the EC has raised questions about the qualifications of some council members. The Council on Judicial Reform does not hold regular meetings, undermining its important oversight role. Overall, the EC's progress report says, "Controversial dismissals and undue interference by the Minister of Justice indicate that the current system is not in compliance with European standards."[34]

Changes regulating the judiciary were enacted in 2010 to address some of the shortcomings. Disciplinary cases held before the Judicial Council were opened to the public. More efforts are being taken to base judges' competence on performance, although the Council of Europe has recommended that judges' professional ability be based on qualitative criteria rather than how many cases they clear. Other reforms set a unified salary system for judges, prosecutors and members of the Judicial Council and the Council of Public Prosecutors to replace a previously arbitrary system.

An automated case management system was completed and made fully operational in all courts, improving recordkeeping and efficiency in clearing dockets.

A law providing legal aid for marginalized groups went into force in July 2010, clearing the way for bar associations and civil society organizations to expand legal support to those who cannot afford lawyers. The law provides legal aid to a range of population groups, including those on social security, pensioners, single-parent families and asylum seekers; the free legal aid can be used in all court and administrative proceedings.

Corruption

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
5.50	5.50	5.00	5.00	4.75	4.75	4.50	4.25	4.00	4.00

Combating fraud and graft is a key marker for Balkan states seeking to join the European Union. Macedonia has made important strides in this area since it became an EU candidate in 2005. Transparency International ranked Macedonia 62 out of 178 countries in its annual Corruptions Perception Index, up from 72

in 2009. The World Bank puts Macedonia ahead of all its Balkan neighbors in its annual "Ease of Doing Business" rankings that factor in transparency and legal enforcement of contracts.[35]

In 2010, the Macedonian Assembly took steps to overhaul and strengthen the Law for Prevention of Corruption, drawing support from the European Commission.[36] The Council of Europe's Group of States Against Corruption, or GRECO, noted the will of the government to fulfill its obligations under the Criminal Law Convention on Corruption and amend the country's criminal code to bolster corruption-related provisions.

GRECO's report also notes that Macedonian law "provides an effective basis for the investigation, prosecution and adjudication of corruption offences."[37] The same report notes, however, that in practice there is ineffective enforcement and loopholes in campaign funding laws and recommends more than a dozen changes to strengthen corruption-related rules and enforcement, including greater reporting and transparency on non-cash donations to political parties.[38] Laws aimed at cleaning up political party and campaign financing have been enacted, setting donation limits and disclosure rules, and banning donations from foreigners and anonymous contributions.

Authorities carried out several major anticorruption operations in 2010, arresting border police,[39] healthcare workers,[40] and officials in the Pension and Disability Fund.[41] Further, the interministerial working group for monitoring the state anticorruption program held its activities regularly. The country has also initiated the procedure for acceding to the Organisation for Economic Cooperation and Development's Convention on Combating Bribery of Foreign Public Officials.[42]

Some infrastructural and human resource issues still remain unresolved, such as lack of staff for anticorruption in the Ministry of Justice, or no internet access to the Public Prosecutor's Office.[43] Furthermore, the overall effectiveness of corruption-fighting efforts in Macedonia will remain in doubt without an independent civil service or a judiciary that fiercely defends its oversight role, and as long as news organizations and CSOs play weak roles in holding public officials and politicians accountable.

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1 VMRO-DPMNE won 63 seats in the last election held in June 2008. The Coalition partner, DUI, headed by Ali Ahmeti, is an Albanian minority that won 18 seats in the 120-member Assembly.

2 "Macedonia Announces Early Elections On June 5," *Radio Free Europe/Radio Liberty*, 15 April 2011, http://www.rferl.org/content/macedonia_announces_early_elections_june_5/3558625.html.

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Moldova

by William Crowther

Capital:	Chişinău
Population:	3.6 million
GNI/capita, PPP:	US$3,010

Source: The data above was provided by The World Bank, *World Development Indicators 2011.*

Nations in Transit Ratings and Averaged Scores

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Electoral Process	3.50	3.75	4.00	4.00	3.75	3.75	3.75	4.00	4.25	**4.00**
Civil Society	4.00	3.75	4.00	4.00	4.00	3.75	3.75	3.75	3.50	**3.25**
Independent Media	4.50	4.75	5.00	5.00	5.00	5.25	5.50	5.75	5.75	**5.50**
Governance*	4.75	5.25	5.50	n/a	n/a	n/a	n/a	n/a	n/a	**n/a**
National Democratic Governance	n/a	n/a	n/a	5.75	5.75	5.75	5.75	5.75	6.00	**5.75**
Local Democratic Governance	n/a	n/a	n/a	5.75	5.75	5.75	5.75	5.75	5.75	**5.75**
Judicial Framework and Independence	4.00	4.50	4.50	4.75	4.50	4.50	4.50	4.50	4.75	**4.50**
Corruption	6.25	6.25	6.25	6.25	6.00	6.00	6.00	6.00	6.00	**6.00**
Democracy Score	**4.50**	**4.71**	**4.88**	**5.07**	**4.96**	**4.96**	**5.00**	**5.07**	**5.14**	**4.96**

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

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

Executive Summary

In 2010, Moldova experienced substantial political tumult as well as successful legislative reforms, both set in motion by events of the previous year. Following the dissolution of Parliament in June 2009, early elections in July 2009 transferred power from the Communist Party of the Republic of Moldova (PCRM), which had ruled the country since 2001, to a coalition of four social-democratic and liberal parties calling themselves the Alliance for European Integration (AIE). Led by Prime Minister Vlad Filat and Acting President Mihai Ghimpu, the ruling AIE coalition pursued an active reform agenda throughout 2010, addressing long-standing deficits in the areas of free press, engagement of civil society, and judicial reform.

At the same time, relations between the PCRM and the AIE coalition remained extremely hostile, and the inability of the latter to elect a president produced a state of ongoing institutional deadlock. In September, the government called a referendum designed to break the stalemate by changing the method of presidential election from parliamentary to popular vote. When this was unsuccessful, the Constitutional Court called for Parliament to be dissolved, triggering Moldova's third legislative election in 18 months. The early election held on November 28 once again failed to produce a governing majority with the 61 seats required to elect a new president, and the institutional stalemate persisted. However, by the end of 2010, after lengthy negotiations, the three non-Communist parties in Parliament had agreed to reestablish their coalition (AIE-2) and form a new government.

As a signal of its intention to pursue further reforms, Moldova continued to strengthen its relationship with the European Union in 2010. However, despite international efforts and hopes for a breakthrough at the Organization for Security and Cooperation in Europe's December 1, 2010, Astana Summit, no progress was made in resolving the ongoing Transnistrian separatist issue.

National Democratic Governance. In the aftermath of the 2009 political crisis, the government continued to function relatively effectively. Despite the coalition government's inability to elect a president or form a ruling majority, the government demonstrated a willingness to engage with the international community, domestic civil society, and political actors across the spectrum. A major policy document released in March, "Rethink Moldova," outlined plans to improve efficiency and accountability. Parliament operated with increased transparency, and passed meaningful reform legislation in a number of areas. *Owing to the governing AIE coalition's visible efforts to reform government and improve its openness, Moldova's national democratic governance rating improves from 6.00 to 5.75.*

Electoral Process. Moldova's ongoing political crisis precipitated two national votes in 2010. Unable to amass the 61 votes required to elect a president, on September 5 the ruling coalition held a national referendum on the introduction of direct presidential elections. While a large majority of voters supported the measure, the mandatory one-third voter turnout threshold was not reached. Free and fair early parliamentary elections were held on November 28, and at the end of the year three members of the previous ruling coalition—the Liberal Democratic Party (PLDM), the Democratic Party (PD), and the Liberal Party (PL)—were in negotiations to create a new coalition government. Before the November election, a number of important OSCE-recommended changes were applied to Moldova's electoral code. However, the ruling coalition also replaced the d'Hondt method of distributing parliamentary mandates with a system that favored smaller parties, giving its own members a distinct advantage. *The two national votes in 2010 demonstrated a clear improvement in the conduct of campaigns and elections; thus, Moldova's electoral process rating improves from 4.25 to 4.00.*

Civil Society. Nongovernmental organizations (NGOs) were active in Moldova in 2010, taking advantage of the more open atmosphere and active cooperation initiated by the new government. Much of their activity was focused on working towards European integration, which attracted a high level of international support. Interference in the functioning of civil society organizations working on electoral issues that was common and problematic during the 2009 elections was largely absent in 2010, and NGOs were effective in monitoring elections and the press. However, these organizations are still heavily dependent on foreign funding and therefore confront ongoing challenges to their sustainability. *Owing to the significantly increased activity of NGOs in policymaking and monitoring the media and elections, as well as the new atmosphere of cooperation between the government, civil society, and the international community, Moldova's civil society rating improves from 3.50 to 3.25.*

Independent Media. In April 2010 the Moldovan Parliament passed the Law on Freedom of Expression, which brings regulations regarding objectivity and censorship in line with European standards. Additionally, the regulatory Audiovisual Coordinating Council (ACC) adopted a new media-monitoring methodology. In the estimation of both the public and media-focused NGOs, bias on the part of the public broadcaster Teleradio-Moldova, which under the former PCRM government was highly partisan, significantly decreased. Among other positive developments in the media environment, two new television stations (Jurnal TV and Publika TV) and four new radio stations (Radio Sport, Aquarelle FM, Publika FM, and Prime FM) were launched in 2010 subsequent to the improvements in the legal framework. *Owing to the decrease in bias on the part of the public broadcaster, along with reform of the law on freedom of expression, Moldova's independent media rating improves from 5.75 to 5.50.*

Local Democratic Governance. The lack of autonomy and capacity in local government units has been a consistent problem for local governance in Moldova. Vertical power systems that kept local governments under the partisan control of central authorities were especially strong under the former PCRM government. The legislative framework for independent and democratic local government exists, but implementation of that legislation has been seriously lacking. However, the AIE-led government has shown commitment to reforms in the area of local governance and has been working with NGOs and the international community to increase capacity and decrease centralization. *As current efforts to reform the system of local government are still in the beginning stages, Moldova's rating for local democratic governance remains unchanged at 5.75.*

Judicial Framework and Independence. Significant prosecutions were initiated during the year that aimed at addressing long-standing charges of police and judicial abuse. The Judges' General Assembly elected new members to the Superior Council of Magistrates—a body responsible for the internal administration of the courts—and a law to improve the enforcement rates of court decisions was passed. Moldova is a member of the European Court of Human Rights, and NGOs have been working with the government and judiciary to decrease the high number of cases the country has lost before the court. *Owing to evident movements toward reform, Moldova's judicial framework and independence rating improves from 4.75 to 4.50.*

Corruption. Little progress was made in addressing the issue of corruption in Moldova in 2010, and corruption continues to be a deeply embedded problem in the country. Despite high hopes at the end of 2009 that a new government would improve the situation, in the estimations of both Moldovan NGOs and international observers, corruption remained a significant problem in many institutions and settings during the year. *Owing to the lack of progress in adequately addressing the issues of bribery and fraud in the governmental sphere and wider society, Moldova's corruption rating remains unchanged at 6.00.*

Outlook for 2011. The reconstitution of the AIE coalition and retention of Liberal Democratic Party leader Vlad Filat as Prime Minister should provide the continuity needed to consolidate some of the nascent, positive efforts initiated in 2010. The contentious relations between the opposition PCRM and the governing parties will likely be a central focus of Moldovan politics in the coming year, and relations between the coalition partners will also continue to present a challenge. The question of how to rally the parliamentary majority necessary to elect a president will have to be addressed. Otherwise, Moldova's constitution mandates yet another round of early legislative elections, which will distract policymakers, waste resources, and generally destabilize governance. In the meantime, corruption and reform of the judiciary will be the primary tests of the Filat government's commitment to EU accession. In the absence of a reconfiguration of international forces in the region, there is little expectation of significant progress on the Transnistrian issue in the coming year.

Main Report

National Democratic Governance

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
n/a	n/a	n/a	5.75	5.75	5.75	5.75	5.75	6.00	5.75

Moldova's constitution provides for meaningful participation by citizens in the country's political life. Freedom of expression is protected, and current law allows the organization and activity of opposition political parties. There has been regular political turnover and alternation in power between parties with significant ideological differences, indicating a relatively high adherence to the rules of the democratic system. Parliament, for the most part, functions in a transparent manner. Its proceedings are easily accessible and its decisions are made available on the Parliament's website. However, the staff resources and investigative capacity of the Parliament remain limited. Consequently, parliament's oversight of the executive has been relatively weak, marked by a culture of subservience to the executive and party leaders in the institution. In order to address these weaknesses, the United Nations Development Program (UNDP), in partnership with the EU, announced in late 2009 a three-year project to strengthen parliamentary administration in Moldova.[1]

Shortcomings in the Moldovan constitution were highlighted by the political crisis following the contested April 2009 legislative election and the legislature's failure to elect a president. The four-party Alliance for European Integration (AIE) coalition that came to power in July 2009 lacked the necessary votes to elect a president under Moldovan law and instead appointed President of the Parliament Mihai Ghimpu as acting president of the Republic. This situation triggered a constitutional provision requiring early elections, which the Communist Party of the Republic of Moldova (PCRM) welcomed, while the AIE argued that repeated dissolution and a third legislative election would further destabilize the country.

The AIE coalition government led by Prime Minister Vlad Filat placed improving Moldova's relations with Europe at the center of its political agenda, and succeeded in passing a number of significant laws in 2010. These included major electoral revisions at the recommendation of the OSCE, and a law on freedom of expression. The AIE coalition signaled its willingness to engage with and foster the development of civil society, and passed laws on volunteering and social services. The government also sought to cultivate transparency and legal compliance: according to Lawyers for Human Rights, a Moldovan NGO, national authorities became increasingly effective in executing the rulings of the European Court of Human Rights (ECHR) in 2010.[2]

On March 24, the government presented a major strategic plan for midterm development, "Rethink Moldova," to a group of more than 40 bilateral and multilateral development agencies convened in Brussels under the auspices of the World Bank and the European Commission.[3] The plan lays out the Moldovan

government's priorities for reform in three broad areas: governance, economic recovery, and human resources, with a focus on improving efficiency and accountability.[4] The response of Western governments and the multilateral agencies to this and other Moldovan initiatives was highly positive. Donors committed US$2.6 billion in support over the course of the coming four years and gave every indication of their willingness to assist in advancing reforms. In January, negotiations began with the EU on an Association Agreement with hopes that it could be concluded in 2011. Relations with neighboring Romania improved as well, with the signing of a border treaty in November. This move had been resisted by Bucharest for several years and came at the urging of the EU.[5]

Additional policymaking ambitions of the ruling coalition were limited by the parliamentary crisis, and by tensions within the coalition itself. Although they share a broadly pro-EU orientation, the AIE coalition parties represent a broad range of political positions. Acting-President Mihai Ghimpu's Liberal Party (PL) is the most conservative, anti-Communist, and pro-Romanian of the coalition parties. Prime Minister Vlad Filat's Liberal Democratic Party of Moldova (PLDM) is center-right, supporting free market reforms and EU-friendly reforms. Furthest to the left is the Democratic Party (PD), a member of the Socialist International, whose leader Marian Lupu was in the PCRM until June 2009. The Our Moldova Alliance is center-left. Like the PD, it advocates working with Moscow to resolve regional issues.

Policymaking within such a heterogeneous coalition presented complex challenges during the year, further complicated by the specter of early elections and by Mihai Ghimpu's status as Acting President. With the top executive post being held only on a provisional basis, competition for the position between party leaders within the AIE continued. Meanwhile, with elements of the executive and legislative branches under the control of competing political parties, partisan politics limited the AIE's ability to achieve major initiatives.[6] Prime Minister Filat, for example, provoked the ire of his AIE colleagues when, on September 27, he unilaterally announced a major program of social spending to increase minimum pensions and subsidize heating for the winter period;[7] had he submitted the legislation to Parliament, all coalition parties could have shared credit for it. Leaders of the other three parties reacted predictably, accusing the Prime Minister of sabotaging the coalition, and refused to participate in what would have been the last legislative session of the term.[8]

Meanwhile, Acting President and head of the PL Mihai Ghimpu attempted to increase his popularity among nationalists through a series of highly-publicized provocations against the Russian Federation. Ghimpu first snubbed Moscow by refusing to attend Victory Day celebrations on May 9. Then, on June 24, the Acting President issued a decree designating June 28 as Soviet Occupation Day.[9] Despite negative reactions from coalition partners, Ghimpu refused to rescind the measure, which many claim led to the reimposition of Russian restrictions on Moldovan wine imports.[10] Prospects for addressing the Transnistria issue were complicated by the divergent positions of the AIE leaders, with Acting President Ghimpu taking

an anti-Russian, pro-Romanian position, while PD leader Marin Lupu and Prime Minister Filat both favored a diplomatic dialogue with Moscow.

The November election failed to break the deadlock that had plagued the country since 2009. Neither the PCRM nor any combination of their opponents gained the votes necessary to elect a new President of the Republic or the two-thirds majority required to amend the constitution and implement a different system of presidential election. A new governing coalition (Alliance of European Integration 2, AIE-2) comprised of the PD, the PLDM, and the PL was formed December 30, 2010, after a month of difficult negotiations. The AIE-2 parties are expected to move forward with reforms initiated in 2010, whereas the alternative coalition option, which would have brought together the PD and the PCRM, would likely have been less solidly reformist and less committed to a European foreign policy orientation. With 59 seats in the parliament, the coalition holds a comfortable legislative majority but lacks the two additional votes required to elect a president. Therefore, unless a compromise is found, a failed vote and early elections may once again be in the offing.

According to opinion polls, the citizens of Moldova have little confidence in their ability to exercise control over the government. In a November 2010 public survey conducted by the Institute for Public Policy, 44.2 percent of respondents felt they had very little or no impact on national-level decisions, and another 30.2 percent felt they had little effect.[11] Only about one-third of the population reported having an active interest in politics.

The deadlock over the breakaway Transnistria continues to be a central concern of Moldova, yet little or no progress was made in advancing a settlement of the issue during 2010. Efforts were made by the United States and the EU to reinitiate negotiations in the 5+2 format that broke down in February 2006 (this was first launched in 2005, including Moldova, Transnistria, Russia, the OSCE and Ukraine as principals along with the United States and the EU as observers).[12] Despite several informal meetings during the course of the year and hopes that a common position could be developed at the OSCE Summit held at Astana in early December, no statement on Transnistria was forthcoming.[13]

Electoral Process

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
3.50	3.75	4.00	4.00	3.75	3.75	3.75	4.00	4.25	4.00

Complex and contradictory electoral legislation is largely responsible for Moldova's ongoing political crisis. In 2010, the AEI coalition undertook several efforts to modify the legislation and break the legislative stalemate.

Since the introduction of indirect presidential elections in 2000, six out of eight presidential ballots in Parliament have failed to yield a leader. A valid election requires the support of 61 parliamentary deputies out of 101. If, as has been the

case since July 2009, two successive elections fail to yield to the necessary majority, Parliament itself must be dissolved and new elections held. The law also prohibits another dissolution of Parliament within 12 months of the most recent one (June 2009), but does not specify when, following that period, the dissolution and new elections must occur.

In early 2010, the AIE coalition moved to preempt another round of parliamentary elections (the third in 18 months) by calling for a constitutional referendum on direct presidential elections. The opposition PCRM, which maintained that the post-June Parliament was illegitimate, welcomed new elections and opposed the referendum, but AIE leadership insisted that a third change of government would be destabilizing. On June 18, Parliament passed a revision of the electoral code reducing the turnout required for a referendum to be considered valid from three-fifths to one-third of the electorate.[14] Once the Constitutional Court found the revision to be legal, AIE legislators voted to schedule the referendum for September 5.

Additional legislative changes in June established new rules for future parliamentary elections, broadly following the prescriptions of the OSCE. Among other changes, the threshold for entry into Parliament was reduced from 5 to 4 percent for single parties. Blocs of 2 parties would require 7 percent, 3 or more parties 9 percent, and individual candidates 2 percent. The law also abandoned the d'Hondt method in favor of a system that would distribute seats equally to each of the victorious parties.[15] The d'Hondt method, which is employed by many countries with proportional representation electoral systems, offers slight advantages to larger parties at the expense of smaller ones. Therefore in previous elections, the PCRM, Moldova's largest party, has benefited. The new system in essence redistributed seats equally to each party that exceeded the electoral threshold, thereby favoring the smaller AIE parties. The timing of the changes—so close to the upcoming elections—drew criticism from OSCE observers, and, of course, from the PCRM.

Another innovation to the electoral code was the right to free campaign advertising time on public television and radio stations. A total of twenty-five parties registered with the Central Electoral Commission (CEC) as "referendum participants" with the right to campaign for or against the referendum, take part in TV and radio debates, and have access to free airtime. Referendum participants were also obliged to open special electoral bank accounts and submit weekly financial reports to the CEC.[16]

Polling in the period leading up to the September referendum showed that voters supported changing the system of presidential election by a strong majority. A May 2010 survey by the Institute for Public Policy showed 75.5 percent of respondents were in favor of direct election.[17] However, the PCRM called on their supporters to boycott the vote, as did a number of small parties.

Unlike the previous year's April elections, voting was conducted in a peaceful, orderly fashion. Observers from the Parliamentary Assembly of the Council of Europe (PACE) called the referendum fair and transparent.[18] Those who voted in the referendum favored popular election by a wide margin (87.8 percent for, with

12.2 against); however, a participation level of 30.29 percent was insufficient to carry the measure.[19]

The failure of the referendum was considered a major blow to the ruling coalition and a victory for the PCRM, which, rightly or wrongly, took credit for its defeat. The outcome clearly affected partisan politics in the weeks leading up to the early legislative elections, encouraging the Communists and their supporters while increasing dissention among the AIE partners. More importantly, failure to modify the mechanism for electing the president left open the possibility that legislative elections could be followed by two more failed presidential elections, another parliamentary dissolution, and an indefinite perpetuation of the institutional crisis.

On September 28, following the Constitutional Court decision requiring him to do so, Acting President Ghimpu announced the dissolution of Parliament and scheduled early legislative elections for November 28.[20] Competition between the AIE partners became increasingly intense in the weeks leading up to the vote. Ultimately, the four coalition parties decided to run independently rather than enter into an electoral bloc. In total, 20 political parties and 19 independent candidates entered the November 28 contest, compared to 10 parties and 8 candidates in the July 2009 election. Voting was generally fair, orderly, and well-organized. Reports on the campaign by international monitoring groups and civil society organizations were positive, and the preliminary report of OSCE observers confirmed that the elections had been administered in a transparent and impartial manner.[21] The reports of media monitoring groups, in particular the Center for Independent Journalism, indicated that despite some issues of station bias, access was generally open and a wide range of opinions was available to voters.[22] However, mass media and Moldovan NGOs reported widespread abuse related to party campaign spending and financial reporting.[23]

Only four political parties and none of the independent candidates met the established electoral thresholds for entry into Parliament. As expected, the PCRM won the largest share of votes with 39.32 percent followed by the Liberal Democratic Party (PLDM) with 29.38 percent, the Democratic Party (PD) with 12.72 percent, and the Liberal Party (PL) with 9.96 percent. The fourth AIE coalition partner, Our Moldova Alliance, garnered only 2.05 percent of the vote, thus failing to gain entry into Parliament.[24] With mandates redistributed based on the formula established earlier in the year, PCRM was awarded 42 MPs, PLDM 32, PD 15, and PL 12.

The negotiations to form a government were complex and did not come to a successful conclusion until December 30, 2010, when the three remaining AIE members in Parliament announced their intention to form a new coalition—the Alliance for European Integration 2 (AIE-2). This outcome won immediate statements of approval from Western governments and multilateral agencies, for whom such an alliance promised a continuation of the pro-European reforms and practices undertaken in 2010.

Civil Society

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
4.00	3.75	4.00	4.00	4.00	3.75	3.75	3.75	3.50	3.25

In 2010, the Alliance for European Integration (AIE) coalition government showed an unprecedented willingness to engage with civil society and foster its development. Cooperation between the state, the European Union, and nongovernmental organizations (NGOs) increased dramatically, resulting in effective implementation of prior reforms. The change in the Moldovan government's approach to the NGO community was powerfully symbolized by the appointment of Igor Munteanu, a longtime and prominent advocate for civil society organizations, as ambassador to the United States.[25]

Throughout the year, the AIE government actively sought out the expertise and assistance of Moldovan and international NGOs in policymaking. In January 2010 the National Council for Participation, which includes representatives of thirty of the most prominent Moldovan NGOs, was formed as a consultative body to improve government communication with civil society. Additionally, the long-standing civil society organization, IDIS Viitorul, along with the Association for External Policy and the Analytical Center Expert Group, created the National Convention for European Integration, which seeks to bring Moldovan government policies into alignment with EU standards.[26] A further indication of the AIE coalition's more open attitude toward civil society was the announcement of an agreement to develop a collaborative project between the Ministry of Internal Affairs and the Soros-Moldova Foundation. The project was designed to improve reporting on police performance and foster greater police respect for human rights.[27] International organizations have also undertaken training programs for Moldovan NGOs to strengthen their institutional and fundraising capacities and improve their use of new media.

During the year, media and electoral watchdog NGOs advocated for policy reform and disseminated information on the functioning of the democratic process. These organizations drew attention to cases of bias or repression by government agencies or employees. The Civic Coalition for Free and Fair Elections—comprising NGOs specializing in human rights, mass media, local public administration, law, and public policy—monitored both the September 5 referendum and the November 28 parliamentary elections.[28] The coalition's final report found that the performance of government-owned media outlets improved significantly compared to the 2009 electoral campaign, providing both neutral coverage and public-education materials on the contest. It was also noted that several privately-owned media outlets exhibited bias in favor of political parties with which they are affiliated.[29]

Legislative changes positively impacted NGOs, including a new Law on Volunteering and Law on Social Services.[30] This legislation brought the Moldovan legal framework more in line with European and international practice by, among other things, allowing the provision of social services by nonstate entities through subcontracting.[31] However, the Moldovan civic sector is still largely dependent

on foreign donations in order to function. Many organizations have called for changes that would allow for direct state or taxpayer financing of NGOs, but such legislation has not yet been passed.[32] Public perception of NGOs remains mixed. The Barometer of Public Opinion released in November 2010 by the Institute for Public Policy indicated that public trust in NGOs is relatively low. Only 30 percent of respondents reported a high or moderate level of trust in NGOs, placing them 7th among the 13 intuitions ranked.[33] Similar survey results over the past eight years have ranged from a low of 20 percent (2002) to a high of 38.7 percent (2007).

Independent Media

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
4.50	4.75	5.00	5.00	5.00	5.25	5.50	5.75	5.75	5.50

Improved cooperation between the government, NGOs, and the European Union led to increased journalistic standards in 2010. There was also a decrease in the level of editorial bias at the public media Teleradio Moldova (TRM). In April, Parliament passed the Law on Freedom of Expression, and at the end of October the regulatory Audiovisual Coordinating Council (ACC) adopted the new Media Monitoring Methodology, which was developed with the assistance of the EU/Council of Europe Democracy Support Program to Moldova. The new methodology was designed to aid in monitoring media political coverage and advertising during electoral campaigns in order to promote social pluralism, and it was broadly supported by civil society organizations.[34] There is still some concern, however, that the government has allegedly used the ACC and the Observers Council (OC), which oversees TRM, to interfere with the media for partisan purposes.

There were also indications during the year that the judiciary was prepared to enforce media protections in an effective manner. Criminal charges were brought against police officers suspected of attacking protestors and journalists in 2009, and one officer was charged in connection to the death of a protestor.[35] Two new television stations (Jurnal TV and Publika TV) and four new radio stations (Radio Sport, Aquarelle FM, Publika FM, and Prime FM) were launched in 2010 subsequent to the improvements in the legal framework. The Romanian station TVR1 also returned to the air, after having its license revoked in 2007.

One of the most noticeable shifts in Moldovan media during this first year of AIE coalition rule was the leadership and editorial stance of TRM. The public broadcaster had long been perceived as significantly biased in favor of the former ruling party. When the new government took power, the Observer's Council (OC) fired longtime TRM president Valentin Todercan over his "failure to ensure the principles of sociopolitical balance, impartiality, and objectivity in the editorial activity" and the public broadcaster began 2010 with new leadership.[36] NGOs observed that the editorial tone of TRM became more neutral in its treatment of political parties and actors. In October, Nadine Gogu, head of the NGO Independent Journalism Center (IJC), found that most of Teleradio-Moldova's news bulletins were neutral and unbiased.[37]

In mid-December 2009, the State Chancellery decided not to renew the lease of the television station NIT TV, which expired on December 31. NIT management called it a repressive decision "directly connected with the NIT TV channel's position not to be loyal to the new government."[38] Despite the reversal of the decision, these events set the tone for continuing hostility between the station and the government. During 2010 the ACC issued several warnings and fines to NIT TV for failing to observe rules governing pluralism of ideas,[39] actions that the station management interpreted as part of a political campaign to shut it down.

Compared to previous years, there were relatively few incidents of outright violence or abuse against members of the press. One exception was the July 28 attack on TV journalist Victor Ciobanu, who was assaulted in Chişinău by an employee of the Center for Fighting Economic Crimes and Corruption. The employee destroyed Ciobanu's camera and erased its memory card. This incident appears to have been isolated, and was firmly condemned by NGOs, who called it intolerable in a democracy.[40]

While independent media fared better overall in Moldova during 2010, conditions for the press in the breakaway region of Transnistria remained bleak. Especially troubling was the case of the independent Tiraspol-based journalist Ernest Vardanyan, who was arrested by agents of the Transnistrian Ministry of State Security in April for espionage. Vardanyan was held for one month, during which he was denied access to his lawyer and instead appointed a state lawyer. He eventually gave a televised confession to being a Moldovan security agent, which his family says was extracted under torture. During Vardanyan's trial in November, the public was denied access to the courtroom, and the appointed lawyer refused to update Vardanyan's wife on the proceedings. He was ultimately sentenced to 15 years on charges of high treason and espionage, with the court specifying that he "should be subjected to a 'severe regime' while serving his sentence."[41] Vardanyan's charges and extremely harsh sentence are likely to intensify the already widespread self-censorship among the few remaining independent Transnistrian journalists.

Another important legal development was the passage of the Law of Freedom of Expression by Parliament on April 23.[42] Developed in conjunction with media NGOs and based on ECHR case law, this new statute prohibits censorship of media and sets provisions on statements of fact and value judgments. The law's adoption is intended to bring Moldova into conformity with international standards and to reduce the number of cases lost by Moldova at the ECHR.

Local Democratic Governance

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
n/a	n/a	n/a	5.75	5.75	5.75	5.75	5.75	5.75	5.75

The autonomy and administrative capacity of local governments in Moldova have been issues of concern throughout the country's postcommunist period. Reorganizations undertaken in the late 1990s by the central authorities in

collaboration with the EU and other international partners were reversed in the last decade by the PCRM-led government, causing administrative confusion and disorientation among local officials. The central government also employed its budgetary and administrative authority to exercise partisan political control over locally elected officials. Consequently, decentralization and local capacity-building became an important issue for the AIE coalition that came to power in 2009. In its "Rethink Moldova" strategic plan, the central authorities made improving local government a national priority, committing the government to fiscal decentralization, improving local budgetary capacity, and increasing local autonomy.

As in other policy areas, an appropriate legislative framework for improving local governance was already in place in Moldova prior to 2010.[43] Weak implementation, however, has impeded progress. The AIE coalition signaled its intent to carry out reform in this area in late 2009 by forming a Directorate for Decentralization Policy within the State Chancellery to coordinate the government's decentralization efforts. A mid-2010 decision by the government established the Parity Commission for Decentralization.[44] Chaired by the Prime Minister, the Commission included representatives of the central government and local officials from all levels. The Chair of the National Council for Participation was also included to ensure adequate representation of civil society.

Major initiatives were undertaken to strengthen local governance and democracy in partnership with international partners. The action plan developed by Moldova and the EU in 2009, which was intended to dismantle the system of vertical power that had inhibited local autonomy, became an explicit priority in 2010.[45] The United Nations Development Program (UNDP)'s ongoing Joint Integrated Local Development Program (JILP) continued to provide support for local administrative capacity, civil society access to local government, and gender equity on the local level. In September, the United States Agency for International Development (USAID) and the Moldovan government signed an agreement to initiate a multiyear local government assistance project focused on decentralization and capacity-building. All of these initiatives signaled the importance that Moldovan reformers and international organizations attribute to improving the conditions for local democracy.

Judicial Framework and Independence

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
4.00	4.50	4.50	4.75	4.50	4.50	4.50	4.50	4.75	4.50

Moldova's constitution contains adequate provisions for an independent judiciary, as well as for equality before the law and basic human and civil rights. However, in practice there is a high level of corruption and political influence in the judicial system, which has been chronically underfunded. Political interference in the justice system reached a high point during the 2009 parliamentary elections, when the government used police and security forces to suppress protests, resulting in

beatings and at least one confirmed death. A commission established to investigate the events found that the police had employed unwarranted violence against the demonstrators and that the judges and prosecutors involved in cases related to these abuses behaved improperly.[46]

After the AIE coalition came to power, allegations of widespread human rights abuses and misuse of security forces largely ceased, and significant prosecutions were initiated to address long-standing charges of police and judicial abuse. In particular, charges were brought against the authorities for actions surrounding the April 2009 elections. Former Interior Minister Gheorghe Papuc and former Chişinău police commissioner Vladimir Botnari were indicted in early 2010 for suppressing the demonstrations.[47] Former Chişinău police chief Iacob Gumenita was arrested in April on similar charges. In September, with elections approaching, prosecutors asked that former president Vladimir Voronin's immunity as a Member of Parliament be lifted so that he could be prosecuted as well.[48]

Some steps toward improving judicial independence and reforming the judicial system were undertaken during the year. The Judges' General Assembly elected new members to the Superior Council of Magistrates—a body responsible for the internal administration of the courts—and a law to improve the enforcement rates of court decisions was passed. Moldova is a member of the European Court of Human Rights, and NGOs worked with the government and judiciary in 2010 to decrease the high number of cases that the country has lost there.

Slow enforcement or nonenforcement of court decisions has been a major shortcoming of the judicial system and has been blamed for rulings against Moldovan authorities in the ECHR. On June 18, 2010, Parliament passed a Law on the Enforcement of Court Judgments, privatizing the bailiff system that enforces decisions in the hopes of rendering it more accountable.[49]

In a December 2009 report on the activity of the government during its first 100 days of office, Prime Minister Filat stated that the observance of the principles of separation of powers and independence of the judiciary were priorities for the government.[50] Filat also underscored the government's approval of the Moldovan Bar Association's reform program, undertaken in cooperation with the Norwegian Mission of Rule of Law Advisers to Moldova (NORLAM).

Nevertheless, relations between the judicial branch and Parliament remained strained during 2010. Reformers continued to complain about inefficiency and corruption within the judiciary. In March, Parliament voted to dismiss the President of the Supreme Court Ion Muruianu as a result of negative statements he made regarding the press during a public address to judges, and also because of MPs' distress over a series of cases Moldova lost before the ECHR.[51] Muruianu, who was appointed during Vladimir Voronin's presidency, was reinstated by the Constitutional Court. Interbranch contention again erupted when the Constitutional Court ruled in July that acting President Ghimpu's decree making June 28 "Soviet Occupation Day" was illegal.

Corruption

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
6.25	6.25	6.25	6.25	6.00	6.00	6.00	6.00	6.00	6.00

Corruption remains a systemic problem that is deeply embedded in Moldova's public institutions. While ample anticorruption legislation exists on the books and institutional reforms have been attempted in recent years, implementation remains weak.

The international community has undertaken substantial efforts to address corruption in Moldova, including the EU Moldova Action Plan and other internationally supported initiatives focused on improving the legislative framework and administrative structures in the police and justice systems. As part of this effort, the government took a number of steps designed to improve transparency in 2010. One of these was to form the National Council for Participation, which includes members drawn from some of the most active NGOs in the country. The government also altered regulations regarding consultation and access to information in order to improve implementation of the 2008 Law on Transparency in the decision-making process. On October 12 Parliament ratified the Rome Statute of the International Criminal Court, which was taken as a positive move by Moldova toward Europe and as a statement of the country's commitment to strengthening the justice system.[52]

Despite these efforts and heightened expectations for change following the 2009 elections, numerous assessments suggest that substantial shortcomings remain. According to anticorruption NGOs working in Moldova, the governing coalition that came to power in 2009 has failed to act aggressively to reduce corruption. Two separate reports released midyear conclude that the legal framework providing for transparency in government remains flawed and that implementation is weak.[53] In August, the Anticorruption Alliance, a coalition of organizations working in the area of corruption and human rights, charged that representatives of the police and judicial authorities were involved in corruption and criminal activities. Although contested by the Center for Combating Economic Crimes and Corruption (CCECC), these findings are consistent with public perceptions of corruption as an extensive problem observed in most spheres of Moldovan life. In the Institute for Public Policy's November poll, of those who reported having to resolve a problem through a public institution, 41.2 percent claimed of resorting to unofficial payments in dealing with schools and universities, and 36 percent had done so in dealing with the police.[54]

The problem of corruption at the top levels of society and its impingement on the political process was highlighted by the incendiary charges made by Sergiu Mocanu against PD parliamentary candidate, CCECC head, and prominent business leader Vladimir Plahotniuc. Mocanu—a former adviser to President Voronin who ran for parliament on the list of the Party for Nation and Country (PpNȚ)—accused Plahotniuc of exercising undue political influence, and of "creat[ing] a mafia system presenting real danger for Moldova's statehood and

independence."[55] While Mocanu's charges remained unverified at year's end, they match the general impression within the population and the NGO community that corruption among the country's political elite is widespread.

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Montenegro

by Daliborka Uljarević and Stevo Muk

Capital: Podgorica
Population: 0.6 million
GNI/capita, PPP: US$13,110

Source: The data above was provided by The World Bank, *World Development Indicators 2011*.

Nations in Transit Ratings and Averaged Scores

	Yugoslavia		Montenegro							
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Electoral Process	3.75	3.75	3.50	3.25	3.50	3.50	3.25	3.25	3.25	3.25
Civil Society	3.00	2.75	2.75	2.50	3.00	3.00	2.75	2.75	2.75	2.75
Independent Media	3.50	3.25	3.25	3.25	3.25	3.50	3.75	3.75	4.00	4.25
Governance*	4.25	4.25	4.00	n/a	n/a	n/a	n/a	n/a	n/a	n/a
National Democratic Governance	n/a	n/a	n/a	4.50	4.50	4.50	4.25	4.25	4.25	4.25
Local Democratic Governance	n/a	n/a	n/a	3.50	3.50	3.25	3.25	3.25	3.25	3.25
Judicial Framework and Independence	4.25	4.25	4.25	4.25	4.25	4.25	4.00	4.25	4.00	4.00
Corruption	5.25	5.00	5.25	5.25	5.25	5.50	5.25	5.00	5.00	5.00
Democracy Score	4.00	3.88	3.83	3.79	3.89	3.93	3.79	3.79	3.79	3.82

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

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

Executive Summary

In 2010, four years after Montenegro's independence, the country's bid for membership in the European Union resulted in candidate status. After almost two decades in power, Milo Djukanović resigned as prime minister. Thirty-four year-old minister of finance, Igor Lukšić, succeeded Djukanović. Montenegro experienced an economically difficult year, which was marked by a series of labor strikes, collapse of local finances, failure to implement a major highway project, and reversion to state control of the country's major GDP contributor, the Podgorica Alumnium Plant. Two key events linking politics, the judiciary, and the police occurred in 2010: the Balkan Warrior anti-drug-trafficking operation and, at the end of the year, arrests of local officials in Budva accused of corruption and organized crime.

National Democratic Governance. Montenegrin governance remains dominated by strong personalities in the executive branch, with other institutions wielding limited influence. Even when parliamentary committees or independent monitoring bodies are granted nominal powers of oversight, they typically lack the personnel, funds, or legally defined procedures to exercise them. When a final audit of the country's 2009 budget revealed numerous irregularities, there was almost no reaction from the government, the Public Prosecutor, or the police. In February, the Parliamentary Committee for Security and Defense responded to pressure from domestic media and oppostion parties to improve cooperation with Serbian authorities following the 2009 Balkan Warrior anti-drug-trafficking operation, paving the way for a mutual extradition agreement in October. At the end of the year, the new Law on Parliamentary Oversight in the Field of Security and Defense was unanimously adopted. Recent amendments to laws on the budget and public employees may allow Parliament greater control over its finances and employment procedures. A new appointment to the head to the National Security Agency failed to convince the opposition that the organization is becoming depoliticized. *Montenegro's score for national democratic governance remains unchanged at 4.25.*

Electoral Process. Local elections took place in 14 of Montenegro's 21 municipalities in 2010. The ruling coalition—composed of the Democratic Party of Socialists (DPS) and the Social Democratic Party (SDP)—won in 12 of those municipalities. A coalition of opposition parties won in two municipalities (Pljevlja and Plužine). The defection of a local SDP official reversed one ruling coalition victory, handing Andrijevica to the opposition. Independent observers have withdrawn from the monitoring process, having concluded that the Montenegrin electoral system is mostly in line with international standards. However, there are

still indications that the ruling coalition is able to manipulate the system in its favor. Voter behavior at the polling stations suggests growing discontent with the electoral process. Voting in the 2010 local elections was marked by lower turnout than in previous elections; disillusion with the lack of political options; a high number of invalid ballots; and, as in previous years, accusations of abuse of public resources for campaign purposes. Parliament has failed to align the Election Law with the constitution for the past three years. *Montenegro's rating for electoral process remains at 3.25.*

Civil Society. Montenegro has a vibrant civil society with many active NGOs, but their presence is uneven, both regionally and in terms of thematic focus. The strongest are those in Podgorica, which deal mainly with good governance, human rights, anticorruption, and EU affairs, and have considerable capacity for public advocacy. Traditionally, relations between Montenegrin NGOs and the government have been strained, particularly on the side of the government, which treats NGOs as a necessary evil, rather than as partners and sources of input. The state often manipulates the involvement of NGOs to legitimize its decisions without accepting their input in a meaningful way. The year 2010 saw a significant increase in communication between the government and NGOs, symbolized by the establishment of the Council for Cooperation of the Montenegro Government and Non Governmental Organizations; however, implementation of the many cooperation agreements is lagging. A Law on Representativeness, which would allow for the formation of smaller and more diverse unions, reflected the increasing influence of organized labor in 2010. *Pending evidence that the Council for Cooperation is empowered to have a genuine influence on policymaking, Montenegro's ranking on civil society remains at 2.75.*

Independent Media. 2010 saw improvements in laws governing the media, with the adoption of a new Law on Electronic Media and amendments to the criminal code that mandated publication of court verdicts in defamation cases as an alternative to fines. These have not been followed by improvements in practice. TV Vijesti finally received a broadcast frequency but incurred substantial losses during its two-year battle with the state to get it. Pressures on independent media continued: in 2010 there were 64 ongoing processes against the two independent dailies, *Dan* and *Vijesti*, with nearly €1.5 million (US$2.1 million) in fines at stake. Although this year there were no physical attacks on journalists, cases from previous years are yet to be effectively processed. Meanwhile, there is evidence of more subtle pressures on publications to align themselves with certain actors, or lose funding. The main political party, the Democratic Party of Socialists, is withdrawing all advertisements from the daily *Vijesti*, and state-owned companies are dramatically reducing advertisements in *Vijesti*, *Dan*, and *Monitor* in favor of the state-owned daily, *Pobjeda*. In combination with the general recession, this has worsened the situation for key independent media. *Montenegro's independent media rating declines from 4.00 to 4.25.*

Local Democratic Governance. Amendments to the Law on Local Government shifted the procedure for mayoral appointments from general elections to elections at the local parliamentary level. In light of the ruling coalition's overwhelming success in the 2009 local elections, this change could further strengthen the coalition's grip and shift power from voters to parties. 2010 was also a difficult financial year for local governments, and showed that despite an ongoing devolution of powers, municipalities are still heavily dependent on the central government for funding. In spite of continuing decentralization, local governments suffer from a serious lack of administrative capacity. Difficulties are also in evidence in the poor implementation of local anticorruption action plans and a recent employment cut announced by the Ministry of Finance. *Montenegro's rating on local democratic governance remains at 3.25.*

Judicial Framework and Independence. Despite improvements, judicial independence and efficiency contain considerable gaps. The European Commission's 2010 report noted that "the legal framework leaves room for disproportionate political influence."[1] The State Prosecutor's Office was a particular target of criticism, as a number of high-profile cases remain stuck in the initial stages of investigation. 2010 brought the first verdict in a war crimes case, but both the defense and prosecution have appealed. International cooperation in criminal justice is improving, after Montenegro and Serbia signed an agreement on extradition of their own nationals. *Due to the lack of tangible improvements in judiciary efficiency in 2010, Montenegro's ranking in this category remains at 4.00.*

Corruption. Development of statutory tools to combat corruption continues, but implementation has lagged. There are numerous anticorruption institutions and agencies, but they lack efficiency, coordination, or independence. Despite a flurry of legal activity, the impression is that the government does not want domestic civil society or international institutions involved in developing and applying effective anticorruption policies. After months of negotiating a draft anticorruption strategy with representatives of various public institutions and NGOs, the government unexpectedly adopted a different document drafted by a handful of high-level officials, abandoning some of the key measures proposed by the working group. More than 200 corruption charges have been brought to the prosecutor's office in the last three years, but there was no action to prosecute high-level corruption, prompting the EC to warn that corruption "remains prevalent in many areas and constitutes a particularly serious problem."[2] *The fight against corruption in Montenegro has yielded few tangible results, and in the last year the government has not shown the political will to tackle high-level corruption. The country's ranking on corruption stagnates at 5.00.*

Outlook for 2011. The next year is likely to be a challenging one for Montenegro. The executive branch, parliament, and other key institutions must demonstrate their commitment to meeting the recommendations enshrined in the EC's opinion

on Montenegro's EU membership application. The fulfillment of conditions related to the rule of law, an independent and efficient judiciary, and cooperation with civil society and media is a prerequisite for the opening of negotiations for membership. Parliament must pass the new Election Law. The performance of the most powerful party, the DPS, and the achievements of Prime Minister Lukšić's government will be integral to the future of reforms. The 2011 population census—which will reveal how many of the state's residents consider themselves Montenegrin—will be a critical test for the country. The public expects verdicts in criminal cases against public officials and that pursuit of such cases will proceed to a meaningful conclusion. The same is true of prosecutions initiated against persons accused of violating international law in 1992 and 1993. If these cases remain unresolved, public confidence in the professionalism and objectivity of the judiciary and police will diminish.

The focus of economic activities in the immediate future will be on energy policy (particularly the building of an undersea power cable to Italy), the fate of planned hydropower plants on the Morača river, and electricity prices. The government will need to deal with the consequences of privatization, and attract new investment in the country. In 2010, Montenegro began implementing its NATO Membership Action Plan. During 2011 the government will work on increasing public support for NATO membership.

Main Report

National Democratic Governance

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
n/a	n/a	n/a	4.50	4.50	4.50	4.25	4.25	4.25	4.25

Montenegro is a parliamentary democracy whose constitutional and legal framework is "largely in line with European principles and standards."[3] The country is sovereign and stable, and it plays a positive role regionally. At the end of 2010, it was granted candidate status by the European Union (EU), albeit with seven key priorities for reform before accession negotiations could begin. Surveys showed that consensus on state-building and EU membership grew throughout the year,[4] but political culture and practices remained weak and aspects of the system came under strong criticism from opposition parties, vocal NGOs, and the independent media.

Heavy reliance on individuals rather than on institutions weakens the overall stability of the governing system, which still lacks merit-based procedures for hiring and firing, and perpetuates the overwhelming influence of the executive branch. The influence of political parties and informal actors closely linked to politicians (such as family members or business associates) limits the development of good practices. Authorities do not fully respect the Law on Free Access to Information, although responses differ significantly, with some agencies (such as the Tax Office) acting quickly and others (such as the Prosecutor's Office) releasing no information at all. This prevents citizens and media from obtaining information of public interest and strengthens the impression that government lacks transparency.

In December 2010, long-time Prime Minister Milo Djukanović resigned and a new government led by the previous minister of finance, Igor Lukšić, was formed. This change had long been planned, and the fact that Djukanović remained president of the powerful Democratic Party of Socialists (DPS) indicates his ongoing role on the domestic political scene and, potentially, his plans for a major future political role.

Members of Parliament have frequent opportunities to direct questions to the prime minister and other officials. However, when the State Audit Institution published a number of critical audit reports and a final audit of the country's 2009 budget that showed numerous irregularities, there was almost no reaction from the government, the Public Prosecutor, or the police. The Parliamentary Committee for Economy, Finance, and Budget lacks the capacity to explore the findings in depth, and both the legislative and executive branches lack the mandate and sufficient human and financial resources necessary to monitor implementation of the audit agency's recommendations. Coordination among institutions dealing with oversight of public spending is poor; the State Audit Institution's work is rarely a starting point for a systemic approach to correcting irregularities.

In February 2010, the Parliamentary Committee for Security and Defense began reviewing actions undertaken by Montenegrin state bodies in the wake

of Serbia's 2009 "Balkan Warrior" sting operation, in which twenty suspects from Serbia and Montenegro are implicated. In late 2009, Serbia demanded Montenegro's assistance in apprehending these suspects, but cooperation for the next several months was virtually non-existent. This increased friction with Serbia, also becoming a topic of heated discussion in Montenegrin politics, and in the media. Leaders of Montenegro's opposition parties accused local and national authorities of turning a blind eye to this particular investigation, and of tolerating organized crime in general. After a few months of similar accusations, Montenegro's Committee for Security and Defense took the initiative to examine why national security bodies had allowed the accused Montenegrins—including Darko Šarić, a Montenegrin who acquired Serbian citizenship in 2005, and the alleged ring-leader of the criminal operation under investigation—to remain at large on the grounds of "insufficient evidence." After a hearing on the actions of the police, the National Security Agency, and the Anti-Money Laundering Agency in the case, the committee unanimously concluded that "there was insufficient coordination of competent state bodies," calling upon the agencies and the government to "review past activities and undertake adequate measures in order to correct the mistakes and prepare evidence to prosecute the cases."[5] Months later, Serbia and Montenegro finally signed a mutual extradition agreement. At the end of 2010, Šarić's wherabouts were still unknown, but a number of other suspects had been extradited to Serbia.

Legislators from Montenegro's ruling parties deem the country's security services to be depoliticized, professional, and law-abiding. Opposition lawmakers argue that security services, in particular the National Security Agency, act as arms of the government and meddle in the electoral process to promote the interests of the DPS. In August, the Committee for Security and Defense agreed to a government proposal to appoint a new National Security Director, selecting Vladan Joković, a long-time NSA official. This marks the first time that the directorship has gone to an agency professional, rather than a former government official. Nevertheless, opposition members looked skeptically upon the appointment, saying that despite Joković's professional background, he is likely to be controled by both his predecessor and former Prime Minister Djukanović. In addition, the Committee deliberated on annual reports on the army, police, and National Security Agency.

At the end of the year, Parliament unanimously adopted the Law on Parliamentary Oversight in the Field of Security and Defence, three years after its initial drafting. Representatives of civil society organizations participated in a working group charged with drafting the law and in the sessions of the Committee for Security and Defense. This law represents an important step toward more effective oversight of security and defense, including allowing the opposition to initiate two consultative hearings or parliamentary inquiries on the Committee for Security and Defense per year, without prior consent of the majority. In 2010, for the first time, the Committee oversaw the use of secret surveillance measures. Most of its members said that secret surveillance measures are implemented in line with the law.[6] In July, changes to the laws on the budget and public employees gave

Parliament greater authority over spending and hiring practices related to its own activities.[7]

Electoral Process

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Yugoslavia		3.50	3.25	3.50	3.50	3.25	3.25	3.25	3.25

Montenegro's constitution guarantees all citizens the right to vote and stand at elections, which are conducted by secret ballot. Voting rights are granted to all citizens over 18 years of age who have lived in Montenegro for at least two years. This two-year residence requirement for citizens has been criticized by international organizations, such as the OSCE/ODIHR and the Venice Commission, which assert that no length of residency should be imposed upon citizens wishing to vote.[8]

The 1998 Law on Election of Councilors and Members of Parliament is not yet aligned with the constitution passed in 2007. Among other unincorporated provisions, the constitution promises national minorities "authentic representation," a phrase that means different things to the ruling coalition and opposition. Any amendment to the law would require approval from at least two-thirds of parliament. Resolution of this issue is one of the conditions set by the EC for opening negotiations over EU membership.

The legitimacy of electoral law is further complicated by the relationship between the status of citizenship and voting rights. All residents of Montenegro who chose Montenegrin citizenship after the 2006 referendum were automatically inscribed in the electoral registry. However, there still remain roughly 30,000 citizens of the former State Union of Serbia and Montenegro who retain permanent residence in Montenegro but have declined to take Montenegrin citizenship. Following the adoption of a new Law on the Register of Electors in 2008, officials began removing the names of these non-citizen residents from the electoral registers,[9] as Montenegro's 2007 constitution stipulates that voters must be citizens of the country. However, after a series of cases brought by non-citizen residents against municipal authorities, the courts ruled that non-citizen residents are entitled to remain in the electoral register, and their names must be restored in cases where they have been deleted.[10] Therefore, non-citizen residents have a provisional ability to participate in elections, contrary to the provisions of the constitution. Voting is an even greater problem for the large Roma, Ashkenazi, and Egyptian (RAE) population, many of whom remained stateless after the dissolution of the State Union of Serbia and Montenegro. They have neither Montenegrin citizenship, nor non-citizen resident status, nor have they ever been included in the voter registries.[11]

Another major concern of the European Commission as it evaluates Montenegro's electoral laws is that there exists no protection against abuse of administrative resources as incumbent parties seek re-election. The EC found the

electoral administration to be politicized, with poor regulation of party and election campaign financing, and the potential for blurred lines between party and state structures.[12] There is also no provision for balanced election coverage in the public broadcasting service.

Local elections were held on 23 May 2010 in two cities and 14 of Montenegro's 21 municipalities, home to two-thirds of Montenegro's population. The major political battle was fought between the ruling coalition—DPS and the Social Democratic Party (SDP)—and the united opposition, led by the Socialist People's Party (SNP), New Serbian Democracy (NOVA), and Movement for Changes (PzP). The DPS won a majority in 12 municipalities and lost in Plužine (where the SNP ran independently and won) and Pljevlja (where the united opposition won). With the subsequent defection of one DPS councilor to the united opposition, the ruling coalition lost the municipality of Andrijevica, as well. Elections in Ulcinj and Golubovci did not yield a clear majority, leading to an extraordinary election on 17 October 2010. In both cities the DPS kept power, with different coalition partners. Overall, local elections reaffirmed the dominance of DPS and the rise of the SDP, as well as the internal weaknesses of the opposition parties, which appear unable to forge issue-based alliances.

Earlier in the year, the ruling coalition also won local elections in the town of Cetinje. However, Cetinje voters submitted a significant number of so-called "spoiled ballots," interpreted by civil society and media analysts as a protest against the lack of viable electoral alternatives to the DPS, and the campaign pressure exerted on voters by the ruling coalition through manipulation of administrative resources and social programs. In many municipalities, the 2010 local elections reopened old allegations of misuse of public resources in pre-election activities, including recurring accusations of vote buying by the ruling coalition.[13] For the first time since the introduction of a multiparty system in Montenegro, domestic monitoring groups did not get funding. Consequently there were no independent assessments of the process.

Meanwhile, voters' perception of their ability to freely express themselves appears to be declining. A 2010 Gallup poll reported that 64 percent of respondents feel afraid to openly express their political views. In 2006, the figure was 50 percent.[14]

Civil Society

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Yugoslavia		2.75	2.50	3.00	3.00	2.75	2.75	2.75	2.75

While the regulatory environment in Montenegro is favorable for development of the civil sector, many challenges remain and some are even growing. NGO representatives are included in various working groups or consulted, but their suggestions and comments are often ignored, as in the development of the Action Plan for the Fight against Corruption and Organized Crime.

In a highly-publicized effort to address the lack of meaningful communication between government and civil society, the government committed to the creation of a new advisory body composed of governmental appointees and civil society representatives selected by the NGO sector. The council first assembled in autumn 2010. It remains to be seen how effective it will be in transmitting the needs of civil society to policymakers.

Many NGOs are becoming stronger, more vocal, and more influential, but they are not equally developed in all focus areas or regions of Montenegro. The strongest are those based in Podgorica, dealing mainly with good governance, human rights, corruption, EU affairs, and the like, with growing capacity in public advocacy. Interaction between NGOs and the media, especially independent outlets, has become more common, resulting in successful coverage of important social issues where NGOs served as story initiators and sources. NGOs remain largely dependent on foreign funds, a trend that favors those organizations which are already strong and well-developed. Allocation of public funds for NGOs remains controversial. There is a need for transparent and criteria-based procedures for distribution of these resources at the national and local level, and for mechanisms to monitor the allocation procedure and realization of approved projects.[15]

In 2010, there was significant progress toward creating a regulatory framework for the organization of trade unions, which are currently represented by the Confederation of Trade Unions of Montenegro and the Union of Free Trade Unions of Montenegro. The new Law on Representativeness of Trade Unions creates an environment friendly to the creation of smaller and more diverse unions.[16] Among other provisions, the law guarantees representative trade unions the right to bargain collectively at all levels, and to participate in the work of the Social Council—a tripartite body composed of government, labor, and business representatives—and other similar bodies addressing social and economic issues. However, the new law sets quite a high membership threshold for unions to be officially recognized.

Independent Media

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Yugoslavia		3.25	3.25	3.25	3.50	3.75	3.75	4.00	4.25

Media legislation in Montenegro is largely in line with European standards. Adoption of the Law on Electronic Media on 27 July 2010, replacing the previous Broadcasting Law, enshrined this legislative framework. Montenegro's constitution and accompanying media laws provide legal conditions for the freedoms of speech and press, and development of media. The new Law on Electronic Media regulates the rights and responsibilities of those in broadcast media, while seeking to prevent media concentration and promote media pluralism. The law establishes the Agency for Electronic Media, which continued the work of earlier Broadcasting Agency, and new members of its council were appointed in autumn. At the initiative of the

deputy prime minister, the section of the criminal code concerning defamation was changed in summer 2010 so that verdicts are publicized in lieu of high fines being levied.[17] However, this solid legislative framework is not backed up by adequate implementation, and existing practices shed a different light on the media picture.

After a two-year effort, TV Vijesti finally received a license to broadcast nationally on 27 January 2010. The authorities attributed the delay to unclear administrative procedures, but the case has been widely put down to political pressure. Public expressions of concern from many foreign governments and international and local organizations likely contributed to its resolution. However, years without this license have meant considerable financial losses for the owners and the company.

Independent print media also faced continued pressure in 2010. Libel and defamation remain criminal rather than civil offenses, but powerful individuals inside and outside government pressed charges and sought high financial compensation for their "mental pains." In 2010, the daily newspaper *Vijesti* faced 29 ongoing lawsuits with collective compensation claims of about €1.1 million.[18] At the same time, *Dan* was saddled with 35 ongoing lawsuits seeking a combined €350,000.[19] The weekly *Monitor* had four ongoing suits, and in cases over the last couple of years its journalists have been ordered to pay €29,989.86.[20] The requested and, in many cases, court-awarded amounts are not harmonized with European law and represent a serious obstacle to press freedom in Montenegro.

While 2010 saw no physical attacks on journalists, five journalists at *Vijesti*, which is known for its critical and investigative reporting, received anonymous threatening letters.[21] No significant action was taken in 2010 on criminal cases involving pressure on journalists dating from previous years. In the meantime, the means of pressuring certain media became more sophisticated, and the government has been exerting financial pressure on independent outlets through the selective awarding of state advertising contracts. The Democratic Party of Socialists pulled its advertisements from papers such as *Vijesti*, and state entities dramatically reduced or stopped advertising in *Vijesti*, *Dan*, and *Monitor*,[22] transferring all their business to *Pobjeda*,[23] a daily still majority-owned by the state. Despite legal provisions and deadlines over the past seven years mandating that *Pobjeda* be privatized, the newspaper remains in the state's control. This does not create an encouraging environment for the development of investigative journalism. In combination with the overall economic crisis, it has led to a decrease in the quality of the Montenegrin press.

The future of the media's primary ethics panel, the Journalistic Self-Regulatory Body (NST), was put in doubt in 2010. The body, whose membership includes almost all Montenegrin media,[24] was paralyzed by longtime internal divisions that came to a head over the case of an interview with Stanko Subotić on privately-owned TVIN. Subotić, a controversial Serbian businessman often linked with former Prime Minster Djukanović, has been accused by a number of Montenegrin media of exploiting this relationship. Representatives of these media—amounting to half the NST panel—called TVIN's interview with Subotić unprofessional and

biased, while the other half vehemently defended TVIN. The bitter disagreement divided NST at year's end and put its future in question.

The objectivity and independence of RTCG, Montenegro's Public broadcasting service, remains debatable. Its news program is still full of reports on the ceremonial activities of top officials; investigative pieces are rare and often more reflective of mainstream policy than the public interest. RTCG's finances and management activities are not sufficiently transparent, although some progress has been made due to the efforts of civil society representatives on the broadcaster's governing council.

Montenegrin Telecom is the country's first and largest internet provider, with the highest market share. Montenegro had a 44 percent internet penetration rate in 2010, with that number growing steadily every year.[25] Extra TV, a digital service which offers a wider range of domestic and foreign channels, also enjoyed a growing number of users in 2010.

Local Democratic Governance

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
n/a	n/a	n/a	3.50	3.50	3.25	3.25	3.25	3.25	3.25

The Constitution of Montenegro and the 2003 Law on Local Government define the foundations of the local government system. Local government is composed of 21 municipalities, including the capital city of Podgorica, with two city municipalities and the historic royal capital of Cetinje. Changes to the Law on Local Government have shifted the election of mayors from voters to local assemblies. Political actors who previously backed direct elections of mayors as a significant democratic step defended the new system as "more rational and efficient." The mayor's choice for the head of municipal administration is also subject to the assembly's approval, which, given the ruling coalition's showing in the 2010 elections, could help the ruling parties exert greater local control.

In 2010, local elections were held in 14 municipalities. The Democratic Party of Socialists, independently or in coalition with the Social Democratic Party, won majorities in 12 municipalities. The list of the joint opposition—the "Better Montenegro"[26] coalition—won in the municipalities of Pljevlja and Plužine. Since a legal deadline expired without an agreement on forming a government in the municipality of Ulcinj and the city municipality of Zeta, elections were repeated on 17 October 2010, with a larger turnout than those held earlier. The Socialists-Social Democrat coalition won in Zeta by an even greater margin. The Democratic Party of Socialists, a coalition of the Democratic Union of Albanians,[27] and the Party of Democratic Prosperity formed a government in Ulcinj, although the Albanian Party "Forca" had the single best election result.

Almost all municipalities experienced financial and economic hardship during 2010. The main problems are systematically inadequate financing of local governments, weak control of the local budgets by the local parliaments and finance

officials, and wasteful spending. Collection of taxes and other revenues is lagging and there is no adequate method for calculating these monies.

Although the Constitution stipulates that "the Municipality has property," the 2009 Law on State Property restricts municipalities from disposing of property without the consent of the Ministry of Finance. The Constitutional Court is examining the constitutionality of this provision at the request of Movement for Changes councilors in Podgorica, and no ruling had been made by the end of 2010.

A mid-year analysis of municipalities and local finance ministries—jointly conducted by the Ministry of Finance and the municipalities themselves—concluded that municipal administrations are oversized. Amendments to the Law on Local Governments' Finances, jointly prepared by the Association of Municipalities and Ministry of Finance to introduce new income for local governments, were adopted at the end of the year, incorporating many recommendations from the mid-year study. It is estimated that total transfers for municipalities will bring a new sum of €15 million to the budgets of the municipalities, through the allocation of increased tax revenue. For example, while previously, 70 percent of concession revenues went to the national budget and 30 percent was allocated to municipalities, the formula has been altered so that municipalities will now receive 70 percent, and the state will receive the balance.

A draft Strategy for the Reform of Public Administration provides a basis for further local government reforms, including further decentralization, strengthened administrative oversight of local governments, and enhanced local financing, among other issues. However, the draft had not been passed at the end of 2010.

Judicial Framework and Independence

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Yugoslavia		4.25	4.25	4.25	4.25	4.00	4.25	4.00	4.00

The judiciary is structured as a three-tier court system. It consists of 15 basic courts, two high courts, an Appellate Court, and a Supreme Court. It also includes two commercial courts, an administrative court, and the Constitutional Court. Judicial power is exercised by 252 judges, supported by 49 bailiffs and 1,073 administrative staff members.

The independence and efficiency of the judiciary remains weak. The European Commission stated in its opinion on Montenegro's EU membership application that "serious concerns exist over the independence of the judiciary, as the legal framework leaves room for disproportionate political influence."[28] All judicial posts—including the Judicial Council and judges, the Prosecutorial Council and prosecutors, and the Supreme Court President and Supreme Court Prosecutor—are either directly or indirectly appointed by parliament and the government.

Parliamentary opposition and numerous nongovernmental organizations have pointed to cases of inefficiency and political dependency of judicial structures,

particularly the Supreme State Prosecutor's Office. Many important and high-profile cases handled by the State Prosecutor's Office remain in their initial phase.

In addition, changes to the Criminal Procedure Code stipulate that the State Prosecutor's Office should have taken over investigations from investigative judges as of August 2010. However, the office was not ready to fully take over this responsibility, aside from its Special Unit for Corruption, Terrorism, Organized Crime, and War Crimes, which took over the investigative role within its field.

In order to advance efforts in the fight against corruption and organized crime, a so-called Joint Investigative Team was established in February 2010, consisting of the Supreme State Prosecutor, Police Directorate, Customs Administration, and Directorate for Prevention of Money Laundering and Financing of Terrorism. The Special Prosecutor coordinates the work of this team. Its results have been modest.

In April, seven people in Bukovica were indicted for abuse and inhumane treatment of Bosnian civilians and violation of international law in 1992 and 1993. The trial is expected to conclude in early 2011, as is the trial of eight persons charged with inhumane treatment of civilians of Albanian nationality on 18 April 1999 in Kaludjerski Laz (in the Rožaje municipality). The defendants in that case have been detained since August 2008.

In May 2010, six former guards at the Morinj prison camp were found guilty of ordering and implementing torture, and of inhumane treatment and violation of the physical integrity of 169 prisoners in 1991–1992. The indictment was raised after 15 years of cooperation with the Croatian judicial authorities, on the basis of a cooperation agreement in the prosecution of perpetrators of war crimes, crimes against humanity, and genocide. Both sides have appealed.

During 2010, the issue of finding a means of cooperation in criminal matters among the countries of the region, especially between Montenegro and Serbia, came to the fore. After numerous problems, conflicting opinions, and delays, an agreement allowing mutual extradition of the two countries' citizens was signed in late October. Extraditions are permitted for cases of organized crime, corruption, crimes against humanity, money laundering, and other serious criminal acts. Several people were arrested and extradited on both sides soon after the agreement was concluded.

In 2009, a number of individuals from a criminal group were convicted and sentenced for the 2005 murder of Montenegro's leading criminal investigator, Slavoljub Šćekić. In 2010, a retrial began, following a decision of the Appellate Court.

The Administrative Court remains a positive example of judicial independence in Montenegro's court system. In 2010 it received 3,799 appeals against state and local administration, 64 percent more than in the previous year. The Administrative Court overturned contested rulings, or deemed the rulings unlawful, in slightly more than 50 percent of its cases.

Problems remain with the execution of judgments of the Administrative Court, but for the most part the decisions are executed. The president of the Administrative Court has answered repeated criticism coming via the media from

high-level government and ruling party officials,[29] interpreting their statements as pressure on the court.

Corruption

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Yugoslavia		5.25	5.25	5.25	5.50	5.25	5.00	5.00	5.00

Montenegro ratified key Council of Europe anticorruption conventions in 2010, but the legal framework is not yet fully aligned with international conventions. In September, Montenegro became a member of the International Academy for the Fight Against Corruption, newly established by the UN and Interpol.[30] Several institutions and agencies were established for the fight against corruption, but they remain poorly coordinated and without a clear division of powers or capacity to monitor the enforcement of laws. In addition, these institutions have rather narrow competences, and limited powers and independence. Mechanisms for reporting corruption remain underdeveloped. The Law on Conflicts of Interest is still not fully aligned with international standards, as has been stressed by various international and local stakeholders. It allows state officials to be on governing boards of companies that are partially state-owned and it lacks a mechanism for implementation of sanctions. Thus, most of the decisions of the Commission for Prevention of Conflicts of Interest concerning the dismissal of state officials remain unimplemented.

Laws on financing of political parties and pre-electoral campaigns do not envisage an impartial monitoring mechanism. Parties' financial reports are submitted to the Auditor of the Ministry of Finance and published on the website of State Electoral Commission, effectively leaving all monitoring and oversight of party financing and financing of pre-election campaigns in the hands of the executive branch.

During 2010, an interministerial group appointed by the Minister of Interior and Public Administration and composed of representatives from various ministries and NGOs produced a Strategy for the Fight against Corruption and Organized Crime 2010–2014 with an accompanying action plan for the first two years of implementation. It represented a step forward both in meaningful cooperation between the government and civil sector, and in the quality of the proposed strategy. However, just before the document was scheduled to be publicly debated, an entirely new document was passed at a session of the government on 29 July 2010.[31] The new strategy appeared to have been developed in parallel by a small group of high governmental officials, without any input from civil society. The new government-drafted text did not include a number of key anticorruption measures: the issue of corruption in sports was omitted entirely, and the qualitative indicators to measure corruption developed by the working group were discarded in favor of purely quantitative indices. NGOs and other stakeholders involved in the process

reacted strongly to their sudden ejection from the process, but this did not prevent the strategy from becoming official.[32] In addition to reinforcing the perception that the government is ambivalent to the advice of civil society groups and independent experts, this episode also cast increased doubt upon the government's commitment to fighting corruption and organized crime.

Political will to fight corruption is still limited, as noted by the EC Opinion on Montenegro's application to the EU.[33] Much of the country's economy is either controlled or influenced by the state. Montenegro has a huge public sector—government spending amounts to 48 percent of GDP, which is higher than average for an emerging market economy.[34] The Human Resources Agency, on behalf of the governmental bodies, advertises job positions within the government and conducts the initial examination procedure, but its choice is not binding on officials and the dominant hiring criterion remains the candidate's party affiliation.

In 2008 and 2009, police reportedly filed a total of 189 criminal cases with the prosecutor's office, of which 24 involved high-level officials. In 2010 alone, 34 high-level corruption cases were filed, suggesting that pressure on Montenegro from domestic civil society and the European Union to crack down on corruption is increasing. Still, an effective fight against high corruption is lacking, though there is some evidence of fighting administrative corruption. The EC notes that "efforts should be stepped up to ensure active and systematic reporting on corruption" as well as that "administrative capacity both for prevention and repression of corruption needs to be strengthened...Strong political will is needed to significantly improve performance in combating corruption."[35] Legal protections for whistle-blowers, anticorruption activists, and journalists are still lacking, although some steps have been taken in that direction.

Until late 2010, there were no significant cases of government officials and public servants being investigated and prosecuted for corruption, despite the fact that media offered material on a daily basis that could have been used by the prosecution and responsible authorities. In such an environment, the case of a customs officer sentenced for taking a €10 bribe has only strengthened public belief that even if action to combat corruption is taken, it will affect not those at the top but those at the bottom. But on 24 December, after Djukanović resigned and before Lukšić took over, the police made a series of high-profile arrests in Budva, including the mayor and deputy mayor (who is the brother of former Deputy Prime Minister Svetozar Marović), and several others. The head of the Parliamentary Board for Human Rights was also arrested as part of the operation. There may be political, as well as judicial, aspects to the case, as the suspects are part of the ruling Democratic Party of Socialists and the arrests could reflect conflict within the party. Still, these were so far the highest-level corruption cases.

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Poland

by Krzysztof Jasiewicz

Capital: Warsaw
Population: 38.2 million
GNI/capita, PPP: US$18,290

Source: The data above was provided by The World Bank, *World Development Indicators 2011*.

Nations in Transit Ratings and Averaged Scores

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Electoral Process	1.25	1.50	1.50	1.75	1.75	2.00	2.00	2.00	1.75	1.50
Civil Society	1.25	1.25	1.25	1.25	1.25	1.50	1.25	1.50	1.50	1.50
Independent Media	1.50	1.75	1.75	1.50	1.75	2.25	2.25	2.00	2.25	2.25
Governance*	2.00	2.00	2.00	n/a	n/a	n/a	n/a	n/a	n/a	n/a
National Democratic Governance	n/a	n/a	n/a	2.50	2.75	3.25	3.50	3.25	3.25	2.75
Local Democratic Governance	n/a	n/a	n/a	2.00	2.00	2.25	2.25	2.00	1.75	1.75
Judicial Framework and Independence	1.50	1.50	1.50	2.00	2.25	2.25	2.50	2.25	2.50	2.50
Corruption	2.25	2.50	2.50	3.00	3.25	3.00	3.00	2.75	3.25	3.25
Democracy Score	1.63	1.75	1.75	2.00	2.14	2.36	2.39	2.25	2.32	2.21

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

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

Executive Summary

In 2010, Poland's postcommunist democratic institutions underwent an endurance test of unprecedented character and scale. On April 10, a passenger plane of the Polish air force crashed as it attempted to land at Smolensk airport in western Russia, killing all 96 people on board. Among the victims were President Lech Kaczyński, his wife Maria, and numerous senior military and civilian officials. Such a severe death toll among the top government leadership might have precipitated a political crisis if the procedures of succession had been less clearly outlined, or if the process for filling the vacant positions had lacked transparency or legitimacy. However, while the tragedy left the entire nation in a state of shock and sorrow, the institutions of governance never ceased to function in accordance with all applicable legal requirements.

The most important institutional issue to be resolved in the days following the Smolensk crash was the question of the presidential succession. Bronisław Komorowski, the marshal (speaker) of the Sejm, the lower house of parliament, assumed the duties of the president in an acting capacity and scheduled a presidential election for June 20. As the designated candidate of the ruling Civic Platform (PO) party, Komorowski won the presidency in the second round of voting on July 4, and was sworn into office on August 6. The Smolensk crash and its aftermath dominated Polish politics for the majority of 2010.

National Democratic Governance. Following the unexpected death of numerous political elites in April, constitutional procedures were successfully implemented to replace the president of the republic and other state officials. The next officers in the chain of command filled the posts of deceased military commanders. Deputies to the Sejm and members of the Senate, the upper house of parliament, were replaced in accordance with the provisions of the electoral law. As prescribed by the constitution, the Sejm elected a new ombudsman and approved the president's choice of a new National Bank president. The efficiency displayed by the system of governance in this process of recovery was even more remarkable given the fact that it took place in a highly contentious political environment. While some of the appointments triggered political controversies, none was questioned from a purely legal standpoint. The overall response proved that the country's democracy has solid foundations and that political institutions function properly even under the most extreme duress. *Consequently, Poland's national democratic governance rating improves from 3.25 to 2.75.*

Electoral Process. In 2010, Poles participated in separate presidential and local elections. Taking place in the wake of the Smolensk crash, both polls were conducted in a solemn atmosphere, without excessive negative campaigning or any major disturbances, conflicts, or violations of civil rights. In the presidential vote, the candidate of the center-right PO party, Bronisław Komorowski, defeated the twin brother of the late president, Jarosław Kaczyński of the conservative Law and Justice (PiS) party. The PO-PiS rivalry is likely to dominate Polish politics for years to come. The mutual animosity of these two parties impedes fruitful cooperation between the government and the opposition. Nevertheless, the efficient, transparent conduct of free and fair elections in the aftermath of Poland's national tragedy stands as a model of democratic practice. *Poland's electoral process rating improves from 1.75 to 1.50.*

Civil Society. The Polish civil society sector benefits from a sound legal framework and a high level of public involvement at the grassroots level, with public-opinion data showing that citizens feel more empowered than in the past. In 2010, the reports and analyses of nongovernmental organizations including Transparency International, Reporters Without Borders, the Helsinki Foundation, and many others continued to form an important contribution to the public debate on major national issues. *Poland's civil society rating remains unchanged at 1.50.*

Independent Media. Polish media are free but highly partisan. While professional associations emphasize accepted standards of objectivity in reporting, journalists in both print and electronic media habitually blur the line between reporting facts and expressing opinions. The biased coverage of the presidential campaign by the public Polish Television (TVP) network was documented by independent monitoring. Changes made to the media law and the institutional framework of Polish public broadcasting in 2010 have the potential to increase political independence and objectivity in future reporting. Nevertheless, the partisan environment persisted during the year, as did laws that facilitate defamation and libel suits against journalists. *Poland's independent media rating remains unchanged at 2.25.*

Local Democratic Governance. The municipal, county, and provincial elections conducted in November 2010 provided ample evidence of the strength of local democracy in Poland. Candidates fielded by the ruling PO–Polish People's Party coalition performed well overall, but in many areas a plurality of votes were cast in favor of local organizations and ad hoc coalitions of citizens. Incumbents generally retained their positions, indicating a high level of citizen satisfaction with governance at the local level. *Owing to the well-established legal framework and active civic involvement in local affairs, Poland's local democratic governance rating remains unchanged at 1.75.*

Judicial Framework and Independence. Contemporary Poland inherited many ills of the communist-era judiciary, including practices that undermine

the independence of state prosecutors. The separation of the offices of the justice minister and the prosecutor general, which became effective in March 2010, could provide a remedy for this problem. But the government may lack the political will to fully adhere to the principles of judicial independence, as evidenced by partisan considerations in the selection of justices for the Constitutional Tribunal. *Because of these problems and a lack of progress on improving the work conditions and compensation of judges and prosecutors, Poland's judicial framework and independence rating remains unchanged at 2.50.*

Corruption. Poland has a well-developed network of institutions dealing with the problem of corruption. However, developments in 2010 confirmed suspicions that the anticorruption institutions themselves are not entirely free from corruption, with some officials serving partisan political interests rather than the public interest. *Because of such accusations of political expediency in anticorruption institutions, Poland's corruption rating remains unchanged at 3.25.*

Outlook for 2011. Polish politics in 2011 will be defined by the run-up to the parliamentary elections, scheduled for October. The animosity between the two major parties, PO and PiS, dominated the political discourse in 2010, and will undoubtedly loom large in 2011 as well. The question of responsibility for the Smolensk accident will likely remain the main bone of contention, steering public attention away from pressing economic and social issues, such as the public debt and unemployment. Yet the public may grow weary of the partisan quarreling on the right and shift support to the Democratic Left Alliance or new entrants to the political arena, such as dissenters from PiS or PO. In the areas of civil society, independent media, local governance, judiciary, and corruption, no dramatic changes are expected.

Main Report

National Democratic Governance

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
n/a	n/a	n/a	2.50	2.75	3.25	3.50	3.25	3.25	2.75

In 2010, Poland's postcommunist democracy underwent an endurance test of unprecedented character and scale. On April 10, a Tu-154 passenger plane operated by the Polish air force crashed during its approach to Smolensk airport in western Russia, killing all 96 people on board. Among the dead were President Lech Kaczyński, his wife, and many senior military and civilian officials. The group was on its way to a memorial service for Polish officers executed by Soviet forces in the infamous Katyń Forest Massacre of 1940.

In addition to the presidential couple, the list of deceased included two deputy marshals (speakers) of the Sejm, the lower house of parliament, and 13 other Sejm deputies; the deputy marshal of the Senate and two other senators; the civil rights commissioner (ombudsman); the president of the Polish National Bank (NBP); the president of the Institute of National Remembrance; the chief of the general staff of the Polish armed forces and eight other generals, including the commanding officers of all service branches; the chief of staff of the president's chancellery; the head of the National Security Bureau; and three deputy cabinet ministers (of foreign affairs, national defense, and culture), in addition to several civil servants, leaders of nongovernmental organizations (NGOs), members of the clergy, members of the president's security detail, the plane's crew, and private citizens. The last group included Anna Walentynowicz, the legendary leader of the anticommunist Solidarity movement.

Such a severe death toll among the nation's top leadership could have created a constitutional crisis if the procedures of succession were not clearly outlined in the constitution and other legal acts, or if the process of filling the vacant positions lacked transparency or legitimacy. While the tragedy left the entire country in a state of shock and sorrow, the institutions of the state never ceased to function in accordance with all applicable legal requirements.

After the fall of the communist regime in 1989, a series of legal acts—the constitutional amendments of 1989, the "little constitution" of 1992, and the adoption of the current constitution in 1997—established a dual-executive system of government. Poland is governed by the prime minister and cabinet, which are politically responsible to the Sejm. However, the president of the republic, elected by popular vote, is also endowed with considerable powers. This arrangement has resulted in several disputes regarding the division of responsibilities between the president and the prime minister and cabinet. Disagreements between the late president Kaczyński, founder of the conservative opposition party Law and Justice (PiS), and current prime minister Donald Tusk of the center-right Civic Platform (PO) party

were particularly frequent and contentious, as demonstrated by their decision to participate in two separate memorial services in Katyń in 2010. Prime Minister Tusk, invited by his Russian counterpart, Vladimir Putin, led an official Polish delegation to ceremonies on April 7. Putin used the occasion to express his condemnation of the crimes committed by the Soviets against Polish citizens in Katyń and elsewhere. This surprising statement indicated a potential for deeper reconciliation between Poland and Russia, whose bilateral relations had been strained in recent years.

President Kaczyński, who did not receive an official invitation from Russia, insisted nonetheless on his participation in the events commemorating the Katyń Forest Massacre. Consequently, another ceremony, without the participation of Russian officials, was scheduled for April 10. At the president's invitation, the civilian and military officials listed above joined him, as did a group of war veterans and victims' relatives. No cabinet ministers were invited, meaning the accident did not directly affect the prime minister's side of the dual executive. This contributed to the sense of continuity in government in the wake of the tragedy.

The most important institutional issue to be resolved in the days following the Smolensk crash was the question of presidential succession. There is no office of vice president in the Polish system of government, and in the event of the president's death before the end of the term, the constitution mandates a new election. The marshal of the Sejm, who serves as acting president, has 14 days to announce the date of the election, which can take place no later than 60 days after the announcement. Marshal Bronisław Komorowski assumed his duties as acting president on April 10, and on April 21 he announced that the presidential election would be held on June 20, with the runoff on July 4.

Legally prescribed procedures were also followed for the replacement of the other state officials who lost their lives in the Smolensk accident. The respective officers who came next in the chain of command filled the posts of the deceased military commanders. Deputies to the Sejm were replaced, in accordance with the electoral law, by the runners-up on their respective party lists in each district. New elections were held for the three vacant Senate seats, also as stipulated by electoral law. In accordance with the constitution, the Sejm elected a new ombudsman and approved the president's choice of a new NBP president. The president appointed new officials in his chancellery, and the prime minister appointed new deputy ministers of foreign affairs, defense, and culture. By the end of the year, only the post of president of the Institute of National Remembrance remained vacant, due to ongoing revisions in the laws governing that institution.

Some of the government appointments stirred political controversies, but none was questioned from a purely legal standpoint. One dispute centered on the formal powers of the acting president of the NBP, in this case appointed from among the NBP vice presidents. The NBP president serves, ex officio, as chairman of the Monetary Policy Council (RPP), and some constitutional experts suggested that the NBP acting president could not automatically assume the RPP chairmanship. This controversy became moot with the prompt selection of the new permanent NBP president on June 11.

The efficiency displayed in the government's recovery from such unprecedented personnel losses was even more remarkable given the fact that the process took place in a highly contentious political environment. The overwhelming feelings of national unity evident to any observer in the days immediately following the Smolensk crash subsided rather quickly. Arguably, the most important precipitating factor was the selection of Wawel Cathedral as the burial place of Kaczyński and his spouse. The cathedral, adjacent to the Royal Wawel Castle in Kraków, is the tomb of Polish kings. The decision was made by Cardinal Stanisław Dziwisz, Archbishop of Kraków, allegedly at the insistence of the late president's family. Among the president's survivors were his mother, daughter, and twin brother, Jarosław Kaczyński, the cofounder and current leader of PiS.

Regardless of the actual motives behind the choice of Wawel as the resting place of President Kaczyński, the decision could be perceived as instrumental in securing his status as a national hero who met his death en route to a site of Polish martyrdom. Opponents of the decision pointed out the many shortcomings of Kaczyński's presidency, confirmed by his poor ratings in recent opinion surveys; in polls conducted by the Warsaw-based Center for Public Opinion Research (CBOS) in 2009 and 2010, his approval rate oscillated between 23 and 31 percent. Assessments of the late president were split along party lines, which deepened the rift between PO and PiS.

Both parties have roots in the anticommunist Solidarity movement of the 1980s, but they have gradually grown apart since 2005. In fact, they represent significantly different visions of the social and political order in Poland, and of Poland's place in Europe. The animosity between them dominated Polish politics in 2010 and is likely to loom large in 2011 as well. The main bone of contention during the year was the question of responsibility for the Smolensk accident. The Tusk government, following the rules of the Convention on International Civil Aviation (or Chicago Convention), cooperated with its Russian counterpart in investigating the causes of the crash. PiS deputies to the Sejm established an extraconstitutional committee to monitor the progress of the investigation. Its chairman, Antoni Macierewicz, made several public statements suggesting Russian culpability for the crash and a cover-up by the Tusk government.

Despite the partisan acrimony, the events of 2010 proved that Poland's democracy has a solid foundation, and that the country's political institutions function properly even under extreme duress.

Electoral Process

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
1.25	1.50	1.50	1.75	1.75	2.00	2.00	2.00	1.75	1.50

In 2010, Poles participated in separate elections to choose the president and to elect local government officials. Both elections were conducted in a solemn atmosphere and in an orderly fashion, without any major disturbances, conflicts, or violations of civil rights.

The constitution stipulates in Article 127 that the president shall be elected for a five-year term in universal, equal, and direct elections conducted by secret ballot no sooner than 100 days and no later than 75 days before the serving president's term expires. The late president Kaczyński was elected in 2005, and his term would have expired on December 23, 2010. His death in the Smolensk plane crash on April 10 necessitated an early election, as prescribed by Article 128.2 of the constitution. Marshal of the Sejm Komorowski announced on April 20 that the first round of the election would be held on June 20, and the runoff on July 4.

Article 127.3 of the constitution requires that a would-be presidential candidate collect 100,000 signatures of eligible voters in order to be registered. The timetable of an early election, as outlined in the presidential election law, gives only 15 days to accomplish this task. Nonetheless, a total of 10 candidates qualified and ultimately participated in the vote. Among them were the official candidates of the four major political parties.

Komorowski was selected as the PO candidate in a party primary, defeating Foreign Minister Radosław Sikorski. This was the first time in the history of Polish presidential elections that a major party candidate was chosen through a primary open to all of the party's members. The introduction of this form of intraparty democracy was only partially successful, as the turnout of eligible primary voters was relatively low at 47.5 percent.[1]

Some in the media and among leaders of other parties objected to the idea of Komorowski running for office while serving as acting president. The main questions were related to his ability to perform two state jobs while running an electoral campaign, and the potential that the media exposure related to his official functions would give him an unfair advantage over other candidates. However, no formal regulations prevent the acting president or the marshal of the Sejm from running in a presidential election. Despite the criticism, Komorowski did not resign or take leave from his official posts during the campaign period.

Before becoming president and renouncing his party affiliation, as is customary, the late Kaczyński had led PiS with his twin brother, Jarosław. Lech Kaczyński had been expected to seek reelection at the end of his term, and after his death, Jarosław was seen within the party as his natural replacement. The grief-stricken Jarosław Kaczyński appeared reluctant to step in, but as no other viable candidate emerged from the party ranks, he ultimately announced his candidacy.

Among those who died in the Smolensk crash was Jerzy Szmajdziński, who had been selected as the presidential candidate of the Democratic Left Alliance (SLD) party. To replace him, the party chose its chairman, Grzegorz Napieralski. The Polish Peasant Party (PSL), the junior partner in the ruling coalition, also fielded its chairman, Deputy Prime Minister Waldemar Pawlak.

Despite the emotionally charged atmosphere in the aftermath of the Smolensk crash, the major candidates and their supporters largely avoided any excessive negative campaigning. The only problem raised by some observers was the partisan character of election coverage in the media, particularly on the public Polish Television (TVP) network, which favored Kaczyński. Although he was an

opposition party candidate, the TVP leadership had been installed during PiS's period in government (2005–07).

The candidates of the two major parties led the election's first round: Komorowski collected 41.5 percent of the vote, and Kaczyński took 36.5 percent. Napieralski placed third with 13.7 percent, and none of the remaining seven candidates received more that 2.5 percent. Komorowski sealed his victory in the runoff against Kaczyński, capturing 53 percent of the vote.

In May, a major flood devastated scores of towns and villages across the country. Some local leaders called for the prime minister to declare a state of natural disaster in the affected territories. According to Article 228.7 of the constitution, no election can be held until 90 days after the termination of a state of natural disaster. Constitutional experts agreed that this provision would override the rule that the election must take place no later than 74 days after a president's death. Eventually, the Tusk government decided to cope with the flood damage without introducing any extraordinary measures. A total of 202 formal protests were subsequently submitted to the Supreme Court to question the validity of the election, but the justices ruled that the objections were unfounded.

The results of the presidential election revealed, once again, the extent of political polarization in Poland. The candidates of the two major parties collected 78 percent of the votes in the first round, leaving a mere 22 percent to all other candidates. The mutual animosity between PO and PiS, though relatively muted during the campaign period, erupted with a new intensity after the election. Both are often labeled by foreign observers as "parties of the right,"[2] but their respective political platforms and messages are different. PiS tends to emphasize the need to preserve the Polish nation as a community based on traditional values, rooted in the Roman Catholic religion, and bonded by a sense of social solidarity. The party is staunchly conservative on cultural issues, but advocates socioeconomic policies typically associated with leftist ideologies, such as the expansion of the welfare state and opposition to privatization. PO, without negating the importance of national traditions, tends to accentuate the need to modernize Poland along Western European lines, with a free-market economy, pluralist democracy, and respect for individual human rights. While firmly neoliberal on socioeconomic issues, the party leans toward a conservative stance on cultural matters. Consequently, PiS and PO appeal to different constituencies: the former finds a devoted following among the traditionalist rural communities in southern and eastern Poland, while the latter enjoys particularly strong support among the urban middle class.

It should be noted that neither PiS nor PO has ever been ideologically monolithic. In late 2010, both parties experienced dissent within their ranks. A maverick PO leader from Lublin, Janusz Palikot, left the party to establish his own "movement." PiS lost over a dozen Sejm deputies when some of its more liberal-minded leaders—including Jarosław Kaczyński's campaign manager, Joanna Kluzik-Rostkowska, who was criticized for choosing a moderate tone for the campaign—decided to leave the party and establish a new organization, Polska Jest Najważniejsza (loosely translated as Poland First).

The ongoing hostility between the two leading parties represents a potential threat to the quality of Polish democracy, as it impedes any fruitful cooperation between the government and the opposition. A case in point may be Jarosław Kaczyński's refusal to participate in the work of the National Security Council (RBN), whose members serve at the president's discretion and to which President Komorowski appointed, besides government officials, leaders of the parliamentary opposition. Kaczyński's decision may be viewed as an attempt to undermine the legitimacy of the Komorowski presidency. Nevertheless, in December 2010, in a rare show of unity, the Sejm easily adopted a new electoral code that combined all electoral regulations into a single legal act.

Civil Society

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
1.25	1.25	1.25	1.25	1.25	1.50	1.25	1.50	1.50	1.50

The communist regime attempted to replace the horizontal ties of civil society with vertical ones, in which party-state agencies played at least an intermediary role in all public social relations. Consequently, Polish civil society development has been relatively weak in the postcommunist era. In a 2010 report by CBOS, 72 percent of adults admitted that they did not belong to any voluntary organization, and only 8 percent claim membership in three or more organizations.[3] Yet these numbers represent an improvement over the 2008 figures of 80 percent and 4 percent, respectively. The younger, well-educated inhabitants of larger cities are among the most likely to engage in formal membership. But the same is true for farmers: of those who declare farming as their main occupation, 40 percent belong to at least one organization, and 16 percent to three or more. Religiosity is also associated with membership in associations, and not only in church-affiliated groups.

Participation in the transformation of the old command economy into a new free-market economy has taken precedence over public involvement in the development of civil society. Voluntary associations, from chambers of commerce to charities and social clubs, have tended to emerge with the aim of both facilitating and supplementing horizontal relationships among economic actors. The growing involvement in noneconomic voluntary organizations in 2010 may indicate that Poland has now developed the economic foundations of civil society.

Engagement in the civic sector is generally expected to generate a sense of political empowerment among citizens. Public-opinion data show unequivocally that citizens of Poland feel more empowered than in the past. In 2010, 36 percent declared that people like them have influence over national matters, up from 30 percent in 2008 and a dramatic increase from 7 percent in 1992. Even more telling are data on the influence of civil society in the local community: 52 percent felt such influence in 2010, up from to 39 percent in 2008 and 16 percent in 1992.[4]

The major NGOs active in Poland include chapters of such international organizations as Transparency International, Reporters Without Borders, and the

Helsinki Foundation, as well as homegrown groups that receive financing from both domestic and foreign sources. Among the latter, the Batory Foundation has since 2006 run a program that monitors election coverage by TVP. In 2010, it issued reports on the presidential and local elections that were based on solid research and provided an important, impartial contribution to the debate on the politicization of Polish public media. The Institute for Public Affairs (ISP), a think tank studying the quality of democracy and public debate in Poland, has made a significant impact; ISP analyses contributed to provisions of the 2010 law on local elections and the recently adopted electoral code that should facilitate greater citizen participation in elections.

In some cases, groups of citizens or formal organizations, particularly those on the political extremes, pursued aims or interests that disrupted public order in 2010, and did so with disregard for the rules of procedural democracy. For example, against the wishes of the president's chancellery and Warsaw city authorities, a group of citizens for several months prevented the removal of a cross placed in front of the presidential palace as a temporary memorial in honor of the late president Kaczyński. These self-appointed "Defenders of the Cross" invoked Article 196 of the penal code, which criminalizes the defiling of objects of worship, reviving debates on the provision's role in restricting freedom of speech. Eventually, the cross was moved to a nearby church.

At the other end of the political spectrum, a group of organizations that included radical socialists, anarchists, feminists, and gay-rights activists called for the blockade of a march organized in Warsaw on November 11 (Poland's independence day) by radical right-wing nationalist associations.[5] The organizers of the march requested and received authorization from the city authorities. Those calling for the blockade explicitly denied the right of the alleged "neo-fascists" to hold a legal demonstration and refused to seek the city's permission for their counterdemonstration. The nationalists, despite police protection, were forced by the counterdemonstrators to alter the route of their march.

Independent Media

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
1.50	1.75	1.75	1.50	1.75	2.25	2.25	2.00	2.25	2.25

Polish media enjoy virtually unrestricted freedom of expression. There are no taboo subjects, government policies are freely praised or denounced, and public officials at all levels are subject to harsh criticism. Press freedom is guaranteed by the constitution, and some of the limitations codified in criminal law are commonly considered reasonable and constitutional. Among these are the criminalization of totalitarian propaganda (Article 256 of the penal code) and "hate speech" directed at members of groups defined by ethnicity, race, or religion (Article 257). However, other limitations, like the penalization of speech that may defame public officials, are more controversial. Article 135.2 of the penal code, which prescribes jail time

for defamation of the president, has been widely criticized. In June 2010, a 2009 revision to the criminal code took effect, lowering the maximum sentence for defamation of the president from three years in prison to one.[6] Law enforcement authorities seldom invoke such penal code provisions against the media. Journalists much more often face civil suits for libel or defamation. A number of small changes were made to Poland's press law in December. For example, a timeframe was introduced for prepublication review; the lack of such a deadline had previously allowed politicians to block publication of a story by not completing the review process. Although media registration remains mandatory and still includes online press, other online media, such as blogs and personal websites, are now exempt from registration.[7]

While professional associations emphasize accepted standards of objectivity in reporting, journalists in both print and electronic media habitually blur the line between reporting facts and expressing opinions. The print media in Poland have a tradition of partisanship. In the past, major political parties were often owners and publishers of popular and influential newspapers, but this is no longer the case. Neither of the two major parties, PO and PiS, has ever been a publisher of a newspaper or magazine. The two other parties represented in the parliament, as successors to parties of the communist era, had inherited their press organs, but none recorded any commercial success and they eventually ceased publication.

The Polish press, therefore, is partisan by choice and free of any direct influence by political parties. It continues to play a watchdog role with respect to government policies and the actions of all political factions. While Polish newspapers and magazines individually voice their various ideological preferences, they collectively serve the public interest well. Similar partisanship can be found among privately owned broadcast media, which include several television networks and a number of radio stations. The Toruń-based Radio Maryja represents the views of fundamentalist Catholics; in the 2010 presidential election, along with some members of the Catholic hierarchy and clergy, Radio Maryja endorsed the candidacy of Jarosław Kaczyński.

While the partisanship of privately owned media is commonly accepted, there is an expectation that public media will maintain proper objectivity in reporting and editorializing. This applies in particular to TVP, the public television network, which is still the main source of news for the Polish people. During the 2010 presidential campaign, the station was widely criticized for its biased coverage, which favored Kaczyński over Komorowski, the candidate of the governing PO party. While the airtime allotted to Komorowski exceeded that given to any of his opponents, he was presented in negative ways for almost half of that time, in contrast to his main rivals, Kaczyński and Napieralski, who received virtually no negative coverage.[8] This anti-PO bias reflected the composition of TVP's governing and oversight bodies, respectively, the Managing Board (Zarząd) and the Program Board (Rada Programowa). Both bodies were dominated by appointees from Kaczyński's period as prime minister. Despite efforts by the PO-PSL government, no changes in the composition of the TVP leadership were possible before the

2010 election, as the main regulatory body, the National Broadcasting Council (KRRiTV), was also pro-PiS.

The KRRiTV was created in 1992 to provide unbiased control of both public and private media, and performed functions ranging from issuing broadcasting licenses to content monitoring. Its special role and independence from the executive power were confirmed in the 1997 constitution (Articles 213–15). Since its inception, however, the KRRiTV has been a highly politicized body. In June 2010, the Sejm, Senate, and acting president rejected the council's annual report, which automatically terminated its tenure. In August, after amendments were made to the media law, the Sejm, Senate, and president chose appointees to serve six-year terms on the new KRRiTV. Subsequently, the council announced new rules for the selection of managing bodies for Polish Radio and TVP. Following the amended law, the new Program Boards for radio and television were selected in November, while the Overseers Boards (Rady Nadzorcze) and Management Boards (Zarządy) of central and regional radio and television stations were in the process of being formed at year's end. However, the integrity of this process was in question due to partisan bickering between government (PO) and opposition (SLD) appointees in the KRRiTV.

Local Democratic Governance

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
n/a	n/a	n/a	2.00	2.00	2.25	2.25	2.00	1.75	1.75

The first major state reform in Poland after the collapse of the communist system was the 1990 reorganization of local administration, which reintroduced principles of local self-governance that had been abolished by the communist regime. This sweeping act was arguably one of the best conceived, prepared, and executed reforms in the post-1989 history of Poland. Above all, it made the municipality (*gmina*) the basic unit of public administration. Since the introduction of the 1990 law, the municipality has been endowed with all powers that are not specifically reserved for other levels of government. Additional refinements of the local governance system came in 1998 and 2002.

The law of 1998 established the three-level administrative division of the country and confirmed the status of the municipality as the basic unit of local government. It also reintroduced the county (*powiat*), which had been abolished in 1974, as the intermediate level. The highest level is the province (*województwo*). Currently, there are 2,479 municipalities, 65 cities endowed with the status of counties, 314 counties, and 16 provinces. The capital city of Warsaw has a special status, regulated by separate legislation. Local councils on all levels are elected every four years by universal suffrage. Elections in municipalities with fewer than 20,000 inhabitants take place in single- and multimember constituencies on a first-past-the-post basis. Elections in larger municipalities, in counties, and in provinces

take place in multimember constituencies through a party-list proportional representation system, using the D'Hondt method of seat allocation.

The law of 2002 introduced direct elections of heads of local administration at the municipal level, in cities with county status, and in other cities with at least 100,000 residents. The heads of administration in ordinary counties are elected indirectly, by the county councils. There is a dual administration on the provincial level: the marshal of the provincial council represents the local self-government, while the central government is represented by a governor (*wojewoda*) and deputy governor (*wicewojewoda*) nominated by the prime minister. The governor and deputy governor run the day-to-day affairs of the province.

Local elections conducted on November 21, 2010, with runoff voting on December 5, provided substantial evidence of the viability of local democracy in Poland. Politically, the results were consistent with the outcome of the presidential election in July. Candidates fielded by the ruling PO-PSL coalition performed well in council elections at all levels. In the provincial council contests, PO gathered 30.9 percent and the PSL 16.3 percent of the popular vote, compared with PiS's 23 percent and the SLD's 15.2 percent. PO also outperformed other parties in elections to councils in major cities (33.6 percent), in counties (20.1 percent), and in municipalities with more than 20,000 inhabitants (19.8 percent).

However, in many localities a plurality of votes were cast in favor of local organizations and ad hoc coalitions of citizens. The four major parties together collected 85.4 percent of the vote in elections to provincial councils, but only 61.6 percent in elections to councils in major cities, 49.4 percent on the county level, and 46.0 percent on the municipal level. It should be noted that this strong performance by independents came despite the fact that provisions of the electoral law on party-list proportional representation give certain advantages to national party organizations. In first-past-the-post elections conducted in the less-populous municipalities, where there are no such advantages, candidates who identified as independents won 77 percent of all seats.

Of the mayoral posts in the 107 largest cities, 64 were won by independents. Candidates endorsed by PO prevailed in 25 cities, while those affiliated with SLD won in 11, PiS in 6, and the PSL in one. Among the most popular independent candidates were several incumbents seeking reelection. For example, Wojciech Szczurek in Gdynia collected 87.4 percent of the vote, and Rafał Dutkiewicz in Wrocław secured 71.7 percent. But party-affiliated incumbents, like Hanna Gronkiewicz-Waltz in Warsaw and Paweł Adamowicz in Gdańsk, both of PO, also won outright victories in the first round without the need for a runoff.

The generally good performance of incumbents and the parties of the ruling coalition seems to indicate high levels of citizen satisfaction with governance on the national and local levels. The popularity of mayors and other leaders on the local level may be attributed to their ingenuity in acquiring and utilizing resources from grants awarded by the European Union (EU).

The legal framework of local governance gives communities ample opportunities to seek solutions to local problems. Municipalities set their own budgets based on

revenues coming from taxes (a real-estate tax and a fraction of the income taxes paid by inhabitants), local fees, direct and indirect state subsidies, and grants from the EU and other sources. In 2010, the budgets of local governments were balanced equally between locally generated revenue and external subsides and grants.[9]

Nationwide, turnout for the local elections was 47.3 percent in the first round and 35.3 percent in the runoff, which was conducted only in municipalities, towns, and cities where none of the candidates for the head of local administration won a majority in the first round. This turnout, albeit low by European standards, was only slightly lower than the turnout in the 2010 presidential (54.9 percent) and 2007 parliamentary (53.9 percent) elections, and significantly higher than in the 2009 elections for the European Parliament (24.5 percent).

Judicial Framework and Independence

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
1.50	1.50	1.50	2.00	2.25	2.25	2.50	2.25	2.50	2.50

Contemporary Poland inherited its judicial framework from the communist regime. Formally, it does not differ significantly from analogous institutions in other continental European states, as the communists adopted the judicial institutions of the pre–World War II Polish state (the Second Republic). Historically, the judiciary has been shaped mostly by German and French influences, with independent courts and a centralized system of state prosecutors' offices. Toward the end of the communist era, the authorities established new institutions, such as the Chief Administrative Court, the civil rights commissioner, the Constitutional Tribunal, and the Tribunal of State. Although they were created somewhat disingenuously to pacify the popular unrest of the Solidarity movement, these institutions proved well suited to the needs of a young democracy and have enjoyed high levels of esteem among the public.

However, beyond the sound institutional framework, contemporary Poland inherited many ills of the communist judiciary. Polish judges and prosecutors are overworked, which leads to delays at all stages of the judicial process. In civil cases, the average time elapsing from the filing of the complaint to the execution of the decision exceeds the average for Organisation for Economic Co-operation and Development (OECD) countries by a factor of two,[10] and delays in criminal cases often lead to prolonged detention before sentencing.[11] There was no significant progress on addressing these problems in 2010.

Polish judges and prosecutors are also underpaid. The entry-level salary of a judge equals the average salary in the public sector multiplied by a factor of 2.05 to 2.36, which makes Polish judges, along with their Latvian colleagues, the worst paid in the EU.[12] Polish state prosecutors also trail their European counterparts in this respect. To demand better pay, judges and prosecutors organized a nationwide protest in November 2010, known as the Day Without the Docket (*Dzień bez wokandy*).

Among the most troubling legacies of the communist past are practices that undermine judicial independence. While in 2010 there were no major instances involving judges, the independence of state prosecutors was questioned on several occasions during public hearings conducted by special investigative committees of the Sejm. For example, there were indications in the inquiries into the case of former cabinet and Sejm member Barbara Blida, who had committed suicide in 2007 during a corruption probe against her, as well as an infamous 2007 sting operation against then agriculture minister Andrzej Lepper, that the partisan interests of political leaders had led to pressure down the chain of command to the prosecutors' offices.

An institutional change that became effective in March 2010 may provide a remedy for this problem. Since 1990, the justice minister had also been, ex officio, the prosecutor general. This institutional structure, which followed both the American example and that of the Polish Second Republic, was meant to secure parliamentary oversight of state prosecutors, as ministers are politically responsible to the Sejm. After a protracted process that involved a presidential veto in September 2009, the Sejm in October 2009 amended the law on state procurators to separate the offices of the justice minister and the prosecutor general, which is expected to free the latter from any political pressure. Following the amendment, a new prosecutor general was chosen from among qualified candidates through a national competition organized by the National Judiciary Council. The 16 self-nominated candidates were subjected to public hearings in January 2010. The names of the two top finishers were presented to President Kaczyński, who in March chose Andrzej Seremet, a judge from Kraków. The prosecutor general is now appointed for a six-year term and can be removed from office only under circumstances specified by law, such as resignation, incapacitation, or impeachment. After the expiration of the term, the incumbent must retire from the legal profession.

While the new regulation of the prosecutor general's office creates the potential for improvement in prosecutorial independence, it is by no means certain that the current government has the political will to obey the principles of judicial independence in general. In November 2010, the Sejm voted to choose four new justices of the Constitutional Tribunal. The panel's 15 justices are chosen by the Sejm for nine-year terms, and the terms of individual justices are staggered to ensure continuity in the tribunal's functioning. The vote was split along party lines. The three candidates who achieved a majority were all nominated by parties of the ruling coalition, and one also gained the supporr of some opposition deputies. The ruling coalition decided to reject the two candidates nominated by the opposition parties, even though many deputies admitted that one, Andrzej Wróbel, a professor of constitutional law at the Polish Academy of Sciences, had better qualifications for the job than any other candidate.[11] Consequently, one seat on the Constitutional Tribunal remained vacant at year's end. This show of partisanship by the ruling parties constituted a serious setback in efforts to promote judicial independence in Poland.

Corruption

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
2.25	2.50	2.50	3.00	3.25	3.00	3.00	2.75	3.25	3.25

Poland has a well-developed network of institutions that deal with the problem of corruption. The Central Anticorruption Bureau (CBA), established in 2006, is charged with both coordinative and investigative tasks. In 2007, the PO-PSL government created a separate office responsible for the development of a strategy to deal with corruption in public institutions. Julia Pitera was appointed head of the office and given the rank of junior minister in the cabinet, which made her effectively a "corruption czar" in the administration. The Internal Security Agency (ABW), the Central Bureau of Investigations (CBŚ), and other police units and state prosecutors' offices also participate in combating corruption.

However, developments in 2010 confirmed suspicions that the anticorruption institutions themselves are not entirely free of corruption, with some leaders serving partisan political interests. The two major parties, PO and PiS, traded accusations of such inappropriate influence during the year, and there were several inquiries into actions by anticorruption bodies that might have been politically motivated. Probes conducted by the special investigative committees of the Sejm were of particular importance, as these multiparty bodies perform their work in virtually full transparency, with most documents and testimony (except material containing state secrets) made immediately available to the public.

One such special Sejm committee investigated the most notorious case of alleged corruption in 2009, the so-called Gambling Affair. CBA chief Mariusz Kamiński, who had been appointed by the previous, PiS-led government, accused two PO politicians, Zbigniew Chlebowski and Mirosław Drzewiecki, of exercising undue influence over work on a bill regulating the gambling industry, allegedly on behalf of business interests in the industry. Chlebowski and Drzewiecki resigned their posts in October 2009, which led to a reconstruction of the Tusk government. Prime Minister Tusk also dismissed Kamiński, who allegedly misinformed him about the affair.

The investigation lasted until August 2010, but instead of shedding light on the affair, it painted an increasingly murky and confusing picture. The only certain elements were the confirmation of contact between the businessmen and the officials, and the fact that no significant changes to the bill were made before the story broke. The investigation also revealed a lack of transparency in regulating the gambling industry under essentially all previous governments. In the committee deliberations and in the media's coverage, those sympathetic to the accused (and supportive of the PO government) downplayed the significance and seriousness of the business contacts. They also pointed out a general anti-PO bias in the investigations conducted by the CBA under Kamiński. The opposition, in turn, saw in the affair solid proof of far-reaching corruption among the ranks of PO and the government.

Eventually, the committee's draft report, prepared by chairman Mirosław Sekuła of PO, cleared Chlebowski and Drzewiecki of any criminal wrongdoing. The committee approved the final version of the report in a party-line vote. Almost all members of the committee attached dissenting opinions. The report and dissents were debated in the Sejm on October 29, but did not come up for a vote on the floor. A separate investigation of the affair conducted by Pitera reached similar conclusions.

Another special committee of the Sejm, appointed in 2007, continued its examination of the case of Barbara Blida, a former minister in an SLD government who committed suicide during a search of her home by ABW agents investigating corruption allegations against her. The committee hearings pointed to possible political motivations in the case on the part of the PiS government at the time, particularly its justice minister and prosecutor general, Zbigniew Ziobro. Whether or not the accusations are ever proved, the hearings revealed many questionable aspects in the work of state prosecutors, the ABW, and the CBŚ. One of the most striking revelations was the confirmation of rumors that in 2007 the CBŚ, without proper justification or authorization, tapped the mobile telephones of several top Polish journalists.

Whereas such high-profile cases of corruption occupy the front pages of the newspapers, the public remains equally interested in street-level corruption. Research conducted by the polling institute CBOS shows that 87 percent of Poles perceive corruption as a serious problem.[14] This number, while the lowest since 2001, suggests that corruption remains rampant in the country. Respondents considered national politics and the health care system to be the most corruption-prone areas. While the majority (56 percent) of Poles believe that there is a political will to fight corruption, only 38 percent give the government a passing grade on its efforts thus far.

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Romania

by Laura Stefan and Sorin Ionita

Capital: Bucharest
Population: 21.5 million
GNI/capita, PPP: US$14,540

Source: The data above was provided by The World Bank, *World Development Indicators 2011*.

Nations in Transit Ratings and Averaged Scores

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Electoral Process	3.00	2.75	2.75	2.75	2.75	2.75	2.75	2.50	2.75	2.75
Civil Society	3.00	2.75	2.50	2.25	2.25	2.25	2.25	2.50	2.50	2.50
Independent Media	3.50	3.75	3.75	4.00	4.00	3.75	3.75	3.75	4.00	4.00
Governance*	3.75	3.75	3.75	n/a	n/a	n/a	n/a	n/a	n/a	n/a
National Democratic Governance	n/a	n/a	n/a	3.50	3.50	3.50	3.75	3.75	4.00	3.75
Local Democratic Governance	n/a	n/a	n/a	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Judicial Framework and Independence	4.25	4.25	4.25	4.00	4.00	3.75	4.00	4.00	4.00	4.00
Corruption	4.75	4.50	4.50	4.25	4.25	4.00	4.00	4.00	4.00	4.00
Democracy Score	3.71	3.63	3.58	3.39	3.39	3.29	3.36	3.36	3.46	3.43

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

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

Executive Summary

Romania entered the global economic crisis unprepared for its decision-making challenges. The country's previous near-decade of rapid gross domestic product (GDP) growth, especially after joining the European Union in 2007, had led to a period of financial laxity in public administration that went virtually unchecked. The long electoral period (European parliamentary elections in 2007, Romanian local and parliamentary elections in 2008, new European elections and a Romanian presidential election in 2009) further distracted policymakers from the early signs of budgetary crisis and fuelled their worst tendencies—lack of accountability in spending, clientelism at the national and local levels, and wildly unrealistic promises to the public. As a result, while the economy pumped along robustly until 2008, the spending commitments and size of the public bureaucracy grew. As the impact of the global economic crisis began to be felt in 2009, the country found itself in the middle of a financial crisis with higher deficits and larger structural imbalances than many politicians and citizens had anticipated.

An uneasy "grand coalition" government ruled in 2009, postponing any painful reforms. Rather than making progress on difficult decisions to address the crisis, the two main political parties—center-right and center-left—focused their energies on undermining each other's actions and credibility, positioning their candidates for the presidential contest at the end of the year. The incumbent candidate, President Traian Băsescu, emerged from the elections victorious and a new parliamentary majority was formed in late 2009, awkwardly crafted from a center-right core and splinter factions. Only then did the government seriously begin to address Romania's economic situation. The new government's economic agenda was bold, broadly in line with EU prescriptions, and following requirements of an International Monetary Fund loan. Nevertheless, implementation of reforms in 2010 was sometimes compromised by unprofessionalism, and concessions to various economic and local interest groups. Intense political and social polarization did not reverse the rule of law reforms carried out before Romania's EU accession and the government continued implementation of plans to devolve health and education responsibilities to local authorities. However, fierce procedural battles in parliament slowed the activity of the chamber for several months. The judiciary continued its anticorruption drive and internal modernization, albeit at a slow pace.

National Democratic Governance. Romania saw intense social and political conflict in 2010 over public spending cuts implemented by the government, although the government proved surprisingly resilient. Given the country's increasing budget deficit and public debt, the need for structural reforms was unquestionable if

Bucharest was to receive bailout funds from the EU and IMF. But the government's efforts to achieve political consensus on reforms were unconvincing, while the opposition was unwilling to tone down its vehement anti-austerity attitude. As a consequence, the political atmosphere remained tense, encouraging public protests organized by the (partly politicized) public sector unions. Though the popularity of the president and his party reached historic lows, the government survived three no-confidence votes in parliament during the year, proving the stability of the Romanian government, and its ability to pass difficult yet necessary austerity measures, a generally positive development compared to previous years. *Since the parliamentary majority proved to be more resilient than expected and, in spite of its coordination failures, appears determined to pursue a viable agenda in very difficult economic circumstances, Romania's national democratic governance rating improves from 4.00 to 3.75.*

Electoral process. Apart from interim local polls in several municipalities, no elections were held in Romania in 2010. With low public interest, local elections featured no serious engagement of political ideas, and races were reduced to a competition of personalities. At the same time, the popular perception of widespread corruption among politicians remained strong. At the local level, a growing ambition among business interests to gain control over local authorities and decision-making processes, possibly contributing to vote-buying, posed a potentially serious challenge to Romania's democratic system. *Owing to the absence of significant developments, Romania's electoral process rating remains unchanged at 2.75.*

Civil Society. Romanian civil society suffers from a general public cynicism and funding shortages, but nevertheless succeeded in making its voice heard in 2010. Several thousand NGOs are active and some are effective watchdogs on specific issues (such as media freedom, anticorruption, or urban development), though, by and large, civil society lacks mass support. During 2010, however, trade unions brought thousands of people onto the streets to protest the severe austerity measures imposed by the government and the environmental protection movement continued to gain momentum. The end of 2010 witnessed the civic sector searching for new funding opportunities following the withdrawal of several important donors after Romania joined the EU. *Romania's civil society rating remains unchanged at 2.50.*

Independent Media. After political scandals and polarization dominated the news during the 2009 electoral year, the tone of Romanian media coverage was more subdued in 2010. However, the concentration of ownership in the hands of a small number of tycoons remained a concern and contributed to political pressure on newsrooms and decline in the quality of reporting. This trend was compounded by the impact of the global economic crisis, which worsened the prospects and working conditions for journalists, rendering them more amenable to editorial pressures. A string of revelations exposed deals made behind the scenes between

media owners, leading journalists, and top politicians to manipulate the public agenda. *Romania's independent media rating remains unchanged at 4.00.*

Local Democratic Governance. Two opposite trends shaped the space for local democracy in Romania in 2010. On the one hand, the shock of the budgetary crisis was fully felt during the year both at the central and local levels, with national authorities introducing spending caps and micro-management mechanisms that constrained local autonomy. On the other hand, the long-term decentralization agenda witnessed surprising progress, with substantial powers transferred to local governments in sensitive sectors such as healthcare and education. For better or for worse, locally elected mayors and County Council presidents became more powerful in their respective parties. *Romania's local democratic governance rating remains unchanged at 3.00.*

Judicial Framework and Independence. In 2010, Romania adopted a new Civil Procedure Code and Criminal Procedure Code, completing passage of a series of laws aimed at laying a new foundation for the legal system. Detailed impact assessment studies for the codes are ongoing and will be published in 2011, allowing more informed conclusions of the degree to which the codes will prompt improvements in the administration of justice. Also in 2010, Romania conducted elections for the Superior Council of Magistracy (SCM). The process was plagued by a series of irregularities, some of which may lead to the invalidation of the certain candidates by the courts and a weakening of the SCM's legitimacy in the future. *Romania's judicial framework and independence rating remains unchanged at 4.00.*

Corruption. Investigations into high-level corruption cases—including against members of parliament and of parties across the political spectrum—continued in 2010, but final decisions were rare. In April, the Constitutional Court declared unconstitutional the law on the National Integrity Agency, and parliament took several months to adopt a new law and reinstate the agency. The situation provoked significant criticism from the European Commission, as well as from other international stakeholders and local NGOs. The Agency began operating again in September 2010. Despite positive developments in the criminal investigation of corruption, the timid response of the courts and the permanent threat of dismantling the National Integrity Agency eroded the overall level of transparency and accountability in the country. *Owing to erosions in the authority of the National Integrity Agency (ANI), offset by corruption charges against top officials, Romania's corruption rating stagnates at 4.00.*

Outlook for 2011. If the economic crisis recedes in 2011 and pressure on national governance decreases, Romania's political uncertainty may diminish as well. However, this will unlikely improve the atmosphere of political polarization and the internal performance of the country's parties, which will start to position themselves for local elections to be held in mid-2012 and the national polls at the

end of the year. European monitoring of the rule of law will continue through the Mechanism for Cooperation and Verification (MCV) put in place at the time of EU accession. Romania's immediate objective to join the Schengen area in 2011 will focus the government's attention on legal reforms during the early part of the year, but substantial improvements in the judiciary as a result are unlikely.

Main Report

National Democratic Governance

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
n/a	n/a	n/a	3.50	3.50	3.50	3.75	3.75	4.00	3.75

Following several years of squabbling among parties and frequent changes of government, throughout 2010 Romania's ruling coalition remained surprisingly resilient, successfully implementing unpopular and difficult economic austerity measures, despite several attempts to dissolve it with votes of no-confidence.

In recent years, Romania's political scene has increasingly centered on the figure of President Băsescu, contributing to growing polarization. Political parties are generally aligned as either pro-Băsescu or anti-Băsescu, while most media outlets and voters split their loyalties along similar lines. Despite a 2009 electoral victory, within less than a year, the president's popularity had significantly waned. A July 2010 survey found that 65 percent of Romanians would vote against President Băsescu's remaining in power were a referendum on that question to take place.[1] Under such circumstances, calls for impeaching the president have become a fixation and key rallying point for the opposition, a phenomenon likely to continue in 2011. Nevertheless, the democratic nature of the system itself has not come into question.

The results of Romania's 2008 parliamentary elections conferred roughly 30 percent of seats to the Democrat-Liberal (PDL) party and the same number to the Social Democrat (PSD) party. After a year of internal strife within a PDL-PSD "grand coalition" government, the coalition broke down in October 2009, when the PSD withdrew and the remaining minority government was ousted in a no-confidence vote. A caretaker government led by Emil Boc governed the country without a majority in parliament, rendering it unable to make difficult decisions demanded by the global economic crisis. In presidential elections held in December 2009, President Băsescu emerged the victor by a narrow margin of several thousand votes. Following the elections, Parliament approved a new, minority coalition of the PDL and the Democratic Union of Hungarians in Romania (UDMR). This is the coalition that governed the country throughout 2010.

Also joining the coalition were a number of apparently opportunistic MPs from the PSD and the National Liberal Party (PNL), who splintered off as independents and then reconstituted themselves as a new political party, the National Union for the Advancement of Romania (UNPR), claiming a center-left orientation.[2] The party formally gained its own parliamentary caucus at the beginning of October 2010, after Parliamentary rules were modified to allow it to register. Such machinations prompted protests from the opposition, which temporarily refused to participate in parliamentary meetings. The ability of elected representatives to

change parties and allegiances part way through their terms raised concerns that this undermined the credibility of elections.

Despite its relatively stable majority support in parliament, the new Boc cabinet faced significant challenges as it began to address the country's economic woes. Given its marginal status in European trade, the Romanian economy was affected later than other EU member states by the global economic crisis, but pre-existing structural imbalances rendered the damage more severe. Worsening the situation was a five percent budget deficit left by the former PNL government in 2008, the country's last year of economic growth. As a result, there was little fiscal space to implement a significant, or even modest, stimulus package. The government was therefore forced to rely on a joint loan from the International Monetary Fund (IMF), World Bank, and European Commission, which included conditions to downsize the state bureaucracy and rebalance the budget.

In May 2010, the president announced a harsh austerity plan: public servant wages and other social benefits would be cut by 25 percent and pensions by 15 percent. The measures would apply through to the end of the year. In addition, the government committed to a series of layoffs in the public sector, insisting that such measures were necessary in order to reach a budget deficit of 6.8 percent of Gross Domestic Product (GDP), a condition for receiving subsequent tranches of the international loan.[3]

The austerity measures were said to meet IMF requirements and were chosen as an alternative to a tax increase. Large-scale protests immediately followed the announced measures and spread across the country. Anti-Băsescu media outlets blamed the president for the economic crisis and opposition parties took a populist stance, promising to repeal all cuts if they gained power. They initiated a vote of no-confidence in June 2010 under a campaign slogan of "Stop the social genocide." The government survived by only eight votes. In an attempt to respond to the public outcry, Boc reshuffled the cabinet in early September, with six PDL ministers leaving office. Not satisfied, the opposition referred to it as a "velvet reshuffle," claiming that it marked no major change in policy. A second vote of no-confidence was called in October 2010, and this time the cabinet survived by a slightly larger margin of 17 votes. A third no-confidence vote was initiated in December 2010 and rejected by an even larger percentage.

In June, the Constitutional Court ruled that measures to decrease public pensions by 15 percent were unconstitutional. The government was thus forced to increase the value-added tax (VAT) by 5 points to 24 percent, making it one of the highest rates in the European Union. In another reform effort, in August, Parliament amended the Fiscal Code to enlarge the tax base and introduced social security contributions. The new law required independent journalists, artists, and other freelancers to line up each month at three different agencies (pension, healthcare, and unemployment offices) in order to pay their social contributions. Protests and flash mobs were organized to demand a simpler former of payment, perhaps online. However, according to Eurostat data,[4] Romania ranks last in the EU for e-governance, with only 6 percent of Romanians using the internet for

interaction with public authorities. As a result, in September, the government backtracked, reducing the administrative burden on individuals but maintaining the obligation to pay.

Electoral Process

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
3.00	2.75	2.75	2.75	2.75	2.75	2.75	2.50	2.75	2.75

Apart from interim local elections in a few municipalities, no elections were held in Romania in 2010. With low public interest, local elections featured no real engagement of political ideas, and races were reduced to a competition of personalities. In addition, a growing ambition among business interests to gain control over local authorities and decision-making processes posed a potentially serious challenge to Romania's democratic system.

The last national poll in Romania was the 2009 presidential election, conducted in two rounds in November and December. Following constitutional amendments adopted in 2003, this was the first time the country held a presidential election separate from parliamentary polls. A referendum initiated by President Băsescu was held concurrent with the first round of the election and was overwhelmingly endorsed by voters. The referendum addressed the question of whether to shift to a unicameral parliament (by abolishing the Senate) and limit the number of legislators to 300. Although the referendum passed, the constitutional revision necessary for implementing such reforms had yet to be approved by the end of 2010.

The campaign for the 2009 presidential elections was considered one of the most turbulent in the 20-year history of free elections in Romania and culminated in a very close race. Following a first round of elections, incumbent President Băsescu won a runoff round in December 2009 against challenger Mircea Geoană by a narrow margin of 50.3 percent to 49.66 percent. In response to a complaint lodged by the defeated PSD candidate and after a recount of annulled ballots, the Constitutional Court upheld the election results. President Băsescu thus became the first president since the 1989 revolution to win a consecutive second mandate, his last allowed under the constitution.

An observer mission of the Organization for Security and Cooperation in Europe (OSCE) found that the two rounds of voting were conducted in "compliance with OSCE commitments and other international standards for democratic elections, the respect for fundamental political freedoms, the competitive campaign environment, and the efficient administration of the election." The OSCE also reported that "authorities took steps to remedy some shortcomings noted during the first round of voting and to investigate allegations of irregularities."[5]

However, both the OSCE and other observers, such as the Pro Democracy Association (which sent 1,400 domestic election monitors), raised concerns over conditions that created the potential for fraud. As in past elections, a key concern

was the use of special polling stations. Established under a government emergency ordinance, such stations are intended to serve travellers and people working or studying in a district other than the one in which they are registered to vote. Such voters are allowed to cast a ballot at voting stations in any district, entering their names on a special voting list. Observers criticized the unusually high number of special polling stations (approximately 3,300) throughout the country, and noted that the procedures in place to prevent multiple voting at these sites were inadequate. Observers also noted that locations that could especially benefit from special voting stations, such as transport hubs and university districts, were underserved. Most of the special stations were instead located in the countryside. This contributed to suspicions that the system encouraged "electoral tourism," a phenomenon of one individual voting multiple times in different districts, which had been the subject of previous fraud allegations.

Indeed, during and after the election, numerous allegations of vote fraud emerged, including over 500 cases of multiple voting. According to the Ministry of Administration and the Interior (MAI), police received 1,435 reports of election-related incidents on the first round's election day; after investigation, the police confirmed that 724 of these incidents had indeed taken place. Police were also notified of 159 cases of suspected criminal offenses, including cases of multiple voting involving 312 individuals. Based on incidents occurring on the second round's election day, fines were imposed for minor offenses in 269 cases; 200 reported criminal offenses were investigated, of which 78 involved allegations of vote buying; and 279 people suspected of having committed multiple voting were identified.[6]

According to the OSCE's Final Report, the Romanian electoral legal framework could benefit from a consolidated election code that would regulate all types of elections, including referendums.[7] The OSCE also recommended that any amendments to electoral legislation be enacted by parliament well ahead of elections and that "the practice of amending electoral legislation by government Emergency Ordinances should be avoided." The OSCE also recommended that the government address the issue of absentee voting in the context of its new e-government initiative. This could help avoid suspicions of fraud or situations of overcrowded or under-used polling stations abroad, particularly in countries with a large Romanian diaspora, such as Italy and Spain.

Romania is home to a number of ethnic minorities, including Hungarians (6.6 percent), and Roma (2.5 percent).[8] Each group is entitled to at least one representative in the Chamber of Deputies, even if the minority's political party cannot pass the 5 percent vote threshold. Ethnic Hungarians were the only minority group to win parliamentary representation by passing the electoral threshold, and in 2010 Roma were represented by only one member of parliament.[9]

From the election results, it appeared that support for nationalist, xenophobic, and anti-Semitic parties is on the decline in Romania, in contrast to neighboring Hungary. Of the 2009 presidential candidates, only one held strong nationalist and xenophobic views, Corneliu Vadim Tudor of the Greater Romania Party (PRM).

During the first round, Tudor won only 5.56 percent of the vote.[10] Compared to the 2004 elections, when PRM received 13 percent of the vote,[11] many observers viewed this as a significant improvement. However, the PRM did win a seat in the 2009 European Parliament elections by joining with the New Generation Party, another party known for racist and xenophobic rhetoric.

Civil Society

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
3.00	2.75	2.50	2.25	2.25	2.25	2.25	2.50	2.50	2.50

Romania's civic sector took advantage of numerous opportunities to make its voice heard in 2010. Trade unions brought thousands of people onto the streets to protest the severe austerity measures imposed by the government and the environmental protection movement continued to gain momentum. A study by the Foundation for Civil Society Development (FDSC) found 62,000 not-for-profit organizations were registered in Romania in 2010.[12] Nevertheless, civic mobilization for public campaigns and petitions remains underdeveloped and some groups have encountered funding challenges due to the economic crisis and reduced help from certain donors since the country's accession to the European Union. The FDSC study listed education as the leading field of activity for Romanian non-governmental organizations (NGOs), with private university foundations owning the most assets.

Romania's trade unions lead protests against the austerity measures in May, June, September, and October. Although thousands joined the demonstrations, participation was much lower than it has been in other countries facing similar difficulties, indicating that the unions' social penetration remains comparatively modest. Moreover, some national trade union leaders have been exposed as having political connections or conflicts of interest, including business connections with controversial companies and media groups. Such revelations have reduced the legitimacy and effectiveness of the unions as credible social dialogue partners.

In another example of economy-related activism, individual citizens and civic groups mobilized in response to Emergency Ordinance 50, issued by the government in June 2010. The ordinance obliged Romania's banks to adjust the terms of eight million loan contracts such that many customers expected interest rates to drop. As implementation began and allegations emerged of non-compliance and incorrect application of the rules by certain banks, ad hoc demonstrations broke out in response. In addition, citizens came together to lobby Romanian legislators to reject amendments to the ordinance proposed by bank representatives. Several thousand people joined the protests and advocacy campaigns, with some subsequently forming associations in order to use tort law to protect themselves against creditors. This series of events was one of the first instances of a vigorous civil society campaign in Romania targeting the private sector.

A substantial proportion of NGOs in Romania (14.8 percent) work on environmental protection issues. In 2010, this fledgling movement gained further momentum with a series of public awareness and advocacy campaigns. During the year, a grassroots network of civic activists effectively monitored the decisions of the Bucharest Municipal Council, pressing for historic conservation and green-space protection. Similar success was achieved in fighting a large and controversial gold mining project in Roşia Montană, one promoted as a foreign investment by a Canadian company. By voicing concerns over the destruction of historical patrimony and the proposed use of cyanide in the project, activists, both in Roşia Montană and at the national level, played an instrumental role in blocking the deal via the courts.

Union membership rates among journalists are low, but a small number of prominent NGOs—such as the Center for Independent Journalism (CIJ), Romanian Helsinki Committee, and the Media Monitoring Agency—monitor media freedoms and act as liaisons with international NGOs and other observers to alert them to potential threats to free expression.

During 2010, civil society participation was evident in elections for a new Superior Council of Magistracy (SCM), a body responsible for upholding judicial independence and discipline. Civil society organizations hold a formal role in SCM appointments, as two council members must be proposed by NGOs and then approved by the Senate. In December 2010, the two civil society representatives to the SCM were elected, but both proved controversial.[13] Corina Dumitrescu, wife of a prominent social democrat legislator, lacks a public profile on judicial issues, raising questions of what criteria contributed to her selection. Meanwhile, Victor Alistar, the second appointee, is a high-profile member of civil society and head of Transparency International (TI) Romania, but has been accused of a conflict of interest. Alistar was investigated in 2009 by the National Integrity Agency for simultaneously serving as TI's executive director and as a public servant. A complaint questioning his suitability for the SCM was pending before the Constitutional Court at year's end.

The end of 2010 witnessed the civic sector searching for new funding opportunities following the withdrawal of several important donors after Romania joined the European Union. As in other new-member states, the small amount of support that existed for watchdog and prodemocracy activities prior to accession has been disappearing. As a result, pressure on non-profit organizations to move into less "controversial" areas of activity, such as consultancy or direct provision of services, has increased. Meanwhile, corporate donations in the context Corporate Social Responsibility (CSR) remain only a minor source of revenue for civic groups. A survey conducted among NGO leaders revealed that only 23 percent of organizations had developed projects in partnership with companies over the past two years. Even when present, CSR remains an attribute of multinationals focused on particular areas (e.g., environmental, education, or social issues).

Independent Media

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
3.50	3.75	3.75	4.00	4.00	3.75	3.75	3.75	4.00	4.00

Media freedom is protected under Romanian law and generally respected in practice. However, the rise of media groups controlled by powerful tycoons with vested political and commercial interests, mostly aligned with the opposition, has undermined the credibility of the media and sparked efforts by politicians to increase regulation of the sector. As thousands of media workers have been laid off since 2008, investigative journalism has suffered a severe blow, while sensationalistic coverage or media campaigns aimed at undermining the reputations of certain officials have gained prominence instead.

Press freedom is protected by the Romanian constitution, though the media are regulated in large part by a law passed during the Communist era. Despite some efforts to replace it, Law No. 3/1974 remains in effect. In August 2006, Romania dropped libel from its penal code in the run-up to its EU accession. However, within days of Romania joining the EU in 2007, the Constitutional Court overturned the amendment. The Romanian parliament revisited the issue in 2009, and in 2010 Romania made a "breakthrough" when it decriminalized defamation, as noted by Miklós Haraszti, the former OSCE rapporteur on freedom of expression.[14]

In a less promising development, in recent years, several Romanian politicians have advocated for greater government regulation of the media, as a large proportion of domestic outlets have become concentrated in the hands of three media groups with controversial commercial, political, and ethical practices. Ioan Ghişe, a PNL senator, initiated steps in September 2010 to amend existing legislation by proposing a Bill for Journalists in the Senate. The bill introduced the vaguely worded term "press offenses," stipulated nonsuspensive prison sentences for journalists, and introduced requirements for professional re-accreditation every three years and a mandatory mental check-up every year. The bill was widely criticized by press freedom groups and Ghise's own party tried to distance itself from the bill. In 2008, Ghişe succeeded in getting an amendment to the Law on Broadcasting passed, compelling television and radio stations to ensure that half of their news coverage consists of "positive news," a law that was subsequently ruled unconstitutional by Romania's Constitutional Court. Parliamentarian Silviu Prigoană of the ruling PDL also attempted in the fall of 2010 to introduce an amendment enabling the withdrawal of licences for print and online newspapers. His initiative did not pass the parliamentary Culture and Media Committee, however.

Dominating the media landscape in Romania are three prominent public figures, all with large fortunes and facing some form of criminal charges in 2010. Dan Voiculescu is the founder of the Intact media group, which controls three television channels, two dailies, one weekly, and one radio station, all with national reach. During the year, Voiculescu also served as Deputy Speaker of the Senate, nominated by the main opposition coalition. The second man is Dinu Patriciu,

owner of the Adevărul media group, which owns the three dailies with the country's highest circulation, one weekly, four magazines and, since the fall of 2010, a license for a new television channel with one national and 40 local stations. Patriciu is a leading member of the opposition PNL and its main financial backer. Sorin Ovidiu Vântu, the third tycoon, owns Realitatea-Cațavencu media group, which has two televisions channels, three radio stations, one weekly, one news agency, and several newspapers currently moving online due to the company's dire financial situation. Vântu is a political power broker who backed the PSD candidate for the 2009 presidential elections. Both Vântu and Voiculescu have been exposed as informers for the former Communist secret police (Securitate). They were also facing prosecution in 2010: Vântu for money laundering and abetting a convicted criminal, and Voiculescu for influence peddling and money laundering. Patriciu was facing charges of money laundering and setting up a criminal gang.

In recent years, all three tycoons have made abundant use of the media outlets they control in attempts to secure immunity in the above pending criminal cases and to influence the country's political direction. For example, prosecutor investigations revealed in mid-October that Vântu had giving senior editors explicit orders to endorse the PSD presidential candidate and present a favourable view of him, including through the deployment of political propaganda and manipulation. As media jobs have become scarce in Romania amidst the economic downturn, such pressure on employees has proven quite effective. In addition to these private outlets, public radio and television are widely perceived as politicized. Their administrative boards generally reflect the party breakdown in parliament as stipulated by law, and the ruling party is able to replace the directors of state media outlets almosr at will.

A difficult economic environment for media has further reinforced such political pressures on journalists. Advertising revenue in Romania fell 40 percent in 2009 and an additional 15 percent in 2010.[15] According to a recent report by the Romanian journalists federation MediaSind, some 6,000 journalists and other media employees have lost their jobs or suffered severe wage cuts since 2008. Many have been forced to accept work as freelancers to save their employers from having to pay taxes and social contributions. Taken together, these circumstances have contributed to a decline in the quality of Romanian investigative journalism and the rise of more sensational tabloid-style coverage.

Political bias by privately owned media during the year at times triggered awkward reactions from the president and ruling party. For about a month in mid-2010, the cabinet adopted an ill-advised policy of refusing to speak with reporters from private television channels. More seriously, the latest review of the national defense strategy commissioned by President Băsescu and approved by the Supreme Council for National Defense in June 2010 identified the media as "a point of vulnerability for national security." This controversial draft strategy was adopted by parliamentary committees and its submission for a vote by the full parliament was expected in early 2011. If approved, the country's new national defense strategy would formally pinpoint the media as one of Romania's vulnerabilities, citing "orchestrated media campaigns aimed at slandering state institutions through the

dissemination of false information about their activity." It also accuses the media of trying to influence "the political decision-making process with the aim of obtaining economic advantages from state institutions."[16]

The existence of such threats was seemingly confirmed only a few months later when, in October, prosecutors released recordings of telephone conversations of Vântu with leading members of the opposition and senior journalists. In the conversations, Vântu spoke in military-like terms about his use of his media empire to influence public opinion in advance of the 2009 elections. The leaking of the recordings was hotly debated because they did not appear to have any direct connection with the money laundering investigation against Vântu. Some observers suspected that the recordings were leaked in order to justify listing the media as a threat to national security.

Romania's minorities, most notably the Roma and ethnic Hungarian populations, continue to struggle for fair representation and equal access to the media. For example, a 2009 Romanian government study found that Roma are "systematically excluded from public broadcasting" and that "two-thirds of news coverage [of Roma] is negative and stereotypical."[17]

There is, however, a small bright spot in the Romanian independent media landscape. *HotNews.ro*, an online news source, was founded in 1999 and initially served as an aggregator of other outlets' top stories. In 2005, however, it began conducting and publishing its own investigative reporting. By 2008, there were roughly 50 journalists working for *HotNews.ro*, some doing original reporting and others engaging in interactive projects with readers. After receiving an EU grant in 2009, *HotNews.ro* continued in 2010 to grow and provide an online alternative to the major media outlets,[18] though some allegations of plagiarism also surfaced. By early 2011, it was ranked within the top 25 most popular websites in the country.[19]

As of 2010, Romania's internet penetration rate was only 35.5 percent, one of the lowest usage rates in the region, although it is growing quickly.[20] To date, there have been no reports of significant internet censorship or punishment of bloggers. However, in August 2010, PSD Senator Olguța Vasilescu proposed a bill that would allow Romania's National Council of Broadcasting (CNA) to monitor internet communications for profanity or other "obscene content" posted by users.[21] Many, including Reporters Without Borders, argued that the bill would endanger freedom of speech and the freedom of websites to self-regulate content. As of the end of 2010, the bill seemed unlikely to pass.[22]

Local Democratic Governance

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
n/a	n/a	n/a	3.00	3.00	3.00	3.00	3.00	3.00	3.00

The dominant priority at Romania's local level in 2010 was the need to cope with the effects of the economic crisis, particularly funding, staff cuts and other austerity measures cascading down from the center. After almost a decade of rapid

expansion of the country's economy and public budgets, local decision makers had to quickly adapt to a very different reality. The crisis occurred at a moment when a new wave of decentralization was being considered in critical sectors like education, healthcare, and law enforcement. While the government had planned to implement these changes against a backdrop of abundant resources, the crisis altered the picture completely: reforms had to be executed with less, not more money. Such dynamics were evident among many new EU member states, but were especially notable in Romania. Given the severity of the shock and the previously entrenched expectation that public budgets would continue to grow, the government's response to the crisis was somewhat hesitant in its early stages (periods dominated in 2008 and 2009 by electoral campaigns).

Despite the challenging circumstances, the new cabinet taking office in December 2009 kept decentralization on its agenda and implemented two major changes. In healthcare, *de facto* control of 373 out of Romania's 435 hospitals was passed from the Health Ministry to local authorities, mainly County Councils. In addition to ownership and maintenance costs at the hospitals, the powers devolved included day-to-day management and human resources. Secondly, a new Education Law was introduced and at year's end was in the final stages of approval. Once adopted, the law will completely change the governance of pre-university education. The aim is to increase transparency in the sector and to create incentives for rationalizing the school system. School directors and university rectors will no longer be allowed to serve as members of political parties and a newly created School Board with local stakeholder participation will have expanded competences in hiring principals and teaching staff. At the level of higher education, the Minister of Education will possess the right to dismiss rectors of state universities, a feature of the law that provoked criticism.

At the same time as the government attempted to implement the decentralization process, a second stream of policies was introduced that ran counter to this agenda: top-down controls exerted over local affairs to contain public expenditures. The list of such measures included lowering the ceiling for municipal borrowing, tightening Treasury rules for cash management, and capping various categories of local expenditure. Thus, the overall picture in 2010 was mixed: on the one hand, the long-term agenda of decentralization was not abandoned, as the central authorities devolved real decision-making power in sensitive social sectors. In addition, new financing mechanisms proposed for these areas are likely to generate greater standardization, transparency, and accountability. On the other hand, concerns about aggregate public deficits and spending in the short term triggered a drive in the opposite direction, with central micro-management of local affairs reducing local autonomy.

Local governments retaliated in 2009 and early 2010. They lobbied for favorable treatment in national policy and tried to block measures that would curtail their decision-making autonomy, such as staff and spending ceilings. They were rather unsuccessful in their efforts and such measures were implemented anyway. Nevertheless, they managed to use their influence in parliament and

other central government institutions to initiate legislation that would simplify the process of public procurement. For example, they proposed that the threshold for direct procurement be raised from €15,000 to €50,000 (US$71,000); and they lobbied for a new Public Private Partnerships Law that would bypass normal procurement procedures, allowing contracting authorities to practically handpick their partners and sign contracts without going through a competitive selection process. Parliament approved the proposal despite strong negative signals sent by the EU Commission.

The past year also confirmed the growing stature of directly elected local leaders, such as mayors and County Council presidents, within their respective parties. Dubbed "local barons" for the manner in which some run local affairs and manage public resources, many County Council presidents control the local political machinery with an iron fist. On a national level, the government reshuffle in the fall of 2010 was considered a success for the strongest PDL county-level organizations, which managed to install second-rank individuals at the top of important ministries. In the ruling PDL, as well as in other parties, the local party base has become captive to powerful bosses, some of whom have been investigated, or even convicted, by the National Anticorruption Prosecutor office (DNA) yet who manage to get re-elected in spite of their travails in court.

The important political role of counties became clear during the economic crisis. Traditionally, the Romanian intermediary tiers of governance (counties—*judets*) are weaker in terms of competences and revenue streams, compared to the first-tier units (municipalities), and rely mostly on shared taxes and budget transfers. However, such assumptions underestimate their real political weight because, in practice, they function as important gatekeepers, especially in deciding the distribution of investment grants, EU-funded projects, and other transfers to lower tiers. Their power has grown considerably since the onset of the economic crisis as central transfers have become a vital source of revenue for local budgets. The new competences in healthcare and education that devolved in 2010 represent a welcome formal strengthening of the system of local governance. They may, however, also prove problematic in the future if the new powers are used to politicize the management and provision of services.

Judicial Framework and Independence

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
4.25	4.25	4.25	4.00	4.00	3.75	4.00	4.00	4.00	4.00

In July 2010, parliament adopted a new Civil Procedure Code[23] and Criminal Procedure Code.[24] Along with a Civil Code and Criminal Code adopted in 2009, these lay a new foundation for the Romanian legal system and judiciary. The two procedural codes were widely debated in parliament but lacked *ex ante* impact assessments analyzing their expected efficiency and implications for human

resource management. After the adoption of the procedural codes and with a loan from the World Bank, the government instituted impact assessment studies, whose publication was scheduled for April 2011. The plan envisioned is that any deficiencies in the procedural codes will be addressed following the review, and only then will the codes enter into effect (envisaged for October 2011).

In preparation for enactment of the new procedural codes, parliament adopted a "small reform law"[25] to simplify and accelerate court procedures, including subpoena, enforcement, and divorce procedures. The new provisions envisage the creation of specialized panels of 25 judges and include clear deadlines within which decisions must be issued. The "small reform law" also introduced the opportunity principle at the criminal investigation stage. This allows prosecutors more flexibility to decide whether to investigate all complaints or to focus resources on more serious cases. The law also eliminated an appeal mechanism, allowing first-instance court decisions to be challenged only once to the Appeal Courts.

In another development, after over a year of interim management, the president appointed a new management team for the High Court of Cassation and Justice, the highest court of the country. Also in 2010, three members of the Constitutional Court were appointed: one by the President, one by the Chamber of Deputies, and one by the Senate. Despite civil society calls for a transparent appointment process subject to public oversight, only the Chamber of Deputies opened its hearing on candidates to the public. The candidates that emerged successful from parliamentary hearings were those supported by the PDL, while the president reconfirmed for a full mandate a judge appointed previously for a fraction of a mandate. Therefore, in the new composition of the Constitutional Court, the balance of power appears to have shifted somewhat in favor of the ruling coalition.

Elections for members of the Superior Council of Magistracy (SCM) were also held in 2010. The annual progress report of the European Commission called for close compliance with procedural rules for these elections, in particular the eligibility criteria for candidates. The EU also criticized the judicial disciplinary system, citing lenient sanctions and the paucity of cases opened. Despite these warnings, three of the individuals who had replaced other members midway through their terms refused to leave the council, claiming that the six-year term was not an institutional one (applying to all members at the same time) but an individual one, thus allowing each member of the council to enjoy a full 6-year term. Four other council members decided to run again despite a clear legal provision prohibiting magistrates from continuing for more than one term on the council. Three were reelected. In December, the Senate selected two civil society representatives to serve as members of the council, although one of them, Victor Alistar, had been found to be ineligible by the National Integrity Agency. The law states that individuals found to be ineligible may not be appointed to public positions for three years after the date of the ruling. In spite of this, the Senate approved the list of new members, including Alistar, for the Council, a move the ruling party was challenging before the Constitutional Court at year's end.

Corruption

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
4.75	4.50	4.50	4.25	4.25	4.00	4.00	4.00	4.00	4.00

Corruption remains a substantial governance challenge in Romania and the country has struggled to meet EU anticorruption requirements, despite efforts by civil society and a few key institutions to expose, investigate, and punish high-level corruption.

The DNA, already widely recognized for taking a proactive approach, continued to investigate high-level corruption cases during 2010. One of the most important cases involved Cătălin Voicu, a PSD senator and Florin Costiniu, head of the commercial section in the HCCJ, as well as Costel Căşuneanu and Marius Locic, two important businessmen. Voicu allegedly acted as an intermediary in an influence peddling scheme aimed at obtaining favorable court decisions for Căşuneanu with the help of Costiniu, and he also intervened in police investigations to help Locic. The four were indicted in May 2010 and Voicu was placed in pretrial detention.

Investigations were initiated during the year against current and former top officials, including those from the ruling coalition. In May, prosecutors charged former prime minister Adrian Năstase with taking bribes during his time in office after parliament waived his immunity (an action they had previously refused to take). In October, the DNA submitted a request for the arrest of PDL legislator Dan Păsat to the Minister of Justice, who then forwarded it to parliament; it was still awaiting discussion in the Chamber of Deputies at year's end. Despite these promising cases, the reluctance of the entire political class to let justice run its course without impediment remained apparent and entrenched across the political spectrum. For example, another DNA request for a criminal investigation of Monica Iacob Ridzi, a PDL deputy and former Minister of Youth and Sport, was rejected by the plenum of the Chamber of Deputies.

In addition to political resistance, final court decisions in high-level corruption cases remain rare in Romania, and various tactics are used by defendants to delay court proceedings in an effort to propel the end of trials because of their expiration under statute of limitation rules. In order to limit the possibility for unjustified delays, in September 2010, parliament amended[26] the law on the Constitutional Court, eliminating the automatic suspension of trials when a constitutionality challenge is raised.

The National Integrity Agency (ANI), another corruption watchdog institution, was created at the EU's request in 2007 to vet public officials' asset declarations and identify potential conflicts of interest or suspicious income. Throughout 2009 and the first months of 2010, the European Commission and civil society praised the ANI's "encouraging track record,"[27] recognizing the agency as an important partner to the DNA and judiciary in combating corruption. However, in April 2010, the Constitutional Court, which had seven of its nine judges under investigation by the

ANI, ruled that the most significant chapters of the Law on the National Integrity Agency governing the ANI were unconstitutional, eliciting condemnation from Romanian NGOs and politicians alike.[28] The Court argued that the ANI had assumed the character of a "quasi-judicial institution," which violated Romania's constitution; that investigation and publication of assets constituted a violation of the right to privacy; and that confiscation of assets breached the presumption of innocence.[29]

In response to the Court's ruling, a new draft law was passed that limited the effectiveness of the ANI's investigations and introduced less transparent and comprehensive asset declarations, rendering the agency essentially toothless.[30] The new law provoked significant criticism from Romanian civil society and EU officials, and a coalition of influential NGOs and think tanks publicly asked the president not to promulgate the revised law.[31] The president refused to sign the law and asked parliament to reconsider it. In the second reading, parliament adopted a similar version, which the president then challenged before the Constitutional Court on procedural issues. The Court then found the revised law to be unconstitutional. After a highly critical report by the European Commission in July urging Romania to remember the commitments it had made upon accession, parliament again discussed the law and agreed upon a version that went into force on September 6. The revised version restored ANI's key tasks—monitoring of unjustified wealth, determination of conflicts of interest, and decisions on official incompatibility—after a four-month hiatus. Though ANI generally survived the assault on its mandate, in December, its budget was significantly reduced amidst the government's broader spending cuts; the effect of the funding cut remains to be seen in 2011, however.[32]

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Russia

by Robert W. Orttung

Capital:	Moscow
Population:	141.9 million
GNI/capita, PPP:	US$18,330

Source: The data above was provided by The World Bank, *World Development Indicators 2011*.

Nations in Transit Ratings and Averaged Scores

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Electoral Process	4.50	4.75	5.50	6.00	6.25	6.50	6.75	6.75	6.75	**6.75**
Civil Society	4.00	4.25	4.50	4.75	5.00	5.25	5.50	5.75	5.75	**5.50**
Independent Media	5.50	5.50	5.75	6.00	6.00	6.25	6.25	6.25	6.25	**6.25**
Governance*	5.25	5.00	5.25	n/a	n/a	n/a	n/a	n/a	n/a	**n/a**
National Democratic Governance	n/a	n/a	n/a	5.75	6.00	6.00	6.25	6.50	6.50	**6.50**
Local Democratic Governance	n/a	n/a	n/a	5.75	5.75	5.75	5.75	5.75	5.75	**6.00**
Judicial Framework and Independence	4.75	4.50	4.75	5.25	5.25	5.25	5.25	5.50	5.50	5.75
Corruption	6.00	5.75	5.75	5.75	6.00	6.00	6.00	6.25	6.50	**6.50**
Democracy Score	**5.00**	**4.96**	**5.25**	**5.61**	**5.75**	**5.86**	**5.96**	**6.11**	**6.14**	**6.18**

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

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

Executive Summary

As the Russian leadership continued its slide into political stagnation in 2010, a small but growing number of citizens showed signs of discontent. Prime Minister Vladimir Putin remains the most important player in the political system, though he makes decisions as part of a small leadership group that includes President Dmitry Medvedev and representatives of the security, law enforcement, military, and economic agencies. They have maintained centralized authoritarian control and rejected moves toward democratization. The current system runs tightly orchestrated elections, manages influential media, and ensures that the courts rule in the government's favor on politically sensitive cases. Since coming to power as president at the beginning of 2000, Putin has established a personalized system of authority in Russia that has weakened institutions such as the parliament and stunted the evolution of political parties, nongovernmental organizations (NGOs), and free public discussion in the popular media. The economy remains heavily dependent on revenue from the extraction of natural resources, and the business elite's ability to survive is contingent on personal relations with the incumbent authorities.

In 2010, the federal executive strengthened its hold over the 83 regions, as Medvedev removed the few remaining governors with quasi-independent bases of support and replaced them with officials who were more likely to carry out Kremlin orders. Presidential appointees with no electoral experience now comprise a majority of Russia's governors. Demonstrations spread across the country, protesting state policies and the government's apparent sanctioning of violence against journalists and activists. However, movements dealing with specific issues have yet to merge into a coherent political opposition that can challenge the regime. Meanwhile, the rising price of oil gave the authorities more funds to distribute, helping them to ensure that nothing disturbs the status quo.

National Democratic Governance. Russia's political system is based on lawlessness, and there are no reliable mechanisms that the population can use to hold their leaders accountable. A key problem is the bloated bureaucracy, which regularly ignores orders from above and serves its own interests rather than those of the public. At the same time, the powers of the security services are expanding, and the leadership has not been able to adopt a coherent police reform. The executive branch as a whole dominates other government institutions, including the rubber-stamp legislature. A scandal in the spring of 2010 revealed that most members of the State Duma, the lower house of the parliament, do not even bother to participate in its largely meaningless votes. Though Russian citizens today enjoy many personal

freedoms, expansive executive power is chipping away at such rights as the ability to travel. *Russia's national democratic governance rating remains unchanged at 6.50.*

Electoral Process. Elections in Russia do not give citizens a chance to participate in decision-making processes. The ruling United Russia party is typically guaranteed victory, as the authorities sideline opposition candidates and exert pressure on voters. The ruling party won a string of regional and local elections in 2010. Many of Russia's cities have already eliminated mayoral elections in favor of city managers hired by the local councils, and the rest are under pressure to follow suit. *Russia's electoral process rating remains unchanged at 6.75.*

Civil Society. Russian civil society was increasingly active in 2010, though the state used a variety of measures to suppress it. Prominent rallies took place to oppose local authorities in Kaliningrad, to defend the Khimki forest outside Moscow from development, and to assert the constitutional right to freedom of assembly. In response, police raided many organizations, confiscating computers and important documents. A number of civic groups arose spontaneously to cope with widespread wildfires during the summer, but these and other campaigns failed to merge into national, multi-issue political movements. The rate of hate crimes continued a two-year decline, though support for nationalist organizations remained strong. *Due to civil society's persistent action on a number of issues despite government suppression, Russia's civil society rating improves from 5.75 to 5.50.*

Independent Media. The state continues to control the politically important broadcast media and key print publications, strictly limiting their content. Selective application of the law on extremism serves as a convenient way to encourage self-censorship by potentially critical publications. The savage beating of journalist Oleg Kashin in November 2010 sent a strong signal to all journalists about the dangers of offending powerful interests. The internet provided readers with a variety of political opinions, though the authorities took measures to ensure that online discussions did not lead to political action. At the regional level, there are no areas with free media environments, and the overall situation has grown worse since the 2004 replacement of gubernatorial elections with a system of presidential appointments. *Russia's independent media rating remains unchanged at 6.25.*

Local Democratic Governance. In September 2010, President Medvedev removed Moscow mayor Yury Luzhkov, the controversial but powerful leader who had originally come to office through elections. Medvedev has now installed a new class of governors who will be loyal to the federal leadership rather than representing regional interest groups. Despite popular support for the return of gubernatorial elections, the government has expressed no interest in such a change. Federal efforts to reduce the level of violence in the North Caucasus have yet to bear fruit, and Chechnya remains under the personal authority of Chechen president Ramzan Kadyrov. *Russia's local democratic governance declines from 5.75 to 6.00.*

Judicial Framework and Independence. Russian courts are subject to demands from the executive branch in politically important cases. Informal pressures ensure loyalty and push judges to make the desired decisions. In 2010, this process was demonstrated anew in the high-profile cases against opposition-minded former oil tycoon Mikhail Khodorkovsky, whose prison term, due to expire in 2011, was extended to 2017 after a deeply flawed trial on dubious new charges. A new law that bars pretrial detention for economic crimes does not seem to be functioning effectively. In a positive development, Russia finally ratified a Council of Europe protocol that will allow the European Court of Human Rights to streamline its work. *Due to the increasingly egregious manipulation of the legal system to suit executive branch interests, Russia's judicial framework and independence rating declines from 5.50 to 5.75.*

Corruption. President Medvedev announced a new strategy for fighting corruption in April 2010, but there was little to show for such efforts by year's end. All measures of corruption in Russia indicate that it remains a serious problem. Crackdowns on graft typically target low-level bribe givers, leaving public officials untouched. The authorities have actively blocked efforts to investigate police corruption that led to whistleblower and lawyer Sergei Magnitsky's death in custody in 2009. *Russia's rating for corruption remains unchanged at 6.50.*

Outlook for 2011. Russia will hold parliamentary elections in 2011 and a presidential election in 2012. After 11 years under Putin's leadership, the degraded political system cannot address the challenges facing the country. As the time grows near for Putin to decide whether he will return to the presidency, the ruling elite is likely to split between advocates of continuing the current model of selective repression and those who promote efforts to diversify and modernize Russia's economy. Such a split will create more opportunities for the heretofore inchoate forces of civil society to express themselves. This greater room for maneuver will be available to both prodemocracy groups and ultranationalists who advocate exclusionary policies.

Main Report

National Democratic Governance

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
n/a	n/a	n/a	5.75	6.00	6.00	6.25	6.50	6.50	6.50

The current Russian political system is based on lawlessness and a lack of transparency that allows the bureaucracy to behave as it pleases. This leaves the Russian population with no reliable way of holding its government accountable.

The leadership realizes that the existing governance model is both fueling and failing to address corrosive problems, but seems paralyzed by indecision. The State Council, a senior advisory body that includes all regional governors, held an unprecedented session in January 2010 that was devoted to political reform. But rather than endorsing fundamental changes, Prime Minister Vladimir Putin stressed the need for a "healthy conservatism" and expressed his strong desire to avoid the "Ukrainization" of Russian politics, suggesting that any move toward democratization would lead to chaos. Likewise, President Dmitry Medvedev warned in September that "parliamentary democracy" would be a "catastrophe" for Russia.

Growing bureaucratic intransigence forms another obstacle to serious reform. Many officials simply do not follow orders from above. For example, key personnel in the Federal Security Service (FSB) and Ministry of Internal Affairs and half of the regional governors did not publish income declarations in 2010 despite Medvedev's highly publicized efforts to fight corruption.[1] Similarly, the judicial system continues to jail people suspected of economic crimes despite a new law forbidding that practice. In one case, fraud suspect Vera Trifonova died in jail on April 30 after spending four months in pretrial detention.[2] In an April speech to the Federation Council, the upper house of the parliament, Prosecutor General Yury Chaika lambasted the Ministry of Internal Affairs, the traffic police, state corporations, and various industries for ignoring the law and padding their official reports.[3] Casinos continue to operate despite the banning of gambling in most parts of Russia in the middle of 2009.[4] In another sign of such problems, Putin had live webcams installed so he could personally ensure the reconstruction of villages destroyed in summer wildfires.[5]

The most powerful institution in the system, and the main pillar of Putin's authority, is the FSB. It is also the least accountable of all state agencies. In 2010 there was a major debate over the FSB's powers, and ultimately on July 29 Medvedev signed a bill that gave it a legal foundation to issue warnings to people or even detain them if they are suspected of preparing to commit crimes against Russia's security.[6] The suspects face fines or up to 15 days of detention. Some observers expressed concern that the law would be used against the political opposition, labor unions, and media outlets.

Medvedev is unlikely to alter the FSB's practices. During his first two years in office, he replaced 63 percent of the senior presidential staff and 40 percent of the regional governors, but just 5 percent of the leadership of security agencies, according to sociologist Olga Kryshtanovskaya.[7] Efforts to reform the highly unpopular police have also run into trouble. Medvedev announced plans to conduct major reforms and even proposed cutting the force by 20 percent. However, he did not replace the minister of internal affairs and has left the police to define the details of the reform themselves.

Russians today enjoy many personal freedoms. They can read whatever they like, participate in wide-ranging internet discussions, travel, and start businesses. But there are limits to these freedoms, in that they must pay bribes and sometimes engage in self-censorship,[8] and there are some signs that the authorities are moving to restrict such freedoms even further. For example, in his blog, Federation Council speaker Sergei Mironov, leader of the Just Russia party, has noted an increase in the number of people appealing to him with problems exiting and entering the country.[9] The authorities apparently have a list of individuals, including critical professors, who are delayed and searched each time they cross the border. Such measures are clearly aimed at intimidating outspoken individuals with international connections.

Because power has been concentrated in the executive branch and its bureaucracy, other governmental institutions lack the authority to uphold their formal independence in practice. For example, the parliament does not initiate policy, but merely approves proposals by the president and prime minister. A clear indication of the legislature's meaninglessness emerged during a major scandal in the spring, when it was revealed that most members of the State Duma did not bother to attend sessions and had a small number of colleagues vote on their behalf.[10] The judiciary's compliance with political directives was on display in the high-profile case against the opposition-minded former oil tycoon Mikhail Khodorkovsky. As his eight-year prison term for fraud and tax evasion was set to end in 2011, the authorities filed new charges against him and launched a second trial, resulting in the late December announcement of a conviction and a new prison sentence that will last until 2017.[11] Shortly before the judge finalized his decision, Putin publicly described Khodorkovsky as a "thief" who belongs in jail, reinforcing executive intervention in the working of the courts.

In an illustration of the dangers of institutional inertia, the federal government has failed to develop a coherent strategy for dealing with one of its most significant problems—the ongoing violence in the North Caucasus. During 2010, a reported 754 people were killed and 956 were wounded in fighting in the area.[12] There were deadly suicide-bomber attacks on the Moscow subway on March 29 and in Dagestan on March 31, but Medvedev's response focused on handing more powers to the security forces rather than addressing the root causes of the unrest.

Electoral Process

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
4.50	4.75	5.50	6.00	6.25	6.50	6.75	6.75	6.75	6.75

Elections in Russia do not give citizens a chance to participate in the political process. They merely serve as ritualistic confirmations for those who already hold power.[13] The authorities have not registered an opposition party since 2004, when a law requiring a prospective party to enlist 50,000 members across the country went into effect.[14] Most elections include pressure on voters to support the authorities' preferred party or candidate, the use of state resources to ensure the desired outcome, and the denial of registration to unapproved parties and candidates. The key national television networks, from which most Russians obtain their information, are tightly controlled and favor regime-backed candidates. Direct ballot rigging takes place in many regions.

Russia's most recent presidential and parliamentary elections did not meet international standards. The presidential election, held in 2008, simply ratified Putin's choice of his own successor, Dmitry Medvedev. The Organization for Security and Cooperation in Europe (OSCE) was not given sufficient time or allowed enough personnel to monitor the vote. A similar situation prevailed during the State Duma elections in 2007. The next parliamentary elections are scheduled for late 2011, and the next presidential election will take place in 2012.

In March and October 2010, Russia held a number of regional and local elections. Perceptions of fraud were so widespread during the October 2009 regional elections that the Communist Party, Liberal Democratic Party of Russia (LDPR), and Just Russia factions staged an unprecedented, though short-lived, walkout from the State Duma, putting the regime on notice that crude techniques for ensuring victory were unacceptable. In the March 2010 regional and local elections, the ruling United Russia party won a similar 68 percent of the seats contested, but took less than 50 percent of the vote in the proportional representation section of the ballot in four of the eight regional legislatures in question. The increasing use of proportional representation systems in regional and local legislative elections has the effect of reducing the number of political groups that can participate.

In some cases, the authorities' attempts to determine the vote outcome were no match for voters intent on signaling a protest. In the run-up to the Irkutsk mayoral election in March, United Russia–backed candidate Sergei Serebrennikov was falling behind his opponent, Anton Romanov, a United Russia member who was running without official endorsement. The city's electoral committee removed Romanov from the ballot 10 days before the vote, claiming that he had not collected enough valid signatures, but most voters shifted their support to Communist candidate Viktor Kondrashov, who won a surprising 63 percent, compared with Serebrennikov's 27 percent. Kondrashov joined United Russia on June 29, a typical move for opposition candidates who win regional elections.[15] Balloting in several other cities had similar results.

The October 2010 regional and local elections were also marked by irregularities, but did not cause a scandal. United Russia won between 45 and 70 percent of the vote in each contest, averaging slightly more than in March, and Novosibirsk was the only place where it won less than 50 percent. Nevertheless, the party took just over 63 percent of the seats in the Novosibirsk regional legislature. Overall, United Russia captured 76 percent of the regional legislative seats at stake. Average turnout was 49 percent, according to the Central Electoral Committee.[16] While 99 percent of United Russia candidates were registered, only 54 percent of the candidates for the liberal Yabloko party made it onto the ballot, demonstrating the authorities' bias against the opposition. In Samara, the only big city not controlled by United Russia, electoral authorities refused to register opposition candidates for the mayoral and city council elections. In Krasnodar, four Communists were denied registration for the city council elections, provoking another 31 to boycott the race.[17] Opposition parties in several regions complained of efforts to bribe voters and poor access for election monitors.[18]

Until recently, most Russian municipalities elected their mayors directly. However, since the elimination of gubernatorial elections in 2004, many governors have been putting pressure on cities and villages to replace mayoral elections with the hiring of professional city managers by local councils. In the period preceding the 2010 local elections, United Russia pressured municipalities to end direct elections so as to limit opportunities for voters to express dissatisfaction with the ruling party. In 2010, cities including Barnaul, Chelyabinsk, Izhevsk, Nizhny Novgorod, Perm, Ulyanovsk, and Yekaterinburg abolished their mayoral elections. A handful of others resisted the trend, including Arkhangelsk, Surgut, and Ulan-Ude. Pyatigorsk restored direct elections after previously eliminating them. Mayoral elections are important in the dozens of regional centers and large cities across Russia where the local executive controls substantial budgetary funds that are independent of regional elites. Governors prefer to deal with appointed mayors who are more likely to follow orders than those with popular mandates. Mayors with limited revenues, whether elected or appointed, have little autonomy.

A new procedure for forming the Federation Council will come into effect on January 1, 2011. Currently, governors and regional legislatures in Russia's 83 regions each appoint one council member, for a total of 166. The presidential administration heavily influences these appointments. Under the new rules, only elected officials are eligible to be appointed to the chamber, a change that favors United Russia, whose members dominate such offices.

Many Russians would like to reverse the numerous electoral law reforms enacted in the last 10 years, which have strengthened incumbents' hold on power. For example, a plurality (36 percent) want to lower the current 7 percent vote threshold for parties to enter the State Duma to 5 percent or less. The Duma is elected purely on the basis of nationwide proportional representation, and four parties are now represented. United Russia holds 315 of the 450 seats, followed by the Communist Party with 57, the LDPR with 40, and Just Russia with 38. More than 40 percent of Russians would prefer to return to the previous electoral system, in which at least half of the Duma

members are elected through races in single-member constituencies. Two-thirds favor restoring the right to vote "against all" on the ballot.[19]

Civil Society

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
4.00	4.25	4.50	4.75	5.00	5.25	5.50	5.75	5.75	5.50

Loosely organized, politically oriented citizens' groups grew more active in 2010 despite strong pushback from the state. More people agtee that criticism of the authorities is useful (79 percent in 2010, up from 66 percent in 2007), but more also express fear that such critics will face unpleasant consequences (45 percent, up from 29 percent), according to Levada Center data.[20]

Russians mounted numerous protest actions in 2010. In January, some 10,000 Kaliningrad residents took to the streets to protest taxes, high unemployment, and low living standards. They called for the resignation of their local governor and Prime Minister Putin.[21] In April, motorists protested against government officials' widespread use of flashing lights on their vehicles to get around Moscow traffic. In a grassroots movement led by Yevgeniya Chirikova,[22] protesters braved violent crackdowns to defend the Khimki forest on the outskirts of Moscow from an US$8 billion road construction project. Medvedev personally intervened in that dispute on August 26 to halt the felling of trees, but Putin's government effectively allowed construction to proceed in December. On the last day of each 31-day month, a movement called Strategy 31 held protests in Moscow's Triumphal Square to assert their right to freedom of assembly under Article 31 of the constitution.[23] In response to this activity, Putin told the newspaper *Kommersant* in August that protesters at unsanctioned rallies would be beaten on the head with truncheons.[24]

Despite the often vicious response from the authorities, examples of grassroots activism abounded.[25] In St. Petersburg, persistent citizen activism forced the authorities to move a proposed skyscraper to house the state-owned energy giant Gazprom from the historic city center to the outskirts. In Perm and some other cities, voters organized to protect their right to directly elect mayors. Prominent artists, such rock star Yury Shevchuk, spoke out in various ways against the state's authoritarian policies. Meanwhile, the authorities have improved conditions for socially oriented NGOs that steer clear of political topics, for instance by offering grants through the Public Chamber advisory body. Such steps could eventually lay the groundwork for democratization, according to some observers.[26]

Despite the increased energy among social groups, state pressure on them remained strong. Police raided many of the most prominent and active environmentalist and human rights–oriented NGOs. In January, officials in Irkutsk seized computers from the environmentalist group Baikal Wave, claiming that they were using pirated Microsoft software. The organization had criticized plans to reopen a complex of paper mills owned by billionaire businessman Oleg Deripaska, which threatened to pollute Lake Baikal.[27] The police dropped the software piracy

charges in December under international pressure, and after Microsoft announced that it would not support the case.[28] Microsoft also said it would issue software licenses to advocacy groups, other NGOs, and independent media outlets in an effort to prevent government crackdowns under the guise of software-piracy inquiries.[29] Separately, hackers attacked the Khimki protesters' website (Ecmo.ru) on August 31 after it posted critical material about the governor of the Moscow region, Boris Gromov.[30] The police repeatedly arrested participants in the Strategy 31 rallies, leading to a number of high-profile cases. That of Sergei Makhnatkin drew particular attention. He was sentenced on June 9 to two and a half years in prison for allegedly breaking a policeman's nose during a December 31, 2009, protest in Moscow, having intervened to help an elderly woman who was being brutally arrested. Makhnatkin was not taking part in the protests and was simply walking by when he saw the arrest taking place.

The greatest assault against civic groups came between September 13 and 16, when the prosecutor general's office carried out a series of searches in the offices of approximately 40 NGOs, including the Moscow Helsinki Group, Memorial, Golos, and Transparency International.[31] The organizations argued that the searches violated legal procedures, and the authorities claimed that they were only seeking to determine if the NGOs were obeying the law. Many of the targeted groups receive funding from the United States or European Union countries. Such politically active groups have trouble raising money from Russian donors, who fear that supporting them would draw negative attention from the regime.

At the end of the year, Oleg Orlov, head of Memorial's human rights division, was standing trial for allegedly libeling Chechen president Ramzan Kadyrov. He had been charged with criminal defamation on July 6 for publicly linking Kadyrov to the murder of human rights activist Natalya Estimirova in 2009. Orlov had already been forced to pay Kadyrov 70,000 rubles in damages from a related civil case that ended in January.

Some groups have formed to provide services not offered by the state. When extensive wildfires ravaged the country in the summer of 2010, burning 3,609 square miles, killing 54 people, and leaving 3,300 homeless, numerous organizations appeared spontaneously to provide aid. However, none of these groups have united into larger political movements that take on issues beyond their initial concern, nor have they built up national networks that connect many regions in a prominent way. They generally have trouble passing knowledge and experience to fellow activists in other groups. In Kaliningrad, the authorities managed to thwart the nationalization of the local protest movement by pressuring its leader, Konstantin Doroshok, to leave Solidarity, a nationwide opposition coalition.[32] To some extent, the internet is providing a basis for national coordination. For example, a site on the blogging platform LiveJournal was established to unite the local firefighting groups.[33] However, these virtual links have not led volunteer and social-service organizations to take up unified political action.

On November 6, Medvedev issued a rare veto to block a bill that would have banned individuals convicted of minor administrative offenses (such as traffic

violations, or traveling on public transportation without a ticket) from joining rallies for a year.[34] However, since the presidential administration stage-managed both the adoption and the veto of the bill, it was likely an effort to help Medvedev burnish his liberal image.[35]

The state is trying to exert greater control over Russia's weak independent labor unions. The government in 2010 encouraged free trade unions to unite under a new umbrella group, the Alliance of Russian Trade Unions, but key unions—including those representing dockworkers, coalminers, and metalworkers—did not join.[36] Such unions do not belong to the generally pro-regime Federation of Independent Trade Unions, which receives extensive support from the state and owns considerable amounts of property, giving it key advantages over smaller, nonstate unions.

While Russians are less likely to make charitable donations, they volunteer as much as people in other countries. Overall, 6 percent of the Russian population makes regular donations, 20 percent volunteer time, and 29 percent are willing to help a stranger in need.[37] Globally, one-third make regular donations to charity, and 20 percent volunteer time. Reasons for the low level of charitable giving in Russia include general poverty, aversion to the Soviet ideal of emphasizing social interests over individual concerns, fear that contributions will be misused by corrupt individuals, a lack of faith in nonprofit organizations, and the absence of tax benefits for contributions.[38]

Women are underrepresented in public and corporate life. Three of 19 federal cabinet ministers are women, and the female governors of St. Petersburg and Khanty-Mansi are the main exceptions at the regional level. Only 9 percent of general directors in Russian companies are women, as are 4 percent of board chairpersons and 3 percent of company presidents, according to a survey by PricewaterhouseCoopers.[39]

There is high but stable support for nationalist groups in the country, according to SOVA, an NGO that monitors them.[40] The number of hate crimes declined for the third year in 2010, with 37 murders, compared with 60 in 2009.[41] However, in December 2010 ultranationalists gathered approximately 10,000 supporters for a demonstration in front of the Kremlin and in a nearby subway station, beating anyone who appeared non-Slavic. To some extent the authorities have encouraged these groups as a balance to prodemocracy groups and as a rationale for continued authoritarian rule, claiming that liberalization would allow extremists more influence.

Independent Media

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
5.50	5.50	5.75	6.00	6.00	6.25	6.25	6.25	6.25	6.25

The state maintains firm control over Russia's key television networks, which 89 percent of Russians consider to be their primary source of news.[42] These channels convey the leadership's policies and frame important events for their audiences. For example, documentaries criticizing Moscow mayor Yury Luzhkov's corrupt

practices were aired in the period leading up to his dismissal by the president in September 2010. During the summer wildfires, network broadcasts portrayed Putin and Medvedev as the principal leaders working to combat the blazes.

The main television networks also ignore information on topics the leadership wants to avoid. Media censorship limits public knowledge of the violent conflict in the North Caucasus, for example. The channels continued to air regular programming as a terrorist attack on the Moscow subway unfolded on the morning of March 29. They similarly failed to report on protesting miners in Mezhdurechensk as they blocked a railroad on May 14, after 90 of their colleagues were killed in a deadly explosion.[43] Television talk shows are edited before broadcast to eliminate sharp political criticism.[44] Journalist Leonid Parfyonov drew attention to such censorship in a speech delivered to television executives in November 2010; a recording of his remarks was widely viewed and discussed on the Russian internet.[45] He bluntly said that television did not provide news.

Though there is considerable diversity in the print and online media, the independent outlets that do exist survive only because the political leadership allows them to. Such outlets are under considerable pressure. The law on extremism has become "one of the worst problems journalists in Russia face."[46] In April, the Federal Service for Supervision of Telecommunications, Information Technology, and Mass Communications (Roskomnadzor) issued a warning to the independent newspaper *Novaya Gazeta* for allegedly propagating extremism after it published a critical article in January about the nationalist group Russkiy Obraz,[47] including information about its program and photographs of its members giving Nazi-style salutes. Editor Dmitry Muratov pointed out that the warning was absurd because the article itself warned about the dangers of such groups. Under Russian law, the authorities can close a publication after two such warnings. Although *Novaya Gazeta* challenged the warning in court in October, the final ruling was in favor of Roskomnadzor. In a separate case of official pressure, masked police raided the offices of the *New Times* in September in an effort to identify sources who had provided investigative journalist Ilya Barabanov with information for his article "Slaves of OMON,"[48] about the riot police.[49] A court had ordered the magazine to hand over the necessary material, but editor Yevgeniya Albats refused, claiming that doing so would endanger the sources and their families. Media professionals have also expressed concern that the newly passed FSB law, which allows the service to detain individuals over national security concerns, may be unfairly used against the media.

The murders of Russian journalists over the last 10 years remain unsolved, creating a climate of impunity for attacks on the media. The savage November 6 beating of *Kommersant* reporter Oleg Kashin, a video recording of which was disseminated on the internet,[50] reinforced the general sense of intimidation faced by journalists. Kashin had made numerous enemies through articles and online posts about the Khimki forest dispute and the two main pro-Kremlin youth groups financed by the United Russia party—Nashi and Molodaya Gvardiya. The Molodaya Gvardiya website had posted a warning that "Kashin will be punished" in the months before his beating. The attack spurred an unusually strong reaction from

Russia's journalists, who sought to work together to protect themselves.[51] Kashin's beating was similar to a 2008 attack on Mikhail Beketov, editor of the newspaper *Khimskaya Pravda*, who had also opposed the Khimki forest construction. In September, police ended the investigation into the attack on Beketov, having made no arrests. The beating had left him partially paralyzed and unable to speak. On November 10, a court found Beketov guilty of slandering Khimki mayor Vladimir Strelchenko by accusing the official of ordering the burning of his car in 2007. On December 10, the court reversed the decision and said that Beketov had not committed a crime.

Given their reputation for providing only one point of view, the state-controlled broadcast media are slowly losing their authority and audience to the internet. Russia has 44 million users who go online at least once a month, and approximately 30 million active users. Most are located in the major cities, but internet use is growing in the regions as well.[52] The country's roughly 11,000 core bloggers are more independent, internationally oriented, and opposition-oriented than general Russian internet users and those who rely on state-controlled television channels.[53] One insider estimates that the number of people who actively read political news on the Russian internet is about 40,000, with the same people reading many of the different sources.

The government uses a variety of subtle and sophisticated strategies to achieve its political goals online.[54] While authorities in some countries have been inclined to crudely obstruct internet access, the Kremlin recognizes that it can use information gleaned from the internet to disrupt, intimidate, and mislead potential opposition groups.[55] At the same time, it influences the information available to users by exerting legal pressure on website owners and editors, mounting denial-of-service attacks at times when independent websites are in great demand, or sponsoring large volumes of commentary to drown out the opposition's message on their own websites.[56] As with traditional media, the law on extremism is an important tool for restricting freedom of expression online. Website owners can be held responsible for extremist comments posted by their users, and Roskomnadzor has developed a system in which it informs internet-based media by e-mail if user comments violate the law. The owners have 24 hours to remove the offending material.[57] In some instances, particularly in the regions, the remedies imposed by the authorities are more draconian. On July 16, 2010, a Komsomolsk-on-Amur city court ordered the local internet provider Rosnet to block five sites, including YouTube, on the grounds that they presented extremist material.[58]

In a possible sign that the authorities are not monolithically opposed to the existence of critical media, the Supreme Court on September 20 barred lower courts from issuing "ruinous" libel decisions that would bankrupt media outlets.[59] However, skeptics pointed out that the ruling failed to state a maximum amount for fines or damages in libel cases, which the court said was the responsibility of the legislature.[60]

Conditions for journalists and independent media outlets are especially difficult at the regional level, and the situation is slowly getting worse, thanks

in part to the elimination of gubernatorial elections, according to the Glasnost Defense Foundation.[61] The most restrictive areas are Leningrad and Moscow regions, the North Caucasus, Kalmykia, Tatarstan, Bashkortostan, Zabaikalsk, and Khabarovsk territory. By contrast, there is much greater freedom in Karelia, St. Petersburg, Sverdlovsk region, Perm territory, the south of Western Siberia, and the Far East. The Alliance of Regional Media Managers in Russia complained that regional authorities in Voronezh interfere in the editorial policy of local newspapers, forcing them to devote considerable space to publishing official information.[62] In Kaliningrad, the governor's press service sent an e-mail message to local editors, ordering them to run an interview with a respected person in their area to make the point that "we see how much has been accomplished in our district, life continues despite the crisis, of course there are problems, but it is unacceptable to rattle the region and raise political slogans."[63]

Local Democratic Governance

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
n/a	n/a	n/a	5.75	5.75	5.75	5.75	5.75	5.75	6.00

In 2010, the federal government dramatically changed its relationship with regional authorities. Although Putin, as president, had eliminated gubernatorial elections in 2004, he largely used his new power of appointment to keep the incumbent governors in place. However, President Medvedev has now replaced most of the governors who first came to office through elections (though usually not through free or fair elections) with handpicked appointees. The most visible change was the September 2010 firing of Moscow mayor Yury Luzhkov, but during the year Medvedev also replaced such regional heavyweights as Tatarstan's Mintimer Shaimiyev and Bashkortostan's Murtaza Rakhimov, each of whom had been in office for nearly two decades and had achieved some independence from the federal government. By sweeping away these vestiges of local autonomy, the Kremlin made clear that the federal government would now make strategic decisions for the regions.

The federal leadership demonstrated some recognition of the need to address local concerns in its gubernatorial appointments. With the replacement of the unpopular Georgy Boos as governor of Kaliningrad in September, for example, Medvedev signaled that he wanted regional leaders who could implement central plans while also maintaining political stability in their regions. To succeed him, the Kremlin chose Nikolai Tsukanov, head of United Russia's Kaliningrad branch, who is a local rather than an outsider like Boos. However, the protests that had erupted in Kaliningrad earlier in the year were as much against Putin and the broader system as against Boos personally, and it is not clear that removing individual governors will be sufficient to improve the situation. One of the demonstrators' demands was the restoration of gubernatorial elections. Some 59 percent of the population nationwide share that goal, according to Levada Center polls.[64]

Nevertheless, the existing cadres of appointed governors are working to extend the "vertical of power" from the president to the smallest town. Governors in Altai and Murmansk fired mayors of key regional cities in 2010, taking advantage of a power they received under a 2009 law.[65]

Most tax revenue collected at the local level is sent to Moscow, leaving only small amounts to be spent at the discretion of local authorities. The result is that city officials have little incentive to improve the business environment in their jurisdictions.[66]

The ongoing violence in the North Caucasus remains one of the most difficult problems facing Russia's leaders. Medvedev seemed to be working to address the economic roots of the unrest when he created a new North Caucasus Federal District on January 19 and appointed Aleksandr Khloponin, a successful businessman and Siberian governor, to lead it. The move suggested an understanding that the previous policy of violently cracking down on the insurgents was not working, and that the federal government should focus on reducing the area's high unemployment rate. On June 22, Russia even accepted a resolution by the Parliamentary Assembly of the Council of Europe that was critical of Kremlin policies in the North Caucasus. However, by the end of the year, the economic approach remained more a declaration of intent than reality. In practice, the authorities continued to use force as their main tool to pacify the area.

A latent civil war is under way in Chechnya, according to Caucasus expert Aleksey Malashenko.[67] Chechen president Ramzan Kadyrov had been credited with reducing rebel violence through brutal suppression, but insurgents mounted a number of attacks in 2010, including against well-guarded symbolic targets. An assault on Kadyrov's home village of Tsentoroy on August 29 killed more than a dozen people, and an attack on the republic's parliament on October 19 killed three and injured 17.[68] The level of violence is also increasing in Dagestan, Ingushetia, and Kabardino-Balkaria. On September 8, a suicide bomber killed 18 people and injured at least 100 near a crowded market in Vladikavkaz, capital of the predominantly Christian republic of North Ossetia. The violence has even spilled over international borders. Austrian police in 2010 found evidence linking Kadyrov to the 2009 Vienna murder of Umar Israilov, a former Kadyrov bodyguard who accused the Chechen leader of torture and other crimes.[69]

Kadyrov continues to rule Chechnya through coercion and personal whim. He pressures women to wear headscarves, and in 2010 he praised men who shot women with paintball pellets if they appeared in public without religious attire. He has supported Sharia (Islamic law), while also claiming support for Russian law, suggesting that he is seeking greater autonomy for the republic within the broader framework of Russia's federal system.

Judicial Framework and Independence

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
4.75	4.50	4.75	5.25	5.25	5.25	5.25	5.50	5.50	5.75

Russian courts lack independence from the executive branch in cases that are politically important. Political leaders can impose a variety of pressures on judges through court chairmen, who are appointed by the president. The chairmen assign sensitive cases to reliable judges and make decisions on important personnel issues, such as salary levels and housing benefits.[70] Rulings that go against the government's wishes are frequently reversed on appeal. If judges have too many decisions overturned, they can be disciplined and even fired, which is the prerogative of the court chairman. Russia's combination of broadly written laws, overregulation, and selective enforcement make the judicial system a useful political tool, as demonstrated in 2010 by the second conviction and sentencing of Mikhail Khodorkovsky.

Manipulation of the courts can also serve business interests, allowing one group to gain advantage over others. Businessmen understand that it is easier to win court cases if one has friends in high places, and the security of property rights is becoming increasingly contingent on political connections.[71]

While most cases have no connection to politics, the court system is subject to the same informal influences that shape Russia's political system. Verbal commands from above may affect decisions, but often judges are well aware of what is expected from them. Their professional alliances and loyalties are reportedly established during the appointment process, which involves obtaining clearance from government agencies and specific executive officials.[72]

Announced reforms of the judicial system have not produced positive change. Amendments to the criminal procedure code that took effect in April 2010 abolished pretrial detention for those charged with economic crimes. However, press reports indicate that such detentions continue, and even a special ruling by the Supreme Court had little effect on the practice.[73] Similarly, a law that came into force on May 4 was ostensibly designed to ensure fair and timely trials and the timely enforcement of court judgments. But experts have argued that the law was actually enacted for political purposes, to improve Russia's image abroad, and that it will not be effective in reducing the large number of cases appealed to the European Court of Human Rights.[74] The law does not provide mechanisms for payments of compensation to individuals who are denied a timely trial. Only ministries have a procedure for collecting such payments. Moreover, the law does not affect excessively lengthy pretrial detention.

Nevertheless, Russia has made some surprising progress in its relations with the European Court of Human Rights. After many years as the last holdout, Russia in February 2010 ratified Protocol 14 to the European Convention on Human Rights, paving the way for a reform that will allow the Strasbourg-based court to operate much more quickly. At the beginning of 2010, it had a backlog of more than 120,000 cases.

At the end of 2010, the Russian parliament was in the process of approving a set of reforms that will make the Constitutional Court even more subordinate to executive power. The bill, already approved by the State Duma, removes the age limit for the court chairman, meaning the reliable Valery Zorkin will be able to stay on through the 2012 presidential election. In addition, according to the proposed procedures, the Federation Council, on the recommendation of the president, can remove the chairman or his deputies if they are not performing their functions satisfactorily, though two-thirds of the court's judges must first vote for such a move. Under another provision of the bill, it will be possible to remove judges if they miss two court sessions. The reforms also reduce the speed with which the court can hear cases by eliminating the two chambers into which the court can currently divide, forcing all decisions to be heard by a plenary session of the 19 judges.[75]

A separate reform signed by Medvedev on December 28 removed the Investigative Committee, which plays an important role in launching major cases, from the prosecutor general's office and made it a separate agency directly subordinate to the president. Responsibility for some cases remains with the Ministry of Internal Affairs, the FSB, and the Federal Antinarcotics Committee for the time being. The head of the reconstituted Investigative Committee, Aleksandr Bastrykin, is known to have close ties to Putin. The purpose of the change is a subject of considerable debate, but one theory is that the agency will be used to keep regional elites in line before the 2012 presidential election.[76]

While jury trials are now possible in all of the country's regions, they are actually being used in fewer cases. Juries now try approximately 0.05 percent of all criminal cases and have a 20 percent acquittal rate.[77] Russian courts in general reach acquittals in 2.4 percent of cases, according to Supreme Court chairman Vyacheslav Lebedev.[78] In some areas and for some crimes, acquittals are even more rare. A miniscule 0.06 percent of defendants on trial for theft were acquitted in 2009.[79]

There were 847,300 inmates in Russian prisons and penal colonies as of July 1, according to the Federal Penitentiary Service. Russia has the world's second largest per capita prison population after the United States. More than 90 percent of inmates in Russian prisons suffer from diseases such as tuberculosis and hepatitis, or are infected with HIV, according to the prosecutor general's office.[80] There have been some reforms of the penitentiary system, and public councils now have the right to inspect conditions for inmates, but the lack of repercussions following an inquiry into the 2009 death of jailed lawyer and corruption whistleblower Sergei Magnirsky suggests that such inspections will have little practical impact.[81]

Corruption

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
6.00	5.75	5.75	5.75	6.00	6.00	6.00	6.25	6.50	6.50

Rhetorically at least, President Medvedev has made fighting corruption a top priority; on April 14, he promulgated a new national strategy and plan for countering

corruption in 2010–11. But whether by design or due to ineffectiveness, this plan has accomplished nothing. The scope of the problem is huge. Estimates of the size of the gray economy vary from 20 percent of the country's economic output, according to Russia's Statistical Service, to as high as nearly 50 percent.[82] The average bribe has risen to 30,500 rubles (US$1,015), from 23,100 rubles (US$770) in 2009, according to Prosecutor General Yury Chaika.[83] On October 29, Medvedev complained that Russia had lost US$33 billion to kickbacks on state tenders, an amount equal to one-tenth of total federal budget expenditures. Nearly 80 percent of Russians say that corruption is a major problem and that it is much worse than it was 10 years ago, according to the Levada Center's Denis Volkov. In November, the Council of Europe's Group of States Against Corruption (GRECO) reported that Russia had carried out just over a third of the group's 26 recommendations.[84]

Unfortunately, Medvedev's stated plans do not address the most fundamental problems with corruption in Russia. These include civil service appointments in exchange for bribes or on the basis of personal connections, business activities conducted by public officials, the influence of billionaire business magnates on state decisions, demands for informal payments from businesses, and widespread graft problems in the health and education spheres.[85] Fighting corruption in a systematically corrupted country like Russia is a political issue rather than simply a law enforcement problem, and that makes it particularly difficult, according to Yelena Panfilova, director of Transparency International (TI) in Russia.[86]

Most of the people prosecuted on corruption charges have been bribe givers rather than bribe takers, suggesting that state officials remain above the law.[87] Moreover, the vast majority of prosecutions have been for small bribes of US$300 or less. Rather than go after the most powerful players who reap the greatest rewards from graft, law enforcement agencies seem to penalize ordinary people who are caught up in the system. While the number of media reports about efforts to combat corruption has increased, the quantity of prosecutions remains mostly unchanged. In 2009, officials registered 23,518 cases, or 7.6 percent more than in 2007. Of these, 6,691 went to court, 903 people were sentenced to serve time in jail, 3,694 received conditional sentencing, and 1,926 were fined. Defendants go to jail in only one out of 25 cases, according to a study conducted by the Anti-Corruption Research Center of the Russian Legal Academy, under the Ministry of Justice.[88] Public officials are required to file income declarations, but they are not required to explain their expenditures, which might provide greater transparency as to their real wealth.

TI estimates that a third of Russian businesses have been targeted in police actions instigated by rivals as part of attempted corporate raids.[89] Since May 1, 2009, state oversight bodies have been required to gain the prosecutor's approval before they carry out small-business inspections. However, a report by the Economic Development Ministry found that fewer than 4 percent of inspections had such prior approval in the second half of 2009 and the first quarter of 2010. According to the ministry, as many as 50 percent of the checks could be illegal.[90]

Allegations surrounding the 2009 death in custody of lawyer Sergei Magnitsky suggest extensive corruption among law enforcement officers. Hermitage Capital, Magnitsky's client, has posted online videos alleging that some of the police investigators connected to the case have spent lavishly on luxury goods despite their modest salaries.[91] Several of the officers involved have been promoted since Magnitsky's death, indicating that the authorities have little interest in prosecuting those responsible.[92]

In another case, the Russian authorities have not followed up on significant evidence of corruption. On April 27, Mercedes Benz's Russian affiliate pleaded guilty to violating the U.S. Foreign Corrupt Practices Act and agreed to pay US$27 million in fines for bribes made to Russian officials or their relatives through U.S. companies or bank accounts.[93] The U.S. court documents pointed to the Ministry of Internal Affairs and the city of Moscow as the recipients of the US$4 million to US$7 million in bribes.[94] However, the investigation in Russia has been moving slowly, if at all, and yielded no clear results by year's end.

The firing of Moscow mayor Yury Luzhkov made it possible for his political opponents to expose the corrupt practices that took place in the city during his reign. He signed a quarter of his decrees in secret and did not publish them, a violation of the law, according to Finance Minister Aleksei Kudrin. Many of these decrees dealt with construction tenders favoring the mayor's wife, billionaire developer Yelena Baturina.

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Serbia

by Misha Savić

Capital: Belgrade
Population: 7.3 million
GNI/capita, PPP: US$11,700

Source: The data above was provided by The World Bank, *World Development Indicators 2011*.

Nations in Transit Ratings and Averaged Scores

	Yugoslavia		Serbia							
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Electoral Process	3.75	3.75	3.50	3.25	3.25	3.25	3.25	3.25	3.25	3.25
Civil Society	3.00	2.75	2.75	2.75	2.75	2.75	2.75	2.75	2.50	2.25
Independent Media	3.50	3.25	3.50	3.25	3.25	3.50	3.75	3.75	4.00	4.00
Governance*	4.25	4.25	4.00	n/a	n/a	n/a	n/a	n/a	n/a	n/a
National Democratic Governance	n/a	n/a	n/a	4.00	4.00	3.75	4.00	4.00	3.75	3.75
Local Democratic Governance	n/a	n/a	n/a	3.75	3.75	3.75	3.75	3.75	3.50	3.50
Judicial Framework and Independence	4.25	4.25	4.25	4.25	4.25	4.25	4.50	4.50	4.50	4.50
Corruption	5.25	5.00	5.00	5.00	4.75	4.50	4.50	4.50	4.50	4.25
Democracy Score	4.00	3.88	3.83	3.75	3.71	3.68	3.79	3.79	3.71	3.64

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

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

Executive Summary

The Republic of Serbia managed to maintain stability in 2010 despite being governed by a complex coalition of political parties that often lacked unity on key issues. The government generally stayed on a course of implementing reforms required for European Union (EU) membership. The ongoing economic crisis forced the government to focus on market reforms and sustainable fiscal policies, sometimes at the expense of social reforms. Budgetary restraints accelerated measures to streamline healthcare and the pension system, causing public discontent and demands for greater accountability and transparency in the work of central and local government.

Overcoming resistance from right-wing groups, the government adopted a declaration condemning the 1995 Srebrenica massacre, a critical step in dealing with the wartime legacy of Slobodan Milošević's regime. Cordial exchanges between Serbia's president, Boris Tadić, and Croatia's new president, Ivo Josipović, improved diplomatic relations between the two states. Attempts by Serbia's opposition to trigger early elections were unsuccessful.

The authorities continued to cooperate with the International Monetary Fund (IMF), whose bailout loan to Serbia required that the country improve its fiscal discipline. Most institutions complied with the adopted policy on modernizing public services and strengthening the rule of law, although the country's judiciary remained a weak link in the overall reform process.

Serbia maintained its refusal to recognize the secession of Kosovo, even after it was declared legitimate by the International Court of Justice (ICJ). The Court's ruling, however, led to a more cooperative stance regarding the need for dialogue with the former province, and Belgrade worked together with the EU on a resolution presented to the UN General Assembly that recognized the need to improve relations with Kosovo.

Frequently debated changes to Serbia's constitution to allow decentralization of power, regionalization, or autonomy for certain areas remained blocked by perceived risks to the territorial integrity of the country, particularly after Kosovo's declaration of independence. Efforts to reduce corruption were marked by an occasional success in the work of police and prosecutors, although systemic sources of corruption remain.

National Democratic Governance. Serbia's centrist government stayed its pro-EU course in 2010, working on multiple fronts to bring the country closer to accession. The ruling coalition of diverse political parties managed to maintain its unity and repel demands for early elections by right-wing as well as leftist opposition parties, thus preserving the stability needed to lead the economy out of

recession and implement IMF-mandated austerity measures. The government also worked on further reconciliation with former foes in the Balkan region, adopting a declaration that condemned the 1995 massacre in Srebrenica and also improving relations with neighboring Croatia. Legislative activity was strong in 2010, despite frequent challenges to already-adopted laws before the Constitutional Court. Serbia maintained its refusal to recognize Kosovo as a state, although it slightly softened the stance following an ICJ opinion and presented (with the EU) a resolution to the UN General Assembly agreeing to open dialogue with the former province. *Despite a generally positive record in navigating numerous political and socioeconomic challenges in 2010, while largely staying on its declared course toward further democratization and EU-oriented reforms, Serbia's national democratic governance rating remains at 3.75.*

Electoral Process. Only local votes were held in Serbia in 2010; these featured the participation of national and locally focused parties that formed preelection and postelection coalitions independently of the coalition arrangement in Belgrade. Early in the year, the landscape for political parties changed with their reregistration. This reduced the number of parties from several hundred to 72. There was no meaningful progress toward increasing transparency in party financing in 2010, as the long-awaited new law on campaign funding was not adopted. The existing regulations enable some scrutiny over party financing by the country's Anti-Corruption Agency, but its findings so far have not led to binding measures. *Owing to the static electoral environment, Serbia's electoral process rating remains unchanged at 3.25.*

Civil Society. Serbia's civic sector increased its visibility in 2010 by stepping up its work on consumer protection, restitution, and labor issues, in addition to the existing priorities concerning human rights, the environment, and minority rights. With an already well-developed network, the country's civil society responded effectively to challenges that emerged in 2010, including the need to fight against trade monopolies and their connections with the political elite. Activists secured badly needed protection for LGBT participants in the Pride Parade in Belgrade against violent opponents, while trade unions more actively represented the interests of both the working population and pensioners against the government's austerity measures. Nongovernmental organizations (NGOs) spearheaded demands that Serbia finally begin restitution of property confiscated during the Communist era. *Owing to improvements in both the scope and intensity of civic engagement, which led to increased popular support for the sector, Serbia's civil society rating improves from 2.50 to 2.25.*

Independent Media. With Serbia's media sphere in an advanced stage of privatization, continued diversification of the media industry in line with market trends offered consumers a wide range of information sources. The scope and accessibility of media formats slightly improved with the expansion of online options, while the market for traditional print and broadcast media did not change

significantly, despite the financial impact of the economic downturn and diminished revenue from advertisers. Serbia's controversial Law on Public Information remained in place, but without significant impact on media outlets. *Owing to the stability of the media scene, in which independent outlets prevail over state-owned media, and despite some attacks on journalists, Serbia's independent media rating remains at 4.00.*

Local Democratic Governance. Decentralization of Serbia was effectively suspended in 2010 as government and society focused resources on overcoming the effects of the global economic crisis. A dramatic decline in domestic and foreign investments depleted central budgets, consequently suspending some transfers of tax money to the local level. Municipal assemblies retained the authority to impose, increase, decrease, or suspend local taxes and levies. Future decentralization in the country remains uncertain due to sharply divergent views in society, from outright rejection based on perceived risk to territorial integrity,[1] to vocal demands for local autonomy. The governance prerogatives of the autonomous Vojvodina province did not change substantially from the previous year. *The status quo regarding decentralization and lack of substantial change in the way local authorities handled local governance issues keep Serbia's local democratic governance rating at 3.50.*

Judicial Framework and Independence. Serbia's judiciary remains a particularly weak component of democratic capacity and practice, lagging behind and impeding broader efforts to ensure rule of law in the country. A sweeping review of judges turned into a fiasco, only adding to the confusion and revealing the extent to which arbitrary decisions still dominate the justice system. Efforts to secure more judicial independence backfired as some of the key pillars showed a lack of capacity to fulfill the role. Additionally, backlogs of cases remained a problem in virtually every part of the court network, damaging the government's efforts to present Serbia as a stable environment for investors. Shortcomings were evident even in the higher levels of the judiciary, such as the Constitutional Court. *Serbia's judicial framework and independence rating remains at 4.50.*

Corruption. While systemic sources of corruption have yet to be addressed, Serbia's progress in fighting graft in 2010 was evident in improved operational use of existing capacities, following adjustments in the legal framework that made this progress possible. Some of the newly-found resolve to combat corruption sprang from financial necessity; however, institutions showed a genuine commitment to tackling the issue, particularly after public pressure increased to sever links between big business and the political elite. The police and prosecutors conducted a series of high-profile operations targeting corruption in healthcare, education, and other fields. *Owing to some achievements in reducing corruption, Serbia's corruption rating improves from 4.50 to 4.25.*

Outlook for 2011. Serbia's 2011 priorities will undoubtedly be dominated by economic issues as the country struggles to restore the economy to its pre-crisis level, a precondition for most other reforms. The fiscal restrictions in place carry some risk of public unrest that could be exploited by the opposition ahead of the general elections expected in 2012, while the ruling coalition may also resort to short-term populist measures to improve its sagging popularity. The country's general course toward EU integration is not likely to come into question since most opposition groups share the same goal, with some differences remaining over possible NATO membership and the pace of reforms. Efforts to reduce corruption may be enhanced in 2011 with further legislative reforms.

Main Report

National Democratic Governance

2002	2003	2004	2005	2006	2007	2008	2009	2010	2010
n/a	n/a	n/a	4.00	4.00	3.75	4.00	4.00	3.75	3.75

The Serbian government remained relatively stable during 2010, adhering—with few deviations—to its proclaimed priority of bringing the country closer to the European Union (EU).[2] Authorities also kept economic issues at the top of their agenda as they sought to minimize the damage from the global economic crisis. The government coalition, which was formed in 2008 by political parties that originally had little in common, survived repeated attempts by the opposition to vote it out of office and trigger early elections. The government also succeeded in adopting more than 200 new laws in 2010 with its slim majority in the national assembly.

Legislative procedures, in most cases, continued to be extremely time-consuming, resulting in long delays even when adopting undisputed bills crucial for the attainment of goals such as foreign financial aid or the legislation of broadly accepted social and economic reforms. Debates in the parliament (or National Assembly), normally broadcast live on the state-run Radio-Televizija Srbije, were often marred by opposition filibustering; as a result, on several occasions the government resorted to the so-called urgent procedure to pass laws, sidestepping obstacles and delays at the expense of extensive debate.

The urgent procedure was applied, among other instances, to adopt the landmark declaration condemning the 1995 Srebrenica massacre in eastern Bosnia-Herzegovina,[3] where up to 8,000 Muslim men and teenage boys were killed. The declaration was passed on the last day of March by a narrow margin, with 127 out of 250 deputies voting in favor. The document was proposed by members of the ruling Democratic Party and its allies but was criticized by nationalist groups that demanded equal condemnation of crimes against ethnic Serbs in Bosnia in the same conflict. Meanwhile, more pro-Western and liberal parties said the declaration did not go far enough and that the mass killing should have been referred to as genocide.[4]

In February 2010, Serbia's National Assembly adopted the Law on the National Assembly, introducing an independent budget and financial autonomy for the parliament, which had previously depended on allocations defined by the government.[5] The law also introduced the practice of calling a parliamentary collegium—a "mini assembly" that may be convened for consultative purposes at short notice, bringing together the assembly's speaker, deputy speakers, and chief lawmakers representing parties in parliament. The new law also streamlined the number of parliamentary committees from 30 to 19 in order to make them more efficient; however, this change will be applied only after the next general elections (due in 2012).

There was public controversy over the cost of live television broadcasting of parliamentary sessions, which amounted to €3.3 million between 1 January 2006 and 31 July 2010.[6] While the financial dimension of the dispute between the assembly and the state-run broadcaster was defused within weeks, the argument again exposed divisions in Serbian society about having direct, democratic insight into the work of lawmakers. Serbian citizens—especially bloggers, journalists, officials, and politicians—engaged energetically on both sides of the debate; some argued that the broadcast was merely giving publicity-seeking politicians free air time and a platform to polemicize and slow the work of the legislature, while others defended the importance of being able to follow the work of the assembly. It was a reminder that while most democratic practices are now well-established in Serbia, there are still extremely divergent views over what level of transparency is expected from elected officials.

The contentious issue of Kosovo's independence continued to distract some Serbian lawmakers from the business of consolidating and stabilizing democracy at home. In a blow to Belgrade, the International Court of Justice (ICJ) answered Serbia's request for a ruling on the subject by stating in July that Kosovo's declaration of independence in 2008 had not violated general international law. The Serbian parliament consequently adopted a decision reiterating Belgrade's policy of non-recognition of Kosovo, supporting the government's initiative to see the issue referred to the UN General Assembly. This led to temporary deterioration of relations with the EU, whose 22 out of 27 member states have recognized Kosovo; however, the Serbian government and the EU jointly presented a resolution to the UN General Assembly, adopted on September 9, which acknowledged the content of the ICJ opinion and accepted the EU offer to facilitate dialogue between the two sides. The talks were postponed until after general elections in Kosovo, which were held in December 2010. The compromise to hold the talks on technical, non-status matters helped to maintain Serbia's EU integration trajectory, which remains vital to further social and economic reforms in the country.[7] This was reflected in the latest annual Progress Report on Serbia published by the European Commission in November 2010.

Serbia-EU relations flared up again when Belgrade decided to boycott the annual award ceremony for the Nobel Peace Prize, won by Chinese dissident Liu Xiaobo. The initial decision, made out of respect and loyalty to China, which has consistently backed Serbia's position on Kosovo and other issues, triggered strong criticism from nongovernmental organizations (NGOs) as well as the EU. The controversy ended in yet another compromise—Serbian authorities decided to dispatch ombudsman Saša Janković instead of Serbia's ambassador to Oslo to attend the ceremony. The outcome epitomized Belgrade's inclination to halfway solutions.

Most other policy decisions of 2010 aligned with EU views, reflecting the prevailing mood among Serbian citizens on joining the bloc. According to a June-July survey by the Gallup-Balkan Monitor in partnership with the European Fund for the Balkans,[8] 63 percent of Serbian citizens said they would vote in favor of their

country joining the EU, even though just 41 percent of respondents believe the EU truly wants Serbia to become a member.

The government in 2010 made extensive efforts to comply with the provisions of Serbia's €3 billion Stand-By Arrangement (SBA) with the International Monetary Fund that began in 2009 and is set to expire in April 2011. The loan served as a bailout vehicle for the country, which faced an acute liquidity crisis caused by the global economic crisis. The resulting measures to step up fiscal discipline, curb public expenditures, and limit the budget deficit according to IMF targets met with public resistance, but the authorities launched a wide campaign to explain the need for austerity measures. The cabinet, meanwhile, did not show consistent unity on all points of the IMF agreement, with discord on public sector wages and pensions. Quarterly revisions of Serbia's compliance with IMF terms, conducted by visiting IMF officials, were concluded with positive results, despite some delays by the Serbian parliament in adopting additional legislation required by the multinational lender.

The central government also made progress in areas of Serbia's international relations, adopting in February the National Strategy for Incorporation of Serbia into the Clean Development Mechanism under the Kyoto Protocol. Serbia also became a member of the European Patent Organization in October and ratified several international conventions, including the European Patent Convention. On December 15, Serbia's parliament abolished mandatory military service for men, which had been in place in various forms since 1945; as of January 1, 2011, Serbia will maintain a professional, all-volunteer army.

Electoral Process

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Yugoslavia		3.50	3.25	3.25	3.25	3.25	3.25	3.25	3.25

Serbia's coalition government dodged opposition demands for early general elections in 2010. Only a few local votes were held in the country during the year, and these were conducted without irregularities or contested results. Coalitions formed in advance of municipal elections in Bor differed significantly from allegiances seen on the national level, confirming that the balance of power in Belgrade does not necessarily determine the composition of local governments.

In January 2010, the process of reregistering political parties was completed under newly revised rules that increased the minimum number of signatures to register a party to 10,000. The threshold to form a group representing ethnic minorities was set at 1,000 signatures. This reduced the number of active political parties to 72, including 42 representing national minorities. Previously, there were nearly 600 different parties, groups, and organizations.

Despite widespread expectations, Serbia's political elite failed to adopt an improved law on party financing. Several drafts were prepared, including some by NGOs,[9] but a lack of consensus prevented adoption of the proposal submitted

to parliament by Tomislav Nikolić, leader of the Serbian Progressive Party. The bill was in parliamentary procedure at year's end, as were amendments envisaging strict control on party financing.[10] One of the key provisions requires political party membership fees and contributions exceeding a monthly average salary (defined by the state Statistics Office) to be declared and posted on the websites of the parties and supervising state bodies. Minor violations would be punished by decreasing the amounts that registered political parties normally receive from the state as reimbursement of essential costs. In 2010, the state Anti-Corruption Agency reported eight political parties for failing to provide accounts of their expenditures and donations in local elections.[11]

Another issue discussed intensely during the year was the widespread practice of so-called blank resignations, in which every politician elected to the national or a local assembly on a party ticket must deposit a written resignation with the party before taking the seat. The party may then activate the resignation and replace the member in case of disloyalty or outright defection. The concept of blank resignations has long been criticized by liberal groups for suppressing individual integrity, while most mainstream parties defend it as necessary.

The issue eventually reached the Constitutional Court, which specifically responded to conflicts over the mandates of the Serbian Radical Party. In April, the court made the landmark ruling that, in local elections, blank resignations and postballot allocation of seats by political parties are unconstitutional. However, the opportunity to bring clarity to the fundamental question for Serbia's fledgling democracy on the national level was missed, as the court gave no clear guidance on blank resignations in general elections. The debate is likely to continue through the next general vote, scheduled for 2012. Additionally, Transparency International Serbia called for a resolution of discrepancies in the broad authority political parties enjoy in distributing mandates on both the local and national levels.[12]

Civil Society

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Yugoslavia		2.75	2.75	2.75	2.75	2.75	2.75	2.50	2.25

In 2010, nongovernmental organizations (NGOs) in Serbia actively engaged with society on human rights and minority issues, efforts to increase transparency in state institutions, environmental protection, trade union activism, education reform, and protection of property rights. Furthermore, the government gradually agreed to give more power to agencies formed by the National Assembly that operate independently from the executive branch and defend the rights of citizens, including the Commission for Protection of Competition, the Anti-Corruption Council, and the Office for Roma Inclusion. Also supporting and complementing civil society activities were the Commissioner for Information of Public Importance and Personal Data Protection, and the Commissioner for Protection of Equality.

Great attention was given during the year to consumer protection, which had been a nonissue in Serbia for decades. Thus a whole new front opened for civil society activists, with a strong response among citizens and broad grassroots support. Along with efforts to upgrade standards on product safety, the associations spearheaded demands to eliminate monopolies and curb the power of Serbian tycoons, who exert excessive influence on the economy and also on political parties through often undisclosed donations. The battle for consumer protection gained a whole new dimension in the country as the long-awaited Law on Consumer Protection finally came to the top of the parliamentary agenda. The law was adopted in October, introducing Western-style provisions that protect the rights of the consumer while also strengthening the role of Serbia's Commission for Protection of Competition. The parliamentary debate prior to the vote coincided with a sudden milk shortage, prompting more action from consumer organizations; consequently, Serbia's Agriculture Ministry took action against perceived dominance of the dairy chain Imlek, owned by Danube Foods Group, a unit of the London-based Salford Capital Partners Inc., which was investigated and accused of manipulating the market to artificially inflate the prices of its products.[13] (The company denied the accusations.)

Consumer associations initially formed as small, local groups in cities and districts joined forces under national umbrella organizations, such as the Serbian Consumer Center (Centar Potrošača Srbije), Serbian Consumer Association (Asocijacija Potrošača Srbije), and Serbian National Organization of Consumers in Serbia (Nacionalna Organizacija Potrošača Srbije), which cooperate with Consumers International and The European Consumers' Organization. Their unity enabled further efforts to protect the rights of borrowers. The National Bank of Serbia worked on drafting additional provisions to regulate lending, which were met with much resistance from the banking sector.

The single most important event in 2010 concerning minority rights in Serbia was the Pride Parade in Belgrade on October 10. A previous gathering of the lesbian, gay, bisexual, and transgender (LGBT) community in 2001 ended in violent attacks against the participants, while a 2009 parade was canceled for security reasons. The 2010 parade received sufficient support from state bodies, notably from the Interior Ministry. Serbian riot police secured the perimeter of the venue in downtown Belgrade where roughly 1,000 people had gathered. Some 1,500 police officers managed to keep the several hundred opponents at a distance, repelling their attacks and using tear gas in violent clashes. More than 150 policemen and 20 attackers were injured, while parade participants remained protected. For the first time, the state took decisive steps to protect the minority against violent opponents, and many public figures spoke out in favor of tolerance and acceptance of the LGBT community. Furthermore, criminal charges were brought against those who led or took part in the attacks, a sign that the government is no longer a bystander in the social liberalization process beginning in Serbia, even after years of delay.

Right-wing extremists existed in Serbia before the 1990s but gained prominence during the violent land grab triggered by the breakup of Yugoslavia, particularly as

state security agencies, successors to the Communist secret police, maintained links with criminals, soccer hooligans, and various illiberal groups. The ouster of President Slobodan Milošević in 2000 did not immediately change this environment—many of those who served under him switched to the pro-democracy camp just in time to survive the regime change. This became a huge problem for Serbia's reformist Prime Minister Zoran Djindjić, who sought to suppress these elements and was assassinated in 2003 by crime gangs and commandos who served under Milošević. A massive police raid on the groups that followed Djindjić's murder diminished their influence to some extent, but the process fizzled out after Djindjić's Democrats were defeated in the ensuing elections.

The Democrats' return to power in 2008 boosted Serbia's progress toward greater social tolerance and more liberal values. Illiberal groups are now an undercurrent in society, sometimes gaining strength on divisive issues, such as Kosovo and Serbia's territorial integrity, but losing public support when their actions are exposed as damaging and counterproductive to society as a whole. The street violence, looting of shops, and destruction of property that followed Kosovo's declaration of independence in 2008 has galvanized institutions to take stronger measures against such groups; the 2010 Pride Parade was one case where the government felt compelled to take a strong stand. Initiatives were also renewed to ban some of the groups, though few are formally registered or have a legal identity that could be targeted by a ban.

NGOs spearheaded a campaign in 2010 for restitution in Serbia, a long overdue process to compensate the victims of communist-era property confiscation. The struggle gained momentum when the EU, after years of being relatively low-key on the topic, suddenly declared that restitution is essential before Serbia's application for membership in the bloc may be considered. Brussels's motivation for highlighting the issue may have come from EU businesses interested in investing in Serbia, where companies often face the problem of conflicting claims over land, real estate, mineral wealth, and so forth. The authorities made a brief effort in 2007 to compile more than 100,000 property claims, yet the drive to finally adopt a restitution law is currently led by nongovernmental activists.

Trade unions broadened the scope of their work in 2010 by representing not only workers but also pensioners in the country, as all were affected by the government's austerity measures. In June, as part of its agreement with the International Monetary Fund (IMF), Serbia imposed a freeze on public sector wages and on pensions paid from the dominant state pension fund. A key condition of the IMF's €3 billion bailout was a strict cap on Serbia's budget deficit (4.8 percent of GDP in 2010); this suspended any adjustment for inflation in public sector wages and pensions, even as inflation accelerated in the second half of the year to more than 9 percent. Meetings between government officials and union leaders were largely unsuccessful, as the unions, like the government, had little choice but to follow the IMF guidelines. Approval and support from the multinational lender remained crucial for Serbia's reputation among other lenders, particularly commercial banks from which the country continued to borrow.

Serbia made little progress in 2010 toward improving protection of personal data. The Commissioner for Information of Public Importance and Personal Data Protection, Rodoljub Šabić, filed complaints in November against fourteen cabinet ministers for failing to implement a 2008 law on protection of personal data. Although the parliament adopted the Strategy for the Protection of Personal Data in August—under which all registers containing personal data must be fully protected in order to safeguard the privacy of citizens—Serbia's 15 ministries failed to implement the provisions. Šabić blamed weak results on central government inertia and lack of competence on an issue that it apparently regards as a non-priority.[14]

On December 14, 2010, the European Court of Human Rights made a landmark ruling on the protection of small, nontraditional religious communities. In the case of *Života Milanović vs. Serbia*, the court stated that the authorities had failed to properly investigate acts of violence against Milanović and other members of the local Hare Krishna group. The Court recommended that €10,000 (US$14,500) be paid in compensation to the plaintiff. As in the case of violence against the Pride Parade in Belgrade, the ultranationalist, far-right organization Obraz was named responsible for the death threats and physical attacks against Milanović and other Hare Krishna followers in Serbia.

Independent Media

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Yugoslavia		3.50	3.25	3.25	3.50	3.75	3.75	4.00	4.00

Electronic media were broadly available in Serbia in 2010, with six national television networks, five national radio broadcasters, and more than a hundred regional and local electronic outlets, licensed by Serbia's Broadcasting Agency.[15] Additionally, the demands of the market drove the continued expansion of cable providers, along with a range of foreign programs. Print media were also freely sold, and broadband internet was available nationwide, without restrictions on domains or websites. Serbia's internet penetration steadily increased, with 55.9 percent of the population having access in 2010 compared to 14.3 percent only four years earlier.[16]

The increasing use of the internet also helped to further diversify the ways Serbian citizens receive information, with most media encouraging citizen journalism and soliciting contributions from readers/viewers/listeners in various formats (text, visuals). However, a troubling law was passed in 2010 that may affect mobile and online communication. The Electronic Communications Law permits authorities to maintain a database on citizens' electronic communications, and allows security and police forces to access the database without prior permission.[17] Media groups expressed concern that this law could negatively affect investigative journalists, particularly regarding the protection of sources.

Now in an advanced stage of privatization, Serbia's media sphere was able to sustain an overall plurality of information in 2010, though not always within individual outlets. Remaining bias in general news coverage by local and national outlets reflects either the preferences of founders/shareholders or the outlet's financial dependence on advertisers. There are no binding regulations in Serbia that would limit the influence of advertisers on the editorial policies of the media in which they advertise.

The controversial Law on Public Information, adopted in August 2009, remained in place, despite a July 2010 ruling by the Constitutional Court (on motions filed by the State Ombudsman and other organizations) that some of its provisions violate the Constitution. Among these are restrictions on the right of domestic legal entities to establish public outlets, and heavy fines for perceived breach of privacy or defamatory comments.

The original intention of the law was to increase media's responsibility for information they publish, after a rash of unsubstantiated claims appeared in Belgrade-based tabloids. The EC Progress Report released in November 2010 said that "implementation of the law on public information and its amendments has continued, producing some positive effects such as greater responsibility for distribution companies, founders of media outlets and editors-in-chief as well as increased accountability for breaking the presumption of innocence and violating the rights of minors."[18] The report, however, also noted that some "provisions of the law include excessive fines for the violation of professional standards and for non-registration of media outlets,"[19] which the Serbian Constitutional Court had effectively outlawed.

Lawmakers initially envisaged fines of up to RSD20,000,000 (US$290,000) for libel but then halved that amount before the 2009 law was adopted. Still, the two largest journalist associations in Serbia, Udruženje Novinara Srbije (UNS) and Nezavisno Udruženje Novinara Srbije (NUNS), maintained that the provisions could lead to self-censorship. The law leaves room for liberal interpretation of libel and also exposes outlets to the risk of being sued for carrying statements by third parties. The provisions regarding penalties were rarely applied in practice in 2010, although the potential threat remains until the National Assembly reconciles the legislation with the court ruling.

The Serbian judiciary took a number of decisions in favor of journalists in 2010. In Niš, the High Court ruled in favor of two journalists from the daily newspaper *Narodne Novina*, appealing a previous defamation ruling.[20] Journalist Dragana Kocić and editor in chief Timošenko Milosavljević had been fined for defamation after publishing quotes from official documents. In August, the Belgrade Court of Appeals confirmed a 16-month prison sentence against Miloš Radisavljević for death threats against Serbia's leading investigative journalist, Brankica Stanković, marking the first time prosecutors used a 2009 law that makes "endangering the safety of a journalist" a crime.[21] The threats were made after B92 Television broadcast Stanković's documentary on the links between organized crime and violent soccer

fans, and after the initial criminal charges were overturned by a lower-level district court. (Stanković was given police protection.) An appellate court also confirmed a 15-month prison sentence in September for Stefanu Hadži Antić for threatening Stanković on Facebook.

Despite these judicial improvements, physical attacks on journalists continued in 2010. One particularly high-profile case involved *Vreme* weekly columnist Teofil Pančić, who was severely beaten by two extremists. The perpetrators were arrested and sentenced to three months in prison. The verdict came as a disappointment for the public and for journalist associations, who demanded longer prison terms for the attackers. Prosecutors appealed the verdict, demanding harsher punishment. Other cases involving political pressure and physical assaults on journalists were reported during the year, largely outside of the capital. In February, the Minister of Infrastructure, Milutin Mrkonjić, slapped and verbally abused Milan Ladjević from *Kurir*, later saying he "only gently stroked the head" of the journalist.[22] In October, *Blic* journalist Gvozden Zdravić was hospitalized for head injuries, following a physical assault by the driver of the mayor of Aleksandrovac. Zdravić had been photographing the town courthouse.[23]

Political pressure on media was also felt in 2010. In Zaječar, the mayor sought to prevent all directors of public institutions from speaking to the media without his prior consent.[24] The town of Pirot withdrew financial support from a local weekly, *Pirotske Novine*, following critical reporting.[25] Finally, the mayor's office of Novi Pazar sought to influence editorial policy at the local TV Jedinstvo through the termination of a contract.[26]

Local Democratic Governance

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
n/a	n/a	n/a	3.75	3.75	3.75	3.75	3.75	3.50	3.50

Decentralization of power to Serbia's districts and municipalities made little progress in 2010, as the economic crisis changed the nation's priorities. A dramatic decline in domestic and foreign investments depleted central and local budgets, consequently suspending some of the planned reforms. The €3 billion Stand-By Arrangement between the government in Belgrade and the International Monetary Fund (IMF) entailed strict limits on budget deficits. After IMF officials and Serbian leaders agreed that Serbia's deficit must not exceed 4.8 percent of GDP in 2010, the question arose whether this would apply only to the central budget or also to the local levels. IMF officials initially did not want to reduce the financial freedom of the local authorities, but when it became apparent that any exemption could derail the success of broader budget cap efforts, the limit was applied to all levels. New rules did not affect the preexisting freedom of municipalities to impose and adjust levies on locally registered businesses, which constitute significant revenue. Some local authorities drew strong criticism from the business community for excessively taxing local businesses, while others showed great flexibility toward investors,

offering free land for industrial development and generous tax breaks of up to five years for greenfield investments.[27]

One of the biggest promoters of foreign investment in Serbia, Economy Minister Mladjan Dinkić, made it his official political platform in 2010 that Serbia should be administratively divided into seven regions, and his United Regions of Serbia (URS) campaign advocated an overhaul of the administrative system. The URS won the most votes in early local elections held in the eastern city of Bor in June 2010, although it is uncertain how the group will fare in the 2012 general elections.

Serbia's only autonomous province, Vojvodina, received defined competencies in late 2009 with a special statute, which came into force in January 2010. However, the country still needs legislation on public property to allow Vojvodina to fully exercise its competencies. Once adopted, the law will determine which assets are exclusively owned by the northern province. Serbia's current regulation on public property is a 1995 law under which most assets are controlled by the central government. Relations between the more than a dozen different ethnic and religious communities in Vojvodina remained stable in 2010, with only marginal incidents.

In the southern area of Serbia known as Sandžak, which covers several municipalities but lacks a regional administration, tensions increased during the year due to the continuing rivalry between local leaders representing the 420,000-strong community of ethnic Muslims, or Bosniaks. After a decade of relative stability marked by simmering tensions between Rasim Ljajić of the Sandžak Democratic Party and Sulejman Ugljanin of the Party of Democratic Action of Sandžak, a third and more radical leader, Muamer Zukorlić, emerged in an underdeveloped part of Sandžak. Originally a protégé of Ugljanin, Zukorlić gained prominence after Ugljanin joined the central government along with Ljajić, who had been a cabinet minister in Belgrade for almost a decade.

Unlike Ljajić and Ugljanin, Zukorlić has a religious background and serves as the chief mufti of the Islamic Community in Serbia. Now seeking to become the top representative of the entire Sandžak community, Zukorlić has found a support base mostly among the disenchanted youth in Sandžak, where unemployment exceeds 40 percent. Tensions escalated in Sandžak in June after the first direct elections for the National Minority Councils were held across Serbia. The councils are supposed to improve representation of all ethnic minorities in the country and provide guidance on matters concerning minority languages, education, media, and culture.

The councils were successfully formed for more than a dozen other minority groups, but a controversy developed for the Sandžak Council, as Zukorlić's *de facto* political group, Bošnjačka Kulturna Zajednica ("Bosniak Cultural Community"), won 17 out of 35 seats. The remainder of 18 seats went to Ugljanin and Ljajić loyalists, with 13 and 5 seats respectively.

The vote itself was assessed by the Organization for Security and Cooperation in Europe (OSCE) as meeting international standards, but no single faction won

the majority needed to constitute the council. Later, two representatives from Ljajić's ticket switched to Zukorlić's camp, but Serbia's Ministry for Human and Minority Rights then decided that a two-thirds majority was needed to form the council. This triggered bitter protests from Zukorlić and his followers, who claimed discrimination and demanded a revote with foreign monitors. Zukorlić also urged local residents to show civil disobedience and demanded autonomy for Sandžak. On September 4, Zukorlić's supporters and police clashed at a protest rally organized by the Islamic Community over claims that the municipal administration in Novi Pazar, the main Sandžak city, had illegally stripped the community of a piece of land. Four police officers were injured in ensuing riots.

Zukorlić's calls for Sandžak autonomy drew condemnation not only from Serbs but also within the Muslim community. The French ambassador to Belgrade, François Terral, stated, "some people think that after Kosovo, the next open question with Serbia will be Sandžak. Well, it won't happen, and this is not only the position of France but also of other EU member states. We see the situation in Sandžak as a local question."[28] The government in Belgrade has sought to stay publicly neutral in what it regards as an intra-community feud.

Unlike in 2009, the three municipalities in southern Serbia with a sizable ethnic Albanian community remained relatively calm and succeeded in forming their National Minority Council following direct elections. The council, however, is not yet functional since rival ethnic Albanian political parties have yet to agree on the distribution of seats. The European Commission in its annual Progress Report on Serbia described the situation in the area, also known as the Preševo Valley (Preševo, Medvedja, and Bujanovac municipalities), as "stable but tense."

Judicial Framework and Independence

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Yugoslavia		4.25	4.25	4.25	4.25	4.50	4.50	4.50	4.50

Attempts to improve Serbia's judiciary in 2010 only revealed the extent to which some of the institutions in charge of the reform are themselves in need of revision.

Just a few months after its establishment in mid-2009, Serbia's High Judicial Council declared its decision to appoint 1,532 permanent judges to higher courts, including the Supreme Court of Cassation and the Court of Appeal in Belgrade. The council, which consists of three ex-officio members and another six appointed by parliament, also proposed 876 first-time judges, citing the need to increase the independence of the judiciary. As appointments were made in 2010, these sweeping changes triggered criticism and complaints by more than 800 judges who were not reappointed. The appointment of prosecutors also came under scrutiny due to allegations that some had been allowed to keep their jobs despite substandard performance and questionable handling of cases in the turbulent 1990s.

Meanwhile, the parliament approved the establishment of a new network of 34 lower-level courts, down from 138 previously, and 26 higher courts, along with 4

courts of appeal and specialized courts for matters pertaining to trade, commerce, and so forth. The prosecution service was divided into basic, higher, and appellate prosecution offices. Other institutions in the system include the Special Department for War Crimes and Organized Crime (with nearly 20 domestic cases of war crimes against 103 individuals at year's end) and the Judicial Academy for training and continued development of judges, prosecutors, and judicial staff.

Such reforms failed to address some of the most urgent issues concerning the efficiency of Serbia's judiciary, including a chronic backlog of cases, and endless back-and-forth between district and appellate courts. Noting these issues, the European Commission has singled out the judiciary as one of Serbia's weakest points, likely to require special attention before the country could be considered for EU membership. In its latest progress report, the Commission stated that the "reappointment procedure for judges and prosecutors was carried out in a non-transparent way, putting at risk the principle of the independence of the judiciary," and that "the bodies responsible for this exercise, the High Judicial Council and the State Prosecutorial Council, acted in a transitory composition, which neglected adequate representation of the profession and created a high risk of political influence."[29] This criticism corroborated complaints often heard from the corporate sector about the inefficiency of the courts. Foreign investors were often discouraged from venturing into Serbia due to the lack of legal protection in business-related disputes.

In November 2010, Justice Minister Snežana Malović, along with members of the High Judicial Council, held a series of meetings with judges who had not been reappointed. She conceded that further efforts were needed to establish firm criteria that could be consistently applied in selecting judges in the future. The reappointment decisions, however, were not reversed, only deferred to the Constitutional Court, which is handling hundreds of complaints filed by the dismissed judges. So far, it has only ruled in the case of judge Zoran Saveljić, overturning the initial decision on procedural grounds. The Court's president, Bosa Nenadić, tried to justify this slow record by saying that the Saveljić case required special attention and should serve as the precedent for related cases.[30] The controversy escalated further when the NGO National Association of Judges (Društvo Sudija Srbije) publicly questioned the accuracy of court records and statistics used to assess the efficiency and professionalism of judges in the reappointment process. On December 23, Nenadić announced she would not seek a new mandate as the president of the Court, citing conditions that prevent her from achieving the expected results.

The Constitutional Court was also widely criticized for its backlog of nearly 7,000 cases. In her interview to the Belgrade daily *Blic* in June, Nenadić called for yet another, fundamental reform that would narrow the scope and number of cases that come before the Constitutional Court.[31] Currently, nearly every new bill adopted by parliament is challenged by various interest groups before the Constitutional Court. Nenadić acknowledged that the court is a bottleneck in the judicial system (up until September 2010, the Court had only 13 judges appointed to its 15-member panel), and she argued that the Constitutional Court instead

should deal only with issues strictly pertaining to the constitution, serving as a last resort before an individual or organization turns to the European Court of Human Rights in Strasbourg.

Corruption

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Yugoslavia		5.00	5.00	4.75	4.50	4.50	4.50	4.50	4.25

Serbia made visible progress in efforts to reduce corruption in its institutions and in society in general in 2010. A primary motivation for the effort was the impact of the economic crisis on state revenue and budgets, which added urgency to the need to reduce waste in public procurement tenders that often involve inflated prices for goods and services.

Highlighting this issue, the chief of the European Union Delegation in Belgrade, Vincent Deger, remarked in December that procurements for several years have averaged €4 billion annually (15 percent of the country's 2010 GDP), making the field extremely fertile for corruption.[32] Deger warned the authorities that the issue would be given particular attention as Serbia strives to join the EU. The director of Serbia's Public Procurement Office, Predrag Jovanović, acknowledged that 20 to 25 percent could be saved if those overseeing procurement tenders would tighten controls. In October 2010, Serbian authorities appointed members of the Commission for Protection of Bidders' Rights, which is tasked with reviewing complaints of irregularities in procurement tenders and report directly to the parliament.

Another corruption-related concern in 2010 was the issue of multiple posts held by public officials, which often result in conflicts of interest. When restrictions were defined by the Serbia's new Anti-Corruption Agency regarding which posts could be held by the same person at the same time, there was some confusion as to whether the ban would apply to preexisting arrangements. Some of the provisions were challenged before the Constitutional Court, which threw them out in April. The agency then filed a complaint to the court, focusing on about 100 cases that clearly involved serious conflicts of interest—for example, the case of a local assembly head who also ran a private company managed by a member of the board for public services in the same municipality. Anti-Corruption Agency Director Zorana Marković urged citizens to report conflicts of interest and received more than 300 substantiated reports, mostly concerning the judiciary, education system, and property development. The agency also worked on expanding its register of private assets held by public officials, with declarations from around 16,000 officials posted on its website.

In December, the Anti-Corruption Agency sent a public letter to Prime Minister Mirko Cvetković demanding stronger measures against monopolies on the Serbian market, following a wave of price increases that pushed Serbia's inflation rate to more than 9 percent. The open letter followed remarks by the country's

central bank governor, who said that increases in food prices were the main source of inflation. The agency warned that oligarchs maintain their monopolies through donations to political parties that allow them to manipulate the market.

According to the 2010 Gallup-Balkan Monitor survey, 67.4 percent of people in Serbia believed that political parties are involved in corruption to some degree, while 17 percent of respondents admitted to bribing a civil servant (down from 19 percent in 2009).[33] Bribes were most common in healthcare, education, police, customs, tax authorities, and for vehicle registration, according to the survey. Of those who admitted paying bribes, about a third said they paid for services that they were normally entitled to, whereas others paid bribes in order to overcome legal obstacles.

During 2010, there was one notable individual initiative by a government official to promote transparency. Economy Minister Mladjan Dinkić announced in November, as he was relocating his home from one Belgrade apartment to a larger, more expensive one, that he would reveal the cost of the new residence as well as his sources of personal income. He urged other officials to follow suit.

Serbia also strengthened its State Audit Institution (Državna Revizorska Institucija, or DRI) in 2010 when it allowed better remuneration for the staff in order to recruit better-qualified experts. The changes helped jumpstart the work of the DRI, which in December published a 1,300-page report on budget spending and expenses of Serbian ministries in 2009. It reported hundreds of irregularities, from sloppy bookkeeping to outright violations of agreed budget spending. The report revealed that Serbia still lacks a comprehensive register of state assets, including various property and stakes in companies. The DRI also censured several ministries for excessive spending on business trips and misuse of funds, including the Agriculture Ministry, which overspent when purchasing software from Hewlett-Packard; the finding coincided with revelations from the United States that the company was under investigation for possibly paying bribes to gain various contracts overseas, including in Serbia. While Serbia has yet to deal with the deficiencies listed by the DRI, the report was the first thorough, professional review of its kind in the country.

Authorities in 2010 undertook dozens of high-profile operations against corruption in the judiciary, healthcare, police, and licensing bodies. One of the most notable operations involved the roundup of a group of oncologists who allegedly received bribes from pharmaceutical companies (including Merck and Roche) to give preferential status to their drug products.[34] The doctors remain in custody and face long prison terms. In another case involving the state-run railway company Železnice, former general manager Milanko Šarančić was indicted for embezzlement.

The Serbian authorities showed an increased capacity for sting operations during the year. Further developing this practice, which is relatively new in Serbia, may prove crucial in the fight against corruption in the future. Serbia also needs to improve protections for whistleblowers, another innovation in local practice, as noted by the European Commission in its annual progress report.

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Slovakia

by Grigorij Mesežnikov, Miroslav Kollár, and Michal Vašečka

Capital:	Bratislava
Population:	5.4 million
GNI/capita, PPP:	US$22,110

Source: The data above was provided by the World Bank, *World Development Indicators 2011*.

Nations in Transit Ratings and Averaged Scores

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Electoral Process	1.75	1.50	1.50	1.25	1.25	1.50	1.50	1.50	1.75	**1.50**
Civil Society	1.75	1.50	1.25	1.25	1.25	1.50	1.50	1.75	1.75	**1.75**
Independent Media	2.00	2.00	2.25	2.25	2.25	2.25	2.50	2.75	3.00	**3.00**
Governance*	2.25	2.25	2.25	n/a	n/a	n/a	n/a	n/a	n/a	**n/a**
National Democratic Governance	n/a	n/a	n/a	2.00	2.00	2.25	2.50	2.75	3.00	**2.75**
Local Democratic Governance	n/a	n/a	n/a	2.25	2.00	2.00	2.25	2.50	2.50	**2.50**
Judicial Framework and Independence	2.00	2.00	2.00	2.00	2.00	2.25	2.50	2.75	3.00	**2.75**
Corruption	3.25	3.25	3.25	3.00	3.00	3.25	3.25	3.25	3.75	**3.50**
Democracy Score	**2.17**	**2.08**	**2.08**	**2.00**	**1.96**	**2.14**	**2.29**	**2.46**	**2.68**	**2.54**

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

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

Executive Summary

The trajectory of Slovakia's political development has changed several times since the country attained full independence in 1993. From 1993 to 1998, Slovakia was ruled by a series of coalitions between nationalist and populist parties, whose governance was repeatedly criticized by the international community for violations of minority rights, misuse of the secret service, and corruption. Many negative trends of this era were reversed after the 1998 parliamentary elections brought to power a broad coalition of pro-democratic political forces committed to addressing Slovakia's democratic deficit and setting Slovakia back on the path to European membership. Two consecutive, pro-reform administrations launched extensive structural socioeconomic reforms and secured Slovakia's accession to the European Union and NATO. Notwithstanding the successes of this eight-year period, the 2006 parliamentary elections ushered in a coalition government of a very different character. Under the pretext of building a strong "social" state, the administration led by Smer-Social Democracy (Smer-SD) Chairman Robert Fico discontinued the process of liberal-oriented economic reforms and pursued an agenda of broadened state interventionism, characterized by hostility to the independent press, clientelism in filling public service positions and spending public funds, and ethnocentricism.

In June 2010, Slovakia held parliamentary elections that once again reconfigured the country's system of political parties, with pro-reform center-right forces gaining the upper hand. A new ruling coalition of parties emerged that subsequently formed a new administration led by Iveta Radičová, the first woman prime minister in the country's history. In its program manifesto, the incumbent administration spelled out the following priorities: combating corruption, increasing transparency, restoring justice and mutual trust between government and citizens, and reducing regional disparities within the country. It also promised to tackle the most pressing economic and social problems caused by the global economic crisis and inappropriate state paternalistic and clientelist policies pursued by the previous administration.

In the first months of its tenure, the new ruling coalition's majority in parliament upheld the principle of procedural consensus, and over the course of 2010, the incumbent administration managed to change the atmosphere within society to begin alleviating tensions in Slovak-Hungarian bilateral relations. Although relations between the new ruling coalition and the parliamentary opposition remained confrontational in the latter part of the year, initial signs of overall stabilization and cooperation began to appear in the performance of democratic institutions.

National Democratic Governance. The direction of governance shifted dramatically in June 2010 with the election of a new, center-right ruling coalition. Before the parliamentary elections, the ruling coalition between Smer-SD, the radically nationalist Slovak National Party (SNS), and the populist People's Party–Movement for a Democratic Slovakia (ĽS-HZDS) used illiberal methods to marginalize the role of parliamentary opposition parties and undermine parliament's control functions vis-à-vis the executive. After a peaceful and orderly rotation of power, a new ruling coalition of four former opposition parties—the Slovak Democratic and Christian Union–Democratic Party (SDKÚ-DS), the Freedom and Solidarity (SaS) party, the Christian Democratic Movement (KDH), and the Most–Híd ("Bridge") party—began a tenure characterized by mutual cooperation and respect for constitutional checks and balances. The incumbent administration also adopted several legislative and administrative measures aimed at strengthening the institutional system's openness. *Owing to the predominance of positive trends in the second half of 2010, Slovakia's rating in the field of national democratic governance rating improves from 3.00 to 2.75.*

Electoral Process. In 2010, Slovakia held both parliamentary and municipal elections. The incumbent national-populist parties used state administrative capacities to their advantage while campaigning, and also tried to exploit ethnic divisions to bolster their electoral support. However, the elections themselves were standard, free, and fair. Voter turnout in both the parliamentary and municipal elections increased slightly from previous elections. Six parties secured seats in the National Council of the Slovak Republic; two were new parties founded in 2009. Four center-right parties formed the new ruling coalition, and the transfer of power was smooth and effective, despite the illiberal tendencies of the previous government. Suffrage rights were also reinstated for most felons, after having been revoked in 2009. *Owing to free and fair parliamentary and municipal elections, the stability of election legislation, the continuously competitive character of the electoral system, the ability of the elected parties to form a ruling coalition, and the effective transfer of power, Slovakia's electoral process rating improves from 1.75 to 1.50.*

Civil Society. The formerly mistrustful relationship between NGOs and government changed with the 2010 elections, with the new, pro-reform, center-right government declaring its readiness to cooperate closely with civil society organizations. Despite the lack of financial resources caused by the financial crisis, and mismanagement of structural funds by the previous government, Slovak civil society continued to be dynamic. *Slovakia's civil society score remains unchanged at 1.75.*

Independent Media. In the first half of 2010, negative trends observed in 2009 continued, with politicians and judges applying serious pressure to Slovak independent media through defamation actions. After the June elections, pressure from the government and judiciary on media outlets appeared to decrease. The new ruling coalition named liberalization of media legislation as a priority, and

worked with media experts to draft an amendment to the controversial Press Act of 2008. Meanwhile, financial difficulties and nontransparent ownership continued to cast doubts on the quality and independence of news media. *Slovakia's independent media ranking remains at 3.00.*

Local Democratic Governance. In 2010, the greatest challenge for self-governance organs was the global economic crisis, which had adverse effects on Slovakia's GDP growth and consequently on tax revenues. This deficit was supplemented with state budget subsidies, which enabled self-governments to maintain operations at a satisfactory level. The new ruling coalition is comprised of parties that prefer a decentralized model of public administration, with greater executive powers at the local level; it indicated an eagerness to deepen the effects of the public administration reform implemented from 2001 to 2005, which should improve overall prospects in this area for years to come. *Slovakia's local democratic governance rating remains unchanged at 2.50.*

Judicial Framework and Independence. In the Slovak justice system, Supreme Court Chairman Štefan Harabin continued to concentrate and/or retain personal power and also opposed all attempts by the new administration to introduce reform measures aimed at increasing transparency of the judiciary. The new administration made efforts to amend the legislative framework in order to carry out much needed judiciary reform, illustrated by draft amendments to the Law on Judges and Assessors and the Law on the Judicial Council, both of which sought to create to increase transparency in the court system. *Owing to positive changes in attitude and openness by the new government with respect to the judiciary in the second half of 2010, Slovakia's judicial framework and independence rating improves from 3.00 to 2.75.*

Corruption. The cabinet of Iveta Radičová declared zero tolerance for corruption in public administration, and undertook several anticorruption initiatives in the second half of the year. All contracts regarding distribution of public funds from the previous government were published on the internet, and an amendment to the commercial code was drafted that would require all future contracts to be made available online, as well. The cabinet terminated or revised several unfavorable government contracts completed in previous years and published whatever background information was available about them. *Owing to the incumbent administration's significant steps toward increasing transparency and narrowing the space for corruption in public administration, Slovakia's corruption rating improves from 3.75 to 3.25.*

Outlook for 2011. The new ruling coalition has taken consensus via negotiation as its principal *modus operandi*; ideological differences between the parties should not be an obstacle to their mutual cooperation in the long term. In 2011, the ruling coalition should be able to preserve the degree of internal consolidation it achieved shortly after taking power. Public support for this administration will

depend directly upon its success in tackling social problems such as unemployment, regional disparities, state budget deficit, the "Roma" issue, and inflation—as well its ability to justify certain unpopular but necessary measures. Smer-SD is a formidable political rival that will undoubtedly use all displays of discontent to complicate the pro-reform government's position and create favorable conditions for its own return to power. It is likely that Smer-SD will remain the party with the highest support among the electorate, being the only relevant left political force within the party system and using populist and nationalist methods of mobilization.

Main Report

National Democratic Governance

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
n/a	n/a	n/a	2.00	2.00	2.25	2.50	2.75	3.00	2.75

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 dissolve it. The president can veto laws adopted by the parliament, and but vetoed laws can be passed with the support of a parliamentary qualified majority. The Constitutional Court acts as an independent judicial body protecting the constitution and citizens enjoy direct participation in the political process through elections and political party activities.

The National Council (parliament) of the Slovak Republic is a sovereign representative body, the sole legislative and constituent assembly, and is autonomous from the executive. It has sufficient resources and capacities for the creation and enactment of bills. Members of parliament (MPs) frequently question cabinet members and exercise oversight of state and public institutions. Parliamentary deliberations are open to the public and media (except for closed sessions on classified matters, such as intelligence and secret service issues). The entire legislative process—including transcripts of meetings, full text of legislative bills, and the results of assembly votes—is made available to the public via the parliament's website. Slovakia's constitution guarantees the right to free retrieval, collection, and dissemination of information.

Government authority remains solid and undisputed throughout the country, neither supported nor challenged by displays of dominance by the military, foreign powers, or other power groups. Political party activities within the armed forces and other state institutions are forbidden. All state agencies are subject to control by the Supreme Audit Office (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 widely regarded as being free from political influence.

Between 2006 and mid-2010, the ruling coalition of Smer-SD–SNS–ĽS-HZDS pursued policies that generally undermined parliament and parliamentary oversight of the executive branch, marginalized the opposition in parliament in a manner contradicting the spirit of modern liberal democracy, and made party clientelism its basic *modus operandi*. In the run-up to the June 2010 parliamentary elections, Smer-SD and its coalition partners exercised their control over state administrative structures to reach and influence voters. Leading Smer-SD officials, including Prime Minister Robert Fico, made appearances at the "openings" of new

sections of highway, soccer fields, and airport terminals, and unveiled various public monuments—all while trumpeting campaign messages.

Nevertheless, the election results changed the basic configuration of political forces and paved the way for a rotation of power. A new ruling coalition between SDKÚ-DS, SaS, KDH, and Most-Híd gained an absolute majority of seats (79 out of 150) in the assembly. In early July, PM Fico submitted his resignation and President Ivan Gašparovič appointed Iveta Radičová (SDKÚ-DS) the first woman in Slovakia's history to lead the cabinet. The handover of executive power took place in the manner stipulated by the constitution, without impeding the functioning of executive institutions. The distribution of leading positions within parliamentary committees followed the terms of an agreement between the ruling coalition and the opposition based on proportional representation. The program manifesto of the newly elected government aims to enhance the country's democratic character, cement operational stability of public institutions, strengthen independence of the judiciary, and promote transparency.

Shortly after the new ruling coalition took power, top officials at several ministries published information revealing that the outgoing Fico administration had taken moves immediately after the elections to complicate the new administration's performance in office. Members of the Fico cabinet introduced measures with serious implications for distribution of public funds, and many signed large-scale contracts before and after the elections on supplying goods and services to the government. Subsequently, the new cabinet published information on the corrupt background of certain government projects, nontransparent public procurement projects, and numerous cases of mismanagement of public funds. These cases involved the ministries of defense, labor, economy, foreign affairs, justice, education, culture, transport, social affairs, and post and telecommunications.

Relations between the cabinet, parliament, and president were virtually free of confrontation in the second half of the year. The only notable exception to the atmosphere of peaceful cooperation was a conflict between the Ministry of Finance and the Supreme Court that dragged from July until November 2010, creating tensions between the Ministry of Justice and the Supreme Court. The principal cause was the refusal by Supreme Court Chairman Štefan Harabin to allow finance ministry employees to inspect the Supreme Court's financial records. In doing so, Harabin clearly violated a law that entitles the Ministry of Finance to perform financial inspections in all institutions that are financed from the state budget.

The incumbent administration drafted several legislative and administrative measures aimed at strengthening the institutional system's openness. The most significant among these were amendments to the Civil Code and the Law on Free Access to Information (aimed at increasing transparency in public procurement), and draft amendments to two laws affecting the judiciary. The government also attempted to limit the immunity of MPs, but in this case did not secure the requisite number of votes.

Electoral Process

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
1.75	1.50	1.50	1.25	1.25	1.50	1.50	1.50	1.75	1.50

The authority of the Slovak government is based on freely exercised universal suffrage. The legislative framework provides for free and democratic competition, equal campaigning and transparent voting and vote tabulation practices. In February 2010, parliament passed an amendment to the law on elections to the National Council of the Slovak Republic and to the European Parliament. The amendment allows persons serving prison terms (except for perpetrators of particularly serious crimes) to cast ballots in both elections.

Parliamentary elections in Slovakia 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 threshold 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 and regional governors are elected using a majority model with two rounds, mayors of towns and communities are elected in one-round elections.

In 2010, 53 political parties were reregistered with the Ministry of the Interior. The total membership in political parties is approximately 100,000 out of 4.36 million eligible voters. Political parties represented in the parliament operate at all levels of public administration—central, regional, and local.

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, and traditionally have a very high rate of political mobilization. As a result, this minority is effectively represented in organs of legislative and executive power. The situation is very different for the country's second largest ethnic minority, the Roma, who are inadequately represented in political processes due to the Roma population's social marignalization, low average education level and consequent shortage of political leaders, and the inability of ethnic majority, mainstream political parties to cooperate with Roma organizations. In order to participate in political processes, members of Slovakia's smaller ethnic minorities and groups (i.e., Czechs, Ruthenians, Ukrainians, Germans, Poles, Croats, Bulgarians, and Jews) use opportunities provided by non-ethnically-based political formations.

The most recent parliamentary elections in Slovakia were held on June 12, 2010. During the campaign, the incumbent coalition parties used administrative resources and opportunities to bombard the population with their campaign message. Smer-SD and SNS also pandered to ethnic divisions in an effort to

polarize the electorate. Elections were judged to be free and fair, and although a small number of vote-buying cases emerged, it was not as large and divisive an issue as it had been in the previous year.

Smer-SD (Direction–Social Democracy), which portrays itself as a social-democratic political formation, received 34.79 percent of the popular vote and secured 62 seats in parliament. The center-right, moderately conservative SDKÚ-DS (Slovak Democratic and Christian Union–Democratic Party) won 15.42 percent of votes and 28 seats. The liberal SaS (Freedom and Solidarity) party got 12.14 percent and 22 seats. The conservative KDH (Christian Democratic Movement) received 8.31 percent of votes and 15 seats, while Party Most-Híd (Bridge), which represents a substantial part of ethnic Hungarians, received 8.12 percent of the vote and gained 14 seats. The radical nationalist SNS (Slovak National Party) won 5.07 percent of votes and 9 seats. Two previous parliamentary parties—ĽS-HZDS (People's Party–Movement for a Democratic Slovakia), a populist party of unclear ideological orientation, and the SMK (Party of Hungarian Coalition) that represents ethnic Hungarians—did not qualify for the assembly. Smer-SD failed to transform its electoral victory into a ruling coalition with majority support in the parliament, as the center-right parties refused to form an alliance with them. The election results led to the creation of the center-right ruling coalition of SDKÚ-DS–SaS–KDH–Most-Híd. Iveta Radičová, party list leader and vice-chairman of SDKÚ-DS, was appointed prime minister of the cabinet. The transition of power from the Smer-SD coalition to Radičová's newly formed coalition was effective and smooth.

Two ruling coalition members are relatively new on the Slovak political scene. The Most-Híd party was established by former members of SMK (an ethnic Hungarian party) and characterizes itself as the party of cooperation between the Slovak majority and ethnic minorities, including the Hungarian minority. The SaS party is a new liberal political formation that has gained strong support from voters in a short period of time due to its effective use of the internet-based social networks.

In the last decade there has been an overall decline in voter participation in Slovakia compared to the first decade after the collapse of the Communist regime. Traditionally, the highest turnout is recorded in parliamentary elections, which in 2010 was 58.8 percent, a four percent improvement over the 2006 parliamentary elections.

Municipal and regional elections typically show lower voter turnout than national elections, yet like the parliamentary elections, saw a slight increase in 2010. The November municipal elections drew a 49.7 percent turnout, a two percent increase since the previous municipal elections in 2006. The mayor's office for Slovakia's two biggest cities, Bratislava and Košice, went to Smer-SD endorsed candidates. The elections also saw a rise in representation of Roma, with 22 Romani municipal mayors and 102 councilors elected.[1] Ethnic Hungarian candidates also won a number of seats, although votes were split because two ethnic Hungarian parties (Most-Híd and SMK) supported different candidates in many districts.

The most recent presidential elections in Slovakia were held in March–April 2009. In the second round, Ivan Gašparovič—a joint candidate of two ruling parties, Smer-SD and SNS, and pro-governmental extra-parliamentary party HZD (Movement for Democracy)—obtained 55.5 percent of the popular vote and was elected president. Six parties from Slovakia are represented in the European Parliament as of the most recent elections (June 2009), with Smer-SD receving five seats.

Civil Society

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
1.75	1.50	1.25	1.25	1.25	1.50	1.50	1.75	1.75	1.75

In Slovakia, the independent civic sector and its rights are protected by the state. This protection is the result of societal and legislative changes in the 1990s, and all governments since have respected the position of NGOs in the country. The differences year on year have been seen mostly in regard to the level of cooperation. While the previous government of former Prime Minister Robert Fico had tried to minimize the influence of NGOs through legal and political means, the new government led by Prime Minister Iveta Radičová declared its readiness in 2010 to cooperate closely with the NGO sector. The distrustful atmosphere changed with the creation of the new government, seen most vividly in the new administration's trusting approach toward NGOs working in public policy and advocacy.

Slovakia's third sector continues to be dynamic and vibrant, in spite of a lack of financial resources caused by the financial crisis and mismanagement of structural funds by the Fico government. The Ministry of Interior registers and records all figures on Slovak NGOs; some data on the NGO sector are also kept at the Statistical Office of the Slovak Republic and the Ministry of Culture. In October 2010, the Ministry of Interior listed 31,446 organizations that could be considered NGOs in a broad sense. The public image of civil society organizations in Slovakia is predominantly positive, though opinion is divided in perceptions of various types of NGOs. The most negatively perceived are public-policy oriented institutions, advocacy groups, and environmental organizations that are the most visible in public discourse.

The legal and regulatory environment for civil society is free of excessive state pressures, and state bureaucracy does not excessively limit the activities of NGOs. The basic legislative framework for their work is provided by the constitution. NGO registration is easy, and both legal entities and private persons may establish nonprofit organizations, which are required to work for the fulfillment of the purposes for which they were established. The Ministry of the Interior acts not only as the registry of NGOs but also as the supervising institution.

In 2010 the Ministry of Interior, after many years of effort, included the Law on Volunteerism (which defines the legal framework for voluntary activities) into its legislative plan and announced its intent to adopt the law as soon as possible. The

draft is being prepared in consultation with NGOs. The NGO sector in Slovakia has a well-developed infrastructure, training and research base. Most NGOs have access to the technical equipment they need to function, which is comparable with equipment available in the state sector but less advanced than standard equipment in the business sector. Numerous NGOs provide training for the civic sector.

The 2-percent tax deduction was an important source of funding for nonprofit organizations in Slovakia in 2010. Assistance from Western democracies on the private and public level was instrumental in developing the country's vital civil society, at least until 2004; by 2010 these funds comprised a small part of NGO budgets. Structural funds and other possibilities from the EU brought new opportunities and new challenges to domestic NGOs. The prevailing opinion of most is that the European Commission, despite the significant amounts of money available, does not posses a sustainable model for supporting the activities of civil society. The problem has increased with clientelism and corrupt practices in the EU funds distribution process.

Most newsmedia treat civil society groups as independent and reliable sources of information, particularly think tanks. Slovak NGOs received extensive and predominantly positive coverage from public and private media in 2010. Blogs and information servers established by NGOs and public entrepreneurs play an increasingly important role in mobilizing the public for civic participation. By contrast, the image of trade unions remains rather negative in the media and in all segments of the population. Trade unions operate freely, but they are not perceived by the public as part of the broader civil society. The membership of such organizations shrinks from year to year.

Interethnic relations in Slovakia experienced problematic developments during the four years of the Fico administration, as the government adopted legislation intended to strengthen the state's ethnic character. Measures presented to the public as a reaction to policies of the Hungarian government discriminated against Slovakia's ethnic Hungarian minority in the fields of education, culture, and use of mother tongue. Relations between Slovaks and Hungarians were further aggravated in 2010 by legislation a ban on dual citizenship (enacted in May) and various commemorations of politically-charged historical events (e.g., the 90th anniversary of the Trianon Treaty) for propaganda purposes. The new Radičová administration promised in its program manifesto to eliminate all restrictive legislation in the field of minority rights passed by the previous government, particularly amendments to the State Language Act and Citizenship Act. Amendments to both laws were submitted to parliament in October and November 2010.

An amendment to the Law on State Symbols proposed by the Fico administration and signed by President Gašparovič in May 2010 remained in effect through the end of the year. Among other provisions, the so-called Patriotic Act requires public schools to display state symbols and the preamble of Slovakia's constitution in all classrooms. The law is controversial, associated with the Fico government's broader emphasis on "patriotism" in the public life and particularly in the school system (the SNS party—then a ruling coalition member—also advocated changing school

curriculums in order to strengthen "Slovak national identity"). Critics of the Patriotic Act believe forced civic pride actually encourages nationalism. After the parliamentary elections of 2010, the rhetoric of patriotism significantly subsided, while the Ministry of Education continued its slow introduction of multiculturalism into primary and secondary school curriculums.

Slovakia's Roma minority endures socioeconomic hardships, job descrimination, social marginalization, and racially motivated violence by extremist groups. In some eastern municipalities with above-average concentrations of Roma population, there have been attempts to build fences and walls around Roma settlements. According to their builders, the barriers were supposed to prevent persons of Roma origin from perpetrating criminal activity against non-Roma citizens.

Extremist and racist organizations are illegal in Slovakia, and during 2010 Slovak police continued to monitor neo-Nazi, right-wing, and left-wing extremist groups, conducting preventive actions against them. Nevertheless, the year witnessed numerous displays of racist propaganda and physical violence against the Roma by neo-Nazi groups. For some time, Slovakia's unsatisfactory response to the plight of the Roma has been criticized by international human rights organizations, but the recent appointment of Roma expert Miroslav Pollák as government plenipotentiary for the country's Romani communities has increased expectations.

A radically xenophobic political party, People's Party Our Slovakia (Ľudová strana Naše Slovensko), took part in the parliamentary elections expressing anti-Roma rhetoric, but with negligible success.

Independent Media

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
2.00	2.00	2.25	2.25	2.25	2.25	2.50	2.75	3.00	3.00

Slovak journalists and editorial departments remained vulnerable to interference from government and private stakeholders throughout 2010, though under the post-June administration these pressures appeard to subside.

The first months of the year witnessed a flurry of activity by public officials, politicians, and judges who sued print media over published information and demanded exorbitant indemnification that would have threatened the media outlets' survival. Newspapers also struggled under the burden of the controversial Press Act of 2008, which places restrictions on content and grants powers of intervention to the state executive. The law also stipulates the right of public officials to respond to any allegation, true or false, in the publication where it was made—a costly and time-consuming requirement for editors that effectively encourages self-censorship.

In some 2010 cases, members of the judiciary were plaintiffs in defamation suits. In others, Slovak courts came to the defense of embattled newspapers, issuing groundbreaking rulings. In April, the Slovak Constitutional Court ruled that lower courts had violated the free speech rights of *Plus 7 Dní* by ordering the magazine to pay roughly €8,800 in damages to judge Pavol Polka for alleged defamation.

Print journalists were not the only reporters subject to penalties for endangering the political interests of their sponsors. In January, the public broadcaster Slovak Television (STV) refused to renew the contract of a reporter whose 2009 article on fraudulent use of financial EU structural funds had resulted in an EC investigation and subsequent cuts to aid funding. In the summer, TV Markíza, Slovakia's largest private TV station, announced that it would cease to produce *Palba* (Battery of Questions), the last regular television broadcast in the country devoted to investigative journalism.

In its program manifesto, the administration formed after the June elections announced its intention of liberalizing Slovakia's media environment, beginning with changes to the Press Act. An amendment modifying the so-called right of response had been drafted by the end of the year, but not yet passed. The amendment would allow officials to respond in cases where the information published pertains directly to their performance in office. It would also abolish fines for failure to publish reactions.[2]

Although judgments against newspapers in defamation cases began to decrease in June, Slovakia's media and advertising market continued to suffer from effects of the global economic crisis, reflected in a slump in advertising, cost-cutting measures, and a decrease in the total number of journalists. Transparency in media ownership remained a serious concern, as unofficial cross-ownership of private media contributed to increasingly monopolistic conditions in the distribution of the terrestrial television signal. In 2010, buyouts of several nationwide dailies also affected editorial content and personnel, with legislative loopholes making it impossible to identify the new owners.

Public service media, particularly STV, continue to suffer under ineffective financial models and inefficient management. By the end of the year, STV was on the brink of economic collapse. The incumbent administration tried to rescue the broadcaster by drafting a new law that should merge it with the Slovak Radio effective in 2011 and transfer power to appoint the STV chairman from the STV council back to parliament, as was the case before 2004. Apart from STV and Slovak Radio (SRo), which are both controlled by parliament-appointed councils, all major media in Slovakia are privately funded. The former state news agency TASR become a public service institution in 2009; however it is financed from the state budget, and thus undermines the competitiveness of the news agency market.

At the end of the year, the largest professional organization of journalists in the country—the Slovak Syndicate of Journalists (SSN)—changed its leadership for the first time in many years and adopted a new code of ethics. These changes are interpreted as a final attempt to reverse the declining influence of this organization, which has long lost its attractiveness for young journalists and representatives of influential media. Although SSN representatives are still invited to participate in amending media legislation, their proposals rarely make the final drafts, as was the case with the proposed amendment to the Press Act.

Throughout 2010, the range and diversity of online information sources continued to expand. Internet-based social networks are becoming an increasingly

effective tool for disseminating information and mobilization support, and played an important role in some parties' 2010 parliamentary campaigns. One recently established party emerged in third place at the polls after using social networking to mobilize potential voters.

Local Democratic Governance

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
n/a	n/a	n/a	2.25	2.00	2.00	2.25	2.50	2.50	2.50

The Slovak constitution and other applicable laws provide an adequate framework for self-governance at the regional and local levels, 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). 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. On November 27, 2010, Slovakia held municipal elections. Most new mayors were elected off the candidate list of Smer-SD.

As part of public administration reform, a large block of powers was transferred in 2001–05 from central government organs to local and regional self-governance bodies. However, the Fico-led administration championed the concept of a strong, centralized state and made no significant efforts to strengthen the executive powers of local self-governance organs. When drafting and approving legislative proposals concerning their status, the ruling coalition of Smer-SD–SNS–ĽS-HZDS favored measures aimed at cementing the positions of ruling parties in self-governance organs.

A February amendment to the Law on Municipal System of Government entitled mayors to handpick their deputies, which had previously been elected by members of municipal councils. The amendment also transferred additional powers from municipal council to mayors with respect to the organization and financing of self-governance organs. Strengthening the position of mayors vis-à-vis municipal councils could be interpreted as an effort to grant greater powers to representatives of then ruling parties, particularly Smer-SD, as municipal councils are often controlled by non-ruling parties.

The new ruling coalition of SDKÚ-DS–SaS–KDH–Most-Híd comprises parties that are vocal advocates of decentralization and self-governance. It is therefore widely expected that the coalition will strengthen the executive powers of self-governance organs and gradually implement a reform allowing small communities to merge their self-governance bodies and increase their effectiveness. In October 2010, the Radičová administration submitted draft amendments to the Law on

Municipal Property and the Law on Property of Regional Self-governments that seek to create a legislative framework for self-government involvement in public-private partnerships.

The global economic crisis adversely affected not only Slovakia's overall economic development (resulting in a substantial drop in GDP growth) but also the financial stability of self-governments. At the end of 2009, the central government approved a special subsidy of €100 million (US$135 million) for self-government administrations to cover deficits in income-tax revenues; however, the actual scale of deficits exceeded the subsidy. Municipality tax revenues declined by 19 percent in the first half of 2010 (compared to the same period in 2009). The situation was further complicated by an 11-percent rise in self-government operating costs in 2010.

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 (Supreme Audit Office) 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.

Most self-governance organs have adequate capacities to manage their operations; employee training continues to improve thanks to various education projects initiated and implemented by the government, self-governance associations, nongovernmental organizations, and international partners. The situation is significantly better in cities and larger towns.

Judicial Framework and Independence

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
2.00	2.00	2.00	2.00	2.00	2.25	2.50	2.75	3.00	2.75

The Slovak Constitution, the Bill of Fundamental Rights and Freedoms, and other laws provide a framework for the protection of human rights. The constitution guarantees all citizens equality before the law. Slovakia has a three-level judicial system, consisting of a Supreme Court, 8 regional courts, and 45 district courts, all of which are administered jointly by the president, parliament, Ministry of Justice, Judicial Council, and Supreme Court. The president appoints judges on the basis of 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.

The Constitutional Court is an independent element of the judicial system, and its verdicts are legally binding. The right to appeal to the Constitutional Court regarding the constitutionality 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), as well as the president, the cabinet, courts, the attorney general, and the ombudsman for human rights; in certain cases, self-governments also invoke this right. Citizens are free to turn to the Constitutional Court if they believe their constitutional rights have been violated by a state institution. In recent years, the Constitutional Court was accused of deliberately delaying the adjudication of motions filed by opposition members of parliament, allegedly to the advantage of the Smer-SD–SNS–ĽS-HZDS coalition.

As a member of the Council of Europe, Slovakia has also ratified all major international human rights documents; citizens may therefore 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. 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 is conducted under a prosecutor's supervision. An accused person may be detained and arrested only if a judge has issued a written warrant.

In recent years, the judiciary has become the target of harsh criticism by numerous social players, including judges themselves. In March 2010, 21 justices—including 11 Supreme Court judges, nine regional court judges and one Specialized Criminal Court judge—launched the initiative *Za otvorenú justíciu* (For an Open Judiciary), which advocates for improved transparency within the judiciary. The initiative's signatories criticized political meddling with judicial power, problems in public competitions, deliberate delays in adjudication, violation of ethical principles, unjustified disciplinary actions, and generally reduced transparency.

One of the most controversial issues has been the performance of Štefan Harabin, who served as justice minister from 2006 until 2009, when he became chairman of the Slovak Supreme Court. Under the Fico-led administration, Harabin worked to concentrate power within his position, and did so with the full support of the ruling coalition. Harabin's performance has been criticized by opposition leaders, NGOs, and a number of individual judges. Reportedly, judges who criticized the judicial system and the Supreme Court chairman were subjected to pressure and disciplinary sanctions, while judges loyal to Harabin were quickly promoted.

The Radičová administration's promise to increase transparency in state institutions included preliminary efforts to resolve problems in the judiciary. By October, the new government had drafted two amendments aimed at making judicial bodies more transparent and accountable. A draft amendment to the Law on the Judicial Council changed the mechanism of appointing Judicial Council members in order to prevent court officials from concentrating power in their hands. The amendment prevents chairmen and vice-chairmen of district and regional courts from being appointed to the Judicial Council. A second amendment (to the Law on Judges and Assessors) would release all court rulings for online publication. The amendment also seeks to introduce mandatory public competitions for

posts of judges and court chairmen as well as public judicial examinations. Both amendments were vetoed by President Gašparovič in December, but the Judicial Council amendment veto was overruled. The debate initiated by the Law on Judges and Assessors continued, with the ruling coalition vowing to override the veto in the following year.

By the close of the year, relations between Harabin and the Radičová administration had become overtly confrontational. Following the parliamentary elections, a conflict between the Ministry of Finance and the Supreme Court dragged from July until November 2010, with subsequent tensions between the Ministry of Justice and the Supreme Court. The principal cause was the apparent refusal by Harabin to allow Finance Ministry employees to inspect the Supreme Court's financial management. In doing so, Harabin clearly violated a law that entitles the Ministry of Finance to perform financial inspections in all institutions that are financed from the state budget. However, the new coalition's actions towards the Supreme Court under Harabin sent a clear signal that the government is no longer willing to tolerate a partial and inconsistent application of Slovak law in the country's highest judiciary body.

A secret ballot was held in parliament at the end of the year on the election of a prosecutor general. The incumbent candidate, Dobroslav Trnka, whose tenure expires in February 2011, missed re-election by one vote. In spite of the ruling coalition's absolute majority in parliament (79 mandates of 150), their agreed-upon candidate Jozef Čenteš gained only 73 votes compared to Trnka's 75. Some deputies from ruling parties express their views (however not offering any factual confirmation) that bribery can be behind the decision of at least six MPs from ruling coalition parties to vote for opposition candidate. Trying to prevent possible re-election of Trnka (Prime Minster Radičova threatened to resign in the case of this outcome), ruling coalition parties came to political agreement to change the standing order of parliament and to introduce public voting alongside the secret ballot in 2011.

Corruption

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
3.25	3.25	3.25	3.00	3.00	3.25	3.25	3.25	3.75	3.50

Corruption in Slovakia is long-standing and widespread. Rather than building on the anticorruption legislation of the preceding government, the administration led by Prime Minister Fico created new opportunities for corruption and clientelism. Policies pursued by the administration in the first half of 2010 continued the three-year trend of strengthening government's role in the economy and obscuring, rather than bringing to view, the allocation of public funds and public procurement contracts. In May 2010, the Group of States against Corruption (GRECO), the Council of Europe's body for monitoring compliance of member states' anti-corruption legislation with recommended standards, observed that Slovakia had

satisfactorily introduced only one out of its sixteen recommendations—a piece of legislation related to transparency of party financing and penalties for corruption into the criminal code.

Two high-profile cases from 2009 illustrated both the scope of corruption in the Fico-led government and the lack of resolve among officials to bring perpetrators to justice. The first scandal involved the government's sale of unused CO_2 emission quotas to Interblue Group—a firm with unclear ownership and suspected ties to the SNS party—at 50 percent below market-price. For months, the prime minister defended officials at the Ministry of Environment before finally dismissing them and barring the SNS party from choosing their replacements. Despite clear indications of embezzled public funds, government officials failed to offer any plausible interpretation of the affair until the end of the Fico government's tenure, when the outgoing administration effectively dissolved the ministry and transferred its duties to the Minisry of Agriculture.

Another example of clientelism involved the so-called bulletin-board tender at the Ministry of Construction and Regional Development. Regulations for this 2009 public tender were never properly published but, instead, allegedly pinned for one week on a bulletin board in a ministry hallway, inaccessible to ordinary citizens. The subsequent "tender" was won by two private firms with ties to the SNS, whose nominee Marián Janušek led the ministry, and resulted in great financial losses for the government. After the scandal broke, the European Commission announced that it would neither recognize nor refund any items that had been paid as part of the project. Prime Minister Fico reacted by removing Janušek from his post and replacing him with Igor Štefanov, a high ministry official who had directly participated in designing the tender as tender commission chairman. For many months, Štefanov received political support from the former prime minister and was not removed until March 2010.

When the new administration took power in July 2010, several ministries released reports on rampant abuse of power in the distribution of public funds by former administration officials which in some cases had led to negative macroeconomic effects. In addition to underscoring the depth of clientelism under Prime Minister Fico, this unprecedented release of information was viewed as an indication of the Radičová administration's determination to combat corruption and nontransparency on a systemic level. The new government defined combating corruption as its top priority, embarking on a program of increasing transparency and strengthening public control over the administration of public funds. In August 2010, the government started to publish online information on all contracts completed by state administration organs under the previous administration. Subsequent amendments to the Commercial Code and the Law on Free Access to Information introduced a new rule that business contracts between the government (central and local) and private companies cannot take effect before being released on the Internet for ten days.

Compared to its predecessor, the current administration has demonstrated a much greater willingness to release information concerning its nominees. In some

cases it suspended the process of appointing government representatives in order to investigate the published information; in others it completely abandoned plans to appoint a candidate.

AUTHORS: GRIGORIJ MESEŽNIKOV, MIROSLAV KOLLÁR AND MICHAL VAŠEČKA

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1 "Successful Roma candidates in Slovak municipal elections: 22 mayors, more than 100 councilors," *Romea.cz*, 28 November 2010, http://romea.cz/english/index.php?id=detail&detail=2007_2043.

2 "Amendment to Press Code is ready," *The Slovak Spectator*, 8 November 2010, http://spectator.sme.sk/articles/view/40682/2/amendment_to_press_code_is_ready.html.

Slovenia

by Damjan Lajh

Capital: Ljubljana
Population: 2.0 million
GNI/capita, PPP: US$26,470

Source: The data above was provided by The World Bank, *World Development Indicators 2011*.

Nations in Transit Ratings and Averaged Scores

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Electoral Process	1.75	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
Civil Society	1.50	1.50	1.50	1.75	1.75	2.00	2.00	2.00	2.00	2.00
Independent Media	1.75	1.75	1.75	1.50	1.75	2.00	2.25	2.25	2.25	2.25
Governance*	2.25	2.25	2.00	n/a	n/a	n/a	n/a	n/a	n/a	n/a
National Democratic Governance	n/a	n/a	n/a	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Local Democratic Governance	n/a	n/a	n/a	1.50	1.50	1.50	1.50	1.50	1.50	1.50
Judicial Framework and Independence	1.75	1.75	1.75	1.50	1.50	1.50	1.50	1.75	1.75	1.75
Corruption	2.00	2.00	2.00	2.00	2.25	2.25	2.25	2.50	2.50	2.50
Democracy Score	1.83	1.79	1.75	1.68	1.75	1.82	1.86	1.93	1.93	1.93

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

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

Executive Summary

Slovenia underwent many parallel transformations in the period from the end of the 1980s to the start of the 1990s, including changing its economic and political system and establishing itself as an internationally recognized state. Having proclaimed its independence on June 25, 1991, Slovenia joined the United Nations in 1992, the Council of Europe in 1993, and the European Union (EU) and NATO in 2004. On January 1, 2007, the Slovenian currency, the tolar, was replaced by the euro, and at the end of December 2007 Slovenia entered the Schengen zone. In 2008 Slovenia passed another maturity test on the European stage by holding the Presidency to the Council of the European Union from January to July of that year as the first of the 12 new EU member states to do so. In July 2010 Slovenia became a full member of the Organization for Economic Cooperation and Development (OECD).

National Democratic Governance. As Slovenia's economy continued to struggle against sharply rising unemployment, the government coalition faced internal conflicts and instability. The Minister of Environment and Minister of Economy resigned, while the Democratic Party of Retired Persons of Slovenia, part of the coalition government, was strongly dissatisfied with the pension reform proposal. Two interpellations were raised against the Minister of Interior Affairs and Minister of Education and Sport. Dissatisfaction with government-proposed measures drew demonstrations from employees in the public sector and students. *Slovenia's rating for national democratic governance remains unchanged at 2.00.*

Electoral Process. Local elections were held in Slovenia in 208 out of 210 municipalities on October 10, 2010 (and a second round in the mayoral elections on October 24). Due to a decision by the Constitutional Court, elections were not held in the municipalities of Koper and Trebnje, where new municipalities needed to be split off based on the results of a 2009 referendum. Independent candidates were the absolute winners in the mayoral elections, of whom 70 were elected, while in the municipal council elections the best results were achieved by the oppositional Slovenian Democratic Party. The local elections were marked by low turnout (50.28 percent in the first round and 48.81 percent in the second round), a large share of reelected mayors, extremely low share of elected women candidates, and the first elected black mayor in Eastern Europe. *Slovenia's electoral process rating remains unchanged at 1.50.*

Civil Society. In 2010, controversy continued over the adoption of the Family Law Act, including a provision to allow same-sex couples to adopt, which was still at

the level of debate in parliamentary committee. Another years-old controversy was resolved when a bill was passed on the status of the "erased," the thousands of non-Slovene Yugoslavs remaining in the country when it achieved independence who didn't file for Slovenian citizenship in time. With the new act on the so-called erased persons, the government allows these individuals to submit applications to obtain a permit for permanent residence in Slovenia. The government was also the focus of opposition from many civil society groups, primarily dissatisfied trade unions and students who opposed the Mini Job Act, which aims to regulate special forms of employment like student jobs and temp work. *Slovenia's civil society rating remains unchanged at 2.00.*

Independent Media. There were several threats against journalists during the year, including a death threat by the son of the mayor of Ljubljana against a newspaper journalist. On October 20, the National Assembly adopted the new Act on Radio-Television Slovenia, but days later 32 deputies requested a legislative referendum, which was held December 12. Critics opposed the act because it would change Radio-Television Slovenia (RTVSLO) from a state to a public broadcaster, decouple RTVSLO employee pay from government worker pay, and require programming for minorities from the other former Yugoslav republics. Only 14.8 percent of voters participated in the referendum on the act, which was voted down by a margin of 44.6 percent. *Slovenia's independent media rating remains unchanged at 2.25.*

Local Democratic Governance. In 2010, the controversial issue of establishing provinces in Slovenia was left on the back burner as in previous years. At the beginning of November, the government prepared legislation promoting balanced regional development and submitted it to the National Assembly for adoption. During the year there were controversial debates over Ljubljana mayor Zoran Janković. While some argued that during Janković's mandate the Slovenian capital had finally started to develop properly, others talked about the "Berlusconization" of Ljubljana and high local-budget debt. Despite all the critics, Janković convincingly won a new mayoral mandate. *Slovenia's rating for local democratic governance remains unchanged at 1.50.*

Judicial Framework and Independence. In Slovenia, the judicial system remains overburdened with long trial delays. In 2010, the opposition was very critical of the work of Minister of Justice Aleš Zalar, threatening interpellation for his nomination of Branko Masleša as the new President of the Supreme Court. On the basis of journalistic reports, public questions were raised as to whether Supreme State Prosecutor Barbara Brezigar had ordered internal control over the work of State Prosecutor Branka Zobec Hrastar, who was directing the pre-trial proceedings in the controversial corruption case against the Finnish company Patria. This case included an indictment against Brezigar's ally, former Prime Minister Janez Janša. *Slovenia's judicial framework and independence rating remains unchanged at 1.75.*

Corruption. In August 2010, in the so-called Patria affair, an indictment was filed against five persons, including president of the Slovenian Democratic Party (and former Prime Minister) Janez Janša. Other corruption cases during the year were directly or indirectly linked to the construction sector. A deputy of the National Assembly was sentenced to imprisonment due to corruption and other criminal acts. Investigators also detained a District Attorney who was suspected of taking a bribe. At the end of May 2010, the Act on Integrity in the Public Sector was adopted to stimulate fair and transparent behavior among civil servants and good practices in decision-making processes. *Slovenia's corruption rating remains unchanged at 2.50.*

Outlook for 2011. Slovenia will continue to face pressure to resolve the financial and economic crisis causing the country's increasing rate of unemployment and lagging wages. The government coalition will continue working to resolve internal political conflicts and instability. Although the National Assembly at the end of 2010 passed pension reform legislation, this issue will also be high on the Slovenian political agenda in 2011. Controversial debates on adopting the proposed Family Law Bill will likewise continue. Nongovernmental actors have predicted initiatives to call referendums in 2011, especially concerning the adoption of the pension reform and Mini Job Act.

Main Report

National Democratic Governance

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
n/a	n/a	n/a	2.00	2.00	2.00	2.00	2.00	2.00	2.00

The constitution defines Slovenia as a democratic republic based on the rule of law. The separation of powers is provided through checks and balances among the legislative, executive, and judicial branches. The country's system of government has achieved stability without coercion, violence, or other abuse of basic rights and civil liberties. Citizens may participate in decision-making processes, and referendums have become a stable feature in Slovenian politics, although some experts argue they are frequently used in an undemocratic and illegitimate manner.[1]

The Slovenian parliament consists of the National Assembly and National Council. Owing to the limited powers of the National Council, however, the parliament is usually referred to as a "one-and-a-half-chamber system." The National Assembly has 90 members, with a single representative each from the Italian and Hungarian national minorities. In general, the National Assembly is effective but overburdened. Parliamentary documents and sessions are available to the public via the National Assembly's website, which has also posts transcripts of parliamentary debates since 1996. The public may attend all parliamentary sessions except those of the Commission for Supervision of the Intelligence and Security Services. Furthermore, the third program of the National Radio and Television Company (RTVSLO) is dedicated to the National Assembly and its working bodies, and thus represents additional democratic supervision of the Assembly by the general public. Access to government information is ensured by Article 39 of the constitution and by the Law on Access to Public Information, and is overseen by the Office of the Information Commissioner established in 2005. The President has a largely ceremonial role with limited decision-making powers, while the Prime Minister steers the ship of state.

In 2010, the country continued to see very poor economic conditions. According to the Slovenian Office for Macroeconomic Analysis and Development, economic growth for 2010 would be around 0.9 percent, slower than in the Euro area as a whole. Economic growth in Slovenia is heavily dependent on foreign demand, which showed some improvement in 2010, but exports are not expected to return to a pre-crisis level before mid-2011. The domestic environment remains very weak, reflected in several high-profile corporate bankruptcies, the construction industry, and labor markets, where there are no signs yet of recovery.[2] By the end of 2010, the number of unemployed persons was expected to be around 105,000, showing an increase in the unemployment rate for the third year in a row, from 6.5 percent in June 2008 to 9.3 percent in October 2009 and 10.6 percent in August 2010.[3]

As a result, the government was the target of critics during the year, mostly from the opposition Slovenian Democratic Party, but at the same time faced internal conflicts and instability. In January 2010, Minister of the Environment and Spatial Planning Karel Erjavec, who also heads the coalition party Democratic Party of Retired Persons of Slovenia, resigned over a municipal waste collection scandal. Then, in July, Minister of the Economy Matej Lahovnik resigned over corruption allegations against several fellow Zares Party members and ministers. And in October, Andrej Magajna left the ruling Social Democrats, claiming that the current government reforms deviated from the social democratic path.

In 2010, interpellations were raised against Minister of the Interior Katarina Kresal and Minister of Education and Sport Igor Lukšič. Dissatisfaction with proposed government measures was also demonstrated in a strike by public-sector employees, which caused problems at border crossings. Students showed great dissatisfaction with the proposed Mini Job Act, which seeks to limit student work, and organized mass protests in Ljubljana that ended with violence.

In 2010, Srečko Prijatelj, a member of the Slovenian National Party, became the first deputy of the National Assembly in the history of Slovenia to be imprisoned, receiving a sentence of five years and two months for convictions on charges of extortion, arbitrary and illegal trafficking, and production of weapons or explosives.

In November, the National Assembly passed the budget for the next two years without the support of coalition party DeSUS, and then in December passed the pension reform bill, again without DeSUS support. It is anticipated that employee interest groups and DeSUS will make use of all possible institutional veto points (including a veto vote in the National Council and an initiative to call a referendum) such that the pension reform will likely not enter into force. In the wake of DeSUS opposition to the budget and pension reform, the coalition will be challenged to maintain the necessary majority in 2011.

Electoral Process

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
1.75	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50

The Slovenian government gains its authority through universal and equal suffrage, and the will of the people is expressed by regular, free, and fair elections conducted by secret ballot. The electoral system is multiparty-based, where political parties have equal campaigning opportunities, and the public's choices are free from domination by any specific interest groups. In 2010, Slovenia held local elections; additionally, a referendum was called on the new Slovenian National Broadcast Act, conducted on December 12.

Deputies to the National Assembly are elected on the basis of proportional representation with a 4 percent threshold. To establish a political party, only 200 signatures are required, and there are few barriers to political organization, registration, and participation in elections. In practice, it is much easier for

parliamentary parties to participate in elections, while non-parliamentary parties and independent candidates must obtain 50 signatures from 8 electoral districts. According to the constitution, professionals in the defense forces and police may not be members of political parties. Similarly, members of the Office of the State Prosecutor and the judiciary may not hold office in a political party, as the Constitutional Court supervises political parties. The Slovenian party system is relatively open, formally speaking, yet new entrants into the Assembly are few; also noteworthy is the absence of an anti-system party, although during the 1990s some parties occasionally challenged the legitimacy of the elected elite or called for extraordinary (early) elections. In parliamentary elections, voter turnout declined from 85.8 percent in 1992 to 60.6 percent in 2004, while turnout at the last general elections of September 2008 increased slightly to 63.1 percent.

Local elections were held in Slovenia in 208 out of 210 municipalities on October 10, 2010 (with a second round in the mayoral elections on October 24). Due to a Constitutional Court decision, elections were not held in the municipalities of Koper and Trebnje because Ankaran and Mirna voted in two referenda to establish themselves as independent municipalities. The National Assembly, however, did not support the proposals, and Ankaran and Mirna brought the issue to the Constitutional Court, which supported the initiative. Some law experts criticized the Court's decision and the quality of its written opinions, which some argued could even have a crippling effect on the Slovenian constitutionality system.[4]

As in the 2006 local elections, in 2010 most mayors were elected from the Slovenian People's Party. In terms of overall wins, second place went to the Slovenian Democratic Party, and third place to the biggest parliamentary party, the Social Democrats. Among governmental parties the least successful was Zares, as none of the 26 proposed candidates was elected. By contrast, 8 candidates from the non-parliamentary party New Slovenia were elected. The absolute winners in the mayoral elections were independent candidates, of whom 70 were elected.

The Slovenian Democratic Party had the best results in the municipal council elections with 18.7 percent of votes. The biggest government party, Social Democrats, won second place with 12.1 percent. Liberal Democracy of Slovenia did half as well as in 2006, coming in fifth with 7.4 percent, while the Democratic Party of Retired Persons of Slovenia won almost 10 percent, 4 percent better than in 2006.

The 2010 local elections represented a warning to the center-left government coalirion, especially to the so-called government trio (Social Democrats, Liberal Democracy of Slovenia, and Zares), while the Democratic Party of Retired Persons of Slovenia was the only governmental party that significantly improved its electoral result compared to the 2006 elections. In addition, the elections were marked by the absolute win of independent mayoral candidates, low turnout (50.28 percent in the first round and 48.81 percent in the second round), a large share of reelected mayors, extremely low share of elected women candidates, and the first elected black mayor in Eastern Europe (Peter Bossman in Piran), which also attracted considerable attention in foreign media.

At the request of 32 deputies of the National Assembly, a legislative referendum on the National Radio and Television Company (RTVSLO) Act was conducted on December 12, 2010, with a convincing vote against (72.33 percent) and only 27.67 percent in favor. But the referendum had extremely low turnout (14.78 percent)[5], and some critics spoke out against the use of referendums in the country. Former Constitutional Court judge Matevž Krivic urged changes to the referendum legislation, while Andraž Teršek, as a representative of the younger generation of constitutionalists, once again emphasized how use of the referendum in Slovenia does not contribute to genuine democracy and the legitimacy of the democratic political process.[6]

Civil Society

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
1.50	1.50	1.50	1.75	1.75	2.00	2.00	2.00	2.00	2.00

In Slovenia, the right to assembly and association is guaranteed in Article 42 of the constitution. Legal restriction of these rights is permissible where so required for national security or public safety, such as protection against the spread of infectious diseases. Most statistics show that Slovenian civil society is vibrant; of the country's almost 21,000 nongovernmental organizations (NGOs), the majority are organized as associations and work at the local level in the fields of sports, culture and art, and fire brigades, with others taking the form of private foundations and institutes. Yet civil society in Slovenia struggles with a personnel deficit. Following the "golden era" of civil society during the 1980s, which featured the establishment of an independent state and the transition to democracy, today most NGOs are not involved in public affairs in Slovenia.

After the last parliamentary elections in 2008, the center-left government led by Prime Minister Borut Pahor presented itself as open toward civil society participation and inclined to a consensual style of politics, which has at times drawn criticism. The center-left government has publicly expressed the importance of social dialogue and appointed a cabinet-level secretary responsible for the organization and management of social dialogue. Nevertheless, in 2010 the government received opposition from many civil society groups, primarily trade unions unsatisfied with the social partnership and students violently opposed to the Mini Job Act.

In the fall of 2010, the government's inability to pay an agreed-upon third-quarter wage adjustment led to a strike by public-sector employees. The government's Mini Jobs Act proposed limiting student work and the introduction of a new form of occasional part-time work as the most flexible type of employment in the Slovenian labor market, but the proposal was vetoed in the National Council and awaited a new vote in the National Assembly at year's end. The measure was met with student protests in front of the National Assembly, with protestors throwing granite tiles and causing serious damage to the parliamentary building.

In the October local elections, a 30 percent "women quota" was introduced for candidates but to little effect, as women candidates were typically placed lower on party lists and only a few obtained seats on municipal councils. As a result, there were only ten women candidates elected as mayors, only 23 percent of municipal councillors elected are women, and nine municipalities remained without a single female councillor.

In 2010, discussion of the minority rights of the "erased," which had been top on the agenda over the last few years, was finally concluded. With the new act on the so-called erased persons, the government allowed these individuals to apply for a permit for permanent residence in Slovenia, with a supplementary decision that their stay in Slovenia would be retroactively legalized. Also, debate continued over the controversial Family Law bill, which proposes the right of same-sex couples to adopt, which was still in parliamentary committee at year's end.

There were several successful civil society public actions that received especially wide media attention in 2010. First, "Ecologists Without Borders" organized an action called "Clean Slovenia in one day." According to estimates, the campaign drew about 200,000 (or 10 percent of Slovenians). Second, the group EKO KROG achieved some success in negotiating with the government on the heavy pollution caused by the cement factory LaFarge in Trbovlje. Lastly, the group "Society For the Rule of Law," led by economist Rado Pezdir, implemented several highly successful actions, including forcing banks to return several million euros to clients unjustly charged for ATM withdrawals in a cartel-like scheme.

Independent Media

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
1.75	1.75	1.75	1.50	1.75	2.00	2.25	2.25	2.25	2.25

In Slovenia, media ownership and the role of the state in the media sector have a direct impact on media freedom and journalist autonomy. The privatization model established in the early 1990s enabled the state to keep significant ownership in privatized companies through state-controlled funds. In the period 2005–07 there were controversial changes to media regulations and takeovers of several daily newspapers, the public service radio and television, as well as the press agency. In those outlets, the governing bodies, managers, editors, and reporters have in many cases been replaced by professionals loyal to the political parties in power.

In 2010, after the local election results were declared, Jure Janković, son of incumbent Ljubljana mayor Zoran Janković, issued a death threat against the *Finance* newspaper journalist Jaka Elikan.[7] Jure Janković later apologized, but the incident underscored continual accusations alleging that companies owned by the mayor's two sons buy cheap agricultural land that the Ljubljana Municipal Council then converts into construction plots. Journalists, including Elikan, have investigated the issue, and more accusations were reported on the day election results were announced. The president of the Association of Journalists and Commentators,

Igor Kršinar, and the president of the Association of Journalists of Slovenia, Grega Repovž, condemned the threat on Elikan as representing a serious threat to press freedom. Mayor Janković also condemned his son's act, but at the same time sent a warning to investigative journalists. Just days later a second threat was made against an RTVSLO journalist who reported on alleged irregularities in the refurbishing of a house owned by Simona Dimic, then-chief of the Prime Minister's cabinet. Although the threat was indirect (an unknown person suggested "it would be better if she would do something else"), the journalist felt the incident was serious enough to report to the police.

Political pressure on the public broadcaster is a permanent practice in Slovenia, which strengthened in 2005 when the center-right government passed a new Law on Radio-Television Slovenia introducing a new formula for the composition of the supervisory council. Enhancing political and government influence, the new law entitles MPs to appoint the majority of council members, while in the past civil society organizations played a larger role in the council appointment process. After a year of preparation, on October 20, 2010, the National Assembly adopted a subsequent new Act on Radio-Television Slovenia, but days later 32 deputies requested a legislative referendum on the act, which critics opposed because it would change Radio-Television Slovenia (RTVSLO) from a state to a public broadcaster, decouple RTVSLO employee pay from government worker pay, and require programming for minorities from the other former Yugoslav republics The referendum was held on December 12, 2010, with the participation of only 14.8 percent of voters. Of these, 72.3 percent voted decisively against the act, while only 27.7 percent voted in favor of the government proposal.

One particularly disturbing development in 2010 was the exorbitant libel damages sought by former Prime Minister Janez Janša from a Finnish journalist and others who reported on a corruption story concerning Janša and his party in 2008. The former prime minister sought €1.5 million in damages for bribery allegations. However, in August 2010, charges were filed against Janša in the case.

Local Democratic Governance

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
n/a	n/a	n/a	1.50	1.50	1.50	1.50	1.50	1.50	1.50

The basic unit of local self-governance in Slovenia is the municipality. In accordance with legislation, the territory of a municipality comprises one or several settlements bound together by the common needs and interests of residents; local affairs may be regulated by the municipality autonomously. With the prior consent of the municipality or wider self-governing local community, the state may by law vest specific state duties in the municipality if the state provides financial resources and oversight for this purpose. In principle, a municipality is financed from its own resources, but in the case of insufficient economic development it is assured additional funding by the state in accordance with principles and criteria provided

by law. Over the last two decades inter-municipal cooperation in Slovenia has been largely unsuccessful. The Slovenian constitution offered a "bottom up" approach to regionalization, but this led to the fragmentation of the country's subnational level. In 1994, the Law on New Municipalities established 147 new municipal units, but in the following years a majority of these separated into smaller units so that, to date, the number of municipalities in Slovenia has grown to 210 (in a country with a total population of only 2 million). As a result, a vast majority are very small, have limited financial and political power, and are inadequately staffed.

Slovenia has no historical tradition of regional government and the country's political-administrative regionalization process required changes to the constitution of 1991, which finally occurred in mid-2006. However, the constitutional changes manage the issue of regions only in principle, while the procedures for setting up regions, their size, number, responsibilities, financing, and other related issues will need to be arranged under a special law on provinces. In 2007 the government proposed an act establishing 14 provinces, but the National Assembly rejected the proposal in 2008 and 2009, and in 2010 the debate on establishing provinces was largely put on the back burner.

At the beginning of November 2010, the government proposed a new act on the promotion of balanced regional development, which would provide an expanded set of instruments of regional policy in areas with development problems. The Government Office for Local Self-Government and Regional Policy of Slovenia also started a so-called Territorial Review process with the Organization for Economic Cooperation and Development (OECD). It is expected that the OECD review will be discussed in the OECD Territorial Development Policy Committee in June 2011.

During 2010, Ljubljana mayor Zoran Janković was embroiled in a number of controversial debates. Some argued that during Janković's mandate, the Slovenian capital had finally started to develop properly, while others talked about the "Berlusconization" of Ljubljana and the high local-budget debt. Despite all his critics, the incumbent Janković won a convincing new mandate in the 2010 local elections. During the year, the most controversial issue was the construction of the Stožice sports park, with a new football stadium, basketball hall, and shopping center. Due to the financial crisis many questioned the appropriateness of such a huge project, and the conclusion of the project was indeed threatened. Consequently, the Ministry of Education and Sport announced a July tender for co-financing sports infrastructure of "strategic" importance. According to opposition opinion, the tender was prepared explicitly for the Stožice project to help the mayor implement his own interests, and that the tender was a coalition "repayment" to the mayor, who publicly supported the so-called left-trio (Social Democrats, Liberal Democracy of Slovenia and Zares) before the 2008 national parliamentary elections. Opposition parties even raised an interpellation against Minister of Education and Sport Igor Lukšič, but unsuccessfully.

In 2010 the Act on Integrity in the Public Sector was adopted. One of the bill's original provisions sought to introduce the principle of incompatibility of two

functions (for example, being a deputy and a mayor at the same time). Though this has been a longstanding debate in Slovenia, the strong mayoral lobby in the National Assembly once again removed the stipulation into the final draft. About one-third of Assembly deputies are also mayors..

Judicial Framework and Independence

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
1.75	1.75	1.75	1.50	1.50	1.50	1.50	1.75	1.75	1.75

Slovenia's judicial branch of government consists of the Supreme Court and Constitutional Court. Judges are independent and are not allowed to participate in political party organs (though they may be members formally). They are elected by the National Assembly after being nominated by the eleven-member Judicial Council. The National Assembly elects five members to the Council on proposal of the president from among law professors and attorneys; the remaining six are judges chosen by their peers holding permanent judicial office. The members of the Council select a president from among their own number. The Constitutional Court is composed of nine judges nominated by the president and elected by the National Assembly; these nine judges elect the president of the Constitutional Court from their own number for a term of three years. Despite reform efforts, the judicial system remains overburdened with long trial delays.

In 2010, the opposition threatened interpellation of Minister of Justice Ales Zalar on a number of issues: the highly controversial nomination of Branko Masleša as new President of the Supreme Court, mandatory instructions for the use of the State Prosecutor's order, the amended act on the Public Prosecutor's Office that suggests abolishing the special group of prosecutors for organized crime, and announced amendments to the criminal code. There were complaints about the appropriateness of the nomination of Masleša, who in the past had allegedly made enthusiastic comments about the shooting of a deserter on the Yugoslav-Italian border as well as spoke out harshly against Slovenian independence. The opposition also doubted his professional references. Nonetheless, Masleša was elected President of the Supreme Court in the second half of November.

On the basis of journalistic reports, a public question was raised as to whether Supreme State Prosecutor Barbara Brezigar had ordered internal control over the work of State Prosecutor Branka Zobec Hrastar, who has been directing the pre-trial proceedings in the controversial case of the Finnish company Patria. The Supreme Public Prosecutor's Office replied that Brezigar had not ordered the internal control, and that any assignment of oversight of a public prosecutor is an internal matter of the Public Prosecutor's Office and not the media, with the Attorney General ordering controls in accordance with law and as necessary.

In the beginning of November 2010, Prime Minister Borut Pahor and Minister Zalar visited the Supreme Public Prosecutor to discuss improving the prosecution of organized crime related to the new law on Public Prosecutor's Office, and they

agreed to establish a new, 12th District Prosecutor's Office for this purpose. They also discussed where to install the Public Prosecutor's Office and whether it should be closer to the executive power, an independent judicial body, or closer to the judicial branch of government, agreeing finally that the Public Prosecutor's Office should be an independent judicial authority. Taking into account past allegations of political pressure on prosecutors, and the constant disputes between the Minister of Justice and the Supreme State Prosecutor, this meeting represented a positive trend in the future position and work of the Public Prosecutor's Office.

Corruption

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
2.00	2.00	2.00	2.00	2.25	2.25	2.25	2.50	2.50	2.50

Slovenia adopted the Law on Prevention of Corruption in 2003, and then in 2004 adopted the country's first anti-corruption strategy with 172 measures to eliminate the conditions for corruption in Slovenia. These measures were prescribed for the areas of politics, state administration, investigative, prosecuting and judicial bodies, business, nongovernmental organizations, the media, and the general public. In October 2004, the five-member Commission for the Prevention of Corruption began operations, and although it struggles with various problems, including threats of abolishment, the commission appears to be an effective enforcer of the Law on Prevention of Corruption as well as a confident watchdog of public employees. The tasks of the three-member commission are mostly preventive, ensuring that officials do not abuse their public office for private business gain.

In September 2010, the commission met for its second term. By law, members cannot be reappointed. Goran Klemenčič, former secretary in the Ministry of the Interior, replaced Drago Kos, who had been head of the commission since its establishment. President of the Republic Danilo Türk nominated as deputies the economist Jože Končan and journalist Rok Praprotnik. However, Končan withdrew his nomination, citing concerns about the possible politicization of the office, and was replaced in December by nominee Liljana Selinšek, an attorney and former adviser in the Office of the Information Commissioner. At year's end, the commission still had only two confirmed members.

The biggest corruption story in Slovenia in 2010 was the continued Patria affair and its unproven claims that the Finnish company bribed Slovenian officials to help finalize the purchase of armored personnel carriers for the Slovenian army. This political controversy reached a peak just three weeks before the 2008 national parliamentary elections, when the Finnish national television YLE published an investigation implicating the corruption of several Slovenian civil servants, including then prime minister Janez Janša. YLE, in a broadcast entitled "The Truth about Patria," reported that the company had paid EUR 21 million (US$29 million) in bribes to civil servants in Slovenia's Ministry of Defense as well as politicians, including a figure identified simply as "J." In August, an indictment was filed against

five persons, including Janša, still the president of the Slovenian Democratic Party. According to the Slovenian weekly *Mladina* the Supreme Public Prosecutor's Office accused Janša of attempting to receive gifts, while others involved were accused of accepting gifts, giving gifts for illegal mediation, and providing assistance.

Other cases in 2010 involving corruptive acts were directly or indirectly linked to the construction sector. In October, the first hearing was held in the case of the so-called Clean Paddle affair, involving directors of Slovenian construction companies and an air-traffic controller who conspired to take advantage of the construction of a new tower at the Ljubljana airport. Second, the bankruptcy case of the construction company Vegrad also uncovered many irregularities and foul dealings by the company's leadership. The greatest amount of public interest surrounded the illegal building or renovating of houses and apartments, and according to some sources, more than one hundred apartments were suspiciously obtained by leaders in Vegrad as well as high ranking police officials, public figures, and directors of the largest Slovenian enterprises.

One high-profile case involved Simona Dimić, former head of the Prime Minister's cabinet, and irregularities in the refurbishing of her house. In an interview Dimić explicitly stated that Vegrad did not renovate her house, while only a few days later she was flatly contradicted by Vegrad director Hilda Tovšak. After additional irregularities were publicized, Dimić resigned from the cabinet. Also in 2010, a deputy of the National Assembly was for the first time in Slovenian history sentenced to imprisonment for corruption and other crimes. And at the beginning of November investigators detained the District Attorney, who is suspected of taking a bribe. All these cases indicated a significantly higher perception of corruption in Slovenia, especially during the past year.

At the end of May 2010, the Act on Integrity in the Public Sector was adopted to stimulate fair and transparent behavior among civil servants and good practices in decision-making processes. The law confers the central role in implementing these goals on the Commission for the Prevention of Corruption, including the normative regulation of lobbying. This is the first time that lobbying is to be regulated in Slovenia, after a first attempt to adopt the Act on Lobbying in the mid-1990s was unsuccessful.

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1 See Andraž Teršek, "Referendum kot okno politične realnosti" [Referendum as a Window of Political Reality], *Delo.si*, 12 July 2008, p. 5; and Andraž Teršek, "O zlorabi referenduma, s primerom 'votlosti' referendumskega odločanja" [On Abuse of Referendum with a Case of Hollowness of Referendum Decision-Making], *Revus-European Constitutionality Review* No. 4 (2005), 75–82, http://www.scribd.com/full/26480773?access_key=key-1ubtvradsxpecm8b1kne (in Slovenian).

2 "Gospodarska rast počasnejša kot v evro območju" [Economic growth slower than in Euro area], *Aktiv.si*, 3 November 2010, http://www.aktiv.si/novice/20101103/Gospodarska_rast_pocasnejsa_kot_v_evro_obmocju/ (in Slovenian).

3 "Avgusta v Sloveniji 10,6-odstotna brezposelnost" [August in Slovenia: 10.6 percent unemployment], *Delo.si*, 18 October 2010, http://www.delo.si/clanek/125671 (in Slovenian).

4 See "Tlakovanje poti v ustavno krizo?" [Paving the way to constitutional crisis?], *Dnevnik.si*, 24 December 2010, http://dnevnik.si/objektiv/komentarji_in_mnenja/1042412493 (in Slovenian).

5 See National Electoral Commission, http://www.dvk.gov.si/ (in Slovenian).

6 Andraž Teršek, "Plačujemo za zlorabo demokracije! Drago!" [We are paying for the misuse of democracy! Dearly!], *Mladina.si*, December 2010, http://www.mladina.si/tednik/201050/placujemo_za_zlorabo_demokracije__drago (in Slovenian).

7 IFEX, "Journalist reports alleged death threat from mayor's son," IFEX Alert, 15 October 2010, http://www.ifex.org/slovenia/2010/10/15/jaka_elikan_threat/.

Tajikistan

by Payam Foroughi

Capital:	Dushanbe
Population:	6.9 million
GNI/capita, PPP:	US$1,950

Source: The data above was provided by The World Bank, *World Development Indicators 2011*.

Nations in Transit Ratings and Averaged Scores

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Electoral Process	5.25	5.25	5.75	6.00	6.25	6.50	6.50	6.50	6.50	**6.50**
Civil Society	5.00	5.00	5.00	4.75	5.00	5.00	5.50	5.75	6.00	**6.00**
Independent Media	5.75	5.75	5.75	6.00	6.25	6.25	6.00	6.00	5.75	**5.75**
Governance*	6.00	6.00	5.75	n/a	n/a	n/a	n/a	n/a	n/a	**n/a**
National Democratic Governance	n/a	n/a	n/a	6.00	6.25	6.25	6.25	6.25	6.25	**6.25**
Local Democratic Governance	n/a	n/a	n/a	5.75	5.75	5.75	6.00	6.00	6.00	**6.00**
Judicial Framework and Independence	5.75	5.75	5.75	5.75	5.75	5.75	6.00	6.25	6.25	**6.25**
Corruption	6.00	6.00	6.25	6.25	6.25	6.25	6.25	6.25	6.25	**6.25**
Democracy Score	**5.63**	**5.63**	**5.71**	**5.79**	**5.93**	**5.96**	**6.07**	**6.14**	**6.14**	**6.14**

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

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

Executive Summary

Tajikistan in 2010 remained the poorest and perhaps the most obscure nation among the postcommunist states of Eastern Europe and the former Soviet Union. Major powers, some of which are normally eager to promote democratic norms, continued to regard Tajikistan, with its harsh terrain and difficult-to-tap resources, in mainly geostrategic terms—as an entity that could offer "unfettered over flight and transit"[1] to Western forces bound for Afghanistan and serve as a "buffer state"[2] against extremism, terrorism, and drug trafficking. During the year, there were no serious calls for reform of Tajikistan's political environment, and the government used a critical but diplomatically worded monitoring report by the Organization for Security and Cooperation in Europe (OSCE) as propaganda to legitimize the results of the largely flawed February parliamentary elections. Though the real opposition parties likely received far more votes than reported, President Emomali Rahmon and his People's Democratic Party also continued to enjoy public support. The population, which primarily subsists on remittances sent by around one million Tajik migrants working mostly in Russia, favors stability over unpredictable change, and economic gains over political pluralism. However, factors including increasing income disparity (now likely the widest since Tajikistan's creation as a Soviet republic), high unemployment, ubiquitous corruption, the brutality of the security apparatus, and an unjust judiciary appear to have attracted growing numbers of people to Islamist ideology of both the benign and malign varieties, which the authorities consider threats to the stability of the secular state.

National Democratic Governance. The country experienced serious violence and ongoing democratic stagnation in 2010. The year featured the escape of 25 convicts from the country's most secute prison, followed by the first-ever suicide bombing in Tajikistan—which resulted in three deaths in the northern town of Khujand—and clashes in the east between rebels and government forces that inflicted heavy casualties on both poor conscripts and elite commandos. The government coerced the public into buying US$185 million in shares of Roghun, the country's largest hydroelectric power project, which is expected to be completed after one or more foreign investors are found, despite neighboring Uzbekistan's worries over the project's possible environmental and economic side effects. Also during the year, exploration for oil and gas increased, with Russia's Gazprom commencing drilling in a field near Dushanbe that could yield 60 billion cubic meters of natural gas. Though the country's gross domestic product (GDP) rose by an average of 6.3 percent during 2006–2010, the key stimulus is thought to have been remittances sent by Tajik migrants working abroad, while at least half of Tajikistan's population lived in poverty. The president warned of the dangers of Islamic extremism during

the year and asked for the return of thousands of students studying in Islamic schools abroad. In May, an imprisoned political opponent of President Rahmon, Abdujalil Homidov, died in jail of unknown causes. *Given the continued dominance of the executive over all government branches, a resurgence of political violence, and the state's heavy-handed dealings with real and perceived Islamist extremists, Tajikistan's rating for national democratic governance remains at 6.25.*

Electoral Process. "The people who cast the votes decide nothing. The people who count the votes decide everything."[3] This mockery of democracy, attributed to Soviet leader Joseph Stalin in 1923, was applicable to Tajikistan in 2010. Despite a "guarantee" by President Rahmon that the February 28 parliamentary elections would be transparent and fair, the results suggested the opposite. According to OSCE monitors, the elections "failed to meet many key OSCE commitments [and] other international standards for democratic elections." The serious irregularities reported included large-scale proxy voting and suspected ballot stuffing, and some candidates faced intimidation during the campaign period. *Given the deliberate efforts to stall electoral reform, staff the majority of election commissions with progovernment members, tolerate proxy voting, and set up artificial barriers to campaigning by opposition parties, the rating for electoral process remains unchanged at 6.50.*

Civil Society. Though over 2,000 nongovernmental organizations (NGOs) are thought to be registered with Tajikistan's Justice Ministry, it is likely that no more than 10 to 15 percent of them are active. Inordinate amounts of aid (relative to the small number of capable NGOs), insufficient monitoring and expectations by donors, and the government's occasional threats to activists addressing critical matters have encouraged civil society's lethargy and self-censorship. However, in a show of unity in November 2010, a coalition of 14 domestic NGOs and three international human rights groups sent an open letter to President Rahmon, urging him to work toward abolition of the death penalty. Though a slight improvement in the relationship between central government officials and civil society was detected, the freedoms of conscience and assembly remained problematic areas. The government continued to arrest members of the banned though nonviolent Islamist organizations Salafiya, Hizb ut-Tahrir, and Jamoati Tabligh, sentencing most to long prison terms or large fines. *Given the insufficient activity of civil society; occasional government-imposed barriers and threats; and the continued arrest, mass trials, and imprisonment of members of mostly nonviolent Islamic groups, Tajikistan's rating for civil society remains unchanged at 6.00.*

Independent Media. Despite progress on some fronts, conditions for independent media underwent an overall decline in 2010. Positive developments included the establishment of the first daily newspaper of post-Soviet Tajikistan, a surge in coverage of often sensitive topics, and the rallying of journalists in favor of freedom of expression. However, the year featured a number of court cases involving accusations of libel, the temporary shutdown of several newspapers, the blocking

of access to certain websites, bans on several films, and the arrest and detention on libel charges of at least one journalist. The defense minister, Sherali Khairulloev, accused Tajikistan's nonstate media of "complicity with terrorists" for their often critical and opinionated coverage of the year's violence in Rasht Valley, while the president labeled some journalists' reporting as "bellicose" and warned them not to count on the "support of their foreign protectors." *Tajikistan's media environment is fairly pluralistic and free compared with some neighboring states, but in light of the authorities' threats against journalists, the repeated invocation of criminal libel laws, and the detention and due process violations faced by a journalist in Sughd, the rating for independent media remains unchanged at 5.75.*

Local Democratic Governance. On paper, each of Tajikistan's four provinces and 56 districts elects its own legislature, whose members in turn vote on the presidential appointees for governor or mayor. However, these local legislatures are mere rubber-stamp entities fulfilling the commands of the central government. Lack of democracy, unemployment, poverty, limitations on farmers' choice of crops to grow, and a dearth of quality educational institutions are among the key problems facing local communities. Conditions are especially difficult for those growing the country's "strategic" crop of cotton, which has contributed to poverty, environmental degradation, and a near-feudal system of governance. Most households rely on remittances from relatives working abroad as their mainstay, with an estimated US$2.2 billion received in 2010. *Given the continued undemocratic state of affairs at the local government level, insufficient provision of basic services, rights violations including arbitrary confiscation of property, and forcible cultivation of cotton, Tajikistan's rating for local democratic governance remains unchanged at 6.00.*

Judicial Framework and Independence. Money and influence can determine one's guilt or innocence in Tajikistan's courts, and the tacit rule in most cases places the burden of proof on the accused rather than the prosecution. Human rights violations appeared to have increased in 2010. The cases of Nematillo Botoqoziev and Ilhom Ismanov, who allegedly suffered torture and due process violations at the hands of the authorities, received substantial international attention and indicated the government's indifference toward criticism of its human rights practices. At the same time, the government had a well-founded confidence that key security donors (Russia, the United States, the European Union, and the OSCE) would be unfazed by its continuing abuse of its own population given the ongoing war in Afghanistan and these external powers' de facto prioritization of security matters over human rights. During 2010, the authorities continued to deny third-party monitors—chiefly the International Committee of the Red Cross—access to prisons, and declined to ratify the Optional Protocol to the UN Convention against Torture and other Cruel and Inhuman or Degrading Treatment or Punishment. *Given the deteriorating state of the justice system with respect to violations of human rights, including the use of torture; increasing arbitrary arrests, prosecutions, and imprisonment; the closed penitentiary system; the lack of political will to implement*

genuine reform; and rejection of domestic and international criticism, Tajikistan's rating for judicial framework and independence remains at 6.25.

Corruption. Within the bureaucracy and wider society, as in the court system, who one knows and how much one is willing to pay generally determine how quickly a problem is solved. Cronyism and patronage remain important features of the country, and corruption is a serious societal problem. Among the most troubled sectors are the cotton and aluminum industries, which together constituted nearly US$1 billion or 80 percent of all exports in 2010. The International Monetary Fund asked for an audit of Talco Management, a firm linked to the Tajik Aluminium Company (Talco) that is registered in the British Virgin Islands along with another murky Talco-related company, CDH. Meanwhile, the State Financial Control and Anticorruption Agency and the prosecutor general's office made some apparent efforts to combat graft during the year, but the depth and authenticity of these initiatives remains inconclusive. *The rating for corruption remains at 6.25.*

Outlook for 2011. The brewing instability that led government forces and armed militants to clash in the latter half of 2010 may continue and intensify in 2011, with the government's heavy-handed policies on arrest, prosecution, and imprisonment of suspected Islamists potentially becoming counterproductive and exacerbating extremism. At the same time, the possible discovery of significant natural gas resources may generate state revenue and foster internal security. Externally, given the ongoing global economic recovery, the one million economic migrants working mostly in Russia will send over US$2.5 billion in remittances to their families in Tajikistan and continue to serve as a key source of sustenance for millions. In the south, speculation on an eventual pullout of U.S.-led NATO troops from Afghanistan could lead to increased clashes and the entry into Tajikistan of militant groups involved in the Afghan conflict, including members of the Islamic Movement of Uzbekistan. If the Tajik government, Russia, Western powers, and international organizations continue to prioritize perceived security interests while neglecting basic human rights and democracy, they will only slightly prolong a short-lived and artificial stability.

Main Report

National Democratic Governance

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
n/a	n/a	n/a	6.00	6.25	6.25	6.25	6.25	6.25	6.25

Tajikistan experienced democratic stagnation and breakdowns in security in 2010. The year's series of violent events included a bold prison break in August, in which 25 convicts who had been sentenced to long prison terms for a number of antistate offenses killed five guards, gained access to firearms, and escaped from the most secure penitentiary in the country. Tajikistan suffered its first-ever suicide bombing in September when an explosives-laden car detonated at the headquarters of Sughd province's organized crime police, killing three people and injuring some two dozen others. Soon thereafter, deadly clashes commenced in the east, resulting in the death of a number of rebels; many government troops, including as many as 26 mostly young and poor conscripts in an ambush of their truck; and an estimated 30 special police personnel through the downing of their helicopter. Meanwhile, there was no progress on the political front. The results of the flawed February parliamentary elections were a foregone conclusion, and some critics argued that millions of dollars in Western taxpayer funds were wasted on election monitors tasked with observing a mockery of democracy.

President Emomali Rahmon, who has been in power since 1992, is by law and practice in near total control of all three branches of government. He is empowered to appoint key judges, the military prosecutor, the prosecutor general, the governors of the country's 56 districts, and the mayor of the capital, and the rubber-stamp parliament approves all legislation submitted by his officials. President Rahmon's authoritarian governance is characterized by a cult of personality and patron-client relations.[4] However, the majority of Tajikistan's public is apparently satisfied with the existing political system. In a preelection public opinion survey conducted by the International Foundation for Electoral Systems (IFES), 83 percent of respondents agreed that "Tajikistan is a democracy"—a figure that, if reliable, has risen significantly compared with similar surveys in 2004 (74 percent) and 1996 (39 percent).[5]

In 2010, President Rahmon repeatedly emphasized his government's goals of "energy security, breaking the [interstate transportation] deadlock and ensuring food security."[6] To fund the Roghun hydroelectric power plant, which the authorities hope will eventually alleviate the country's energy deficit and earn the state huge revenues from electricity exports, the government urged the population to purchase shares in the project in 2009. The encouragement of voluntary purchases soon turned into coercion. Everyone from students, who were forced to purchase shares prior to taking their final exams, to teachers, factory workers, and doctors, who saw a deduction in their monthly paychecks, were drawn into the effort, with most complying reluctantly.

By the end of 2010, share sales had reached the equivalent of US$185 million, around 5 percent of the estimated capital required to finish the project.

If eventually completed with the help of international investors, Roghun would be the highest-elevation dam in the world, with a potential annual electricity output of 3.6 gigawatts, making Tajikistan the world's largest per capita electricity producer. However, the project is currently facing both political and economic obstacles. Uzbekistan, which claims that Roghun will be an environmental threat, is in reality concerned that the dam will deprive it of readily available irrigation water for its cotton industry. To disrupt or slow down Roghun's construction during 2010, Uzbekistan blocked critical railway shipments passing through its territory toward Tajikistan.

During 2010, a number of foreign engineering and investment firms were engaged in exploration for oil and natural gas in the country, and Russia's state-owned natural gas company, Gazprom, claimed to have tapped into a field south of Dushanbe that contains up to 60 billion cubic meters of gas.[7] Still, although economic growth from 2006 through 2010 averaged 6.3 percent per year,[8] Tajikistan remains the poorest state in the former Soviet bloc on a per capita income basis. The poverty rate has reportedly fallen in recent years, with 50 percent of the population living below the World Bank–designated poverty threshold at the end of 2009, compared with 73 percent in 2003.[9] While the government would like to take credit for this drop, it appears that remittances from Tajiks working abroad have been the main cause. The transfers amounted to an estimated 35 and 40 percent of Tajikistan's gross domestic product (GDP) in 2009 and 2010, respectively, "a higher share than in any other country in the world."[10] Meanwhile, the government has continued to devote undue attention and resources to symbolic nationalistic projects. In November, the authorities announced plans to install a 165-meter flagpole to surpass the world's tallest, in Azerbaijan, by three meters.[11] In 2009, Tajikistan had supposedly already made history by unfolding what was then the world's longest national flag, measured at 1.5 kilometers.

According to the preelection IFES survey, 64 percent of Tajiks favor a secular state, 25 percent approve of adopting some Islamic laws, and 7 percent desire an Islamic government. In several of his speeches in 2010, President Rahmon warned of the dangers of Islamic extremism and said there were fundamentalist clerics who could threaten the country's peace. In August, he cautioned parents with children studying in *madrassas* (Islamic schools) abroad that their "children will become extremists and terrorists" and asked that they return.[12] By year's end, over 1,000 students had complied. The government's campaign, along with controls imposed on Tajikistan's Islamic institutions, could indeed curb extremism if implemented wisely. But there are concerns that the state's more repressive methods—such as the often arbitrary arrest, abuse, and imprisonment of supposed extremists—could be self-defeating and have the effect of spreading extremism instead.

In May, Abdujalil Homidov, a 65-year-old political opponent of President Rahmon and a former governor of Sughd province, died in a Dushanbe prison from unknown causes. He was serving a 16-year term for convictions on a number of charges, including treason and sabotage.[13] Homidov, who was once an ally of

President Rahmon's and one of the architects of the 1992 emergency parliamentary session that brought him to power, was arrested in 2001 while visiting Tajikistan to attend his sister's funeral. He was later tried and convicted by the Supreme Court in a closed session. Homidov is the third prominent opposition figure to die in prison in recent years. A former deputy leader of the Islamic Renaissance Party (IRP), Shamsiddin Shamsiddinov, died in 2008, and the former deputy leader of the unregistered Taraqqiyot (Progress) Party, Rustam Faiziyev, died in 2009.

Electoral Process

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
5.25	5.25	5.75	6.00	6.25	6.50	6.50	6.50	6.50	6.50

Despite a "guarantee" by President Rahmon that the February 28, 2010, parliamentary elections would be transparent and fair, observers from the Organization for Security and Cooperation in Europe (OSCE) found that the balloting "failed to meet many key OSCE commitments [and] other international standards for democratic elections." Irregularities included widespread proxy voting, suspected ballot stuffing, and sporadic intimidation of candidates. One observer described the elections as "a badly staged drama."[14] The joint OSCE and European Parliament observation mission, having sent 279 experts and election monitors to Tajikistan at an estimated cost of US$2 million to US$3 million, observed the activities of 720 (out of over 3,000) polling stations and 35 (out of 41) District Election Commissions.

Campaigning for the elections was hardly visible, especially given the concurrent state campaign to sell shares in the Roghun hydroelectric project. Ballot counting was assessed positively in less than half of the polling stations, and the neutrality of provincial and local election commissions was violated, as many were monopolized by members of the ruling People's Democratic Party (PDP). On the positive side, voting was peaceful, voters had political alternatives, candidates had some free access to the media, and the Central Commission for Elections and Referenda (CCER), a body appointed by the president, had a "more inclusive" makeup, with members from all recognized political parties save the Social Democratic Party (SDP). Observers from the Commonwealth of Independent States and the Shanghai Cooperation Organization, which typically put a seal of approval on all member-state elections, positively assessed the voting.

The February elections were held primarily to determine the composition of the 63-member lower house of parliament, an entity with "limited competencies in practice" that tends "not to vigorously exercise the powers granted to it by the constitution," according to the OSCE.[15] Voters also selected representatives on the district and *jamoat* (equivalent to municipality) levels. The membership of the 33-seat upper house of parliament was also determined at this time, though not through direct vote but by de jure and de facto presidential appointments. According to the CCER, over 85 percent of eligible voters participated in the elections. Parties

receiving votes above the 5 percent threshold on the national level were the PDP (70.6 percent), the IRP (8.2 percent), the Communist Party (7.0 percent), the Agrarian Party (AP, 5.1 percent), and the Party for Economic Reform (PER, 5.0). Notably, the AP and PER are openly progovernment and are generally thought to have been included in the parliament to simulate political pluralism. Two seats each in the lower house were allocated to the IRP, the Communists, the AP, and the PER, with the remainder going to the PDP.

Opposition parties rejected the official results. IRP leader Muhiddin Kabiri claimed that his party, which supposedly has 40,000 members, had in reality won 30 percent of the votes. Communist leader Shodi Shabdalov labeled the elections "a parody,"[16] and SDP leader Rahmatillo Zoirov, whose party reportedly received less than 1 percent of the tally and was thus left out of the parliament, called the elections "unfair and undemocratic." He claimed that the SDP had in reality garnered 12 percent and accused the PDP of "expropriation of governance" that violated Articles 5 and 6 of the constitution.[17]

In a speech to the newly elected parliament, President Rahmon called the February elections "transparent and democratic."[18] And the preelection IFES survey indicated that despite social and economic problems, over three-quarters of the public were satisfied with the electoral system. Economic issues were foremost in the public's mind, with the top two concerns identified as the provision of electricity and natural gas (78 percent) and employment (74 percent).

The elections were governed by problematic electoral laws that had not been amended in any significant way since 2004. The government had at its disposal—but failed to implement—electoral reform blueprints based on the OSCE's 2005 and 2006 observations, in addition to 2008 recommendations by political parties and 2009 recommendations by a coalition of 14 nongovernmental organizations (NGOs). In its 2010 election observation report, the OSCE made a number of recommendations to the authorities. Among others, it advised the government to review and amend the election law prior to the 2013 presidential election; repeal Article 33 of the law, which bans criminal suspects from standing for office; ensure pluralist commissions at all levels; open election commission sessions to observers and media; lower the amount of the electoral deposit required of candidates; amend Article 55 to allow for publication of results by polling station and allow observers to receive certified copies of protocols; establish a centralized, computerized voter registration list; train law enforcement officials on campaign rights and noninterference; and consistently address election complaints.

Civil Society

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
5.00	5.00	5.00	4.75	5.00	5.00	5.50	5.75	6.00	6.00

The *masjid* (mosque), *choikhona* (teahouse), and *bazaar* (market) have historically been places for community discussions in Central Asia, and cooperation, referred

to as *hashar* (assembling), is a societal norm that was also put to use by Soviet-era authorities. Civil society entities both negatively and positively affected developments in post-Soviet Tajikistan. Ethno-nationalistic and politico-Islamic fervor were roused during the late Soviet and early postcommunist eras, and such sentiments fueled the 1992–97 civil war. However, by signing the 1996 Public Accord Agreement, a coalition of NGOs along with political parties encouraged the government and the opposition to pursue the 1997 Moscow peace accord that ended the conflict.

Competent and active NGOs are rare in Tajikistan. Most are lethargic, largely due to the inordinate amount of foreign aid (compared with the small number of capable NGOs) and insufficient monitoring and expectations by international donors. The government's occasional threats to activists have also encouraged civil society's self-censorship and lack of sustained focus on sensitive topics such as democracy-building and access to justice. Though loosely held together and normally willing to cooperate only for financial gain, a coalition of 14 NGOs, along with Amnesty International, Penal Reform International, and World Coalition Against the Death Penalty, asked President Rahmon in November to seek the abolition of the death penalty. The 2007 Law on Public Associations did not dampen civil society activity, and the cooperation of the central government with key NGOs has even strengthened. Still, many local government officials view formal civil society groups as their rivals, or even enemies. In June 2010, for example, the head of the NGO Paralax was allegedly insulted and beaten by the chief of police in Kulob for supposedly expressing his concerns about the potential looting of abandoned homes.[19]

Other shortcomings affect the freedoms of conscience and assembly. The 2009 Religion Law obliged all religious organizations to register with the Culture Ministry by January 2010, imposed restrictions on number of mosques by region, instituted state appointment of Muslim imams, authorized censorship of religious literature, and required state permission for invitation of foreigners or travel abroad for religious reasons. Experts consider mandatory registration of associations to be a breach of international human rights laws, and the cumbersome bureaucratic procedure and groups' likely unwillingness to pay bribes for registration has led to the arbitrary banning of some Muslim and non-Muslim (mostly evangelical Christian missionary) religious groups. In October, a suspicious fire destroyed the IRP's cultural center, which had served as a de facto mosque for Friday prayers. An IRP official speculated on a link with a raid by the Religious Affairs Committee the day before, during which the party was warned that its prayer services in the building were illegal.[20] Another IRP mosque located in the party's headquarters was also ordered shut down in November.

The authorities continued to intermittently arrest, prosecute, and convict suspected Islamists. In January, a district court sentenced Sirojiddin Abdurahimov (also known as Eshoni Sirojiddin), labeled as the leader of the banned Salafiya group, to seven years in prison. Tens of alleged members of Hizb ut-Tahrir (Party of Liberation), a nonviolent but ideologically extreme organization, were tried and

imprisoned. In August, a Hizb ut-Tahrir statement described its detained members as political prisoners who had been "arrested and tortured" solely for their beliefs and ideas. The statement was critical of Tajikistan's executive branch, the media, the Muslim clergy, the judiciary, and human rights organizations, including the UN mission in Tajikistan, for their "silence and indifference."[21] In March, the Supreme Court convicted 56 individuals, the majority of whom were arrested in April 2009, for membership in the banned Jamoati Tabligh (Proselytizing Group) Islamic movement. Most were charged under Article 307 of the criminal code, on forming an extremist group, and received prison sentences of up to six years and fines of up to US$5,700. Another 36 were convicted of the same offense in Khatlon province in May. Olivier Roy, a prominent expert on Islam, has in the past referred to the transnational Jamoati Tabligh movement as "completely apolitical and law abiding,"[22] while a 2010 U.S. embassy cable referred to the group's members as "harmless missionaries."[23]

Independent Media

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
5.75	5.75	5.75	6.00	6.25	6.25	6.00	6.00	5.75	5.75

There were some positive developments for the media in 2010, such as the launch of the first daily newspaper after two decades of independence (*ImuruzNews*), a surge of coverage of often sensitive topics, and rallying by journalists in favor of freedom of expression. But these were outweighed by setbacks, including a number of court cases involving accusations of libel, a temporary shutdown of several print outlets, the blocking of access to popular news websites, and bans on the distribution of a Russian-made comedy and two Tajik documentaries on migration.[24]

In the IFES survey at the end of 2009, 95 percent of respondents said Tajikistan's television programming was their main source of news and information, followed by friends, family, and neighbors (84 percent); Russian television (58 percent); Tajik radio stations (49 percent); newspapers and magazines (38 percent); and Uzbekistan's television (19 percent). Internet users form only around 7 percent of the population, but mobile-telephone users number some 6 million.[25]

Several publications were taken to court during the year: two for alleged violations of Articles 135 or 136 of the criminal law, on libel and defamation, and six in connection with Article 174 of the civil code, on "protection of honor, dignity, and business reputation." The courts' approval of large fines against independent journals threatened some with closure. In January, two Supreme Court judges and a Dushanbe City Court judge took three weekly papers—*Ozodagon*, *Farazh*, and *Asia-Plus*—to court for publishing the opinions of a lawyer who complained of an unfair verdict in a corruption case. The judges asked for US$1.2 million in reparations, promising to donate the sum to the Roghun hydroelectric project. Reporters Without Borders (RSF) described the case as harassment, while the

OSCE's representative on freedom of the media called it "a dangerous attempt at censorship."[26] Also during the year, the leader of the SDP took the government papers *Minbari Khalq* and *Jumhuriyyat* to court, seeking an apology and reparations for their publication of a number of pieces in which they referred to him as a spy for Uzbekistan and accused him of involvement in a murder.[27]

Following the violent events in the eastern Rasht Valley in September, the government, particularly Defense Minister Sherali Khairulloev, had a falling out with the media, openly accusing journalists of inaccurate and biased reporting that was tantamount to "complicity with terrorists" and "committing a grave crime." Similarly, President Rahmon reportedly said that some media were "taking their example from the 1990s and being bellicose," and that "hoping for the support of their foreign protectors will not do them any good."[28] The defense minister initially singled out a commentary in *Farazh* that had demanded his resignation and an apology to the families of conscripts killed in Rasht. By the end of September, in an apparent attempt to implement a policy on "informational security," the government ordered internet service providers to block access to several websites (Avesta.tj, Tojnews.tj, Ferghana.ru, Tjknews.com, and CentrAsia.ru). A number of weekly papers (*Farazh*, *Paykon*, *Nigoh*, and *Istiqlol*) were also forced to temporarily shut down through means including the threat of tax inspections.[29]

In November, reporter Mahmadyusuf Ismoilov was detained at behest of the northern Asht district prosecutor a day after the publication of his article about an alleged corruption case. He was charged with libel, inciting religious and racial hatred, and blackmail. According to RSF, the New York–based Committee to Protect Journalists, and the National Association of Independent Mass-Media in Tajikistan (which assigned a lawyer to Ismoilov), the case was arbitrary and directly linked to Ismoilov's coverage of alleged government corruption.[30] Press freedom advocates continued to call for the decriminalization of libel and defamation.

Local Democratic Governance

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
n/a	n/a	n/a	5.75	5.75	5.75	6.00	6.00	6.00	6.00

Among postcommunist Tajikistan's persistent problems has been the inability of local governments—the country's four provinces (*viloyat*), 56 districts (*nohiya* or *hukumat*), and over 400 smaller units (*jamoat*)—to provide for their inhabitants' basic needs, including sufficient wages, health care, schooling, potable water, electricity, property rights, and access to justice. On paper, each of Tajikistan's provinces and the districts they comprise elects its own legislature, and these in turn vote on the presidential appointees for governor or mayor. Although the local legislatures may veto such appointments, they never do in practice. As one NGO head stated, "province and district parliaments exist as mere formalities and achieve nothing of significance."[31] As unelected officials, local executive leaders are normally not answerable to the population and are preoccupied with maintaining their

positions by satisfying the formal and informal demands of the central government. Cronyism and corruption have led local authorities to take undue advantage of their positions, using the implied protection of the president to harass locals and illegally sell land and natural resources for personal gain.[32]

The privatization and market-based reforms encouraged by international financial institutions since the early 1990s have helped to drive a massive rise in income disparity to what is likely the highest level in Tajikistan's 87-year history as a political entity. Three-quarters of Tajikistan's people live in rural areas, and many are engaged in agriculture. Although cotton is referred to as "white gold" and a "strategic" cash crop, its cultivation in Tajikistan has become a cause of poverty, environmental degradation, and a throwback to pre-Soviet feudalism. In the last decade of communist rule, cotton was generating high yields, and farmers were provided with sufficient salaries as well as free housing, education for their children, and health care. This is no longer the case, as yields per hectare have fallen to 1930s levels, and the benefits of socialism are gone. While the central government touts its donor-orchestrated Freedom to Farm law, in reality farmers' rights are regularly violated. The land deeds of poor collective-farm shareholders are often effectively stolen by the elite, and farmers are under pressure from local administrators who enforce "ambiguous land tenure rights, leading to high insecurity of land," and who dictate the percentage of farms to be dedicated to cotton. Profits from the production and sale of cotton and, to a lesser extent, wheat grown on private collective farms normally bypass the average farmer and reach the pockets of the rich.[33]

For the majority of rural (and many urban) households, the main source of income is no longer farming but occasional wire transfers from relatives, for the most part husbands and sons, working abroad. An estimated one million economic migrants from Tajikistan live and work mostly in Russia. Despite the overall economic benefits, however, migration has also had its downsides. The migrants themselves face demands for bribes by foreign police, as less than 2 percent of Tajik migrants in Russia have their working papers, and the threat of ultranationalist xenophobic groups that harass and occasionally murder members of non-Slavic ethnic groups. Those left behind in Tajikistan endure their own hardships. Many children work in the bazaars and miss school, often filling in for fathers who have divorced their mothers and stopped sending remittances. As means of survival, some children have even turned to theft and prostitution.[34]

Judicial Framework and Independence

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
5.75	5.75	5.75	5.75	5.75	5.75	6.00	6.25	6.25	6.25

Violations of due process and the use of torture to extract real or false confessions are common, while acquittals are virtually unheard of. According to Tajikistan's Supreme Court, of the thousands of appeals in 2010, only two were decided in

favor of the appellant.[35] Two cases that received widespread attention in 2010, those of Nematillo Botoqoziev and Ilhom Ismanov, are telling of the state of justice in Tajikistan. Botoqoziev, an ethnic Uzbek human rights activist who was fleeing Kyrgyzstan, disappeared in Dushanbe on February 26 upon leaving the office of the UN refugee agency. After two weeks, his brother found him detained by the police, in bad health, beaten and tortured, and having difficulty walking.[36] Despite a powerful Urgent Appeal by five UN special rapporteurs and another by Human Rights Watch, Tajikistan's government refused to allow Botoqoziev to meet with his lawyers and eventually deported him. In this process, Tajikistan likely violated a number of international norms, including the 1951 Refugee Convention, the Convention against Torture and Other Cruel and Inhuman or Degrading Treatment or Punishment (CAT), and the Basic Principles on the Role of Lawyers.

In the second case, Ismanov, a dual Tajik-Russian national, went missing on November 3 and was later found to be held by the organized crime department of the police in Sughd. When his wife gained access to him, she noticed that he could not walk properly. He later told a judge that he had been tortured with electric shocks, beaten, and doused with boiling water. According to Amnesty International, Ismanov was held for double the time period allowed by law (72 hours) prior to being arraigned and was never given sufficient opportunity to meet with his lawyer, nor were such meetings private. The authorities dismissed allegations of torture and charged Ismanov with violating Article 187 of the criminal code, which prohibits organizing a criminal group. The Botoqoziev and Ismanov cases represent the modus operandi in Tajikistan and reveal the government's disregard for international obligations and domestic criticism of its human rights practices.

The U.S. lawyer of Omar Abdulayev, the last Tajik citizen held at the U.S. detention facility in Guantanamo Bay, Cuba, warned in 2010 that his client could face torture and long-term imprisonment if returned to Tajikistan, especially since Tajik security agents flown by U.S. authorities to Guantanamo had threatened as much. Two Tajik Guantanamo detainees who were repatriated in 2007, Rukhniddin Sharopov and Muqit Vohidov, were subsequently tried and sentenced to long prison terms. Their trial was marred by gross due process violations, including lack of timely, sufficient, and private access to competent lawyers. It was revealed in 2010 that the two had complained in court of having been tortured into signing their confessions, and some human rights analysts described the two as "victims of human trafficking" who had been duped and deceptively taken to Afghanistan to be sold for bounty to U.S. forces. There is reportedly no evidence that they engaged in violence while in Afghanistan.[37]

Aside from a nine-month period in 2004, Tajikistan has consistently denied access to prisons to independent bodies including the International Committee of the Red Cross (ICRC). The government has also refused to ratify the Optional Protocol to the CAT (OPCAT), which would allow for a joint UN- and government-approved inspection mechanism to prevent torture. There are a number of reasons behind the government's intransigence on the issue of prison access. One is the fact that the state penitentiary system, functioning primarily under the Justice

Ministry, is known for corruption. There have been 13 large-scale prison amnesties since Tajikistan's independence, and according to Fattoh Saidov, head of the State Financial Control and Anticorruption Agency (formed in 2007), nearly all of the prisoners amnestied in September 2009 had to pay bribes.

Ignorance and mistrust are the second reason. Key officials view prison inspections as a violation of their authority and of Tajikistan's sovereignty by nonstate actors and foreigners. The third reason is fear of prosecution for alleged human rights violations. Fourth is embarrassment at the prospect of revealing the abhorrent, disease-infested prisons to outsiders, and at the potential negative reflection on Tajikistan in any resulting UN reports. Fifth is the near-total lack of international pressure to reform the penitentiary system. Indeed, while focusing on improving regional security by combating drug trafficking and extremism, bilateral and multilateral donors such as Russia, the European Union (EU), the United States, and the OSCE have offered no-strings-attached assistance to Tajikistan's police and National Security Committee, the same bodies that consistently violate human rights—including through the use of torture,[39] often via electricity.[40] A sixth obstacle to prison inspections and reform is insufficient public demand and civil society activism, though this appears to be changing given increasingly bold media coverage of government abuses.

Despite initial hopes, the performance of Tajikistan's first human rights ombudsman, Zarif Alizoda, appointed by the president in 2009, has been a disappointment. His office has refused to properly investigate serious human rights cases including allegations of torture, gross violations of due process, and confiscation of homes without adequate compensation. The ombudsman's lack of engagement has come at a time when the international community has heavily invested in training and international travel for him and his staff, and referred unsuspecting citizens to his office. In addition, few if any of Tajikistan's civil society bodies focusing on human rights actually defend people, and instead limit themselves to providing minimal consultation and writing impressive end-of-year reports for Western donors. While donors are also to blame given their lax monitoring, human rights lawyers worry for their own safety and professional longevity, especially if they are to defend individuals whom the government considers to be extremist or part of the opposition.[41]

Corruption

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
6.00	6.00	6.25	6.25	6.25	6.25	6.25	6.25	6.25	6.25

Like other Central Asian states, Tajikistan suffers from rampant cronyism, patronage, and corruption. An illegal waiver of mandatory military service, for example, can be purchased for around US$1,000, while admission to the country's coveted medical school can cost up to US$20,000.[42] The public appears to be increasingly concerned about the ubiquitous corruption: 87 percent of those surveyed at the end of 2009

saw corruption as a serious social issue facing Tajikistan, compared with 75 percent in 2004. In its 2010 Corruption Perceptions Index, Transparency International assigned Tajikistan a score of 2.1 (on a scale of 0 to 10, with 10 representing the best score). Despite its low ranking of 154 out of 178 states surveyed, Tajikistan improved from the previous year in both ranking and score. And for the second year in a row, the World Bank in its *Doing Business* report named Tajikistan among the top 10 improving economies out of 183 states; Tajikistan's overall ranking improved by 10 places to 139. The three areas of improvement were ease in starting a business, protecting investors, and payment of taxes. The problematic areas were dealing with construction permits, access to credit, and cross-border trade.

Some efforts to fight corruption were made during 2010. In 2009, the Anticorruption Agency, then headed by Sherkhon Salimzoda, had dismissed or sought the prosecution of as many as 150 individuals on bribery and racketeering charges, including policemen, Justice Ministry employees, customs agents, two district prosecutors, and four judges. As the new prosecutor general in 2010, Salimzoda fired another 15 district prosecutors on suspicion of corruption, among them the Hisor district prosecutor, Faizullo Bobokhonov, who had been appointed by his father, former prosecutor general Bobojon Bobokhonov.[43] And in April, an Anticorruption Agency operation led to the apprehension of the deputy commander of Tajikistan's border troops, Colonel Saimuddin Mirzoyev, who was charged with taking US$45,000 in bribes from drug traffickers.[44]

The Agriculture Ministry filed a libel case against the weekly newspaper *Millat* in 2010, seeking the equivalent of US$229,000 over an article that alleged corruption by the ministry. *Millat* filed a countersuit, accusing the ministry of violating Article 36 of the Media Law by obstructing its right to freedom of speech. In April, the Anticorruption Agency publicly took the side of *Millat*, and the agency's investigation reportedly led to the recovery of US$1.7 million in misused funds.[45]

Some critics of the government's anticorruption efforts remained unsatisfied, however. According to Abdughoni Mamadazimov, a prominent political scientist, the state's objective is not to fight corruption but to nominally satisfy the international community's concerns. Others have argued that for the Anticorruption Agency to be effective, it must be supervised not by the president, but by the parliament.

A newly installed toll system whereby motorists pay to travel on Tajikistan's main north–south, Dushanbe–Khujand highway generated controversy during the year, as there was insufficient prior consultation with the public and a lack of transparency in the selection of the private contractor, Innovative Road Solutions (IRS), a company with undetermined ownership and supposedly registered in the British Virgin Islands (BVI).

During 2010, Tajikistan produced an estimated 95,000 tons of cotton fiber and 375,000 tons of aluminum, nearly all of which was exported, for estimated earnings of around US$950 million. The two products constituted 80 percent of total exports. Aluminum is produced by the state-owned smelter, Tajik Aluminium Company (Talco). In June, the International Monetary Fund requested an audit

of Talco Management, which—like CDH, another Talco-related company, and IRS—is also registered in the BVI. Notably, Talco was audited by the British firm Moore Stephens in December 2009, and Talco claimed that the audit revealed its financial viability, "openness and transparency."[46] And according to the Economic Development and Trade Ministry, Talco contributed the equivalent of US$63 million to the state budget (around 9 percent of the total, presumably in 2009). However, funds held in overseas bank accounts owned by Talco's shell companies may exceed US$1 billion, and a local weekly, *Fakti i Kommentarii*, has called for transparency in the use of such revenues.[47]

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Turkmenistan

by Annette Bohr

Capital:	Aşgabat
Population:	5.1 million
GDP/capita, PPP:	US$6,980

Source: The data above was provided by The World Bank, *World Development Indicators 2011*.

Nations in Transit Ratings and Averaged Scores

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Electoral Process	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00
Civil Society	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00
Independent Media	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00
Governance*	6.75	6.75	7.00	n/a	n/a	n/a	n/a	n/a	n/a	n/a
National Democratic Governance	n/a	n/a	n/a	7.00	7.00	7.00	7.00	7.00	7.00	7.00
Local Democratic Governance	n/a	n/a	n/a	7.00	7.00	7.00	6.75	6.75	6.75	6.75
Judicial Framework and Independence	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00
Corruption	6.25	6.25	6.25	6.50	6.75	6.75	6.75	6.75	6.75	6.75
Democracy Score	**6.83**	**6.83**	**6.88**	**6.93**	**6.96**	**6.96**	**6.93**	**6.93**	**6.93**	**6.93**

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

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

Executive Summary

From the collapse of the USSR in 1991 until 2006, Turkmenistan was ruled by the newly independent state's primary architect, President Saparmurat Niyazov, who combined elements of personal rule, despotism, and constitutional subversion to govern the country at his own discretion. Loyalty to Niyazov was motivated by a system of fear and rewards, while an abundance of hydrocarbons provided the resources to sustain the regime. In 2010, after four years under new leadership, Turkmenistan remains unreformed and the primary tenets of Niyazov's rule are unchanged, although President Gurbanguly Berdimuhamedow has adopted a number of measures reversing some of his predecessor's most destructive policies and has also invested considerable sums in the country's infrastructure.

In virtually all areas targeted for reform—from governmental institutions and education to healthcare and culture—the government has given priority to appearance over substance. Thus, a multitude of white marble, gold-gilded buildings and monuments throughout the country belie the lack of capacity within the system to implement change, primarily owing to strict political controls, onerous censorship, and an acute shortage of qualified personnel in virtually all spheres of the economy. The majority of experienced managers, educators, and specialists were purged under Niyazov, while the current generation was trained under the *Ruhnama*-dominated educational system, leaving a dearth of experts qualified to teach and implement new techniques or to operate the high-precision technology that the current regime has purchased abroad.

Mobile telephony has expanded rapidly under Berdimuhamedow, and in the process has offered the country's citizenry increased access to the internet. However, instead of opening the cellular communications market to new providers, the Ministry of Communications in 2010 suspended operations in Turkmenistan of Russia's largest mobile phone operator, Mobile TeleSystems (MTS), the only provider allowing customers to telephone and send text messages internationally, further isolating Turkmenistan from the outside world.

National Democratic Governance. The creation of a leadership cult surrounding President Berdimuhamedow continued in 2010; he was widely quoted on television, his activities were the primary focus of state media, and his ever-expanding published works were intensively promoted. As under the previous regime, only the executive branch exercises any real power, while the government-sponsored Democratic Party of Turkmenistan (DPT) and the Galkynyş National Revival Movement are the only legally registered political parties. In 2010 there was less reorganization of high-level functionaries, as the steady purges undertaken

by Berdimuhamedow over the last three years had succeeded in removing the vast majority of Niyazov-era holdovers. The gradual phasing out of the *Ruhnama* (*Book of the Soul*), Niyazov's quasi-spiritual guidebook for the nation, continued in 2010, as its replacement national ideology, "The Era of Great Revival," was steadily promoted. The Berdimuhamedow leadership continued to administer Turkmen culture in a top-down, strictly controlled fashion, effectively limiting output to those works praising the president's policies. *Turkmenistan's national democratic governance rating remains unchanged at 7.00.*

Electoral Process. During Turkmenistan's period of independent rule, electoral officials have declared near 100 percent voter turnout rates for all elections and referendums, while widely engaging in such irregular procedures as stuffing ballot boxes and making door-to-door visits urging voters to cast their ballots. On December 5, 2010, elections were held to regional, district, and city councils, with all candidates preselected by government and Ministry of National Security (MNS) officials. As is standard practice, state media reported that national observers from Turkmenistan's Institute for Democracy and Human Rights (controlled by the president) and specially-invited foreign observers had assessed the "full transparency and openness" of the campaign. No opposition parties or movements are officially registered in Turkmenistan. Unrelenting harassment by the authorities has driven the relatively small opposition either underground or into exile. *Turkmenistan's electoral process rating remains unchanged at 7.00.*

Civil Society. The state of civil society in Turkmenistan has changed little under President Berdimuhamedow's leadership. NGO applications for registration are either turned down or dragged out for years, and many groups have chosen to operate covertly, although the penalties for unregistered activity can be severe. Religious activity is also tightly controlled, and the state leadership has co-opted the official religious establishment to prevent the emergence of Islam as a locus of oppositional activity. In 2010 the number of known religious prisoners of conscience increased to nine, eight of whom were Jehovah's Witnesses jailed for refusing military service. *Turkmenistan's civil society rating remains unchanged at 7.00.*

Independent Media. Turkmenistan's media organizations exist to uphold the ideological line of the state. In a crackdown on information flows from abroad, the president in August 2010 ordered the State Customs Service to "prevent low quality foreign print and video products from entering the country." The expansion of mobile telephone services—arguably the Berdimuhamedow regime's greatest contribution toward increased personal freedom—was threatened by a December 2010 decision by the Ministry of Communications to suspend the Russian company Mobile TeleSystems (MTS)'s operations in Turkmenistan, instantly cutting off nearly half of the population's mobile phone access and drastically reducing internet usage. The burgeoning Turkmen-language online community, or "Turkmenet," has allowed a surprising amount of dissenting views. Until the suspension of MTS,

several hundred Turkmenistanis were reported to take part in daily online forums. *Turkmenistan's independent media rating remains unchanged at 7.00.*

Local Democratic Governance. State power in Turkmenistan's five regions (*welayatlar*), districts (*etraplar*), and cities is vested in the largely decorative people's councils (*halk maslahatlary*). Village councils (*gengeşlar*), whose members are directly elected for five-year terms, were formally granted greater powers in 2008, but in reality they follow the instructions of the local governors (*hakims*), directly appointed by the president at all levels. Tribal identities continue to play an important role in Turkmen society and informal local politics. Influential positions in central government tend to go to members of Niyazov and Berdimuhamedow's own tribe, the Ahalteke, who predominate in the Ahal *welayat* surrounding Aşgabat. Unofficial reports indicate the long-standing practice of paying large bribes for university admissions. In April 2010 Doctors Without Borders described the country's healthcare as "a system of smoke and mirrors reinforced by fear" in which data is deliberately manipulated, blood products are mismanaged, and the existence of certain communicable diseases is neither acknowledged nor addressed. *Turkmenistan's local democratic governance rating remains unchanged at 6.75.*

Judicial Framework and Independence. The Office of the Prosecutor General, whose primary function is repression rather than oversight, dominates a legal system in which judges and lawyers play a marginal role. Turkmenistan's imprisonment rate is among the highest in the world, which has led to serious overcrowding and the spread of disease. In March the president proposed the liberalization of the criminal code to allow for a reduction of maximum sentences and the introduction of monetary fines for less serious offenses; parliament approved the changes in May. No political prisoners were affected by the presidential amnesties undertaken in 2010. In July 2010 there were reports that holders of both Russian and Turkmen passports were prohibited from leaving the country unless they renounced one or the other citizenship. Authorities have used unofficial measures to prevent free travel, including "blacklists" and arbitrary confiscation of passports. *Turkmenistan's judicial framework and independence rating remains unchanged at 7.00.*

Corruption. Turkmenistan is a low-capture economy, with no business leaders or oligarchs manipulating policy formation or shaping laws; rather, it is the president and his close circle of advisers who shape the rules of the regime to their own substantial advantage. The leadership sustains its rule through hydrocarbon export revenues, which it uses to finance pervasive security services and vanity construction projects, as well as to secure the support of patronage networks. There is a lack of transparency in true economic figures, since Turkmenistan does not publish the national budget in full. While authorities have stated that foreign exchange revenues are being transferred to a new Stabilization Fund, there is no public documentation to show that the fund exists. The country's patronage networks have given rise to a political culture of bribery, nepotism, and embezzlement. Large amounts of

government revenue are spent on flamboyant construction projects carried out primarily by Turkish and French firms. International media covered a number of cases in 2010 where government officials were portrayed as accepting bribes from companies wishing to secure or maintain a share of the country's market. *Turkmenistan's corruption rating remains unchanged at 6.75.*

Outlook for 2011. President Berdimuhamedow is likely to further entrench his leadership cult and continue to restrict citizens' access to foreign ideas and influences. Investment in the country's infrastructure—including the construction of expensive "vanity" projects—will continue, while strict political controls and a lack of qualified specialists will further impede the implementation of reforms. In the event that a second political party is created in 2011, it is virtually guaranteed that its membership will be handpicked by the government for the purpose of creating the veneer of multiparty politics rather than to represent a genuine opposition.

Main Report

National Democratic Governance

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
n/a	n/a	n/a	7.00	7.00	7.00	7.00	7.00	7.00	7.00

Like his predecessor, President Gurbanguly Berdimuhamedow holds the posts of president of the Republic (since 2007), chairman of the Council of Ministers (prime minister), chairman of the Council of Elders, head of the Council for Religious Affairs (*Gengeş*), supreme commander-in-chief of the National Armed Forces, chairman of the Higher Council of Science and Technology, chairman of both the Democratic Party of Turkmenistan (DPT) and the National Revival Movement of Turkmenistan (Galkynyş), as well as a number of honorific titles and degrees.

The creation of a leadership cult surrounding the president continued in 2010 as portraits of Berdimuhamedow steadily replaced those of former President Saparmurat Niyazov both inside and outside government buildings. President Berdimuhamedow was widely quoted on television, his activities were the primary focus of state media, and his ever-expanding collected works were intensively promoted. Aside from school textbooks, the majority of newly published works in Turkmenistan either exalted the president or were said to be authored by him on topics as diverse as Ahal-Teke horses and the use of medicinal plants. Unlike other books published in the country, those ostensibly written by the president appeared with his name on the front cover rather than on the inside. A cathedral mosque in the southern city of Mary was named after him, and a new Museum of the President of Turkmenistan was opened that displays documents and photographs illustrating his reforms.

In 2010, the anniversary of the president's inauguration, February 14, began to be celebrated as a national holiday. Having already been declared a Hero of Turkmenistan—the state's highest civilian honor—and bestowed with the Vatan (Fatherland) order, President Berdimuhamedow was awarded the title of "academician" by Turkmenistan's Academy of Sciences as well as the academic degree of Doctor of Economic Sciences by the presidium of the Higher Attestation Commission of Turkmenistan.

As was the case throughout Niyazov's rule, under President Berdimuhamedow only the executive branch exercises any real power, despite constitutional stipulations regarding the formal existence of executive, legislative, and judicial branches. The parliament (*Mejlis*) has been transformed into a presidential appendage, and presidential decree is the usual mode of legislation. Although the constitution allows parliamentarians to elect a speaker and form committees, Berdimuhamedow usurped this prerogative at the first session of Turkmenistan's new Mejlis in January 2009 by selecting a presidential stalwart, Akjy Nurberdieva, to serve as parliamentary

speaker, "recommending" the five committees to be formed, and even nominating specific members of parliament to head them.

Other than the government-sponsored Democratic Party of Turkmenistan (DPT) and the Galkynyş National Revival Movement, no parties or movements are legally registered in the country. While the revised 2008 constitution allows political parties in theory, the document requires implementing legislation prescribing the necessary details to allow political parties to register and carry out activity. At the end of 2010, a law on political parties had yet to be adopted in Turkmenistan, although this circumstance had not proved a hindrance to the registration and activity of the DPT. The constitution prohibits the formation of parties with a religious or nationalist orientation (Article 31). However, since the government has prevented all parties other than the DPT from registering and functioning, this ban is of little relevance.

In February 2010, stating that he intended "to develop and improve upon the principles of genuine democracy," the president announced during a cabinet meeting that he would welcome initiatives to create a second political party, while suggesting that the new party could be an agrarian-based farmers' party. Although he repeated the call again in May at a meeting of the Council of Elders in Dashowuz, no second political party materialized throughout the course of the year.

The president appoints the members of government and the Central Election Commission as well as high-ranking judges. He was also granted the power under the revised constitution to directly appoint the country's governors at all levels, although Niyazov had changed the system to allow for local gubernatorial elections only a year before his death. The revised constitution retained the changes adopted in the immediate aftermath of Niyazov's death granting greater authority to the State Security Council, a body that includes leading defense and security officials. As such, according to Article 58, it is the Security Council rather than the parliament that is empowered to choose a deputy prime minister to serve as acting president in the event that the president is no longer able to perform his duties.

Upon coming to power, President Berdimuhamedow quickly demonstrated that he would retain his predecessor's pattern of assigning senior officials unrealistic targets and then summarily removing them at regular intervals during publicized meetings. While officials were ostensibly replaced for incompetency and the failure to meet targets, in fact most were dismissed simply to make room for the president's cronies and relatives from his native region of Geokdepe, near the capital of Aşgabat. In March 2010, Agriculture Minister Esenmurat Orazgeldyyew was removed for "shortcomings in his work," leaving the long-serving Minister of Foreign Affairs, Mered Rashidov, and the Minister of Environmental Protection, Magtumkuli Akmyradov, as the only ministers still in place who had been appointed by former president Niyazov. In April, the Minister of Health, Ata Serdarow, who had been in his post since 2007, was dismissed, possibly in connection with the release by the international organization Doctors Without Borders of a damning report on Turkmenistan's healthcare sector.

However, from approximately mid-2010 there was less reorganization of high-level functionaries, as the steady purges undertaken by Berdimuhamedow over the last three years had succeeded in removing the vast majority of Niyazov-

era holdovers. Moreover, while public reprimands continued apace, officials who received dismissals tended to be demoted or rotated to new posts rather than incarcerated or sent into internal exile, as was commonplace during the Niyazov era. Thus, Serdarow was sent to unspecified diplomatic work, while Orazgeldyyew was merely demoted to head the newly created Turkmen Agricultural Institute. In addition, certain ministers appeared able to hang on to their posts more readily, such as chairman of the Ministry for National Security (MNS) Charymurad Amanow, who had managed to retain his position since October 2007, even though the post of security chief in Turkmenistan traditionally has been subject to frequent change.

Turkmenistan is a police state in which the activities of its citizens are carefully monitored by hypertrophied internal security and law enforcement agencies and the president's private militia, whose members receive favorable treatment relative to the rest of the population, such as higher salaries and privileged accommodation. The MNS has the responsibilities held by the Committee for State Security during the Soviet period—namely, to ensure that the regime remains in power through tight control of society and by discouraging dissent. The Ministry of Internal Affairs directs the criminal police, who work closely with the MNS on matters of national security. Both ministries abuse the rights of individuals and enforce the government's policy of repressing political opposition.

The gradual phasing out of the *Ruhnama* (*Book of the Soul*), Niyazov's quasi-spiritual guidebook for the nation, continued in 2010, as its replacement national ideology, "The Era of Great Revival," was steadily promoted. Yet, the only evidence of this new ideology was a chain of grandiose construction projects. Despite the downgrading of the position of the *Ruhnama*, President Berdimuhamedow's leadership nonetheless continued to use cultural institutions as mobilizing instruments to promote internal cohesion. However, attempts to administer Turkmen culture in a top-down, strictly controlled fashion meant that literature, the arts, and news reporting remained formulaic and lacking in innovation, leading to the paradoxical situation in which the president regularly chastised cultural and media officials for failing to "meet the spiritual needs of society," while effectively limiting output to those works praising the president's policies. Berdimuhamedow gave more than his usual number of reprimands to cultural workers throughout 2010, declaring that no literary works, films, or theatrical productions had been created "to ennoble the souls of the people," despite the unprecedented amount of state investment in the arts.

Electoral Process

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00

During Turkmenistan's nearly 20-year history of independent rule, electoral officials have declared near 100 percent voter turnout rates for all elections and referendums. To achieve such spectacularly high participation rates, electoral officials have engaged widely in irregular procedures, such as stuffing ballot boxes

and making door-to-door home visits urging voters to cast their ballots. Pressure is exerted on all civil servants to vote, and failure to do so can lead to reprisals.

In December 2008 Turkmenistan held elections to the 125-member parliament. According to the Law on Elections of Deputies to the Mejlis of Turkmenistan, citizen initiative groups as well as political parties and public associations are empowered to nominate independent candidates for election to parliament. However, a minimum of 200 citizens must be present at the nomination of an independent candidate, where all must provide name, date of birth, and place of residence. By contrast, the committees of the DPT and the Galkynyş Movement are allowed to nominate candidates at regular meetings of their central or rural organs regardless of the number of participants. The Central Election Commission registered only officially vetted candidates, and applications by at least two Turkmen dissidents were rejected.

On December 5, 2010, elections were held to regional, district, and city councils (*halk maslahatlary*); in typical fashion, it was reported that over 95 percent of voters took part.[1] Official media claimed that the elections featured a wide selection of alternatives, even though all candidates had been preselected by government and MNS officials. As such, the token participation of competing candidates was a mere gesture towards political pluralism rather than an authentic contest for votes.

As is standard practice, state media reported that national observers from Turkmenistan's Institute for Democracy and Human Rights (controlled by the president) and specially invited foreign observers had assessed "the full transparency and openness" of the campaign.[2] However, in a twist to the usual routine, Interfax news agency cited Turkmen media as reporting that experts from the Organization for Security and Cooperation in Europe (OSCE)'s Office of Democratic Institutions and Human Rights had declared that the electoral system in Turkmenistan operates in full conformity with relevant international norms, prompting an OSCE spokesman to reply that the organization had not made a public statement assessing the elections in Turkmenistan.[3]

All political parties are required by law to register with the Ministry of Justice (renamed the Ministry of Fairness in September 2003), thereby allowing the government to deny official status to groups that are critical of its policies. No opposition parties or movements are officially registered in Turkmenistan. Unrelenting harassment by the authorities has driven the relatively small opposition either underground or into exile. The opposition-in-exile remains weak and prone to internal division, although some independent human rights activists from Turkmenistan operating abroad have managed to publish regular reports on the country's domestic and foreign politics.

Civil Society

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00

The state of civil society has changed little under President Berdimuhamedow's leadership. In September 2010, the president urged members of the security services

"not to allow the emergence and basing in our country of nationalist and radical religious movements," which boded ill for independent activists of either a secular or religious persuasion.[4]

Although civil society has never thrived in Turkmenistan, steady repression by government authorities, from 2002 in particular, forced those independent NGOs that had managed to gain a foothold in the newly independent country to dissolve, redesignate themselves as commercial enterprises, or merge with pro-government public associations. While in 2000 there were approximately 200 to 300 registered and unregistered NGOs in Turkmenistan, by 2005 that number had dwindled to 88, the vast majority of which either supported the government or received direct government aid.[5] The total number of registered NGOs operating in Turkmenistan in 2009 was 89, about thirty of which were sports organizations.[6] The Ministry of Fairness must approve the internal governance structures of NGOs.

Groups wishing to register as NGOs continue to be stymied, as their applications are either turned down or dragged out for years. The prospects for securing official registration are considered so remote that many groups have chosen to forgo the bureaucratic process and operate covertly, although the penalties for unregistered activity can be severe.

In a demonstration that the regime's approach to independent NGOs had not changed significantly under President Berdimuhamedow, in September 2010 independent activists representing Turkmenistan were refused entry to an OSCE human rights review conference in Warsaw after the Turkmenistani leadership protested their participation. Following interventions by EU and US diplomats, one activist managed to participate in the conference, prompting Turkmenistan's president to threaten to boycott the OSCE Summit due to take place in Astana at the beginning of December. In October, during the second session of the OSCE review conference in Vienna, protests from Turkmenistan once again prevented human rights activists from registering for the meeting. They were ultimately admitted, causing Turkmenistan's ambassador to stage a walk-out from the event. Activists were prevented from attending the third session of the review conference and a parallel NGO event in Astana at the end of November when they were not granted visas in time and were told they would require extra security, prompting them to cast blame on Kazakhstan—the OSCE chair-in-office—for caving in to political pressure from Turkmenistan. In the end, only one activist representing Turkmenistan, who was traveling on a Russian passport and therefore did not require a Kazakhstani visa, managed to attend the Astana event.

Religious activity also remains tightly controlled by the state. In order to prevent the emergence of Islam as a locus of oppositional activity, the Turkmenistani leadership has acted to thoroughly co-opt the official religious establishment. Religious matters are administered by the Council on Religious Affairs (CRA), set up by Niyazov in 1994, whose members are appointed by the government and report to the president. The CRA controls the hiring, promotion, and firing of Sunni Muslim and Russian Orthodox clergy, who are required to report regularly to the CRA.

Like political parties and public associations, religious congregations are required to register with the Ministry of Fairness to gain legal status. In a report to the United Nations in January 2010, Turkmenistan's government stated that only 123 religious communities had state registration, among which 100 were Muslim (Sunni and Shi'a), 13 were Russian Orthodox, and 10 were of other faiths, including Protestant groups, the Baha'i, and the Hare Krishna communities.[7] Following 13 years of negotiation, in March 2010 Aşgabat's Catholic community was legally registered. Despite this minimal progress, many minority religious groups remain unregistered, such as the Lutheran, Jehovah's Witness, Armenian Apostolic, and Jewish communities.

The benefits of formal registration remain unclear, however, as registered and unregistered groups alike continue to experience police raids or checkup visits, fines, and other forms of harassment. As the religious-freedom watchdog Forum 18 News Service reported, registration can lead to greater state control and does not facilitate the securing of a legal venue for worship services, which continues to be a major problem for many religious groups.[8] Meeting in private homes or unapproved areas is prohibited, and the construction of places of worship is strictly regulated by the state.

As no alternative civilian service is offered, conscientious objectors to military conscription have been regularly given suspended jail sentences. In May 2009 two brothers from the city of Serdar became the first Jehovah's Witnesses since July 2007 to be jailed for refusing compulsory military service on the grounds of religious conscience. In July they were joined by two other conscientious objectors from Dashoguz; all four youths were subsequently transferred to a labor camp in the eastern town of Seydi, where inmates are reported to experience harsh, desert conditions. In 2010 the number of known religious prisoners of conscience increased to nine, including eight Jehovah's Witnesses jailed for refusing military service and one Protestant pastor. Three other Jehovah's Witnesses were serving suspended sentences.[9]

Turkmenistani authorities barred aspiring Muslim pilgrims from making the annual hajj pilgrimage to Mecca in Saudi Arabia in 2009 owing to fears concerning the spread of swine flu, urging them instead to sojourn to 38 sacred sites across the country. In 2010, as in most previous years, one planeload of 188 pilgrims—including MSS secret police and other officials—was allowed to travel to Mecca, which represented less than 5 percent of the quota believed to be allocated to Turkmenistan by the Saudi authorities. Muslims are not allowed to travel abroad for religious education, and the Magtymguly Turkmen State University remained the only university-level institution where the government allows a small number of men to be trained as imams.

As in other parts of Central Asia, the distinction between religious and "national" rituals is blurred in Turkmenistan; since the *perestroika* period of the late 1980s, the country's leadership has attempted to co-opt Islam as a fundamental component of its overarching nation-building campaign. Similarly, authorities have sought to limit unwanted Islamist trends by promoting a vision of Islam that

is concerned with the preservation of tradition. Consequently, as in neighboring Uzbekistan, the leadership has attempted to capitalize on the popularity of Sufism in order to encourage religion to conform to local popular practices. In so far as orthodox Islamic doctrine rejects and condemns as idolatrous some Sufist practices that are very popular in Turkmenistan, such as the veneration of local saints and local shrine pilgrimages, it is held that the promotion of Sufism will serve to dampen any inclination among Turkmen believers to support the more purist—and potentially Islamist—forms of ideology.

Independent Media

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00

Despite some improvements in internet access, a substantive improvement in information liberalization in Turkmenistan is unlikely without changes in the *de facto* censorship policy and establishment of a rigorous system for training journalists. Media organizations broadcast the ideology of the state, which maintains its control over all forms of state-run mass media through the retention of a single information agency (TDH). In addition to 25 newspapers and 15 journals, the five state television channels and four state radio stations function as mouthpieces for government propaganda. The output of the state news agency TDH continues to be overwhelmingly concerned with praising the president and tracking his daily movements. Aside from the programs of the Turkmen Service of Radio Liberty and the German Deutsche Welle in Russian that are specifically targeted at Turkmenistani listeners, satellite television—widely viewed throughout Aşgabat as well as in other cities—provides the only source of alternative information in Turkmenistan.

In September 2010, the state media heralded the appearance of Turkmenistan's first 'private' newspaper, *Rysgal* (*Welfare*), published by the state-controlled Union of Industrialists and Entrepreneurs, whose chairman received a US$14 million loan from President Berdimuhamedow in 2007. The paper has a mandate to publish articles about 'successes and positive experiences in the field of entrepreneurship'.[10]

In 2008 President Berdimuhamedow technically lifted the ban on the importation and circulation of foreign print media, which had been introduced by Niyazov in 2005. However, ordinary citizens are still unable to subscribe to foreign newspapers and magazines, and foreign print matter remains generally inaccessible. A further crackdown on information flows from outside Turkmenistan occurred in August 2010 when the president ordered the State Customs Service to "prevent low quality foreign print and video products from entering the country," declaring there were enough newspapers and periodicals to meet domestic demand and "no need to bring foreign newspapers to the country."[11]

As of June 2010, Turkmenistan still had one of the world's lowest internet penetration rates at 1.6 percent with an estimated 80,400 users.[12] Over 15

cybercafes were in operation in the country's major cities, but the number of terminals available to the public was far from sufficient to cope with the growing number of internet users, despite the opening in 2009 of a new internet center with eighteen terminals at the National Library in Aşgabat. In a landmark move, Turkmen Telecom undertook to connect private citizens to the internet for the first time in June 2008, although long waits and administrative requirements for getting connected—including a signature from the local police station—continued to hinder access. Additionally, service is slow and unreliable, dial-up access rates are relatively expensive for the average citizen, and internet websites critical of official government policy, as well as many independent news sites, are blocked by the authorities.

At the same time, President Berdimuhamedow's rule has seen the advent of a small Turkmen-language online community, or "Turkmenet," which has allowed a surprising amount of dissenting views, although pseudonyms are widely used and heavy political discussions are generally avoided. Blogs have been posted on a number of subjects not discussed in state media, ranging from Turkmen-language hip-hop and other popular underground music to political Islamism and the September clashes in eastern Turkmenistan between Chinese and Turkmen workers. Up until December 2010, increasing numbers of Turkmenistanis were reported to take part in online forums, such as *talyplar.com* and *teswirler.com*. The two sites, which were set up in 2007, were reported to have several hundred visitors daily.[13] However, the list of sites blocked by the authorities is growing: while YouTube and Facebook were filtered out in May 2010 by Turkmen Telekom, in September the government decided to block the social networking site *agent.mail.ru* as well.

The expansion of mobile telephone services may be the Berdimuhamedow regime's greatest contribution towards increased personal freedom, although this progress experienced a setback at the end of 2010. Until December, Russia's largest mobile phone operator, Mobile TeleSystems (MTS), and Altyn Asyr (Golden Age), a subsidiary of Turkmen Telekom, offered internet service to mobile subscribers in Turkmenistan. Altyn Asyr launched 3G service in March 2010 (with availability confined to Aşgabat);[14] however, in contrast to MTS, Altyn Asyr has no roaming agreement with any other cell operator in the world, making it impossible to telephone or send text messages abroad. Although more expensive that Altyn Asyr, MTS services were widely regarded as faster and more reliable. Consequently, while MTS broke the two-million subscriber barrier in August 2010, covering more than 85 percent of the country's territory and operating in 14 cities,[15] Altyn Asyr was reported to have only 400,000 subscribers as of November 2010.[16]

At the end of December, shortly after MTS announced that it would soon launch 3G service, the Ministry of Communications suspended the company's operations in Turkmenistan, instantly cutting off nearly half of the population's mobile phone access and drastically reducing internet usage. While the ostensible reason for the suspension was that the company's 5-year contract to operate in Turkmenistan had expired, the move was widely viewed as a government attempt to halt MTS's rapid takeover of Turkmenistan's market while simultaneously increasing

Altyn Asyr's share. Following the suspension, reports appeared in the international press speculating that the authorities were dissatisfied with their ownership stake in MTS as well as their dwindling control over its activities.[17] Some reports posited that the government intends to confiscate the company's assets in Turkmenistan and then conclude a new, more lucrative deal with a different provider.

Turkmenistan continues to be an extremely hostile environment for journalists. Throughout the year, independent journalists were harassed and foreign correspondents were generally unable to access the country except for 'showcase' events, such as international gas or investment conferences, where they were usually closely monitored. The government required all foreign journalists to apply for accreditation, although there were no defined criteria for either receiving or denying it. Two journalists and activists, Annakurban Amanklychev and Sapardurdy Khadzhiev, who were arrested in 2006 for producing a television program on Turkmenistan for a French network, continued to be held despite calls from the UN for their release.[18]

Local Democratic Governance

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
n/a	n/a	n/a	7.00	7.00	7.00	6.75	6.75	6.75	6.75

State power in Turkmenistan's five regions (*welayatlar*), districts (*etraplar*), and cities is vested in the largely decorative people's councils (*halk maslahatlary*). In the villages, the 1992 constitution provided for the replacement of local soviets by legislative councils (*gengeşlar*), whose members are directly elected for five-year terms. The more than 600 *gengeşlar* are administered by *arçinlar*, who are elected from among their respective memberships. The *gengeşlar* were formally granted greater powers in 2008, but in reality they follow the instructions of the local governors (*hakims*), who are directly appointed by the president at all levels.

Tribal identities continue to play an important role in Turkmen society and informal local politics. Tribalism manifests primarily in social practices, such as the maintenance of preferential networks, endogamy, and the persistence of dialects. Virtually all Turkmen have at least a minimal knowledge of their own tribal affiliation, which is still a relatively reliable indicator of birthplace. A disproportionate number of influential positions in central government tend to go to members of Niyazov and Berdimuhamedow's own tribe, the Ahalteke, although this is in large part owing to the fact that the capital of Aşgabat is located in the Ahal Region, where Ahaltekes predominate.

Around 2000, the Niyazov government began the systematic dismantling of key areas of the public sector in all regions of the country, most notably education, healthcare, and social security. Since coming to power in 2007, President Berdimuhamedow has made a number of changes to the country's decaying educational system, including restoring the tenth year of compulsory education to extend the period of higher education from two to five years. High-school

students are no longer required to undergo two years of practical work experience before applying to universities, foreign degrees are once again recognized, new areas of study have been introduced, and postgraduate and doctoral studies in certain higher educational establishments have been reimplemented. The defunct Academy of Sciences, which, before its closure in 1993, had acted as the mainstay of the scientific and academic community, was reopened, and a new presidential Higher Council on Science and Technology was established to coordinate the state's scientific and academic policy.

Universities have widened their intake, although the demand for places still far exceeds supply. Unofficial reports indicate that the long-standing practice of paying large bribes to procure a place in universities, institutes, and even some secondary schools has not abated, with bribe prices to enter the most prestigious institutions rising to $40,000. According to official state media, 5,445 students were accepted at 21 universities and 1,758 students at professional academies in 2010.[19] In addition, the state sponsored more than 200 students to study in Russia at various universities and vocational schools, where they will specialize in, *inter alia*, the geology of oil and gas, agriculture, computer science, law, and medicine.

Belying its declared willingness to bring Turkmenistan's educational system up to international standards, President Berdimuhamedow's regime prevented some of the country's students from pursuing an education in U.S.-affiliated universities beginning in 2009; moreover, many young Turkmenistanis studying abroad have chosen not to return to Turkmenistan after receiving their degrees. In August 2010, students enrolled at the American University of Central Asia (AUCA) who had been prevented from leaving Turkmenistan were finally released for travel to Bulgaria, having missed a full year of their studies.

In contrast to its predecessor, the Berdimuhamedow regime has invested heavily in the country's healthcare infrastructure, yet most of these facilities—many of which contain state-of-the art equipment—are neither accessible to the vast majority of the population nor staffed with qualified medical personnel. High-profile projects have included a number of sanatoriums and specialist centers in regional capitals, such as the International Center for Head and Neck Diseases and the Oncology Center in Aşgabat. The regime has also partnered with international organizations to introduce maternity and immunization programs. Despite this investment, in April 2010 the international organization Doctors Without Borders issued a damning report arguing that healthcare in Turkmenistan is "a system of smoke and mirrors reinforced by fear" in which data is deliberately manipulated and blood products are mismanaged.[20] The existence of certain communicable diseases was neither acknowledged nor addressed: according to the report, Turkmenistan had not reported any new HIV infections in the last 3 years, and the multidrug-resistant form of tuberculosis posed a high risk of creating a serious health crisis. The report also indicted international organizations, such as the World Health Organization and UNICEF, for reporting the government's health data as fact, thereby perpetuating the status quo, while even authoritarian Uzbekistan had provided more credible data to the international community.

Judicial Framework and Independence

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00

The Office of the Prosecutor General dominates a legal system in which judges and lawyers play a marginal role. The prosecutor general is a political appointee whose primary function is repression rather than oversight. As in the former Soviet Union, convictions are generally based on confessions that are sometimes extracted by force, including the use of torture and psychotropic substances. Additionally, the prosecutor general is unofficially charged with the task of collecting compromising materials on other officials in the event the leadership chooses to dismiss or demote them.

Unchanged since the Soviet era, the court system in Turkmenistan consists of a Supreme Court, 6 regional courts (including 1 for the city of Aşgabat), and, at the lowest level, 61 district and city courts. In addition, the Supreme Economic Court hears all commercial disputes and cases involving conflicts between state enterprises and ministries. There is no constitutional court. The president appoints all judges for five-year terms without legislative review.

According to a report on Turkmenistan's penitentiary facilities released in February 2010 by the Vienna-based Turkmen Initiative for Human Rights (TIHR), the country's imprisonment rate is among the highest in the world—534 per 100,000 inhabitants, compared to 348 in Kazakhstan and 80 to 90 in European countries—which has led to serious overcrowding and the spread of disease.[21] In March the president proposed the liberalization of the criminal code to allow for a reduction of maximum sentences and the introduction of monetary fines for less serious offenses; parliament approved the changes in May. The timing of the proposal indicated that in all probability it was a response to the TIHR study, which had been published the previous month, and also to a newly released UN report on secret prisoners in which concerns about Turkmenistan were raised.[22]

Under an annual amnesty mandated by a 1999 law and presidential decree, the government releases thousands of prison inmates each year on the eve of the Muslim feast Gadyr Gijesi (Night of Forgiveness) in October, primarily to relieve overcrowding. Although individuals convicted of serious crimes are theoretically ineligible for amnesty, those who can pay bribes—excluding political prisoners—are generally freed. Of the thousands of prisoners amnestied by President Berdimuhamedow since 2007, less than two dozen were considered political prisoners by international human rights groups.

President Berdimuhamedow's government has enacted reforms easing internal travel restrictions, which have reduced the number of roadside document checks and inspections between cities. Significantly, the president also signed a decree abolishing the special permit needed to travel to the country's sensitive border regions. At the same time, the authorities have maintained a number of unofficial measures to prevent free travel, such as drawing up an extensive "blacklist" of citizens prohibited from leaving the country and the arbitrary confiscation of passports. In August 2010 an Uzbek human rights organization, Najot, released an unconfirmed

report regarding a new presidential decree prohibiting the exit and entry to the country of over 37,000 individuals, including prominent human rights defenders and over 70 foreign journalists.[23]

In line with other post-Soviet states, with the advent of independence 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. Most jobs in the public sector were effectively closed to non-Turkmen, and senior state officials needed to demonstrate ethnic purity by tracing their Turkmen ancestry. President Berdimuhamedow's leadership has continued Niyazov's nation-building program through its efforts to make the country's society and culture even more homogeneous, and the state has maintained its policy of promoting only those media and performing arts productions that feature "national" culture. A *de facto* ban exists on all ethnic cultural centers and non-Turkmen media sources (with the exception of two print publications in the Russian language).

This extends to education not conducted in the Turkmen language, as well: whereas, at the end of the 1990s there were 49 Russian-language middle schools and 56 schools with partial teaching in Russian, currently there is only one Russian-language school in Aşgabat and a handful in the regions that teach one or two classes in the Russian language.[24] There are no Uzbek- or Kazakh-language schools in the country. Higher educational establishments teach exclusively in the Turkmen language. Although its role has been severely downgraded under President Berdimuhamedow, all candidates for entrance exams to Turkmenistan's higher educational institutions are still required to demonstrate proficiency in Niyazov's *Ruhnama*, regardless of their area of specialization.

The new constitution adopted in 2008 formally enshrined Turkmenistan's nonrecognition of dual citizenship (Article 7). This circumstance, in conjunction with the issuing of new biometric passports in the summer of 2008, was reported to have exerted further pressure on residents holding both Turkmenistani and Russian passports under a 1993 agreement. According to the Memorial Human Rights Society in Moscow, an unofficial policy has gone into effect requiring holders of both Russian and Turkmenistani passports to give up their Russian citizenship in order to receive the new passports, possession of which will become mandatory in 2013 for travel outside the country.[25] In July 2010 there were further reports that holders of both Russian and Turkmenistani passports were being prohibited from leaving the country unless they renounced one or the other citizenship.

Corruption

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
6.25	6.25	6.25	6.50	6.75	6.75	6.75	6.75	6.75	6.75

Turkmenistan is a low-capture economy in so far as there are no business leaders or oligarchs manipulating policy formation or shaping laws; rather, the president and his close circle of advisers shape the rules of the regime to their own substantial

advantage. The leadership is able to sustain its rule through hydrocarbon export revenues, which it uses to finance pervasive security services and vanity construction projects as well as to secure the support of patronage networks.

There is still a notable lack of transparency in true economic figures, since Turkmenistan does not publish the national budget in full. Those figures that are published are often compiled out of local economic reports that have been inflated to show growth. No information has been released regarding export revenues held by former president Niyazov in foreign banks, and it remains unclear what share of export revenues are currently being diverted by the Berdimuhamedow leadership to off-budget accounts. While authorities have stated that foreign exchange revenues are being transferred to a new Stabilization Fund, there is no public documentation to show that the fund exists.

In Turkmenistan, 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. A limited number of patronage networks commanded by Berdimuhamedow control the country's economy, which has given rise to a political culture of bribery, nepotism, and embezzlement. Bribe-taking is particularly prevalent among customs, licensing, and social service agencies. According to Transparency International's Corruption Perceptions Index for 2010, Turkmenistan ranked as one of the most corrupt countries in the world with a score of 1.6 (with 10 indicating "highly clean" and 0 "highly corrupt"), or in 171st place out of the 178 countries surveyed, which put it on par with Uzbekistan, just below Sudan, and just above Iraq.[26]

Of even greater relevance for Turkmenistan, the Index produced by the New York-based Revenue Watch Institute, which measures government disclosure and transparency in the management of natural resources among the world's top producing countries of oil, gas, and minerals, ranked Turkmenistan at the very bottom out of a total of 41 countries, below Equatorial Guinea and the Democratic Republic of Congo.[27]

Large amounts of government revenue are spent on ostentatious construction projects carried out primarily by Turkish and French firms, such as the Olympic village in Aşgabat planned at a cost of US$1.9 billion, or the transformation of the Caspian sea town of Turkmenbashi into a free economic zone and world-class resort—complete with an artificial river, yacht club, and an oceanographic center—at an estimated cost of US$5billion. In August 2010 both the 12-meter, gold-covered statue of Niyazov and the 75-meter Arch of Neutrality on which it stood—in place in the center of Aşgabat since 1998—were finally dismantled, although the construction of another 95-meter monument, the Great Monument of Neutrality, is to be erected in the southern part of the capital city in time for the 20th anniversary of Turkmenistan's independence in October 2011.

International media covered a number of cases in 2010 where the Turkmenistani government was portrayed as accepting bribes in gifts and cash from companies wishing to secure or maintain a share of the country's market. According to

U.S. Embassy cables leaked by the Wikileaks website, the French construction company Bouygues, which has built around 50 buildings in Aşgabat amounting to over 2 billion euros (US$2.8 billion), has paid 10–30 percent more in bribes since President Berdimuhamedow came to power.[28] In the international quest to gain access to gas fields, another Wikileaks cable alleged that the Russian company Itera gave Berdimuhammedow a yacht worth 60 million euros (US$83 million).[29] Similarly, in March the U.S. Justice Department filed documents under the Foreign Corrupt Practices Act alleging that German automaker Daimler AG paid millions of dollars in bribes from 1998 to 2008 to officials in at least 22 countries, including Turkmenistan, where the company was said to have delivered an armored luxury sedan to a high-level executive official as a birthday present in 2000 and to have arranged and paid for the translation of the *Ruhnama* into German in order to "develop" Turkmenistan's market.[30]

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Ukraine

by Oleksandr Sushko and Olena Prystayko

Capital:	Kyiv
Population:	46.0 million
GNI/capita (PPP), PPP:	US$6,180

Source: The data above was provided by The World Bank, *World Development Indicators 2011*.

Nations in Transit Ratings and Averaged Scores

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Electoral Process	4.50	4.00	4.25	3.50	3.25	3.00	3.00	3.50	3.50	**3.50**
Civil Society	3.75	3.50	3.75	3.00	2.75	2.75	2.75	2.75	2.75	**2.75**
Independent Media	5.50	5.50	5.50	4.75	3.75	3.75	3.50	3.50	3.50	**3.75**
Governance*	5.00	5.00	5.25	n/a	n/a	n/a	n/a	n/a	n/a	**n/a**
National Democratic Governance	n/a	n/a	n/a	5.00	4.50	4.75	4.75	5.00	5.00	**5.50**
Local Democratic Governance	n/a	n/a	n/a	5.25	5.25	5.25	5.25	5.25	5.25	**5.50**
Judicial Framework and Independence	4.75	4.50	4.75	4.25	4.25	4.50	4.75	5.00	5.00	**5.50**
Corruption	6.00	5.75	5.75	5.75	5.75	5.75	5.75	5.75	5.75	**5.75**
Democracy Score	**4.92**	**4.71**	**4.88**	**4.50**	**4.21**	**4.25**	**4.25**	**4.39**	**4.39**	**4.61**

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

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

Executive Summary

While Ukraine has boasted a relatively democratic and pluralist political environment in recent years, the system faced new challenges in 2010, including a growing concentration of power in the executive branch and a general return to a post-Soviet semiauthoritarian model.

Since gaining independence from the Soviet Union in 1991, Ukraine has held five presidential (1991, 1994, 1999, 2004, and 2010) and five parliamentary (1994, 1998, 2002, 2006, and 2007) elections. The latest presidential election in February 2010 resulted in a victory for former prime minister Viktor Yanukovych, whose previous presidential bid in 2004 had collapsed amid fraud allegations and ensuing popular protests that became known as the Orange Revolution. After Yanukovych took office as president, the parliament (Verkhovna Rada) passed a no-confidence motion to dismiss the cabinet headed by one of his rivals, Prime Minister Yuliya Tymoshenko, and a new government under the leadership of Yanukovych loyalist Mykola Azarov was inaugurated in March. A new parliamentary majority centered on Yanukovych's Party of Regions was formed that month after a questionable procedure was adopted allowing individual members, not just party groups, to create coalitions. However, the Constitutional Court reversed its own 2008 ruling on the issue and approved the procedure without proper legal justification. On September 30, the court decided to annul 2004 amendments to the constitution that had shifted powers to the parliament, effectively restoring the 1996 version of the document and reestablishing a strong presidency. As a result, the parliament is no longer authorized to appoint and dismiss cabinet ministers, though it retains the right to confirm the prime minister appointed by the president.

Among other changes during 2010, a judiciary reform that was seen as harmful to the courts' independence was enacted in July, and the news media, especially television stations with national reach, became more sensitive to the authorities' wishes. Meanwhile, the Ukrainian economy began to recover from the severe economic crisis of 2008–09, though loans from the International Monetary Fund (IMF) remained crucial for the government's financial stability.

National Democratic Governance. In 2010, national political power was consolidated in the hands of newly-elected president Yanukovych, in large part through questionable decisions by the Constitutional Court. In April, the court legitimized the legally dubious creation of the new parliamentary majority, and in October it reversed, for procedural reasons, the constitutional reforms of 2004, ignoring the constitutional norm stipulating that only the parliament can amend the charter. The latter decision was preceded by the politically biased replacement of

the court's chairperson and several of its members. With the constitution restored to its pre-2004 state, the president regained control over the cabinet, the security service, and the prosecutor general. Toward the end of the year, a number of criminal cases were launched against leading representatives of the former government, and human rights watchdogs criticized the prosecutions as politically motivated. *Due to the circumvention of legitimate procedures for amending the constitution, the erosion of checks and balances among the components of government, and the selective use of the judiciary for political purposes, Ukraine's rating for national democratic governance declines from 5.00 to 5.50.*

Electoral Process. The 2010 presidential election was held in two rounds on January 17 and February 4. Yanukovych, leader of the Party of Regions, defeated Prime Minister Tymoshenko in the runoff by a small margin, 48.95 percent to 45.47 percent. According to the Organization for Security and Cooperation in Europe (OSCE) and other independent observers, the voting met most international standards for democratic elections and consolidated progress that had been achieved since 2004. However, that progress was substantially challenged during local elections held on October 31. Electoral legislation adopted in July and amended in August allowed government supporters to dominate the majority of local electoral commissions ahead of the October voting. Registration of opposition candidates was constrained, and in some *oblasts* (regions), so-called clone parties were registered under the same names as existing factions in an apparent effort to confuse voters. The Party of Regions ultimately won in the majority of oblasts, leaving the opposition concentrated in western Ukraine. The politicized abuse of administrative resources was reported on a scale unseen in Ukraine since 2004. *Due to the combination of positive assessments of the presidential election and clear shortcomings in the local elections during this coverage period, Ukraine's rating for electoral process remains unchanged at 3.50.*

Civil Society. The civil society sector continues to play an important role in Ukraine, and its leading representatives appeared at the forefront of numerous public events in defense of human rights and civil liberties during 2010. However, its capacity was not sufficient to effectively resist the year's antidemocratic trend. In most cases the new government continued to engage in dialogue with civil society in the established formats, but patterns of political pressure were reported, such as unscheduled visits by police and security service officials to nongovernmental organization (NGO) offices, and even administrative detentions for one to five days of activists involved in street demonstrations. *Despite civil society's activity, signs of government hostility throughout the year keep Ukraine's rating for civil society at 2.75.*

Independent Media. As a result of major improvements after 2004, Ukraine has a diverse and competitive media market, and media freedoms are guaranteed by relevant legislation. However, the gains of recent years proved fragile in 2010, as coverage of politically sensitive topics took on a more pro-government bias at most

of the television stations with national reach. While the government did not engage in direct censorship, attempts were made to withdraw the licenses of television channels—namely TVi and 5 Kanal—that produced critical assessments of the regime. Moreover, the government adopted a public television plan that critics said could enable political control. In August, journalist Vasyl Klymentyev went missing in Kharkiv, and it was widely suspected that he had been murdered. *Due to growing pressure on news media, Ukraine's rating for independent media declines from 3.50 to 3.75.*

Local Democratic Governance. Events in 2010 revealed a gulf between the rhetoric and the actions of the authorities concerning local government. While the new central government declared its support for placing greater powers in the hands of local authorities, it did its utmost to boost its own influence, including at the expense of local government. Among other steps, the national leadership abandoned the previous administration's attempts to reform local government, and consolidated power in the executive branch through the annulment of the 2004 constitutional amendments, raising doubts about whether the central authorities would be willing to share powers and financial resources with the regions. Though supposedly intended to strengthen the Ukrainian state, these measures undermined the already weak connection between the government and the country's residents, reducing the latter's ability to influence state policy. *Consequently, Ukraine's rating for local democratic governance declines from 5.25 to 5.50.*

Judicial Framework and Independence. Ukraine's justice system lost a great deal of its remaining independence during 2010, in large part through the July enactment of a judicial reform that effectively subordinated the court system to the executive branch. These changes were facilitated both by the unity and active pressure of the new political leadership and by the lack of safeguards and institutional integrity within the judiciary itself. The Constitutional Court sided with the government in crucial rulings on the formation of a parliamentary majority and the reversal of 2004 constitutional amendments, with the latter coming just weeks after a major, progovernment shuffle of the court's membership. *As a result of the year's setbacks, Ukraine's rating on judicial framework and independence declines from 5.00 to 5.50.*

Corruption. Glaring conflicts of interest among senior officials in the new government, combined with further delays in the passage of anticorruption legislation, fueled public skepticism about the leadership's pledges to combat graft in 2010. A number of high-profile criminal cases were initiated during the year, but they focused on figures associated with the previous government—including former prime minister Tymoshenko herself—and left allies of the current government untouched. However, despite these negative conditions, the level of corruption did not change significantly in comparison with the previous year. *Ukraine's corruption rating remains at 5.75.*

Outlook for 2011. The year 2011 is likely to bring some temporary stabilization to the political situation in Ukraine, as no elections are scheduled and the opposition's capacity to mobilize supporters in antigovernment protests is rather limited. The opposition will remain divided, allowing the current leadership to continue its consolidation of power. Unpopular social reforms may bring some turbulence, but not enough to threaten the government's dominance. The executive branch will attempt to continue using the pliant judiciary and law enforcement bodies to neutralize actual or potential centers of political resistance, and the ongoing centralization of authority will strip local officials of their remaining political and financial autonomy. Anticorruption laws will be both weakened through new legislation and enforced in a selective manner.

Main Report

National Democratic Governance

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
n/a	n/a	n/a	5.00	4.50	4.75	4.75	5.00	5.00	5.50

The transformation experienced by Ukraine's political system during 2010 demonstrated that the country's democratic institutions are both dynamic and fragile. On one hand, after years of paralysis stemming from deficiencies in the constitutional model and turbulent interpersonal conflicts among top leaders, Ukraine entered a period of political clarity and consistency. On the other hand, the newly established "order" was based not on the rule of law, democratic legitimacy, or effective checks and balances, but rather on the monopolization of power by one faction through the repeated circumvention of constitutional procedures.

At the beginning of the year, a cabinet headed by Prime Minister Yuliya Tymoshenko governed with the wavering support of a three-party coalition—the Yuliya Tymoshenko Bloc (BYT), Our Ukraine–People's Self-Defense, and the Volodymyr Lytvyn Bloc. According to Article 83 of the constitution, party groupings alone are authorized to create a formal coalition and vote on the prime minister and cabinet. In practice, a number of members of parliament (MPs), especially after Tymoshenko's defeat in the February presidential runoff, defected to the other political camp and voted with the Party of Regions, led by the winner of the presidential poll, Viktor Yanukovych.

On March 9, 2010, immediately after Yanukovych's inauguration, the parliament voted to change its rules of procedure, allowing individual members, not just party groups, to create a coalition. This controversial rule paved the way for the resignation of Tymoshenko's cabinet and the formation of a new coalition by the Party of Regions, the Communist Party, the Lytvyn Bloc, and a collection of lawmakers from other factions. The addition of this last group pushed the coalition from 219 members to the necessary threshold of 226. On March 11, a cabinet led by Mykola Azarov of the Party of Regions was appointed under the new rules. Ultimately, more than 50 MPs abandoned the collapsed "Orange" coalition to join the pro-presidential majority, giving it about 265 members in the 450-seat chamber. The opposition, which had already been divided while in power, grew even more fragmented and incapable of mounting any sustained resistance to the new government's authoritarian tendencies.

In September 2008, the Constitutional Court had ruled that under the constitution, party groupings alone were authorized to create a majority coalition in the parliament. However, when the matter was submitted to the court in early 2010, the judges reversed themselves and found on April 6 that individual MPs could form a coalition.[1] This legitimization of the new configuration of power

no such cases were filed against those currently in power. This failure of effective, genuine enforcement at the top inevitably sets the tone for lower-ranking officials, perpetuating a culture of corruption that involves the widest strata of the population in corrupt acts.

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2 Decision of the Constitutional Court of Ukraine, N 20-pn/2010, 30 September 2010, http://zakon.rada.gov.ua/cgi-bin/laws/main.cgi?nreg=v020p710-10 (in Ukrainian).

3 "Гриценко: Янукович хоче отримати набагато більше повноважень, ніж їх мав Кучма" [Hrytsenko: Yanukovych Wants More Powers Than Kuchma], *Dzerkalo Tyzhnya* (Kyiv), 6 October 2010, http://news.dt.ua/online/articles/66362 (in Ukrainian).

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8 Ibid., 2.

9 Ibid., 27.

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11 Yury But, "'Чесні та прозорі' вибори: як це робилось на Київщині" ['Free and Fair' Elections: How It Was Done in Kyiv Region], *UNIAN News Agency*, 16 November 2010, http://human-rights.unian.net/ukr/detail/195768 (in Ukrainian).

12 Paweł Kowal and Jan Kozłowski, *Mission to Ukraine on the Occasion of the Local and Regional Elections of 31 October 2010* (Brussels: European Parliament, 17 November 2010), http://eeas.europa.eu/delegations/ukraine/documents/press_releases/report_ep_en.pdf.

Unlike in previous years, media coverage of corruption decreased in 2010. This can be attributed in part to self-censorship by journalists and media owners seeking to avoid clashes with the authorities, but also to increased opacity on the part of the government. Even when journalists did engage in investigative reporting, the authorities took no remedial action in response to their findings.

State procurements remain nontransparent and corrupt. The Constitutional Court noted in 2008 that MPs were obliged to pass a law on the subject, and in early February 2010, the court reminded the parliament of its previous instructions. In response, speaker Volodymyr Lytvyn accused the court of interference in the legislators' work. Nevertheless, on February 11 the parliament adopted a law on state procurements. According to expert assessments, the law contained a number of problematic provisions, including a mechanism in which tender complaints would be reviewed by a commission made up of seven agency representatives and seven independent experts approved by parliamentary committees. The involvement of MPs was especially controversial, as it appeared to breach the constitutional principle of the separation of powers. Yanukovych vetoed the bill in mid-March, but it was later adopted in June.

Politics and business remain intertwined in Ukraine, and the year featured a growing trend toward the use of high office for promotion of private business interests. The case of SBU chief and High Council of Justice member Valeriy Khoroshkovsky was a striking example. As an influential businessman with financial holdings in the media (Inter Media Group) and reported connections to the gas trade (RosUkrEnergo),[56] he had no experience or qualifications for his new public positions. He was believed to have engineered the judicial reversal of a January decision by the National Council for Television and Radio Broadcasting to grant transmission frequencies to the 5 Kanal and TVi television stations, which competed with his Inter station. In September, the Stop Censorship! campaign asked Yanukovych to dismiss Khoroshkovsky from the High Council of Justice and reconsider his SBU position.[57]

Separately, the SBU's arrest of two top managers from the Tymoshenko government—former customs official Anatoliy Makarenko and former Naftohaz Ukrayiny offical Ihor Didenko—was also associated with promotion of Khoroshkovsky's business interests, this time in the gas sector. The officials dealt with gas acquired by Naftohaz, the state energy company, from Russia's Gazprom on the basis of a bilateral contract arranged by Tymoshenko and Russian Prime Minister Vladimir Putin in January 2009. RosUkrEnergo, previously the intermediary in the cross-border gas trade, asserted that the transferred gas had been taken unlawfully. On June 8, 2010, the company won an action in the Stockholm Arbitration Court, and for the rest of the year tried to secure its enforcement by Ukrainian courts. In such circumstances, the arrest of the two officials may be seen as pressure on the judicial system to obtain the desired rulings.

The arrest of former interior minister Yuriy Lutsenko and the opening of criminal cases against Tymoshenko added to the impression that the new leadership was tackling corruption in a selective, politically motivated manner, as

not implemented in an effective manner, and the entire enterprise is focused on process and appearance rather than results.

The anticorruption policy of the Yanukovych administration was no exception to this pattern. Anticorruption rhetoric from the authorities was accompanied by measures that barred any effective action, as well as new scandals like those related to Yanukovych's questionable acquisition of the Mezhyhirya estate, which had previously been public property.[50]

Yanukovych issued a presidential decree on February 26 to establish a National Anticorruption Committee, but almost simultaneously, the ruling parliamentary coalition voted to postpone implementation of pending anticorruption legislation until January 1, 2011, the third such delay since June 2009. The package of reforms had been in development since 2005 under pressure from international organizations, the Financial Action Task Force (FATF) and the Council of Europe above all. The changes would not only provide criminal sanctions, they would for the first time impose advanced controls on the financial activity of the authorities and every state official. Justice Minister Oleksandr Lavrynovych explained the postponement by saying that the legislation as currently worded would encourage corruption in law enforcement bodies and restrict the constitutional rights of citizens.[51]

International organizations were critical of the latest postponement. A PACE report said that the move, combined with the president's veto of a law on money laundering, "raise questions about the existence of the necessary political will to fight corruption effectively."[52] The president of the Council of Europe's Group of States against Corruption (GRECO), Drago Kos, similarly warned that the Ukrainian authorities' latest actions cast doubt on "Ukraine's resolve to fight corruption."[53]

Also in 2010, the government diluted one of the few anticorruption improvements implemented by its predecessor—external independent assessment (EIA) for entrance to higher educational establishments. EIA took effect in 2008 and proved to be an effective tool for reducing corruption in the education system. According to national public opinion polls by the Kyiv International Institute of Sociology (KIIS) carried out in March and April, some 40 percent of Ukrainians agreed that introduction of EIA was a step toward justice in the country (28 percent disagreed), and 43 percent were sure that EIA reduced corruption in university admissions (28 percent disagreed).[54] Interestingly, respondents who knew children who had passed through the EIA process reported higher approval ratings. For example, while 50 percent of all Ukrainians agreed that EIA put everyone on equal footing, the figure among those with direct or indirect experience was 69 percent. By and large, the majority admitted the good influence of EIA on the probity of the education system.

Despite this apparent success, Yanukovych's appointee for minister of education and science, Dmytro Tabachnyk, initiated new rules for university admissions that took into account a student's grade-point average along with EIA results. While the change was supposedly designed to encourage impartiality, there were already signs in 2010 that records from past years were being altered to improve student averages.[55]

the Ukrainian constitution, the charter provided no formal grounds for the Constitutional Court to open proceedings in response to the application by 252 national deputies. He concluded that the court had improperly "arrogated to itself the right to subsequent constitutional control of laws on amendment of the Constitution," and had "consciously" exceeded the limits of its constitutional jurisdiction.[42] Experts from the Kyiv-based Centre for Political and Legal Reforms also noted the "controversy" and "incompleteness" of the ruling; its weak legal grounding and inconsistency with past rulings; and its creation of "constitutional uncertainty with respect to the supreme elected bodies."[43]

In a December 2010 opinion, the Venice Commission similarly pointed out that the current president and parliament were elected under constitutional rules that were no longer recognized as valid. It called for a comprehensive constitutional reform designed to strengthen the stability, independence, and efficiency of state institutions.[44]

Reforms of the criminal justice system that were initiated during the summer had yet to make significant progress by the end of the year. However, the appointment of Pshonka as prosecutor general in November represented a major step toward centralized political control over law enforcement. Yanukovych is the godfather of Pshonka's son, and the two men have long-standing professional ties.[45]

Meanwhile, public trust in the Ukrainian law enforcement system remained very low. According to a Razumkov Centre poll conducted in September and October, the SBU was entirely supported by only 13.2 percent of respondents, and not supported by 36.3 percent. The militsiya (police) were supported by 8.7 percent and not supported by 51.2 percent. Public prosecution offices were supported by 7.4 percent, and not supported by 47 percent. Finally, the Ukrainian courts were supported by only 5 percent, and not supported by 51.5 percent.[46]

Corruption

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
6.00	5.75	5.75	5.75	5.75	5.75	5.75	5.75	5.75	5.75

Corruption remains pervasive in Ukrainian society despite long-term efforts to curb it. In 2010, Transparency International's Corruption Perceptions Index ranked Ukraine 134 out of 178 countries surveyed, placing it close to the worst performers on the list.[47] The Heritage Foundation's 2010 Index of Economic Freedom also gave Ukraine a poor score, ranking it 162 out of 179 states surveyed.[48]

Experts from the Ukrainian Institute for Public Policy have described the anticorruption efforts of recent years as a cyclical pattern. Each major campaign includes the following stages: criticism of predecessors' groundwork, establishment of consultative bodies responsible for the development of a new anticorruption policy, development and adoption of relevant strategies and acts, demonstrative punishment aimed at the opposition or middle-ranking officials, and demonstrative attempts at reformation of individual agencies.[49] The prescribed policies are generally

recommendations from the Council of Europe's Venice Commission, except those that required constitutional amendments.[35]

The quickly prepared bill was submitted to the parliament and passed in its first reading on June 2. On June 15, the Justice Ministry asked the Venice Commission for an opinion on the draft. However, the parliament did not wait for the commission's analysis, passing the bill in the second reading on July 7. The president signed it into law on July 27.

The Venice Commission nevertheless issued its opinion on the judicial reform in October. It found fault with the "drastically reduced role of the Supreme Court and the increased role of the High Council of Justice in judges' appointment, discipline and dismissal," and argued that there were still "fundamental problems in the system envisaged for the appointment and removal of judges."[36] The opinion included 28 recommendations for improvement of the law and 6 recommendations for amendments to the constitution.

The commission's findings echoed those of the chairman of the Supreme Court, Vasyl Onopenko. In an open letter to the president on July 12, he noted that the law not only failed to ensure proper regulation of the judicial branch and the exercise of justice, it also posed a serious threat to the independence of the judicial branch and citizens' constitutional rights to legal defense.[37] He argued that efforts to protect "private or narrow corporate interests" through legislation and other state actions were weakening justice and the state itself.[38] There were signs that the political pressure was causing many judges to leave the bench. The October sitting of the High Council of Justice was scheduled to consider more than 50 resignation requests from judges at different levels—far more than the usual two or three such requests.[39]

After the passage of the judicial reform, the ruling elites concentrated on their main goal: restoration of the presidential powers that had been redistributed through the constitutional amendments of 2004. The ostensible purpose of this push was to create the political stability necessary to enact economic and other reforms.

Although there were several alternatives for achieving their goal, the authorities chose to pursue a ruling by the Constitutional Court. The first step involved the resignation of four judges and their replacement by apparent Yanukovych allies on September 16. Though the outgoing judges gave no official reason for their resignation, one reported that he had been pressured to leave.[40] Just two weeks later, acting on an appeal by 252 MPs from the ruling coalition, the Constitutional Court ruled that the procedures for the adoption of the 2004 amendments had violated the constitution, and that the amendments were therefore unconstitutional. The court ordered the parliament to bring current legislation back in line with the constitution of 1996. According to Venice Commission secretary Thomas Markert, the ruling raised serious questions about the legitimacy of government and legislative actions since 2004, since it essentially asserted that "the authorities in Ukraine have been working for several years on the basis of an unconstitutional constitution."[41]

Other critics questioned the method by which the issue was brought before the court. According to law professor Viktor Musiyaka, one of the authors of

the authorities' actions regarding local government had the cumulative effect of undermining the already weak connection between state institutions and the country's residents, and reducing their ability to influence government policy.

Judicial Framework and Independence

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
4.75	4.50	4.75	4.25	4.25	4.50	4.75	5.00	5.00	5.50

President Yanukovych's campaign to centralize authority in the country placed a particular emphasis on altering the constitutional and legal systems and reducing the independence and integrity of the law enforcement and judicial systems. The steps his government took toward these ends were aggressive, sweeping, and methodical. They included the appointment of media owner Valeriy Khoroshkovsky as head of the SBU (March 11), the initiation and implementation of a judicial reform (March–July), initiation of criminal justice reforms (August), replacement of four judges on the Constitutional Court (September 16), the ensuing Constitutional Court decision to abolish the 2004 constitutional amendments (September 30), the appointment of Yanukovych loyalist Viktor Pshonka as prosecutor general (November), and the selective prosecution of officials from the Tymoshenko government.

In addition to his SBU post, Khoroshkovsky was named as a member of the High Council of Justice despite his lack of the required professional experience in the legal field. As the owner of the largest media holding firm in Ukraine, he had never worked within the state security system or in law enforcement bodies. After Khoroshkovsky's appointment, the SBU engaged in a number of widely publicized incidents of harassment aimed at civil society figures. PACE observers raised concerns about the SBU's activities, arguing that they were "all the more controversial in view of the potential conflict of interest" created by Khoroshkovsky's official posts and private business assets, which "have a considerable impact on the public sphere."[34]

The judicial reform process began in late March, when Yanukovych created a working group to revise the draft Law on the Judicial System and the Status of Judges of Ukraine that had been prepared and approved by the parliament's judiciary committee in June 2008. One of the men behind the new draft was Serhiy Kivalov, who had served as chairman of the Central Election Commission during the fraudulent presidential runoff election of 2004. According to another "father" of the reform, deputy head of the presidential administration Andriy Portnov, the measure was designed, among other things, to streamline court procedures, introduce automatic assignment of cases, cut the number of Supreme Court judges, restrict the parliament's role in judicial appointments, raise judges' salaries, and improve enforcement of judicial decisions. According to Portnov, "the judicial reform initiated by the head of state also draws Ukraine closer to the European legal space." Moreover, he said it "took into account the absolute majority" of

Local Democratic Governance

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
n/a	n/a	n/a	5.25	5.25	5.25	5.25	5.25	5.25	5.50

Ukraine has four tiers of subnational administrative divisions: the Autonomous Republic of Crimea and oblasts (including two cities with oblast status, Kyiv and Sevastopol); raions and cities with raion status; cities; and villages and townships. Each raion is divided into a number of village councils. Ukraine has 24 oblasts (plus the Autonomous Republic of Crimea), 490 raions, 118 city raions, 459 cities, 886 urban settlements, 1,321 townships, and 28,480 populated rural localities.

Despite President Yanukovych's rhetoric on increasing the autonomy of local governments, his administration's actions and other developments during 2010 resulted in an increased centralization of political power.

Under the previous government, a group of experts from the Ministry for Regional Development and Construction had spent two years drafting a package of bills designed to reform local self-government, but the Yanukovych administration declared that it would develop its own framework. The ministry presented its new proposals in August,[31] with the stated aim of giving wider powers to local self-government bodies and regions over the next several years. However, the Constitutional Court's September decision to revoke the constitutional amendments of 2004, which had included important changes regarding local self-government, effectively undercut all previous attempts at reform, forcing the authorities to start from scratch on the basis of the 1996 constitutional language.

In August, the parliament also passed a law on local elections that excluded the Kyiv city council and mayor—as well as the Ternopil regional council—from the upcoming October 31 balloting, since they had been chosen in special elections held in 2008 and their four-year terms had not expired. Moreover, at the beginning of September, the parliament amended the Law on the Capital City, allowing the city council to abolish its raion councils, which it subsequently did. Several other cities, including Kharkiv, also abolished their raion councils prior to the elections.[32] As a result of these measures, voters were left with a reduced degree of local autonomy, and no balloting took place in the country's capital, where voters were known to oppose the current government.

Where elections did take place, they fell short of international standards, as described in the Electoral Process section above. Among other problems, the August electoral law was enacted just two weeks before the beginning of the campaign, giving political parties little time to adapt to the new voting system. Observers noted pressure on independent and opposition candidates, irregularities during the voting, low turnout, a large number of votes "against all," delays in the vote counting, and a wave of legal challenges. A total of 2,375 election-related lawsuits were filed in the period between October 31 and November 11.[33] According to the official results, the ruling Party of Regions won a nationwide majority.

While the Yanukovych administration's emphasis on the consolidation of political power was supposedly intended to strengthen the Ukrainian state,

by Telekritika later in the year showed that while business-sponsored materials had almost entirely disappeared from television news summaries, political sponsorship continued to grow. Inter was the indisputable leader of this practice, followed by the state-owned First National. Third place was shared by ICTV and 1+1. Sponsored materials were also noted at Ukraina, and to a lesser extent at Novy. As usual, the smallest number of sponsored materials was detected at STB.[23] Meanwhile, television channels consistently neglected coverage of important socioeconomic issues, including increases in commodity prices, tax rates, utility costs, and the retirement age, as well as budget cuts that resulted in job losses.

As the space narrowed for political criticism and investigative journalism on television, online media gained importance. Internet penetration is growing rapidly, reaching 33.7 percent in 2010, compared with 11.4 percent in 2006, though the figure remained lower than in the most of Ukraine's neighbors.[24] There are a number of influential online publications that have no print editions, such as *Ukrayinska Pravda*, *Obkom*, and *Ostrov.org*. However, the SBU, under Khoroshkovsky's leadership, has been putting increasing pressure on online media. In October, the SBU summoned Oleg Shinkarenko, a blogger who had been critical of Yanukovych, and forced him to write a statement pledging to stop his criticism.[25] In December, Kirill Baranov, deputy editor of the news website *Fraza*, was forced to report to SBU headquarters and answer questions about his work.[26]

In addition to editorial and political pressure, journalists faced physical threats and attacks during 2010. The most serious case was that of Vasyl Klymentyev, editor of the Kharkiv-based weekly *Novyi Stil*, who disappeared in August after reportedly refusing a bribe to quash a story on corruption involving local officials.[27] After several months, no progress in the investigation had been reported. According to Deputy Interior Minister Vasyl Farinnyk, the authorities were weighing several alternatives to the theory that the reporter had been killed because of his professional activity.[28] For many observers, the case recalled the 2000 murder of Heorhiy Gongadze, which had spurred public opposition to the regime of then president Leonid Kuchma. In September 2010, prosecutors concluded that Gongadze's killing was ordered by then interior minister Yuriy Kravchenko, who had been found dead from a gunshot wound in 2005 on the day he was to submit to questioning in the case. Journalists and Gongadze's family criticized the finding, claiming that Kravchenko was being blamed in place of Kuchma, against whom there was substantial evidence.[29]

A number of other cases of journalist harassment and assault were reported during the year; the Committee to Protect Journalists found that over two dozen journalists were violently attacked in 2010.[30] In one of the more brutal cases, Vasyl Demyaniv, editor of the independent *Kolomyisky Vestnik*, was attacked by two men and hospitalized with a fractured skull and broken knee following the paper's criticism of local authorities. The spate of assaults seemed to confirm a trend of growing violence against journalists in Ukraine.

than a criminal offense. However, despite this generally progressive legal framework, implementation remains extremely problematic, and there was a marked trend toward politicization of the media in 2010. Judicial and extrajudicial pressure on the press increased, as did the number of violent assaults on journalists.[18]

President Yanukovych carefully avoided any unscripted, spontaneous interviews with national media outlets, and his government was generally more closed to public scrutiny than its predecessor. Requests for official information were frequently ignored. A draft law on access to public information was taken up by parliament in November, but was subsequently removed from its agenda, and had not been passed at the end of 2010.[19] Meanwhile, prosecutors became more aggressive in their requests for journalists' sources.

The new government acted swiftly to establish political control over media regulators and state-owned outlets. After the presidential election, the leadership and staff of the National Commission for Television and Radio Broadcasting was changed, and there is now no opposition representative on the commission. The leadership of the main state television channel, First National, was also replaced. Its new deputy chief, Valid Arfush, declared that the channel's mission is to "defend the government at any point."[20] In October, the government adopted a plan for the creation of a public-service broadcaster, but critics argued that the proposed model would allow for government control rather than editorial independence.

Although there was no evidence of direct state censorship in 2010, coverage of politically sensitive topics became more biased in favor of the government at nearly all nationwide television channels. Most private channels are owned by business magnates who view their media holdings as an appendage to their industrial and financial assets. Because their economic interests depend on good relations with the authorities, these owners' stations in most cases became more reluctant to provide critical oversight of the new government's activity. Some private channels (Inter, ICTV) covered political issues in a biased manner, while others (Novy, STB) simply limited political coverage and investigative reporting. A number of professional news managers were fired and replaced with more obedient figures. Responding to attacks on media freedom and their professional rights from both the government and private owners, journalists launched an advocacy campaign called "Stop Censorship!"

Yanukovych elevated one media tycoon to the commanding heights of the Ukrainian state, naming Valery Khoroshkovsky, partial owner of Inter, to serve as head of the SBU and a member of the Supreme Council of Justice, which appoints and dismisses judges. Subsequently, the authorities attempted to withdraw the licenses of two television channels, TVi and 5 Kanal, that compete with Inter and are considered by media watchdog Telekritika to be the last unbiased stations in the country.[21] As an indirect result of the pressure, 5 Kanal reduced the scope of its prime-time information broadcasting in favor of live nonpolitical shows.

Political bias in television also took the form of sponsored news. According to IREX's Media Sustainability Index, the number of paid-for news stories more than doubled in the runup to the presidential election.[22] Monitoring conducted

Vasyl Khara of the All-Ukrainian Trade Union Federation, who is also an MP for the Party of Regions, are fully integrated into the political and economic establishment and disconnected from the wider public.

Late in the year, a strong wave of public activism arose in response to government plans for a new tax code that was expected to worsen business conditions for small and medium-sized enterprises. A protest against the proposed code on November 16 drew about 50,000 people to the parliament building. Most of those attending were not thought to be connected to political parties, and some independent trade unions took part and attempted to provide leadership. The movement was rather successful, as the most of the protesters' demands were met by the government. However, despite the peaceful nature of the rallies, the Ministry of Interior in December initiated criminal cases against some of the organizers, subjecting them to temporary detention and accusing them of "damaging public property."

The government tried to undermine or circumvent ethnic minority organizations that it regarded as disloyal. For example, in August Yanukovych altered the membership of a presidential advisory council representing the Crimean Tatars. The council, established in 1999, had previously consisted exclusively of members of the Mejlis of the Crimean Tatar People, which in turn was elected by the Tatars' national congress, or Kurultay. The Mejlis had supported one of Yanukovych's rivals in the presidential election. The president consequently incorporated new members into the advisory council who represented minor NGOs that competed with the Mejlis.

Ukraine's civil society sector has rather limited financial resources. Among foreign donors, USAID provides the largest single contribution, which is distributed through a variety of programs and projects. The IRF, which is affiliated with the billionaire investor and philanthropist George Soros, provides more than US$7 million annually, making it the largest private donor. Several German political foundations traditionally support NGOs in Ukraine, as do aid programs from Poland, Slovakia, and other countries to the west. Several domestic private funds, such as Open Ukraine, the Viktor Pinchuk Foundation, and the Development of Ukraine Foundation, offer grants to civil society organizations. Their priorities include social welfare and charitable projects, health and education, and to a lesser extent, public advocacy, legal and human rights protection, international cooperation, and promotion of the arts.

Independent Media

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
5 50	5.50	5.50	4.75	3.75	3.75	3.50	3.50	3.50	3.50

Ukraine hosts a diverse and competitive media market, and the formal legal environment for the media changed little during 2010. Article 34 of the constitution guarantees freedom of opinion and speech, and Article 15 forbids censorship. Among other statutory protections, Article 10 of the Law on Printed Mass Media prohibits the monopolization of that sector, and libel is a civil rather

to continue consultations in order to prepare a compromise version. This legislation was still pending at the end of the year.

Despite such positive signs, the overall environment for civil society clearly deteriorated, and there was a sharp increase in unlawful actions against human rights and civic activists. The number of such cases in the second and third quarters of 2010 alone far exceeded the total number of similar incidents over the previous five years.[16]

Among other examples during the year, in May and June police repeatedly arrested civic activists who were peacefully protesting logging in Kharkiv's Gorky Park. Officers also attempted to stop the gatherings, or simply watched as activists were beaten by hired security guards. In a separate incident on September 8, historian Ruslan Zabily, the director of the Museum of Victims of the Occupation Regimes in Lviv, was detained by the SBU as he arrived by train in Kyiv. He was held for an entire day and accused of attempting to disseminate state secrets, although his professional interests are limited to crimes of the Nazi and Soviet eras. On October 14, two Lviv-based civil activists, Oleksy Verentsov and Ihor Tanyachkevych, were arrested by the police, taken to court, and sentenced to three days of administrative detention for willful disobedience of lawful police instructions as well as violations of the procedure for organizing a peaceful gathering. The demonstration in question, held at the local prosecutor's office two days earlier, was fully legal, and the two activists had twice provided notification of their planned assembly. On October 15, the police searched the flat of Dmytro Groisman, coordinator of the Vinnytsya Human Rights Group, ostensibly as part of a criminal pornography investigation.

There were reports that SBU or police officers were carrying out undeclared meetings with civic activists to dissuade them from engaging in protests. In a number of cases, police officers asked individuals to sign a document acknowledging criminal liability for unlawful actions during a peaceful assembly. There have also been many cases, in Kyiv and Simferopol for example, in which university officials were enlisted to pressure young activists to abandon their causes.

The atmosphere for international NGOs and foreign donors has similarly worsened. In July, the director of the Kyiv office of the Konrad Adenauer Foundation, Nico Lange, was detained at Kyiv-Boryspil Airport and threatened with deportation. He was released only after the German government intervened on his behalf. In early September, Yevhen Bystrytsky, executive director of the International Renaissance Foundation (IRF), said that several civic organizations carrying out IRF-funded projects in Kyiv oblast had been approached by the SBU and asked for information about the aims, components, and financing of their activities. In response, SBU press officer Marina Ostapenko stated that the SBU had merely been "ensuring observance of the Law on the Elections, specifically with regard to preventing any possibility of financing of Ukrainian political parties by foreign institutions."[17]

Trade unions are not a prominent component of civil society in Ukraine. The largest unions are remnants of the Soviet system and are incapable of effectively defending the interests of their members. The leaders of these institutions, such as

party Svoboda (Freedom) took the lead in three oblasts in the west, illustrating the weakness of the moderate nationalist and liberal parties.

Civil Society

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
3.75	3.50	3.75	3.00	2.75	2.75	2.75	2.75	2.75	2.75

The civil society sector continues a play an important role in Ukraine. Its leading representatives—including the organizations OPORA, New Citizen, and Stop Censorship!—appeared at the forefront of numerous public events in defense of freedom of assembly, media freedom, electoral rights, and environmental integrity during 2010, and they remained vocal in promoting dialogue with policymakers to influence legislation and other decisions. However, a combination of societal apathy and lack of capacity among NGOs prevented them from effectively resisting the year's antidemocratic trend. Indeed, civil society activists increasingly faced various forms of direct pressure and hostility from the authorities.

The new government's stance on civil society was not uniformly negative. In most cases it maintained a dialogue with NGOs in the formats established under previous administrations. It also supported some potentially constructive legislation. On November 3, the cabinet adopted a new regulation (No. 996), "On the Guarantees of Civil Society Participation in Public Policymaking," replacing a previous version adopted by Tymoshenko's government in 2009 that had received criticism from civil society. The new regulation, if properly implemented, would represent a step forward, allowing NGOs to form freely and participate in the public councils that advise various central, regional, and local government bodies. Leading NGOs took part in the development of the new measure. However, its initial implementation demonstrated the risks of abuse, as a large number of quasi-NGOs were established to pursue personal interests or dominate the public councils.

Also in November, a new bill, "On Civil Society Organizations" (No. 7262-1), was submitted to the parliament by a group of MPs that included representatives from the majority and the opposition. The proposed legislation, which was supported by the NGO community, could substantially improve the legal environment for civil society by easing the registration process, reducing administrative barriers to NGO activity and fundraising, and allowing activists to defend broad societal interests regardless of formal membership in particular NGOs.

A large number of NGOs continued to advocate the adoption of a bill "On Access to Public Information" (No. 2763) that would determine the procedures for exercising and securing the right of every person to access information of public interest in the possession of government agencies and other entities. Activists and journalists issued a number of appeals to the president, the parliament, and international institutions in support of the bill.[15] The Party of Regions was opposed to the legislation and even submitted an alternative bill, but in November it agreed

barred from participation, as its members were not registered by territorial election commissions.

The Central Election Commission registered 490 official foreign observers and 1,913 observers from national NGOs. According to the OPORA Civic Network, one of the largest nationwide monitoring networks, some improvements over the presidential election were achieved. It found that voting lists were more accurate, and election commission members were more disciplined in terms of their constant presence at polling stations.

However, OPORA reported numerous procedural violations and organizational problems on election day. In general, the local elections were held in an atmosphere of mistrust. Suspicions of fraud were raised by many cases in which extra ballots were printed in large numbers just before voting, as well as the uneven party representation on electoral commissions and candidates' fear of being deregistered at the last minute.[10] Moreover, administrative resources were reportedly abused for political purposes on a scale not seen since 2004.

The vote-counting process was obviously problematic. It took much more time than allowed by law, and there were clear signals of possible fraud, with discrepancies between the tabulations reported by election commissions at different levels. Yuriy But, the head of the Committee of Voters in Kyiv oblast, observed and drew media attention to numerous violations, including manipulation of voting lists, refusal to register candidates from opposition parties, and direct falsification of protocols.[11]

The various contingents of foreign observers cited similar problems. For example, the European Parliament observation group, led by Paweł Kowal of Poland, found shortcomings such as "unbalanced composition of commissions," "unequal opportunities for pro-presidential and opposition parties," and "the fact that some of the candidates have been arrested during the electoral campaign." The group also noted that the election code adopted in the months before the voting "seemed in practice to favour the ruling party."[12]

The U.S.-based National Democratic Institute found that "the environment surrounding Ukraine's Oct. 31 local elections has deteriorated compared to the situation during the presidential election earlier this year."[13] And members of the delegation from the Congress of Local and Regional Authorities of the Council of Europe stated that as a "consequence of this hastily drafted law, there were shortcomings with regard to the preparation phase, in particular, the registration of candidates and the composition of electoral commissions, the organizational framework and the counting of votes on elecrion night." As a result, the group's report said, "the voting was not of a standard we would wish to see, namely, fully in line with the requirements of the European standards for fair, transparent and professionally organized elections."[14]

According to the final results, the Party of Regions won in the majority of oblasts, including some (Rivne and Chernivtsi) in the country's west, outside the party's traditional heartland in the Russian-speaking east and south. Meanwhile, a small number of mayoral elections were won by opposition representatives in the east (Zaporizhya and Sumy). The extreme right-wing Ukrainian nationalist

marred by numerous violations, and unsuccessfully called on the court to order a third round.

The pluralistic media environment offered voters a range of information about leading presidential candidates and their platforms. At the same time, the OSCE election report noted that candidates often paid to appear on programs in the electronic media, and that media owners undermined editorial independence and the ability of journalists to report impartially.[8]

Transparency was enhanced by the large presence of domestic and international observers, and nongovernmental organizations (NGOs) also monitored the election, despite the fact that they were not permitted by law to register their members as observers. The international contingent included over 800 observers from 46 OSCE member states, a 117-member delegation from the OSCE Parliamentary Assembly, a 45-member delegation from the Parliamentary Assembly of the Council of Europe (PACE), a 30-member delegation from the NATO Parliamentary Assembly, and a 10-member delegation from the European Parliament.

In its postelection assessment, the OSCE's Office for Democratic Institutions and Human Rights (ODIHR) stressed the need for a complete review and harmonization of the legal framework for elections. It noted that "consideration could be given to consolidating all election laws into a unified code applicable to all elections long before the next election. The process should be inclusive of representatives from political parties, the election administration, civil society and academia so as to build a broad consensus."[9]

However, most of the recommendations were not considered seriously during the preparation for the local elections, which were initially scheduled for late May and later postponed to October 31. A new election law for the local polls was adopted by the parliament on July 10 and amended on August 30. It established a mixed proportional-majority system, with half of the local council deputies elected under a proportional (party-list) system and the other half elected in single-member constituencies. Members of the Crimean Autonomous Republic's legislature and of *oblast*, *raion* (district), and city councils were elected under this mixed system, but village councils were chosen under the majority system. Only local party branches could nominate candidates for city mayor, while both party and self-nominations were allowed for the heads of villages. Elections in the capital city of Kyiv and in Ternopil oblast had been held early in 2008, meaning there was no fresh voting there in October 2010.

The new election law conrained a number of flaws, including provisions that allowed political manipulation of the formation of electoral commissions. This led to the domination of the majority of local commissions by government supporters. The law also stipulated that commission decisions could be taken by a quorum of 3 out of 18 members, which greatly increased the risk of fraud. Registration of opposition parties and candidates was restricted. In some regions, so-called clone parties were registered instead of the real parties whose names they bore. Most of these clones were ultimately removed from the ballot, but in Kyiv and Lviv oblasts the major opposition party Batkivshchyna (Fatherland), led by Tymoshenko, was

The situation also worsened with regard to the transparency and accountability of the military, police, and security services. The Ministry of Interior dissolved its departments dealing with human rights protection, while the SBU initiated a number of nontransparent investigations against public activists. Dozens of individuals were questioned by SBU officers about their participation in mass rallies and other legitimate civic activities.

The deterioration of democratic processes in Ukraine drew the attention of European institutions. A European Parliament resolution on November 25 stated that "following the presidential elections held in January 2010, there are increasingly worrying signs of a lessening of respect for democracy and pluralism...as well as increased and politically motivated activity by the Ukrainian Security Service (SBU) and the misuse of administrative and judicial resources for political purposes."[6]

Electoral Process

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
4.50	4.00	4.25	3.50	3.25	3.00	3.00	3.50	3.50	3.50

Developments in 2010 raised doubts about the future of electoral processes in Ukraine, which had been generally free and fair since the 2004 Orange Revolution. While the presidential election early in the year largely matched that positive record, the local elections held in October were problematic, suggesting the beginnings of a new, negative trend.

The presidential election was held in two rounds, on January 17 and February 7. Yanukovych led in the first round with 35.32 percent of the vote, followed by Tymoshenko with 25.05 percent. Former central bank chairman Serhiy Tihipko placed third with 13.05 percent, and the remaining 15 candidates each captured no more than 7 percent. Yanukovych went on to defeat Tymoshenko in the runoff, 48.95 percent to 45.47 percent. Notably, the "against all" option received 2.20 percent of the vote in the first round and 4.36 percent in the second. About 1.65 percent of the first-round ballots were rejected as invalid, and 1.19 percent were deemed invalid in the second round. Voter turnout was about 67 percent in the first round and 69 percent in the runoff.

Voters turned to Yanukovych—or at least away from his rivals—in part because of the incumbent government's perceived failure to respond effectively to the global economic crisis. They were also disappointed by the scandals and factional strife that had plagued the Orange coalition almost from its inception.

According to the Organization for Security and Cooperation in Europe (OSCE) and other independent observation missions, the presidential election met most international standards for democratic elections.[7] The process was transparent and offered voters a genuine choice between candidates representing diverse political views. However, unsubstantiated allegations of large-scale electoral fraud negatively affected the election atmosphere and voter confidence. Tymoshenko challenged the runoff results in the High Administrative Court, alleging that the vote was

effectively altered the outcome of the last parliamentary elections in 2007, in which the parties of the Orange camp won a slim majority.

In June 2010, a group of MPs referred another case to the Constitutional Court, using alleged procedural violations to challenge the entire constitutional reform of 2004, which had shifted a number of crucial presidential powers to the parliament. On September 30, the court decided to annul the 2004 reform, automatically reviving the strong presidential model created in 1996.[2] The judges ignored the constitutional rule that only the parliament could alter the charter. The decision was preceded by the politically biased replacement of the chairperson and several members of the court.

Yanukovych had already wielded considerable power, as his Party of Regions dominated the cabinet and the parliamentary majority. But after the September ruling, the president regained direct authority over the cabinet as well as the Security Service of Ukraine (SBU) and the Prosecutor General's Office, and was at the same time almost completely independent of parliamentary support. Whereas the 2004 constitution assigned specific powers and rights to the official parliamentary majority and the formal parliamentary opposition, the restored 1996 charter allows the president to unilaterally appoint cabinet ministers and rely on ad hoc majorities to approve his chosen prime minister and adopt legislation. The 1996 constitution does not assign an institutional role to the parliamentary opposition. Notably, Tymoshenko had supported the idea of restoring presidential powers prior to her defeat in the presidential election.

The new government also sought to extend presidential powers even beyond those that existed before 2004. For example, a new version of the law governing the cabinet, adopted on October 7, limited parliamentary oversight of the SBU, among other provisions.[3]

Toward the end of the year, a number of criminal cases were launched against leading representatives of the former government. Former interior minister Yuriy Lutsenko and former deputy justice minister Yevhen Korniychuk were arrested, a criminal charge against Tymoshenko restricted her political activity, and former economy minister Bohdan Danylyshyn obtained political asylum in the Czech Republic after a Ukrainian court ordered his arrest. According to assessments by human rights watchdogs and European Union politicians, these cases, regardless of the strength of the accusations, demonstrated that the judiciary was being used selectively based on political motivations.[4]

On December 9, Yanukovych issued a decree on "Optimization of the System of Central Executive Power Agencies," reducing the number of government ministries to 16 from 20 and the number of the cabinet members to 17 from 26 in order to reduce red tape and expenses.[5] All key ministers, including Prime Minister Mykola Azarov, kept their posts.

The year's raft of institutional changes had the effect of strengthening and consolidating the central government with little regard for crucial checks and balances. The new system brought more certainty and formal order, as well as more operational capacity for the government, but it also meant less accountability and public oversight.

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Uzbekistan

by Bruce Pannier

Capital:	Tashkent
Population:	27.8 million
GNI/capita, PPP:	US$2,910

Source: The data above was provided by The World Bank, *World Development Indicators 2011*.

Nations in Transit Ratings and Averaged Scores

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Electoral Process	6.75	6.75	6.75	6.75	6.75	6.75	7.00	7.00	7.00	**7.00**
Civil Society	6.75	6.50	6.50	6.50	7.00	7.00	7.00	7.00	7.00	**7.00**
Independent Media	6.75	6.75	6.75	6.75	7.00	7.00	7.00	7.00	7.00	**7.00**
Governance*	6.00	6.25	6.25	n/a	n/a	n/a	n/a	n/a	n/a	**n/a**
National Democratic Governance	n/a	n/a	n/a	6.50	7.00	7.00	7.00	7.00	7.00	**7.00**
Local Democratic Governance	n/a	n/a	n/a	6.25	6.75	6.75	6.75	6.75	6.75	**6.75**
Judicial Framework and Independence	6.50	6.50	6.50	6.25	6.75	6.75	6.75	7.00	7.00	**7.00**
Corruption	6.00	6.00	6.00	6.00	6.50	6.50	6.50	6.50	6.75	**6.75**
Democracy Score	**6.46**	**6.46**	**6.46**	**6.43**	**6.82**	**6.82**	**6.86**	**6.89**	**6.93**	**6.93**

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

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

Executive Summary

In what has become an annual tradition, President Islam Karimov chose August 31, 2010, the eve of the 19th anniversary of Uzbekistan's independence, to speak about democracy. "Our noblest aim," said the Uzbek president, "is to be among developed and democratic states in the world." Appearing on state television, Karimov said one of the keys to accomplishing this goal would be to "continue modernization and liberalization of the country, democratic renewal of political, judicial, and economic systems, and building a strong civil society."[1]

In reality, 2010 was characterized by no more democratic renewal than the previous years of Karimov's rule. Since 1991, Karimov has exercised authority over all aspects of Uzbekistan's governance and much of its public life. Using his security services, Karimov first eliminated all secular opposition to his government and then set about doing the same to the underground Islamic opposition that emerged. The executive branch of government dominates the legislative and judiciary bodies, whose sole purpose is to carry out the will of the president. Having silenced nearly all critics and perceived opponents of the regime—including independent journalists, rights activists, and political opponents—in 2010, the state went after individuals who spoke about or showed aspects of the country that the government felt damaged Uzbekistan's image both domestically and abroad. These so-called threats included artists, writers, and documentary filmmakers.

The Uzbek government implemented these policies with near impunity. President Karimov faces no significant opposition within the country, nor is he compelled to submit to pressure from international organizations. Uzbekistan's role as a transit country for NATO supplies to Afghanistan restricts the ability of many Western democracies to press for reform and greater respect for basic human rights in the country.[2] For economic and security reasons, Russia and China also need stability in Central Asia, and value Karimov as a guarantor of order in a potentially volatile region. Meanwhile, Uzbekistan's significant deposits of natural gas, uranium, and oil have caused many governments to focus on meeting energy needs at the expense of pressing Tashkent on moral issues.

The ouster of Kyrgyzstan's President Kurmanbek Bakiyev in early April 2010, and the ethnic violence and carnage in southern Kyrgyzstan in mid-June played directly into President Karimov's hands. He received international approval when he chose not to send troops into southern Kyrgyzstan during the June violence as ethnic Uzbeks took the brunt of the brutality. Karimov also allowed 100,000 of some 400,000 ethnic Uzbek refugees from Kyrgyzstan to cross into Uzbekistan. The UN High Commissioner for Refugees António Guterres thanked Uzbekistan for its timely humanitarian assistance, as did individual countries.[3] Nearly all the refugees returned to Kyrgyzstan within a month, many claiming they had been forced out.[4]

Domestically, politics in Uzbekistan remain static. There has been no national push to increase harvests or industrial productivity, to reform healthcare, or to build an education system capable of training future leaders. Authorities made a pledge to provide more than 900,000 new jobs in 2010, but a similar program in 2009 forced small businesses and farm owners to employ people at a financial loss in order to meet the quota. So far, sales of uranium and revenues from oil and natural gas pipelines represent only a small boost to the economy, since the volume of these energy resources remains low. Neighboring Kazakhstan and Turkmenistan have far greater resources and a combined population 35 percent smaller than Uzbekistan's.

National Democratic Governance. No efforts to reform Uzbekistan's political system were discernable during 2010. President Karimov and his inner circle continue to rule the country as they wish, while state security forces keep the regime in place. Average citizens have no legal means of expressing discontent or effecting change in the country. *Uzbekistan's national democratic governance rating remains unchanged at 7.00.*

Electoral Process. Uzbekistan held a by-election to the lower house of parliament and an election to the upper house of parliament at the start of 2010. As usual, neither ritual provided an opportunity for popular input on the choice of public officials. Uzbekistan's registered political parties are all pro-presidential, and the system was altered in 2008 to deny any individuals or initiative groups an opportunity to participate in elections. *No steps were taken during 2010 to liberalize these regulations, therefore Uzbekistan's electoral process rating remains unchanged at 7.00.*

Civil Society. Vestiges of civil society that are sanctioned and tolerated by the state do exist but operate within a very confined space. The government has allowed a few independent rights organizations to carry out some activities. Most so-called nongovernmental organizations were created by the government, and as such, they work within boundaries laid out by the authorities. *Harassment of the few remaining independent journalists and rights activists in Uzbekistan continued, as did raids, fines, and imprisonment of non-traditional religious groups; thus, Uzbekistan's civil society rating remains unchanged at 7.00.*

Independent Media. Uzbek aurhorities purged the country of independent media outlets years ago. The state continues to chase, harass, and jail individuals whose version of events in Uzbekistan challenges the information disseminated by Uzbek officials and the state media. In 2010, the state focused particularly on suppressing topics such as poverty or immorality, which it considers damaging to Uzbekistan's international reputation. *As the state retains its monopoly on information and would-be independent voices face systematic suppression and often dire consequences, Uzbekistan's independent media rating remains unchanged at 7.00.*

Local Democratic Governance. Officials at the regional, municipal, and other local levels are chosen by the central government, without input from Uzbek citizens. The loyalty of these officials is to the state and their task is to maintain order. Local administrations are powerless to act on virtually any matter without permission from Tashkent. No measures were taken to allow citizens an opportunity to choose their village, city, district, or regional representatives during 2010; appointed officials continue to serve the interests of the government in Tashkent over those of their constituents. *Uzbekistan's local democratic governance rating remains unchanged at 6.75.*

Judicial Framework and Independence. The judiciary of Uzbekistan is entirely subordinate to the executive branch, existing solely to legitimize the decisions of the central government. This is most clearly shown in the trials of activists, independent journalists, and members of suspect religious groups, all of whom are charged, brought to trial, and convicted by Uzbek courts despite irregularities in their detention and prosecution. There is evidence of physical abuse of detainees, and at times dubious witnesses have recanted testimony with no redress by the courts. *There was no attempt at judicial reform in Uzbekistan in 2010, and courts continued to provide a legal basis to quash perceived enemies of the state; thus, Uzbekistan's judicial framework and independence rating remains unchanged at 7.00.*

Corruption. The opaque nature of Uzbekistan's system of governance and business climate makes it impossible to know just how far corruption has penetrated society. Assets of a leading business allegedly connected to President Karimov's eldest daughter were seized in May, but results of the financial investigation were not released and no one was arrested. A number of other wealthy entrepreneurs were arrested in March, while others fled the country. The arrest of two mid-level regional officials was not accompanied by evidence of corruption being rooted out at the highest levels of government. *As selective prosecutions and a continuous stream of anecdotal evidence illustrates the pervasiveness of the problem, Uzbekistan's corruption rating remains unchanged at 6.75.*

Outlook for 2011. President Karimov's authoritarian regime is nearly two decades old, and no force within the country represents a serious challenge to Karimov's continued rule. Secular political opposition leaders have fled Uzbekistan, and any of their remaining followers are politically fragmented, vigilantly monitored by security services, and unable to legally participate in the political process, because the Justice Ministry refuses to register them. Banned Islamic groups that target Karimov's government may cause minor and temporary chaos in the coming year, triggering a heavy-handed crackdown on suspect groups and organizations. Realistically speaking, such movements have no chance of overpowering the country's security services and military to oust Karimov.

As strategic and economic concerns prevent the international community from imposing sanctions or limiting diplomatic contact with Tashkent—and so

long as Karimov remains healthy enough to lead Uzbekistan—there is no reason to expect that the country will move toward a democratic system. There have been reports that Uzbekistan's 72-year-old leader has health problems, though in 2010 Karimov made several international visits, including a speech at the UN General Assembly in September, and he seemed healthy enough. There is no strong evidence that Karimov has prepared a successor, although in November he suggested to parliament that the constitution be amended to make the chairman of the senate temporary head of state should the president be incapacitated by illness.[5]

Main Report

National Democratic Governance

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
n/a	n/a	n/a	6.50	7.00	7.00	7.00	7.00	7.00	7.00

The government in Tashkent continued to dominate all aspects of life in Uzbekistan during 2010. Though basic rights and freedoms are enumerated in the country's constitution, these are not protected in practice, and the vast majority of citizens have no influence on government policies. Citizens may vote in elections to the lower house of parliament, but are forced to choose from among four officially registered, pro-presidential parties that even President Karimov has remarked are so similar as to be practically indistinguishable from one another. Citizens may also vote for the president, but again, all candidates come from the four official parties and, to date, also include the incumbent president. Citizens are unable to vote for local, regional, provincial, or Senate representatives, which are all selected by the central government.

Power is concentrated in the executive branch and office of the president, with the legislative and judicial branches legitimizing decisions of the executive. The status of the legislative branch was well summarized by President Karimov at the joint session of the new parliament at the end of January 2010. "Of the 297 legislative projects proposed during the previous five years, only 44 were initiated by deputies," said Karimov. "Increasing the power of the parliament must be the center of our attention...the time for supporting the leader in all issues has gone now."[6] But as 2010 progressed, there were no signs that deputies were prepared to test President Karimov's sincerity.

Uzbekistan's leader, who began an unconstitutional third term in office in 2007, has worked throughout his tenure to build a political system that smothers all forms of opposition while maintaining the security network that keeps him in power. All secular opposition parties and movements have curtailed their activities; their leadership, for the most part, fled the country more than a decade ago. Civic and religious groups are closely monitored, and those that are not in step with the authorities are unlikely to receive official permission to carry out their activities. State media continually celebrates the government's successes, particularly regarding Uzbekistan's most recent economic gains. In 2009–10, the state media credited the government's policies with protecting Uzbekistan from the sort of economic chaos evident in other countries.

The ouster of Kyrgyzstan's President Kurmanbek Bakiyev in early April 2010, and the mid-June ethnic violence in southern Kyrgyzstan played directly into President Karimov's hands. He received international approval when he chose not to send troops into southern Kyrgyzstan during the June violence, as ethnic Uzbeks took the brunt of the brutality. Karimov also allowed 100,000 of some 400,000

ethnic Uzbek refugees from Kyrgyzstan to cross into Uzbekistan. The UN High Commissioner for Refugees António Guterres thanked Uzbekistan for its timely humanitarian assistance, as did individual countries, though by the start of July nearly all the refugees had been sent back to Kyrgyzstan, where the situation was still far from secure.

As it is, democratic governments and institutions have little means to force the Uzbek government to make changes. Uzbekistan has become a key country for NATO to transit goods to Afghanistan, with every attack on a NATO convoy in Pakistan increasing Uzbekistan's value. European countries have expressed the desire for Uzbekistan to join in energy export projects, particularly natural gas, in order to cut Europe's increasing dependence on Russian energy supplies or supplies that must transit Russia before reaching Europe. When UN Secretary General Ban Ki-moon visited Uzbekistan in April 2010, Human Rights Watch (HRW) urged him to press Uzbek leaders on human rights. But HRW acknowledged that Ban's visit came "at a time when international actors are seeking to ensure the Northern Distribution Route to Afghanistan and to maximize hydrocarbon energy supply to Europe."[7]

Electoral Process

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
6.75	6.75	6.75	6.75	6.75	6.75	7.00	7.00	7.00	7.00

Uzbekistan finished elections to the lower house of parliament (Oliy Majlis) in January 2010. The country's Central Election Commission reported that 79.7 percent of eligible voters cast ballots in the run-off election of January 10 to fill the 39 seats still vacant since no candidate in those districts won an overall majority. By law, only the four registered political parties—i.e., the Liberal Democratic Party, the Milli Tiklanish Democratic Party, the People's Democratic Party of Uzbekistan, and the Adolat Social Democratic Party—could field candidates in elections for the lower house of parliament. A law passed after the 2007 presidential election excludes "initiative" groups from nominating candidates. The Ecological Movement of Uzbekistan, an organization created in August 2008, automatically received 15 seats.

"Elections" to the senate took place on January 20–22, 2010. Voting for deputies to the 100-seat Senate is held in secret and conducted by members of both houses of parliament, and representatives of government bodies, provinces, regions, and cities. Eighty-four senators are chosen in this manner, with 6 from each of the 12 provinces (*williyats/oblasts*), the Kara-Kalpakistan Autonomous Republic, and the city of Tashkent. President Karimov appoints the remaining 16 deputies. The state-owned Uzbek National News Agency reported that no violations of legislation were observed during the elections but did not mention who was observing or what rules could be violated.

The OSCE met with Uzbek officials to help the country with electoral reforms, and in July 2010 held a meeting in Tashkent on improving conditions for political

parties and NGOs. Akmal Saidov, the Director of the National Human Rights Center, said "OSCE standards have a great significance for improving legislation in Uzbekistan in the field of political parties and NGOs."[8] The First Deputy Director of OSCE/ODIHR, Douglas Wake, offered a more cautious assessment of OSCE-Uzbek cooperation, saying the OSCE stood "ready to work with the authorities in developing concrete activities to improve the legal framework for political parties and NGOs as well as its implementation." In practice there were no noticeable changes in the political party system or the work of NGOs for the rest of the year.

ODIHR has monitored Uzbek elections, both parliamentary and presidential, and has judged all of them as having failed to meet democratic standards for being free and fair. Despite such critical assessments, Uzbek authorities have given no indication of reforming the system.

Civil Society

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
6.75	6.50	6.50	6.50	7.00	7.00	7.00	7.00	7.00	7.00

Over the last decade, the government has worked to co-opt or control the limited amount of civil society activity that exists in Uzbekistan. The few rights activists who are permitted to carry out some work face the constant threat of harassment. There are also groups that at first glance appear independent but were either created or are sponsored by Uzbek authorities. The most visible of these is the Ecological Movement of Uzbekistan. Created in August 2008, the movement is an organization in which "both citizens and non-governmental noncommercial organizations can be the participants."[9] The movement is "called to unite the citizens of the country supporting ideas and wishing to participate actively in protection of the environment and health of the person," and it is also automatically given 15 seats in the lower house of parliament.

Another state-sponsored social organization is the Kamolot Public Movement of Youth of Uzbekistan, an Uzbek version of the Soviet Komsomol that has been around for about a decade. Kamolot works to promote family values and prevent delinquency. During the crisis in southern Kyrgyzstan in June 2010, Kamolot launched a charity project to provide moral and material support to ethnic Uzbeks who fled Kyrgyzstan. Some Kamolot members also formed the "Kamolot Posbonlari (Sentinels)" to help patrol Uzbekistan's borders with Tajikistan and Kazakhstan. The youth organization appears to be an extension of the *mahalla*, or neighborhood watch program, which is encouraged by Uzbek authorities.

According to an August report from Uzbek Television's First Channel, there were only 200 nongovernmental organizations (NGOs) in the country in the early 1990s. By 2010, there were more than 5,000, despite the closure of nearly all Western-based NGOs following the government's brutal suppression of a demonstration in Andijan in May 2005. The presence of Western-based NGOs in Uzbekistan at that time made it impossible for the Uzbek government to control

the flow of information, especially alternative accounts of the Andijan violence, in which Uzbek Interior Ministry and National Security Service troops opened fire on protesters, killing at least 187 (some witnesses said the death toll was much higher). Officially the closures of the Western NGOs were blamed on failure to pay taxes, failure to inform about address changes or to properly fill out registration documents, and so forth.

There are a few registered human rights organizations in Uzbekistan, such as Ezgulik (Mercy), the Human Rights Society of Uzbekistan (HRSU), the Expert Working Group, the Initiative Group of Independent Rights Defenders of Uzbekistan, and the Rapid Reaction Group. Gaibullo Jalilov, an HRSU member from Karshi who worked to defend religious freedom, was convicted in January on religious extremism charges and sentenced to nine years in jail. At a closed trial in August he was sentenced to an additional four years on charges of anti-constitutional activity.

Surat Ikramov, head of the Initiative Group of Independent Rights Defenders of Uzbekistan, has attended trials of independent journalists, rights activists, and those facing charges of membership in banned religious groups, and much of what is known outside Uzbekistan about smaller trials in areas far from Tashkent is due to his reporting. In late September, an Uzbek district court found Ikramov guilty of slander for an article he wrote in 2008. Ikramov said the lawsuit was an attempt by the authorities to pressure him into stopping his activities.[10]

HRSU activist Dmitri Tikhonov was assaulted on February 23, 2010, while working in his garage. Two men entered and, according to HRW, "choked him and hit him over the head with a metal object, leaving him unconscious. Neither his cell phone nor his wallet was taken."[11] Following that attack, Tikhonov was twice denied an exit visa to travel abroad during the year and was later arrested in December, along with three other rights activists, for protesting his travel ban on Mustakillik Maidoni (Independence Square) in Tashkent.[12]

Non-traditional religious groups, that is, those other than state-approved Islam and Russian Orthodox groups, were again targeted in 2010, while authorities continued to be most concerned with banned Islamic groups. Forum 18—a Norwegian human rights organization that promotes religious freedom—reported in April that "criminal cases are still pending against a Muslim journalist, along with 38 other Muslims, as well as against 40 followers of the Islamic teachings of Said Nursi."[13] Trials against Nurchilar (Nursi/Nurchu) members continued in 2010. In June, a court in Bukhara gave nine Nurchilar members prison sentences ranging from six to eight years. In August, the Tashkent regional court sentenced three more members to five-year prison terms and fined six others 70 times the monthly wage.[14]

Prayer meetings of Baptists, Protestants, and other Christian groups were raided by security services in 2010, with church members fined and in some cases temporarily jailed. In February, Forum 18 reported on the raid of a private home during a meeting of the unregistered Greater Grace Protestant Church, stating that "children and teenagers were illegally interrogated without their parents

being present."[15] In May, the National Security Service (NSS) secret police, Tax Inspectorate, Fire Brigade, and Sanitary Epidemiological Service raided a Protestant church in the capital Tashkent during its Sunday morning worship service.[16] Three members were sentenced to 15 days in jail and three others fined 80 times the minimum wage. In July, Forum 18 reported that an "anti-terror" operation in the city of Ferghana resulted in the detention of two Baptists distributing Christian books. The Baptists were fined, and the court said it "considers it necessary" that the confiscated books be destroyed.[17]

Independent Media

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
6.75	6.75	6.75	6.75	7.00	7.00	7.00	7.00	7.00	7.00

Journalism remains among the most dangerous professions in Uzbekistan. Journalists are systematically harassed and frequently imprisoned on charges ranging from defamation to extortion, forgery, and smuggling. Foreign journalists are routinely denied entry, and unflattering portrayals of Uzbek society can be a criminal offense. As a result of this environment, there are very few independent journalists left in Uzbekistan, a country of 28 million people. Despite a February speech by President Karimov urging lawmakers to "create new conditions for more active reporting by Uzbek media"[18] and a 2006 law prohibiting media censorship, domestic media outlets remained under complete government control in 2010.

In March, Uzbekistan's media environment came under increased international scrutiny due to a UN review of human rights in the country.[19] To maintain the balance between intimidation of journalists domestically, and appeasement of the international community, in 2010 Uzbekistan frequently followed a pattern of convicting journalists on trumped-up charges, followed by immediate amnesty or reduced sentences. The strategy ensured that the conviction remained on record, and the "offender" was prohibited from leaving the country.

Regional news sources such as *Ferghana* and *Uznews* severely criticized Uzbekistan's state-run media for failing to provide coverage of events in neighboring Kyrgyzstan in spring and summer of 2010. Uzbek broadcasters did not report on the April protests in Bishkek that led to President Bakiyev's overthrow, nor did they provide significant coverage of the ethnic violence involving Kyrgyz and Uzbeks in Osh until the violence was nearly over. In September, an open letter from Saodat Omonova and Malokhat Eshonkulova—employees of Yoshlar TV—provided a rare glimpse into the workings of Uzbek state-owned media. The journalists protested their inability to write their own material, and official censorship of any potentially critical coverage of domestic events.[20]

Abdulmalik Boboyev, a freelance journalist working for Voice of America, was detained in May at the Kazakhstan-Uzbekistan border, where he was reportedly interviewing Uzbeks preparing to cross the border in search of work. Boboyev's previous work—which included articles on corruption, human rights abuses,

and shortcomings in the healthcare system—had already brought him before Uzbekistan's prosecutor general in January, along with four other independent journalists. In May, immigration officers detained Boboyev on the basis of a missing passport stamp. He was charged with illegally entering the country, but also with defamation, insult, and preparing and disseminating material constituting a threat to public order and security. A Tashkent court found Boboyev guilty of the three most serious charges in mid-October and fined him the equivalent of US $10,000, also banning him from going abroad. Boboyev was acquitted of the original charge of illegally crossing the state border.[21]

In addition to the usual cases against print journalists, in 2010 Uzbek officials heightened their harrassment of all individuals presenting a non-sanctioned image of Uzbekistan. Khayrullo Khamidov, the host of popular radio programs on sports, was arrested on January 21 and charged with creating an illegal religious group and participating in its activities. Khamidov had another radio program about social problems and contemporary issues (including "taboo" topics such as prostitution and homosexuality) from a Muslim point of view. Some of the commentary in these programs was critical of the state, as was Khamidov's poetry (including his famous work "What happened to the Uzbeks?"). Khamidov was convicted in late May and sentenced to six years in prison.[22]

The case against Umida Akhmedova, an apparently apolitical visual artist, signaled a new stage in the Uzbek government's policy of permitting only favorable portrayals of the country. Akhmedova had released an album of photography entitled "Men and Women from Dawn to Dusk" about life in remote villages, as well as a documentary film, "The Burden of Virginity," that looked at the difficult life of women in Uzbekistan. She was detained in late 2009 and accused of "insult and slander of the Uzbek nation," punishable offenses under articles 139 and 140 of Uzbekistan's criminal code.

As international rights groups demanded Ahmedova's release, the Uzbek state media organized a campaign of so-called experts to discredit Akhmedova and others like her through radio and television appearances. The public prosecutor's office also called upon six "specialists" in religious affairs, spirituality, and psychology to assess Akhmedova's work. According to Reporters Without Borders, the final report of the experts stated: "Ninety percent of the photos were taken in isolated and underdeveloped Uzbek villages. Why does she not show nice places, modern buildings or prosperous villages?"[23] Akhmedova was convicted of slandering Uzbekistan in February but was immediately granted amnesty.

The internet in Uzbekistan is closely monitored and censored by the government. Although 16.8 percent of Uzbeks had access to the internet in 2010—nearly double the rate from only a year ago[24]—most access was available only through public institutions or internet cafes, which are monitored by security agents. A number of websites were still blocked in 2010, including regional news websites like *EurasiaNet*, *Voice of Freedom*, *Ferghana*, *CentrAsia*, *Uznews*, *RFE/RL*, and websites associated with the BBC's Uzbek service.[25] Vladimir Berezovsky, editor of the Russian-language news website *Vesti.uz*, was convicted in October of

insult and libel on the basis of 16 articles Berezovksy claims he did not write, but only reposted on his website. Despite the written testimony of several news agencies claiming authorship of the articles in question, Berezovsky was found guilty of defamation and slander. Like Akhmedova, he was amnestied immediately after the verdict, following international pressure.[26]

Local Democratic Governance

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
n/a	n/a	n/a	6.25	6.75	6.75	6.75	6.75	6.75	6.75

Local, regional, and provincial leaders in Uzbekistan are appointed by the state and chosen based on their loyalty and ability to fulfill demands from the central government in Tashkent. Citizens do have the right to petition, but local officials fear disruptions of the routine. Asking for or giving more than officially allocated would be seen in Tashkent as failure to carry out orders.

At the provincial level, officials appeared to be meeting Tashkent's expectations, since President Karimov reappointed all 12 governors and the mayor of Tashkent at the start of 2010, after the results of elections to the lower house of parliament were announced. The central government seemed to have reined in the earlier excesses of governors like Ubaidulla Yamankulov, the dismissed and disgraced Jizzakh governor jailed in 2009 for seizing control of the local economy, embezzling millions of dollars, and terrorizing the local population with his paid thugs. The one casualty in 2010 was Samarkand Province Governor Uktam Barnoyev. In December, President Karimov addressed an extraordinary session of the regional council stating that Samarkand province "lagged economically and suffered an increase in crime" and that "no success resulted from lavish central government financing for the oblast."[27] The governor was later dismissed. One report noted Barnoyev's accomplishments but also mentioned that the flattery of subordinates had gone to his head and that he assaulted citizens with impunity on at least two occasions.[28]

In 2010, local officials along the Tajik border represented the interests of the central government in opposing neighboring Tajikistan's plans to build hydropower plants (HPP). Tashkent fears imminent water shortages in Uzbekistan as Tajikistan constructs and fills up the massive dams it is building. Tajik officials, however, believe that the objection stems from Uzbekistan's desire to keep Tajikistan dependent on Uzbek supplies of natural gas. In Uzbekistan, where public demonstrations are forbidden without government permission, there were several large rallies held during the year in cities near the Tajik border. Citizens protested against the HPP building plans as well as the pollution coming from the large aluminum plant in western Tajikistan. Concerns voiced at these rallies echoed complaints government officials had been expressing since 2008.

Additionally, local officials along the rail lines leading into Tajikistan were instructed to stop trains carrying materials needed for building the HPPs. Tajik officials complained that the number of "delayed" railway cars exceeded 1,000 and

that the country's economy was noticeably suffering due to these delays. Appeals from the UN, OSCE, NATO, and individual countries to allow the trains through fell on deaf ears in Tashkent, and local Uzbek officials along the railway continued to prevent the trains from reaching their destination, demonstrating their loyalty to the central government.

Judicial Framework and Independence

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
6.50	6.50	6.50	6.25	6.75	6.75	6.75	7.00	7.00	7.00

Uzbekistan's judiciary functions as a tool of the executive branch, serving the president's interests. Courts imprison or fine the regime's perceived enemies—the greater the perceived threat the harsher the sentence. Defendants have appeared in court after suffering obvious physical abuse in detention, but courts provide no redress when abuse is reported. Likewise, there are cases where witnesses for the state have recanted testimony, undermining the prosecution's case against defendants, yet the courts have ignored the changed evidence.

Trials against perceived opponents of the government—including independent journalists, rights activists, members of religious groups, and artists—invariably result in a guilty verdict. In some cases, such as those of documentary filmmaker Umida Akhmedova or website editor Vladimir Berezovsky, amnesty is quickly given after a sentence is rendered, but the guilty verdict stands.

In February, then OSCE Representative on Freedom of the Media Miklós Haraszti wrote an open letter to Uzbekistan's foreign minister Vladimir Norov about the cases of journalists Salijon Abdurakhmanov (jailed in October 2008) and Dilmurod Sayid (jailed September 2009). Haraszti nored: "Both were convicted on dubious charges in closed trials... I am saddened that the repeated assurances given by Uzbek authorities that both cases will be re-examined did not translate into action."[29]

In addition to prosecuting and sentencing journalists, the highest levels of the Uzbek court system are used to intimidate reporters and preempt further tragressions. In January 2010, former correspondent Khusnitdin Kutbitdinov, along with four other independent journalists, was summoned to the prosecutor general's office for a mere verbal reprimand (Kutbinov, said assistant prosector general Bahram Nurmatov, had provided "discrediting information" to foreign websites).

In a number of recent cases, courts have jailed potential political opponents or other government offenders by convicting such persons of extremism. Detained journalist Khairullo Khamidov was convicted of extremism and sentenced to six years in a trial that lasted about one month. In January, rights activist Gaibullo Jalilov was convicted of extremist activities by the Kashkadarya Regional Criminal Court at a closed trial where Gaibullo testified he was coerced into signing a confession and claimed innocence on all charges against him. The activist was imprisoned in Shaikhali jail, but when relatives inquired as to his whereabouts in May, they

were informed Jalilov had been transferred to Tashkent. In late July, Jalilov's family finally learned that he was awaiting another trial in Bukhara. The activist was tried on additional charges in August based on testimony from witnesses who said Jalilov had "participated in religious gatherings, and that during these gatherings he had taken part in religious studies and watched DVDs that contained religious extremist content."[30] Jalilov asked the prosecution to produce their witnesses, but they never appeared in court. Rights groups have condemned the persistent violaton of Jalilov's rights throughout his trial and incarceration, calling for his release.[31]

At the beginning of 2010, human rights organizations noted that in the last months of 2009 there had been no short-term jailings of people on the basis of religion. Forum 18 contacted a judge to ask about this dramatic change. The judge replied, "It may be because of the liberalization of Uzbekistan's judiciary, which is underway at the moment."[32] Short-term incarceration of religious minorities had resumed by late April.[33] In May, three Protestants were jailed for 15 days and five others given stiff fines after a raid on a Tashkent church in which computers and Christian literature were reportedly confiscated by the state. One unnamed Protestant told Forum 18: "Everyone was shocked at the verdict because the defendants proved in court that they were innocent and there were so many violations of legal procedure."[34] For example, church members and relatives were barred from attending the trial.

In addition to the systematic targeting of journalists, minorities, or other perceived threats, violations of ordinary citizens' rights are a frequent occurrence in the penal system. Three sisters, Rayhon, Nargiza, and Khosiyat Soatova, were jailed in 2009 after a physical altercation with the mistress of Nargiza's husband. Convicted of hooliganism and robbery, they were sentenced to between six and eight years in prison, where they were beaten and gang-raped in the prison basement. Rayhon gave premature birth to a baby girl in December. A criminal case was opened into the Soatova sisters' accusations in January 2010. In April, the case against twelve policemen suspected of the rape was dropped when DNA evidence failed to establish a connection between the policemen and the baby. Rayhon Soatova could not positively identify any of the twelve policemen. Khosiyat Soatova was beaten so badly she spent two months in a hospital and was released on bail after she recovered.[35]

Corruption

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
6.00	6.00	6.00	6.00	6.50	6.50	6.50	6.50	6.75	6.75

Opaque business interests and governing structures both contribute to and obscure the scale of corruption in Uzbekistan. Anecdotal evidence of corruption is abundant, implicating high-ranking officials and small business owners alike. A 2006 diplomatic cable released by Wikileaks asserts that businesses seeking government tenders and individuals seeking government jobs routinely go through

an intermediary "mafia chieftain," Salim Abduvaliyev, who works with government officials to make arrangements (while both Abduvaliyev and the government official take a fee).[36] Government jobs known to have been for sale have included the police chief and Interior Ministry positions; large-scale procurement tenders in which Abduvaliyev was allegedly involved included education, water, and railway infrastructures. Bribe-taking is a regular practice in administrative and business dealings, public procurement, tax administration, customs and imports, and the court system.[37] Uzbekistan consistently ranks among the most corrupt states in the world in Transparency International's Corruption Perceptions Index.

Cases of corruption among police (usually caught accepting bribes or assisting in the trafficking of narcotics) come to light every year in Uzbekistan. These scandals usually involve low-ranking policemen; there is rarely a corruption investigation against senior police officials. This is even truer for state officials, who typically come under investigation only after falling from power, as in the 2008 case of former parliament speaker Erkin Khalilov.[38] In May 2010, two regional officials—a deputy governor of the Samarkand region and deputy head of the Kattakurgan district—were sentenced to lengthy prison sentences on charges of corruption.[39] These isolated cases notwithstanding, no events suggested that the government was making a systematic attempt to root out corruption among government employees.

At the end of 2009, President Karimov made a speech in which he promised to build a stronger middle class, telling listeners: "We will not have oligarchs."[40] Investigations and arrests in early 2010 convinced several wealthy Uzbek entrepreneurs that the threat to their financial empires was serious. Dmitri Datsenovych Lim, one of the richest people in Uzbekistan, fled the country in early 2010 to avoid charges of tax evasion, smuggling, and other crimes. Police reported that a search of Lim's home uncovered unparalleled luxury and a collection of 82 rare automobiles. Also at the beginning of 2010, the director and management of Royson Electronics were arrested and charged with economic damage and fraud. Among other crimes, Royson leadership was accused of importing air-conditioners from China, then repackaging and stamping them with "Made in Uzbekistan" to avoid paying customs duties. In March, Batyr Rahimov—the owner of a tungsten deposit in Jizzakh and a cooking oil factory in Namangan, and a co-owner (with his brother, Bahtiyor) of Kapitol Bank—was also arrested and charged with illegal business and tax evasion.[41] Meanwhile, the owner of the Alp Jamol Bank, Muhiddin Asomiddinov, fled the country before police could catch up with him. The assets of both banks were sold off by the National Bank of Uzbekistan.

These arrests pose a striking contrast to the case of Zeromax, a Swiss-registered company linked to President Karimov's eldest daughter, Gulnara Karimova. Zeromax's operations were halted and assets frozen in May 2010, but neither Karimova nor the management of Zeromax were arrested. Since its creation in 2001, Zeromax had been one of the largest businesses operating in Uzbekistan, and the only Western-based company involved in the country's oil and gas sector. By some accounts, Zeromax was responsible for some 80 percent of the oil and

gas industry's construction projects, as well as the construction of a residence for Gulnara Karimova and a stadium for the Zeromax-owned Bunyodkor soccer club.[42]

The investigation of Zeromax's finances was led by Uzbek Prime Minister Shavkat Mirziyayev. Though the results of the investigation were never made public, a court ordered Zeromax operations in Uzbekistan halted and instructed financial authorities to seize the company's assets and property in Uzbekistan. Zeromax managing director Miradil Djalalov (a friend of Karimova's), was questioned by the financial police, but only as a "witness." The company's closure put several thousand people out of work, and two Zeromax projects with a subsidiary of Russia's Gazprom were later declared bankrupt.

Karimova, herself—who currently serves as Uzbekistan's representative to the United Nations and its ambassador to Spain, and was named one of Switzerland's 300 richest people in 2009[43]—has repeatedly denied owning Zeromax, despite contrary claims from numerous sources, including diplomatic cables published by Wikileaks.[44] Efforts to find official documents connecting Karimova to Zeromax have yet to turn up any solid evidence.

Corruption in the education system—specifically, the ability to pay for grades and admission to post-secondary schools—is a known problem in Uzbekistan but one that the government has rarely addressed in public. On January 15, 2010, Uzbek Television's First Channel aired a program entitled "Hypocrite Teachers" that called attention to the issue. In August, the Tashkent-based Expert Working Group (EWG), a nonprofit independent analytical organization, issued a report claiming that corruption in education had steadily worsened, and most young people "believe that the probability of independent admission [without bribes] is very low."[45] The report discussed a number of strategies and costs associated with simply passing entrance exams, and also listed the general cost of bribes associated with admission to different departments. According to its findings, admission to a law department in Tashkent can cost US$20,000–25,000, for example, while studying finance usually demands a US$10,000–11,000 bribe.

At the close of 2010, President Karimov made a televised national address in which he said: "One cannot deny that cases of corruption, bribe-taking, extortion, and abuse of office are taking place in many regions and districts."[46] Karimov assured his audience that "relevant activities" were being taken to combat the problem," but did not elaborate further.

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